

DERBYSHIRE COUNTY COUNCIL

**MEETING OF CABINET MEMBER – STRATEGIC LEADERSHIP, CULTURE
AND TOURISM**

10 June 2019

Report of the Executive Director – Economy, Transport and Environment

**DELIVERING A WORLD CLASS VISITOR ECONOMY WITHIN
DERBYSHIRE (PHASE 2)**

(1) **Purpose of Report** To seek approval to endorse a change request for the current “Growing and Developing the Visitor Economy Sector in Derbyshire” to become “Delivering a World Class Visitor Economy for Derbyshire (Phase 2)” and agree additional European Regional Development Fund (ERDF) support and a match funding contribution of £70,000.

(2) **Information and Information**

Background

On 3 November 2015, Cabinet approved £150,000 match funding contribution over three years from 2016-17 towards the proposed “Growing and Developing the Visitor Economy Sector within Derbyshire” project (Minute No. 373/15 refers). Following ERDF approval, the £1.3m project commenced in September 2016.

Delivered in partnership with Marketing Peak District & Derbyshire (MPDD) as project lead and accountable body, the project has focused on providing a sector specific business support offer in Derbyshire. This ensures businesses primarily engaged in the visitor economy have access to the information and support needed to grow and develop, and that businesses are well positioned to take advantage of emerging and growing trends in the visitor economy in the area.

As part of the project, business support and investment activity has been delivered across five strands of activity:

- Pedal Peak Business Initiative
- Inspired by the Peak District
- Promoting Derbyshire Products
- Supporting Market Towns
- Delivery of new and emerging business support needs to boost competitiveness

Since the launch of the programme in September 2016, the project has supported a total of 726 businesses. These businesses all received 3+ hours of essential support, with some accessing over 12 hours. Of this total, over 40 businesses received a grant from the Pedal Peak programme. In addition, the project focused on analysing and developing the visitor offer for 10 target towns.

A recent independent evaluation and summative assessment has highlighted the value of the project to the tourism sector. As part of an extensive survey, businesses were asked to attribute their business growth impacts to the interventions they received whilst on the programme. A total of 43% of businesses stated their involvement in the project stimulated growth within the business, with a further 20% stating their involvement in the project accelerated their business activity and growth. The evaluation also noted that only one in five businesses had previously received publicly funded business support, reflecting and tackling the traditional lack of engagement within the sector.

Businesses were also asked about the impact of the project's intervention and innovation and new products developed. A total of 24% of respondents stated they had subsequently introduced new products into the business. Most of the new products related to cycling tourism (a key focus of the Pedal Peak grant programme), but others included:

- Developing food delivery services
- Developing new visitor experiences and tours
- Developing greener credentials
- Providing an accessible offer for people with disabilities

The evaluation also identified that 42% of businesses had seen an increase in turnover since engaging with the project and it is expected this figure will increase during the proposed project extension.

From the outset, this project identified an overall increase for the growth of the sector at 5% in line with national targets. Sector growth between 2014 and 2015 stood at 3%, with a further 2% growth between 2015 and 2016. The most recent STEAM (Scarborough Tourism Economic Activity Monitor) figures demonstrated an impressive 6% growth increase for the visitor economy in 2017-18, with the sector now worth over £2.14bn and accounting for 28,680 jobs across Derbyshire and the Peak District (STEAM results 2017). Similar increases are expected in the 2018-19 STEAM results (due soon).

“Delivering a World Class Visitor Economy for Derbyshire (Phase 2)” Proposed Project Extension

A project change request has been submitted by MPDD to the Ministry of Housing, Communities and Local Government (MHCLG) seeking to extend the project to 31 March 2022, thereby increasing total project expenditure to £2,528,684 (including £1,264,342 ERDF).

However, the proposals go further than a simple extension of current activity but take into account the findings and lessons learnt from the original project responding to the changing strategic environment. To this end, the new Phase 2 project places greater emphasis on the emerging international opportunities of the destination and the resulting economic growth of such activity. It also builds on the aspirations of Derbyshire's Cultural Heritage and Tourism Board (CHAT) to deliver a 'world class destination' by taking forward key business support focused elements of the CHAT Action Plan including the proposed "Festival of Derbyshire" signature project.

