

Cabinet

26 March 2009



**Arrangements for the Delivery of
Tourism Services in County Durham**

**Report of Ian Thompson, Corporate Director, Regeneration and
Economic Development
Cabinet Portfolio Member for Economic Regeneration –
Councillor Neil Foster**

Purpose of the Report

- 1 To seek agreement to arrangements for the delivery of tourism services in County Durham post March 2009. Two central aspects of this are:
 - The role of Durham County Council
 - The role of the County Durham Tourism Partnership (CDTP).

Executive Summary

- 2 The report proposes that the County Council should take the lead on the development of strategic tourism policy together with other aspects of the service such as the delivery of strategic tourism investments, museums and cultural sites. It is further proposed that the CDTP, which is a private sector led, customer-focused organisation, is best placed to deliver activities such as business engagement, marketing, information management and visitor experience. The report also recognises that visitor services (i.e. Tourism Information Centres) and major county events require further work to resolve the transitional issues arising from local government re-organisation.

The Tourism Economy

- 3 The new Unitary Authority has a vital role to play in leading and coordinating destinations and creating and maintaining safe and attractive places for local people and visitors.
- 4 Tourism and culture is a key component of the County's economy, generating approximately £650 million per annum and supporting 10,300 Full Time Equivalent (FTE) jobs. Widely recognised as a key driver to successful economic regeneration, the aim is to cultivate this sector and increase its economic impact. Whilst there are opportunities for the tourism sector to harness, the economic downturn emphasises the need to continue to raise its offer and meet the market expectations while providing quality support to a crucial sector in the economy.

Destination Management

- 5 The delivery of tourism services is now often referred to as Destination Management and embodies the broad concept that a successful tourism industry is dependent upon ensuring the quality of every aspect of the visitor's experience. It calls for a comprehensive and joined-up approach to product and business development, management of the environment, marketing and promotion. The reality, of course is that tourism is a cross-cutting issue – it cuts across the Business, People and Place agendas as set out in the County Durham Economic Strategy.

Existing Arrangements

- 6 Within existing arrangements Durham County Council provides the strategic lead on tourism policy and strategic investments. Local tourism activity has been undertaken from within District Councils, led by a range of officers specialising in either economic development or tourism development. The success of their work can be seen to have made a significant contribution to the visitor economy within the County and to improvements to the range of attractions and the quality of the public realm.
- 7 In 2006 the County's Authorities together with the private sector took the decision to create a county level organisation called the County Durham Tourism Partnership (CDTP), as a first step toward new delivery arrangements and to take advantage of significant regional investment in tourism management and delivery. The CDTP is private sector led and acknowledged as the recognised voice of tourism across County Durham.

Local Government Reorganisation

- 8 Local Government Reorganisation requires further alignment of tourism priorities, activity and resources, as old administrative boundaries disappear. This presents a significant opportunity to maximise the social, environmental and perhaps most importantly economic impact of tourism. The desirable skill-set and qualities of those people and organisations working to deliver tourism activity are now able to be organised and prioritised in a way which will ensure the right blend of skills, activity, management and leadership.
- 9 In light of the above, the following proposals consider what needs to be delivered to provide an effective delivery model. These have been aligned with the strategic priorities of the County Durham Tourism Strategy and County Durham Economic Strategy, namely; Business Performance, Marketing, Product Development, Visitor Experience, Information Management and Workforce Development.

Suggested arrangements post April 2009

- 10 The arrangements outlined below represent the first phase of delivering destination management in the County. Two key service areas – visitor services and major events – require further consideration and are therefore not included in the outline at this stage.
- 11 The recommended approach is to focus the functions of destination management within Durham County Council and the County Durham Tourism Partnership. Once these functions are agreed, resources will need to be aligned to ensure deliverability. Until this is in place existing service management arrangements will continue in line with Local Government Review (LGR) service continuation.

Proposals for Durham County Council to deliver:

- 12 Strategic Tourism Policy – To ensure alignment with the County Durham Economic Strategy and economic investment priorities of the County Council. This function will remain within the Economic Development Service.
- 13 Performance – Important to any arrangement for allocation of resources is ensuring appropriate resources target and measure economic performance. This function will remain within the Economic Development Service.
- 14 Strategic Investments – Supporting the strategic capital investment programme for County Durham, this will include managing the development and delivery in relation to the wider visitor economy; for example Durham City Vision. This function will remain within the Economic Development Service.
- 15 Museum and Cultural Sites – This will include management of existing cultural and museum sites across County Durham; for example Killhope, and Binchester. This function will remain within the Adult, Wellbeing and Health Service.
- 16 Community engagement – interaction with and exchange of knowledge with local communities and interest groups through Area Action Partnership to help them contribute to the success of Durham as a visitor destination. This function will remain cross-cutting across a variety of Services.
- 17 Environment – improvements to the public realm taking into account the needs of visitors including embedding the Area Tourism Management and Action Plan (ATMaP) principles and process across the Authority's service areas that form part of the tourism offer. This function will remain cross-cutting across a variety of Services.

Proposals for the County Durham Tourism Partnership to deliver:

- 18 Business Performance – building and maintaining relationships with tourism businesses to ensure that the whole service meets their needs and engage them in a range of initiatives that will help improve their performance.
- 19 Marketing – activity aimed at attracting visitor segments that Durham has the product to satisfy, to build awareness of Durham as a place to visit for national and regional audiences and provide routes to market for tourism businesses.
- 20 Product development – develop the County’s product (accommodation, attractions, retail and hospitality) utilising the ATMaP process and by working directly on projects that are in strategically important areas.
- 21 Visitor experience - activity that improves the visitor welcome and customer service.
- 22 Information Management – ensuring product information is managed and quality checked and used to promote tourism businesses in print and on-line marketing communications.
- 23 Combined, these functional areas will yield considerable and improved market intelligence that can be used to support strategy and policy formulation.

Implications

- 24 The proposals set out in this paper for arrangements post April 2009 will obviously have resource and staff implications. As a consequence, a more detailed business planning exercise will need to be undertaken to establish the resource and staff implications of these proposals. This would identify budget savings, enhanced value for money, and greater economic impacts and the potential need for transfers/secondments.

Recommendations and Next Steps

- 25 Agree the general direction of travel as set out in this report.
- 26 Agree to commission the CDTP to prepare a detailed financial business plan to support proposed delivery arrangements, to be considered and approved by Cabinet.
- 27 Agree to the Head of Economic Development and Regeneration to initiate scoping work for visitor services and major county events to inform future delivery proposals.

Background Papers

None

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Appendix 1: Implications

Local Government Reorganisation (Does the decision impact upon a future Unitary Council)

Integral to new service design post March 2009.

Finance

To be assessed by a subsequent financial business plan.

Staffing

Details of staffing arrangements will be considered subject to agreement of this report's recommendations to progress with service design.

Equality and Diversity

None.

Accommodation

Details of staffing arrangements will be considered subject to agreement of this report's recommendations to progress with service design.

Crime and Disorder

None.

Sustainability

None at this stage.

Human Rights

None.

Localities and Rurality

County Durham.

Young People

None.

Consultation

No community consultation required.

Health

None