



CABINET

15TH OCTOBER 2015

AGENDA ITEM (11)

COTSWOLD DESTINATION MANAGEMENT ORGANISATION FUNDING

Accountable Member	Councillor C Hancock Cabinet Member for Enterprise and Partnerships
Accountable Officer	Diana Shelton Head of Leisure and Communities 01285 623560 diana.shelton@cotswold.gov.uk
Purpose of Report	To seek authority for this Council to contribute to the start-up funding of the Cotswold Destination Management Organisation (DMO) as set out in this report.
Recommendation(s)	That the allocation of three years' funding to support the establishment of the Destination Management Organisation be approved.
Reason(s) for Recommendation(s)	To enable the DMO to become established to support the growth of the district's visitor economy.
Ward(s) Affected	All
Key Decision	No
Recommendation to Council	No
Financial Implications	<p>Local authorities across Gloucestershire and West Oxfordshire have been requested to underwrite the Cotswolds DMO for the next three years to the maximum figures as set out in the table below.</p> <p>The level of funding requested varies between districts to reflect the number of businesses likely to benefit in each local authority area.</p> <p>Funding for the three years, if it is requested, would come from existing budgets.</p>

	2015/2016	2016/2017	2017/2018	Total
Cotswold DC	£15,000	£12,500	£3,000	£30,500
Cheltenham BC	£15,000	£12,500	£3,000	£30,500
West Oxon DC	£12,000	£11,250	£3,000	£26,250
Stroud DC	£5,000	£4,000	£1,000	£10,000
Tewkesbury DC	£5,000	£4,000	£1,000	£10,000
Gloucester CC	£5,000	£4,000	£1,000	£10,000
Total	£57,000	£48,250	£12,000	£117,250

Legal and Human Rights Implications	None
Environmental and Sustainability Implications	None
Human Resource Implications	None
Key Risks	<p>The key risk in joining the partnership and allocating the funding is that Cotswold District businesses do not gain benefit from the new DMO. There is already significant interest from our local businesses, and there is currently representation from Cotswold District businesses on the Board, including the Chairman of the Board.</p> <p>This risk can be mitigated by offering this financial support conditional to at least one member of the Board being from a Cotswold District business.</p> <p>The risk of not supporting the new DMO is that it fails to become established and our businesses are therefore unable to benefit from the support and profile it can offer.</p>
Equalities Analysis	No effect on protected groups identified

Related Decisions	None
Background Documents	None
Appendices	None

Performance Management Follow Up	None
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Options for Joint Working	None
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Background Information

1. As Members will know, the Cotswolds as a destination is a recognised brand both nationally and internationally. It is currently ranked 6th nationally by VisitEngland in terms of performance as a destination. As we know, the area is a unique combination of many different high quality offers from vibrant towns and cities, picturesque villages, local limestone, a comprehensive retail offer, full calendar of events, heritage attractions, locally sourced food and drink, the natural environment and much more. While the Cotswolds is a well performing destination, with high awareness and appreciation, there is great potential for economic growth in the whole area through increased tourism activity and product development leading to a better experience for the visitor.
2. Despite the strength of the Cotswolds brand, no formal tourism partnership or DMO has yet been established. This is despite an acceptance that the most effective way to support tourism businesses and enable economic growth, whilst positively managing the high numbers of visitors to the area, is to take a co-ordinated joined-up approach to managing the Cotswolds as a destination with a visitor perspective.
3. At a local level, attractions, accommodation providers and others associated with tourism need to understand each other's offers as they are dependent on one other. In terms of marketing and promotion, the destination is a stronger and more attractive product if it is promoted as diverse, high quality and has a great deal to offer to make a significant journey and long stay worthwhile for the visitor. At a strategic level, a co-ordinated partnership approach is the only approach that will enable support from the two major national tourism organisations VisitEngland and VisitBritain as they recognise the importance of the key destination organisations and stakeholders working together to both promote and protect the brand.
4. Historically the development of tourism in the Cotswolds has been driven by the public sector, increasingly in partnership with business, but it has been organised around administrative boundaries rather than around the destination as recognised by the visitor.
4. In 2013, Gloucestershire County Council transferred its responsibilities for tourism to Gfirst, the Local Enterprise Partnership (LEP) for Gloucestershire. GFirst then worked in partnership with the local authorities of Cotswold, Cheltenham, Gloucester, Stroud and Tewkesbury along with over 300 businesses across the Cotswolds. From April 2014, GFirst withdrew from tourism operations which acted as the catalyst for local authorities and local businesses to work together to form a sustainable DMO that would be developed, run and funded by businesses.
5. At the start of this process in 2014, local authorities, including the Council, worked with businesses to publish a Destination Management Plan (DMP), which was required by VisitEngland in order to secure their help in developing the DMO.
6. The DMP set out a commitment from partners to work together to enable:

'a partnership approach to lead the sustainable growth of the Cotswolds visitor economy by 5% per annum in line with VisitEngland's Strategic Framework, and improve the ranking of the Cotswolds from number six to number three in the VisitEngland list of top performing destinations over the next decade'.
7. Over the last year, the drive has been to establish a DMO as a company run by businesses for businesses. The company is now registered as the Cotswolds Tourism Company with a Board of Directors from tourism related businesses with wide ranging skills and experiences, and businesses across the Cotswold are able to become shareholders. The Board is currently made up of nine Directors and is Chaired by Chris Grimes, the owner of Manor Cottages who have many properties in our District.
8. The DMO is currently hosted by this Council and has two staff, a Partnership Manager and Digital Marketing specialist. A new fit for purpose Website is due to go live in November 2015 and will be a key promotional vehicle for businesses.

9. The new Cotswolds DMO now needs to become independent and deliver services, using the latest technologies, to support businesses and ensure the highest possible profile for the Cotswolds. The Business Plan is based on businesses investing in a range of packages from the most basic package for small businesses to more expensive promotional packages for large hotels and attractions.

10. While interest is developing amongst businesses, the DMO needs to find funding to continue to employ its existing staff and to employ a Chief Executive Officer to drive the business forward, engage with stakeholders and seek out external funding and promotional opportunities. To this end, local authorities have been asked to underwrite start-up funding, that will only be called upon if necessary, for the next three years to give the DMO time to establish itself. The level of funding requested varies between Districts to reflect the number of businesses likely to benefit in each local authority area.

11. As a key partner in the Cotswold brand, this Council has the opportunity to underwrite start-up funding to support the growth of our visitor economy which, as Members will know, is crucial to economic growth in our District.

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