

## **DERBYSHIRE COUNTY COUNCIL**

### **IMPROVEMENT AND SCRUTINY COMMITTEE – PLACES**

**08 March 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**

The Committee, at its meeting on 14 July 2015, approved a scoping report for a review of tourism in Derbyshire. A working group has been appointed and the Members 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 working group has held an initial meeting with officers from the Council's Economy and Regeneration Division (Joe Battye - Service Director, and Frank Horsley - Head of Economic Regeneration). During their presentation the following points were made:

- The Council works collaboratively, at a strategic level, to support the visitor economy. Key strategy documents include: the D2N2 Visitor Economy Action Plan: The Derbyshire Economic Strategy Statement (DESS) and the D2 Combined Authority Visitor Economy Development Plan. These strategies set out the priorities of the relevant partners and bring together their growth objectives to maximise the potential of the visitor economy.
- The visitor economy is an important sector across Derbyshire. For example, between 2009–11 the number of day visitors rose from 32.7m to 35m per year. The total spend in 2011 for day visitors was £1.016 billion which equates to £29 per head. For the same year, there were 3.9m overnight staying visitors spending a total of £599 million, a spend per head (£153) five times higher. The difference in the spend per head clearly demonstrates the importance of attracting overnight visitors to the region.
- Visitor spend for 2014 (the latest annual data available) was £1.918bn supporting a sector that employs over 27,000 jobs. In addition, it has been calculated that every £1 visitor spend generates 39p in Gross Value Added (GVA) to the local economy which amounts to £401.9m direct GVA produced in the county.
- In terms of a tourist destination Derbyshire's strengths include: Cultural assets of global repute (such as Chatsworth and the Peak District National Park); Access to nearby "gateway" cities and towns; Popular market towns and villages and a growing reputation in relation to sporting activities, notably cycling.
- Derbyshire's weaknesses include: Poor transport links to aid dispersal (especially within the National Park); Variable quality of retail outlets and restaurants; Inconsistency of branding, and poor hotel stock (especially a paucity of national operators).
- As an industry the sector is associated with low skilled and low-paid jobs which are often seasonal in nature. If Derbyshire is to develop the visitor economy there is a need to create jobs of a sufficiently high quality to attract local people into careers.
- Visit Peak District and Derbyshire is the local Destination Management Organisation (DMO). It recently, in 2014, underwent an organisational review which focused on reducing the burden on local authority financial resources, increasing private sector income and providing a more sustainable future for the organisation. The review resulted in a 35% reduction in core costs.

- The DMO has adopted a new “two brand” model to address concerns that, previously, there was too much focus on the Peak District and not enough on the rest of the county. The aim is to encourage the dispersal of visitors around Derbyshire by promoting the wide range of assets across the county (such as cultural, historical, environmental, leisure and heritage based activities).
- The Council has a service level agreement with the DMO and in 2015/16 contributed £150k to its core revenue budget.
- Tourist Information Centres are no longer the main source of promotion, with more people using the internet to find out about the areas they are visiting. Therefore it is important to maximise the opportunities of new technology to create an improved and increasingly customised visitor journey through quality information and mapping.
- Key future investments include the Peak Resort; Buxton Spa Hotel; the cycling and trails network and the continued development of building 17 at Cromford Mill.
- The development of the festival and event economy is also seen as an area of growth. Recent examples include Eroica Britannia, the Woman's Tour of Britain and the Grand Tour 2016.

At the same working group meeting the expert advisers from the University of Derby also gave a presentation. They outlined their assessment of Derbyshire as a tourist destination and identified current challenges and future opportunities. The major points raised were as follows:

- The Peak District and Derbyshire is a mature destination at the top of its life-cycle supported by iconic brands e.g. Peak District National Park (PDNP), Chatsworth.
- The region under-performs compared to similar destinations in the UK. For example, visitor spend in the destination is significantly lower than equivalent rural destinations for both visitors and staying visits.
- A key factor in the region's poor performance is that the depth, range and value of tourism products on offer are not as strong as other destinations.
- Tourism in the region is typified by fragmentation of small independent businesses working in silos in a disjointed way.
- Destinations need quality products and visitor experiences, including food and drink, attractions, outdoor activities, and unique events to entice them to stay longer in the destination and spend more.

- The Peak District and Derbyshire is a destination that requires rejuvenation through product and service expansion, differentiation, market penetration and product diversification.
- A major challenge is that there is a lack of distinctiveness and identity for the region and what the region has to offer.
- In the region the focus is on key players and iconic attractions such as the Peak District National Park and Chatsworth. The rest of the sector is mainly micro businesses and SMEs.
- The marketing strategy is based on promoting products and suppliers and does not create reasons to visit.
- There is a lack of focus on the tourism infrastructure including planning, development, transport, traffic flows and management.
- The tourism offer, including accommodation, cuisine, attractions and retail is not of a consistently high quality and there is a lack of investment in skills development and promoting careers in tourism and hospitality.
- To benefit from emerging opportunities there is a need to define the tourism vision and objectives for the region and create distinctive narratives and convincing reasons to visit.
- Narratives need to be developed around key themes. An example of a key theme might be Wellness. Wellness tourism attracts high spending visitors and can be dispersed throughout the county. Derbyshire has historical links to wellness through its spa towns and its distinctive landscapes creating a connection to the natural environment. The Peak Resort and the Crescent at Buxton are two major wellness tourism developments that will create opportunities on which to build and develop new wellness products.
- The strategic framework for tourism needs to be further developed and supported by investment in skills development (to improve the quality of tourism businesses), transport links (to support the movement of visitors across the region) and the collection and analysis of tourism market intelligence and performance data.
- In summary there is a need to be clear about the region's distinctiveness and its ability to compete with an increasingly competitive market. The product offer needs to be developed so that visitors can engage in more activities to keep them in the region for longer, spending more and visiting more frequently.

### Next Steps

- In March the working group will be speaking with Cumbria Tourism to learn lessons from their highly regarded approach to developing the visitor economy in their region. Members will also be meeting with a representative from Premier Inn to hear the views of a national operator about Derbyshire as a tourist destination.

### **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**