



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

**REPORT TO CABINET MEMBER FOR STRATEGIC LEADERSHIP,
CULTURE, TOURISM AND CLIMATE CHANGE**

15 May 2023

Report of the Executive Director - Place

Visit Peak District and Derbyshire - Financial Contribution 2023 - 2026
(Cabinet Member for Clean Growth & Regeneration)

1. Divisions Affected

1.1 County-wide.

2. Key Decision

2.1 This is not a Key Decision.

3. Purpose

3.1 To set out the current arrangements and seek approval to provide a core funding contribution to Visit Peak District and Derbyshire (VPDD)- the Destination Management Organisation (DMO) for Derbyshire - covering the financial years 2023-26.

3.2 To set out the approach to performance management and seek approval to revise the Service Level Agreement (SLA) with VPDD to ensure the delivery of required support and outputs to the sector.

4. Information and Analysis

Background

4.1 Derbyshire County Council has a long-standing relationship with VPDD and has provided financial contributions to the organisation over a

sustained period – from 2006 following the abolition of the East Midlands Development Agency. Funding arrangements have varied over the years, from ‘pilot period’ and annual contributions to a more typical three-year cycle from 2017 to 2020 and again from 2020 to 2023. Over this period, the level of funding has decreased from £164,000 per annum to the current £100,000 per annum, based on the original intention for VPDD to become self-funding and not reliant on public sector grant. The provision of funding has been covered by service level agreements setting out core deliverables over the funding periods.

- 4.2 Over the period of the last funding agreement (2020 to 2023) VPDD has had an agreed workplan and commensurate SLA. In addition to the SLA workplan, VPDD has delivered business support activities to the hospitality sector funded through European Regional Development Fund (ERDF).

Current Arrangements

- 4.3 VPDD secured ERDF for a project entitled, ‘Growing and Developing the Visitor Economy’ which was completed on 31 March 2023 and the project outputs include:

- C1 - Businesses receiving support.
- C2 - Businesses receiving grant funding.
- C4 - Businesses receiving non-financial support.
- C5 - New businesses supported.
- C6 - Financial grant support
- C8 - Jobs created.
- C29 - Businesses introducing new to the firm products.

- 4.4 VPDD has achieved the ERDF outputs as demonstrated below:

	Profile	Actual	Difference	% variance*
C1 Number of enterprises receiving support	530	487	43	8%
C2 Number of enterprises receiving grants	72	81	-9	Overachieved
C4 Number of enterprises receiving non-financial support	488	419	69	14%
C5 Number of new enterprises receiving support	64	54	10	16%
C6 Private investment matching public support (grants)	200514	199802.9	711.11	0.30%
C8 Employment increase in supported enterprises	24	27	-3	Overachieved
C29 Number of enterprises supported to introduce new to the firm products	110	104	6	6%

- 4.5 Following the UK's decision to leave the EU, European funding has now ceased and VPDD has looked to replace its previous ERDF monies through the UK Shared Prosperity Fund (UKSPF) to help provide business support projects to the Visitor Economy. Through the process to develop local investment plans, VPDD set out a proposal to the Derbyshire district and borough councils to deliver sector-based business support, data collection and marketing campaigns. Although the district and borough councils have decided against a 'collective approach', several have identified 'visitor economy business support' within individual investment plans. VPDD will have the opportunity to tender for these opportunities.
- 4.6 In addition to targeted project work, VPDD has longstanding SLAs with several district and borough councils for the provision of core funding and at the time of writing, it is anticipated this will continue.

