

**JOINT MEETING - CABINET MEMBERS FOR ECONOMIC REGENERATION &
DEVELOPMENT AND LIFELONG LEARNING, CULTURE AND LEISURE**

**Venue: Town Hall,
Moorgate Street,
Rotherham.**

Date: Tuesday, 1st May 2007

Time: 11.15 a.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
2. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
3. Yorkshire South Tourism (YST) Business Plan 2007/08 (Pages 1 - 18)

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Joint Meeting of Cabinet Members for Lifelong Learning, Culture & Leisure and Economic Regeneration & Development Service
2.	Date:	1 May 2007
3.	Title:	Yorkshire South Tourism (YST) Business Plan 2007/08
4.	Directorate:	Environment & Development Services

5. Summary

This report presents the proposed Business Plan for the year 2007/08 for the South Yorkshire Destination Management Partnership, known as Yorkshire South Tourism (YST) for joint approval by the two Cabinet Members, as delegated under Cabinet minute B18 on 24 May 2006.

6. Recommendations

That the Business Plan as submitted by YST for the South Yorkshire Destination Management Partnership for the year 2007/08 be approved.

7. Proposals and Details

A partnership agreement dated 13 December 2006 was signed and approved by the four South Yorkshire local authorities to set out the collaboration agreement in respect of the South Yorkshire Destination Management Partnership.

In line with clause 7.1 of the agreement, it is required that the Business Plan be submitted for approval by the partners. This report brings forward the proposed Business Plan for 2007/08 (full plan attached at Appendix A).

The Plan includes summary of achievements to date on page 2 / 3 and confirms the four main priorities looking forward as being:

- Business Tourism
- Events support
- Destination marketing support for airlines
- Installation and implementation of a Destination Management System

The Plan further describes individual target outputs required by the major funding PARTNERS OF Objective 1 and Yorkshire Forward. It then goes on to outline the main areas of operational activity over the coming year, along with a staffing plan to deliver the objectives, along with a series of KPI measurement and outputs.

These have all been discussed by the Board of the DMP and area acceptable to them.

8. Finance

The Council's contribution to the partnership is both financial and provision of officer 'in-kind' time. The financial contribution is restricted to the level of previous subscription to YTB, and any further contribution we may wish to make to specific projects. Any costs will be contained within the service revenue budget.

9. Risks and Uncertainties

There is no direct financial risk to the Council as our contribution is limited (as defined under paragraph 8). We also have a Board Member representative, Councillor Georgina Boyes, and the Director of RiDO supporting at Board level. The risk of not approving the Business Plan may prejudice ongoing delivery and development of the tourism product at South Yorkshire-wide level, and the effective spending of Yorkshire Forward and European allocated funds.

10. Policy and Performance Agenda Implications

The work of the Yorkshire South Tourism contributes to the Achieving and Proud themes of the Community Strategy by delivering additional economic opportunities through Tourism development, and by enhancing and promoting the image of the area.

It also contributes to the 'excellent council' theme by enhancing our partnership working to deliver benefits.

11. Background Papers and Consultation

RMBC Cabinet minute B18 on 24 May 2006
Partnership Agreement engrossed December 2006
Business Plan attached (Appendices A and B)

Contact Name: Richard Poundford, Director of RiDO (ext. 2971)

Appendix 1

Yorkshire South Tourism

Business Plan 2007/8

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5th March 2007

Appendix 1

Executive Summary

Yorkshire South Tourism is an Area Tourism Partnership operating in South Yorkshire. The original Yorkshire South Tourism (YST) business plan was written by a third party consultant. It was written for a specific purpose; to provide a 4 year investment plan acceptable to the Shadow Board, Chair, Yorkshire Forward and the four South Yorkshire partners that would enable the DMP to be established. As a result, this plan for 2007/8 is the first produced by the executive team. This update is strongly influenced by and has much content from the original business plan, particularly with regard to the targets and objectives of YST.

