
REPORT TO:	ENVIRONMENTAL & DEVELOPMENT SERVICES	AGENDA ITEM: 7
DATE OF MEETING:	4TH OCTOBER 2012	CATEGORY: DELEGATED
REPORT FROM:	DIRECTOR OF OPERATIONS	OPEN
MEMBERS' CONTACT POINT:	KEVIN MASON (01283 595739) kevin.mason@south-derbys.gov.uk	DOC: s:\economic regeneration\general\committee reports\tourism - financial contr - 2012-13.doc
SUBJECT:	TOURISM UPDATE	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: EDS03 EDS10 EDS11

1.0 Recommendations

1.1 That Members:

- Note work undertaken to ensure sustained growth of The National Forest as a major new visitor destination and brand, which is now part of Visit England's suite of national destinations.
- Endorse recent changes to the financing and operation of the Visit Peak District and Derbyshire Destination Management Organisation (DMO), and agree this Council's financial contribution for 2012-13.

2.0 Purpose of Report

2.1 To outline recent performance of the tourism sector in South Derbyshire; report on changes to the Visit Peak District & Derbyshire Destination Management Organisation (DMO); and agree this Council's financial contribution to the DMO for 2012-13.

3.0 Detail

3.1 In recent years public sector funding for sub-regional Destination Management Organisations has been drastically reduced. Some no longer exist while others are restructuring and endeavouring to become less reliant on the public purse in future.

Visit Peak District & Derbyshire

3.2 Within Derbyshire and the wider Peak District the official tourism body is the 'Visit Peak District & Derbyshire Destination Management Organisation' (DMO). The DMO had been particularly successful in bidding for funding from the former East Midlands Tourism, and faced a funding gap of £0.5m per annum with its demise. It sought a temporary increase in funding from local authorities (including this Council) while additional funding streams could be identified and developed. Local authorities across the wider Peak District (i.e. outside Derbyshire) are now contributing

financially, and Regional Growth Fund funding is being accessed in partnership with Visit England. The DMO is also seeking to become a member-only organisation with a target of 500 members by 31st March 2013 – a major element in rebalancing income from the public to the private sector.

- 3.3 Activity has refocused on marketing activity rather than the research and the raising of the quality of visitor related businesses previously undertaken. The DMO has been recognised by the government as one of only 4 'Pathfinder DMOs in England, whereby other destinations are asked to follow its best practice. The main marketing tools are the visitor guide and 'Explore More' series of map-based publications, websites www.visitpeakdistrict.com and www.gopeaks.com, and the DMS – a database which underpins Tourist Information Centres, kiosks and websites. With increasing funding from the wider Peak District area beyond Derbyshire, and funding through Visit England aimed primarily at the Peak District destination, more peripheral areas such as South Derbyshire have seen less impact, but there is now a greater emphasis being given to a properly resourced visitor "dispersal" plan to encourage visitors attracted to the Peak District to discover and explore surrounding areas (such as Derby and The National Forest).
- 3.4 South Derbyshire is benefitting from the work of Visit Peak District & Derbyshire, and substantial effort has been made to try and maximise that benefit. However the National Forest and Beyond remains the key campaign for the district and surrounding areas, and it is therefore more difficult to evaluate the impact of the DMO for South Derbyshire.
- 3.5 Derbyshire County Council took the lead in putting together a rescue package for the Visit Peak District & Derbyshire DMO. This resulted in an increased financial contribution of £3,500 being sought from this Council, of which £1,000 is being contributed by the National Forest Company as a one-off gesture in recognition of the benefit that The National Forest & Beyond area receives in consequence of this Council's financial contribution to the DMO.
- 3.6 The increased level of funding to the DMO by the Derbyshire local authorities is for a maximum of 3 years, during which time the DMO is required to reduce its reliance on public sector finance. It is seeking to do this primarily by increasing private sector income (advertising and membership fees), and by drawing in funding from Councils within the Peak District but outside Derbyshire, and through bids to Visit England and central government initiatives such as the Regional Growth Fund. A copy of the service level agreement with the DMO is attached as Annexe A.

National Forest & Beyond Campaign

- 3.7 For a decade this authority has for tourism purposes worked with partners to establish and develop the 'National Forest & Beyond' (NF&B) brand to promote The National Forest and surrounding areas, including the whole of South Derbyshire. The campaign has run successfully each year, and uniquely has not been subsumed into DMO visitor guides. The National Forest & Beyond campaign provides the destination's only comprehensive marketing, and remains the primary marketing tool for South Derbyshire. The destination continues to evolve, and it is vital that it should be marketed cohesively. As well as developing its own unique selling points such as woodland survival courses and woodland crafts, the destination is also becoming well-known for a range of popular outdoor activities such as walking and cycling.

