

CORPORATE OVERVIEW AND SCRUTINY PANEL 17 NOVEMBER 2011

**REPORT OF THE TASK AND FINISH GROUP:
REVIEW OF EMPLOYMENT AND TOURISM SERVICE****1. CONTEXT**

- # 1.1 This review was undertaken as part of the Council's medium term financial plan. The Plan identified work stream RS10 Economy and Tourism as a contribution to meeting the shortfall in the funding position. The specific context for the review was established in a recommendation from Cabinet on 7 September 2011, which identified terms of reference and these are attached at Appendix 1.

2. WORK OF THE TASK AND FINISH GROUP

- 2.1 The Task and Finish Group comprised Councillors Mrs Wyeth (Chairman), Beck, Miss Sevier and Tipp. The Group met six times, including two meetings where information was gathered from three key agencies, the New Forest National Park Authority; New Forest Business Partnership and New Forest Tourism Association. The information gathered from these discussions assisted the deliberations of the Group and their input was much appreciated. It underlined the high regard in which the Employment and Tourism Service is held but also served to confirm the harsh realities of the current funding situation. Ideas were exchanged about how to form a Service fit for the future.
- 2.2 Despite the short timescale, the Group members considered the need for the Service, its structure and funding in some depth.
- 2.3 Having done so, it is apparent that there is a need for core functions in this Service and it is clear it has been providing good outcomes, whilst also achieving useful savings over recent years. However, the Group does believe that significant savings can still be made, whilst retaining a Service which will continue to make a contribution to the Council's Corporate Plan and the well being of communities in the District.
- 2.4 In the past, there has been a greater involvement of the Chairman of the Council in a supporting role, such as the Business Awards ceremony and similar events.
- 2.5 It is acknowledged that the short timescale was required in order to meet the achievement of savings in financial year 2012/13. However, the Group feel it would be better for future reviews of this scale to have more time to undertake the work.

3. PROPOSAL FOR REVISING THE SERVICE

A change of emphasis is needed in the Service which better meets the particular role of the District Council. This can be summarised in two phases:

3.1 Phase 1:

The Council and Service moves towards:

- A core team for key functions of business support; web development and income generation.
- One focal point VIC with a network of low cost local outlets “underneath it”.
- A new Agreement / joint approach with New Forest National Park Authority which identifies which authority is leading on which functions and how.

The Council and Service moves away from:

- Sustainable development agenda.
- Multi Centres for VICs.

3.2 Phase 2:

Having made the changes above, two further developments are undertaken in a second phase, with the expectation that further savings can be made:

Assess the best means to operate the focal point VIC:

- Together with the NFNPA and Ninth Centenary Trust seek to gain efficiencies in operational arrangements.

Raise more income.

- Utilise the new emphasis on electronic media to raise more net income from across all business sectors, so as to reduce net operating costs of the Service.

3.3 Through this means, the target savings can be achieved and it also lays the ground for further service development into the future, in anticipation of a continued squeeze on Council resources.

3.4 The Group considered the list of functions as reviewed by Cabinet (Appendix 2) and identified those functions to form the core of the service, those where further review should be undertaken and those where the emphasis would be moved to partner agencies.

4. FURTHER DETAIL ON THE PROPOSAL

4.1 Core Service

4.1.1 Purpose/rationale: To deliver the Service’s key priorities with an increased focus on employment, to include tourism but without compromising this key sector. After the necessary reductions in net cost, the Service is to re-align its resources to achieve a greater focus on the employment sector as a whole. Tourism remains an important sector but it is one of many sectors and it is important to support the wider economy. This will require strong leadership of the team, capacity to develop electronic media, maintenance and development of income streams, capacity to innovate and devise projects / programmes.

4.1.2 Delivery: To deliver the service, the proposals indicate a leaner team, in keeping with the challenging economic climate. Future delivery will also require a deepening engagement with the New Forest National Park Authority to integrate and extend their role in sustainable development. The Group were unable to ascertain whether there was any duplication across the service and recommend that this issue be pursued.

Function	Proposal	Saving(£)
Sustainable business support and sustainable tourism development	No longer do these functions as a specific role in the team but through the Agreement with NPA. Seek their greater input to the subject across the District.	35,000
Publication production efficiencies	Reduction in the net cost of production for the printed publications and the support costs for the Visitor Information Points	10,000
Additional web income	With the new model, there is capacity to earn more relatively quickly from this medium	12,000
Total contribution		57,000

4.1.3 With this “direction of travel” there are opportunities to raise income and a realistic estimate has been made of what is deliverable.

