



SCRUTINY COMMISSION – 6 APRIL 2016

TOURISM SUPPORT SERVICES REVIEW

REPORT OF THE CHIEF EXECUTIVE

Purpose of Report

1. The purpose of this report is to update the the Scrutiny Commission on recent developments in relation to future tourism support arrangements across Leicester and Leicestershire and to seek its comments during the tourism support services consultation period.

Policy Framework and Previous Decisions

2. The County Council's Strategic Plan 2014-2018 clearly recognises the importance of tourism in enabling economic growth through the provision of employment, increased visitor spend and promoting Leicestershire as a place to live, work and do business. It also acknowledges the importance tourism plays in enhancing and protecting its natural, historic and cultural offer.
3. The County Council's Enabling Growth Plan 2015-2018 outlines how the economic priorities in the Strategic Plan will be implemented, and includes targeted support for the growth and expansion of the visitor economy.
4. The Leicestershire Rural Framework 2014-2020 identifies tourism as a key priority rural sector, as do the two LEADER Local Development Strategies in the County (East Leicestershire and Hinckley and Bosworth).
5. Following a review of tourism support within Leicestershire it was agreed by the Cabinet on 8 May 2012 to externally procure these services. Leicestershire Promotions Ltd won an open tender exercise to supply tourism services for the County Council for three years commencing April 2013, with an optional 2-year extension for 2016/17 and 2017/18.

Background

6. At its meeting on 30 September 2015 the Scrutiny Commission was informed of the City and County Councils' intention to jointly commission an independent review of Tourism Support Services. The aim of the review was to help inform how services would be delivered and funded beyond the current Leicestershire Promotions Ltd contract which was due to cease on 31 March 2016 (this has now been extended to 30 June 2016 - see paragraph 10). A copy of the Blue Sail Consultants final report is attached as Appendix 1.

7. On 1 March 2016 the Cabinet considered the findings of this review and agreed recommendations (as set out below) for a preferred option for future tourism support services, including associated governance and delivery arrangements:
 - (a) That the preferred option for the strategic governance of tourism is that it should be led by the Leicester and Leicestershire Combined Authority, noting that this will require approval by the Combined Authority Committee once established;
 - (b) That a Tourism Advisory Board be established to provide business insight and guidance from the sector to the Combined Authority;
 - (c) That the preferred option for the strategic management of tourism is that it should be managed by one or both of the lead local authorities (Leicester City and Leicestershire County Councils) on behalf of the Combined Authority;
 - (d) That the preferred option for the delivery of tourism support services, including tactical marketing and campaigns, is via a combination of the lead local authorities' staff and commissioned services.
8. The Cabinet agreed to consult with stakeholders on the preferred option, and for County Council officers to explore the option of establishing a trading organisation which could undertake commercial and/or bidding activity. The Cabinet report is attached as Appendix 2.
9. The Economic Growth Board currently fulfils the function of the Shadow Combined Authority and agreed at its meeting on 22 March 2016 for 'Marketing and Tourism' to be one of the eleven strands to be further developed as part of the Leicester and Leicestershire Devolution Deal. The theme will focus on the benefits of greater collaboration for place marketing, tourism and inward investment across Leicester and Leicestershire and the Midlands Engine.

Tourism Support Services Future Considerations

10. Following extensive consultation the review describes three potential destination management models set out in pages 21 to 23 of the Blue Sail Consultants report (Appendix 1). Examples of the models in practice elsewhere indicate that each is a feasible way forward.
11. The rationale for the preferred option for future delivery is set out in paras 33 to 35 of the Cabinet report (appendix 2) but a key driver is to ensure that tourism support services are more closely integrated with related local authority policy-making, strategies and service delivery. This includes inward investment, transport, skills and planning along with an aspiration to improve Leicestershire's place marketing through working with UKTI, local Universities and opportunities through the Midlands Engine promotional strand.

12. To ensure that any change in the delivery of tourism support services is successful existing expertise and the transfer of key projects will be a key consideration. This will require close working with partners through the development of a transition plan to ensure that valued, effective and fundable services are retained, and that there is minimum disruption to delivery.
13. There are five District Tourism Partnerships within the county which play an important role in shaping local tourism strategy and delivery. Further discussions will be required with district council colleagues about the best way to support these moving forward, including how local brands such as 'Melton: the Capital for Rural Food', the National Forest and the Charnwood Forest area are further developed and marketed. Business Improvement Districts will also be a key partner and deliverer within some of the county's main towns.
14. The County Council is currently working with partners on a number of initiatives to boost funding support available for local tourism enterprises and activities, these include:
 - (a) The Leicestershire Rural Partnership on behalf of the Leicester and Leicestershire Enterprise Partnership (LLEP) is exploring opportunities for tourism through the European Agricultural Agricultural and Rural Development Fund (there is currently an indicative £1m for rural economy support in 2016/17 and £900k in 2017/18).
 - (b) The County Council is a funding partner in an ERDF bid to the LLEP; this includes sector development support for tourism.
 - (c) The County Council is the Accountable Body and Host for the East Leicestershire LEADER programme which provides rural business grants, including to tourism businesses (NB: the North Warwickshire and Hinckley and Bosworth LEADER programme is managed by North Warwickshire District Council).
 - (d) The County Council is leading on a Market Towns Study on behalf of the LLEP and Districts with the aim of developing suitable projects to bid for future funds. These include tourism related projects.
15. The positive engagement of the private sector in any future arrangements is fundamental and hence a Strategic Advisory Board would be established to develop local tourism strategy and steer delivery. This Board would advise the Combined Authority (noting that this will require approval by the Combined Authority once established).
16. County Council and Leicester City Council officers are also exploring the option of establishing a Teckal company which could be owned by a number of local authorities. The benefits of this approach are that the model retains a level of independence with a private / public board but has greater flexibility in how it operates due to exemptions in external procurement rules. This type of

approach is similar to the successful Marketing Birmingham model.

Tourism Support Services Consultation

17. A six-week consultation period is underway which ends on 15 April 2016. The consultation is seeking stakeholder views on the preferred option for the delivery of Tourism Support Services as agreed by the City Mayor and the County Council Cabinet. The consultation can be accessed through the “Have Your Say” section of the County Council website:
<http://www.leicestershire.gov.uk/have-your-say/current-consultations/tourism-support-services-for-leicester-and-leicestershire>.

Timetable for Decisions

18. It is anticipated that a further report will be taken to Cabinet in June 2016 including feedback from the consultation (incorporating any comments made by the Scrutiny Commission), any staffing and funding implications associated with implementing the final recommended option, a transition plan and an appraisal of the risks and benefits of establishing a trading organisation.

Background Papers

LLEP Tourism and Hospitality Sector Growth Plan
<http://ow.ly/YkCPo>

Leicestershire and Leicestershire Strategic Economic Plan - <http://ow.ly/YkCVd>

Leicestershire Rural Framework -
<http://www.oakleaves.org.uk/uploads/rural-framework-2014-2020-final-draft.pdf>

Report to the Cabinet, 8 May 2012 “Review of Tourism”
<http://ow.ly/YkFC7>

Circulation under the Local Issues Alert Procedure

None.

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List of Appendices

Appendix 1 Blue Sail Consultants’ Report on Tourism Services

Appendix 2 County Council Cabinet Report: Tourism Support Services Review, 1
March 2016

Equality and Human Rights Implications

There are no equality or human rights implications arising from this report.

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