- 3.8 The partnership has taken the initiative and sought to integrate its work with the DMOs wherever possible, to maximise synergy and cross-benefits. The campaign is continually adapted to reflect changing market conditions, and to maximise potential benefits from the work of the DMOs.
- 3.9 A positive relationship has also been developed with the national tourist board, Visit England, and Chief Executive James Berresford was the keynote speaker at the launch of the 2012 Visitor Guide. The National Forest is now being presented as a destination in its own right in campaigns such as Visit Britain's "Great Britain You're Invited", alongside longer established destinations such as the Cotswolds, the Norfolk Broads, and the Peak District.
- 3.10 The majority of tourism businesses continue to support the National Forest & Beyond campaign, vindicating the partnership's view that it is essential to produce a cohesive visitor guide for the entire destination. In 2012 of the 117 businesses that advertised in visitor guides, 98 chose to advertise in the NF&B guide, and 75 of them advertised only in the NF&B guide.
- 3.11 In 2009 Conversion Research commissioned to assess the effect of the NF&B Visitor Guide concluded that the value of tourism arising directly was £649,000 (giving a Return on Investment of 24:1 or £24 for each £1 spent), 80% of enquirers are influenced to visit, and 70% use the Visitor Guide to plan their stay). The study provided a meaningful evaluation, indicating the partnership is effective and represents good value for money. The National Forest Company hopes to undertake a similar study of the 2012 Visitor Guide, to inform and guide future campaigns.
- 3.12 Use of newer channels such as the internet and email continues to be incorporated into the annual campaign. Visitors to the comprehensive destination website www.visitnationalforest.co.uk are encouraged to download the Visitor Guide and other publications. E-blasts to the growing database of email contacts are sent out regularly, and a successful 'pay-per-click' campaign on Google was introduced in 2012. Nonetheless demand for printed Visitor Guides has again almost outstripped supply.
- 3.13 A small Group Visits campaign continues to be undertaken, which comprises a printed guide specific to group organisers, some marketing in group-orientated periodicals, and attendance at the Group Leisure & Travel Trade Show at the NEC in September.
- 3.14 The National Forest Tourism Partnership was formed in 2009 to take forward the 20-year "A Vision and Action Plan for Sustainable Tourism in The National Forest". It was an evolution of existing groups, including the National Forest & Beyond partnership, which comprises local authorities, Destination Management Organisations, and representatives of the local tourism industry. The overarching vision is that "The National Forest will be recognised as one of the top ten high quality sustainable destinations in the country". The overall target is to deliver around 3% average annual growth in visitor expenditure with concentrated efforts towards growing the proportion of staying visitors.

South Derbyshire District Council

- 3.15 Tourism is undertaken within the ambit of Economic Development with the primary aim of promoting employment and investment opportunities. The Vision of the Economic Development Strategy 2008-2012 is "To promote greater economic

well-being in South Derbyshire, in order that it becomes a healthier, more prosperous and safer place to live with better jobs and prospects for local people and businesses". This is being pursued through three key objectives and a series of Ambitions, of which Ambition 3 is: "Developing tourism and the woodland economy, maximising the potential of The National Forest to address rural issues".

- 3.16 This authority seeks to achieve its tourism aims through implementation of "A Vision and Action Plan for Sustainable Tourism in The National Forest", and by working with the Visit Peak District and Derbyshire DMO.
- 3.17 Enquiries dealt with by Swadlincote Tourist Information Centre (TIC) grew by 22.6% per annum over the 4 year period 2007-8 to 2011-12, and over the same period, the number of external events attended by staff has also increased significantly, while the "What's On" guide has continued to grow in both quality and size. All 'official' Tourist Information Centres are required to take part in an annual Mystery Shopper exercise, and are ranked according to their performance. In 2012 Swadlincote TIC achieved its second best ever result, being ranked 14th out of 275 taking part, and 2nd in the East Midlands (behind only Chesterfield which was ranked 1st nationally).
- 3.18 Enquiries being dealt with mainly by the TIC enables District Council staff to focus on matters such as business support and development, product development proposals, the Walking Festival, and partnership working with the National Forest & Beyond partnership and Visit Peak District & Derbyshire. Record numbers of new tourist businesses are being established, especially accommodation providers. Many more exhibitions are being attended with partners, to further raise the profile of the destination – the NF&B partners will attend more than 40 events this year. Forging a closer relationship with the DMO is also requiring increased input by Council staff, who are now taking the lead within the NF&B partnership to further improve statistical analysis and identify new markets and opportunities. Tourism content on the internet has been expanded to further support South Derbyshire businesses in the current economic downturn.
- 3.19 The fifth National Forest Walking Festival in May 2012 was organised by the Council with sponsorship from the National Forest Company and assistance from dozens of local organisations. Almost 1330 walkers took part, a substantial increase from about 1020 in 2011 and 550 in the first Festival. Some 29% of people surveyed come from outside the area, and walkers are known to have visited and stayed in the area from Hastings, Blockley (Gloucestershire) Hull, Oxford, King's Lynn and Widnes (Cheshire). Of almost 170 individual comments made on evaluation forms, almost all were highly complimentary.
- 3.20 The National Forest Walking Festival has quickly established itself as one of the major events in the destination and now attracts similar numbers to long established Festivals. Significant savings in cost and staff time have been made during the 2 years it has been organised wholly by Council staff. For the 2012 Festival this Council took the lead in a joint campaign to promote the National Forest, Chesterfield and Peak District Walking Festivals achieving very cost effective national promotion. With more than 80 walks, organising the Festival is a substantial undertaking, warranted by the £65,000+ of visitor spend brought into the local economy.