4.2 Visitor Information Centres

4.2.1 Purpose/rationale: To find a means to continue providing “visitor” information for those already in the destination and residents (the National Park is already engaged in this) and make use of the cost advantages of electronic delivery. The original Council strategy for Visitor Information Centres (VICs) formed in the early nineties was for three – at the key points across the Forest - and at that time it was resisting calls for more. With the rise and rise of on-line information and continued pressures on budgets, most destinations now have only one VIC. This is the new model now proposed for the New Forest, with one “focal point” VIC and supporting that, a range of community settings for visitor information panels and local information points. This would see a greater integration with the National Park in a manner in keeping with their Purposes and business planning.

4.2.2 Delivery: The Group suggest that Lyndhurst is the location most appropriate for visitors. It is at the heart of the Forest, is an established destination and is known as the “Capital of the New Forest”. In operational terms it will also provide for the possibility of a deeper engagement with the National Park in the future operation of this model for information delivery “in destination”. This can be explored in future work. In terms of savings within 2012/13 the proposal is:

Function	Proposal	Saving (£)
Lymington VIC	Provide information in Lymington through other means than a Centre. For example – possible “Gateway” style model at Lymington Town Hall, more NFNPA local information points, racking of information in Museum or other community venues. This can also be explored in other towns/villages.	46,000
Total contribution		46,000

5. OTHER OPTIONS TO ACHIEVE THE REDUCTION

Thought has been given to other means to effect the reductions but they are not favoured at this particular time, given the need to find savings for 2012/13 and provide the basis for future work, in these particularly challenging times.

Close Lyndhurst rather than Lymington	Lyndhurst is the real focus of the Forest and NPA
Close both VICs	Desire to keep retention of some face to face in the service offered in the destination
Keep both VICs	Not the direction for the future
End production of all publications	Loss of income and loss of engagement of sector
Externalise all publications	Loss of income, loss of connection to business
Cease business support	Key functions would cease at a challenging time for the local economy

6. WORKFORCE CONSIDERATIONS

6.1 The Group noted the number of suggestions offered by employees as contributions to the review. It was encouraging that the Service continues to be engaged in a path of continuous improvement and change.

6.2 Under these proposals, posts will be removed from the establishment. The Council's corporate process will be followed with the intention of minimising the impact on current employees.

7. FINANCIAL IMPLICATIONS

7.1 Consideration was given in some depth as to how promptly savings could be achieved. There are significant financial pressures but even so, some savings will take time to achieve, with the need to work alongside partners and devise new methods of working. The financial effect of the changes proposed is set out below:

Financial year	Net savings
2012/13	£103,000
2013/14	£20,000

8. ENVIRONMENTAL IMPLICATIONS

8.1 There are no particular environmental implications from this report, for whilst there is still some detail to resolve with the National Park Authority in respect of specialist matters on sustainability, the ethos of the Council and the Service continues to be evident in this respect.

9. EQUALITIES IMPLICATIONS

9.1 There are no particular implications in this respect.

10. CRIME AND DISORDER IMPLICATIONS

- 10.1 There are no particular implications in this respect.

11. COMMENTS FROM MEETING OF CORPORATE OVERVIEW AND SCRUTINY PANEL – 17 NOVEMBER 2011

The Panel agreed that the revisions to the Employment and Tourism Service as identified in the report, with the consequential savings, be recommended to the Portfolio Holder, and to the Cabinet.

The Chairman of the Task and Finish Group, Cllr Mrs Pat Wyeth, commented that discussions with stakeholders had made it clear to the Working Group that both the New Forest Business Partnership and the New Forest Tourism Association considered the Council's input in these areas was much valued and both organisations hoped the strong links would continue. The Leader of the Council had also had external feedback indicating that the Council's work in these areas was greatly valued.

The Panel were reminded that savings of approximately £100,000 had already been found from the Service over the last four years. The proposed new savings for 2012/13 equated to a reduction of £103,000, from a budget of £353,012. The latter figure was the net cost that could be influenced by this report. These savings were deliverable in 2012/13 as a result of the redesign of the Service. Any savings for 2013/14 involved collaboration with the Council's partners which understandably was not within the control of the Service and would require some negotiation.

12. EMPLOYEE SIDE COMMENTS

- 12.1 Employee side note that this is an extensive review of a discretionary service area and the cuts that have been made, must not only be distressing to the staff but their Head of Service who has overseen the recommendations.
- 12.2 It is noted in para 2.5 that the review was paced on a very tight timescale and we believe this will have a more damaging impact on those staff affected because they will have been caught by surprise. To elaborate on the word surprise any member of staff who is told they will lose their job is taken aback by the news. Staff who work for local authorities believe they have job security, obviously this is a thing of the past.
- 12.3 The possibility of sharing some functions jointly with NFNPA may enable the council to save on costs but maintain a similar level of service. The downside of course is this will lead to some staff being made redundant. However for the residents of the New forest we believe sharing responsibilities with other organisations may offset some service loss.
- 12.4 Employee side would hope that if job redundancies are a result of the review, that it could be achieved with voluntary redundancy. We would hope compulsory redundancy can be avoided however the speed of the review may make this hope rather fanciful.
- 12.5 It is recognised that the New Forest is a major tourist attraction and the VICS have made a positive contribution to tourism. The loss already of Ringwood and now potentially Lymington will we believe leave a regrettable lesser level of help for tourists and businesses. It is hoped that maybe those displaced staff may find

alternative roles within the council. The union are however relieved that Lyndhurst VIC is being retained.

