

## Agenda Item 9

### Chichester District Council

#### OVERVIEW AND SCRUTINY COMMITTEE

3 July 2014

#### Tourism Task and Finish Group Progress Report

##### 1. Contacts

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##### 2. Recommendation

- 2.1 The committee is requested to review progress of the Task and Finish Group and to consider the options set out in section 8 as to the way forward and to make any recommendations to the Task and Finish Group**

##### 3. Background

- 3.1 In 2009 the Council entered into a Destination Management Partnership with the tourism industry's pre-existing organisation Visit Chichester (VC). Initially, this included provision of a modest annual grant each year from April 2009 to March 2012, after which point the Council ceased further funding.
- 3.2 During this time it was anticipated that VC would develop a new approach to serving and developing the tourism sector, and would secure alternative and new methods of funding to achieve this. However, VC has struggled to make significant strides forward and its funding is now generally well below the levels obtained 5 years ago.
- 3.3 In 2012, the Council also reviewed its provision of Tourist Information Services. The TICs in Midhurst and Petworth closed with some aspects of the services relocating to alternative outlets. In Chichester the TIC was relocated to the Novium museum.
- 3.4 In September 2013 the Overview and Scrutiny Committee received a presentation from representatives of Visit Chichester at which the issues facing the organisation and delivery of its business plan were set out to members. Following this a Task and Finish Group was convened in January 2014 to:
- assess the opportunities to develop inbound tourism to the District and to expand the visitor economy
  - establish how the Council could assist VC to become more effective and, in so doing, to assess the VC model against other Destination Management Organisation (DMO) models and test its effectiveness
  - understand the purpose of tourism information services and how this is delivered

- 3.5 The group consists of Mr G McAra (Chair), Mrs C Apel, Mr N Thomas, Mrs B Tinson and Mrs N Graves.

#### 4. The Economic Impact of Tourism

- 4.1 It is reasonable to ask why Tourism should be a 'special case' and why, in the past, it received the seemingly high levels of support and backing from the public sector. The value of tourism is both direct and indirect. There is much that a community or district such as Chichester has in terms of infrastructure, amenities, community assets and environmental assets that the indigenous population enjoy and benefit from, that simply wouldn't exist (or would at least be in a poorer form) if 'Tourism' didn't exist.
- 4.2 In a wider context, tourism is essential to England's economy. This 'visitor economy' which covers leisure tourism, business trips and visiting friends and relatives, generates £106billion each year, employs 2.6million people and supports thousands of businesses, both directly and indirectly. It also has a strong and vital interdependent relationship with farming, transport, retailing, cultural assets, coastal and maritime activities, sport, museums and the arts, hospitality and other sectors.
- 4.3 For the first time, Government has a tourism strategy that reaches across Whitehall, looking at policies from a tourism perspective. Funding through the Regional Growth Fund has been allocated to Visit England who is tasked to work with the tourism industry to deliver a 10-year strategic framework for tourism. This sets out ways the industry can work together to deliver a 5% growth in value, year-on-year, over the next decade. This would result in an additional £50billion in expenditure and the creation of 225,000 jobs.
- 4.4 There are substantial opportunities to increase the value of tourism to the district. In particular, the growth in short-breaks in England provides a growing market, and there is a tremendous opportunity to exploit the potential for exponential increases in spend by turning day visitors into staying visitors

##### **Tourism in Chichester District**

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

(Please note: Data produced by Visit Chichester shows higher figures than these, but we have been unable to reconcile them to the Visit England figures)

## 5. Outcomes to be achieved

- 5.1 To support tourism and the development of the visitor economy. This is a key priority in the Council's Economic Development Strategy, which was adopted by Chichester District Council in February 2013.
- 5.2 The Task and Finish Group want to understand our existing and potential tourist market by identifying the area's different assets and why people visit.
- 5.3 To establish whether the current DMO is fit for purpose and to consider any in-kind support which the Council can provide to VC or to consider what options are available to us going forward to assist in facilitating a strong DMO. In order to:
  - raise the profile of the District as a visitor destination
  - manage the visitor economy
  - exploit the economic potential to create jobs
  - develop a successful year-round tourism offer
  - exploit the potential for inward investment to the District
- 5.4 To consider what 'destinations' Chichester is made up of and to consider whether 'Chichester District' is a recognisable destination, or whether it should be part of a wider destination; and whether there is an opportunity to work with other authorities for a wider tourism offer
- 5.5 To consider how people access tourism information and the delivery of TIC services.