Phase 2 will continue to support businesses to grow through the delivery of sector specific workshops, networking events and 1-2-1 advice. It will also deliver a small grants programme that will be widened out to all Derbyshire businesses. Planned outputs for the second phase of the project is 200 additional businesses.

Specific activity proposed for Phase 2 include:

- Small Business Grants Programme – The Pedal Peak grant programme will be replaced with a more flexible grants programme offering small grants of between £1,000 and £10,000. The focus of the grants programme will be job creation and accessing new markets. Activity supported may include translation services for websites, adoption of smart phone technology, e.g. WeChat Pay/Alipay (specifically for the Chinese market), and support to improve accessibility. The project will continue to support cycling grants but Phase 2 will allow for a wider geography of businesses to access the grants beyond the Peak District National Park, developing huge potential to expand cycling beyond the confines of the National Park.
- The 'Inspired by the Peak District' project will continue, but 'Made in Derbyshire' will be a focus of the Phase 2 delivery offer in order to provide a wider quality programme that resonates with more businesses across Derbyshire. A full review and reshaping of "Made in Derbyshire" will help the project to engage with businesses outside of the traditional 'honeypot areas' of the Peak Park, and complement other important destination brands (such as National Forest) by establishing a focused provenience brand for distinctly unique Derbyshire products in particular.
- Cultural heritage and food and drink related tourism have also been identified as strong opportunities for future growth, especially in light of the Vital Valley Programme and the Derwent Valley Mills World Heritage Site. Phase 2 will help to develop this offer. Businesses located within the

World Heritage Site will be encouraged to use this as a marketing tool, thereby raising awareness of the World Heritage Site as a place to visit and providing businesses with a new conversation to have with potential customers, improving the quality of the offer and an increased sense of local pride from businesses and local residents.

- International tourism will be an enhanced focus of Phase 2 centring on development of bookable product and working with overseas travel agents is key to opening up this market and activating growth. The project will also support attendance at target international trade shows, encourage businesses to invest in the translation of their websites/interpretation and will encourage collaborative working practice to develop bookable holidays.
- Building upon the work carried out with stakeholders during Phase 1, further development of action plans to strengthen the offer of the target tourism towns will continue and complement the evolving national policy agenda in respect of high street revitalisation and the Future High Streets Fund.

To summarise, the project provides a business focused intervention to support the ambitions of the CHAT Board and will ensure the sector continues to grow and develop and achieve its full potential, maximising and building upon a range of major investments including Peak Resort, Buxton Crescent, and the major transport investment offered by HS2. The project will also support and strengthen any proposed bid for a Tourism Action Zone as outlined in the Government's recently published, Tourism Sector Deal.

Collaboration and partnership are therefore essential to enabling Derbyshire to become a World Class tourism destination, having a reputation for delivering high quality, value for money and memorable customer experiences, by skilled and passionate people.

(3) Financial Considerations A previous project change request, agreed with MHCLG, reduced the scale of the original "Growing and Developing the Visitor Economy Sector in Derbyshire" project from £1.5m to £1.3m. As a result, only £125,000 of the original Council match funding has been drawn down to date, leaving a residual £25,000 of approved funding in existing budgets. The proposal is to carry forward the residual £25,000 underspend from Phase 1 to Phase 2 and supplement with a further approval for £45,000. The total match funding being sought for Phase 2 delivery will be £70,000 to be drawn down over the three years of the proposed extension (2019 to 2022). This funding can be met from existing budgets in the Economic Regeneration Service.

(4) Social Value Considerations The project will continue to support the growth of the Visitor Economy as key sector of the Derbyshire economy,

maximising visitor spend which will support the viability of Derbyshire's towns and villages and provide increased employment for local people as a result.

Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(5) **Key Decision** No.

(6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(7) **Background Papers** Held on file by the Economic Regeneration Service within the Economy, Transport and Environment Department. Officer contact details – Frank Horsley, extension 38348.

(8) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member approves a total funding contribution of £70,000 across three years from 2019-22 from the Economy and Regeneration budget towards the proposed project extension to deliver the "Delivering a World Class Visitor Economy for Derbyshire (Phase 2)" project.

Mike Ashworth
Executive Director – Economy, Transport and Environment