Economic Impact Research

- 3.21 The former East Midlands Tourism commissioned an economic study of tourism across the entire region using the 'STEAM' model. Results previously reported for 2003-2008 indicated tourism growth in South Derbyshire was much stronger than performance in the Peak District & Derbyshire as a whole, or the East Midlands region. Since the demise of East Midlands Tourism, which subsidised acquisition of STEAM data, region-wide figures are no longer available, and the Council purchases data only every other year to reduce costs. Data for 2011 has just been published, and indicates a total spend of £162.8m broken down into £47.43m by staying visitors and £115.37m by day visitors, directly and indirectly supporting 2389 full time equivalent jobs. This represents a significant growth in both visitor spend and related employment in the District. A more detailed analysis is at Annexe B.

4.0 Financial Implications

- 4.1 The membership contribution of £9,500 to the Visit Peak District & Derbyshire DMO for 2012-13 can be met from within existing budgets (with £1000 coming from the National Forest Company as a one-off contribution), as can the cost of the DMS at £6,552.

5.0 Corporate Implications

- 5.1 Economic Development and in particular Tourism feature as priorities in the Corporate Plan. The Council has recognised how important the attraction of visitors is to the local economy and the emerging National Forest destination. Investment in the National Forest & Beyond campaign by this Council and its partners has contributed significantly to the growing profile that the destination now enjoys. Support for the tourism sector is another way in which the Council can help local businesses through the economic downturn. Tourism contributes directly to the Corporate Plan's vision to 'Make South Derbyshire A better place to live, work and visit' and to the theme of 'sustainable growth and opportunity'.

6.0 Community Implications

- 6.1 Support for development of the tourism sector in South Derbyshire directly contributes to the South Derbyshire Partnership's vision in terms of developing and expanding the local economy. Tourism particularly benefits business development and employment creation in rural areas, where much of the growth has been associated with The National Forest. Recent developments in Swadlincote Town Centre, such as the Cinema, The Pipeworks, expansion of Sharpe's Pottery Museum and Farmers' Markets, should also increase the benefit of tourism to the town.
- 6.2 This will all contribute to the sustainable development aims of the Community Strategy for South Derbyshire.

7.0 Conclusions

7.1 South Derbyshire receives value for money from the Visit Peak District & Derbyshire DMO and should continue to maximise that benefit. Involvement in the National Forest & Beyond campaign has contributed significantly to developing and promoting the area as a new tourist destination, and has brought a much higher profile to the District's tourism offer, and as such it should remain the primary marketing tool for South Derbyshire. Events such as the National Forest Walking Festival are important tools to further increase the profile of the area.

8.0 Background Papers

8.1 None.

Annexe A

SERVICE LEVEL AGREEMENT

between

VISIT PEAK DISTRICT AND DERBYSHIRE DESTINATION MANAGEMENT PARTNERSHIP (*in partnership with DERBYSHIRE and NOTTINGHAMSHIRE CHAMBER of COMMERCE*)

and

SOUTH DERBYSHIRE DISTRICT COUNCIL

THIS AGREEMENT is made on the {insert day} day of {insert month} 2012

BETWEEN:

- (1) **SOUTH DERBYSHIRE DISTRICT COUNCIL** (hereinafter called "SDDC") of Civic Offices, Civic Way, Swadlincote, Derbyshire, DE11 OAH
- (2) **VISIT PEAK DISTRICT AND DERBYSHIRE DESTINATION MANAGEMENT PARTNERSHIP** (hereinafter called **VPDD DMP**) *in partnership with DERBYSHIRE and NOTTINGHAMSHIRE CHAMBER of COMMERCE.*

This agreement shall be read in conjunction with the VPDD DMO constitution and financial statement. It will be time limited to the financial years 2012/13, 2013/14 and 2014/15 ending on 31 March 2015 subject to an annual review.

Both the VPDD DMP and SDDC reserve the right to amend this agreement in response to any unforeseen financial or other circumstances but would wherever possible give 3 months written notice of any significant changes.

