

Cabinet Meeting on Wednesday 17 March 2021

Staffordshire Means Back to Business - Supporting Our Tourism, Hospitality and Leisure Employment Sectors



Cllr Philip White, Deputy Leader and Cabinet Member for Economy and Skills said,

“Staffordshire is home to world-class visitor attractions that attract visitors from across the UK and beyond every year.

Our tourism, hospitality and leisure sectors contribute £1.87billion to the Staffordshire economy every year. The pandemic has hit those sectors directly with a significant knock-on effect to people and businesses across the county.

We want to build on the extensive support we’ve already delivered to Staffordshire businesses in the past year. Working through a revitalised Destination Management Partnership with other local authorities we want to reignite tourism in Staffordshire and turn up the volume on the amazing attractions that call our county home

The recently launched Staffordshire story and brand-new approach to marketing our great county presents a further opportunity to ‘reboot’ the activities and priorities of the Destination Management Partnership and provide the impetus for us to reinforce Staffordshire’s position as the nationally valued centre of the UK.

We believe these proposals will help our visitor economy emerge from the current difficult period, take advantage of the ‘Staycation’ opportunities that lie ahead and build a better future for tourism and for the people who work within the industry in Staffordshire.”

Report Summary:

Our visitor economy of tourism, leisure and hospitality businesses has been one of the worst hit sectors by the Covid 19 pandemic.

The wider sector is significant within Staffordshire, supporting some 32,000 jobs and contributing £1.87 billion to our economic output.

Over the past 12 months we have worked tirelessly to support the visitor economy as part of five-year Staffordshire Means Back to Business Covid 19 recovery strategy. From our Emergency Grant scheme, our PPE Starter Pack programme and more recently our work to add value to Additional Restrictions Grant funding we have worked tirelessly to support the business sectors that most need our help.

Building on our existing activities, in this report we set out the county council’s proposed approach to deliver a refreshed offer for supporting our visitor economy to

recover, transform and take advantage of the new opportunities that will emerge as we move away from the pandemic.

Through our own investment and working collaboratively with our partners within the sector and other local authorities across Staffordshire we are setting out our support to kickstart our visitor economy and enable the sector to thrive into the future.

Recommendations

I recommend that:

- a. Cabinet note the contents of this report which sets out the County Councils position to support the direction of travel of the Staffordshire Destination Management Partnership (DMP), including the suggested future offer and related proposals.
- b. Cabinet approve use of the balance of the 2021/22 MTFS investment into Economic Development and our Economy, post Covid 19, (which is £200,000) for enhanced support for our visitor economy.
- c. That part of the MTFS investment is to be used to assist the DMP in 2021/22, to develop a 3 year fixed term post to act as the champion and advocate for rebooting our Tourism, Hospitality and Leisure sector, and to cover the inhouse costs of the Digital Marketing Officer for 3 years.
- d. That remaining investment from 2021/22 along with enhanced contributions from other local authorities will be used to deliver continuity funding to the DMP in the anticipation of reduced private sector funding, and enhanced marketing activity through the DMP to strongly promote Staffordshire as a visitor destination, aligned to the new Staffordshire Story.

Local Members Interest
N/A

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Recommendations of the Deputy Leader and Cabinet Member for Economy and Skills

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Report of the Director of Economy, Infrastructure and Skills

Reasons for Recommendations:

1. One of the hardest hit sectors following the Covid 19 pandemic is tourism, hospitality, and leisure. These sectors are of significant value and profile to us as a county council and we have delivered a significant amount of business support to the visitor economy as a key component of our five-year strategy to recover from the Covid 19 pandemic.
2. Among our key support programmes, we have launched an Emergency Business Grant Scheme, a PPE Starter Pack Programme, Administered the SME Restart and Kickstarting Tourism Programme and directed numerous businesses to appropriate support and other advice.
3. We now have the opportunity to complement our existing support, to lead a transformation of our visitor economy and its businesses, championing them and, revitalising and driving forward our support for them. But this can only be done in

partnership with the private sector and through enhanced two tier working to address both strategic and local issues.