The original business plan for the organisation did not anticipate the decision by Sheffield City Council to outsource their entire tourism team and budget into YST. This decision directly and positively affected the range and scope of YST's activities, as the additional resource in specific areas meant that these areas could be dealt with by YST more quickly. The main example of this is Business Tourism, where the arrival in YST of a readymade conference team made it much easier for YST to begin to influence and develop the region's performance in this area. In other words, the priorities of YST changed as the operating environment developed.

The original business plan said that YST would concentrate in year 1 on developing a brand identity for the region, researching the market using a specific model – the Ark Leisure model, and recruiting a small high performing team.

With the additional outsourced staff moving into YST, staff recruitment became a lesser priority, as it proved possible to greatly enhance the team's productivity and performance orientation. The last Shadow Board meeting made it clear to the CEO that brand identity was not a priority for either private or public sector. As the consultant who compiled the plan is a major shareholder in Ark Leisure, the executive team did not feel comfortable with this recommendation either. When the range of assets already in the sub region was analysed, the executive team took the view that the two pieces of research subsequently commissioned, (the hotel needs study and the sports study) better reflected the reality of the sub region and would provide much more direction for short and medium term activity than other proposed pieces of research.

In 7 months of existence in year 1, YST has

- created a regional conference bureau,
- influenced the direction of the 2007 Yorkshire-wide DMS
- supported Robin Hood Airport in developing new international routes
- supported events in all parts of the region
- began developing plans for 2007/8 and beyond to address issues in training, customer service and product quality
- commissioned the hotel needs study, the sports industry and fans research project
- supported the development of satellite websites in Doncaster, Barnsley and Sheffield that will be compatible with the DMS

Appendix 1

- generally began building the relationships necessary for the successful operation and development of YST.

This update to the four year plan clearly builds on the original one, but is more in line with the requirements of the private sector operators in the region and with the needs of visitors to the region. However, it is essential that this plan is read in the light of the short time YST has been fully operational, i.e. since September 2006.

The main difference in resource terms in 2007/8 compared to 2006/7 is the increase in available Objective 1 spend, with the budget set at £560000.

The plan does not include changes to existing projects, as it is currently too early to assess performance accurately. Therefore, the four main elements of YST's activities remain the same:

- Business Tourism
- Events Support
- Destination Marketing Support for airlines
- Installation and implementation of a DMS

However, in line with the Yorkshire Forward funding agreement, the plan includes new medium term projects concerned with training and quality. The plan does not detail operational aspects, as new projects will be brought to the YST Board as appropriate for further discussion.

It is clear that some of YST's priorities will be achieved during this financial year, therefore there will be a formal review process in July/August 2007, involving private and public sector partners. This process will inform the executive team and the Board in setting further priority actions for the latter half of 2007/8 and 2008/9.

Appendix 1

Background

Yorkshire South Tourism commenced operations in May 2006, when the first Chief Executive was appointed.

Concurrently, Sheffield City Council embarked on an internal review of tourism delivery in the city and decided to implement an “Achieving Change” process, the end result of which would be the outsourcing of their tourism team into YST and the combination of the city-wide development role with the regional role. This process was completed on 1st November 2006.

As a result of Sheffield City Council’s decision, the priorities of YST were revisited and the importance of exploiting the resources made available by Sheffield City Council was built into the planned activities of YST in its first six months of operations.

In the seven months of full operations, YST has become recognised as a vital part of the tourism delivery structure in the region. The difference that YST has made, particularly with private sector operators, is that YST is action orientated and can be more so; a priority for 2007/8 is to reduce the level of duplicative reporting required, allowing the team to concentrate on achieving targets and making a difference.

2007/8 will see a major period of consolidation by YST, with the twin aim of making progress on existing projects, while launching planned activities such as the Conference Ambassadors programme, What’s Your Destination and the bespoke training activities with Sheffield Hallam University. The overall objective of YST in all its projects and activities is to concentrate on those things that will have a real economic impact on the tourism sector in the region, doing things differently in order to achieve real improvements in the performance of the sector.

