

Project Documentation

**PROJECT INITIATION DOCUMENT
(PID)**

**Developing a New Strategy for the
Visitor Economy**

Release:	Version 1
Date:	4-6-15
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Approved by:	Jane Hotchkiss 23 June 2015

Note: the completion of this document is required for medium and large projects as defined by the Project Type Matrix. The final version should be saved in a sub folder on the x drive under project management / project documentation.

Document History

Revision Date	Version	Summary of Changes	Reviewer(s)
4-6-15	1	First draft	
17-6-15	1	Minor amends	Joe Mildred
23-6-15	1	Additional comments regarding the CWS study and proposed funding	Diane Shepherd
23-6-15	1	Additional comments regarding funding and further minor amends	Jane Hotchkiss

Consideration by the Corporate Improvement Team

Date	Reviewing Officer	Comments for Consideration
15-6-15	Joe Mildred	There were minor amendments only

Approvals

This document requires the following approvals:

Name of person, group or committee
Cabinet – July 2015

Distribution

Name	Job Title
Cllr Gillian Keegan	Cabinet Member for Commercial Services
Paul Over	Executive Director
Jane Hotchkiss	Head of Commercial Service
Stephen Oates	Economic Development Manager
Economic Development team	

Glossary of Terms

DMO	Destination Management Organisation
DMP	Destination Management Plan
TBID	Tourism Business Improvement District

1. PURPOSE OF DOCUMENT

This Project Initiation Document (PID) sets out the work and resources required to define and implement a new strategy for developing the District's visitor economy. It builds upon the Initial Project Proposal Document and takes forward the recommendation of the Overview and Scrutiny Committee following the work of the Tourism Task & Finish Group. This PID sets out the aims of the project, why the

project should go ahead, who is involved and their responsibilities. This PID will provide the baseline for the project's management and for an assessment of its overall success.

2. PROJECT DESCRIPTION

In partnership with other authorities and with leading private sector tourism businesses, the project will ultimately develop a new 5 year strategy and plan to develop the District's visitor economy.

Phase 1 – This Project

This project follows the recommendation of the Overview and Scrutiny Committee at their meeting on 17 March 2015. The work will initially focus on bringing partners together and on delivering the key data, information and market intelligence required to enable partners to make informed decisions on how to develop the visitor economy and how they wish to participate. The work also links with a study by the Coastal West Sussex Partnership (CWSP) and its recommendations to build on the existing tourism assets, to undertake a programme of visitor research and market intelligence, and to develop "new partnership working which creates an environment that allows tourism to diversify, grow and develop and which secures private investment".

We will therefore set-out a brief but clear vision which defines the opportunity and the aspiration, and which states the potential to attract new visitors, to support and grow tourism businesses, to grow jobs, to grow the economy, and to attract inward investment if the industry is prepared to join forces. We will establish the baseline information, identify the funding streams, identify and engage with potential partners, and lead the initiative required to bring partners together to develop a concise, robust and coherent strategy and move forward accordingly.

This work will require:

- Officer time to manage the provision of baseline research and to prepare the outline vision
- Officer time to work with the Coastal West Sussex Partnership (and possibly other partnerships) to develop the specification for the research required
- Member and officer time to proactively engage with Visit Chichester, 'Sussex by the Sea' and other tourism delivery brands and organisations, to ensure that, where possible, the project builds on their work to date, and to encourage their full participation in the project
- Member and officer time to engage our neighbouring authorities
- Member and officer time to work with tourism businesses and to identify and engage leaders to take this work forward
- Member and officer time to consider what sources of Council or other public funding are available, which could be used to leverage significant additional sums from the private sector, and to assess the potential for a TBID

If successful, it is intended that the work will lead to an agreed strategy and 5 year plan.

Phase 2

As development of the new strategy relies upon bringing partners together and agreement on new funding streams, it is intended that, following its development, there will be a seamless move into implementation of the strategy and 5 year plan.

