

DERBYSHIRE COUNTY COUNCIL**IMPROVEMENT AND SCRUTINY COMMITTEE – PLACES****26 FEBRUARY 2019****BRIEFING ON TOURISM DEVELOPMENT IN DERBYSHIRE****Report of the Head of Economic Regeneration****1. Purpose of the report**

To provide Members of the Improvement and Scrutiny Committee - Places with an update on the Council's approach to supporting the growth of the tourism sector in Derbyshire following the previous improvement and scrutiny report published in March 2017.

2. Background

Published in March 2017, the "Review of Tourism in Derbyshire" report provided a comprehensive overview of the development of the Visitor Economy in the county, considered the efforts of the Council and partners in supporting growth and suggested areas for improvement.

Key conclusions and recommendations from the report included the following:

- Develop a "comprehensive and inclusive vision" for Derbyshire tourism offer;
- Provide greater connectivity for tourists to get around the county and for businesses to collaborate for mutual gain;
- Develop a more comprehensive and central source of data and intelligence to support the sector
- Focus further efforts on skills development and transport connectivity
- Develop Derbyshire's "distinctiveness" to improve competitiveness

3. The Value of Tourism to Derbyshire

Recent STEAM data released indicate a continued strong growth for tourism in Derbyshire up to 2017. Total revenue generated for sector across Derbyshire (including Derby) was £2.15bn in 2017 – a growth of 38% since 2006 and an average growth of 3% per year. With respect to visitor numbers, the county attracted 38m day visitors and over 3.9m overnight stays in 2017. The Visitor Economy sector directly employs

28,630 (4.4% of the working age population) – an average annual growth of 1.3% which supports a number of complementary sectors and supply chains in food & drink manufacturing and retailing (to name but two sector). However, the data indicates that accommodation provision has declined with a reduction in 1000 bedstock in serviced accommodation since 2013 whilst non-serviced accommodation growth has remained largely static.

4. Progress since the review – the Council’s approach to Tourism

Since the report, considerable efforts have been made to further support the recommendations of the review. This has included direct Council investment and partnership activities at both a strategic and operational level. The main areas of direct support has been through core revenue support to Marketing Peak District & Derbyshire (the counties Destination Marketing Organisation) and match funding towards the £1.5m “Growing & Developing the Visitor Economy in Derbyshire” European Regional Development Fund (ERDF) project.

At the strategic level, the Council is central to promoting the value of the sector to key regional bodies, most notably D2N2 Local Enterprise Partnership and the Midlands Engine. However, the most notable recent development in support of tourism has been the establishment of the Derbyshire Culture, Heritage and Tourism (CHAT) Board which met for the first time in June 2018.

4.1 Marketing Peak District & Derbyshire (MPDD)

MPDD was established as a Destination Management Partnership by the East Midlands Development Agency in 2004. The mission of the organisation is to work with partners and industry to develop and grow a successful and sustainable visitor economy and ensure the sector fully contributes to the growth, prosperity and wellbeing of Derbyshire, its residents, businesses and communities.

Since the demise of East Midlands Development Agency (EMDA) in 2011, two organisational reviews have been completed as the DMO focuses on delivering its mission within a more constrained budgetary environment. Although MPDD has increased commercial/membership revenue and been successful in attracting considerable external funding to support project activity and marketing campaigns, the organisation still relies on core funding from local government partners to support costs. The County Council has historically been the main funding partner although contributions have decreased from £165,000 pa in 2013/14 to the current budget allocation of £100,000 pa.

Following the last Council election, the current administration requested MPDD to work with officers to provide a three year business plan 2017-20 setting out the rationale and proposed work programme for MPDD in return for further core funding. As part of the business plan, MPDD was also requested to set out options for further moving towards a financially sustainable model.

On 1st February 2018, Cabinet approved a three year funding commitment of £300k to cover 2017-20 (£100k pa). As a result, MPDD entered into a service level agreement (SLA) with the Council for the funding period.

The SLA outlines the key aims of MPDD:

- Provide a strategic lead for the development and marketing of tourism in the area
- Optimise the profile and recognition of the iconic Peak District and Derbyshire brand
- Promote the area through tactical marketing campaigns to identified target market and demographics
- Ensure that high quality research and market intelligence is applied and shared with the industry
- Develop the potential of the website www.VisitPeakDistrict.com and Destination Management System (DMS) as the foundation of effective marketing and visitor services
- Coordinate the provision of visitor information, working with Local Authority partners to avoid duplication
- Act as a 'front door' for visitor economy sector businesses to access advice, business support and help with workforce skills
- Provide business support and training
- Promote networking and the value of networking and collaboration between tourism businesses in the area
- Represent the interests of Peak District and Derbyshire tourism businesses and organisations at regional and national level
- Promote the improvement of quality in every aspect of the product and service to visitors
- Advise on public investment in tourism product, such as attractions, activities and events

