



# **ENVIRONMENT AND ECONOMY OVERVIEW AND SCRUTINY PANEL**

## ***Panel Report***

**Public**

**Date of Meeting:** 23rd June 2011

**Title:** DEVELOPMENT OF CARLISLE'S VISITOR ECONOMY –  
PROJECT INITIATION AND UPDATE

**Report of:** Strategic Director

**Report reference:** SD.04/11

**Summary:** This report provides Members of the Economy and Environment Overview and Scrutiny Committee with an update on the proposals to bring together the Carlisle Tourism Partnership and the City Centre Partnership to form a new 'not for profit' company limited by guarantee. These proposals have now been agreed by the Council Executive, the Tourism Partnership and City Centre Partnership and accordingly have now been set out in a Project Initiation Document attached at Appendix A.

### **Questions for / input required from Scrutiny:**

1. Members of the Economy and Environment Overview and Scrutiny Committee are asked to consider the progress made and offer further thoughts and considerations on the development of this new way forward.

### **Recommendations:**

1. That members of the Economy and Environment Overview and Scrutiny Committee consider the contents of this report and offer the Portfolio Holder and Strategic Director their views and any recommendations.

**Contact Officer:** Darren Crossley

**Ext:** 7004

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

## 1. BACKGROUND INFORMATION

The background to the development of Carlisle's visitor economy and city centre 'offer' has already been outlined in detail at the Environment and Economy Overview and Scrutiny Panel in January 2011. Report SD.03/11 provides written detail on these proposed developments.

The Council's proposals are to develop a new, not for profit, Tourism and City Centre Management Company that will oversee both district tourism development and city centre improvement activities via a partnering approach with other public and private sector partners.

A key part of this project is the development of a Business Improvement District (BID) designed to cover a specific city centre area, where additional business rates will be levied to provide investment funding for new activities that will increase visitor numbers and trade. The formation of the BID will be dependent upon a majority vote for the proposals amongst the occupiers of the chosen business zone.

In addition to the development of a BID the proposals have also sought to deal with the withdrawal of County and regional public funding from the Carlisle Tourism Partnership (CTP). The proposals seek to draw together both of the existing partnerships CTP and City Centre Partnership (CCP) and devise one more cohesive and efficient managing arrangement.

## 2. PROGRESS MADE TO JUNE 2011

Since the Council Executive approved this new way forward and agreed seed funding (£150,000) on 14<sup>th</sup> March 2011 the following progress has been made:

<b>Project Development Objectives</b>	<b>Progress to June 2011</b>
Seek agreement from Carlisle City Council Executive to develop the project and provide seed funding	Agreement secured and £150,000 provided, 14 <sup>th</sup> March 2011
Seek agreement from the CTP and CCP to developing the new approach.	Secured in March 2011
Develop a Project Initiation Document containing key objectives, scope, constraints, assumptions, activity programme, milestones, budget and risks	Draft completed June 2011
Await feedback on the Regional Growth Bid application and review the project objectives and scale appropriately	The bid was unsuccessful and despite positive feedback about the quality of the plans it would seem unlikely that a further tourism bid would be successful
Set up first Project Board Meeting with appropriate representation from each	First meeting timetabled for early July 2011