3. BACKGROUND

The full background narrative can be found in the Tourism T&F Group Final Report to OSC on 17 March 2015. This is a key document and should be read in conjunction with this PID.

In summary, it is clear there are substantial opportunities to increase the value of tourism to the District. In particular, short-breaks in England provide a growing market, as do themed and activity breaks. Additionally, there is a tremendous opportunity to exploit the potential for exponential increases in spend by turning day visitors into staying visitors.

The South East attracts the highest tourism spend for any region outside London. In Chichester District, tourism and leisure generates significant direct expenditure and is the largest private sector employer. According to Visit England data, tourism in Chichester District produces:

- 5.2 million day trips each year generating spend of £144million
- 405,000 'staying' trips each year, equating to 1.3 million 'bed nights', and generating £75million
- c. 7,500 jobs in tourism and leisure, plus numerous 'support' jobs

However, there is a substantial market still to be tapped. In 2013:

- British residents spent £18.7 billion on 297 million nights away from home in England
- 66,400 accommodation businesses provided 2.7 million bed-spaces
- £46.0 billion was spent on 1.4 billion domestic tourism day trips

The potential market is huge, and when one breaks these figures down to the share already being captured by other South Coast destinations (e.g. Brighton, Bournemouth, Isle of Wight, New Forest, Kent) there is a clear and growing market for holidays, short breaks, event breaks and day visits in areas such as ours.

Other authorities, particularly WSCC, SDNPA and those in the CWSP are also recognising the potential growth opportunities from tourism and the wider visitor economy.

The Tourism Task & Finish Group identified a number of key criteria required to drive forward our visitor economy and, in so doing, acknowledged a number of key items and issues to focus on, including:

- Understanding the Visitor
- The Current Organisation and Management of the Visitor Economy
- Visit Chichester and other tourism delivery organisations

- Neighbouring Authorities
- Creating a Viable and Successful Destination
- Destination Management Organisation Models
- Tourist information Services
- Funding

The Task and Finish Group concluded that there are significant opportunities available to drive future growth in the visitor economy and that new partnership working under a new strategy and action plan is needed. The Group recommended that “the Council set out a brief but clear three to five year plan which sets the aspiration, establishes the baseline information and leads the initiative required to bring partners together to develop the visitor economy under one robust and coherent strategy”.

Tourism is regarded as a key economic sector and is supported by the Council in the Local Plan. This project supports the objectives of the Council’s Economic Development Strategy (in particular Priority Four) and supports Economy Objective Two within the Council’s Corporate Plan 2015-2018 to ‘Promote Chichester District as a visitor and cultural destination’.

The project will also inform and assist the Council’s work in developing a new vision for Chichester city and other projects which could be enhanced by a stronger visitor economy.

4. PROJECT OBJECTIVES AND SUCCESS CRITERIA

4.1. Outputs

Research

- Collation and analysis of all existing available data and research
- New quantitative and qualitative visitor research and audits undertaken
- Analysis and report setting-out the baseline position on visitor numbers, trends and other data

Consultancy

- Detailed consultancy report on TBIDs
- Detailed consultancy report on private and public sector funding streams
- Analysis of best practice and lessons to be learnt from successful DMOs

Outline Plan

- A brief but clear vision which defines the opportunity and the aspiration

Tourism Conference

- A conference and workshops to engage all key tourism industry businesses and leaders, including accommodation providers, visitor attractions, event owners, and support services

4.2. Outcomes

Key Outcomes from Phase 1

1. Through research we will understand our existing and potential tourist market, why people visit and, more importantly, why people don't visit
2. Neighbouring authorities, other organisations involved in the visitor economy, and private sector tourism businesses will better understand the benefits of working together to exploit the potential for substantial growth in the visitor economy and, accordingly, in individual tourism business and businesses in the wider district economy
3. All partners agree the aspiration
4. The economic potential to create jobs identified
5. Funding streams, and the route to unlocking them, identified
6. A concise and coherent 5 year strategy and accompanying robust action plan agreed

