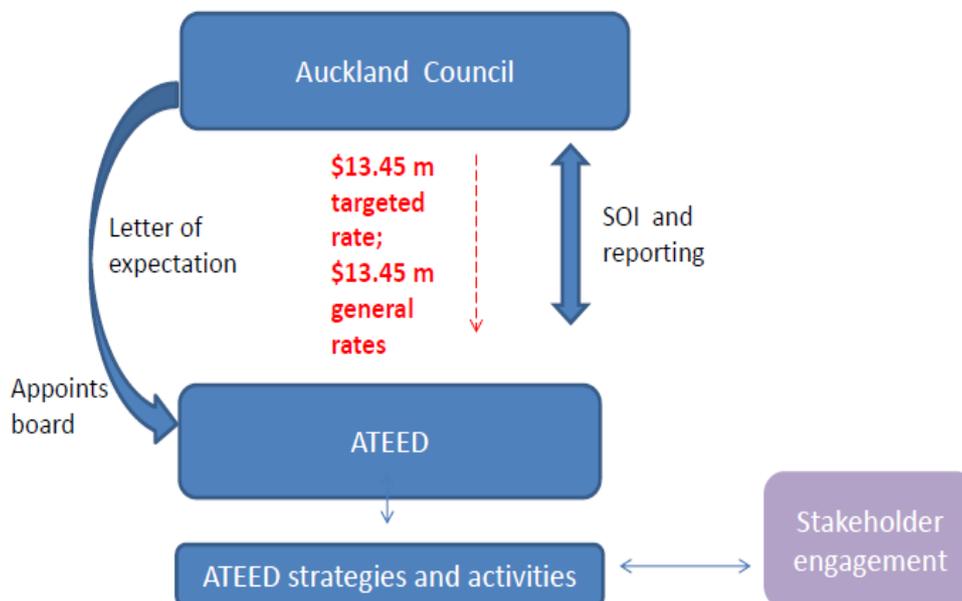


## Governance options and considerations

Six options for governance over expenditure of the accommodation provider targeted rate are set out below, together with relevant considerations. The options were developed and considered alongside the working group. Staff consulted with targeted rate payers and the wider sector on the options (excluding Option 1 status quo)

### Option one: Status quo



#### Pros:

- No further cost or work required.

#### Cons:

- No input or proximity for targeted rate payers to decision-making over relevant activities.
- No transparency for targeted rate payers on decisions on the expenditure of the targeted rate.

#### Similar models:

- Targeted rate funding is provided to ATEED through current arrangements.

#### Risks:

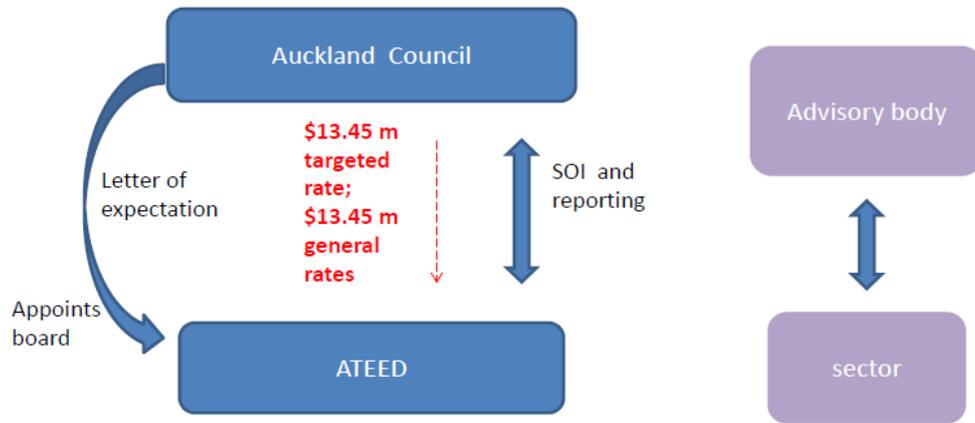
- The option does not provide sufficient input, transparency, and accountability for targeted rate payers.

### Option two: Advisory body to the council and/or ATEED

There are three sub-options. These are an advisory body of targeted rate payers to:

- the council
- ATEED
- both the council and ATEED.

See next page.



**Pros:**

- Allows input for targeted rate payers on an ongoing basis.
- Membership of the body can be flexible to include a range of members from the sector.
- An advisory body to the council would ensure accountability of ATEED decisions at a high-level for targeted rate payers.
- An advisory body to ATEED would provide input into relevant activities.

