



Meeting **COMMUNITY SERVICES SELECT COMMITTEE**

Date **31 January 2005**

agenda item number

### **Report of the Director of Culture and Community**

### **A Report on The First Ten Months of Operation of the New Tourism Destination Management Partnership, Experience Nottinghamshire**

#### **Purpose of the Report**

- 1 Following the externalisation of tourism marketing from Leisure & Culture to the new City/County 'Tourism Destination Marketing Partnership' in April 2004, this report evaluates progress so far. It summarises the main achievements of the partnership in 2004, and explains the arrangements set up for monitoring the partnership. It concludes by recommending a modification to the form of the partnership agreement, to ensure that delivery of specified duties can be measured, as per Best Value requirements.

#### **Information and Advice**

#### **Background**

- 2 Prior to 1<sup>st</sup> April 2004, the Leisure and Culture Division carried out tourism marketing and promotion from a small tourism team located within the Tourism & Country Parks Service. It is important to understand that the business of this section was always purely marketing and promotion, *not* tourism development. It did not get involved in small business support, or grant aid for local heritage projects. Its main tasks were the production of printed brochures on tourism themes, running a website of Nottinghamshire tourism information promoting the county at travel trade shows and fairs, and dealing with media enquiries on county tourism issues.
- 3 On 1<sup>st</sup> April 2004, these duties were transferred to *Experience Nottinghamshire*, the new Destination Management Partnership (DMP) for Nottingham and Nottinghamshire, following extensive consultation with the District Councils and the local tourism industry.

- 4 *Experience Nottinghamshire* grew out of the former city-based organisation Experience Nottingham. Its wider remit was the co-ordinated promotion of tourism in both city and county.
- 5 The county council's partnership with Experience Nottinghamshire was set up in the form of a grant agreement, giving £140,000 per year for five years, subject to an annual review. This sum included the salary of the former Tourism Officer – a vacant post. A schedule of marketing work to be carried out on the County Council's behalf was included as part of the grant agreement.
- 6 The main reason for the externalisation of tourism marketing was that the East Midlands Regional Tourism Strategy (Oct 2003) EMDA (East Midlands Development Agency) advocated the Destination Partnership model as the best way to ensure effective and co-ordinated tourism promotion.
- 7 Previously, the involvement of county, districts and a variety of other organisations had led to duplication and fragmentation of effort. Also, the local industry had fallen into a 'dependency culture' reliant on local authority funding and expertise. The DMP model was felt to match the County Council's strategic objective of partnership working with external agencies as an alternative to direct delivery of services. As a public-private partnership, it would also be eligible for regional funding. The DMP model is one which had already been applied in other areas of the country, such as Lincolnshire, with considerable success.

## **Achievements**

- 8 The first few months of the new DMP organisation were primarily occupied by rationalisation of the staff team and relocation to more suitable premises. In the ten months since April, however, the DMP has made a number of significant improvements.

## **Commercial Membership Scheme**

- 9 By November 2004, 123 local businesses and tourism operators had now been recruited to the commercial membership scheme, which offers operators a package of promotional opportunities to market their business. 54% of these were in the city, and the rest in the county. Membership fees are on a sliding scale according to the size and type of business, and the scheme is run on a commercial basis. This is an important achievement in an industry, which has for many years become accustomed to subsidised advertising and a high level of support from local authorities. It is a more sustainable approach, and encourages tourism businesses to become active stakeholders rather than passive recipients of a service.

## **Media Campaigns and Public Relations**

- 10 2004 was a difficult year for Nottinghamshire tourism, in that Nottingham received an unwelcome amount of media scrutiny over the late night 'binge

drinking' culture of British cities, and a TV documentary questioning the adequacy of Nottingham city centre policing. Tourists make little distinction between county and city in this regard, and a negative image in one inevitably spills over to damage the reputation of the other. Experience Nottinghamshire proved energetic in their attempts to limit the damage, with a flood of press releases highlighting the positive aspects of Nottinghamshire, and Chief Executive John Heeley acting as spokesperson in a variety of media interviews.

## **Internet Marketing – Nottinghamshire Destination Management System**

- 11 The power of the Internet in tourism marketing has been recognised for several years, but previous attempts to develop a computer-based 'destination management system' for all Nottinghamshire tourism information and bookings foundered on lack of staffing, co-ordination and resources. With the aid of a joint city-county funding application, led by the County Council's Regeneration team, Experience Nottinghamshire have taken on this major project and are on target to deliver the £700,000 system in 2005. The first milestone (data input begun in tourist information centres) was successfully passed in November 2004, and it is anticipated that the system should be linked to websites and ready for operation throughout city and county by mid March 2005. It is highly unlikely that such a complex and sophisticated tourism information system would have been developed in Nottinghamshire without the Destination Management Partnership to lead the project. It should therefore be regarded as one of the major benefits to the county and city of working in partnership.

