

56/08 (3) - **Harrogate International Centre (HIC)**: The Leader was invited to present the budget. The Leader outlined the approach taken to the budget which, in relation to income, was based on expected business and, in relation to expenditure, was based on service plan proposals and there were no growth items. The original estimates for 2009/10 showed a net operating surplus for HIC Business Tourism of £567,240 with a net cost for holiday tourism for that year of £518,000. The Centre, was, therefore, budgeting for a much reduced net surplus when compared to the original estimate for 2008/09. He detailed the key variances in relation to the Business Tourism budget, which included reduced expectations of income resulting from the current economic situation, increased resources into marketing and sales to drive a higher market profile, reductions in employee expenditure and a higher expectation of entertainment income. In relation to the Leisure Tourism budget, there were only minor changes, activity in the leisure area was currently stable and there could be changes to the Dales Partnership. In relation to efficiency savings, £22,000 and £9,000 had been achieved from the Business Tourism and Leisure Tourism respectively. The Leader then stated that 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 and TIC sales. He concluded by advising of the main risks to the budget which were directly related to its highly competitive trading environment, the growing number of competing venues and the current economic downturn. Action was being taken mitigate these risks which included the stringent control of costs and the bolstering of the Sales and Marketing Team to push the Centre's prominence in the market and draw in new areas of business.

Questions were then invited. One Member queried the opening hours of the satellite TIC's and the Director of Harrogate International Centre commented that the services and hours of business of satellite TIC's had been expanded. The use of volunteers to staff the TIC's was also suggested and it was noted that there were issues with training, insurance, etc and that their use was not supported by the Yorkshire Tourist Board. Referring to section 4.3 of the report, one Member queried the deferral of a loan instalment (£514,340) repayment to the General Fund in connection with the Queens Suite development. The Director stated that the loan repayment was not affordable and that it had been deferred until HIC funds were available. In relation to attracting new business to the Centre in light of increased competition, the Director advised that he had delegated authority to negotiate on fees and contracts.

RESOLVED:

That Members noted the budget.

(Six Members voted for the motion and there were three abstentions)

(6.00 pm - 6.15 pm)