**Cons:**

- An advisory body to the council is too far removed from ATEED activities and decision-making, which are most relevant to the sector.
- The model is advisory only. The council or ATEED makes final decisions. The sector is unlikely to be supportive of this.
- An advisory body to both the council and ATEED is more complex and could be inefficient.

**Similar models:**

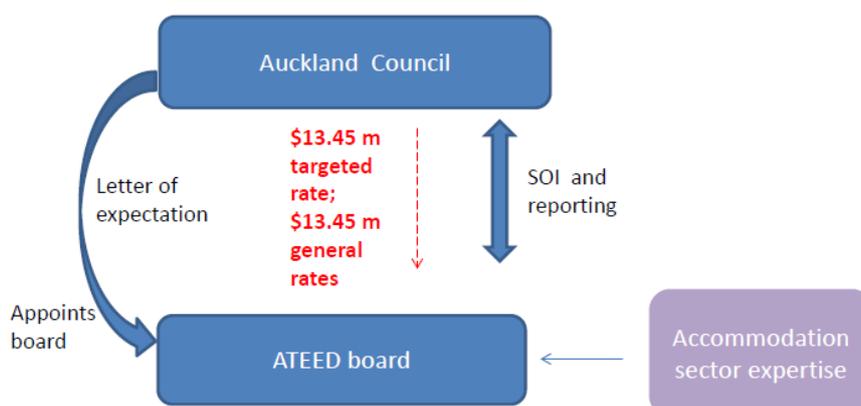
- The City Centre Advisory Board provides advice to the council on the city centre targeted rate.
- The council's People's Advisory Panels.

**Risks:**

- Targeted rate payers are unlikely to support an advisory only model.

**Option three: Board appointment to ATEED with accommodation sector expertise**

The council appoints a board member to ATEED with accommodation sector expertise. This follows the council's current Board Appointments and Remuneration Policy for Board members of Council Organisations and associated work programme, i.e. it is not an additional appointment but occurs when a future ATEED director vacancy arises.



**Pros:**

- Targeted rate payers are represented at the decision-making level.
- The appointment is pursuant to the council’s existing policy and process. This provides all targeted rate payers with transparency. It also ensures that the appointee is more generally suited and has the required skills to be a director of a substantive council-controlled organisation.
- The appointment will not increase the board. It occurs when a future director vacancy arises. This means no additional cost.
- Targeted rate payers can be satisfied there is a robust policy and process for the appointment, overseen by the council.
- The appointee has input into ultimate ATEED board decisions, and ATEED’s statement of intent.

**Cons:**

- One director. It does not provide as much flexibility as some of the other options and may not be representative of diverse interests of the sector.
- The ATEED board considers activities that are wider than visitor attraction and major events funded by the targeted rate.

**Similar models:**

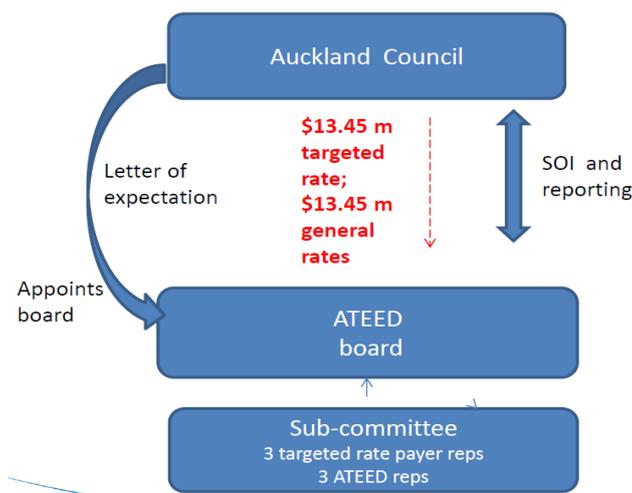
- This follows the current policy and process overseen by the Appointments Performance Review Committee.

**Risks:**

- A single director may not be considered representative of the entire accommodation sector. It may be difficult to provide input for future targeted rate payers.
- Any appointee will have input into matters wider than visitor attraction and major events and council is required under the Local Government Act 2002 to ensure directors appointed to council-controlled organisations have the necessary skills, knowledge, or experience. This is mitigated by making the appointment pursuant to the council’s existing board appointment policy and process.

**Option four: Accommodation sector members on an ATEED sub-committee**

The sub-committee makes recommendations only to the ATEED board on relevant destination activities including visitor attraction and major events. The sub-committee is supported by ATEED staff.



**Pros:**

- Sector has input at most relevant level so there is good proximity to decision-making on relevant

activity.

