
REPORT TO:	ENVIRONMENTAL & DEVELOPMENT SERVICES	AGENDA ITEM: 12
DATE OF MEETING:	10 TH JULY 2003	CATEGORY: DELEGATED
REPORT FROM:	CHIEF EXECUTIVE	OPEN PARAGRAPH NO:
MEMBERS' CONTACT POINT:	KEVIN MASON (01283) 595739	DOC:
SUBJECT:	TOURISM STRATEGY FOR THE EAST MIDLANDS	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: ES11

1.0 Reason for Exempt (if appropriate)

1.1 None.

2.0 Recommendations

2.1 That the Committee endorses this report and requests that emda and the East Midlands Tourism Advisory Group fully engage with local authorities in developing a new structure for the delivery of tourism in the region.

3.0 Purpose of Report

3.1 To make members aware of the tourism strategy under preparation for the East Midlands and the impact it could have on the future structure for the delivery of tourism, and to provide an opportunity for members to make additional comments.

4.0 Executive Summary

4.1 Regional Development Agencies are now responsible for the strategic development of Tourism. EMDA are preparing a tourism strategy for the East Midlands, intended to be launched 9 October 2003 and which will guide spending decisions for 2004-05 onwards. This Authority's views have been invited.

4.2 The Consultation Paper is not a draft Strategy and poses many questions which consultees may wish to address. The most important issues for this authority are regarded as being:-

- Branding & Marketing – The 'National Forest & Beyond' and 'Derbyshire' county brands should both feature in the future 'brand map' of the East Midlands, and The National Forest could be a pilot project for developing new destinations.
- Attractors – the Strategy should recognise that product development is best done locally where there is a good working relationship with, and understanding of issues relating to communities and businesses.

- Infrastructure – perhaps the most important contribution emda could make is to ensure the needs of the tourism industry are fully considered when wider infrastructure matters are considered, such as transport networks.
- Skills and Business Support – access to dedicated tourism advice is needed, preferably through a 'one stop shop' related to the future delivery structure.
- Organisation – an audit of current structures should have been undertaken; many of the criticisms have been addressed in the Derbyshire and National Forest partnership arrangements. The future structure should relate to Destinations rather than to Destination Management Organisations (DMO's) closely linked to SSP's as suggested – this would create major difficulties for The National Forest (located in 3 SSP's/DMO's). Local authorities must be fully consulted on change and the new structure should be mutually agreed.
- Special Projects – a project across 'The National Forest & Beyond' area to further develop the destination as an exemplar of 'green' or 'eco' tourism should be considered.

5.0 Detail

- 5.1 Regional Development Agencies (RDA's) have recently been given responsibility by the Government for the strategic development of Tourism in their regions, a role they take over from the Regional Tourist Boards. East Midlands Development Agency (emda) has therefore engaged consultants to commence the preparation of a tourism strategy for the East Midlands to cover a seven-year period. The aim is to have the strategy completed in time for a launch on 9th October 2003, in order that it can guide spending decisions for the financial year 2004-05 by emda and the strategic sub-regional partnerships (SSP's).
- 5.2 The Authority has been invited to submit its views on what the strategy should contain. The Consultation Paper, intended to prompt debate, is attached in full at Annexe A. Comments were due back to the consultants, Locum Destination Consulting by 16 June. In consultation with the Chair of this Committee a copy of this report has therefore been sent and any additional comments will be forwarded. A series of pan-regional thematic consultation meetings and County Seminars have been held during June, and there is a Regional Tourism Conference on 10 July.
- 5.3 The Consultation Paper is divided up into sections with questions after each one. Sections 2.1-2.3 provide contextual information and Sections 2.4-2.10 consider in more detail the proposed strategic framework of the Strategy.
- 5.4 Section 2.1 sets out the results of a recent "Visioning Day" for people in tourism across the East Midlands, which produced a broad consensus as to the key issues. Section 2.2 sets the scene for the seven 'strands' the consultants have identified. Diagram 1 illustrates the complexity of tourism and how it reaches into many parts of the economy and into every community. The second shows the relationship between the seven strands and the many issues covered. Section 2.3 considers recent trends in tourism which will be important in developing the regional tourism strategy. To these the District Council should suggest the following be added:-
- Rapid growth of tourism in non-traditional areas – such as The National Forest, which is rapidly transforming a former coal and clay extraction area and provides an opportunity for a major new sub-regional destination. The VFR market (visits to friends and relatives) can be of great importance to such areas as residents' negative perceptions are replaced by increased civic pride and greater likelihood of inviting people into the area.

