

DERBYSHIRE COUNTY COUNCIL

IMPROVEMENT AND SCRUTINY COMMITTEE – PLACES

18 May 2016

REPORT OF THE CHAIR OF THE IMPROVEMENT AND SCRUTINY

COMMITTEE – PLACES

REVIEW OF TOURISM IN DERBYSHIRE – PROGRESS REPORT

1) The Purpose of the Report

To inform the Committee of the progress made by the working group conducting the review of tourism in Derbyshire.

2) Information and Analysis

This is the second progress report regarding the review of tourism in Derbyshire. The Members of the working group are Cllrs Gillott (Chair), Cox, Booth, Atkins and Hart. In addition two expert advisers from the University of Derby (Dr Sarah Rawlinson - Head of Hotel Resort and Spa Management, and Tim Heap - Principal Lecturer in Tourism) are assisting the working group in the review process.

The main objectives of the review are:

- To understand the scale of tourism in Derbyshire in terms of the contribution it makes to the county's economy and jobs market.
- To ascertain what Derbyshire County Council does currently to support the tourism sector and what lessons can be learnt from other local authorities.
- To identify opportunities for the Council to work (in partnership) with public, private and voluntary sector organisations to support tourism businesses, create jobs and secure additional investment in the county.

The progress report submitted to this Committee on 8 March summarised the discussions held with officers from the Council's Economy and Regeneration Division and the expert advisers from the University of Derby. This report outlines the key points made during discussions with Cumbria Tourism and Visit Peak District and Derbyshire.

a) Cumbria Tourism

Cumbria Tourism is the Destination Management Organisation (DMO) for Cumbria and is recognised as an example of good practice. To learn from the experience and expertise of Cumbria Tourism the working group held a teleconference (on 11 March) with Sarah Ross, a member of the Executive Committee and Chair of the Members' Committee.

Details of the arrangements in Cumbria were discussed as follows;

- The role of a DMO is to manage the destination, not just market it. It is about building an evidence base and linking destinations, linking transport, linking themes.
- Decisions made about tourism in the region need to be business led and made by people with industry experience. A detailed tourism strategy document, however well researched and supported by academic evidence, will lack credibility in the sector if it is delivered solely by the County Council. Any strategy must be shaped and supported by people who have invested in the county's tourism industry and who make their living from it.
- It is important that the DMO is viewed as having an authoritative voice, so that the region is well regarded and is in a position to influence decision makers in London.

i) Data and Research

- The quality and depth of the data held by Cumbria Tourism is a key feature of the organisations success, in terms of being able to speak for the region with an authoritative voice.
- Tourism Businesses submit data to the DMO, and the DMO acts as a central data repository. The cost of employing a researcher (three days a week) to collate and analyse the data is offset by selling bespoke reports to established businesses in the region and prospective businesses.
- The data is very up to date. Data is refreshed at least annually, some of it quarterly or monthly. For example Cumbria Tourism is in a position to be able to tell the national and local government exactly what members are saying about the impact of the December floods from the results of its flood recovery survey.

- The data captured includes occupancy rates for serviced accommodation, self-catering accommodation and caravanning and camping sites. There are statistics on the top 20 visitor attractions which are also frequently updated.
- With the data available it is possible to make projections about business opportunities in specific areas and this information can be used to attract businesses.
- The research can be used to show where the DMO is spending money in the region. It is possible to provide a breakdown of DMO activity both inside and outside of the National Park. This is important because 55% of members are inside, and 45% of members are outside, the Lake District National Park.
- The growth of the visitor economy is a stated aim of the Cumbria LEP. The data held by Cumbria Tourism can be used effectively in the decision making processes of the LEP. Through the data it holds, Cumbria Tourism can demonstrate what percentage of members support a particular initiative and this carries considerable weight.

ii) Operating Model and Income Generation

- With the withdrawal of public funding the operating model of Cumbria's DMO has, in recent years, changed. From the next financial year (2017/18) Cumbria Tourism will not receive any funding from Cumbria County Council.
- The DMO now operates as a standalone organisation.
- It is felt that the strong membership base (2970 in total) has been a key factor in successfully managing the transition to the new model. The involvement of Members (from a good cross-section of the industry county-wide) has led to Cumbria Tourism having reliable research data and a credible voice in terms of representing the entire county rather than just the National Park.
- An advantage of the new model is that as a commercial group the DMO has a stronger voice and is in a better negotiating position. However, a disadvantage is that the DMO has fewer staff and less resources to get new projects up and running. Therefore in practice everything the organisation does has to make money. There is no opportunity to invest in "slow burn" projects to develop new tourist destinations such as hard to reach geographical areas.
- The total income for the organisation in 2015 /16 was in the region of £1.3 million. Income from membership fees accounted for

approximately £350,000 and there was £250,000 of public funding for projects.

