COTSWOLD DISTRICT COUNCIL logo	**COTSWOLD DISTRICT COUNCIL**
Name and date of Committee	**CABINET - 12 APRIL 2021**
Report Number	**AGENDA ITEM 8**
Subject	**Review of Tourism Service and Visitor Economy**
Wards affected	ALL
Accountable member	Cllr Tony Dale, Cabinet Member for Economy and Skills Email: Tony.dale@cotswold.gov.uk
Accountable officer	Philippa Lowe, Business Manager Localities Email: philippa.lowe@publicagroup.uk
Summary/Purpose	To review the work and impact of the tourism activity carried out by the Council including the Cotswolds Tourism Destination Management Organisation and The Visitor Information Centres and the role they play in supporting the local Visitor Economy
Annexes	Annex A - Briefing Paper – Tourism Review DMO models. Annex B - Complexity Diagram Annex C - Business needs and Support Annex D - Action Plan

Recommendations	It is recommended that Cabinet :
	a) Establish with partners a joint Advisory Board to provide stronger governance over the activities of the Cotswold Destination Management Organisation;
	b) Ask the officers supporting the Advisory Board to:
	    i. Refresh the Destination Management plan and response to different visitor destinations, including Cotswold Water Park;
	    ii. Develop a range of key performance indicators to monitor impact ;
	    iii. Prepare a prioritised action plan for a programme of work, including work to support the Green Economy, Sustainable Tourism, businesses transition to digital services and funding for visitor information services;
	    iv. Prepare a Communication Strategy
	    v. Review the DMO business member levels and funding structure;

Corporate priorities	A Vibrant District Economy
Key Decision	No
Exempt	No
Consultees/ Consultation	Internal consultations with other service leads and external partners and stakeholders

1. BACKGROUND

1.1. The Council has long recognised the value of Tourism as one of our most valuable service sectors and the vital role it plays in the Cotswold economy. In the UK as a whole nearly two million people are employed in the sector and £23 billion pounds spent by visitors.

1.2. The Cotswold tourism activity is focused on the wider visitor economy and particularly in supporting businesses to make the very best of opportunities associated with this visitor spend. They do this by providing effective management and development of a visitor destination and marketing and promotion of businesses.

1.3. In terms of the value of the visitor economy for Cotswold, the following data is a snapshot summary of the figures produced in the Economic Impact Assessment (2019) which was published in November 2020. It is clear from this data that tourism and the visitor economy plays a major role in the Cotswold economy as a whole.

Total direct visitor spend*: £360m
- £222m from 7m day visits
- £138m from 1.8m staying visits (£39m from overseas visitors)

Areas of spend*:
- Food & drink - £127m (£8m overseas visitors)
- Retail - £83m (£11m O/S)
- Accommodation - £49m (£12m O/S)
- Attractions & entertainment - £48m (£4m O/S)
- Other - £52m (£4m O/S)