Definitions

VPDD DMO	Visit Peak District and Derbyshire Destination Management Organisation
SDDC	South Derbyshire District Council
DMS	Destination Management System
TIC	Tourist Information Centre
VE	Visit England
RGF	Regional Growth Fund
RDA	Regional Development Agency

1) Introduction

1.1 2012-2013

- 1.1.1 This SLA outlines the investment required from Partners and the role of the DMO over the next three years to March 2015. It is based on our latest business plan which was agreed by the Board in the Autumn of last year (2011/12) **option B**.
- 1.1.2 2011-12 was a very financially challenging year for the DMO as it was the first year without the support and funding from a Regional Development Agency (RDA). Our main priority during 2011-12 was to make sure that we could fulfil our obligations to both the tourism industry partners and our customers. To do this we had to take a very pragmatic approach and firstly looked at possible savings from our overheads, this resulted in some difficult decisions for example the relocation of offices from Buxton to Chesterfield and the redundancy of two members of staff making savings in excess of £50k per year. Secondly a large proportion of our reserves were allocated to the budget and a further contribution was secured from partners (transition funding a one year agreement).
- 1.1.3 It was agreed by the Senior Management Team and Board that this would only secure our position in the short term and that an additional commitment from public/private sector partners will be required of at least £150,000 per annum for the next three years to ensure we remain and achieve the targets we have set ourselves. This 'additional' contribution is shown as a separate amount within the financial table (appendix 1).
- 1.1.4 In conjunction with working with key Partners to secure the extra funds the DMO has worked very hard to introduce a number of new strategies, making us a more commercially focussed organisation, with the longer term aim and ambition of becoming less reliant on Public Sector funding in the future, these include:
- (i) a DMO Brand review (launched at the Conference in May 2012), a Brand positioning strategy should help to attract and secure funding from private sector sponsorship and secure corporate contributions
 - (ii) a new Partnership with Visit England attracting funds from Regional Growth Fund (RGF) for the next three years, securing £100k per year for the next three years.
 - (iii) the introduction of "a membership only" strategy to increase private sector investment, through increased membership figures (launched at the Conference May 2012)
 - (iv) a more target driven sales team, a Sales plan for 2012-13 has been developed, and implemented
- 1.2 A list of 'free members' is attached to this SLA appendix 2. This is a list of all non-commercial facilities including parks, sports facilities, museums that are 100% owned by a Local Authority. A notional value has been calculated for this list of members and is shown in the table provided under appendix 2.

2) The Role of VPDD DMO

2.1.1 The aims, objectives and partner roles underpinning this Agreement are detailed below.

2.1.2 Our vision is ambitious but credible and seeks to expand the role of the organisation and deliver services on behalf of the Peak District and Derbyshire, the most fundamental being:

2.1.3 To deliver dynamic marketing campaigns which will achieve far greater exposure than locally managed marketing strategies. We aim to capitalise on our Destination of Distinction status, and recent success of being ranked 6th most appealing destination in a recent VE survey. We believe that such a high ranking will help us to achieve record breaking visitor numbers from both domestic and overseas markets and that all our targets will be met if not exceeded, highlighted in table 4.1. During 2012/13 we will invest a total of £660,000 into marketing activity this represents two thirds of our total budget.

2.1.2 The marketing strategy will continue to be one of “attract and disperse”. Attracting visitors with an iconic and instantly recognisable Peak District destination and then dispersing visitors throughout the destination and introducing them to slipstream destination areas, for example via the Metro Peak web page. Thus economic opportunities are generated throughout the region, even for destinations that are not part of the “Peak District holiday destination brand” (The Attract Brand). “Attract campaigns” for 2012-13 include “The Great Escape”, “Active Peaks”, and “Outdoor Magic”.

2.1.3 As part of our dispersal strategy we will continue to develop and deliver a series of “explore maps” including thematic guides such as ‘Things to See and Do’, ‘Active Peak’ not forgetting the very popular ‘Well Dressings’ Guide’. Derbyshire festivals and events will be developed and supported together with the introduction of new websites and smart phone applications, social media networking via Twitter, Facebook and Youtube, press and PR work as well as Derbyshire tourism product and accommodation on www.visitpeakdistrict.com and within the Peak District Holiday Guide. In particular for 2012-13 we will actively work on developing new Visitor Information Points across the region, helping to supplement the existing TIC network at attractions, retail outlets, travel hubs, hotels, libraries etc. (see table 4.1 for targets).

2.2 Further information about the ‘attract and disperse’ strategy is attached:

2.2.1 A copy of the Marketing and PR campaigns and tool map 2012-13 (attached)

2.2.2 A copy of the Visitor Dispersal Strategy Map 2012-13 (attached)

3) Aims & Objectives 2011-15

3.1 The overarching aims of the DMO remain the same

3.1.1 Grow the value of tourism for the Peak District holiday destination and slipstream brands by 5%+ per annum.

3.1.2 Position the Peak District as a viable World Class holiday destination in the global market place.

3.1.3 Promote the Peak District as a fashionable and attractive outdoor “activity and adventure” destination.

3.1.4 To increase Private Sector investment leading to a 60/40 Private/Public funding ratio by 2015 (a new challenge set by Public Sector Partners during 2012/13).

3.2 Objectives 2011-15

3.2.1 Offer a compelling destination of distinction through the development of a sophisticated ‘Attract’ strategy.

3.2.2 Complement the attract strategy with an innovative ‘Dispersal’ strategy offering reasons to stay longer and repeat visit.