partnership and sector	
Secure external support for BID development programme	External support identified, procurement to be completed by end of June 2011
Development of new Tourism and City Centre Management Company advocacy document	Draft completed currently in circulation with key partners
Recruitment of a Tourism and City Centre Director	Draft Job Description produced – June 2011
<b>Transition arrangements to support future Tourism and City Centre Company roles</b>	<b>Update / Progress</b>
<ul style="list-style-type: none"> <li>▪ A comprehensive marketing strategy for the City including tourism</li> </ul>	<p>The first meeting of a new City marketing group took place 15<sup>th</sup> June, a verbal update on the outcomes can be provided at the Scrutiny meeting.</p> <p>In addition the Carlisle Tourism Partnership web site has continued to become established among tourism organisations and visitors</p>
<ul style="list-style-type: none"> <li>▪ Events programme 2011/12</li> </ul>	<p>Following transformation activity within the City Council and changes to the Carlisle Tourism Partnership transition arrangements are now being completed to secure the autumn and winter events programme, including the delivery of the Fire Show and Christmas lights festival. The transitional arrangements are being led by Carlisle City Council, CN Group and Carlisle Leisure Limited.</p> <p>Plans for the 2012/13 programme (including the Olympic Torch relay) will be picked up by the Tourism and City Centre Project Board (once established).</p>
<ul style="list-style-type: none"> <li>▪ Managing Tourist Information Centres</li> </ul>	<p>The management of these sites will continue to be the responsibility of the City Council at present.</p>
<ul style="list-style-type: none"> <li>▪ City wide communication and coordination activities</li> </ul>	<p>At present this work continues to be undertaken via the Tourism and Economic Development Teams.</p> <p>Further consideration will be given on how communication can be radically improved will be a first priority for the new Project Board.</p>
<ul style="list-style-type: none"> <li>▪ Direct advice and business support</li> </ul>	<p>At present advice and support is provided by the City Council and other bodies (such as the Chamber of Commerce).</p> <p>The intention is to provide more targeted</p>

	support via the new arrangements once they come into being.
<ul style="list-style-type: none"> <li>▪ Retail, hospitality / catering and tourism skills support</li> </ul>	Partnership working continues to develop under this strand with Carlisle College being accepted as a Retail Skills Shop hub for the county. Early development discussions have taken place between the College and City Council to establish how the new arrangements may help drive the Skills Shop forward.
<ul style="list-style-type: none"> <li>▪ Development of the city's cultural and night time economies</li> </ul>	Although the cultural and night time organisations within the city continue to develop this strand of collective work will be picked up once the new project board is in place.
<ul style="list-style-type: none"> <li>▪ Advocating and lobbying activities</li> </ul>	Again as above this collective approach via the new project board will gain momentum once the initial development arrangements have been concluded.

As may be seen from the above summary significant work is being undertaken to move this project forward. Progress has been a little slower than originally forecast in previous Scrutiny reports this has largely been due to the additional work generated by the Radio 1 Big Weekend and also restructure arrangements within the Economic Development team.

The next key actions for the project will be the successful set up of the Project Board and the recruitment of Tourism and City Centre Director.

### Impact assessments

#### Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?	<b>No</b>	
Age	<b>No</b>	
Disability	<b>No</b>	
Race	<b>No</b>	
Gender/ Transgender	<b>No</b>	
Sexual Orientation	<b>No</b>	
Religion or belief	<b>No</b>	
Human Rights	<b>No</b>	
Health inequalities	<b>No</b>	
Rurality	<b>No</b>	

**If you consider there is either no impact or no negative impact, please give reasons:**

At this stage it is difficult to clearly identify the impact of these proposals. Once stakeholders have been identified and engaged a full impact assessment will be conducted.

.....  
.....  
.....

**If an equality Impact is necessary, please contact the P&P team.**

# PROJECT INITIATION DOCUMENT – **APPENDIX A**

## **Formation of a Tourism and City Centre Management Company**

Version: 1.0

Date: 1<sup>st</sup> June 2011

Author: C. T. Pearson

## Project Initiation Document History

### Document Location:

This document will be found on the project's PC at: K:\

### Revision History

Date of this revision:

Revision Date	Summary of Changes	Version

### Distribution

Name	Organisation
Chair & Board Members	Carlisle Tourism Partnership
Darren Crossley, Strategic Director	Carlisle City Council
Jane Meek, Assistant Director, Economic Development	Carlisle City Council
Angela Culleton, Assistant Director, Environmental Services	Carlisle City Council
Chris Pearson, Economic Development Manager	Carlisle City Council

## 1. Project Background / Context

Carlisle has a diverse visitor economy (accommodation providers, catering, retailers, events, leisure activities, attractions of national and international significance) that has grown modestly over the past few years.

