
REPORT TO:	ENVIRONMENTAL AND DEVELOPMENT SERVICES	AGENDA ITEM: 12
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REPORT FROM:	DEPUTY CHIEF EXECUTIVE	OPEN PARAGRAPH NO:
MEMBERS' CONTACT POINT:	KEVIN MASON (EXT 5739)	NA DOC:
SUBJECT:	TOURISM UPDATE	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: EDS 11

1.0 Recommendations

1.1 That Members:

- Note the work that has been undertaken to ensure the sustained growth of The National Forest as a major new visitor destination and brand.
- Agree that future tourism policy for the District is integrated into the new Economic Regeneration Strategy.

2.0 Purpose of Report

2.1 To inform Members of the impact of the substantial recent changes to public sector delivery of tourism services and marketing, to outline the recent performance of the tourism sector in South Derbyshire and to amend the arrangements for future tourism policy.

3.0 Executive Summary

3.1 Many of the changes to the public sector delivery of tourism have had a significant impact during 2006 and are expected to further impact in 2007 and beyond.

3.2 The Destination Management Partnership (DMP), known as Visit Peak District & Derbyshire is now largely operational and most services previously delivered by regional tourist boards are expected to be delivered at this sub-regional level. It will not be possible to evaluate the full impact of the DMP until the first year's campaign (i.e. 2007) can be quantified. A number of projects funded by East Midlands Tourism and delivered through the DMP have however already benefited South Derbyshire and The National Forest.

- 3.3 The importance of The National Forest as an iconic sub-regional tourism brand has been accepted, with the National Forest & Beyond visitor guide being the only such guide to be produced for 2007. The 2007 campaign has been adapted to maximise potential benefits from the work of the county-based DMPs, however it is a concern that the substantial increase in funding from East Midlands Tourism is not directly benefiting the National Forest & Beyond campaign.
- 3.4 South Derbyshire District Council has also substantially changed its tourism services with the opening of the first Tourist Information Centre (TIC) in Swadlincote. This has now achieved full accreditation and is part of the English TIC Network.
- 3.5 District Council staff can in future concentrate on more strategic matters such as business support and development and product development proposals. To this end, a series of meetings with individual businesses has been commenced.
- 3.6 Recent tourism economic impact research indicates that growth of tourism is much stronger in South Derbyshire than in Derbyshire and the East Midlands.

4.0 Detail

Introduction

- 4.1 The public sector delivery of tourism services and destination marketing has been undergoing significant structural change in recent years, with many of the impacts becoming much more noticeable during 2006. This report briefly summarises developments and their impacts.
- 4.2 The most significant changes have been to the Regional and Sub-Regional delivery structures. With the responsibility for tourism passing to the Regional Development Agencies, East Midlands Development Agency (emda) established a small strategic body, East Midlands Tourism (EMT) and required the setting up of county-based Destination Management Partnerships (DMPs) at the sub-regional level.
- 4.3 Although substantial additional funding has been made available, there are ambitious targets that EMT and the DMPs are required to achieve. Most services are now delivered at the sub-regional level. Each DMP receives core funding and is required to submit detailed bids to EMT in order to access further funding, responding to the projects set out by EMT and which involve achieving EMT-specified outputs. A key EMT aim has been to rationalise the number of tourism 'brands/destinations' being marketed, in order to reduce duplication and maximise spend on a number of 'iconic' destinations.

Visit Peak District and Derbyshire

- 4.4 Within Derbyshire and the wider Peak District area, the new official tourism body (or DMP) is 'Visit Peak District & Derbyshire'. Most staff are now in post, many having been transferred or seconded from pre-existing tourism partnerships and/or local authorities. Core funding from East Midlands Tourism is available for the financial years 2006/07 and 2007/08, but whether this will be available in subsequent years is not yet known. It is also an emda requirement that DMPs achieve a high level of local authority funding and support, requiring local authorities to enter into Service Level Agreements with the DMP. Visit Peak District & Derbyshire is to use the Peak District as its attack brand with the aim of dispersing visitors across the whole of the county.
- 4.5 The main marketing and promotional tools of Visit Peak District & Derbyshire are the 2007 Peak District & Derbyshire Visitor Guide, the Destination Management System (DMS) and the website www.visitpeakdistrict.com which draws its content from the DMS (this had a makeover in July 2006 and now provides visitor information about the whole of Derbyshire as well as the Peak District. The organisation is also responsible for the research and quality functions, and is assuming overall responsibility for the management and future development of the Destination Management System.
- 4.6 The website has been developed to facilitate an on-line accommodation booking facility using the Destination Management System, and to date almost 250 businesses have received training to enable them to use this facility. The enhanced website also includes pages relating to The National Forest, and since it went live on 3 July some 1,500 requests for the 2006 National Forest & Beyond Visitor Guide have been received.
- 4.7 For 2007 the former visitor guides produced by the various parts of Derbyshire are being replaced by a single publication being produced by Visit Peak District & Derbyshire and backed by a substantial (i.e. £250,000) marketing campaign. The one exception to this is that the National Forest & Beyond guide will continue to be produced by the local partnership, in recognition that The National Forest is an iconic emerging sub-regional brand. The 2007 Peak District & Derbyshire Visitor Guide includes an editorial page relating to The National Forest plus further references in themed or topical editorial sections. Some 175,000 copies of the new guide have been printed. Take-up of advertising space in the 2007 Peak District & Derbyshire guide by South Derbyshire/National Forest tourism businesses has however been generally disappointing, reflecting a preference for The National Forest brand and the District's greater distance from the Peak District. It will not be possible to evaluate the impact of the DMP until after the first full year's campaign (i.e. 2007).
- 4.8 Through the use of EMT project funding a wide range of other initiatives have already been undertaken by Visit Peak District & Derbyshire, that have benefited South Derbyshire and The National Forest, including:
- publication of four visitor trails based on each of the County's Tourist Information Centres, including Swadlincote;
 - the development of new bookable 'Short Breaks' packages including South Derbyshire accommodation and attractions; and,

