

**DERBYSHIRE COUNTY COUNCIL**

**CABINET MEETING**

**5 August 2014**

Report of the Strategic Director – Economy, Transport and Environment

**VISIT PEAK DISTRICT AND DERBYSHIRE DESTINATION  
MANAGEMENT ORGANISATION - FINANCIAL CONTRIBUTION  
2014/15 (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 (VPDD) Destination Management Organisation for 2014/15 and advise Cabinet of the Service Level Agreement which is currently being drafted. .

(2) **Information and Analysis** In 2004/05, the East Midlands Development Agency (emda) took over 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 (DMO) - Visit Peak District and Derbyshire (VPD&D). The DMO 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 DMO was to reduce duplication and deliver more targeted marketing activity at a scale that would maximise impact and attract visitors and tourists to the Derbyshire area.

Currently, the visitor economy is recognised as a key growth sector by the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Local Enterprise Partnership and contributes significantly to the Derbyshire economy; it is worth over £1.7bn per annum and employs approximately 27,000 people. The DMO plays a vital role in supporting this diverse sector and aims to provide a global route to market for all businesses and individuals engaged in the visitor economy.

## **Public**

### Developing Visit Peak District and Derbyshire

In 2006, it was agreed the County Council would support VPD&D by directing County Council tourism marketing and promotion resources 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 the organisation could only remain viable with additional public sector funding and a concerted effort to increase private sector income through membership subscriptions, marketing activity and sponsorship.

For the financial years 2011/12 and 2012/13, the Council approved a core financial contribution of £164,000 per annum. In addition, the Council provided further support during 2011/12 and 2012/13 to offset the continuing impact of the demise of emda. This support helped ensure VPD&D continued to operate whilst a more sustainable delivery model was developed by the organisation.

A detailed Service Level Agreement (SLA) is currently being negotiated with VPD&D. The purpose of the SLA is to set out clearly the key functions and activities to be carried out by VPD&D and identify specific areas of support that will be provided to the County Council in return for the proposed financial contribution of £164,000. The Agreement will also set out the way in which the performance and results of VPD&D will be measured and managed.

The Council is continuing to support VPD&D through its on-going 'roots and branch' review, which is ultimately seeking to develop a new financial model that will reduce the burden on local authority financial resources, increase private sector income and provide a more sustainable future for the organisation. The review panel is made up of partners and other stakeholders and chaired by local businessman, Paul Roden, owner of Losehill House Hotel and Spa and VPD&D Board member.

Work on the review is taking place between May and September, with intermittent reports and updates being provided to the Visit Peak District and Derbyshire Partnership Board. Key areas of work include:

- Evaluating and challenging the core purposes of the organisation
- Evaluating and reviewing the basic functions of the business
- Establishing where the organisation needs to be in the future and how this will be achieved
- Identifying short, medium and longer term solutions to secure a sustainable operational model

## Public

- Progressing a wider view of tourism across the County (based upon the findings of the recently completed D2N2 Visitor Economy Review and Investment Assessment)

A report on the conclusion of the review is due to the VPD&D Partnership Board in September 2014.

Any future Council financial support to VPD&D will be based upon the recommendations of the review and subsequent implementation.

(3) **Financial Considerations** A sum of £164,000 is to be provided to VPD&D for the period 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** No.

(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 approves:

7.1 The County Council's revenue contribution of £164,000 to support Visit Peak District and Derbyshire for 2014/15 to be taken from the Tourism Marketing budget, subject to the satisfactory completion of the Service Level Agreement.

7.2 The Service Level Agreement for 2014/15 be completed subject to discussion with VPDD and considered and agreed at the next available meeting of the Jobs, Economy and Transport Cabinet Member.

**Mike Ashworth**  
**Service Director – Economy, Transport and Environment**