3.2.3 Continually improve engagement with the private sector and increase investment from industry players.

3.2.4 Become the main marketing promoter for festivals and events in Derbyshire.

3.2.5 Focus marketing campaigns during shoulder periods to create sustainable economic growth for tourism businesses over twelve months of the year.

3.2.6 Align destination messages, style and communications to deliver cost efficiencies, reduced duplication of effort, a more powerful aggregated voice and more effective delivery.

4) Key Targets/ Performance Indicators for this financial year 2012/13

4.1 Key Target table:

Detail	2011/12 Actual	2012/13 Target
Visit Peak District and Derbyshire DMO Targets		
Decrease Public Sector investment leading to a 60/40 Private/Public ratio by 2015	45%	44%
Marketing and PR Targets		
Visitor Guide Distribution (print run 150,000)	95%	100%
Unique visitors to the website (Thematic Short Breaks)	230,000	240,000
Unique visitors to the website (Escape)	480,000	500,000
Data-capture (Thematic Short Breaks)	12,000	12,500
Data-capture (Escape)	115,000	120,000
Campaign Bed-nights (Thematic Short Breaks)	2,500	2,600
Campaign Bed-nights (Escape)	9,100	9,500
Bed-nights captured via Guest Web-link	19,000	20,000
Campaign ROI*	not measured this year	10:01

Brand Awareness (via VE Brand Tracker)	not measured this year	106
Facebook Page Likes	1,575	1,655
Twitter Followers	1,742	1,830
YouTube Views	35,548	37,325
PR Coverage	£1.6million	£2million
Exhibitions and Events	2	1
Coach Operator Open Days	0	2
Dispersal		
Welcome Magazine Distribution (print run 100,000)	80%	100%
Explorer Maps Distribution (255,000)	90%	100%
Number of new Visitor Information Points established	nil	20
Exhibitions and Events (number per year)	nil	2
Customer contact at Dispersal events via face to face, customer data and newsletters		10,000
Development of an App	nil	2
Joint Promotional Initiatives (e.g. ticketing)	3	2
Membership		
Number of members	270	350
Number of Supply Chain members	0	50
Income from Patron members	0	£10,000
Number of businesses attending events and conferences	179	
Conference Derbyshire		
Number of businesses advertising**	40	40

* this target has been set by Visit England

** this target is subject to change

5) Service Delivery

5.1 Key functions carried out by the VPDD DMO are detailed below:

- Promote the destination by working in partnership with stakeholders to grow the value of tourism.
- Maximise the funding opportunities available from external sources.
- Deliver a marketing plan that incorporates the strengths of “Slipstream Destinations”.
- Service the needs of visitors and tourism industry partners through the successful implementation of the Visitor Dispersal Strategy.
- Continue to develop and strategically lead on the DMS.
- Engage directly with the Tourism Industry by delivering a programme of effective tourism communications and networking events.
- Develop and deliver a Commercial Plan that maximises private sector support.

- Increase our membership base, in an effort to achieve our ambitious target of 60/40 Private/Public sector funding ratio.
- Successfully deliver and maintain the profile of the Conference Derbyshire programme.
- Support businesses in delivering a quality product.

5.2 See Appendix 1 for SDDC's agreed financial contribution

5.2.1 SDDC's total contribution for 2012/13 equals £16,052.

5.3 Key functions carried out by SDDC

- 5.3.1 A representative from Erewash Borough Council, South Derbyshire District Council and Amber Valley Borough Council to sit on the VPDD Board, and a Senior Officer to sit on panels and attend meetings/ workshops associated with for example:
- Tourism Officer Group
 - Visitor Services Panel
 - Business Tourism Panel (Conference Derbyshire Board)
- 5.3.2 Ensure that the wider Peak District and Derbyshire area is mentioned in South Derbyshire District specific PR work where appropriate.
- 5.3.3 Assist with PR work, FAM trips when relevant to South Derbyshire.
- 5.3.4 Ensure that any local guides produced will also reflect the Peak District Brand.
- 5.3.5 Allocate staff support when possible to assist with VPDD marketing initiatives.
- 5.3.6 Annually audit the local area accommodation stock and collect visitor numbers to assist with evaluation.
- 5.3.7 Advise the VPDD DMO of all known tourism development projects in the area.
- 5.3.8 Work with the VPDD DMO to identify any potential developments that will enhance the tourism infrastructure and product of the area and help progress investment.

6) General Principles for Collaboration, Support and Communication

- 6.1.1 The VPDD DMO and SDDC agree to commit to working in partnership to secure mutual aims and objectives.
- 6.1.2 All expenditure and commitment of finances, including in kind valuations, are subject to VPDD DMO and local authority financial regulations. VPDD DMO accounts will be open to SDDC.
- 6.1.3 The VPDD DMO will set up and maintain communication systems that enable a regular, consistent and accurate flow of information on contractual obligations and funding issues.

6.1.4 The Chairman and Chief Executive of the VPDD DMO will engage with elected members and officers of SDDC if so requested.