Other trend data also indicates that although Carlisle is recognised as having an attractive city centre there has been a fall in retailing and wholesale employment since 2005.

Cross sector partnership working to support the visitor economy has over the last two years been led by two groups – Carlisle Tourism Partnership and the City Centre Partnership Steering Group.

Carlisle Tourism Partnership was set up in April 2009 under a collaboration agreement to stimulate the visitor economy and address the major tourism issues that historically affected the tourism performance of the city. The partnership has proved to be a successful venture bringing about a step change in the way tourism delivery is perceived by public and private sector partners. However due to public sector funding cuts the partnership is now under pressure to find a revised way of working that continues to support the sector but does so from a more sustainable budget.

The City Centre Partnership was developed to bring together the City Council, County Council, city centre businesses, the Chamber of Commerce and other public sector bodies to lead the management and promotion of the city centre area, lobby and influence others to strengthen its vitality and stimulate new investment and employment opportunities. The partnership supported the idea of developing a community interest company to take forward their aspirations and deliver these in partnership.

The City Centre Partnership engaged GJR Consulting (April 2010) to draft a development programme for the partnership and test business support for the formation of a business improvement district (BID), capable of levying a business rates supplement from a clearly defined commercial area, for re-investment in the same area.

As a result of that report it was agreed by the City Council, the Carlisle Tourism Partnership and the City Centre partnership that a new and more cost efficient structure for Tourism and City Centre management should be created by the formation of a new not for profit company. This Company would also likely be the driving force behind the formation of a formal Business Improvement District comprising the City Centre area.

## 2. Objectives of the Project

The key objectives of this project have already been agreed by the City Council Executive, Tourism Partnership and City Centre Partnership.

These objectives are described in City Council Executive Report SD/03, 14<sup>th</sup> March 2011:

- A **comprehensive marketing strategy** for the City incorporating those elements currently covered by Carlisle Tourism – accommodation, attractions, activities, eating out, shopping etc. and also work to attract tourism, retail and hospitality businesses to Carlisle.
- An annual self sustaining city and district **events programme**. To be delivered by the company itself or in partnership with others.
- Take the lead in managing **Tourist Information** in Carlisle.
- **City-wide communication and coordination activities** designed to meet the concerns of local retailers as expressed in the consultants report (see previous Executive report SD/02).
- **Direct advice and support** to existing and new retail, tourism and hospitality businesses – working with existing partners and local education providers
- Partnership working with both FE and HE providers to **develop retail, hospitality / catering and tourism skills**.
- Specific work with key partners to develop Carlisle's **cultural and night time economies**.
- **Advocating and lobbying activities** in relation to future planning and development work such as the Local Development Framework.

## 3. Project Scope

- i) Agree the scope of activities of a new Tourism and City Centre Management Company and its governance, management, delivery and funding arrangements.
- ii) Formally establish the new Tourism and City Centre Management Company, with Board membership from both private and public sector membership. This will then form the shadow Board for a subsequent BID Company and direct tourism and events programmes within the district.
- iii) Undertake effective communication and consultation with town centre and district wide tourism, retail and property businesses and other

interested parties to establish 'buy in' to the activity of the Tourism and City Centre Management Company and the formation of a Business Improvement District (BID)

- iv) Compilation of the engagement feedback into a comprehensive Tourism and City Centre business plan, outlining what the company will do, the governance arrangements, objectives and target and the establishment of the geographical boundaries of a BID, and the proposed additional levy on Business Rates and the potential budget.
- v) Production of formal documentation for the BID such as an Operating Agreement and Baseline Agreement, and adherence to the statutory regulations including formal approval by way of referral to the Secretary of State
- vi) Prepare and undertake a BID ballot to formally establish support for the creation of the BID, and if a "Yes" vote set up of the BID Company and commencement of the first 5 year period of operation.