- the development of new walking and cycling packages, including one based on Melbourne.

4.9 Although South Derbyshire is benefiting from the work being undertaken by Visit Peak District & Derbyshire, the National Forest & Beyond remains the prime promotional campaign for this part of the county (and surrounding areas). A key element of the District Council's relationship with the DMP should be to ensure that a share of the substantial increase in marketing spend from East Midlands Tourism does directly benefit the marketing of the National Forest & Beyond.

National Forest & Beyond Campaign

4.10 As noted above, the National Forest & Beyond Visitor Guide and marketing campaign will continue in 2007 whereas other sub-brands across Derbyshire (Amber Valley, Derby, Historic Border Country) have been subsumed into the Peak District & Derbyshire visitor guide and publication of those guides have ceased. The decision to organise DMPs on a county basis has meant that The National Forest is divided between the Derbyshire and Leicestershire DMPs in the East Midlands and the Staffordshire DMP in the West Midlands, with none of these having overall responsibility for the emerging brand/destination. Although the continuance of The National Forest as a brand and destination in its own right is welcomed, this has meant local businesses being approached to advertise in two publications within each county, causing some confusion and potentially 'splitting' the local tourism product between four visitor guides.

4.11 The substantial increase in tourism marketing spend through East Midlands Tourism is benefiting the campaigns led by the DMPs but is not currently benefiting the National Forest & Beyond campaign, and a main aim of the local partnership will need to be to ensure that the increased funding available in the East Midlands does percolate down to the destination. The local partnership (including this Council) has sought to integrate its work with the new DMPs, including the negotiation of a 15% discount for businesses advertising in the county guide as well as the National Forest & Beyond 2007 guide, and taking full page display adverts in the 2007 Peak District & Derbyshire, Go Leicestershire and Staffordshire Short Breaks publications.

4.12 The 2007 National Forest & Beyond Visitor Guide that will take a different format to previous years in that the separate DL sized Attractions guide will be incorporated as a pullout in the A4 Visitor Guide. This will reduce production costs and the 'savings' are being used to pay for the full page display adverts in the DMP guides, thus seeking to maximise the benefit of the much larger marketing campaigns of the DMPs and so increasing overall awareness of The National Forest/South Derbyshire. Requests from each of the three county-based DMP guides will be carefully monitored to ascertain the effectiveness of this new approach.

4.13 A Group Visits guide to the National Forest & Beyond area was produced for the first time during 2006, comprising a full colour section with a shelf life of three years and an insert which will be updated to reflect changing dates and prices. The British Travel Trade Fair at the NEC was attended in March

2006 and adverts placed in various travel trade publications. The inserts are being updated for 2007 and a promotional campaign formulated.

- 4.14 The National Forest & Beyond partnership has commissioned Heart of England Tourism to undertake 'Conversion Research' based on the current (2006) Visitor Guide. This research will provide an estimate of the value of tourism arising directly from the work of the National Forest & Beyond partnership, from which can be calculated the 'Return on Investment' (RoI) figure that is currently used by East Midlands Tourism in assessing bids for project funding. The ability to demonstrate a good RoI for the National Forest & Beyond campaign will be extremely valuable in submitting future funding bids to external funding bodies to grow the campaign as well as providing the existing partners with a meaningful evaluation of the current campaign.
- 4.15 The movement to providing tourist information electronically and enable on-line booking, primarily through Destination Management Systems (DMS) is not currently benefiting The National Forest & Beyond which is a matter for some concern. DMSs are developed and operated by the county-based DMPs and although all three counties are now using the same system, it is not currently possible to access data from the three databases, to operate www.visitnationalforest.co.uk from DMSs, or to facilitate on-line booking. A technical solution is possible but will require the active support of the three DMPs and an as yet unquantified financial cost.