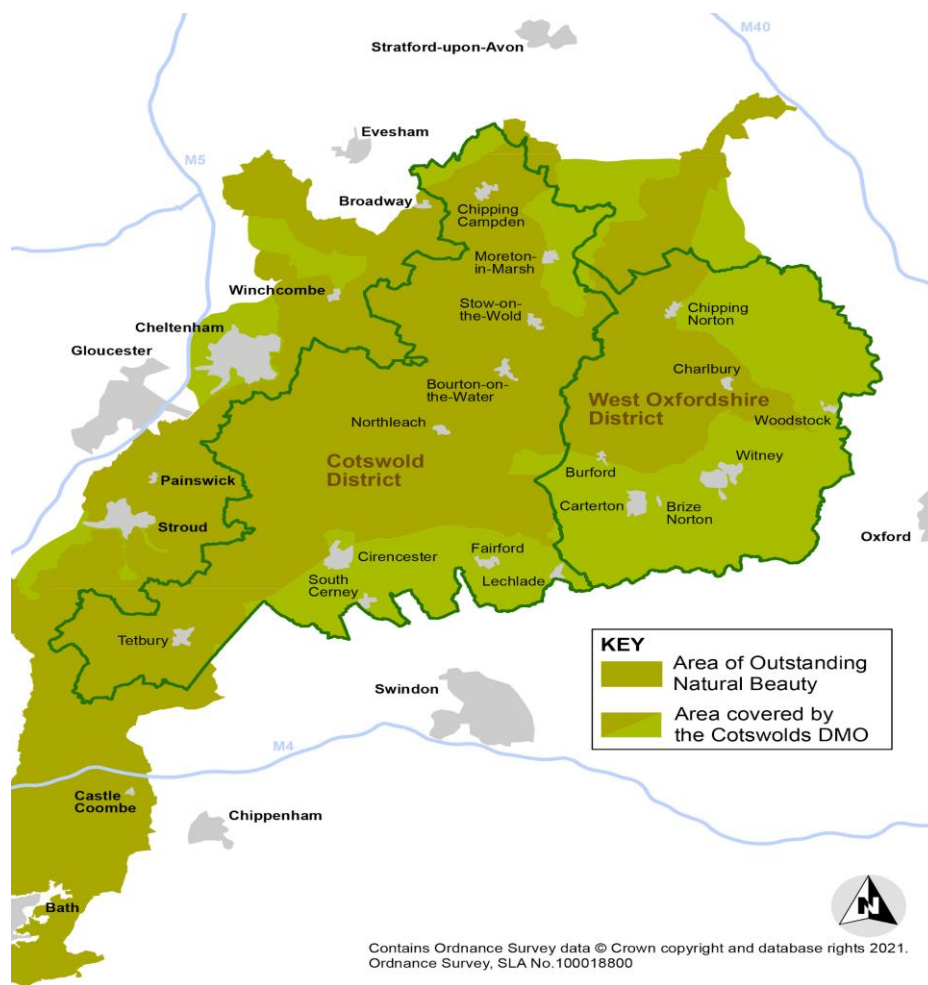*Note: the vast majority of the spend is from domestic visitors*

Employment:
- 7,300 jobs (5,300 FTE)
- 17% of total employment in Cotswold

1.4. The driver for this review of the Tourism Service has been the need to have greater visibility of the work of the Joint Tourism Team and financial support for Tourism by the Council and the need for a clear understanding of the impact of the spend and investment in Tourism services.

1.5. In order to support the review work and provide appropriate challenge a joint Steering Group was set up comprising the Chief Executives for West Oxfordshire and Cotswold District Council, the associated Portfolio Holders with responsibility for Tourism and the Visitor Economy, the Business Manager for Localities and the Joint Tourism Team Manager. Input was also sought from colleagues in Business and Economic Development, Finance and Communication and external partners.

1.6. The Council has a corporate priority to Enable a Vibrant Economy. However that sector has been particularly harshly impacted by Covid-19 and is likely to be one of the last sectors to fully reopen. The Council has set out its plans for Economic recovery and the role the Joint Tourism Team can play in supporting businesses in the Visitor Economy through promotion, marketing and targeted training on digital skills.

1.7. The impact of Covid-19 has been severe - in March 2020, the Visitor Economy came to an almost complete halt and subsequently the industry has missed vital parts of the holiday season in 2020 and again in 2021. Accommodation closed to all but a few for key workers and attractions had little opportunity to diversify.

1.8.　Fears remain regarding potential redundancies when furlough ends and the risk of insolvency is a threat for businesses who have severe cash flow issues. It has had a particularly harsh impact on businesses that rely heavily on the business, wedding and events market or on overseas visitors.

1.9.　The future isn't certain but the impact is clear. In 2019, overseas visitors accounted for spend in Cotswold of £39m. However the Covid pandemic has badly affected overseas visitor numbers. Visit Britain's latest projections for inbound tourism are:

- 2020: 76% decline in visits, 80% decline in spend on 2019 figures
- 2021: visits to only reach 29% of 2019 levels, spend to reach 23%
- 2025: overseas visitor numbers are not forecast to return to 2019 levels until 2025

2.　CURRENT SERVICE PROVISION

2.1.　The council currently provides financial support for Tourism and the Visitor Economy through funding for a number of tourism officers in a shared arrangement with West Oxfordshire District Council and through the provision of grants to local communities for Visitor Information Services at Tetbury, Stow-on-the-Wold, Bourton on the Water, and Chipping Campden. In Moreton-in-Marsh visitor information is provided within the Moreton area office. The activities of the Joint Tourism Team are also channelled through the Cotswolds Destination Management Organisation (DMO) the nationally recommended way to support the sector.