- Continued growth of 'green' or 'eco' tourism (an important aspect of tourism within Derbyshire (particularly for the Peak District and The National Forest).
- A sector that has seen some decline, the important Derbyshire-wide strength of history and country houses & gardens is missing. This could be repackaged to appeal to niche markets to help to re-expand the sector. A strong product in other parts of the region it could form the basis of a region-wide 'trail'.

5.5 A further general comment is the lack of reference by the consultants to either the tourism product in Derbyshire or the structure used to deliver tourism. This may be due to a lack of knowledge on their part.

5.6 **Section 2.4** considers **Branding and Marketing**. While the move from a local district-oriented approach to a market-led focus on themes and brands is agreed, the suggested move to focus on regions is not. Research by Heart of England Tourist Board and others has shown regional identity to be a poor marketing tool for tourism purposes, with sub-regional brands much more effective. Many local authorities have recognised this trend and developed partnerships to build market-oriented brands (such as the Derbyshire Tourism Officers Group marketing Derbyshire & the Peak District, and local partnerships for the Peak District or The National Forest). It would be inappropriate to develop a region-wide brand for the East Midlands, though the longer-established Heart of England brand for tourism is helpful, especially if that were to be retained for the neighbouring West Midlands. Development of sub-regional brands is preferred, which could be used to improve consumer perceptions of the East Midlands for tourism purposes. For example relating the 'star' tourism brand the Peak District to the East Midlands could help increase awareness/perception and create a more emotive attitude to 'East Midlands'. Other stronger sub-regional areas include the Lincolnshire Coast (if aimed at the right segment of the market), Sherwood/Robin Hood (though there is little real product at present), Cities (Derby, Leicester, Nottingham), and Derbyshire, the strongest county 'brand' in the midlands. Emerging sub-regional brands the Strategy should seek to build include The National Forest (which is where South Derbyshire should feature in a brand map of the East Midlands, as well as being an increasingly important element of the Derbyshire product), and perhaps Rutland could be a potential brand also. The National Forest is the most rapidly developing new destination in the region and could be a 'pilot' project for the development and promotion of new destinations.

5.7 Three dimensions of tourism marketing are identified in the Consultation Paper:-

- **Themes** suggested should only include Motorsport and Churches. To these should be added historic houses & gardens (strong region-wide e.g. Chatsworth, Calke, Belvoir; Haddon, Hardwick, Althorpe etc; jointly marketed this could be seen as something the region excels in). Also countryside/walking/ cycling (perhaps linking the Peak District, Lincolnshire Wolds and The National Forest).
- **Locational** marketing: the East Midlands has no equivalent to the attractions cited, which may be inappropriate examples. Potentially strong locational brands as noted in the Consultation Paper should be used as 'gateway' brands to increase awareness and understanding of the region (see paragraph 5.6). Having indicated that these are not determined by political boundaries, it would be inappropriate to rely too heavily on a new organisation for delivering tourism that used a different but still political boundary instead (i.e. SSP's). Locational marketing uses Destination boundaries not co-terminus with SSP's. Also the importance of the rest of the Visit Heart of England area, the West Midlands as an internal domestic market (especially for the western part of the East Midlands) must not be forgotten in any regional agendas.