4. This report sets out how we propose to enhance assistance to the Destination Management Partnership (DMP), both immediately and for the longer term including the County Council's own tourism team to:
 - a. Support targeted marketing and campaigns to maximise Staffordshire's profile and to attract more visitors, most notably through bringing in house the County's Digital Marketing Officer post to be integrated with the work of the DMP.
 - b. Oversee and commission research and intelligence to inform the activities of the visitor economy sector and to shape our offer and future priorities.
 - c. Through the Place Board, and with the assistance of all key stakeholders, develop our lobbying and advocacy work to influence key policy makers, to shape the direction of the sector and maximise Staffordshire's role and profile.
 - d. Work towards greater integration with district and borough councils across Staffordshire and with Stoke-on-Trent City Council to deliver local and countywide priorities.
 - e. Develop targeted business support activities and signposting to help the visitor economy renew and transform following on from the Covid 19 pandemic.
5. These form part of a wider set of proposals for a refreshed offer for our visitor economy which have been presented to and endorsed by the DMP's Board. This report requests formal Cabinet approval to proceed with the proposals and for the investment identified.

Background

6. The value of tourism and the visitor economy to Staffordshire is significant and in 2019 was estimated to contribute some £1.87 billion of Gross Value Added economic impact (almost 10% of the Staffordshire total), with more than 28 million visitor trips made and an estimated 32,000 employees within the sector.
7. Given the challenges of the Covid pandemic to our core visitor season in 2020 and now into the early months 2021, these figures are expected to have reduced considerably and we have yet to see the full negative impact.
8. However, with the resilience and diverse offer of the sector in Staffordshire, along with attractions and destinations of national significance, we believe there are many opportunities for the sector to thrive in the future.
9. Our tourism and visitor economy play a significant role in bringing the 'Staffordshire Story to life' adding value to and informing our activities to bring investment into Staffordshire. As a consequence, it is allied to, and an integral part of Staffordshire as a place, presenting numerous opportunities and resources to socialise and champion our recently launched place brand.
10. Furthermore, there is an appetite among the local partners who collaborate through our Destination Management Partnership (DMP) to review its operations. In this report we are suggesting the County Council's preferred approach to a

revitalised offer which brings life to the Staffordshire story and with their agreement, working towards greater integration, with other local authorities across Staffordshire. Our approach is also about the public sector enabling the visitor economy to take advantage of the opportunities that lie ahead by providing a kick-start, in the short to medium term, which allows the private sector to focus on recovery and to once again thrive.

The Destination Management Partnership (DMP)

11. The DMP (Destination Staffordshire) is a primarily public Destination Management Organisation. Its primary administration and operational delivery sit within the County Council's Business and Enterprise team. Around 35% of the funding for the partnership comes from the private sector with the remainder of funding from the public sector (either by local authority funding or via grant funding).
12. The overarching priority of the DMP is to ***set the direction for Staffordshire's visitor economy sector.***
13. Of a total annual operating budget of around £260k (2020/21 budget), Staffordshire County Council is the main funding partner (contributing £125k per annum). In addition, from the District and Borough Councils of Staffordshire and Stoke-on-Trent City Council a further £45k in public sector funding is currently committed, giving an overall public sector contribution of circa £170k.
14. It is a wider partnership beyond the local government community and the DMP operates as a partnership of tourism businesses, with separate (non-County Council) branding as Destination Staffordshire, which operates as the Tourist Board for Staffordshire.
15. The total value of financial contributions to the DMP from private sector businesses is circa £90k.

Current DMP operating model and resourcing

16. Current staffing capacity for the DMP is hosted within Staffordshire County Council and consists of 1 Full Time Equivalent post (the Senior Marketing Officer). Additional support is provided by the Digital Marketing and Social Media Executive, who is appointed on a fixed term basis through the Marketing Services contract commissioned and administered on behalf of the DMP.
17. The DMP is a publicly led partnership and with current experiences of the pandemic in mind, our conclusion is that the 'Public' operating model remains the most relevant Operating Model for Destination Staffordshire at this time, to enable the visitor economy businesses to focus on their own recovery.
18. The team has experienced unprecedented demand and challenges in supporting the Staffordshire visitor economy to respond and recover through the Covid-19 pandemic. This has seen the team's focus shift from a largely business-to-consumer approach, to a business-to-business focus, and a constant need to

remain agile and responsive to the changing global/national environment which has impacted so much on our visitor economy.