## 6. Progress so far

- 6.1 The T&F Group has received a number of presentations and considered various pieces of evidence. These have included:
  - A discussion paper on the present position and the opportunities available to develop the district's tourism offering
  - A presentation on the tourism marketplace, the wider visitor economy and the potential for tourism to grow the local economy
  - A presentation from Visit England on the role of destination management organisations and the various models that can be applied
  - A presentation from SDNPA
  - Visit England insights on future trends in tourism
  - A presentation from Visit Chichester
  - A discussion with the Council's Front of House Officer who services the Tourist Information functions at the Novium museum.

### Consultation

- 6.2 Individual members and officers from the Group have also:
  - Met with representatives from businesses and organisations in the District's tourism sector including Bunn Leisure, Chichester City Centre Partnership, Chichester Festival Theatre, Fishbourne Roman Palace, Goodwood and the Weald and Downland Open Air Museum
  - Met with Visit England's Head of Destination Management

- Undertaken a walk-about tour of Chichester to consider the city from a visitor's viewpoint
- Attended the LGA Conference on Culture, Sport and Tourism to obtain insights on successful local authority-led tourism
- Met with officers from Arun District Council and Horsham District Council

## 7. Key Findings

### Visit Chichester

- 7.1 Visit Chichester was set-up as a public-private membership organisation headed by a non-executive Board of directors with the aim that directors should be from local accommodation providers, visitor attractions, Chichester Chamber of Commerce & Industry (CCCI) and CDC. The board is currently weighted in favour of the public sector. There is one director representing the visitor attraction/events sector and one representing accommodation providers. All directors are volunteers. There is one part time member of staff working on social media and some paid consultancy. Resources are extremely limited with a budget of c. £70,000 per annum
- 7.2 While welcoming any work undertaken to promote tourism, tourism businesses consulted do not regard the DMO, in its current form, to be vital to their business and several have drifted away from close involvement with the DMO.
- 7.3 The organisation has limited visibility and profile, and some accommodation providers in the District are not clear about the roles it performs.
- 7.4 VC places a lot of importance in developing its website and social media feeds. Despite this, the website does not provide a sufficiently good or responsive service for today's customers. However they have advised that this is being reviewed and updated.
- 7.5 Following the presentation from VC, members concluded that:
- VC appears to be an operational organisation with no defined strategic vision or direction. (However, the Group is aware that a destination management plan dating from 2010 exists)
  - It has a fragmented approach and is a fragile structure - It needs robustness
  - It has insufficient money to effectively market, manage and build the destination
  - It carries out limited consultation with users or providers
  - The presentation gave no indication of any move or aspiration to restructure or consider alternative ways to serve and develop the visitor economy

The members also felt that the name 'Visit Chichester' is a barrier to engendering a united approach to driving the visitor economy across the district.

### The Destination

- 7.6 When considering a destination to visit, visitors do not concern themselves with administrative boundaries when making their choices. However, VC's focus is purely on Chichester District. There is no evidence that VC has considered whether this is the optimum 'destination' to serve, or whether there is naturally a narrower or wider destination that would best attract and serve visitors

- 7.7 Visit England define a destination as follows: *A destination is an area of visitor appeal which includes attractions, accommodation and support services. It may be defined by physical, thematic or administrative boundaries and it embraces a set of distinctive images and qualities that give it a brand identity recognisable by potential visitors. Destinations should be places with which tourism stakeholders have a natural affinity and within which it is practicable for them to work together.*
- 7.8 A key consideration of whether an area can and should be managed as a destination in its own right is whether it has a clear and distinctive identity by which it can be promoted and described to visitors and recognised by them. However, as implied by the above definition, destinations can only work effectively if they are meaningful to the tourism businesses, visitors and other players, including the local authorities and communities, who need to work together to manage them.
- 7.9 Initial discussions with the tourism officer at Arun District Council and with the economic development service at Horsham District Council have indicated a willingness to consider whether some or all of our three districts might comprise an attractive visitor proposition to market and manage.

