

Performance Summary Report

February 2008



Value of Tourism

Winchester City Council

Audit 2007/08

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Introduction

- 1 Winchester City Council performance was judged to be 'fair' under the Audit Commission's Comprehensive Performance Assessment for district councils in 2004. Our 2006 use of resources assessment found that the Council performs well but that achieving value for money was patchy with some high cost services which performing less well.
- 2 The district of Winchester has significant historic sites and tourist attractions, with many sites of cultural, natural and scientific interest. As well as the historic city itself, part of the district is within the South Downs national park area. Many of the Council's neighbours have significant historic, cultural or natural attractions too, eg New Forest and Portsmouth.
- 3 Tourism is of great importance to the local economy. The most recent economic impact study undertaken by Tourism South East in 2007 estimates the total local business turnover supported by tourism activity as over £200 million. Approximately 3,600 jobs are directly or indirectly supported by the visitor economy, representing 4 per cent of all jobs in the district.
- 4 The Council's spending on tourism per head of resident population compares with highest spending councils nationally and is in the top 25 per cent. The Audit Commission's value for money profile tool shows that the Council spent £4.72 per head of population on tourism in 2005/06. This is above the average of all district councils nationally. However, when compared with other historic cities the picture of spending is more mixed. (Lincoln £7.32, Canterbury £6.21, Chester £5.40, Salisbury £4.18, Chichester £4.16, Exeter £3.99).
- 5 The Council uses recognised national performance frameworks and benchmarking (eg the Cambridge model, Destination Performance UK). This helps it understand how tourism services and spending contribute to the local economy through measuring visitor activity and spend.
- 6 In July 2007 the Chief Executive discussed with the Audit Commission how the Council's local Relationship Management team could support the Council in its work to identify ways of improving value for money linked to tourism spending. The Council wishes to understand the level of contribution tourism is making to its overall corporate priorities and whether its spending achieves value for money against desired outcomes. It is also seeking support for consideration of a review of options for alternative models of tourism services. Our conclusions are designed to assist the Council to do so and inform the 2008/09 business planning cycle.

Scope and objectives

- 7 We considered the contribution tourism services make to the Council's corporate objectives and their overall effectiveness. We examined how successfully they:
 - support the delivery of regional, local and corporate priorities; and
 - achieve value for money against desired objectives and outcomes.
- 8 In addition we considered the extent to which Winchester's tourism services:
 - understand the value of their contribution to economic objectives and harness this in an effective way to improve and maintain economic vitality;
 - are valued by partners and key stakeholders;
 - encourage and support creative industries;
 - harness the cultural heritage of the area as a strong element in the area's tourism product and as part of the promotion of the area as a 'good place' to live and work; and
 - enable and provide a wide range of activities to support the Council in achieving its economic objectives and improve job prospects for local people.
- 9 As a result of this work we have identified areas for development. These represent opportunities for delivering service improvement and maximising capacity to have impact across the community

Methodology and approach

- 10 Our assessment of Winchester's tourism services was based on elements of the methodology for cultural service inspections, key lines of enquiry (KLOEs) and descriptors as published by the Audit Commission in 2005.
- 11 There are potentially two stages to this work. Stage 1 involved us acting largely as a critical friend. We interviewed leading councillors and officers, spoke with partners through a focus group and interviews and reviewed relevant documents and comparative data. We then shared the key findings and emerging issues with the Council in the lead up to preparing this short report with recommendations.
- 12 Building on this, by agreement with the Council, we will scope Stage 2 in line with an overall objective to help the Council consider other models of delivery, and the opportunities for service delivery partnerships with neighbouring authorities. Any additional fee required to complete this stage will be agreed in advance with the Chief Executive.

Main conclusions

- 13 There is a clear strategic understanding within the Council of the role and value of its tourism service's contribution to economic prosperity across the district. The Council delivers high quality support and services to support the tourism offer and visitor economy in the district which stakeholders greatly value and appreciate.
- 14 Although delivered at a higher cost than some other historic cities, the Council's tourism services do appear to achieve value for money. They are a key contributor to the Council's main priority of economic prosperity and enable quality of life improvements and outcomes through a high quality offer for residents and visitors alike. However, the extent of this contribution is unclear, as the Council has yet to develop outcome focused measures of success and manages performance through a series of output and activity based measures.
- 15 The Council's engagement in and support for effective partnership working across a range of sectors delivers good quality initiatives throughout the year. Staff working to manage and support the visitor economy are motivated, highly committed, and recognised by partners as high calibre.
- 16 There is the potential for these services to contribute more against wider objectives, such as improving quality of life and promoting stronger communities. In order to facilitate this, the Council would benefit from demonstrating its community leadership role further in county-wide cultural partnerships. Using its influence as a significant cultural partner it could help contribute to the development of improved direction and clarity for the work of the partnerships. Clearer priorities for its own tourism services would help the Council focus resources and ensure capacity is used most effectively to deliver against corporate priorities
- 17 These findings are explained in more detail in the following section.