7) Breach of Conditions and Recovery of Funds

7.1.1 Partners may reduce, suspend or withhold payments, or require all or part of the contribution to be repaid if there has been a failure by VPDD DMO to comply with the requirements set out in this Agreement in particular where:-

7.1.2 Insolvency – VPDD DMO becomes insolvent and unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986.

7.1.3 Misuse of partner contribution – VPDD DMO applies the contribution otherwise than for the project purpose.

7.1.4 Poor progress – successful completion of the project in accordance with the project time plan or becomes unlikely to occur.

7.1.5 Change of project purpose in accordance with this Agreement, if at any time, the proposed or actual use or operation of the project ceases to materially comply with the project particulars.

7.1.6 Fraud and negligence – at any time, VPDD DMO has acted fraudulently or negligently in relation to this Agreement or the project.

8) Termination

8.1.1 This Agreement is for the current financial year April 1st 2012 until 31st March 2013 and will be for three years in principle, subject to an annual review.

8.1.2 If the VPDD DMO commits a material breach of this Agreement, which is not capable of remedy, then SDDC may terminate this Agreement with immediate effect by notice in writing.

8.1.3 If the VPDD DMO commits a material breach which it is able to remedy, then SDDC may serve notice on the VPDD DMO specifying a period of not more than 28 working days in which the breach is to be remedied and may not terminate the contract during that period in respect of that breach. If the breach is not remedied in that period, SDDC may terminate this Agreement with immediate effect by notice in writing.

8.1.4 A Material breach will include, but is not limited to:

a) There is a meeting of creditors of VPDD DMO or any arrangement or composition with or for the benefit of VPDD DMO's creditors (including any voluntary arrangement as defined in Part 1 of the Insolvency Act 1986) is proposed or entered into by or in relation to VPDD DMO; or

b) A receiver, administrator, administrative receiver, liquidator or similar officer takes possession of or is appointed over the whole or any substantial part of VPDD DMO's assets; or

- c) VPDD DMO ceases to carry on business or is unable to pay its debt within the meaning of Section 123 of the Insolvency Act 1986; or
- d) A petition is presented or a meeting convened for the purpose of considering a resolution for the making of an administration order, the winding up or dissolution of VPDD DMO; or
- e) An event of Force Majeure (any circumstances beyond the reasonable control of VPDD DMO affected by it) prevents VPDD DMO from performing any or a substantial part of its obligations under this Agreement for more than 28 days; or
- f) Either party not achieving the Objectives detailed in this Agreement.

9) Rights and Obligations on Termination

- 9.1.1 Within 3 calendar months of termination of this Agreement (whether by notice, expiry or otherwise) the VPDD DMO shall:

Forward to SDDC any assets or property or any unused SDDC funds in its possession or control.

- Immediately refrain from holding itself out in any manner whatsoever as having any connection with SDDC.
- Assist SDDC as necessary in ensuring that the duties of the VPDD DMO under this Agreement are efficiently transferred to SDDC. This may include (without limitation) handover of all documents and data in the possession of the VPDD DMO.

10) Variation

- 10.1.1 In the event that VPDD DMO and SDDC agree that changes to the project are required then such changes (including any change in the amount or timing) will be negotiated between VPDD DMO and SDDC. Any changes will be recorded in writing and appended to this Agreement.

11) Equal Opportunities

- 11.1.1 The VPDD DMO shall have a written equal opportunities policy statement and shall promote equality of opportunity between all individuals and groups having access to the services

- 11.1.2 The VPDD DMO shall ensure that any allegations of discrimination or complaints made against it are properly investigated and that appropriate action is taken.

12) Third Party Rights

- 12.1.1 The provisions of the Contracts (Rights of Third Parties) Act 1999 are hereby expressly excluded from and do not apply to this Agreement.

Signed: _____
For and on behalf of South Derbyshire District Council

Name (in capitals): _____

Position in Organisation: _____

Date: _____

Signed: _____
For and on behalf of VPDD DMO

Name (in capitals): _____

Position in Organisation: _____

Date: _____

South Derbyshire District Council contributions, conditions and comments

Appendix 1

Resource element	Cash contribution	In-kind contribution	Comments
Direct cash funding	£6,000		<ul style="list-style-type: none"> • Agreed at Board level • As agreed with New Vision and partners • Agreed with Derbyshire County Council
Direct DMS funding	£6,552		
Additional payment	£3,500		
Total contribution	£16,052		<ul style="list-style-type: none"> • Total value of contribution for 2012/13