Appendix 1

Outputs 2006/7

These outputs are those agreed with YST's two main funding partners, Yorkshire Forward and ERDF Objective One.

YORKSHIRE FORWARD

The Regional Strategic Framework for the Visitor Economy has a headline target of increasing the value of tourism earnings in Yorkshire and Humberside by 5% per annum. YST's 4 year business plan is growth of 6% a year. Therefore, the top priority of YST is to attract visitors (leisure and conferences/exhibitions) that stay in paid for accommodation.

Therefore, the following targets were agreed by partners, funders, Shadow Board and Chair.

- Target 1: increase spend by UK visitors staying in paid for accommodation by 6% a year from 2007/8.
- Target 2: increase spend by visitors from overseas staying in paid for accommodation by 7% a year from 2008.
- Target 3: deliver the agreed Objective 1 outputs by December 2008.
- Target 4: Achieve national target of 80% inspected facilities 3 years ahead of schedule in the accommodation sector by end 2008.

Yorkshire Forward set specific outputs in return for their funding. The following table outlines these:

Direct Outputs	Year 1 2006/7	Year 2 2007/8	Year 3 2008/9	Year 4 2009/10 *	Year 5 2010/11 *	Total Project Outputs		Outputs attributable to 'Single Pot'**	
						Years 1-3	All Years	Years 1-3	All years
1) Job Creation Number of jobs created or safeguarded			2			2	2		2
4) Business Support Number of businesses assisted to improve their performance		25	25	25		50	75	50	75

Appendix 1

6) Skills Number of people assisted in their skills development as a result of RDA Programmes.		200	200	200		400	600	400	600
8) Private Sector Investment Levered £,000	95	327	370	148		792	940	792	940
Other Outputs/ Outcomes	<ul style="list-style-type: none"> • Target 1: increase spend by UK visitors staying in paid for accommodation by 6% a year from 2007/8. • Target 2: increase spend by visitors from overseas staying in paid for accommodation by 7% a year from 2008. • Target 3: Achieve national target of 80% inspected facilities in the accommodation sector by the end of 2008. 								

OBJECTIVE ONE

Objective 1 and YST have agreed the following targets:

- Assist 58 SMEs (give 5 days worth of time or £1,000 worth of advice), of which 13 should show a high level of “internationalisation”.
- Increase new business sales of £6.3 million and safeguard sales of £9.45 million as a direct result of the money that YST is putting in.
- Create 4 jobs and safeguard 177 jobs.
- Complete two research projects.
- Assist 18 businesses in implementing new practises or procedures.

Objective 1 also break down the required outputs annually.

2006 targets Assist 5 Small or Medium sized enterprises (SMEs)
Complete 1 research project

Progress is as follows. 6 SMEs have been assisted, one research project has been completed (the initial sports research), another is underway (the hotel needs study) and one is planned (follow up sports research).

Appendix 1

Overall, the results to date are very satisfactory:

- Target 1 Awaiting baseline information from YTB/YF
- Target 2 Awaiting baseline information from YTB/YF
- Target 3 Detailed above
- Target 4 The region is currently 76% inspected

Baseline information should be available from YF/YTB once the 2006 UKTS figures are published. This usually occurs in the second quarter of the year.

YST has currently supported 42 private sector businesses and has worked with a further 8 public sector organisations or business consortia. This has been done through:

- Providing stand share space at exhibitions
- Providing events support funding
- Providing funding for website development
- Bringing buyers to the region
- Hosting press visits and FAM trips
- Advertising, and producing regional print material
- Placing accommodation and conference business

YST has currently generated sales of conferences and supported events that should bring bed bookings and conference facilities rentals of over £1.2 million. YST has levered private sector investment of £95000 as at the end of March 2007.

