

CABINET

Wednesday, 14 February 2018

SUPPORTING THE EAST SUFFOLK VISITOR ECONOMY (REP1758)

EXECUTIVE SUMMARY

1. The East Suffolk Councils have ensured the continuing growth and success of the visitor economy in Suffolk through its support of two tourism groups: The Suffolk Coast Destination Management Organisation (DMO) and Visit Suffolk. The current three year agreements with both of these groups expire in March 2018.

2. The two groups have provided brand and destination marketing services with the Suffolk Coast DMO performing particularly well for East Suffolk delivering excellent website services, a growing membership base, and highly effective marketing campaigns. Visit Suffolk, supported by NALEP, SCC and all the county's District & Borough Councils has provided some good PR outcomes for the county overall but the key Suffolk stakeholders agree it has generally underperformed in its role delivering lead brand management for Suffolk.

3. This report sets out the demand and rationale for renewing both funding/ operational agreements albeit the Visit Suffolk agreement will only be for a further 12 months.

Is the report Open or Exempt?	Open
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Wards Affected:	All East Suffolk wards
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Cabinet Member:	Councillor Michael Ladd Cabinet Member for Tourism & Economic Development
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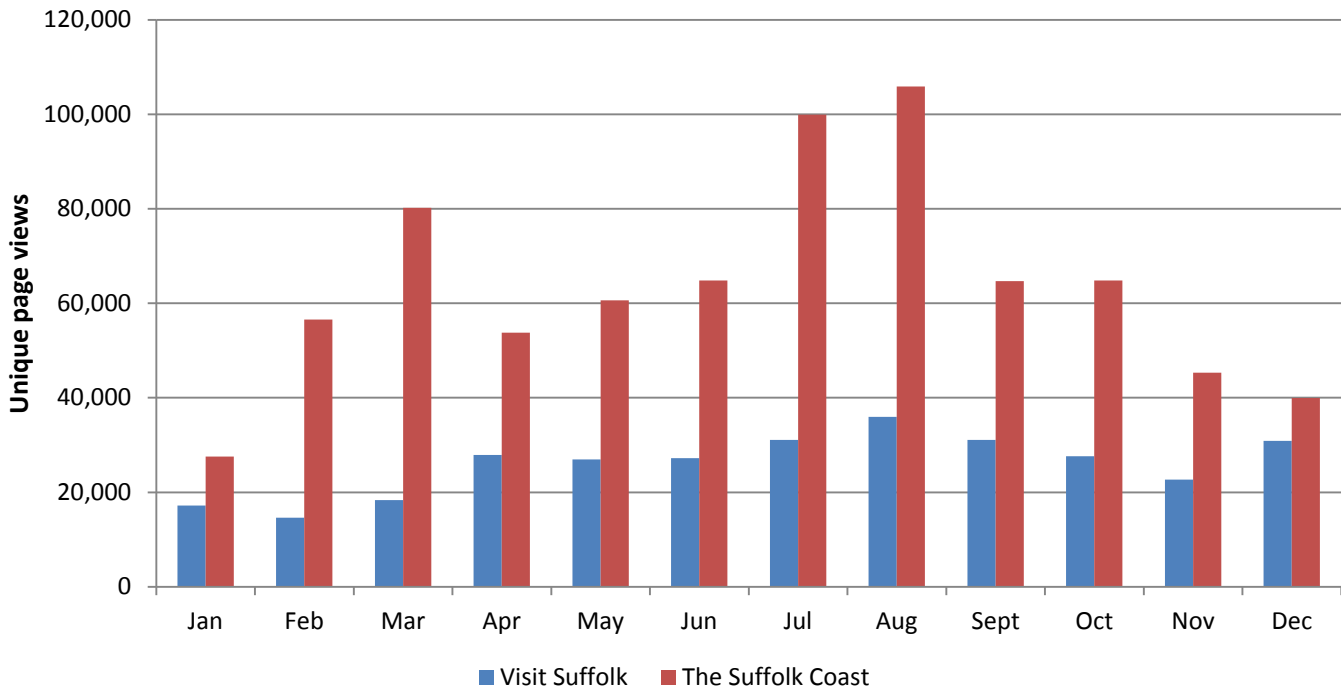
1 INTRODUCTION

