

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 11 APRIL 2000

SERVICE LEVEL AGREEMENT AYRSHIRE & ARRAN TOURIST BOARD

Report by Director of Development Services

1 PURPOSE OF REPORT

- 1.1** To seek the approval of the Committee to enter into a Service Level Agreement between East Ayrshire Council and the Ayrshire & Arran Tourist Board (A&ATB).

2 BACKGROUND

- 2.1** At previous meetings, the Committee has considered reports on the activities, management and structural issues and the financial position of the A&ATB.
- 2.2** Although the A&ATB has suffered from recent financial difficulties which have caused the Board to have an accumulated deficit, the Business Plan shows projected surpluses in each of the next three years, which together with the recently approved re-financing package will eliminate the accumulated deficit over a period of 5 years. Current indications are that the projection of a small surplus for the 1999/2000 financial year will be achieved.
- 2.3** The A&ATB has an outstanding loan from the Scottish Tourist Board (STB), on which repayments may be required from the start of the financial year 2001/2002.
- 2.4** Following the management restructuring of the A&ATB, the recently appointed Chief Executive, Janet Reuben, took up post at the beginning of 2000.

3 SERVICE LEVEL AGREEMENT

- 3.1** Attached to this report is a copy of the proposed Service Level Agreement between East Ayrshire Council and the A&ATB, which has been developed jointly between the two organisations and in consultation with the Solicitor to the Council. It covers the period from 1 April 2000 to 31 March 2003.

4 POLICY IMPLICATIONS

- 4.1** The provision of support to tourism contributes to the achievement of the policy objectives of the Economic Strategy (Pathway 4 : Image and Tourism).
- 4.2** The implementation of the Service Level Agreement fulfils the Council's obligations in terms of the Code of Guidance for the Funding of External Organisations.

5 FINANCIAL IMPLICATIONS

- 5.1** At its meeting on 15 March 2000, the Committee approved core funding to the A&ATB for the financial year 2000/2001 of £79,150.
- 5.2** In accordance with "A New Strategy for Scottish Tourism", the Council is required to give the Board guideline figures for the following two years, with a commitment that the actual allocation will not fall below these guideline figures, unless specific circumstances have changed in the interim.
- 5.3** Accordingly, the Council will be committed to providing funding at a minimum level of £79,150 to the A&ATB in each of the financial years 2000/2001; 2001/2002; 2002/2003.
- 5.4** The payment of these amounts will be subject to performance in accordance with the Service Level Agreement.
- 5.5** It is intended that these amounts will be built into proposed future budgets during the annual rounds of budget planning.

6. LEGAL IMPLICATIONS

- 6.1** The Board is set up under the Local Government Acts. Local authorities are explicitly excluded from carrying out certain functions performed by the Board. The level of contribution to Boards by local authorities is determined by the local authorities themselves.

7. PERSONNEL IMPLICATIONS

- 7.1** There are no personnel implications.

8. RECOMMENDATIONS

8.1 That the Committee :

- (1) approves the terms of the proposed Service Level Agreement between East Ayrshire Council and the Ayrshire & Arran Tourist Board;
- (2) authorises the Director of Development Services to conclude the Service Level Agreement in consultation with the Solicitor to the Council;
- (3) authorises the Director of Development Services to advise the A&ATB of the levels of funding which will be available from East Ayrshire Council in the financial years 2000/2001; 2001/2002; and 2002/2003.

STEPHEN CHORLEY
Director of Development Services

3 April 2000/RP/jrs

BACKGROUND PAPERS

Nil

For further information please contact ROBERT PATON, Head of Economic Development on Extension 6142.

AGENDA