- Using Stonehenge as an example of ***Product/Customer Clusters*** is unfortunate as there are no equivalents in the region. The best opportunities are Chatsworth House, historic Lincoln city, or the National Space Centre at Leicester. This again highlights the importance of history in the region, which could be better packaged and co-ordinated than to date. In Derbyshire terms historic houses and gardens are an important part of the county-wide tourism product and a cluster that could be promoted as such using Chatsworth as the main 'hook'. Proximity to the M1 corridor means it could be incorporated into the itinerary of tourists travelling north-south through the country.

- 5.8 Section 2.5** considers the **Attractors** strand. The content is largely accepted, including the breadth of attractors other than visitor attractions. This authority recognises it has limited resources and that matters such as Food & Drink are best dealt with on a wider geographic basis, mainly through partnerships such as the Derbyshire Tourism Officers Group or the National Forest Tourism Working Group. The district's Tourism Strategy sets out a range of Product Development proposals, the aim being to maximise the potential of the product that already exists rather than necessarily adding further new attractions. Particularly in the context of The National Forest however, some additional attractions may be appropriate, so long as they are properly integrated into the destination as a whole.
- 5.9** Product Development is best done at locally, where issues important to residents and businesses are also understood, though proposals should also relate to the wider destination/county/region as appropriate. A key issue is recognising the synergy between attractors, persuading businesses their perceived competitors may be part of a cluster within which collaboration can be mutually beneficial, and encouraging greater cross-selling even at a local level. IT opportunities such as the Internet and Destination Management Systems should facilitate more widespread 'packaging' of themes, attractors, accommodation and events (to help maximise tourism potential through increased awareness and ease of booking). Such packaging could present a major opportunity to increase take-up of Short Breaks, though local authorities can only assemble packages, not sell them.
- 5.10** Conkers, referred to in the Consultation Paper, is an example of a successful new attraction where visitor numbers are being sustained at the levels forecast. A cluster approach is being taken to tourism development in and around The National Forest, and to *integrate* even major new attractions such as Conkers into the wider destination does help to sustain all attractors. New attractions should be considered in this wider context, in terms of physical location and the opportunities for marketing themes or product clusters (which may be at DMO, regional or cross-regional level).
- 5.11** Strand 3 in **Section 2.6** deals with **Infrastructure** issues, some being acknowledged as outside the direct influence of tourism professionals (such as transport). The aim for the regional tourism strategy with regard to transport, signage and other wider issues, should be to ensure the needs of the tourism industry are fully considered when decisions are taken. A regional dimension to decision taking by local authorities, sub-regional and regional bodies, central government and other national organisations could help give tourism the higher profile it needs and is an arena in which emda could perhaps make a real difference.
- 5.12** Much progress has been made in modernising the provision of information provision, though too much has been dependent upon Local Authorities identifying funding streams and seeking funding. The Consultation Paper is in parts critical of the tourism role of Local Authorities, whereas in areas such as DMS's it should recognise that they have been the main drivers. Due to the costs of implementing and running a DMS, this has mainly been achieved through Local Authorities working in

partnership across recognised Destinations or Counties, much as the Consultation Paper envisages Destination Management Organisations (DMO's). It is at this sub-regional level that information provision and booking facilities are best provided rather than region-wide, as a high level of product knowledge is required to ensure the content of a DMS is accurate. However, ways should be explored of ensuring integration with other key destinations across the East Midlands. Not all consumers are comfortable with the Internet and may require contact with a 'real' person, and DMS development may require associated Call Centre or similar facilities. This could be provided at the sub-regional DMO level or as a regional facility providing support to the region's DMO's. Cross-boundary issues must be fully considered for destinations located in more than one region (e.g. The National Forest and the Peak District), or for themed products.