Anticipated Outcomes from Phase 2

7. New private sector-led and public sector funding streams in place
8. Chichester placed at the heart of a viable and cohesive destination
9. Partnership working with the private sector and others in the public sector
10. A strong DMO and a well-funded and well-managed visitor economy
11. Agreed Destination Management Plan
12. Increasing profile of the District and neighbouring areas as a major English visitor destination
13. Successful year-round tourism offer developed
14. New inward investment to the District
15. Significant growth of the visitor economy and the creation of jobs

4.3. Outcome Measures

Phase 1

The key measure will be the preparation, or otherwise, of a new strategy. This is dependent on

- whether or not industry partners are prepared to engage
- Identifying and securing funding streams

Phase 2

This work is subject to the strategy and therefore still at the planning stages. Outcome measures, including industry-standard KPIs, will be developed and utilised. (Such KPIs may include measures of average length of stay, first-time visitors, total visitors (staying and day) volume and spend, PR value, webstats, visitor satisfaction, and measures of industry engagement.)

4.4. Dis-benefits

No dis-benefits have been identified

4.5. Out of Scope

5. PROJECT CONSTRAINTS

This is a short-term project to establish the viability of developing and implementing a new strategy for the visitor economy.

It will require certain other council services, other local authorities, other tourism bodies, and private sector businesses to engage in the project for it to be successful.

Direct resources – both officer and member involvement - have been identified but there is a need to identify personnel from the private sector to assist and to take a lead in this work.

6. PROJECT ASSUMPTIONS

No assumptions have been made.

7. PROJECT COSTS

7.1. Project Delivery Costs

Internal support will be required from within the Economic Development Service. Support from other internal services including the Web Team, PR, Museum and TIC, Leisure Services, Environment, Revenues (business rates data) and Finance may be required.

Costs (£)		Source
0.5 FTE staff time	Staff time to develop and deliver this work	Existing personnel within the Economic Development Service.
Members	Member time to develop and deliver this work	
One-off	£10,000 (est) to buy in specialist analysis of existing data sources	Potential funding from the Pooled Business Rates fund, plus potential funding from other neighbouring authorities who are not party to the Pooled Business Rates fund
One-off	£30,000 (est) to buy in specialist visitor research: Accommodation, attractions & events audit 'Infrastructure' audit Visitor survey Non-Visitor survey Perception study Volume & Value study Visitor intelligence and insights	Potential funding from the Pooled Business Rates fund, plus potential funding from other neighbouring authorities who are not party to the Pooled Business Rates fund
One-off	£15,000 (est) for specialist TBID consultancy	CDC reserves.

One-off	£4,000 (est) for consultancy on DMO and funding models	CDC reserves
One-off	£6,000 (est) for Tourism conference	Potential funding from the Pooled Business Rates fund, plus potential funding from other neighbouring authorities who are not party to the Pooled Business Rates fund

Note: All figures are estimates of the total cost of research and consultancy to be undertaken across an area combining a number of local authorities

7.2. On-going Costs Following Project Completion (Phase 2)

There will need to be an allocation of service resources to facilitate and drive new partnership working with the private sector and other public sector bodies, and to unlock new funding streams to grow the visitor economy.

Private sector businesses within the visitor economy must be at the heart of any new strategy and DMP, but it is very likely to require initial funding and ongoing match-funding from the public sector. Depending on the DMO model and the funding model agreed, it is anticipated that either:

- subject to match-funding from other public sector authorities and from private business, the Council will allocate annual funding to a new DMO, for the first 5 years, or
- the Council will invest via business rates levy into a new TBID

However, the research into other DMOs and their funding models may reveal further funding options.