South Derbyshire District Council

- 4.16 The major change to tourism has been the development of the bid to DDEP for funding, and the implementation, opening and accreditation of Swadlincote Tourist Information Centre based within Sharpe's Pottery Museum. This has provided a customer-facing service for the first time within the District, for the benefit of visitors and residents. Numbers of people using the TIC are running well ahead of projections, and comments received about the service provided have been complimentary. This service development underlines the increasing importance of tourism to the local economy and is seen as an important contribution to the continuing development of The National Forest as a new destination.
- 4.17 Accreditation and acceptance as a full member of the English Tourist Information Centre Network was achieved during July 2006, less than three months after opening, and recommendations for improvements were minimal. The accreditation team were highly impressed by both the physical appearance of the new TIC and the standards of service being provided.
- 4.18 Opening of the TIC will mean that District Council staff can in future concentrate on more strategic matters such as business support and development and upon product development proposals. Accordingly a series of meetings with a range of individual businesses has been commenced in order to ascertain the perception of services provided by the public sector, business needs and concerns, and gaps in provision. Further meetings and consultations with businesses will also take place as organised by Visit Peak District & Derbyshire and the National Forest Company.

4.19 The draft results of the annual Benchmarking exercise (for 2005/06 – prior to the opening of the TIC) undertaken through Destination Performance UK (DP:UK) shows that the amount of visitor expenditure generated for every £1 spent by the local authority on tourism (net) at £1573.55 was the second highest of comparator authorities (the range being from £188.53 to £1895.00).

Steam Research

4.20 East Midlands Tourism commissioned an economic impact study of tourism across the entire region using the 'STEAM' model. Following the collection and analysis of data for 2003, 2004 and 2005 it is now possible to consider trends. Latest research shows almost 3.637M visitors to South Derbyshire in 2005, generating a total spend of £116.41M and supporting more than 2,060 full time equivalent jobs. This is comprised of 3,385,500 day visitors spending £87.92M and 251,400 staying visitors spending a further £28.48M. In almost every key indicator, tourism growth in South Derbyshire 2003-2005 was much stronger than the performance of tourism in Derbyshire and the East Midlands. In particular:

- Employment supported (+1.93%) increased at more than three times the East Midlands rate (+0.59%), and compares even more favourably with the fall across Derbyshire as a whole (-2.02%).
- Spend by all visitors (+6.09%) increased at more than double that for the East Midlands (+2.78%), and compares to a fall across Derbyshire as a whole (-0.16%).
- Spend by staying visitors (+13.29%) increased by more than double the increase across Derbyshire (+6.12%) and more than four times the regional increase (+3.26%).
- Although the increase in day visitor **trips** (+0.74%) was lower than the regional increase (2.50%) it compares favourably with the fall across Derbyshire (-3.11%), nonetheless the increased **spend** by day visitors (+3.94%) was better than the regional (+2.49%) or Derbyshire (-3.19%) figures.

	South Derbyshire			Peak District & Derbyshire			East Midlands		
	2003	2005	% change	2003	2005	% change	2003	2005	% change
Staying Visitors, trips	224,720	251,410	11.88%	3.19M	3.49M	9.40%	14.81M	15.38M	3.85%
Staying Visitors, nights	549,290	604,230	10.00%	9.05M	9.47M	4.64%	41.38M	42.74M	3.29%
Average length of stay, nights	2.44	2.40		2.84	2.71		2.79	2.78	
Spend by Staying Visitors	£25.14M	£28.48M	13.29%	£420.36M	£446.09M	6.12%	£1.960B	£2.024B	3.26%
Day Visitor, trips	3,360,650	3,385,540	0.74%	33.39M	32.35M	-3.11%	125.0M	128.13M	2.50%
Spend by Day Visitors	£84.59M	£87.92M	3.94%	£866.98M	£839.35M	-3.19%	£3.246B	£3.327B	2.49%
Spend by all types Visitors	£109.73M	£116.41M	6.09%	£1.287B	£1.285B	-0.16%	£5.206B	£5.351B	2.78%
Total employment supported, FTE	2,022	2,061	1.93%	24,510	24,015	-2.02%	94,563	95,124	0.59%

5.0 Financial Implications

5.1 None arising directly from this Report.

6.0 Conclusions

6.1 South Derbyshire has benefited from the increasing profile of the National Forest & Beyond as a new tourism destination and the growth of tourism in the District is much higher than in Derbyshire and the East Midlands.

6.2 Given the increasing importance of The National Forest as a focus for tourism development and the growing contribution of tourism businesses to the economic regeneration of the District, it is proposed to integrate future tourism policy with the emerging Economic Regeneration Strategy.

7.0 Background Papers

7.1 None.