Contributing to delivery of corporate objectives

- 18 Strategic understanding of the instrumental role and contribution of tourism services to corporate priorities is well developed. The Council's corporate plans and strategies make extensive reference to the important role of tourism and support for the visitor economy in the organisation's objectives for economic prosperity. A vibrant visitor offer is recognised in these plans and strategies as a key factor in the district's prosperity and creating a high quality of life for residents and the Council understands well its contribution to this. However, there are opportunities for the Council as community leader to work with key partners to develop stronger more explicit strategic links between the objectives of partners in the delivery of services which support the visitor economy.

- 19 There are opportunities for the Council to clarify what it is seeking to achieve through its support for the visitor economy. One way it could achieve this to set more explicit priorities for its tourism services in its key strategic documents. While resources for traditional tourism services have reduced in recent years, the Council has increased its investment in economic development. Tourism services have been successful in maintaining a broad range of activities. However, with increasing demands and a strong focus on maintaining quality, there is a risk of resources being stretched too thinly. In order to maximise existing resources and make effective use of capacity and skills, tourism services would benefit from having clear priorities to focus its efforts most appropriately to meet corporate objectives. For example, the district maintains an eclectic and vibrant mix of creative industries and individuals and this is recognised as enhancing local life and being a key contributor to economic prosperity. But the Council has not identified specific explicit priorities for how it intends to retain existing or attract more creative industries into the district to support the local vision of 'a creative and knowledge based economy'.
- 20 The overall extent of the contribution of tourism services to corporate objectives for economic prosperity is unknown. Measures of success focus on measuring outputs and levels of activity through a range of output focused service performance indicators. Desired outcomes in areas of supporting the visitor economy and enhancing the visitor experience are not consistently defined and so not measured routinely. Without these the Council is unable to evaluate accurately levels of success and the effectiveness of the services' contribution to its overall goals. Developing such an approach will assist the Council to be clearer that it is making best use of resources, delivering and enabling what it has promised and having an impact on the local community.

Providing a high quality user experience

- 21 The Council delivers high quality services to support the tourism offer and visitor economy within the district. The award winning Tourist Information Centre provides high quality customer focused services. There is a wide range of innovative and good quality festivals and initiatives supported throughout the year, all of which enhance the visitor offer and quality of life for local people. The findings of visitor and resident surveys show good levels of satisfaction with the offer.
- 22 Stakeholders greatly value and appreciate the role the Council plays. They consider staff working in support of the visitor economy highly committed and of high calibre. The Council's contribution to such initiatives as Conference Winchester is well regarded. There is a view that many things would not happen without the Council's drive and support, both within the district and at a county level. Many effective partnerships deliver the wide programme of initiatives and the Council has worked well to secure the respect, engagement and support of many significant partners in the county.

- 23** However, there are opportunities to improve linkages and connections between initiatives and partnerships. The Council and its partners recognise that there is more to do to link better the promotion, marketing and evaluation of the varied tourism offer within the district. At present the initiatives and activity within the district appear as a series of discrete events with opportunities missed for joined up promotion. In addition joint working and co-ordination between Council departments is sometimes missing in support of local festivals and events. Improving linkages and connections will assist the Council and its partners maximise allocated resources, make better use of existing capacity and target them more effectively.

Achieving value for money

- 24** From a top level assessment of costs and performance tourism services appear to achieve value for money. Tourism is vitally important to the local economy and the service is a major contributor to the Council's own priority of economic prosperity for the district. Through effective partnership working, tourism services help support the generation of over £200 million into the local economy from tourism and enables quality of life improvements for residents and a high quality offer for visitors.
- 25** The Council is higher spending on its tourism services than some councils which could be considered as similar locations with comparable features and offer. Being higher cost is not necessarily a bad thing, if the higher levels of spending are deliberate, planned and targeted in order to support the achievement of corporate priorities. However, information linking quality, performance and cost is not used routinely to manage resources. The Council has not yet fully investigated the linkages between cost, performance and desired outcomes for its support for the visitor economy. By doing this, the Council will become more confident in its understanding about whether it routinely achieves value for money in its tourism services against desired outcomes.
- 26** There are opportunities to explore service improvements and economies of scale through pooling budgets and delivering shared services with partners and other agencies. For example, advanced e-marketing skills would be advantageous to the Council and its partners to maximise opportunities presented through online enquiries. In addition there are opportunities to explore joint provision of backroom support services with a range of partners. Such approaches would assist the Council maximise use of existing resources and capacity and secure service improvements and efficiencies.

Appendix 1 - Areas for development

- 1 The following recommendations are designed to help the Council explore areas for development identified through our assessment. Indications of impact, benefits and cost are outlined.
- 2 We suggest that the Council would benefit from:

Recommendation

R1 Developing a stronger strategic direction for tourism services within the district with key local and sub regional stakeholders:

- *establishing clear priorities and outcome based targets; and*
- *revising existing tourism strategies and plans where appropriate.*

- 3 The potential benefits of this recommendation include improved clarity and ownership among stakeholders about the Council's future objectives for the visitor economy. The implementation of this recommendation will have high impact with low costs.

Recommendation

R2 Fully integrate value for money into the provision of tourism services by:

- *identifying local outcome focused performance indicators to drive improvement;*
- *explore opportunities for joint working through shared services and pooling budgets; and*
- *improve liaison between Council departments on local events to improve co-ordination.*

- 4 The expected benefits of this recommendation are improved value for money and focused service activity on outcomes for local people and visitors.