#### **4. Constraints**

##### **Budget**

The City Council has secured a two year budget for the project designed to act as seed funding to the project. This is intended to fund the operation of the interim Tourism and City Centre Management Company and employment of an interim Tourism and City Centre Director, further investment will need to be found from other public sources or the private sector to ensure the sustainability of the work.

##### **Timeline**

The project needs to attend to current live issues regarding tourism development (events and marketing programmes) and also deliver a credible BID offer to operatives within the city centre. This places significant time pressures on the project.

Initial Management Resource – The project will be initially managed by the City Council, whilst a Tourism and City Centre Director is recruited.

#### **5. Assumptions**

That the private sector businesses within the City Centre are receptive to a more collective and commercial approach to city centre management.

That the private sector does want to have a major influence on city centre management

That a “Yes” vote to establish a City Centre BID is a realistic and achievable ambition

## **6. Project Approach / What and how is going to be done.**

To achieve what is set out in the Project Scope as above the following initial approach will be undertaken:

- i) Establish a Project Board / Working Group under the Chair of a Carlisle Tourism Partnership Board Member, and include a representative of city centre businesses, and the City Council. The Project Board will agree a work programme and oversee the project development and delivery. The Project Board will initially meet on a monthly basis. The first meeting of this Project Board will take place early July.
- ii) The City Council will provide project management initially via the Economic Development service and provide other input such as advice on the legal structures of the Tourism and City Centre management company, and ongoing liaison of all City Council functions currently serving the city centre.
- iii) An appropriately experienced consultant will be engaged to ensure correct procedures are followed for the setting up of a fit for purpose Tourism and City Centre Management Company and potential BID. This consultant will be procured utilising the City Council procedures albeit the appointment will be confirmed by the Project Board.
- iv) A Tourism and City Centre Director will be recruited during July and August, initially on a short term basis by the City Council. The Project Board will approve the Job Description and salary level. Upon appointment that person will become the project manager for the agreed work programme. A large part of the initial work of that post holder will be engagement with private sector businesses and residents within the city centre area to ensure effective communication and consultation for the proposed city centre management arrangements and BID process.
- v) An initial overall programme for the whole project is set out at Section 7 below. This will be developed into a more detailed work programme with regular monitoring and progress reports, together with any significant issues being presented to the Project Board.

## 7. Project Programme and Milestones

### ***PREPARATION STAGE***

**Formation of Tourism and City Centre Management Project Board** **June / July 2011**

Chaired by CTP Board Member who will agree detailed work plan with the Interim Project Manager ( Economic Development Manager, City Council)

**Procure and Appoint Tourism and City Centre Director** **July – August 2011**

Project Board members will recruit a new Director to head the project

**Create Tourism and City Centre Management Company** **August 2011**

Board Members will develop and register the new company

### ***BID CONSULTATION AND DEVELOPMENT PHASE***

**Engagement and Consultation** **July to October 2011**

Consultation and engagement based upon initial feedback from phase 1 undertaken in 2010. Production of consultation document to lead discussions.

**BID model** **July – September 2011**

Compile all rating data for both areas, sort, check and analyse for consideration to include proposed key levy rules plus boundary and threshold recommendations.

**Decision to ‘go ahead’** **October 2011**

Review engagement undertaken, feedback and overall appetite for creation of a business improvement district. Approvals from Tourism and City Centre Partnerships and City Council to proceed.

**BID proposal** **October to November 2011**

Production of business plan together with BID rules, budget and governance arrangements. Formal Council approval including letter to billing authority to request ballot. Confirm all rating list data and cross-check voter contact database

**Formal approval** **December 2011**

Notification to the Secretary of State a minimum of 84 days before notice of ballot but to be undertaken post Council approval

## ***BID CAMPAIGN PHASE***

### **Launch**

Start of the ballot campaign using the final published documents

**December 2011**

### **BID Campaign**

Consultation using published documents

**January to 2011**

### **Council Voter Canvass**

BID team to send final proposed voter list by end of October for City Council to carry out voter canvass

**January / February 2012**

## ***BALLOT PHASE***

### **Publication of notice of ballot**

42 days before ballot day

**March 2012**

### **Ballot Period**

Ballot papers issued - 28 days before ballot day  
Deadline for proxy applications – 10 days before ballot day  
Replacement ballot papers issued – 4 days before ballot day

**April 2012**

### **Billing leaflet to accompany bills**

**May 2012**

### ***BID Commencement date***

***June 2012***

## **8. Project Budget**

An initial project budget is set out below.

