COUNCIL CABINET
21 DECEMBER 2004

DERBY CITY COUNCIL

Report of the Director of Development and Cultural Services

Peak District and Derbyshire
Destination Management Partnership

RECOMMENDATION

1.1   To agree to the initial establishment of the Peak District and Derbyshire Destination Management Partnership.

1.2   To ask Council to nominate a representative to the DMP Board.

1.3   To receive a further report when the DMP has determined its business plan for 2005/06 and the legal and financial implications for the Council are clarified.

SUPPORTING INFORMATION

2.1   Officers have been in discussion with their counterparts at Derbyshire County Council, the District Councils in Derbyshire, and the Peak District National Park, together with emda and East Midlands Tourism, regarding the establishment of a Destination Management Partnership for the Peak District and Derbyshire. This report outlines the progress to date, and the proposals for the establishment of a new Peak District and Derbyshire Destination Management Partnership (PD&D DMP).

2.2   The PD&D DMP will cover the whole of Derbyshire and the wider Peak District, including parts of Staffordshire Moorlands, and small parts of the North-West Region and South Yorkshire region. It will be a primary forum for tourism strategy for the Peak District and Derbyshire, and the main conduit for discussions with emda and East Midlands Tourism (EMT), regarding strategy, funding and regionally driven activities.

2.3   Emda has responsibility for the strategic development of tourism in the region. It has established East Midlands Tourism (EMT), which has replaced the Regional Tourist Board. However, EMT has a strategic remit rather than an operational one. EMT is currently based within emda and reports to emda, but it may eventually become an independent Company Limited by Guarantee. As EMT is a strategic body, the actual delivery of tourism, marketing and services will be handled at County level through the Destination Management Partnerships (DMPs).

2.4   There are two phases in the development of the PD&D DMP:

   •   Between present and 31 March 2005 - interim arrangements will be in place to establish an initial DMP that meets the 'fit for purpose' criteria of EMT, and draws down funding as a result. These are reproduced in Appendix 2 of the report. This phase is underway and is being strongly supported by Officers.

- The second stage is a Full-Service DMP model, which is a fully independent and self-financing organisation. The additional 'fit for purpose' criteria for this are reproduced in Appendix 3 for this report. EMT would like these established across the region in 2005/6. There is, as yet, no timescale nor certainty that this will happen for the Peak District and Derbyshire. This phase has more uncertainty, but the potential implications for the Council are great. These are described in paragraph 2.11 and Appendix 1, paragraph 1.4.

These two phases are described in more detail below

2.5 There are currently two organisations with strategic remits within Derbyshire and the Peak District - the Peak District Forum, and the Derbyshire Tourism Forum. The latter is the more recently established of the two, covering the whole county including the City of Derby, and on which the Cabinet Member with responsibility for Tourism has a seat. The Tourism Manager also attends. Officer Groups representing the two forums have been meeting to put together the interim arrangements for the PD&D DMP, including searching for a potential chair of the interim board and members of the board.

2.6 The Officer Group recommendations have been reported regularly to the two Tourism Forums, and these forums will continue to form the second tier below the DMP, and to be the direct link with the tourism industry and all the local authorities and other public and private sector partners. Both forums have current business plans, and these need to be merged into an interim business plan for the interim DMP. This is being done at present, and is likely to be put out to a consultancy contract for the further development of the interim strategy, and the establishment of the DMP proper targeted for 1 April 2005.

2.7 The interim board will have a chair and twelve members, six from each of the two forum areas. It is proposed that the local authorities in the Peak District will take two seats, the local authorities in Derbyshire and the remainder of the County will take two seats, with one each going to the University and the Chamber of Commerce, and the remaining six going to private sector representatives. It is further proposed that one of the seats will be shared between Derbyshire County Council and the City Council in rotation.

2.8 A consultant is expected to be appointed to manage the interim process. The consultant will be responsible for the recruitment process for a DMP partnership services unit, comprising a DMP Manager and administrative support, who will then contract with external suppliers as required.

2.9 The DMP will need to employ a manager and 'service unit' with one or more employees. This will be done through a host organisation, who will take on all the usual employer responsibilities including salaries, leave, sickness absence, etc. A brief for this has been circulated and interest has been expressed by the University, the Chamber of Commerce and the Derby and Derbyshire Economic Partnership.

2.10   The current proposals to come in to place from 1 April 2005, for the established DMP, are currently very similar to those for the interim arrangements. The current proposal is for a chair plus a board of twelve directors, with a six/six split between the two forums (and the same City/County rotation), serviced by a partnership services unit. This will be the subject of discussion and consultation between now and 31 March, so there is the opportunity for the Council to comment and participate. The DMP will prepare its own business plan, but again, this may be very similar to the interim business plan described previously.

2.11   Emda has identified six specific roles for DMPs:

- to lead and co-ordinate all tourism initiatives
- to attract visitors
- to serve visitors
- to serve the industry
- to deliver special projects
- to pilot or lead on specific region-wide initiatives

2.12   Once the PD&D DMP is established and meeting the full service DMP criteria, this will have far wider implications for the Council. The Council's tourism section will operate as part of the DMP. It will deliver marketing activities for the City, and act as the main point of contact for members of the Derby tourism industry with the DMP. Aspects such as Countywide marketing, Tourist Information Centres, the destination management system, industry liaison, training and research, will be co-ordinated through the DMP. Whilst all staff would still be Council employees and revenue budgets for staff and premises would still be in the control of the Council, the DMP could effectively have control of all other current Tourism revenue budgets.

