

17 October 2013

Agenda Item: 8

REPORT OF GROUP MANAGER, CORPORATE STRATEGY

EXPERIENCE NOTTINGHAMSHIRE SERVICE LEVEL AGREEMENT PERFORMANCE 2012/13

Purpose of the Report

1. The purpose of this report is to provide Committee with an annual performance update for 2012-13 against the targets in the Service Level Agreement between the Council and Experience Nottinghamshire (EN) and to identify any emerging performance issues for 2013/14.
2. The Committee will also receive a presentation from Jennifer Spencer, Chief Executive of EN setting out:
 - the national tourism context
 - the organisation's successes and challenges over the current SLA period and
 - the strategic direction for the remaining period and beyond.

Information and Advice

3. EN is a Not For Profit Company limited by guarantee and its key responsibilities include:
 - a. Raising awareness of the city and county as a visitor destination for leisure and business visitors and thereby seeking to boost economic prosperity by increasing visitor incremental spend and creating jobs
 - b. Actively promoting and marketing the current product
 - c. Advising and guiding the development of the future offer (attractions and events)
 - d. Developing and improving the understanding of the Nottinghamshire visitor economy
 - e. Proactively developing EN's membership and further developing strategic partnerships with the private sector and
 - f. Creating and fulfilling the role of a Destination Management Organisation - by being the recognised voice of the tourism/visitor economy in Nottingham and Nottinghamshire
4. EN's key sources of funding are with the County and City Councils with each council contributing £218,000 and £250,000 per annum respectively. Newark and Sherwood District Council has recently agreed a contribution of £54,000 per annum. Each council's funding is subject to an individual Service Level Agreements (SLA's) though these broadly contain the same key performance indicators. Additional funding is provided towards a

membership subsidy scheme by Rushcliffe Borough Council of £7,000 and Newark and Sherwood of £10,000, and a marketing contribution from Gedling Borough Council of just under £2,000, together with membership fee income and external grants. Experience Nottinghamshire has access to money held by Visit England of £333,000 to deliver the national “Growing Tourism Locally” project for which the aim is to promote England, and in this case Nottinghamshire and the city, as a destination to the domestic audience with the target of growing tourism earnings 5% year on year to 2020. This latter target is also embodied in the EN SLA to determine local impact and performance. EN’s intention has been and continues to be to transition from a reliance on public funding to new private sector sources. It currently raises over £300,000 private sector monies.

5. The Committee will be aware that a 3 year Service Level Agreement (SLA) between the Council and EN was signed in December 2012. This covers the period 1st April 2012 to 31st March 2015. This report covers performance against the SLA targets for 2012/13 and also looks at emerging performance trends for 2013/14, the second year of the Agreement.

The Visitor Economy

6. By way of context, the visitor economy is “worth” £134bn per annum nationally and employs over 2m peopleⁱ – the sector generated 180,000 new jobs in 2012 – a third of all new jobs that year. It is a key economic growth sector critical to the government’s intent to “rebalance the economy”. A central focus of the government’s tourism policy is therefore to improve the sector’s productivity to enable it to become one of the top five “most efficient and competitive visitor economies in the world”. However, this hinges on achieving the quality of offer and visitor experience that is necessary to attract and sustain increased numbers of domestic and international visitors, increased incremental spend at destinations and for the appeal of the chosen destinations to broaden beyond London and the “usual suspect” tourism end points.
7. In local terms, the County’s visitor economy is valued at £954m with visitor numbers of 31m in 2011, spending £1.277bnⁱⁱ. Of these, 29.6m were day visitors with an average daily spend of £31.49. Of the top visitor attractions, Rufford Abbey and Country Park and Sherwood Forest Country Park were placed one and two respectively in the most visited Nottinghamshire attractions, with visitor numbers of 461,575 and 324,384 in 2012 – significantly ahead of the highest paid visitor attraction – Nottingham Castle - which received 192,367 visitorsⁱⁱⁱ.