8. OPTIONS SUMMARY

The Tourism Task and Finish Group recognised that there are various options going forward and set out four options for consideration:

1. Do Nothing.
This was not considered appropriate as the Group were concerned that, despite much good work, the current model does not exploit the visitor economy to its full potential
2. To continue providing the current level of strategic and officer support to the industry, and some additional funding to provide data and research to better inform the Council's strategies and to assist those currently supporting tourism.
The significant potential to grow the visitor economy and to grow jobs is unlikely to be achieved.
3. To accept the proposals as set out in a study prepared for the Coastal West Sussex Partnership study and, in conjunction with the neighbouring

authorities involved in that study, discuss how the proposals might best be achieved.

The Tourism Task & Finish Group believe the approach and the aspirations emerging from that study again fall short, and feel there is much more that could be gained through a more robust and determined approach. (However, it is acknowledged that there are opportunities and proposals emerging from the study from which we could benefit and where these meet our own aspirations – e.g. joint research projects - we should take advantage of partnership working and funding opportunities).

4. Within CDC set-out a brief but clear 3 to 5 year plan which sets the aspiration, establishes the baseline information and then leads the initiative required to bring partners together who will then be able to move forward under one robust and coherent strategy. The outline plan will state the potential to attract new visitors, to support and grow tourism businesses, to grow jobs, to grow the economy, and to attract inward investment if the industry is prepared to join forces.

The Group recommended to the Overview and Scrutiny Committee that it recommends to Cabinet that option 4 be pursued and resources be allocated accordingly.

9. PROJECT APPROACH

- The project work will be delivered by a small steering group
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- To work in partnership with CWS to apply to the pooled business rates.
- Initial work will comprise consultation work to meet with potential external partners, and development of briefs for the research work
- It is anticipated that representatives from external partners – neighbouring authorities, the existing DMOs, other tourism organisations and private businesses – will join the steering group as the work progresses
- External contractors and consultants will be engaged to undertake specific tasks
- There will be widespread industry engagement through fieldwork and via a tourism conference.
- The project outcomes will be reported to Cabinet

10. PROJECT PLAN

Task No.	Task/Milestone	Completion Date	Responsible Owner	Dependency
Stage 1 Preparation and Agreement				
A	Identify potential public sector and private sector	31/8/15	Steve Oates	Agreement from Steering

	partners. Prepare and agree action plan for engagement			Group
B	Initial engagement with potential external contractors and consultants.	30/9/15	Steve Oates	Agreement from Steering Group
C	Prepare and agree schedule of research	30/9/15	Steve Oates	Agreement from Steering Group
D	Prepare and agree schedule of anticipated external consultancy requirement	30/9/15	Steve Oates	Agreement from Steering Group
E	Prepare and agree a brief but clear vision which sets out the opportunity and aspiration for the next 5 years, and the route to bring partners together to develop one robust, simple and coherent strategy	30/9/15	Steve Oates	Agreement from Steering Group
Stage 2 Fieldwork and Engagement				
A	Undertake programme of partner engagement with: Neighbouring Authorities Tourism Businesses Other tourism organisations	31/1/16	Steve Oates	None
B	Secure funding through the Pooled Business Rates Fund	30-9-15		Agreement with neighbouring authorities
C	Identify and appoint Steering Group partners	31/1/16	Steve Oates	None
D	Identify and engage with potential leaders	31/1/16	Steve Oates	None
E	Engage with Visit England	31/10/15	Steve Oates	None
Stage 3 Research and Consultancy				
A	Undertake research	31/3/16	Steve Oates	None
B	TBID consultancy	31/3/16	Steve Oates	None
C	Assess the practicalities of using existing tourism delivery organisations and to negotiate their use accordingly	31/1/16	Steve Oates	Engagement with existing DMOs
D	Consultancy on DMOs and funding models	30/11/15	Steve Oates	None
Stage 4 Strategy and Action Plan				
A	Prepare and agree a concise and coherent 5 year strategy and accompanying action plan	31/5/16	Steve Oates	None
B	Secure partner support and funding commitments	31/5/16	Steve Oates	Public and private sector partners