- 5.13 This Authority doesn't operate a Tourist Information Centre and the present 'network' is seen as poorly supported at national or regional level; Government has under-invested in the TIC network over a long period. Neither consumers nor tourism businesses understand that almost all TIC's are run by Local Authorities rather than the regional tourist board. Some focus on providing a service to residents whereas others are aimed more at the needs of visitors. Some provide information about the wider area / destination they are located within, while others are concerned only with their local authority area. Change is perhaps most needed in this aspect of tourism.
- 5.14 Business tourism and conference / exhibition facilities and enquiries are dealt with by Conference & Events Derbyshire rather than by Local Authorities. South Derbyshire being largely rural, few enquiries are received. Conference & Events Derbyshire should be responding directly to the Consultation Paper in this regard.
- 5.15 **Section 2.7** considers Strand 4: **Skills and Business Support**. The recent merger of the British Tourist Authority and English Tourism Council to form Visit Britain is largely welcomed, but regrettably government has not taken skills, business support and quality assurance as seriously as it might. These functions are unassigned or devolved to the regional tourist boards, leading to greater fragmentation and uncertainty. Few businesses understand the roles of Business Links, the LSC, SBS and the Chamber etc and they usually contact the local authority tourism officer first. A particular criticism in southern Derbyshire is the lack of a dedicated tourism advisor (in contrast to northern Derbyshire). Operators need a genuine 'one stop shop' for tourism advice, logically related to the future structure for the delivery of tourism within the region. Tourism officers have to have a good local knowledge and should ideally work closely with business advisors, which could be appointed either for each DMO or a combination of these.
- 5.16 National Quality Assurance schemes for Accommodation and Attractions should be fully supported by the tourism strategy. Consideration should be given to a single UK-wide accommodation scheme rather than different gradings in England, Wales and Scotland as at present. Ideally this should also incorporate branded hotels which the regional tourist boards will not promote. Perhaps a mandatory scheme is needed so that *all* tourist accommodation of a satisfactory standard can be included in guides and Destination Management Systems.
- 5.17 Possibly the most important part of the Consultation Paper is **Section 2.8** which deals with Strand 5: **Organisation** and suggests how the delivery of tourism within the East Midlands might be shaped in future. The new era for tourism in England referred to will only arise if all parties involved in delivering tourism are prepared to recognise the strengths and weaknesses of the other parties, and look for new ways of working together that genuinely streamline procedures and unlock additional resources. The availability of additional funding through the Regional Development

Agency - which appears to be the intention of the Government – must not be instead of funding currently provided by other partners, such as Local Authorities. The need for “*better co-ordination of tourism development and marketing, less duplication, more focus on the customer and more efficient use of resources*” is fully accepted, as is the overarching aim to maximise effective use of resources. However, the paper is too general in its comments about the current structure, is critical of both local authorities and regional tourist boards which have devoted considerable resources to tourism despite financial constraint, and fails to recognise the progress which has been made in addressing many of the weaknesses outlined. Collectively across the region Local Authorities provide a significant proportion of the marketing spend and have devoted much time to the development of a close working relationship with the local tourism industry. They are also well placed to understand and work with local communities where tourism may need careful management; new powers to have regard to economic well-being of their area are relevant to this role.

- 5.18** The suggestion of four tiers in tourism at present is not correct in Derbyshire where most of the Local Authorities have a long history of co-ordinated partnership working and are seeking to consolidate this further; many of the weaknesses referred to have been addressed. As previously noted, the Consultation Paper suggests the consultants have limited knowledge of tourism within Derbyshire. The Local Authority and DMO & Partnerships tiers have been largely combined, with a long history of collective working and pooling of finances to promote Derbyshire as a destination through the Derbyshire Tourism Officers Group. More recently the Derbyshire Tourism Forum has been formed and local authorities also work collaboratively to promote not artificial administrative boundaries, but Destinations such as the Peak District and the National Forest etc.. The Tourist Board and Regional Development Agency tiers identified in the Consultation Paper are only an issue for what is likely to be a brief overlap period. It follows that there are only two tiers; that weaknesses outlined in the Consultation Paper are perhaps over-stated; and across most of Derbyshire much progress has already been made in addressing these. For some years the Regional Tourist Board has commended the approach local authorities in the county have taken. We are concerned a new structure may be developed according to administrative boundaries that suit emda (i.e. SSP's), rather than the Destinations appropriate to the tourism industry that we have been working to establish.
- 5.19** Duplication of marketing activity for example is being addressed by the clear differentiation of activity, as set out in a letter to tourism businesses indicating their marketing opportunities for the calendar year 2004. Across the County the comprehensive 'line-entry' listing of Accommodation as implied by the consultation paper is to be implemented in the Holiday Guide. County-wide literature is produced primarily for Overseas markets and for *awareness raising* domestically, conveying a 'flavour' of the county; detailed information is also on the internet / DMS. Literature for the 5 sub-destinations across the county (e.g. Peak District, Derby or The National Forest) is more comprehensive and used primarily for domestic marketing. So long as businesses are made aware of the different roles of literature produced, they are enabled to take commercial decisions based upon the particular markets and segments they want to promote to.
- 5.20** As noted in paragraph 5.12, many local authorities have invested heavily in Destination Management Systems to modernise the delivery of tourist information and enable new and easier ways to book. The regional tourism strategy should include consideration of how to maximise the commercial benefits and opportunities which DMS's present, including aspects which currently present some difficulties for local authorities, such as developing and selling membership packages (possibly across a wider area as implied by recent consultations on the regional coverage of