Appendix 1

Operations Plan 2007/8

Business Tourism

- Bigger stands for the region at key trade exhibitions.
- YST will become the lead region in Yorkshire for business tourism and will aim to be recognised by Visit Britain as an exemplar in regional business tourism development.
- YST will work with YTB to produce a Yorkshire-wide incentive travel guide.
- YST will install an online delegate bed booking system, allowing for increased levels of business and therefore increased commission earnings. Earnings are forecast to rise by 17% year-on-year from 2007/8.
- The launch and development of the Conference Ambassadors Scheme, with events throughout the year aimed at recruiting large numbers of academic, professional and local government staff to the scheme.
- Additional FAM trips and site visits will be made available for conference organisers.
- YST will enter into discussions with local authorities and major hoteliers to investigate whether a formal subvention scheme for conference and events business is required in the region.
- Annual conference directory published.

Leisure Tourism

- Dublin Holiday World, Great Days Out, British Travel Trade Fair will be attended.
- Other European fairs will be attended based on flight development from Robin Hood Airport.
- Group travel guide updated.
- Leisure tourism guide launched.

Marketing Infrastructure

- It has been agreed that YST will take the lead in implementing the Yorkshire-wide DMS solution.
- YST will develop a comprehensive website for the region, driven by data on the DMS and connected to the existing satellite websites in the region.
- YST will investigate how the region could coordinate Tourism Information Centres across the region, with the aim of providing a consistent service for visitors to the region. Initial moves towards coordination will occur in 2007.
- YST will also analyse the need for electronic visitor information points at key locations across the region and make recommendations based on this analysis.
- YST will undertake visitor satisfaction surveys across the region to enable better understanding of visitor needs and perceptions and to inform future plans and activities.
- YST will ensure all districts gain access to the DMS and any related systems as part of the installation process.

Appendix 1

- YST will provide training to all private and public sector organisations wishing to participate in the DMS project.

Image & Perception

- YST will continue to work with Bonner & Hindley to generate positive press coverage of the region with particular focus on the business tourism sector.
- YST will continue to work with Sports Impact and other partners in the sports and events sector to generate positive press coverage of the region.
- YST will continue to work with YTB and others to ensure successful development of the Yorkshire South brand.
- YST will continue to be recognised as a forward-thinking, creative organisation, using cutting edge design and technology to represent the region to its audiences.
- YST will commission a study into the current image & perception of the subregion.

Quality

- YST will take steps to encourage over 80% of tourism operators in the region to become quality assessed.
- YST will work with Sheffield Hallam University to ensure a strong voice for the restaurant sector in the region.
- YST will use the results of the hotel needs study to inform opinion and decision-making in the region.
- YST will continue to emphasise the point that service quality is as important, if not more important than product quality and will work with training providers to ensure that more focus is given to customer service training.

Training

- Focus on encouraging young people into the industry – What's your Destination?
- Focus on professionalising the workforce – Yorkshire South Tourism Academy
- Bespoke training, e.g. IIFA training, whereby tourism operators and related groups such as South Yorkshire Police, taxi firms and council staff will receive specific customer relationship management training to reduce misunderstandings between visitors to IIFA and operatives.

Events Support

- Continue to develop links with key event organisers and build TEAM YS approach to major events, i.e. bringing together YF, venues, local authorities, YTB, event organisers and private sector tourism operators to jointly bid for and deliver events.
- Use major events to maximise bedroom revenue for the region.
- Use major events to improve the image and perception of the region.
- Encourage new events that are unique to the region.
- Tap into central government ideas for a minister for major events and show how TEAM YS approach could be made to work across the whole Y&H region.

Appendix 1

Measurement of Outputs

- YST will continue to work with YTB, YF and Objective 1 to ensure that the activities and outputs of the organisation are measured.
- YST will introduce its own monitoring systems for activities based on that used at Confex 2007.
- YST will work with YTB to produce a combined Cambridge study for the subregion, while maintaining the district breakdown currently available. YST will also investigate other similar study models in order to find the best “fit” for the subregion.