19. There is a strong case to reinforce this capacity, enabling a renewed level of support to the transformation efforts of our tourism, hospitality and leisure businesses and the wider visitor economy, and to encourage the sector to thrive into the future. More details in relation to this increased capacity and the financial resources involved are set out below.
20. To ensure that the Staffordshire visitor economy can be fit for the future, respond to challenges posed by the pandemic and transform to take advantage of future opportunities, members of the DMP Board agreed in at their Board meeting in September 2020 that a review of the operations of the DMP was timely.
21. As such, a set of proposals forming a 'refreshed offer' for the DMP were presented to the DMP Board at its meeting on 9th March 2021. The proposals for the refreshed offer are set out in further detail below.

Suggested proposals for a refreshed offer

22. Having carefully considered the opportunities for the reinvigoration of our visitor economy, the medium-term (circa 3 years) future direction of travel for the DMP could be shaped around 4 key themes and 2 enablers, underpinned by and as a key vehicle for, telling the Staffordshire story.

23. Key themes:

- **Targeted marketing and campaigns** to maximise Staffordshire's profile and to attract more visitors. (This could include 'paid for' advertising to maximise search engine optimisation, development of campaigns at the local and hyper local level and building on the potential demand for 'staycations' with an ambition of increasing the dwell time of overnight visitors in particular)
- **Overseeing and commissioning research and intelligence** to inform the activities of the visitor economy sector and to shape our offer and future priorities. (Using timely market responsive data – ideally in close partnership with businesses and providers and wider contextual data to shape and inform our activities – for example through customer segmentation and targeted demographic marketing)
- **Lobbying and advocacy work** to influence key policy makers to shape the direction of the sector and maximise Staffordshire's role and profile. (Using our wealth of high-profile private sector, third sector and public sector advocates to champion Staffordshire at every opportunity)
- **Business support activities and signposting** to help the visitor economy renew and transform following on from the Covid 19 pandemic. (Using targeted business support activities to encourage potential diversification, innovation and growth opportunities within the visitor economy as well as fostering a strong new network of start-up businesses)

24. Enablers:

- **Utilising the Staffordshire story and place brand resources**, assets, and established channels to promote and grow the Staffordshire visitor economy and bringing the story to life through compelling examples. (Using the resources to create a cohesive and value-added perspective for Staffordshire and reinforcing the 'Staffordshire Layer' which allows businesses and organisations to thrive and confidently demonstrate the mutual benefits of the Staffordshire identity)
 - **Enhanced two tier working between District and Borough Councils, Stoke-on-Trent City Council and Staffordshire County Council**, creating greater connectivity between Staffordshire wide and local issues and delivery mechanisms. (Maximising potential financial and other resources to ensure that the visitor economy is encouraged to thrive, and businesses are supported in the best and most appropriate way)
25. It will be important to reflect on these proposals, ensuring that they maintain their relevance within the changing nature of the visitor economy as we transition beyond the heights of the Covid pandemic and to consider how they can be shaped to meet the future direction and priority activities of both the DMP and the Staffordshire Place Board.

A new Staffordshire story and place brand

26. The launch of the Staffordshire story brings many opportunities to further raise the profile of Staffordshire. It is underpinned by our tourism and visitor economy offer which includes nationally significant attractions such as Alton Towers Resort, Drayton Manor Park, the National Memorial Arboretum and the National Brewing Centre among others. Along with the FA's national football centre at St. George's Park, these assets are all integral to the message that Staffordshire is the nationally valued centre of the UK.
27. A newly constituted Place Board has been convened to oversee the direction of the Staffordshire story and place marketing activity and held its first meeting in February 2021. Given the obvious synergies with the DMP, there will need to be a strong link between the DMP and the Place Board. The Place Board currently includes representatives from Drayton Manor and Lichfield Cathedral, ensuring there is a strong visitor economy cohort as well as the Deputy Leader and Cabinet Member for Economy and Skills from Staffordshire County Council. There will be opportunity for more representatives from our attractions to join the board in future.
28. Co-ordination of key place branding activity will be led by the Place Brand Manager who started work in mid-February. To ensure a strong synergy between the key areas of work the Place Brand Manager will be invited to regularly attend DMP Board meetings and to facilitate future relevant opportunities.