### **Creating a Viable and Successful Destination**

- 7.10 It is important to consider what activities are required in an area to maximise the impact on the local economy from visitors. These can be broken down into six inter-related sub groups:
- 7.10.1 **Destination Management or A ‘Joined-Up’ Approach** – This is the process of leading, influencing and coordinating the management of all the aspects of a destination that contribute to a visitor’s experience, taking account of the needs of visitors, local residents, businesses and the environment.
- 7.10.2 **Attracting Visitors** - Is primarily about marketing the destination in a variety of forms, including online, social media, PR, and advertising campaigns, as well as generating activities, events and reasons for visitors to choose the destination, and linking in to national initiatives, many of which provide match funding
- 7.10.3 **Inward Investment and Improving the Infrastructure** – Engendering a culture across all stakeholders to consider the visitor economy at every level – Ensuring the planning process is sympathetic and responsive to the visitor economy; developing and providing sufficient accommodation stock of the right kind; sufficient access to parking, public conveniences, public transport and other facilities; cleanliness of the environment; and seeking ways to support new attractions, events and activities to broaden the destination’s appeal.
- 7.10.4 **Welcome and Ease of Movement** – Ensuring that, whichever way visitors enter the destination, they feel welcome and comfortable in the local environment, and they are able to move around in the most efficient way. This makes a big difference to a visitor’s experience. This

includes full customer orientation within the destination, placing the needs of visitors as a key consideration in all decision making

- 7.10.5 **Extending Stay** – Making good links and joint packages between attractions, accommodation providers, shops and restaurants to encourage longer visits; and generating activities and events to encourage longer stays. We know that the longer visitors stay the more they spend into the local economy
- 7.10.6 **Return Visits** - Getting the previous five right has a big impact on this, but can be enhanced through loyalty schemes, offers and specialist events

### **Destination Management Organisation Models**

- 7.11 There is a difference between destination management organisations (which coordinate, manage and market a destination) and simply a destination organisation (which is principally involved in marketing). Crucially, destination management includes the **planning, development and marketing** of a destination as well as how it is managed physically, financially, operationally and in other ways.
- 7.12 The size, form, functions and governance of destination management organisations vary across the country. They may be a single organisation, such as a local authority, or can be an informal partnership or a legal entity, such as a community interest company, that includes representation from both the private and public sectors:
- 7.13 A successful DMO will demonstrate strong private sector involvement, and many DMOs, but by no means all, are private-sector lead. To be successful a DMO needs drive and appropriate experience within its personnel and, above all, strong leadership.
- 7.14 Visit England cite This is Durham, Visit Manchester, Shakespeare's England, Visit Kent, Visit Isle of Wight, Visit York and Visit Winchester as examples of DMOs working well.

### **Tourist information Services**

- 7.15 With the move to mobile technology, traditional TIC services are now no longer required but we still need a Tourist Information Centre for signposting and leaflets. The Group considers that the future of tourist information services should be integral to the wider discussions on destination management.

## **8. Next Steps**

- 8.1 The Task and Finish Group are concerned that, in its current form, VC does not substantially raise the profile of the district as a visitor destination, or strategically manage the visitor economy to fully exploit the economic potential to create jobs. The Group is aware that some additional research is necessary and that it would be helpful for members to hear further evidence on successful destination management.

8.2 The Group would therefore welcome the committee's feedback on the work undertaken so far and seeks the committee's support to:

- consider whether the Council could be the catalyst for bringing together the businesses and organisations in the tourism sector and wider visitor economy to create a stronger partnership. In so doing, to examine the feasibility of establishing a well-resourced new model as well as the challenges involved in refreshing the current model and making it work
- consider what sources of Council or other public funding might be available, which could be used to leverage significant additional sums from the private sector

8.3 The Group would also like to advise the committee that a separate meeting of the Overview and Scrutiny Committee will be held on 22 July 2014, to which all CDC members are invited, to hear from Ms Melanie Sensicle, Chief Executive of This is Durham.

8.4 A further report on the findings of the research by the Task and Finish group will be brought back to the September meeting of this committee.

## 9. Resource and legal implications

9.1 The Task and Finish Group is currently resourced with officer input from the Economic Development Service and by the Principal Scrutiny Officer. At this stage there are no further resource or legal implications.

## 10. Consultation

10.1 Organisations consulted to date are as detailed in section 6 above.

## 11. Community impact and corporate risks

11.1 The aim of the review is to have a positive impact on the visitor economy and, in turn, the wider economy in our district.

11.2 The main risk to this Council is a loss of economic and community benefits if Visit Chichester fails and no action is taken to replace or improve it.

## 12. Other Implications

	Yes	No
<b>Crime &amp; Disorder:</b>		✓
<b>Climate Change:</b>		✓
<b>Human Rights and Equality Impact:</b>		✓
<b>Safeguarding:</b>		✓
<b>Other (Please specify):</b> eg Biodiversity		✓

## 13. Appendices

None

## 14. Background Papers

None