DMS's); developing a 'trading' relationship with England.Net; and using DMS's / the Internet for the development and sale of easy to book packages for consumers (who are increasingly 'time poor' and want easy access to a broad and varied product range that these new media facilitate in a way that printed media never could).

- 5.21** Many issues within the Consultation Paper are addressed by the Derbyshire Tourism Management Strategy [2002], commissioned from a consultant with a good knowledge of Derbyshire by the Derbyshire Tourism Officers Group (DTOG). The Strategy recognised the need for an integrated approach to tourism and that DTOG alone did not have the necessary resources to deliver this. It proposed a structure to deliver the needed integrated approach, intending to increase involvement by other professions in developing and delivering strategic tourism policy, and unlock additional resources.
- 5.22** Local Authorities may be more likely to support their local businesses on economic development grounds than a more remote and perhaps more commercially driven DMO. For example the 2003 launch of the 'National Forest & Beyond' campaign included free entries for all attractions and accommodation, at considerable cost to the local authority partners. This decision was taken to support the many small, new tourism businesses in the destination, and to ensure literature provided a comprehensive listing for potential visitors to this new, emerging destination.
- 5.23** Responding to comments about Regional Tourist Boards (RTB's), these should be better funded. Tourism spend per head of population in England is, despite recent changes, lower than Wales or Scotland, and much lower than many countries England is competing with. The suggestion the RTB for the East Midlands is a "further complication" is a matter for debate, for elsewhere in England two RTB's in different regions have just merged and regard this as a strength. Given the relative incomes of Visit Heart of England from the two regions, there is a case to argue that the East Midlands benefits from the much greater funding from subscriptions raised in the West Midlands. The combined regions also represent a huge domestic market best reached through a single regional tourist board – visitors to Derbyshire are as likely to originate in the west midlands as they are the east.
- 5.24** While the involvement of RDA's in tourism does indeed present an opportunity to review structures for the delivery of tourism, there should have been an audit of existing structures and practices across the region. These have been evolving in response to changing circumstances and the Strategy should seek to identify best practise and wherever appropriate encourage its speedy adoption across the region. The Consultation Paper criticises local authorities and regional tourist boards and in suggesting DMO's at county level, implies a structure less dependent on either. As Local Authorities are major investors into tourism emda needs to consult with this sector well in advance of finalising the Strategy. Failure to mutually agree the new organisational structure could alienate local authorities, risking reduced financial support. If additional funding via emda had to substitute for this, the overall increase in commitment and expenditure intended by the government might not be realised. could be seen as more aligned to emda's preferred organisational structure of); A structure based upon the administrative boundaries of local authorities should not be replaced by administrative boundaries favoured by emda (Sub Regional Strategic Partnerships), creating difficulties for destinations not co-terminus with SSP's. For the tourism industry it is important to sustain and develop Destinations which the consumer responds to. This is a particular concern for Derbyshire where the Peak District and National Forest partnerships are neither co-terminus with SSP's nor even the region, as both project into Staffordshire and the West Midlands. Where weaknesses identified by the Consultation Paper are being resolved by existing / emerging structures developed for that purpose (such as DTOG and the Derbyshire

Tourism Forum), these should be evaluated before a new organisation is adopted. In considering change the aim of the Strategy should be to ensure a broad consensus by all sectors, ensuring maximum commitment to change and provision of resources. Careful consideration needs to be given to differentiating roles between what is best done at regional, sub-regional/destination and local levels. Many tourism officers would welcome a more clearly defined role rather than trying to fulfil so many.

