

DERBYSHIRE COUNTY COUNCIL

CABINET MEETING

1 October 2013

Report of the Acting Strategic Director – Environmental Services

**VISIT PEAK DISTRICT AND DERBYSHIRE DESTINATION
MANAGEMENT ORGANISATION – FINANCIAL CONTRIBUTION
2013/14 (JOBS, ECONOMY AND TRANSPORT)**

(1) **Purpose of the Report** To seek approval for a funding contribution to be made to the Visit Peak District and Derbyshire Destination Management Organisation for 2013/14.

(2) **Information and Analysis** In 2004/05, the East Midlands Development Agency (emda) took over the delivery of tourism and established East Midlands Tourism (EMT). As part of that process, it was agreed that locally defined areas would establish Destination Management Partnerships (DMPs) to co-ordinate tourism activity.

A new DMP was established supported by a new Destination Management Organisation, Visit Peak District and Derbyshire (VPD&D). The DMP received core funding from EMT to contribute to running costs with the remainder being matched from secondments and contributions, primarily from local authorities.

The intention of establishing the new DMP was to reduce duplication and deliver more targeted marketing activity at a scale that would maximise impact and appeal to visitors and tourists to the area.

In 2006, it was agreed that the County Council would support VPD&D by directing County Council tourism marketing and promotion resources, with some additional funding from the Local Authority Business Growth Initiative, to support the new co-ordinated offer on a trial basis for two years. In May 2008, this support was extended for three years to March 2011.

With the abolition of emda and EMT, VPD&D faced a drop in core revenue funding of £470,000 per annum. During 2011/12, VPD&D restructured its activities and relocated to Chesterfield to reduce costs, with a shortfall in the year met from reserves. However, it was agreed that the organisation could only remain viable with additional public sector funding and a concerted effort

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to increase private sector income through membership subscriptions, marketing activity and sponsorship.

Approval was given by Cabinet in May 2011 to a funding contribution being made to VPD&D of £164,000 for 2011/12. The Chief Executive's Office Service Plan, approved by Cabinet in Spring 2012, outlined a contribution to VPD&D for 2012/13. Whilst informal discussions may have taken place, no formal Cabinet approval was secured for the core contribution to VPD&D of £164,000 in 2012/13.

In September 2011, the Cabinet Member for Leadership and Culture agreed to an additional payment of £50,000 being made for 2011/12 and in November 2012, Cabinet approval for an additional payment of £100,000 was secured for 2012/13.

A new DMP was published in 2011 covering the period 2011-2015. Within the Plan, a new delivery model was proposed to build upon the Peak District as a Destination of Distinction and an "attack brand" by Visit England. This is a term describing a brand which will be marketed to promote worldwide interest and awareness. The new model established an "attract and disperse" model to increase visitor numbers and tourism spend (place marketing), and improving industry engagement and coordination (destination management). In addition, the Plan sets out targets for increasing private sector income to offset public subsidy. Projections are currently ahead of target with the percentage of private sector income at 42% for 2012/13. The aim is to achieve 51% by the end of 2014/15.

Following the introduction of Local Enterprise Partnership (LEPs), the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) LEP has identified the Visitor Economy as a key growth sector for Derbyshire and Nottinghamshire. As a result, VPD&D has been involved in shaping future growth opportunities through the D2N2 Visitor Economy Review and Investment Assessment due to report by December 2013. In addition, a new Destination Management Plan is in preparation that will complement the D2N2 review and help focus future investment in the tourism offer across Derbyshire.

In addition, VPD&D was successful in securing £600,000 over three years commencing 2012/2013, to deliver key marketing campaigns. The funding will ensure marketing and promotional activity is coordinated and industry engagement is improved which, it is anticipated, will raise quality standards to better meet customer needs. This activity is essential as the tourism sector is vitally important to the economic prosperity of the County.

(3) Financial Considerations The County Council's funding contribution of £164,000, to support the annual revenue costs of VPD&D, is currently held within the base Economic Regeneration Tourism budget.

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A Service Level Agreement (SLA) developed in the financial year 2011/12 committed the Council to providing a core contribution of £164,000 until March 2015. This Agreement, however, was never signed. Additional funding granted in 2011/12 of £50,000 and 2012/13 of £100,000 was not committed beyond the end of March 2013.

Beyond March 2014, therefore, further approvals will be required should the Council wish to continue its funding for VPD&D and a revised SLA would need to be negotiated for which Cabinet approval will be required. In view of the priority to developing the visitor economy in Derbyshire, however, it is proposed that a review of the SLA is conducted for 2014/15.

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(4) **Key Decision** Yes.

(5) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(6) **Background Papers** All relevant documents are held by the Economic Regeneration Service. Officer contact details – Frank Horsley, extension 38348.

(7) **OFFICER'S RECOMMENDATIONS** That Cabinet:

7.1 Approves the County Council's revenue contribution of £164,000 to support Visit Peak District and Derbyshire for 2013/14.

7.2 Agrees to discussions commencing on a revised Service Level Agreement and funding allocation for 2014/15.

Mike Ashworth
Acting Strategic Director – Environmental Services