- 1.1 The East Suffolk Councils have contributed substantially to the continued growth and success of the visitor economy in Suffolk through their support of two tourism groups: The Suffolk Coast Ltd Destination Management Organisation (DMO), and Visit Suffolk. This also supports one of the key underpinning elements of the East Suffolk Tourism Strategy that was formally adopted at cabinet in September 2017, namely 'Provide excellent destination marketing services' through developing relationships with key partner organisations. (Ref: Report to Simultaneous Cabinet 4th September 2017, REP 1687).
- 1.2 The East Suffolk Councils have provided direct financial support to both of these organisations annually for the last three years. The Councils have a current funding agreement with the DMO predicated on the delivery of outcomes set out in a jointly agreed business plan and also provide funding for a Suffolk wide agreement with other stakeholders that underpins Visit Suffolk. In addition SCDC have also provided officer time to help the development of both, supporting funding bids, advising on major decisions and overseeing / monitoring performance etc.
- 1.3 The Suffolk Coast DMO is led by a board of professional business leaders who all provide their time free of charge and is supported by a small marketing and membership management team it employs directly. WDC have provided £20k of funding annually to the DMO over the last three years. The DMO delivers excellent destination marketing services for the area, provides a strong and effective web presence, and has grown significantly over the last three years with over 200 members signed up in 2017/18 (a 36% increase on the previous year) providing £20k of income annually. It is also expecting to earn around £7k of income through advertising in the current financial year. In collaboration with the East Suffolk ED team the DMO has also secured significant external funding to support the continued development of the East Suffolk tourism product.
- 1.4 The DMO now has over 200 members. There is a good mix of members from towns, resorts and rural areas with around a quarter of the membership now being made up of businesses from non-traditional DMO areas such as Lowestoft and Felixstowe. The DMO also provides financial support to new festivals and events throughout East Suffolk that local businesses or groups want to deliver (for example Claremont Pier and the Marina Theatre both received small awards for specific events in 2017). The DMO has also run

business networking events in both Lowestoft and Felixstowe in 2016 and 2017, the most recent being the business networking event in Pakefield in November 2017. It has delivered joint networking events with Visit Suffolk and specific marketing campaigns focusing on the seaside resorts of Lowestoft and Felixstowe as part of a summer campaign in 2016, and it continues to provide regular promotional output for all of East Suffolk via its social media channels.

- 1.5 Visit Suffolk is a brand management and marketing service delivered through a Suffolk wide agreement with Visit East Anglia (VEA). NALEP, SCC and each District/ Borough Councils in Suffolk currently provide funding for this service – the SCDC contribution has been £10k p.a. for each of the last three years. While Visit Suffolk has provided some good PR for Suffolk its overall performance in the last three years has not been as good as was anticipated particularly in terms of website performance and difficulties experienced in the coordination and delivery of marketing campaigns on behalf of Suffolk as a whole.
- 1.6 Both of these funding arrangements expire in March 2018.
- 1.7 The table below compares the Visit Suffolk and Suffolk Coast DMO website performance over a full calendar year and shows how well the DMO website has performed and been used. (Note that the DMO website only covers the east Suffolk area whereas the Visit Suffolk website is providing a branding and marketing service for the whole of Suffolk).

Annual Tourism Website Usage



2 FUTURE PROPOSAL

2.1 It is proposed that WDC commit to supporting the Suffolk Coast DMO for a further three year period (April 2018 to March 2021) by continuing the financial contribution of £20k p.a. in each of the next three financial years. A new three year business plan has been produced by the DMO which sets out a number of key deliverables:

- Market the key tourism assets (beaches, natural landscapes, family offer etc.)
- Excel in destination marketing and achieve wider reach to new audiences through the use of new digital technologies
- Deliver a series of targeted campaigns in East Suffolk including specific campaigns for the Women's Tour, the Under 35s, wellness and active breaks, walking and cycling product development
- Increase the membership base further, run regular business networking events, and work collaboratively with other Suffolk DMOs and Visit Suffolk on joint campaigns and events.

2.2 It is further proposed that WDC commit to financially supporting Visit Suffolk for a further 12 months until March 2019 up to a maximum of £10k. This proposal has resulted from recent discussions between NALEP, SCC and all the District authorities leading to an

agreement in principle that due to concerns over performance and the changing landscape in Suffolk with new DMOs emerging in Ipswich and Bury, Visit Suffolk will only be supported financially for a further 12 months (April 2018 to March 2019). The Suffolk Growth Portfolio Holders Group has endorsed this approach.

- 2.3 Discussions are continuing to develop new ways of working with VEA/Visit Suffolk that focus on its ability to earn sufficient commercial income to show that financial self-sustainability is viable beyond March 2019, whilst ensuring that this does not materially impact on the growth and development of the existing and emerging DMOs in Suffolk, and measure the effectiveness of joint marketing campaigns developed in conjunction with the Suffolk DMOs.