5.25 Performance Management is considered in **Section 2.9** and aims to ensure all parties have access to good quality, comparable data. This is a laudable but difficult aim. Businesses are concerned about confidentiality and commercially sensitive data, while Local Authorities have to balance the comprehensiveness of data with the cost of collection and analysis. Although criticisms of STEAM (expensive to operate) and the Cambridge Model (simple and cost effective) are valid, the issue is often that of available resources. While Tourism Satellite Accounts are acknowledged to be gaining momentum, resourcing will continue to be a major constraint. Destination Management Systems also promise to provide much data about the industry and consumers, though this may not be comparable between differing suppliers unless England.Net provides a common interface capable of standardising data outputs.

5.26 For local authorities committing resources to a non-statutory function such as tourism the availability of data providing an indication of the volume, value and trends in tourism are an invaluable resource in justifying (or not) continued investment (as they are to any other business or organisation). A key aim of the Strategy should be to fund / encourage a move to use of a common measurement of the impact of the tourism industry between destinations, over time, and relative to other sectors such as manufacturing, farming or retailing. This would importantly provide a measure of the effectiveness investment, whether by an individual business, a local authority or DMO. The outputs have to justify the cost in money and staff time for players large and small, who will assess the effectiveness to their own operation of these contributions.

5.27 The final part of the Consultation Document is Strand 7 which looks at **Special Projects** that could have a *major* impact on the number of people visiting the region, giving as examples transport, IT infrastructure projects, or developments in green and 'eco' tourism. All of these have already been referred to elsewhere in this report. Transport issues are key to the development and sustaining of tourism but outside of the direct remit of tourism professionals, and emda's influence would be most welcome. In terms of public transport the main need for South Derbyshire and the wider National Forest destination is the re-opening of the 'National Forest' rail link from Leicester to Burton-on-Trent, off which bus and cycle routes into The National Forest and wider district could also be introduced. Green or 'eco' tourism is an important aspect of tourism within Derbyshire – particularly the Peak District and The National Forest. A project across the 'National Forest & Beyond' to specifically develop the destination as an exemplar in terms of 'green' or 'eco' tourism would be both appropriate and welcome. Finally the Strategy should seek to build upon the investment many local authorities have put into DMS's, to ensure these remain sustainable and incorporate further developments in technology as these become available.

6.0 Financial Implications

6.1 Not known at present.

7.0 Corporate Implications

7.1 The Tourism Strategy for the East Midlands will have an impact on delivery arrangements for tourism within this authority, across the county and region. Until exact details are known it is not possible to comment on what the corporate implications might be.

8.0 Community Implications

8.1 Similarly the implications for the future relationship with local communities and businesses cannot be ascertained until the details of new arrangements for the delivery of tourism are known.

9.0 Conclusions

9.1 The opportunity to increase the profile of tourism and strengthen the structures delivering tourism across the East Midlands is generally welcomed, and the consultation paper contains some good ideas that are worth considering. The future organisation to deliver tourism within the region is crucial to the development and delivery of the strategy. An audit of current delivery structures and the inclusion of some options in more detail would have been useful. It is essential that all major partners in tourism across the region are fully consulted about, involved with and encouraged to 'buy' into the strategy. Local authorities collectively across the East Midlands spend million pounds per annum and are an integral part of the tourism industry, and that contribution needs to be more fully recognised than the consultation paper suggests.

10.0 Background Papers

10.1 A Tourism Strategy for the East Midlands – Consultation Paper (April 2003)