## **Monitoring of Arrangements**

- 12 Given the fact that the new tourism organisation has been in operation less than one year, it is not yet the appropriate time to evaluate the effectiveness of its 2004 strategy on printed publications, advertising etc. However, a series of quarterly monitoring meetings has been set up for 2005 between the Marketing Manager and the Visitor Services Manager of Country Parks, who is tasked with monitoring the performance of the grant agreement. The Head of Country Parks, reporting to the Assistant Director, Leisure, will review the annual contract and grant agreement in April 2005.

## **Form of Partnership Agreement**

- 13 The County Council acknowledge that in the first year of operation of Experience Nottinghamshire, significant achievements have been made. Two of these, the DMS project and the Commercial Membership Scheme, could not conceivably have been delivered by the former, two-person tourism marketing team.
- 14 Now the new tourism organisation is firmly established and appears to have engaged the local tourism industry successfully, the question arises as to whether the county council's partnership agreement with Experience Nottinghamshire should be formalised into a contract.

- 15 A grant agreement with loosely specified outputs gives the new tourism organisation freedom to be entrepreneurial and to try new forms of promotion, rather than tying it down to merely deliver what has been done 'in house' in the past. The disadvantage is that in this form of partnership, it is hard to quantify results and thus to judge 'Best Value'. In a more formal contract, the schedule of work is precisely defined and outputs easily measured. But this offers less room for innovation.
- 16 Given the County Council's duty under Best Value legislation, a formal contract is the preferred option, as it is the only arrangement delivering outputs which are precisely measurable and enforceable. The annual review of the partnership will give opportunity to change the schedule of work as needed, to allow for innovations in tourism marketing delivery.

## **Conclusions**

- 17 Whilst there are a number of areas which require ongoing dialogue between the County Council and Experience Nottinghamshire to ensure the County Council's position is not compromised, there is general agreement that the DMP model is on track to achieve its overall objectives.
- 18 The County Council recognises that although tourism marketing has now been successfully outsourced, there still exists a need for strategic thinking and planning within Culture & Community in terms of wider tourism support. This is currently carried out jointly by the Head of Country Parks and the Visitor Services Manager (Country Parks) with specialist input from staff in the Regeneration and Environment departments. This arrangement brings an additional burden of duties to two posts within the Country Parks Service, which is deemed to be under-resourced. A management review of the Country Parks Service is currently underway with the intention of increasing capacity within the service in order to help alleviate this situation.
- 19 It is considered that when the partnership agreement with *Experience Nottinghamshire* is reviewed in March 2005, the County Council moves to a more formal contract, so that performance against a specified schedule of work can be measured for Best Value purposes. However, the annual review should be used as an opportunity to update and modify arrangements, in order to build in a degree of flexibility.

## **Recommendations**

- That the Committee recognises the achievements of the new tourism Destination Management Partnership in its first ten months of operation.
- That the proposal contained in paragraph 19 above be recommended by this Committee to Cabinet in its next report.

## **Statutory and Policy Implications**

This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, Crime and Disorder and those using the service. Where such implications are material, they have been described in the text of the report. Members' attention is however drawn to the following:

### **Financial Implications**

The County Council's contribution to Experience Nottinghamshire in 2005/6 will continue at the same level as 2004/5, being £140,000, payable from the Country parks revenue budget.

### **Equal Opportunities**

In line with the County Council's work on equal opportunities, as part of the monitoring arrangements, Experience Nottinghamshire have been asked to forward a copy of the company's equalities policy. Work on improving equal access to services has started, with the introduction of a website page giving tourism information for disabled people.

### **Local area/local member implications**

None

### **Strategic Property Implications**

None

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### **Legal Services Comments (KK 20.1.05)**

The Community Services Select Committee is responsible for directing or performing all overview and scrutiny functions on behalf of the Council in respect of culture, arts, libraries, youth, community, regeneration, economic development and public protection and to consider the Council's effectiveness in these areas. The proposals in this report insofar as they relate to the above areas are within the remit of this Committee.

### **Director of Resources' Financial Comments (CC/RWK)**

The financial implications are set out in the report.

**Background Papers Available for Inspection**

A copy of the 2004/5 grant agreement is attached.

**Electoral Division(s) Affected**

All