Performance against the Service Level Agreement 2012-13

8. The Council’s financial contribution to EN in each financial year is subject to satisfactory performance against “key services rendered”. The key performance indicators (KPI’s) in the SLA are themselves divided into 2 measure categories of quality and objective output measures. Attached to this report at **Appendix 1 is a detailed breakdown of performance against the KPI’s**. This sets out the indicators in full, a short description of performance for 2012/13, supplemented by a traffic light colour coding and information identifying if EN is on target to achieve expectations for 2013/14.
9. In broad terms, performance against the SLA indicators during 2012-13 was strong, and trends in 2013-14 suggest that targets for this financial year will also be met or exceeded. KPIs related to marketing through social media and web-based products showed

particularly strong performance, as did those relating to increased commercial members of the organisation. It is not possible for performance information related to return on investment (RoI) or the 5% growth in earnings from tourism targets to be reported at this point in time as this information has not been released. Only one KPI was not achieved, and this relates to the number of new businesses signing up to sell services through Experience Nottinghamshire.

SLA Issues

10. Baseline data was not in place for a number of the performance measures in the SLA either because EN had not previously collected this information or it was not commonplace to use marketing tools such as twitter and Facebook until recently. The baselines have now been established and in future years it will be possible to assess performance changes on these indicators year on year.
11. The Member Satisfaction Survey (Indicator 2 in Appendix 1) was open to all 377 members and to date there are responses from 44 members. This equates to a response rate of 11.67% - with further responses anticipated. The feedback received is invaluable (Appendix 1 refers), and EN is content that the questionnaire response rate, as current, is an acceptable figure from which to draw an accurate inference of performance. It is also noted that the PR Value (Indicator 8 in Appendix 1) is a global figure reflecting PR directly achieved by EN but it is not broken down by campaigns.
12. Much of the data provided by EN relates to both City and County performance whilst this is unavoidable we have looked at EN's contribution to key events that have been held in the county including the Ashes and Robin Hood Festival. Evaluations on these are currently draft or relate to 2013/14 activity however it is noted that these events have outperformed expectations and that EN has played a key role marketing the events and working with businesses with a view to giving the visitor the best experience and maximising their stay and spend.
13. Members will note that in Appendix 1 performance information for Output Measures 5 and 16 is not yet available nationally. This relates to the overview of VE activity by BIS and awaits nationally released performance against aggregated national campaign activity.
14. However, what has emerged from national feedback to date is a potential opportunity to adjust these output measurements to make them more valid and in line with other economic measurements nationally and locally. This would thereby impact the SLA measurements for 2013/14 and 2014/15. The preference of BIS would be to measure DMO performance through:
 - (1) Incremental spend and
 - (2) jobs created
15. This would replace both the ROI figure and the growth in tourism earnings year on year. This appears a more valid performance measurement and would be more effective in informing all partners on the impact of activity on the visitor economy and enable more effective comparison with other sectors.