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Background papers:	On file in Tourism Unit
List of appendices:	Appendix 1 – Implications
	Appendix 2 – Annex 1A – Fit for Purpose criteria
	Appendix 3 – Annex 1B – Outline Full-Service DMP Criteria

IMPLICATIONS

Financial

1.1   Emda has agreed to contribute funding to establish and support each of the five DMPs for three years, after which time they will need to be self-financing.

1.2   The 2004/5 budget for Tourism/Tourist Information is £383,489. This covers staffing, marketing, product development and running the Tourist Information Centre. In addition, there is approximately £50,000 of ERDF funding to help establish and run the new IT destination management system for three years.

1.3   In previous years, £7000 of the Tourism budget was allocated into joint county-wide marketing with the other Derbyshire Local Authorities, and the subscription paid to the Regional Tourism Board was approximately £5,500.

1.4   Under the Full Service arrangements, it is anticipated that Local Authority tourism revenue budgets may be controlled by the DMP. This would not necessarily include staffing or premises, but could include all revenue budgets currently used for Tourism promotions, destination management, etc.

Legal

2.1   None arising immediately from this report. However, as with the Financial Implications (above), there will be a need for a legal agreement between the Council, the DMP partners, and emda. This will be reported to a future Cabinet.

Personnel

None arising immediately from this report, but under the Full Service arrangements the DMP may request changes to staffing and to the operation of Tourist Information Centres.

Equalities impact

4.1   None arising immediately from this report.

Corporate objectives and priorities for change

5.1   The proposal comes under the Council's Objectives of **shops, commercial and leisure activities**

5.2   The proposal furthers the priorities of **promoting the city as a major force for industry, commerce, culture and tourism**. Specifically, it focuses on reference number from Corporate Plan of the Corporate Plan.

Annex 1A – 'Fit for Purpose' Criteria

To release Stage 1 Funding DMPs should have:

1. Developed and agreed with EMT a 9 month **Transitional Business Plan** which is aligned to the various strategy documents and where possible, EMT's own business plan.

2. Enough **Critical Mass**. The area covered by a DMP should broadly be county or multi-county level. There should be a strong set of existing tourism brands and growth opportunities within the area. *(Supporting documents* – Map of DMP area; Details of existing / potential Brands; Key tourism figures: ie. Demand: visits, nights and spend and Supply: total stock and accommodation occupancy).*

3. Demonstrated a **Strategic Outlook** and are committed to ensuring that activity will deliver core elements of the regional tourism strategy as reflected in EMT's business plan. *(Supporting documents – Business Plan as per 1 above and any underpinning destination based strategies and/or action plans.*

4. **Robust Governance arrangements in place**. The partnership must be able to demonstrate clearly defined responsibilities and lines of accountability. It must be an accountable body in order to receive *emda* grant-in-aid. *(Supporting documents – Legal Status; Annual Report & Accounts; Membership of Audit Committee).*

5. **Support from Strategic Partners.** Key partners are committed to and actively playing their part in the partnership and willing to direct their resources and activities. This will include the lead SSP and 75% of the DMP's Local Authorities who will be contributing financial support. *(Supporting documents – Letters of Intent; Memoranda of Understanding, Annual Accounts)*

6. **Proven linkage and engagement to tourism businesses.** *(Supporting documents – Membership programmes and other ways in which businesses are involved in Events, Sector Groups etc.).*

7. **Systems in place to Monitor Performance.** DMPs should submit baselines to enable development of targets for each of the KPIs contained in Annex 3 and ensure systems are in place for reporting these to EMT. (Supporting documents *–Paper to EMT with baselines and suggested targets for Year 1).*

8. **Sustainable Sources of Income** Funding streams and budgets for 04/05. Core funding from other public partners levels; levels of trading income and sponsorship, extent of leveraged funding; SSP funding. *(Supporting documents – Annual Accounts; Examples of SSP funding activity for 03/04, Trading Income).*

* NB - Supporting documentation is ideally required but it is recognised that given the development stages of some DMPs these may not be available in this form immediately. Due consideration will be given on a case-by-case basis.

Annex 1B – Outline 'Full-Service DMP' Criteria

Existing DMP Role includes to varying extents:

- Strategic coordination of tourism at destination level
- Driving the Marketing, branding and promotion of the destination.
- Customer contact and fulfilment.

Full-Service Activity which currently may or may not be delivered:

- Delivery and / or coordination of quality improvement programmes e.g. quality standards;
- Coordination of training support e.g. 'Welcome to Excellence';
- Delivery and / or coordination of business support e.g. advice for individuals who want to start-up a tourism business;
- Policy advice e.g. preferred location and coverage of 'Brown Signs';
- Delivery and / or coordination of development advice and investment opportunities e.g site search and identification;
- Regional Marketing opportunities e.g. options for thematic campaigns;
- Coordinated research programmes with other regional DMPs and EMT. e.g common regional visitor satisfaction survey.

Full-Service Processes which currently may or may not be established:

- Clear and formal coordination systems in place with strategic partners including SSPs and Local Authorities;
- Funding from all Local Authorities to support DMPs' core activity;
- Local Authority marketing activity exclusively routed through or delivered by DMPs;
- Communication systems in place with stakeholders with linkage to EMT stakeholder dialogue;
- Evaluation processes and baselines in place – to measure performance against KPIs – on areas such as marketing Return-on-Investment.