South Derbyshire Venues to be incorporated into SLA

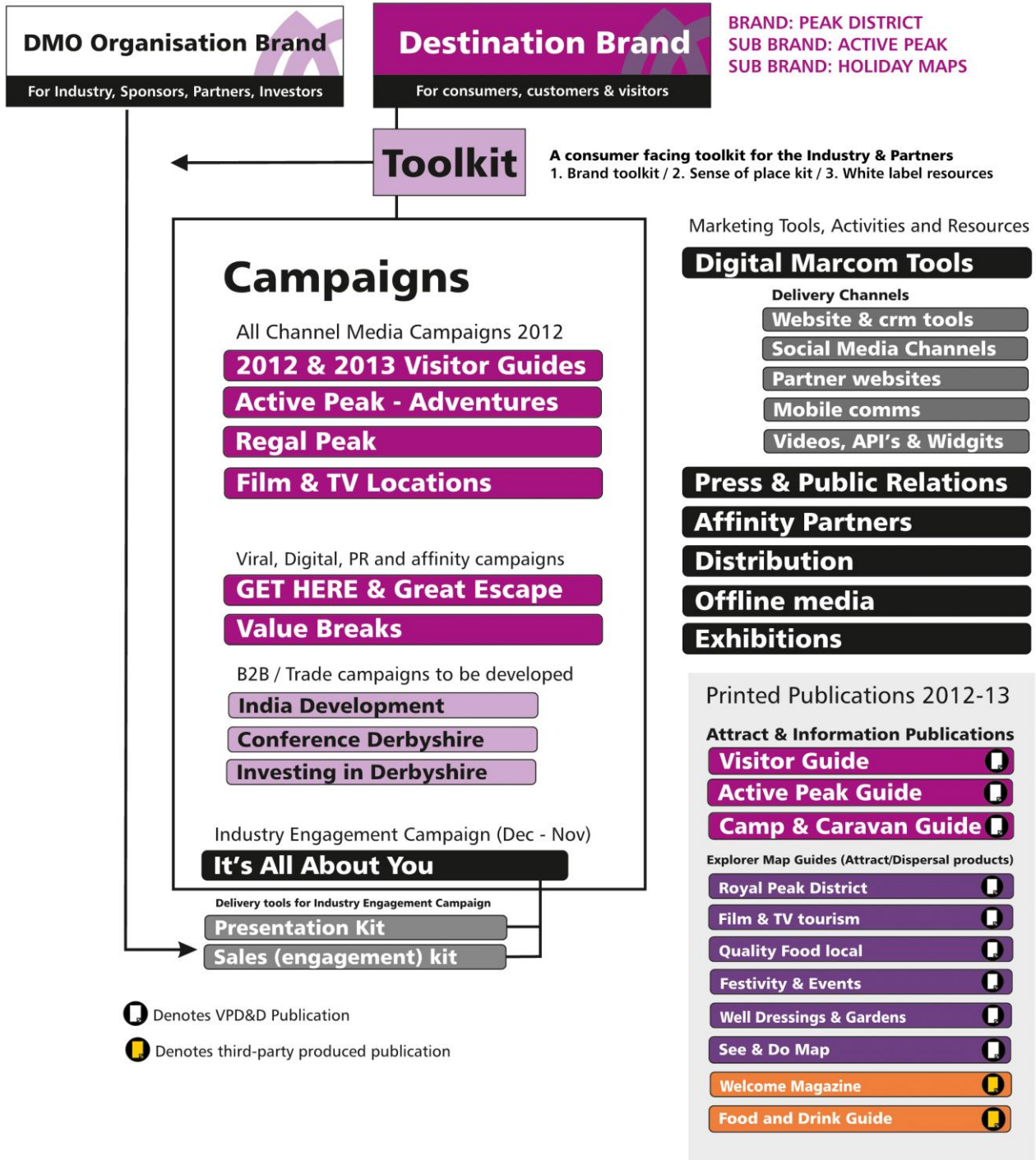
Venue	Contact Name	Notional Value
Swadlincote Tourist Information Centre		
Greenbank Leisure Centre, Swadlincote		
Etwall Leisure Centre		

**a list of all non-commercial facilities including parks, sports facilities, museums that are 100% owned by a Local Authority, is still to be provided...*

Visit Peak District & Derbyshire

Marketing and PR Department

Campaigns & Tools Map 2012-13



Visitor Dispersal Strategy Map (phased implementation from January 2012)