Update on the wider objectives/requirements in the SLA

16. EN's wider performance is also monitored by Member and officer participation in EN's quarterly Strategic Board and its associated Finance and General Purposes Committee. The Board allows a strategic overview of activity whilst the latter provides the opportunity to ensure statutory compliances as set out in the SLA under Partnership Requirements.
17. Furthermore, officers work with colleagues from EN through the D2N2 Visitor Economy Advisory Group and through specific projects and events. This includes EN's organisation and attendance at quarterly catch up sessions with those Districts with dedicated Tourism Officers or which organise major events. This currently includes: Gedling, Ashfield, Bassetlaw, Broxtowe, Mansfield and the County Council. This enables EN, as the DMO, to promote District level activity to a wider tourism audience.
18. In terms of County wide activity as previously mentioned EN has worked with the County Council on events such as the Robin Hood Festival, the Ashes and Armed Forces Day (the latter being led by the City Council). In addition EN works with all its commercial members in the county including Clumber Park, Harley Gallery, Welbeck and Cresswell Crags.
19. Within the wider requirements of the SLA, EN is charged with supplying the County Council with strategic advice and guidance to help develop the tourism offer in the county in terms of diversity and quality covering both attractions and events and festivals. This is afforded by the nominal allocation of 10 days consultancy advice per annum. This work to date has included the development of a Destination Management Plan (DMP) for the County and City (to be published in Spring 2014); participation in the D2N2 Visitor Economy Group, Sherwood Regional Park Board and the Newark Civil War Museum working group, as well as engagement in research work to better understand the sectors trends, performance and opportunities.
20. This latter area of activity covers the D2N2 area and is funded by D2N2-. This work will inform the DMP and will be used to lobby the D2N2 LEP for funding support to the sector by raising understanding of its economic importance and potential contribution to regional economic performance and growth.
21. EN is also required within the SLA to deliver an annual Awards "celebration for the sector" – to reward and recognise excellence and raise the profile and quality of businesses within the visitor economy. A Nottinghamshire Star award ceremony was held in June 2012, facilitated by EN with accreditation from VE and the 2013 Star event is to held later this month.
22. As part of the SLA, EN is also required to have an Operational Business plan and balanced budget. The September meeting of the EN Strategic Board received the Audited Accounts for 2012/13 and signed them off accordingly. Further the EN Business Plan 2013-16 was also received in draft and work to finalise this continues.

Reason for Recommendation

23. To support the Committee in its function to oversee the performance of the SLA and to ensure that value for money is being achieved in the commitment of the Council's funds to support the visitor economy through the activities of Experience Nottinghamshire.

Statutory and Policy Implications

24. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

25. None.

RECOMMENDATION/S

It is recommended that Committee:

- a. Note Experience Nottinghamshire's performance against the SLA for 2012/13 and progress during 2013/14
- b. Approve the amendment to the KPIs for VE validated aspects of performance replacing the Return On Investment and 5% growth on tourism earnings year on year KPIs for 2013/14 and 2014/15 with the following:
 - Incremental spend and
 - jobs created

(The targets and criteria for these to be agreed with the Department of Business, Innovation and Skills)

- c. For the Committee to receive a further report on 2013/14 annual performance in April 2014.

Report of the Group Manager, Corporate Strategy – Celia Morris

For any enquiries about this report please contact: Mandy Ramm Ext 72685

Constitutional Comments (NAB 04.10.13)

The Economic Development Committee has authority to consider and approve the recommendations set out in this report by virtue of its terms of reference.

Financial Comments (SEM 04/10/13)

There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

1. Annual Membership Survey Report
2. Summary of all new/existing projects delivered or developed via EN intervention (2012/13 and YTD)
3. EN Summary of Commercial Performance split by:
 - a. Membership numbers and income 2011/12, 2012/13 and YTD 2013/14
 - b. Commercial income 2011/12, 2012/13 and YTD 2013/14
4. EN Summary of Marketing Performance split by:
 - a. Global Advertising Value Equivalent figures relating to campaign activities 2012/13 and YTD 2013/14
 - b. Unique Web Visits per month 2011/12, 2012/13 and YTD 2013/14
 - i. Google Analytics Report May 2011-31st August 2013
 - c. Social Media Growth 2012/13 and YTD 2013/14
 - d. New Consumer Records Captured 2012/13 and YTD 2013/14
 - e. I-Phone EN Guides Downloaded 2012/13 and YTD 2013/14
5. EN Summary of New Businesses Signed up to Sell Tickets and Services through EN Channels 2012/13 and YTD 2013/14
6. Finalised 2012/13 Accounts
7. EN Summary of Projects and funding source

Electoral Division(s) and Member(s) Affected

All

ⁱ Visit England <http://www.visitengland.com/ee/>

ⁱⁱ STEAM 2011

ⁱⁱⁱ EN VE Attractions Survey. Note not all attractions submitted data.