2.2.　The Cotswolds Tourism Destination Management Organisation (DMO) is the globally recognised brand name for the strategic Local Authority led DMO and Cotswolds Tourism is in the enviable position of owning the digital space for the Cotswolds with Top Google position for its website, https://www.cotswolds.com which has 1.2 million unique visitors. It also has extensive social media following with:

- Instagram – 52k followers
- Facebook – 42k
- Twitter – 25k
- E-newsletter with 40k subscribers.

2.3.　Cotswolds Tourism DMO brings together a partnership of over 450 businesses, five local authorities (in addition to Cotswold District Council, Stroud, Tewkesbury and Cheltenham Borough Council) and the Cotswolds National Landscape (formally known as AONB). The DMO has an extended boundary (see map below) which is based on and defined by the natural geography of the area as a visitor economy rather than public sector or electoral boundaries.

2.4.　The map shows in darker green the boundary of the Cotswolds National Landscape and in lighter green the wider area of **Cotswolds DMO** supported area.

KEY
Area of Outstanding Natural Beauty
Area covered by the Cotswolds DMO

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2.5.   As can be seen from the map above, Cotswold District administrative area forms a significant part of this internationally recognised visitor destination and the vast majority of the business membership (over 70%) is within Cotswold and also West Oxfordshire District areas. The DMO is the 'senior' strategic umbrella organisation for management of the Cotswolds visitor destination and the Council sits within that Strategic Partnership. It is the Cotswolds brand as a destination that is recognised by Visitors who are totally blind to the structures and administrative boundaries of an area.

2.6.   A further value of the DMO, is that like a LEP it is able to directly access national funding for Tourism and the Visitor Economy which is not available to Local Authorities. The Team works closely with national Tourism bodies, Visit Britain and Visit England on nationally funded projects which support businesses, growing resilience and value in the local economy.

2.7.   The DMO has an adopted Destination Management Plan (2014-2024) which sets out details of the role and function of the DMO and provides the Team with focus for their efforts under a number of key priorities which sit under the vision.

2.8.   As well as leading the DMO the Team work as part of a much wider and complex Visitor Economy Ecosystem and play a significant, pivotal and high profile role at a district, regional and national level to support the local Visitor Economy. Details are summarised as follows: (see also Annex 1).

2.9.   In essence the Joint Tourism Team is:

- A shared service and operates on behalf of the Council, Cotswolds Tourism a local Destination Management Organisation (DMO) which covers more than just the administrative boundaries of the Council
- The team operates across two counties, works with two different Local Enterprise Partnerships and across several regional boundaries and associated tourism authorities and organisations such as Tourism South East, the South West Tourism Alliance
- The team works in partnership (as a DMO) with Stroud District Council and Tewkesbury Borough Council, Cheltenham Borough Council and the Cotswolds National Landscape and works with Parishes and Town Councils to support wider place shaping and a community centred approach
- The team collaborates with other Destination Management Organisations established in Oxfordshire, Cheltenham, Forest of Dean and Wye Valley, Stratford, Bath, Bristol, Worcestershire and Wiltshire and with national tourism organisations – Visit Britain and Visit England from whom they can access grant funding, for the benefit of the local area

3. SERVICE REVIEW ACTIVITY AND COVID RECOVERY WORKSTREAMS

3.1.   The Tourism Team has a well-established relationship with partners across Gloucestershire. The Tourism Services Manager sits on GFirst LEP's Visitor Economy and Tourism Business Group.