- 12.6 To quantify on a financial basis the revenue that is generated from this service to the community would be impossible, but it is recognised that a significant contribution is made to local tourism and the economy and we would expect this to be reduced.
- 12.7 In para 6.1 it states that a number of suggestions and contributions were put forward by staff. It would be interesting to see these published. Were any of these suggestions adopted?
- 12.8 Staff at The Lymington VIC were not placed in the pool to select staff for Lyndhurst VIC, however staff do rotate between the sites and it is believed this could have been managed differently. All staff could have been placed in the pool thereby giving everybody who does the same job an equal chance.
- 12.9 If the council adopted an organisation request for volunteers for redundancy we believe the at risk register would be more successful. The union now believe with the continual reviews this may be the only way to avoid compulsory redundancy.
- 12.10 It is extremely sad to see this service reduced and the impact it will have on staff. However it is inevitable that the reduction in Government grant revenue will lead to further disappointing cuts in the services that the NFDC provide.

13. PORTFOLIO HOLDER COMMENTS

- 13.1 I think that it is important that the Council uses its strengths to support the local economy, including the tourism industry. These are hard times for all sectors, so the Council must adjust how its services are delivered to ensure the most appropriate support is available. It is also time to make more of the existing excellent working relationships with the New Forest National Park Authority; New Forest Business Partnership and New Forest Tourism Association.
- 13.2 The involvement of employees and Members in the process has meant the creation of a new approach, in keeping with the times and yet also respectful of the good work that the Council and its partner organisations have achieved.
- 13.3 I would like to express my appreciation for the excellent work of the Task and Finish Working Group in developing these proposals and I look forwards to continuing to work with them as the process continues.

14. RECOMMENDATIONS

- 14.1 That the Cabinet agree revisions to the Employment and Tourism Service as identified in the report, with the consequential savings.
- 14.2 It is recommended that the same Task and Finish Group be requested to make recommendations through the Corporate Overview and Scrutiny Panel on any further proposals for the future management of the Employment and Tourism Service.

For further information please contact:
On behalf of the Employment and Tourism Task and Finish Group
Cllr Pat Wyeth, Chairman of the Group

For the officer input:
Martin Devine
Head of Communities and Employment
023 8028 5474

TERMS OF REFERENCE



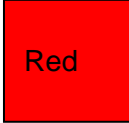
To contribute to the review of employment and tourism functions of the Council by undertaking a review of functions so as to make recommendations to the relevant Portfolio Holder for their consideration.

Utilising this report to Cabinet and in particular Section 4 as the source of reference, undertake the following activities:


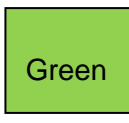

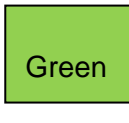
- 1/. Review the need for the functions and the outcomes they produce.
- 2/. Make recommendations which identify the functions which produce the principal outcomes for the Council and are best suited to being delivered by the Council.
- 3/. Make recommendations for where improved efficiency and effectiveness could be delivered in these functions.
- 4/. Review the potential for the greater involvement of the New Forest National Park Authority in functions and make recommendations which identify the functions which are best suited to delivery outside of the Council.
- 5/. Make recommendations for where improved efficiency and effectiveness could be delivered in these functions.
- 6/. Bring together all recommendations as to the level of savings, for consideration by the Portfolio Holder.
- 7/. Show evidence that consideration has been given to input from employees and their representatives, ahead of any proposals being made.
- 8/. Engage in consultation with partner agencies to ascertain their response to the lines of enquiry, ahead of any proposals being made.
- 9/. Work within the timescales and process provided in the Cabinet report

APPENDIX 2

FUNCTIONS AND MAIN ELEMENTS: Reviewed by the Group, identifying those key elements influencing the direction of the Service:

COLOUR INDICATOR FOR STATUS OF ELEMENT		Go ahead Focus resources in these areas		Caution There is merit but not a key priority		Transfer or stop Seek greater engagement by other agencies
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FUNCTIONS: EMPLOYMENT (1 of 2)

