

Bath & North East Somerset Council

MEETING:	Economic and Community Development Policy Development & Scrutiny
MEETING DATE:	24 th May 2012
TITLE:	Bath & North East Somerset's Tourism Performance
WARD:	ALL
AN OPEN ITEM	
List of attachments to this report:	
None	

1 THE ISSUE

Concerns have been raised across the tourism industry regarding the impact of the 2012 London Olympics and the consequent distribution from London of visitors.

2 RECOMMENDATION

The Panel is asked to:

2.1 Note the direction of travel and make any recommendations for future actions.

3 FINANCIAL IMPLICATIONS

3.1 There are no financial implications beyond the present business planning constraints unless the recommendations from the committee carry such consequences.

4 CORPORATE OBJECTIVES

- *Creating neighbourhoods where people are proud to live*
The Council offers free access to all the Heritage Buildings to those who are resident in Bath and North East Somerset. This is specifically related to ensuring an understanding of the history and heritage of the area as well as to educate.
- *Building a stronger economy*
Bath and North East Somerset Council has 10,000 people employed in tourism related industries & 8,000 in retail. In addition the Council earns significant income from the Property holdings, Roman Bath and Heritage estate alongside the parking income that is generated by Tourism.

5 THE REPORT

5.1 The 2012 tourism season is characterised by:

- Ongoing global economic uncertainty.
- Volatility in the international travel market
- Uncertainty in the domestic travel market
- Continuation of the staycation effect.
- Impact of 2012 London Olympics.
- Effect upon retail of the domestic economy.
- Cost of domestic travel.
- Opportunities in the BRIC countries

5.2 As a consequence we have maintained a close watching brief over the various sectors using a range of indicators gathered together through T Stats.

- Roman Baths are running 2.4% above budget and 1.4% above last years target – which was a 20 year record performance.
- The Thermae Development Company reports being on target in spite of some variations month to month.
- Footfall is around 6% above last years figures.
- The more modern car parks are 20% above last years figures, the aging stock figures are now available on a monthly basis and will be reported at the panel meeting.
- The performance of retail 'essentials' is reported to be strong in the first quarter whilst the fashion sector is suffering from weak demand. The performance of the restaurant sector is mixed. Character catering & larger chains reporting strong performance whilst independents suggest weaker performance.
- Night time economy reports strong performance over the week end periods
- There is churn in the retail property market however there appears to be a focus on reducing overheads & pressure on reducing lease periods. Given the right location/layout there is still strong demand for the correct product however the less obvious locations are struggling for tenants. Given that indicator BaNES Property Services have only 5.4% retail voids (increase of 1% over 2011) against a national average of 14.5%.

Projections

The recessionary factors in the economy results in booking being made late however the present results from Bath Tourism Plus advanced sales are mixed and to an extent counter intuitive:

Period	Bookings	Bed Nights	Value
April / May 2012			8%
June 2012	33%	40%	(1.6%)
July 2012	13%	(9.3%)	(19%)
August 2012	36%	11%	0.2%

Performance over 2011 base by % () indicates a negative figure.

More work is required to understand whether these figures reflect the performance of 'direct sales' and other 'agency sales' (lastminute.com etc).

Bath's area response

- The Government has allocated £200K per annum for the next three years in order to promote regional and sub national marketing. Additional funds have been made available for international marketing.
- Bath Tourism Plus, the Business Improvement District and Heritage Services have each allocated additional resources to match the Governments funding.
- Promotion of a retail, tourism and event programme in order to encourage repeat visits & broaden the appeal of the area.
- Position Bath as a focal point for the sub region – Jubilee Celebration, X Media Lab, X – Games, Popular Music Programme, Olympic Torch / Paralympic Flame Events, Party in the City & International Festivals, Sky Ride, Bike Bath etc. We are also examining a walking festival and an event notionally titled 'Quintessentially Bath' – concerned with Health & Well Being. A complete programme of all the events is available on - <https://sites.google.com/site/bnesevents>
- Embrace an increasing number of TV and major films as promotion for Bath.

6 RISK MANAGEMENT

- Risk's are continually assessed and reacted to. These are the headline risks:
- Ongoing global uncertainty.
- Visitor volumes v propensity to spend.
- Impact of inflation v standstill household income levels.
- Other risks are included in the Departmental Risk register and are concerned with the exposure to under performance of Bath's attractions.

7 EQUALITIES

7.1 There are no equalities impacts.

8 CONSULTATION

8.1 *Staff; Other B&NES Services; Stakeholders/Partners; Other Public Sector Bodies; Commercial Sector Partners.*

9 ISSUES TO CONSIDER IN REACHING THE DECISION

Customer Focus; Sustainability;

10 ADVICE SOUGHT

10.1 This is for information only

Contact person	<i>David Lawrence, Divisional Director Tourism Leisure and Culture. – 01225 395385.</i>
Background papers	<i>No additional papers</i>
Please contact the report author if you need to access this report in an alternative format	