- Membership can ensure breadth and flexibility of representation, as well as be proportionate to the level of the targeted rate. For example, half the members represent targeted rate payers.
- Targeted rate payer representatives can provide accountability back to the sector. The sub-committee can also establish reporting mechanisms.
- The sub-committee leverages off current governance structures and is likely to be cost-effective and efficient.

#### Cons:

- The sub-committee is advisory only. It does not make decisions. These sit with the ATEED board.

#### Similar models:

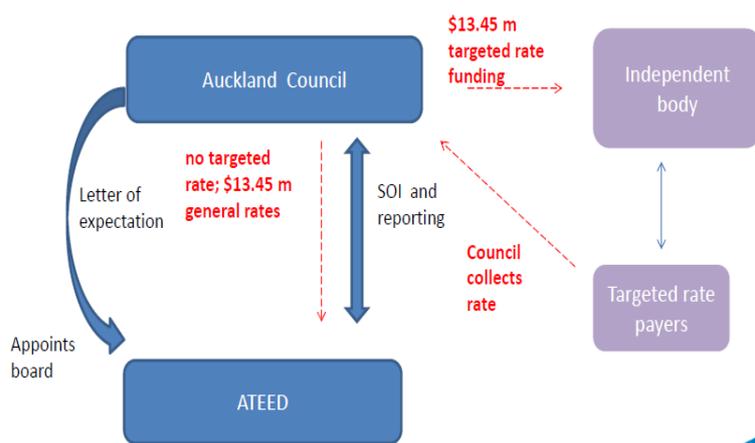
- The CCOs have the ability to form sub-committees of their boards.

#### Risks:

- Targeted rate payers are unlikely to support an advisory only model.

### Option five: Independent body

Targeted rate payers establish an independent body



#### Pros:

- The sector is directly accountable to targeted rate payers.
- The sector has direct control over expenditure of the targeted rate.

#### Cons:

- Duplication/competition with ATEED and inefficiencies may occur. ATEED still receives general rates funding towards the same activities, unless further decisions are made about roles or a strong relationship established between the body and ATEED.
- Requires the sector to come together and coordinate an entity.
- Establishment may require some council resource to bring the sector together, as well as ongoing resource to administer the targeted rate.

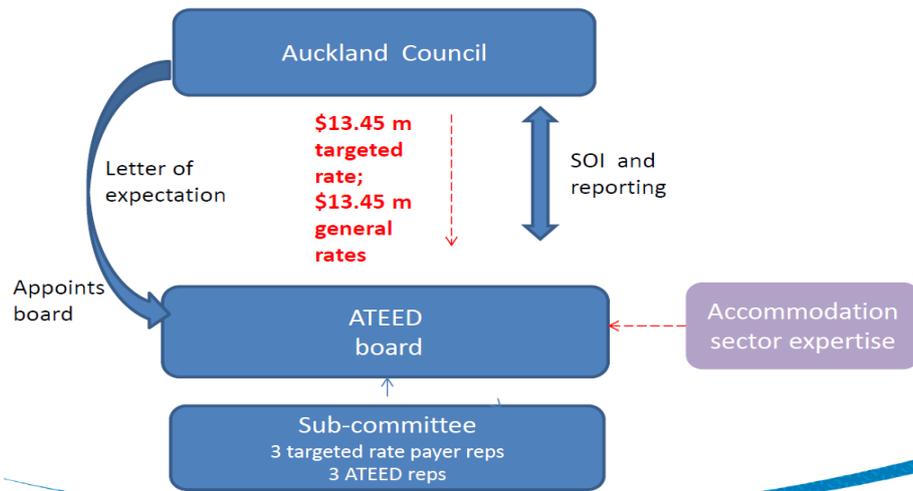
#### Similar models:

- The council's business improvement district programmes run by incorporated societies.

#### Risks:

- The option may result in duplication of activities with ATEED. Existing activities may not be leveraged.
- The accommodation sector is diverse and may not come together to establish such an entity.

## Option six: Both ATEED director (option three) and accommodation sector members on an ATEED committee (option four)



### Pros:

- See options three and four above.
- Targeted rate payers are represented at both the advisory and decision-making levels.
- While the board appointment is not as flexible as other options, the sub-committee mitigates this as it allows flexibility in its membership.
- Leverages off current arrangements, existing council policy and process, so is efficient and relatively low-cost.

### Cons:

- See options three and four above.
- Requires two different processes.

### Similar models:

- See options three and four above.
- Leverages off current governance arrangements.
- Follows the council's existing board appointment policy and current work programme.

### Risks:

- See options three and four above, although this option six is likely to receive greater support from targeted rate payers than either option three or four alone.