

DERBYSHIRE COUNTY COUNCIL

D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY

UPDATE AND OPPORTUNITIES OF THE LVEP

1.0 Purpose of Report

- 1.1 To confirm County, City, district and borough council membership of the new Local Visitor Economy Partnership (LVEP) Board and provide an update on the potential benefits to Derbyshire to help drive growth within visitor economy businesses (as set out in letter from Rt Hon John Whittingdale, OBE MP, the Minister for Media, Tourism and Creative Industries).
- 1.2 This report will be accompanied by a brief presentation and the Committee is invited to discuss key priorities for the D2 geography to develop a collaborative Tourism Action Plan and Destination Management Plan.

2.0 Discussion/Decision Required by the Meeting

- 2.1 **The D2 Joint Committee is requested to discuss and comment on how the LVEP can benefit both local and regional goals, agree a plan to drive it forward, and agree representation on the new LVEP Board.**
- 2.2 **The Joint Committee is also asked to consider further potential for UKSPF to be made available for projects to improve visitor numbers and footfall across market towns.**

3.0 Information and Analysis

LVEP Accreditation – How can Derbyshire Benefit from this Status.

- 3.1 Visit Peak District and Derbyshire (VPDD), and Visit Derby are the 'destination management organisations for the D2 geography. Working together, we successfully applied to become a Local Visitor Economy Partnership (LVEP) in February/ March 2023, creating a joined-up approach for promoting and marketing the Peak District, Derbyshire

and Derby. Visit England has approved 15 destinations to date and we are delighted to be not only the first destination in the East Midlands to be accredited but we are also one of the first 15 destinations across England, putting Derbyshire in a great position as the structure continues to develop.

- 3.2 The LVEP accreditation has been signed with some conditions attached. Including:
- Development of a 1-year Tourism Growth Plan (July 2023 to June 2024)
 - A revised Destination Management Plan for the area
 - **A revised Governance Structure to represent the new LVEP geography**
 - MOU between VPDD and Visit Derby
 - Full understanding of how the LVEP will work with tourism partners including; DVMWHS, Culture Derby, Culture, Heritage and Tourism Board (CHAT), and neighbouring destinations, Marketing Sheffield, Marketing Cheshire, Enjoy Staffordshire.
- 3.3 The North East of England was confirmed as the pilot area in November 2022 (led by Newcastle Gateshead, Northumberland and Durham). Partners in the North East of England will be monitored against a set of growth targets, with the pilot phase ending March 2025. Visit England and the Department for Culture, Media and Sport (DCMS) have made it clear that no funding will be available for LVEPs during this pilot phase.
- 3.4 VPDD continues to work hard with districts, boroughs and the County council to deliver against agreed performance measures and using this new LVEP status, has introduced Local Authority Partnership Agreements to replace previous Service Level Agreements. The Partnership Agreements build on the new LVEP concept and are underpinned with a set of collaborate ways of working, recognising local needs whilst working towards a shared set of goals and aspirations and delivery against local tourism strategies. It is clear the sector is stronger in some areas than others, i.e. Derbyshire Dales is not comparable with Chesterfield. However, the principles for working together to promote and support businesses are consistent, with driving visitor footfall, improving quality, staff recruitment and retention and product development and investment being some of the shared performance measures for partners.
- 3.5 Currently, VPDD does not have a Partnership Agreement with South Derbyshire District Council and Erewash Borough Council and the Partnership Agreement with North East Derbyshire District Council is under review. VPDD has a Memorandum of Understanding (MoU) with

the Peak District National Park Authority and is working with the National Forest Company to introduce an MOU in 2023.