- In terms of revenue generation, 55% comes from outside the Lake District National Park.
- An important income source is the “GoLakes” website. The revenue raised through selling banner advertising space & web bookings offsets the costs of developing the site as well as funding the digital team. There is also an e-shop which is a separate and very small part of the GoLakes site where some tickets and merchandise are sold.
- Other income sources include conferences, social media and e-newsletters. The holiday guide produced every year, the food and drink guide and the attractions leaflet are small but well received projects.
- The biggest area of growth has been the bespoke PR activity. On a fee paying basis, the PR team works for clients and has developed considerable expertise in this area.
- The “FairBooking” brand has been a successful initiative that encourages consumers to book direct with accommodation providers. It means that local business are less dependent on online travel agents which sometimes charge high rates of commission and demand exclusivity and long contracts. The design style and principles of FairBooking are very similar to the fair trade identity that consumers are familiar with. The savings made on commission payments ensure that more revenue is retained in the local economy and this helps to support sustainable tourism in the area.

b) Visit Peak District and Derbyshire

The working group met with Jo Dilley (Managing Director) and Lindsay Rae (Industry Engagement Manager) from Visit Peak District & Derbyshire on 7 April. During the meeting the following points were made:

- Visit Peak District & Derbyshire DMO, commonly known as the tourist board, is the destination marketing and management organisation behind the Peak District & Derbyshire holiday destination.
- It is a private sector led organisation with commercial and public sector partners. The private sector members act as industry champions and bring a wealth of business experience of operating in

the visitor economy. Their expertise helps to shape marketing campaigns that meet the needs of the industry.

- The DMO considers its primary role is to market the area on a national and international basis through advertising and promotional campaigns aimed at attracting visitors and encouraging them to stay longer, bringing about economic benefit and growth.
- In terms of membership 75% of members are within the Peak District, and of those 65% are within the Derbyshire part of the Peak District.
- The Peak District brand includes the entire geographic area of the Peak District National Park. Principally the area covered falls within Derbyshire, but the coverage also includes areas of the park in Cheshire, Staffordshire and Yorkshire.

i) Income generation

- In 2016/17 public sector organisations will contribute £240K to the DMO. This accounts for approximately 40% of the organisations income. The remaining 60% of funding will come from the private sector.
- The DMO is constantly seeking opportunities to attract private sector investment, particularly as public sector funding is decreasing.
- Through advertising revenue the DMO's industry team is self-funding.
- Members pay a fee to advertise on the DMO's website but they are not charged a commission for bookings. Members can, however, choose to enhance their entry on the website and this generates more income.
- The DMO feels that there is still a place for public sector funding to support national and international marketing campaigns and to provide business support. These activities are expensive to deliver but are vital to the wealth and success of the visitor economy in the region.
- The DMO feels that there should be a blended financial approach. The bigger private businesses should act as ambassadors and contribute to campaigns. Public sector partners should support the DMO's wider strategic role, assisting with the development of destination plans and strategies that will continue to help attract external funds from other sources. More locally, public sector partners should continue to provide tourism infrastructure such as

visitor information points and tourist information centres.

ii) Data and Research

- Derbyshire's DMO has an aspiration to develop its research capability, as up-to-date data is paramount. However currently it is difficult to measure the visitor economy sector in Derbyshire.
- The DMO uses STEAM (Scarborough Tourism Economic Activity Monitor) data to assess the growth of the visitor economy. The data purchased relates to the whole of Derbyshire and there can be a considerable time lag (over 12 months) between when the data is collected and published.
- Since 2006 the data has shown that there has been a steady increase in visitor numbers, bed spaces, overnight stays and jobs supporting the visitor economy.
- The DMO conducts a customer satisfaction survey every two years and through its own website has access to some information about booking referrals, bed spaces and website visitors. Collectively this information forms a large consumer database and there is the potential to develop this further to generate income.
- At a recent meeting with northern partners there was a discussion about data sharing. Manchester Airport indicated that they might allow access to data about international visitors and what motivates them to travel to the north of England.

iii) Digital Marketing

- The DMO has moved away from the attract and disperse model, and is more focussed on pulling together product, rich content and ideas for itineraries that will give the customer "a good experience" the most recent campaign uses digital and social media , as this is the most cost effective way of reaching the customer.
- The website is www.visitpeakdistrict.com, there is also a Peak Explorer mobile phone app and campaign microsite - thelandtoforgettime.co.uk
- It is an ongoing challenge to keep up with the technology and the ways that consumers use technology. At one time there was a focus on developing phone apps but now the industry view is that destination apps are not such an attractive proposition. Therefore,

the DMO feels it is better to divert resources to ensuring that the website is easily accessed by mobile devices.

- The national strategy from Visit England is about attracting the international visitor. The rationale is that if you attract the international visitor the national visitor will follow. This is because the content and product is being developed to such a level that is attractive to all, including domestic visitors. This is a new approach which will be carefully evaluated

c) Next Steps

The review working group is scheduled to meet with the Chief Executive of Peak District National Park (Sarah Fowler), on May 10.

3) **Considerations**

The relevance of the following factors has been considered in preparing this report; Finance, Human Relations, Legal and Human Rights, Prevention of Crime and Disorder, Equality and Diversity, Environmental, Health, Property and Transport

4) **Recommendations**

The Improvement and Scrutiny Committee – Places is asked to;

- (1) Note the investigations undertaken by the review working group and evidence gathered so far.

Councillor Kevin Gillott

CHAIR, IMPROVEMENT AND SCRUTINY COMMITTEE – PLACES