

King John's House

Report of the Community, Leisure and Tourism Portfolio Holder

Recommended:

- 1. That King John's House receive revenue cost support for 2025/26. The amount of revenue support within the budgeted sum to be delegated to the Head of Planning Policy and Economic Development in consultation with the Head of Finance and Revenues, Portfolio Holder for Community, Leisure and Tourism and Portfolio Holder for Finance and Resources.**
- 2. That the decision on whether and to what extent support should be provided within the existing budget until March 2028 be delegated to the Head of Planning Policy and Economic Development in consultation with the Head of Finance and Revenues, Portfolio Holder for Community, Leisure and Tourism and Portfolio Holder for Finance and Resources.**

SUMMARY:

- King John's House are in the final year of their revenue support grant. This means financial support will end on the 31 March 2025 unless further funding is approved.
- The contract to run the Visitor Information Centre (VIC) also ends on the 31 March 2025.
- The Tourism Review carried out in 2023 recommended changing the tourism model to better support the sector.
- This report explains how TVBC plan to achieve the aims of the recommendations in a measured way to take advantage of the opportunity to better support Tourism across the Borough.

1 Introduction

- 1.1 The purpose of this report is to seek agreement to financially support King John's House's revenue staffing costs (KJH) for 2025/26.
- 1.2 Tourism is a valuable sector within the Test Valley economy. The Tourism Review carried out in 2023 identified that in 2019 Test Valley achieved a total of 4.1m tourism visits, resulting in £198m of visitor spend for the borough and supporting 5,600 jobs.
- 1.3 The Review set out a new model of tourism support to better meet the needs of the sector across the whole Borough. However, in order to deliver this new model it is critical to understand and consider the interlinked nature of the Visitor Information Centre, the current support to King John's House and the services they provide both in the context of Romsey and the wider area.

- 1.4 Therefore, this report outlines how the transition from the current tourism support provision to the model outlined in the Tourism Review can start to be achieved.

2 Background

- 2.1 In July 2023 Blue Sail were commissioned to review the Council's tourism support activities. They were given a brief to produce a clear model that TVBC could adopt. The final report was received in October 2023.
- 2.2 One of the key recommendations of the Tourism Review was to change the current model of tourism delivery. They recommended that tourist information should be delivered by a network of Tourist Information Points (TIP) across the Borough rather than a single venue.
- 2.3 TIPs are branded spaces co-located within existing businesses. Staff are knowledgeable members of the community who are trained to give information and advice to visitors and each location has digital information as well as printed literature. This creates a strong network of tourist information delivery across the Borough as well as strengthening relationships between host businesses and organisations.
- 2.4 Consequently, discussions have taken place to identify the most appropriate route to achieve this. As a result, the contract to run the existing Visitor Information Centre was extended until March 2025 to allow for this transition to be carried out.
- 2.5 The Tourism Review recommended redeploying resources to better serve the tourism sector. This included supporting King John's House (KJH) to become financially self-sustaining operation with less reliance on TVBC grant funding together with a new approach to delivering visitor information. King John's House are in the final year of a 3-year revenue grant (£48,106 2024/25). This grant currently supports staffing costs but has the flexibility to be used for other purposes
- 2.6 To achieve this, the Review proposed that they take over the front unit of 13 Church Street, currently occupied by the Visitor Information Centre (VIC). This would give them an entrance on to Church Street which would increase visibility and create a visual link to Romsey Abbey. In return for this space KJH would host a Tourist Information Point (TIP). The final arrangements for this will be incorporated in the new lease agreements.
- 2.7 Therefore, KJH were tasked with developing a business plan to 2028 that outlined the future use of 13 Church Street and how this will form part of their route to sustainability.
- 2.8 The Business Plan clearly articulates the actions required to make KJH more viable through increasing income and identifying external funding streams. However, in order to achieve this the Business Plan requests further revenue funding until, at least, March 2028 as follows:

Year	Element	Amount
2025/26	Revenue staff cost	£51,000
	Cost to refurbish 13 Church Street	£15,000
	TIP running costs	£5,000 (increased utility costs)
2026/27	Revenue staff cost	£54,000
	TIP running cost	£6,000 (increased utilities)
2027/28	Revenue staff cost	£57,000
	TIP running cost	£7,000 (increased utilities)

- 2.9 The Revenue staff cost includes an inflationary 5% which exceeds the amount forecast to be available in the Council's budget which will be linked to inflation at the start of the new financial year.
- 2.10 This request details important cost considerations in addition to the revenue cost support for staff costs. However, providing this funding to KJH in addition to the revenue cost is not considered the best approach. Rather, these costs could be considered in the following ways:
- 2.10.1 As a TVBC building, the costs associated with the refurbishment of 13 Church Street can be accommodated within the existing tourism revenue budgets. This is likely to require a carry forward from the current year into 2025/26.
- 2.10.2 The TIPs will be based on The Isle of Wight (IOW) model which operates 13 TIPs based in communities across the destination. In order to maximise their reach and meet a diverse range of needs, the TIPs are situated in areas which attract footfall from a variety of visitors. The TIPs are located in the island's main towns and villages and hosted in a variety of settings, including two local village stores; train and bus stations; visitor attractions and a community library.
- 2.10.3 In line with the IOW model, it is not proposed that TIPs hosts will receive annual revenue funding for hosting a TIP. The proposed TIP model is that TVBC will cover set-up costs, additional equipment and any staff training. The TIP will not require additional staffing but will be a secondary, informal role undertaken by the host's staff.
- 2.10.4 There is a recognition that KJH will be responsible for increased utility costs on the whole of 13 Church Street (which is reflected in the table in para 2.8) therefore provision will be made to cover these costs through existing budgets.

