

## **CREATIVE INDUSTRIES AND TOURISM ENTERPRISE PROGRAMMES**

**Report By: Director of Policy and Community**

### **Wards Affected**

County-wide.

### **Purpose**

1. To update Members with reference to the Creative Industries and Tourism Enterprise programmes that are due to finish in March 2005.

### **Financial Implications**

2. None at this stage.

### **Considerations**

3. Tourism Enterprise and Creative Industries in Herefordshire are both three-year programmes funded primarily by EU and regional sources, which come to an end in March 2005. Both programmes have had a significant impact on the sectors and wider county economy in terms of:
  - 294 creative and 230 tourism businesses have improved through advice and guidance (figures for the first two years).
  - 100 creative and 200 tourism businesses have benefited from training (figure for the first two years).
  - Profit ratios for creative businesses have increased with increased sales over the first two years of the H.Art Week and Hereford Contemporary Crafts Fair.
  - Both programmes are flagships for the region and received a national profile which promotes the progressive nature of the local authority.
  - The programmes have demonstrated at a local and regional level the significance of creative industries and reinforce the importance of tourism to the economy as traditional industries in the county decline.
  - The requirement of the funders in terms of monitoring and evaluation has actually had a positive effect in introducing new ways of gathering evidence on activities, which has influenced the wider work of Cultural Services.
  - There has been an increase in confidence in the creative industries sector as a result of businesses being involved in the programme and generally tourism businesses feel ready to develop after a difficult couple of years after the Foot and Mouth outbreak.

- Many of the businesses supported through the programmes have been recognised in National Award Schemes.
- 4. Proposals have been prepared to extend the programmes with a view to receiving support from Advantage West Midlands via the Rural Regeneration Zone (RRZ). The programmes fit well with the criteria for RRZ, but revenue projects do not meet the current emphasis on capital funding.
- 5. In terms of finance, there is no other source of finance for tourism and a great deal of programme elements will have to be dropped if RRZ funding is not forthcoming. From a current expenditure of approximately £500,000 a year (varies year on year), spending will be reduced to the Council's own project revenue budget of £100,000, plus some contributions from the private sector. Appendix One outlines which programmes will be able to continue using the Council's revenue budget if it remains at the same level, showing a significant reduction in activity. Although, the value of tourism to Herefordshire is £272 million per year, the County is the worst performing destination in the West Midlands. Competition for visitors, in this country and abroad, is increasingly fierce and without additional support Herefordshire will miss opportunities to capture a "get away from it" market. Also, many of the current activities to diversify the market share will be lost.
- 6. The current Creative Industries programme spends approximately £450,000 per year (varies year on year). Again, without external funding this will reduce to utilising the arts budget of £30,000 per year, which is currently used as match funding for the existing programme, plus some investment from businesses. There is the opportunity to apply to the Arts Council to continue elements of the programme as well as develop some new initiatives highlighted in the Mid-term Evaluation on current activity. This will result in a total spend per year of £93,000 (varying year on year). This will have a positive impact and build on the potential of the creative industries sector in its support for the wider economy. However, as also outlined in Appendix Two a number of initiatives will have to be dropped if RRZ investment is not forthcoming.
- 7. For both programmes there will also be a reduction in staffing levels in Cultural Services as the funding contributes to these salaries.

## **RECOMMENDATION**

**THAT Members note the content of the report for referral to the appropriate Cabinet Member(s).**

## **BACKGROUND PAPERS**

- Proposals for post 2005 packages available on request.