ELEMENT	ACTIVITY	HOW	IMPACT	STATUS	COMMENT
Aiding recovery: Support for local business and encouraging local spend.	Brand New Forest	6 programmes. Persuade partners to lead and engage	6 lead partners 70 offers 14,000+ cards New business 100,000 web hits		The key campaign for the local economy. Brings together our work with that of other organisations / business.
Help to address low wage economy	Apprenticeships Training Entrepreneurship Focus on key sectors	Promotion - as above Marine sector Job broker Devise programmes	Promotion - as above Work with strong sectors. Opportunity based		A key priority, especially with young people.
Support for small business	Connecting business to information and advice Initiatives Fund Training and skills	Skills of team and partners. Create web one stop shop. Signposting. Events. Colleges and businesses. Skills Centres	71,000 hits on NFBP site. Daily referrals & signposting & support Business events: 9 Attendees: 463		This is the heart of our business community. With so many businesses there is a continuing need for connecting them to knowledge / advice / information / support
Economic development input to Town and country planning matters	Help ensure well formed schemes. Comment pre app and on applications	Honest broker role using knowledge of both perspectives	Input to achieving good decisions and relatively few appeals		Highly effective to provide the sector input to Planning considerations

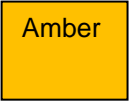


FUNCTIONS: EMPLOYMENT (2 of 2)

ELEMENT	ACTIVITY	HOW	IMPACT	STATUS	COMMENT
Support New Forest Business Partnership	Board development Harness resources	Engage in programmes including Brand New Forest	100 members+ Now subscription based.	Amber	More emphasis on NFBP with NFDC to support with logistics and promotion
Excellence Awards	Awards scheme	Organise event with NFBP	Raised profile. Greater networking	Amber	As above
Managed workspaces	Provide and encourage locations	NF Enterprise Centre Others via development	Much needed starter spaces	Amber	Be largely reactive, take care over chasing such schemes / inward investment
Transport and town centres	Input on the needs of business	Officers and connecting up business with policy and project issues	Shaping of policy and making better decisions	Amber	A reactive brief when transport policy being developed
Green Leaf Business Scheme	Operate the scheme and drive for more subscribers.	Use network to promote the scheme	110 members	Red	Lead now from NFNPA, bringing forward greater engagement with the business sector.
Local produce and collaborative sales and marketing	With NPA, support producers group. Develop supply chain.	Lead networking with sectors. Development ideas. Link supply and demand	Marque and producers sustained – unique level of success for such a scheme	Red	As above. Use NFDC contacts and networking to help

FUNCTION: TOURISM (1 of 2)

ELEMENT	ACTIVITY	HOW	IMPACT	STATUS	COMMENT
Destination Management	Policy in-house and with partners Electronic media and print	Produce materials. Influence in networks. Undertake information programmes	Recognition via awards, case studies peer groups and residents research	Green	What the District can do uniquely well – with the focus on promotion to those yet to visit and fostering a destination that matches NFDC aims.
Town and country planning	Comment pre app and on applications	Honest broker role using knowledge of both perspectives	Input to good decisions and avoidance of Appeals	Green	Highly effective to provide the sector input to Planning considerations
Destination Marketing	Electronic media and print. Joint with NFTA – and they pay too. Co-operation to drive investment and standards	Web site. Social media. Publications v. limited ads. PR via NFTA paid contract.	6.7 million web hits 50,000 Where to Stay Guides 150,000 Discover Guides. Related print.	Green	The independent and trusted broker role. Is the public face of Destination Management above
Transport	Input needs of visitors and business	Connect needs to policy and projects	Shape policy & better decisions	Amber	A reactive brief when transport policy being developed
New Forest Tourism Association	Engage in its continued development and its ability to contribute to Council objectives (300+ joined)	Relate to each sector group. Influence Assn policy and encourage support in kind and funding	Fundamental to business support of programmes. Adoption of approach that fits NFDC policy	Amber	More emphasis on NFBP with NFDC to support with logistics and promotion

FUNCTION: TOURISM (2 of 2)

ELEMENT	ACTIVITY	HOW	IMPACT	STATUS	COMMENT
Visitor Information Centres	Provision of two Centres	Lyndhurst & Lymington	234,960 footfall 6,197 calls 1,999 emails		There is a desire to keep face to face provision but the number of Centres and future role in management requires change.
Green Leaf Tourism Scheme	Programme to decrease negative impacts. Keep developing the scheme.	Scheme criteria Supporting those in it. Drive for more subscribers.	140 members. ↑local produce ↓energy ↓waste ↑car free ↑behaviour		Lead now from NFNPA, bringing forward their greater engagement with the sector in this respect.
Local produce (NFNPA)	Lead on supply chain to market. Joint sales and marketing.	Utilise depth of relationship in destination marketing.	Essential to sustaining market for local produce.		As above. Use NFDC contacts and networking to help