3.2.   Under the umbrella of Cotswolds Tourism the team work closely and regularly with staff from the partner councils of Cheltenham, Stroud and Tewkesbury, as well as the Cotswolds National Landscape (formerly Conservation Board).

3.3.   The Tourism Team have also worked on a number of projects with the Forest of Dean and Gloucester City Council, who were partners in the joint Uncover the Cotswolds project, and have been closely involved in attempts to create a strategic tourism policy for the County with Visit Gloucestershire

3.4.   The Tourism Team also work closely with Cotswolds National Landscape (formally AONB Board) and are looking to collaborate with them in developing the Green Tourism Strategy.

3.5.   The Joint Tourism Team led on Covid-19 support for businesses including:

- Individual contact and 23 Sector led meetings, Free membership to DMO, Guidance and best practice; Messages – 'Know Before You Go'

- Marketing and Promotion
    - Marketing skills and Networking / Business Communications
    - Signposting to business support / advice / training

- Particular focus has also been given to digital transformation and the need to ensure the digital offer is front and centre of the design and delivery of business operating models. A recent business survey revealed that businesses identified assistance to improve their digital competence and enabling them to have an on-line bookable service as a key recovery workstream. Annex 2 provides a summary of business needs identified by the survey and the outcomes in terms of a programme of on-line digital training.

The following sets out details of some of the recent initiatives and projects run by the Tourism Team.

- **DMO Marketing Recovery Fund:** Successful bid for £75k to digitally market businesses that are bookable online on Cotswolds.com website https://www.cotswolds.com/ (Cotswolds Tourism DMO official website).

- **Uncover the Cotswolds:** £220K project funded by Visit England to develop authentic local experiences and support businesses to get these bookable online via Visit Britain's Tourism Exchange Great Britain (TXGB) platform. This enables businesses to be digitally distributed via other online channels and particularly focuses on experiences available throughout the year and in less visited areas, to help disperse tourists more evening across the wider area and encourage them to extend their stay.

- **Real Cotswolds:** The Team for this project (www.cotswolds.com/realcotswolds) have recently worked with local Chambers of Trade, Cirencester Community development trust and Cirencester town council to boost the recovery of market towns, involving the wider visitor economy, especially retail to give around 20 businesses in Cirencester the opportunity to be featured on a town page. See www.cotswolds.com/cirencester This work generated a media article in Britain Magazine and the team have now started work on Tetbury having recently held meetings for businesses to learn more. The proposed work to support the Towns and local businesses gives an opportunity to work collaboratively with colleagues from town councils and economic Business Development to connect businesses to the **Cotswolds brand** as a powerful business proposition.

- **Digital Health Check survey:** was launched to identify specific digital training needs among local visitor economy businesses and the outcome of this will be an online training platform, due to go live by end March 2021. The training will be delivered by two different local providers as a series of short 30 minute on-line sessions and whilst they have been designed in response to feedback from businesses in the Visitor Economy, the training will be accessible to all businesses.

Visitor Information Services

3.6. A detailed piece of work regarding funding for Visitor Information Services (VIC's) has taken place at West Oxfordshire District Council focussing on the provision by the Council of face-to-face Visitor Information. The funding and delivery model at West Oxfordshire differs from the approach at Cotswold District Council which is largely based on grant funding. It is however appropriate for this Council to also review its approach to funding visitor information services to inform the approach for 2022/2023 onwards which marks the end of the current 3 year grant period (2019 - 2022).

3.7. The review work into visitor information services highlighted the impact of Covid-19 and rapid move to digital on-line services which support the requirements for pre-arrival booking and pre-planning - 'Know before you Go'. There has also been an associated dramatic reduction in the production of printed publications and guides and default to online digital versions.

3.8. There are consequences for traditional VIC face-to-face services is that their business model and much of their offer has been badly impacted by Covid-19 and overtaken by events in terms of the move to digital solutions. A number of high profile VIC's such as Bath and Oxford have closed and the provision of information and services for Visitors on arrival at a destination are being delivered by a number of alternative means, largely digitally based.