Airline Route Support

- YST will continue to work with the management at Robin Hood Airport to identify potential route developments for the airport.
- YST will work with airlines to procure inbound destination-led marketing campaigns, showcasing the product and packages available in the subregion.
- YST will provide destination elements of route development work on behalf of Robin Hood Airport when requested.
- For the avoidance of doubt, YST will work on the demand side only. It is the responsibility of the airlines to market on the supply side.

Appendix 1

Staffing Plan

Today, YST has two fulltime members of staff. Other roles within the organisation will continue to be filled by 9 outsourced employees from Sheffield City Council, with part time input from employees from other partners.

YST STAFF

- CEO
- Partnerships Manager

PART TIME INPUT

- Doncaster MBC – 2 staff members
- Rotherham MBC – 2 staff members

PLANNED STAFF INCREASES 2007/8

- 1 FTE Conference Executive
- 1 FTE Partnerships Executive
- 1 FTE Accommodation Executive
- 1 FTE DMS/Website Data Steward

These increases fall within the business plan in terms of the number and cost of the posts. The difference is that the roles needed to be filled are not those in the original plan but are those demanded by the ongoing activities and success of YST. The perceived lack of resource for effective delivery of YST's priorities is a concern that has been raised by a number of Board members during 2006/7 and this plan aims to address this issue.

Appendix 1

Planned Outputs 2007/8

The planned outputs for 2007/8 are identical to those set in the original four-year plan. They are detailed below.

- Increase visitor spend from domestic visitors by 6% year on year from 2007/8
- Increase visitor spend from overseas visitors by 7% year on year from 2007/8
- Achieve Objective 1 outputs by December 2008
- Achieve 80% quality assessed accommodation by 2008

YST will continue to work to achieve the **Yorkshire Forward** outputs for 2007/8:

- Support 25 businesses
- Assist 200 people in their skills development
- Lever £327000 private sector investment

YST will continue to work to achieve the **Objective 1** outputs for 2007/8:

- Assist 40 businesses
- Create 2 jobs
- Assist 9 businesses in implementing new practises or procedures
- Safeguard 77 jobs
- Achieve new business sales of £2.5 million
- Safeguard business sales of £6 million

In addition, as agreed, YST will work towards achieving a number of relevant KPIs that more closely measure the economic impact YST is having on the region, as the measures concentrate on the impact on business, rather than on vague measurements of jobs created and safeguarded. These KPIs are detailed on page 13 of this plan.

Appendix 1

Agreed KPIs for YST 2007/8

MEASURE	TARGET	BASELINE
<u>Events Supported</u>		
Cost per attendee	£15.90	no measure
No of attendees per year	25000	no measure
<u>Business Tourism</u>		
Delegate numbers per year	20000	11000
Bednights as % of delegates	70%	65%
No of Conference Ambassadors	50	zero
<u>Industry Health</u>		
No of YST members 2007/8	200	69
Revenue per business per year	£300	£155
Hotel occupancy	76%	73%
Average room rate	£58.00	£55.00
RevPAR	£42.00	£40.00
<u>Marketing</u>		
Advertising Equivalent Value of PR	£750,000	£300,000
Change to qualitative perception	awaiting YS-wide study	
<u>DMS/Website</u>		
Website hits	200,000	no measure
Online revenue	£40,000	no measure

Yorkshire South Tourism

TOTAL INCOME & EXPENDITURE (REVENUE AND CAPITAL)

Financial Year 2007/8

This represents all income and all expenditure regardless of whether it is capital or revenue - as per the Sheffield City Council Finance Team