- 2.11 The VIC also currently deals with local resident enquiries, predominately local concert and event ticket sales. Discussions are ongoing on how best this can be delivered in a different way

3 Corporate Objectives and Priorities

- 3.1 The recommendation within this report links to the corporate objective of Prosperity by supporting King John's House's as a key tourism asset within the Test Valley.
- 3.2 The adopted Economic Development Strategy (2024 – 2029) outlines the way in which TVBC intends to create the conditions for economic growth in line with Council's vision to promote prosperity in a sustainable way which improves the quality of life of our residents and communities. This Strategy prioritises supporting key sectors, including Tourism, to grow.
- 3.3 Within the Economic Development Strategy Action Plan there is a target to develop destination management, marketing and development activities for Test Valley in line with the Tourism Review by December 2025.

4 Consultations/Communications

- 4.1 Officers have undertaken informal and without prejudice discussions with representatives of KJH Trustees. Subject to the outcome of this decision, communication will be continued with King John's House and its trustees.
- 4.2 Councillors have been made aware of the outcomes of the Tourism Review at an OSCOM roundtable on 22nd November 2023.
- 4.3 As this proposal develops, communication with visitors and residents will be key to clearly articulate the new tourism model.

5 Options

- 5.1 Options to be considered are:
- (a) Approve the full request within the KJH Business Plan which includes three years revenue cost funding, 13 Church Street refurbishment costs and ongoing TIP revenue costs.
 - (b) Approve an initial year's funding for 2025/26 subject to final agreement, costs associated with the refurbishment of 13 Church Street and annual TIP costs (utility costs) but consider them as outlined in 2.10.1 and 2.10.4 Any future revenue cost support be agreed on a year by year basis until March 2028 (Recommended).
 - (c) Reject the Business Plan proposal and end funding to KJH in March 2025.

6 Option Appraisal

- 6.1 **Option One** - Approve the full request within the KJH Business Plan which includes three years revenue cost funding, 13 Church Street refurbishment costs and ongoing TIP revenue costs.

- 6.1.1 The only advantage to this option is that it would provide complete financial certainty for KJH and its Trustees.
- 6.1.2 The disadvantages are that it would not encourage KJH to become fully self-sustaining. In addition, the TIP model is not designed to provide revenue costing to host organisations. By setting a precedent this would impact of the deliverability of a TIP network across the Borough.
- 6.2 **Option Two** – Approve an initial year’s funding for 2025/26 subject to final agreement, costs associated with the refurbishment of 13 Church Street and annual TIP costs (utility costs) but consider them as outlined in 2.10.1 and 2.10.4. Any future revenue cost support be agreed on a year by year basis until March 2028.
 - 6.2.1 The advantages of this approach are that it encourages KJH to continue their effort to become self-sustaining. It does not set a precedent with TIP running costs but acknowledges increased utility costs from taking over a new space. It allows funding to be clearly aligned with progress and for the Council to monitor progress against the business plan. Finally, it makes provision for the costs associated with refurbishing 13 Church Street.
 - 6.2.2 The disadvantage of this option is that it would not provide KJH with complete certainty.
- 6.3 This is the recommended option.
- 6.4 **Option Three** - Reject the Business Plan proposal and end funding to KJH in March 2025.
 - 6.4.1 The advantage of this option is that the Budget could be reassigned to other Tourism activities or be a proposed saving.
 - 6.4.2 The disadvantages of this option are that the future of KJH would be at serious risk and likely to close. Romsey would lose a key tourism asset. The opportunity to link KJH with the town centre, directly opposite Romsey Abbey, would be lost. Finally, a different use for 13 Church Street would need to be found which would not align with the recommendations of the Tourism Review.

7 Risk Management

- 7.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

8 Resource Implications

- 8.1 The request for the revenue support cost can be accommodated within existing base budgets.
- 8.2 13 Church Street refurbishment will be accommodated within the existing tourism revenue budgets. This is likely to require a carry forward from the current year into 2025/26.
- 8.3 Ongoing costs such as utilities to be agreed as part of lease arrangements.

9 Legal Implications

- 9.1 It is anticipated that this support will be given under Minimal Financial Assistance (MFA) under the UK Subsidy Control Act (2022). We have been supplied with public funding information from KJH which suggests the threshold would not be exceeded.

10 Equality Issues

- 10.1 The current VIC does play a community role through the sale of local concert and event tickets. Discussions are ongoing as to whether this could be accommodated within the Former Magistrates Court (FMC).
- 10.2 Therefore, an EQIA has been completed and has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.

11 Other Issues

11.1 Community Safety

- 11.1.1 There are no community safety issues identified.

11.2 Environmental Health Issues

- 11.2.1 Any future use of 13 Church Street will be subject to Environmental Health regulations.

11.3 Sustainability and Addressing a Changing Climate

- 11.3.1 There are no direct issues but any building refurbishment will be undertaken within TVBC's guidance.

11.4 Property Issues

- 11.4.1 King John's House and Gardens are under the ownership of TVBC and leased to King John's House.

11.5 Wards / Communities Affected

- 11.5.1 Romsey and the surrounding area.

12 Conclusion

- 12.1 In conclusion, this is an opportunity to implement key recommendations within the Tourism Review which will better support the sector across the whole Borough. It will provide KJH, a key tourist asset, with a degree of financial security but will encourage them to become fully sustainable by March 2028. Tourist information and community information will still be available. It will trigger the roll out of TIPs which will provide more comprehensive tourist information across the whole Borough.

Background Papers (Local Government Act 1972 Section 100D)

Strategic Review of Tourism Services prepared by Blue Sail. November 2023.

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	None	File Ref:	N/A
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(Portfolio: Community, Leisure and Tourism) Councillor T Swain

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Report to:	Cabinet	Date:	20 November 2024
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