3.9. To aid recovery, a recommendation of the Tourism review is that in principle resources and funding go to where they can make most difference. The work programme of the Joint Tourism Team is therefore focusing their efforts on enabling digital business competence in the Visitor Economy and web, and social media based support for visitors.

Review of relationship with partner Councils and DMO

3.10. A detailed Briefing Paper was produced for the Steering Group (ANNEX 1) that concluded that the hybrid Local Authority Led Model for a DMO was the most agile and flexible approach, ensuring the Joint Tourism Team could adapt to change and also capitalise on opportunities. However, there are recommendations regarding new governance arrangements and setting up a new Advisory Board to:

- Input into and endorse a refreshed version of the Destination Management Plan
- Review discretionary spend on projects
- Review planned and delivered programme of work (quarterly)

3.11. The Advisory Board will also need to agree a set of Key Performance Indicators, the preparation of an annual update report for Cabinet, refresh of the Destination Management Plan and preparation of a Green Tourism Strategy.

3.12. Furthermore, a Communication strategy is required to ensure that there is transparency and understanding of how the Council is supporting a Vibrant Local Economy and good news stories and best practice need sharing more widely with members and local communities.

Summary

3.13. The review has established that the Joint Tourism Team are fulfilling a critical role in coordinating efforts. This includes increasing visitor spend, support for local businesses to raise their profile and access to a global market and enable residents to benefit from the wider economic impact of sustainable growth in the Visitor Economy.

3.14. The Team are working effectively and are well recognised and valued by the national Tourism bodies, Visit Britain and Visit England, which is reflected in the funding awards and successful delivery of projects.

3.15. The focus of their efforts needs to ensure that their work adds value to the local economy and that through effective governance and communication the Council will clearly be able to see and judge the return on investment.

3.16. Annex 4 provides a summary of the key activities that the team will be focussing on in the short, medium and longer term.

4. FINANCIAL IMPLICATIONS

4.1. As part of an earlier sharing of the service (pre- launch of Publica) the tourism staff were merged between Cotswold and West Oxfordshire to form a joint team and savings shared between the partners. As part of this new service, the teams effectively took on the support of the independent Cotswolds DMO.

4.2. The cost to Cotswold District Council to support tourism in staffing costs is in the order of £36,000 and £110,000 for West Oxfordshire which covers a portion of the following posts:-

- Tourism Services Manager – WODC 80% / CDC 20%
- Tourism & Business Support Manager – WODC 50% / CDC 50%
- Tourism Development Officer (2 P/T) - WODC 100%

4.3. In addition there is a partnership manager providing direct support to the DMO which is supported by Cotswold District Council and partnership fee income. No membership fees were charged in 2020/21 given the market conditions.

4.4. The team has successfully brought in additional grant income to the partnership as set out below:-

- Discover England Fund (2018/19) £250K grant and (2020/21) £130K grants for business support and getting businesses on line
- DMO Recovery Marketing Fund 2021/22: £73,500 to support Digital marketing of bookable online experiences.
- DMO Resilience Fund (to cover the wages of the Tourism Partnership Manager during the first lock down in 2020) – c £10k

4.5. Whilst it was clear from the review that the partners support the service at inequitable rates a firm conclusion was not reached on how to resolve this at present as this was due to the original budget inputs upon the formation of Publica. A broader costing exercise is underway across Publica to understand service consumption in all areas rather than merely focusing on a single area which should identify options for budget rebasing when complete. This activity will report later in the year.

5. Legal Implications

5.1. There are no legal implications arising from the recommendations made in this report.

Risk Assessment

5.2. The report raises no specific risks; however the review process will assess any identified risks associated with future delivery models.

6. Equalities impact

6.1. The work of the Tourism Team supports visitor economy businesses in the District. No recommendations are made in this report which impact on equalities.

7. Climate change implications

7.1. The Tourism Team encourage businesses to be environmentally friendly in their practices and promote the development of green tourism in the District.

8. ALTERNATIVE OPTIONS

8.1. The review process has explored options for delivery models and made recommendations where changes need to be made.

9. Background Papers

9.1. Cabinet reports Cotswold District Council: 7th December 2020