C	Report to Cabinet	30/6/16	Steve Oates	None
D	Establish working DMO	30/9/16	Steve Oates	Public and private sector partners
E	Identify potential DMO CEO and key staff posts	30/9/16	Steve Oates	None
Stage 5 Engagement with Tourism Industry				
A	Production of an 'industry engagement' conference	30/9/16	Steve Oates/Ali Thompson	Public and private sector partners

11. PROJECT TEAM

- The Senior Responsible Officer will be the Head of Service for Commercial Services who will oversee the overall delivery of the project
- The project manager will be the Economic Development Manager who will oversee the operational aspects of the project
- The Project Steering Group will initially comprise the Economic Development Manager and other officers. The Cabinet Member will be briefed on the progress of the project and progress will be monitored at the Commercial Board which the Cabinet Member attends. Further members and officers may join the Steering Group as the need arises to deliver the different elements of the project ensuring the project milestones are met
- As partner and industry engagement work progresses, an early task will be to identify representatives from tourism businesses, other local authorities, and other tourism organisations who are able to add to the operational delivery of the project, and to encourage them to join the Project Steering Group
- The project outcomes will be monitored by the Steering Group. In addition this project will be monitored through the Commercial Programme Board.

12. COMMUNICATION

- The Project Steering Group will initially meet monthly to develop and refine the detail of the Project Plan, performance measures and monitoring processes
- Task and Finish groups may be formed to steer the detailed delivery of items within the project
- Members will receive updates in the monthly Members Bulletin. CMT and the Management Forum will be updated at key stages
- PR will support the project with external publicity and internal communication mechanisms as required

13. RISK LOG

Risk No	Risk Description	Likelihood Unlikely Possible Probable Certain	Impact Minor Significant Serious Major	Planned Actions to Reduce Risk	Responsible Officer
1	Lack of support from Members	Possible	Significant	PID taken through Cabinet. Communication with Members to help them understand the project	Steve Oates
2	Lack of support from neighbouring authorities and other tourism bodies	Possible	Serious	Preparation of a concise but clear vision which sets out the opportunity and aspiration, and Member-led engagement (Stages 1E and 2A in the Project Plan)	Steve Oates
3	Potential delays in agreeing funding through the Pooled Business Rates Fund	Possible	Significant	Member-led engagement with partner authorities (Stage 2A in the Project Plan)	Steve Oates
4	Failure to secure funding through the Pooled Business Rates Fund	Possible	Serious	Member-led engagement with partner authorities (Stage 2A in the Project Plan). Refer back to Cabinet and to other funding bodies to seek alternative sources	Steve Oates
5	Potential delays to the project if some elements of the research have to be undertaken at specific times of the year	Possible	Significant	Early consultation with research bodies and partner authorities. Clear communication with partners if the scheduling of some parts of the project has to be altered	Steve Oates
6	Lack of support from private sector visitor economy businesses	Possible	Serious	Preparation of a concise but clear vision which sets out the opportunity and aspiration, and Member-led	Steve Oates

				engagement (Stages 1E and 2A in the Project Plan). The size of this task is not underestimated but, from experience elsewhere, is achievable with the correct approach	
7	Failure to identify and engage with potential leaders	Possible	Serious	Preparation of a concise but clear vision which sets out the opportunity and aspiration, and Member-led engagement (Stages 1E and 2A in the Project Plan)	Steve Oates
8	Failure to identify and secure funding streams	Possible	Serious	A focus on this will be a priority. Ensure all potential funding sources are identified and best practice elsewhere is researched. Undertake detailed analysis of potential for a TBID	Steve Oates
9	Potential partners may wish to go their own way	Possible	Serious	All engagement work strongly emphasises the benefits of partnership working	Steve Oates