SSC Tourism Outsource (PE 220)					
	FULL YEAR budget				
	Yorkshire Forward	Objective 1	Local Authorities	Private Sector	Total Budgeted to 31.03.08
Income					
Local authority cash			42,500		42,500
Local authority secondments			343,800		343,800
Local authority outsource fee					0
Private sector cash				76,000	76,000
Total income	-	-	386,300.00	76,000.00	462,300.00
Expenditure					
Employee costs			243,130		243,130
Seconded employees					0
Business tourism					0
Leisure Tourism					0
Group travel					0
Research					0
Office costs			72,200		72,200
Advertising & marketing			14,170	20,000	34,170
Subscriptions			43,700		43,700
Bad debts					0
Exhibition expenses			3,500		3,500
Events support					0
T & S			3,600		3,600
Sundry expenses			6,000		6,000
Capital equipment / DMS					0
Capital exhibitions, design identity					0
Other capital					0
Total expenditure	-	-	386,300.00	20,000.00	406,300.00
Underspend/(overspend)	-	-	-	56,000.00	56,000.00

Core DMP (PE 222)					
	FULL YEAR budget				
	Yorkshire Forward	Objective 1	Local Authorities	Private Sector	Total Budgeted to 31.03.08
Income					
Yorkshire Forward	500,000				500,000
Objective 1		560,000			560,000
Local authority cash (YTB subs)			49,705		49,705
Local authority in-kind (staff time)			47,295		47,295
Private sector cash				140,000	140,000
Partnership Scheme				42,000	42,000
Private sector in-kind				20,000	20,000
Commissions				35,000	35,000
Other revenue					0
Total income	500,000	560,000	97,000	237,000	1,394,000
Expenditure					
Employee costs	169,000	49,050		12,101	230,151

Appendix 2

Seconded employees					0
Business tourism	10,000	72,000			82,000
Leisure Tourism		40,000			40,000
Group travel		8,000			8,000
Research	45,500	20,000			65,500
Office costs	45,237	12,000			57,237
Advertising & marketing	25,200			44,800	70,000
Airport route development support		216,000			216,000
YTB Subscriptions			49,705		49,705
Bad debts					0
Exhibition expenses			12,000		12,000
Events support		96,000		50,000	146,000
T & S			27,000		27,000
Sundry expenses				10,000	10,000
Industry skills development				60,000	60,000
Capital equipment / DMS	25,000	39,600		44,300	108,900
Capital exhibitions, design identity	37,000				37,000
Other capital	143,063				143,063
Total expenditure	500,000	552,650	88,705	221,201	1,362,556
Underspend/(overspend)	-	7,350.00	8,295.00	15,799.00	31,444.00

SSC Tourism Outsource (PE220) & Core DMP (PE 222)					
FULL YEAR budget					
	Yorkshire Forward	Objective 1	Local Authorities	Private Sector	Total Budgeted to 31.03.08
Income					
Yorkshire Forward	500,000				500,000
Objective 1		560,000			560,000
Local authority cash			92,205		92,205
Local authority secondments			391,095		391,095
Private sector cash				216,000	216,000
Private sector memberships				42,000	42,000
Private sector secondments				20,000	20,000
Comissions				35,000	35,000
Other revenue					0
Total income	500,000	560,000	483,300	313,000	1,856,300
Expenditure					
Employee costs	169,000	49,050	243,130	12,101	473,281
Seconded employees					0
Business tourism	10,000	72,000			82,000
Leisure Tourism		40,000			40,000
Group travel		8,000			8,000
Research	45,500	20,000			65,500
Office costs	45,237	12,000	72,200		129,437
Advertising & marketing	25,200		14,170	64,800	104,170
Airport route development support		216,000			216,000
Subscriptions			93,405		93,405
Bad debts					0
Exhibition expenses			15,500		15,500
Events support		96,000		50,000	146,000
T & S			30,600		30,600
Sundry expenses			6,000	10,000	16,000
Industry skills development				60,000.00	60,000
Capital equipment / DMS	25,000	39,600		44,300	108,900
Capital exhibitions, design identity	37,000				37,000
Other capital	143,063				143,063
Total expenditure	500,000	552,650	475,005	241,201	1,768,856
Underspend/(overspend)	-	7,350.00	8,295.00	71,799.00	87,444.00