<b><i>Item</i></b>	<b><i>Budget</i></b>
<b>Project Support</b> - BID expert/practitioner to guide the process in line with the regulatory framework, engage with national retailers	£18,000
<b>Promotional material</b> - Production of business plans, communication and campaign tools	£15,000
<b>Tourism and City Centre Director</b> - Cost of employ for c.8 months.	£27,000
<b>Professional fees</b> - Set up of company and advice on BID & legal matters	£5,000
<b>Office costs</b> - Accommodation for Town Centre Manager and administration, including kitting out	£15,000
<b>Ballot Costs</b> - Fee provision for undertaking the BID ballot	£5,000
<b>Contingency</b>	£5,000
<b>“Demonstration Events”</b> - Events around retail and tourism	<b>TBC</b>

calendar and give confidence of what a BID could achieve. To be confirmed but will need additional input from City Council & private sector.	
<b>Total – (Excluding Events)</b>	<b>£80,000</b>
<b><u>Source</u></b>	
<b>Business contribution</b>	£20,000
<b>City Council</b>	£60,000
<b>Total</b>	<b>£80,000</b>

## 9. Risks

An initial assessment of risks associated with the project is set out below. This will be regularly reviewed and reported to the Project Board

The risks outlined in the paper have been scored on a scale of 1 – 5, with 1 indicating low risk and 5 a high risk to the overall success of the project. Mitigation measures have been outlined to reduce the risk exposure and help guide the project to a successful conclusion.

<b>Risk / score</b>		<b>Mitigation / revised score</b>	
Lack of clarity on the project objectives, partners and funding	3	Clear and convincing advocacy document to be produced, a strong project board to be established and clear communication messages to be issued	1
Lack of support and drive to deliver tourism objectives	3	Specific attention to be given to quickly re-establishing tourism and events objectives. These objectives should then be firmly established and allocated to key partners.	1
Lack of business champions supporting the project	4	Project Board should engage, encourage and excite the business community to get involved in the initiative	2
Business community demonstrating a commitment to the BID project	3	The business community should be encouraged to confirm its commitment and in particular communicate its intention to help fund the set up of the BID and contribute to its ongoing operation	1
Poor economic conditions	5	The BID proposers should reflect carefully on the timing of the Bid ballot to balance with an upturn in the trading environment and overall economic outlook	3

An organised 'no' campaign'	4	The Carlisle City Centre Partnership should execute a well planned and communicated BID campaign with effective consultation with the business community	2
A lack of consultation	3	The Carlisle City Centre Partnership should execute a fully inclusive consultation programme to ensure all businesses are aware of the initiative	1
Failing to secure a BID mandate	3	The Carlisle City Centre Partnership should undertake an effective and timely BID campaign backed up with a commercially driven business plan which adds value to the participating businesses	2
Non-delivery of business plan	3	Good process, independent measurement and a pro-active communications strategy should ensure failure in delivery does not occur	1

#### 10. Project Communication Plan

A Project Communication Plan will be drawn up and agreed by the Project Board with responsibility for delivery being with the Project Manager. In particular regular communication will be maintained with stakeholders as per the table below.

Additionally, formal consultation is a key stage in the process of formation of a BID and a draft Consultation Document is attached to this PID document.

Name	Role / Responsibility
City Centre Business owners	City centre trading
City Centre residents	City centre 24 hour living
City Centre property owners	Investment in properties
Carlisle City Council	Maintenance and cleansing
Cumbria County Council	Highways and access
Cumbria Police	Crime prevention and safety
Local media	Publicity for the BID proposals