Going Forward

- 4.7 Following a national review of destination management arrangements, VPDD was invited by Visit England to apply to become a Local Visitor Economy Partnership (LVEP) as part of the DMO restructure programme. The VPDD Board approved a joint application with Derby City to create one LVEP for the Peak District, Derbyshire and Derby City, which was submitted. The application was accompanied by a letter of support from the County Council which indicated it would offer financial support to VPDD for the next three years.
- 4.8 VPDD found out in early April 2023, that its application to become an LVEP had been successful; this means VPDD will get direct access to campaigns and business toolkits delivered by VisitEngland/VisitBritain and a direct relationship with Department for Digital, Culture, Media & Sport (DCMS). As an LVEP VPDD will be taking on the role to deliver results against a set of national priorities at a local and regional level including:
- Skills
 - Sector business support.
 - Accessibility best practice.
 - Sustainability.
 - Business events.
 - Product development.
 - Data collection.
- 4.9 The visitor economy is a key sector within Derbyshire. This sector was disproportionately impacted by the global pandemic and it is proving to be one of the slowest sectors to recover. The Covid-19 Recovery

Strategy set a five-year plan and to deliver this, the Council needs to engage with key sector stakeholders. The value of this sector to the Derbyshire economy is possibly more important within the current climate with the challenges of slow recovery from the global pandemic, high inflation, recruitment, supply chain and cost of living crisis to all having significant impact. It is therefore felt inappropriate timing to withdraw the long-standing funding for core services at VPDD until the implications of the LVEP are fully understood. There is an expectation that there will be core funding made available for LVEPs but this is not expected until April 2025 after the destination development partnership pilot that is running in the North East (3LVEP areas of Newcastle, Northumberland and Durham).

4.10 It is therefore proposed to confirm the funding support to VPDD of £100,000 per annum for the financial year 2023-24, and in principle for the period 2024-25 and 2025-26, subject to successful achievement of outputs against the proposed delivery actions and targets in a new SLA for the period up to March 2026 which requires further review before being finalised via a Cabinet Member report (See Appendix 2).

4.11 The SLA covering the funding period sets out the expected performance by VPDD, the relationship between the Council and VPDD, as well as the objectives expected to secure the funding.

5. Consultation

5.1 There is no requirement for statutory consultation.

6. Alternative Options Considered

6.1 Option 1: Do Nothing and not financially support VPDD. This option has been considered and rejected as the Visitor Economy is a significant sector within Derbyshire and VPDD as the dedicated DMO is a key partner. In addition, the LVEP application advised that financial support would be forthcoming from the County Council. Do Nothing approach is therefore not considered appropriate or viable.

6.2 Option 2: Do something different. This has been considered based on a lower funding offer, however, due to the changing funding landscape this would result in a reduction in service delivered such as reduced business support for the visitor economy or reduced marketing activity for the visitor economy.

7. Implications

7.1 Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

8.1 Report to the Cabinet Member – Strategic Leadership, Culture and Tourism, Marketing Peak District and Derbyshire – Financial Contribution 2020-23, dated 11 December 2020 (Minute No. 41/20 refers).

9. Appendices

9.1 Appendix 1 – Implications.

9.2 Appendix 2 – VPDD SLA 2023 – 2026.

10. Recommendations

That the Cabinet Member:

- a) Approves the Council's contribution of £100,000 per year over the period 2023-24 and in principle for the following period 2025-26, subject to successful performance against the SLA, to support Visit Peak District and Derbyshire which can be funded from the Economy and Regeneration revenue budget.
- b) Delegates to the Executive Director - Place to finalise and approve the Service Level Agreement covering the period up to March 2026.

11. Reasons for Recommendations

11.1 The Visitor Economy is a significant sector within Derbyshire and there is an existing successful relationship with VPDD.

11.2 The Council has already expressed its support for VPDD and intention to financially support VPDD for the next three years as part of the LVEP application.

12. Is it necessary to waive the call in period?

12.1 No.

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Implications

Financial

- 1.1 The financial implications have been identified within the body of the report. The annual cost will be £100,000 for three years and is funded from existing Economy and Regeneration revenue budget.

Legal

- 2.1 The Service Level Agreement will be reviewed by the Director of Legal and Democratic Services.

Human Resources

- 3.1 This will be covered within existing colleague's workloads.

Information Technology

- 4.1 There are no information technology implications because of this report.

Equalities Impact

- 5.1 An equalities impact assessment has not been carried out as a result of this report.

Corporate objectives and priorities for change

- 6.1 High performing, value for money and resident focused services.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 None.