

48/07 (1) - **Harrogate International Centre (HIC)**: (Councillor Willis declared a personal interest in this item on the basis that he had written articles on HIC as a freelance journalist but, on the basis that the interest was not prejudicial, he remained in the meeting and took part in the debate and voted thereon). The Leader was invited to present the budget. The Leader outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no growth items. The original estimates for 2008/2009 showed a net operating surplus for business tourism of £1,437,570 with a net cost for holiday tourism for that year of £513,290. He detailed the key variances in relation to the Business Tourism budget which included the new cost centre of the Sun Pavilion, higher "stretch" targets to reflect increased focus on sales, £159,000 income projected for Royal Hall lettings and a higher expectation of entertainment income. Variances in the Leisure Tourism budget included increased income of £86,000 from undertaking Dales visitor guides, increased expenditure on printing/advertising of £83,000 and an increase in premises costs representing £16,000. In relation to efficiency savings, it was noted that there was a target of £36,000 for Business Tourism and £2,000 non-cash and £4,000 cash for Holiday Tourism. The Leader then stated that the fees and charges for the Business Tourism budget were based on a commercial approach and were set on what the market could bear and that the strategy was to increase the range of fee paying services across the complex. Holiday Tourism fees and charges were again based on the market and its main income came from advertising. He concluded by advising of the main risks to the budget which were the growing number of competing venues and that major investment was needed to sustain and grow the business.

Questions were then invited. In relation to competition, a Member queried the possible risk from Leeds as an exhibition venue. The Director HIC advised that he believed that Leeds would be aiming for different business than that of Harrogate and were seeking an arena for entertainment purposes. However, he did advise that part of the scheme might include a conference facility. He did acknowledge that the new exhibition venue at Liverpool would be one of HIC's main competitors. In relation to the risk assessment it was queried whether the possible loss of power was covered by any kind of insurance policy. The Director advised that standby generators and a regular maintenance schedule were in place. Councillor Trotter asked whether organisers of events were offered civic receptions at HIC exhibitions and events and the Director commented that organisers were made aware of the facility but civic receptions were only offered, as a matter of course, to international events. It was noted that the civic function budget had decreased in recent years.

Members agreed the budget.

(Eight Members voted for the motion and there were two abstentions)

(5.33 pm - 5.50 pm)