The SLA also contains a number of obligations that underpin the how MPDD works with the County Council:

- A strategic plan for the sector and destination for 2018/19 to 2020/21 incorporating the needs of investor partners

- Effective delivery of the priorities set out in the D2N2 Visitor Economy Action Plan and promoting the influence of the sector in the development of the Midlands Engine
- Support local authorities and businesses to further develop international partnerships and open up new tourist markets
- Align and complement inward investment activity to ensure Derbyshire develops and maintains a high profile as a 'Great Place' both domestically and international
- Continuity of strong branding and brand messaging, maintaining a competitive position for the destination in both domestic and international markets
- Collect data and undertake research on behalf of the sector, providing key insights and the needs of future visitors – for example, generation Y and generation Z.
- Explore commercial income opportunities and develop a plan in time for 2019/20
- Work together with wider strategic partners such as Derby City 'Visit Derby' and the University of Derby and explore where efficiencies and economies of scale can be achieved.
- Maintain sufficient reserves to cover and financial liabilities as required by East Midlands Chamber as the accountable body.
- Test the new Governance Structure of MPDD introduced in 2017, amending this as necessary and to find the right structure for Culture and Tourism across Derbyshire.

MPDD have recently introduced a new governance structure that provides for a more efficient executive role for Board whilst widening partner influence including the newly formed Local Authority Investors Panel.

4.2 “Growing & Developing the Visitor Economy in Derbyshire” European Regional Development Fund (ERDF) project

A key focus for support to tourism has been through the £1.5m ERDF project, managed and lead in partnership by MPDD. The project commenced in September 2016 and will conclude this year. An ERDF application has been submitted for further funding that will extend the project until 2022. A decision is expected for “Delivering a World Class Visitor Economy in Derbyshire Phase 2” by Spring 2019.

The project has focused on providing a sector specific business support offer in Derbyshire, to ensure businesses primarily engaged in the visitor economy have access to the information and support needed to grow and develop and that businesses are well positioned to take advantage of emerging and growing trends in the visitor economy in the area.

Business support and investment activity has been delivered across 5 strands of activity:

- Pedal Peak Business Initiative
- Inspired by the Peak District
- Promoting Derbyshire Products
- Supporting Market Towns
- Delivery of new and emerging business support needs to boost competitiveness

The Council provided £150k as matched funding towards the project largely focused on providing business support activity within the “Promoting Derbyshire Products” and “Supporting Market Towns” strands

A recent independent evaluation has highlighted the value of the project to the tourism sector. The project has supported 332 businesses with over 12 hours help and advice including 55 businesses receiving specific Pedal Peak grants. 119 businesses have developed new products through the support provided and over 80 jobs will have been created by the end of the project.

4.3 Culture, Heritage and Tourism (CHAT) Board

The CHAT Board met for the first time in June 2018 and has been established to support the efforts of MPDD and key place partners to maximise the economic potential of Derbyshire’s unique and distinctive cultural and environmental offer to ensure the county is an exceptional and World Class Destination for people to live, work, visit and invest - promoting tourism growth whilst protecting what makes Derbyshire’s heritage special and unique.

The primary focus of the Board is to ensure the assets, infrastructure and products/services provided complement the experience of and meet the expectations of our customers whether it be visitor, investor or resident. This builds upon the D2N2 Visitor Economy Review 2014 and identifies key priorities where the public sector/local authorities can lead and facilitate most notably access/connectivity, improving accommodation offer; developing and supporting anchor attractions and assets and developing destination hubs.

The CHAT Board has now established an action plan that identifies key development projects, opportunities for collaborative activity, supporting partners to lever and co-ordinate funding opportunities and develop coherent data and intelligence to support development.

The work of the Board supports the delivery of the “Peak District and Derbyshire Growth Strategy for the Visitor Economy 2015 – 2020” and will shape the strategic framework moving forward.

The CHAT Board has identified key “signature” projects to champion and will co-ordinate the development of a proposed Tourism Action Zone for Derbyshire as a response to the Governments recently published Tourism Sector Deal. Work has also commenced on a proposed “County of Culture” campaign planned for 2021.

4.4 Other Relevant Activity

As well as the above direct support to the tourism sector, the Council also plays a key role in supporting the development through a number of projects and activities including the following:

- Derwent Valley Mills WHS Great Places “Vital Valley” scheme which enables people to connect and communicate with the culture and heritage of the WHS and focuses on developing a more coherent visitor product.
- Peak District LEADER programme – a key element of the £1.7m EU funded programme has been to support the development of tourist business development in the Peak District including farm diversification and the new attractions/facilities for visitors.
- Cycling/Walking infrastructure - continued investment into the key cycle network and strategic trails such as the White Peak Loop as well as new opportunities such as the “Visit. Sleep. Cycle. Repeat” initiative in north east Derbyshire.
- Financial and professional support to key capital developments notably Buxton Crescent and Peak Resort and niche tourism events such as Eroica.

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