- 3.6 The LVEP accreditation is fantastic news for the area, VPDD and Visit Derby now need stakeholders to get behind and support the LVEP. As well as achieving this nationally recognised official status, LVEPs will provide strong leadership and management of their destinations, working collaboratively with the public and private sector. They will help to shape and deliver national strategy and activities. Their important role will be promoted across government and national agencies, ensuring the local visitor economy is an active and valued contributor to Levelling Up and the wider economy.
- 3.7 LVEPs will be able to access expert advice, dedicated toolkits and training programmes from VisitBritain/ VisitEngland in areas ranging from commercialisation, distribution, accessibility and sustainability to business support and marketing.
- 3.8 The new LVEP structure recognises the importance of partnership working across all aspects of the visitor economy, and between the public and private sectors. Securing the full support of our local public and private sector partners will be a key ingredient if we are to succeed. Through the new LVEP Programme we hope to foster local partnerships and work for the benefit of the destination and all its stakeholders, generating better outcomes for visitors, business, the local environment and local communities.
- 3.9 As custodians of place-shaping through economic development and regeneration, infrastructure and transport, our local government partners are integral to visitor economy growth. An LVEP Board is to be established which will include representation from across the private and public sectors and the Joint Committee is asked to identify representatives from four local authorities to sit on the Board (NB: this reflects the current arrangement of the VPDD Board which will be dis-established). It is suggested that representation represents the full D2 geography and is: 1 x City Council member, 1 x County Council and 2 x district/ borough members.

Value of the visitor economy and current business sentiment

- 3.10 STEAM is a tourism economic impact modelling process which approaches the measurement of tourism from the bottom up, through its use of local supply side data and tourism performance and visitor survey data collection. It quantifies the local economic impact of

tourism, from both staying and day visitors, through analysis and use of a variety of inputs - including visitor attraction numbers, tourist accommodation bedstock, events attendance, occupancy levels, accommodation tariffs, macroeconomic factors, visitor expenditure levels, transport use levels and tourism-specific economic multipliers.

- 3.11 STEAM data 2019, reported that the value of the visitor economy sector was worth £2.5bn to the Derbyshire and Derby economy, supporting c.32,000 direct and indirect jobs (Derbyshire, Peak District and Derby). Inevitably, COVID impacted the sector significantly, with 2020 STEAM data reporting the value of the sector had shrunk by 50% to £1.2bn, supporting only 16,000 jobs.
- 3.12 Working within the economic recovery arrangements, Visit Peak District and Derbyshire and VISIT Derby led on the recovery of the sector with partners, providing businesses with support and guidance to re-open successfully. **Over 900** businesses were engaged and supported through a series of online webinars covering a diverse range of support from how to manage furlough through to opening your business safely (e.g. **960** businesses signed up to the We're Good to Go Campaign spearheaded by Visit England).
- 3.13 In addition, VPDD has just completed the ERDF business support programme (2016 – 2023), engaging with over **900** businesses providing specialist support in areas such as: accessibility best practice; sustainability; cycling tourism; international tourism; marketing; and digital skills. This support included a number of interventions such as grant funding, 1:1 advice, 1:many workshops, networking events and peer to peer roundtables. Final evaluation of this project highlighted that roughly **56%** of businesses had never accessed public sector support prior to this programme.
- 3.14 As we look ahead, many practitioners and academics are citing that businesses are now facing a 'permacrisis' with the current cost of living increases, inflation and hike in energy costs creating an even greater challenge for the sector. Alongside this, many are juggling issues such as value for money demanded by customers, retention of staff, and limited cashflow - all of which are stifling growth and further investment.

VPDD Q1 Business Sentiment Survey – Key Findings:

- *60% of businesses surveyed said visitor/guest numbers were down compared to Q1 last year*
- *63% of businesses stated that they were confident in the performance of their business going forward for Q2 (April – June) 2023. Visitor attractions were the most confident sector, with*

100% of those businesses stating that they were either very confident or fairly confident for Q2 2023.