Resource and Value for Money Implications

29. As identified earlier in this paper, the DMP has a current operating revenue budget of around £260k per annum of which £125k is funded by Staffordshire County Council, £45k from other local authorities and £90k from the private sector.
30. Given the need to help our tourism and visitor economy bounce back from the pandemic there is a compelling case for the public sector partners who contribute to the DMP to consider their current investment into the partnership.
31. With potential future investment, through enhanced two-tier working to maximise public sector resources and the opportunity to maximise collective benefit and impact for the Staffordshire visitor economy, the opportunities for transformational change are current.
32. This is even more so given a likelihood that consumers will spend more of their leisure time in their local areas and a predicted surge in 'staycation' type holidays while the practicalities of international travel remain uncertain.
33. We are working closely with our local authority partners to explore options for enhanced subscription into the DMP to complement the proposed investment from the County Council to enable the key activities and priorities which will allow the sector to transform.
34. The extent of how this investment and potential resources can be used will be determined by the DMP Board in consultation with the Place Board.
35. Current staffing capacity for the DMP is based within Staffordshire County Council and consists of 1 Full Time Equivalent post (the Senior Marketing Officer which is funded through SCC budgets). Additional support provided by the Digital Marketing and Social Media Executive, who is appointed on a fixed term basis through the Marketing Services contract that is commissioned and administered on behalf of the DMP.
36. To provide additional capacity to the DMP it is recommended that a Partnership Business Development Manager should be appointed for an initial 3-year period. The initial focuses for this role would be in relation to delivery of the enhanced marketing offer outlined above and maximising the potential to bring private sector income into the partnership in the future. Inclusive of on costs this is expected to relate to an investment of up to £194,000 (subject to job evaluation) over 3 years.
37. It is also recommended that the appointment of the Digital Marketing and Social Media Executive (whom is currently appointed through a contract via the DMP's PR agency) is formalised as a Staffordshire County Council post to work collaboratively with the DMP and support other key place making activity. The salary for this post currently amounts to circa £35k inclusive of expenses and on costs. Again, this would be for a 3 year period.
38. The importance of this post is critical to our operational success as the Social Media presence of the DMP continues to grow as a fundamental aspect of

marketing Staffordshire both for the DMP and the Place Board. Bringing this post in house as an SCC appointment, will provide additional security to this crucial part of the DMP operation and more certainty over its future for the next 3 years rather than being considered as a component of the overall DMP budget.

39. Cabinet will recall that an investment to support Economic Development activities and our Economy has been made through the Medium-Term Financial Strategy. The balance of this investment for 2021/22 currently stands at around £200,000. Our intentions are to therefore to use this investment to part fund the proposals which are set out in this report.
40. Finally, an independent national review has been launched by DCMS to 'examine and assess the role, structure and performance of Destination Management Organisations across England'. The proposals in this report and considered by the DMP will be flexible enough to respond to any recommendations made by DCMS.
41. The proposals contained in this report will ensure that we have a properly funded DMP with a renewed focus, the right support in place for businesses in this sector to thrive, and put Staffordshire in the best possible position to attract visitors over the next few years.

Conclusion

42. This report has highlighted the crucial period that our tourism and visitor economy is facing as we look to recover from the Covid 19 pandemic.
43. The economic value of the sector is well recognised with much wider linkages into the food and drink production sector and with its contribution to wider quality of life, the wellbeing of our people and communities and components to our investment offer its importance should not be understated.
44. Over the past 12 months we have successfully led a number of programmes to support our economy and as part of these, the businesses within the visitor economy. The proposals in this paper set out how we intend to enhance this support further with a focus of support to our businesses within the sector.
45. With the launch of the Staffordshire story and place brand along with the appetite of DMP Board members to refresh the offer of the DMP, there is a real chance to support our visitor economy at a time when it needs it most and bring real life to the Staffordshire story as part of a joined up approach to our wider place marketing offer.
46. This report sets out our recommendations for how Staffordshire County Council could make investments to support the refreshed DMP offer and Cabinet are asked to endorse this approach.

List of Background Documents/Appendices:

None

Contact Details

Assistant Director: Anthony Hodge, Assistant Director for Business and Enterprise

Report Author: Jonathan Vining
Job Title: Head of Economic Growth and Delivery
Telephone No.: 01785 277353
E-Mail Address: jonathan.vining@staffordshire.gov.uk