3 HOW DOES THIS RELATE TO EAST SUFFOLK BUSINESS PLAN?

- 3.1 This proposal supports the business plan vision to sustainably improve the quality of life for those visiting East Suffolk by providing excellent destination marketing services.
- 3.2 The three pronged strategy is supported through the boost to the visitor economy from increased visits and return visits from those who receive excellent tourist and visitor information services, and it will help financial self-sufficiency by continuing to support locally provided, cost effective and professional brand and marketing services for visitors.
- 3.3 The proposal will help to strengthen key critical successful factors namely 'Economic Development and Tourism' and 'Leisure' through a stronger visitor economy that delivers tourism jobs and wealth, and by promoting awareness of and helping to develop quality and cultural facilities and activities in the area.
- 3.4 Specific business plan actions this proposal support include increasing visitor numbers to East Suffolk outside of the main tourist seasons (one of the key objectives of the Suffolk Coast DMO and Visit Suffolk). It also supports and complements tourism services provided by local groups (e.g. Lowestoft CCT). A further business plan action specifically commits the East Suffolk Councils to continue supporting the DMO as a means to develop and sustain local tourism.

4 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 4.1 Service standards, risk and performance management will be developed in-line with usual partnership arrangements. The three year agreement with the Suffolk Coast DMO

will include appropriate performance measures designed, agreed and monitored to ensure that the current level of service is maintained and over time enhanced.

- 4.2 The three year agreement with the Suffolk Coast DMO will cost the Council £20k p.a. leading to a total commitment of £60k over the three years. A tender process will not be undertaken as the Suffolk Coast DMO is the only viable and suitable organisation identified as able to deliver the required service.
- 4.3 The 12 month agreement with VEA will cost SCDC up to a maximum of £10,000. The VEA/Visit Suffolk agreement will include all Suffolk's District/ Borough Councils, NALEP and SCC and will be managed by SCC.
- 4.4 Risks – As with any service that the Council considers providing through a partner organisation there will be a number of risks to consider and mitigate when developing this proposal. These will be monitored and managed by the ED&R team.

5 OTHER KEY ISSUES

- 5.1 This report has been prepared having taken into account the results of an Equality Impact Assessment, a Sustainability Impact Assessment and a Partnership Impact Assessment.

6 CONSULTATION

- 6.1 Discussions have been held with the East Suffolk Tourism Group which comprises Cabinet members and senior officers from the East Suffolk Councils. Discussions have also been held with the board of the Suffolk Coast DMO concerning the three year agreement and with representatives of VEA/Visit Suffolk and all Suffolk stakeholder funders concerning the 12 month Visit Suffolk agreement being proposed. The Suffolk Growth Portfolio Holders Group has also been consulted on the Visit Suffolk proposal and has subsequently endorsed this approach.

7 OTHER OPTIONS CONSIDERED

- 7.1 The Suffolk Coast DMO is seen as the only viable partner able to continue to provide the brand and destination marketing services that we need in East Suffolk in a cost effective way.

7.2 Regarding Visit Suffolk a number of options were considered including reducing funding levels, asking the existing Suffolk DMOs to take over provision of the Visit Suffolk service, and not providing funding for a Visit Suffolk service at all. Ultimately it was felt that Visit Suffolk should be given a further 12 months to demonstrate it could provide the level of service required and show that it could earn sufficient commercial income to become self-sustaining. This would also give the Suffolk DMOs time to develop further and potentially be partners in providing a Visit Suffolk service in the future.

8 REASON FOR RECOMMENDATION

8.1 Destination marketing services are critical in ensuring the continuing development of a successful visitor economy. Whilst there is always room for improvement the Suffolk Coast DMO has delivered these services consistently well across East Suffolk and requires a continuing financial commitment from WDC to continue to do so.

8.2 VEA/Visit Suffolk has also provided some good PR and marketing outcomes for all of Suffolk including the Suffolk Coastal area but its overall performance has not met the expectations of the Suffolk stakeholders. It is felt that Visit Suffolk should be supported for a further 12 months to see if it can achieve the required levels of service, performance and self sustainability that are set out, or whether it simply cannot deliver at the required level leading to the need for an alternative solution to be found.

RECOMMENDATIONS

1. That Cabinet approves WDC entering into a further three year agreement with Suffolk Coast Ltd DMO to provide destination marketing and brand management services in the Suffolk Coastal area at a cost of £20k p.a. making a total commitment of £60k over the life of the agreement.
2. That Cabinet approves the decision to provide funding for 12 months to support the VEA/Visit Suffolk brand and marketing service across Suffolk (up to a maximum of £10,000, and a limited management role to oversee the agreement on behalf of the Council).

APPENDICES – None

BACKGROUND PAPERS – None