- *“Energy prices” were the main concern for businesses with 95% stating this was a concern. “Increase in the price of goods and services” was the next concern with 67% saying this was a worry, followed by “inflation” with 61% of business surveyed suggesting this was a concern to them.*
- *Cost of living crisis, staff shortages and having to increase prices were also noted by the businesses surveyed when asked what other factors were having an impact on their overall performance.*

- 3.15 There is currently no sector-specific business support budget available; the business support plan going forward relies on a limited core budget managed by VPDD. Any future business networking events will have to be paid for by businesses to cover costs. Webinars can continue to be delivered at little or no cost and the team will continue to signpost businesses to opportunities to access grants wherever possible.
- 3.16 Despite the current economic environment, VPDD is maintaining membership numbers with any losses following business closure being replaced with new businesses. The www.visitpeakdistrict.com consumer facing website continues to support businesses and membership retention, attracting **c 300,000 unique visits per month**. This is further supported by VPDD social media platforms now having a combined following of **210,000**, and **1million engagements a month**. All businesses (members and non-members) across the sector benefit from these digital assets, providing visitors with inspiring content to visit and take a holiday in Derbyshire, with many using it as a research platform, building ideas on where to go once they arrive.
- 3.17 A new website for www.visitpeakdistrict.com was launched in November 2022. The website has been designed with smart phone technology first – so it acts like an App on a mobile phone. The website is fully dynamic offering bookable technology and real time availability. Customers can also filter their searches by accessibility, sustainability or location. The website is often cited by businesses as their top referral site i.e. Chatsworth, Camping and Caravanning Club, Hoe Grange Holidays, Wild Hive at Callow Hall etc. and helps keep commission fees at a minimum, charged by intermediaries such as Booking.com and Airbnb.
- 3.18 As part of our Partnership Agreements with districts and boroughs, we have developed landing pages on the website featuring information to support the towns and villages across Derbyshire, and partners can also upload their own events. We are also working more closely with tourism

officers and regeneration officers to build more local content, highlighting any businesses that we should be working with, that aren't members and have introduced a new offer providing the first three months free of charge (agreed by the VPDD Board). Quarterly performance reports are shared with partners.

3.19 VPDD has a strong track record of attracting national and international journalists promoting Derbyshire and the Peak District as a great place to visit and take a holiday. Some examples over the last 12 months include;

- **Daily Mail – September 2022** – Peak District feature centred around a new Freud exhibition, exploring art links to Chatsworth. Printed circulation 800,000. Also featured online (24 million monthly readers).
- **Country Walking Magazine – October 2022** – Promoting long-distance walking in the Peak District. Print circulation of 45,000 and readership of 60,000.
- **Svenska Dagbladet – November 2022** – 4-night trip for one of Sweden's biggest daily newspapers, with a circulation of 155,000. Focusing on low-season breaks, boutique hotels, Christmas events and Buxton's spa history.
- **BRITAIN Magazine – February 2023** – 1-week trip for the official magazine of VisitBritain, with a reach of 300,000 people and a large US readership. Focusing on family-friendly breaks, attractions, experiences and walks.
- **VisitBritain Germany – July 2023** – 4-night trip for two nationally-recognised German travel writers, writing for German's biggest newspaper Die Welt (4 million readers). Focusing on walking, cycling, food and drink, towns and villages.

We also attract regular coverage on local radio and print such as BBC Radio Derby, BBC Radio Sheffield, Derby Telegraph and the Derbyshire Times on our work to support and grow the visitor economy. We are working more closely with partners on journalist visits.

4.0 Recommendations:

4.1 That the D2 Joint Economic Prosperity Committee:

- a) Notes the strong and strategic position of the LVEP leading on visitor economy and destination management for the area.**
- b) Recognises the value of the sector and its contribution economic growth across Derbyshire and Derby**

- c) Considers that sector support and development of the Visitor Economy be hardwired into the relevant plans for the emerging East Midlands Combined Authority.**
- d) Agrees representation from four local authorities to become members of the LVEP Board – ideally 1x Derby City, 2x district and borough and 1x County Council representatives**
- e) Considers and confirms any additional opportunities for project-based activity from within the current UKSPF programme to support sector support offer and marketing campaigns.**
- f) Requests the LVEP forms part of the D2 governance arrangements for supporting economic growth across the D2 geography, particularly in relation to the complementary business advisory group that is proposed to support the new Growth Board.**