AIM 1

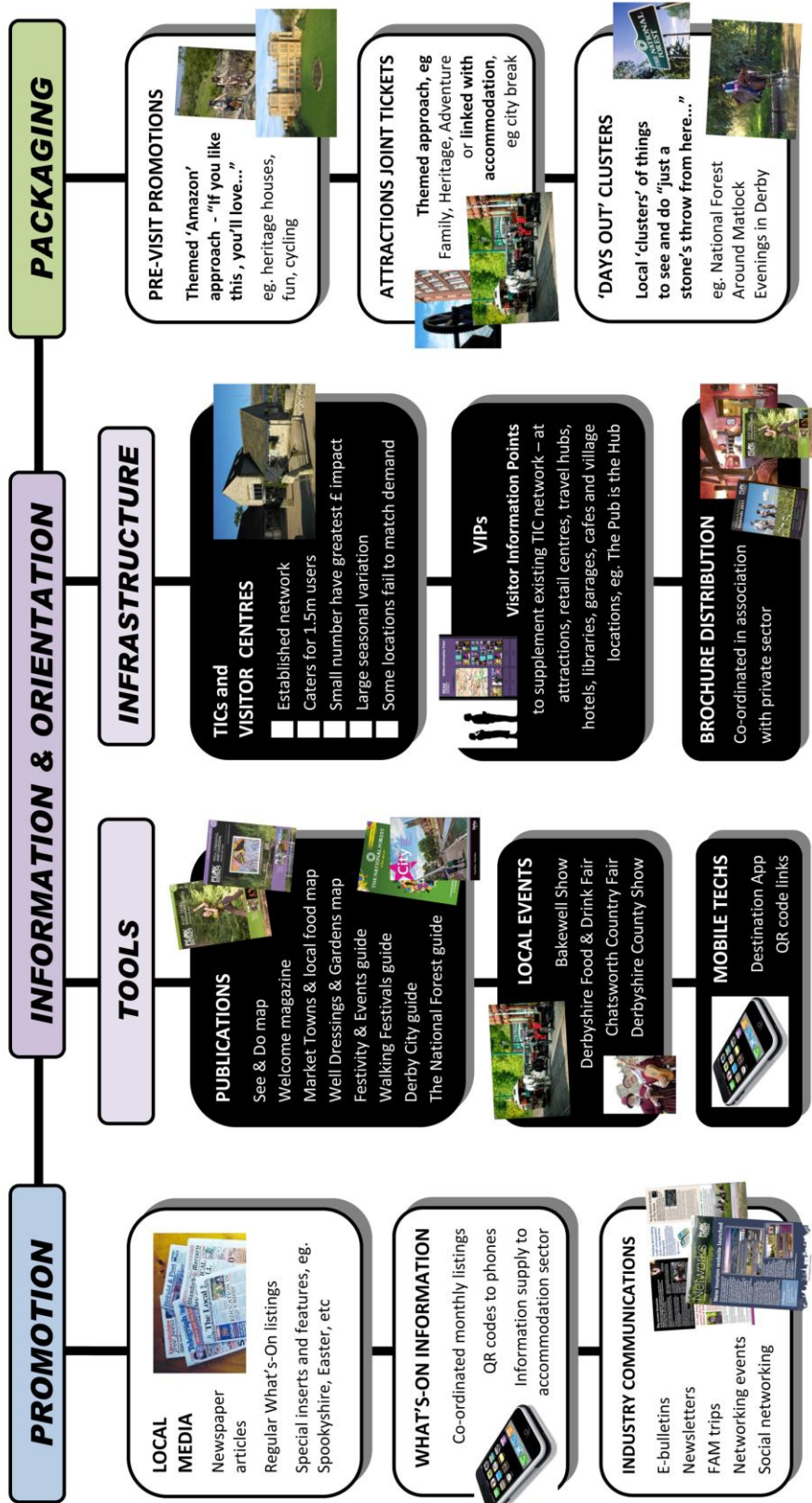
To increase levels of product awareness and destination knowledge, to encourage wider participation, longer stays & repeat visits, and increased spend - maximising economic benefit across the tourism industry and related business sectors

AIM 2

To encourage those visiting the Peak District (as the attract destination brand) to discover and explore surrounding parts of Derbyshire, Staffordshire Cheshire, including other recognised destinations such as Derby, Sheffield and The National Forest

AIM 3

To support pro-active visitor management and the principal of sustainable tourism that minimise the impact of visitors on the surrounding environment - ensuring that tourism is a positive experience for everyone



SOUTH DERBYSHIRE – VOLUME AND VALUE OF TOURISM 2011

(unless otherwise stated, compared to Key Facts when last reported, in 2009)

2011 KEY FACTS

- 159,800 overnight tourists visited South Derbyshire in 2011 (+9.3%), spending 407,500 nights (+18.5%) in commercial tourist accommodation
- 161,200 (+3.3%) visitors stayed some 382,700 nights (+3.1%) with friends and relatives (SFR)
- Overnight visitors spent £47.43 million (+18.2%), with day visitors spending a further £115.37 million (+16.4%)
- The raising by 2.5% in the standard VAT rate had an impact on the total amount of VAT paid by visitors on tourism-related good and services. The amount of VAT generated by tourism activity increased by 49% to £20.34 million
- Approximately 1,892 jobs (full time equivalents) were supported by direct tourist expenditure (+8.1%); a further 497 jobs (+7.8%) were supported by indirect revenue from tourism, giving a total of 2,210 jobs (+8.1%)
- Average expenditures per day per tourist category are as follows: serviced (i.e. hotels and B&Bs) £97.56 ; non-serviced (i.e. self-catering) £47.79 ; SFR £41.55 ; and day visitors £31.48
- The number of tourist days spent in South Derbyshire in terms of lows to peaks were:
 - Serviced: from 13,100 in January to 28,200 in August
 - Non-serviced: from 4,100 in December to 26,100 in August
 - SFR: from 18,000 in November to 58,400 in January
 - Day visitors: from 133,000 in December to 641,200 in August
- Tourism is less highly seasonal than for Derbyshire as a whole. Nonetheless the main summer period (June to August) accounts for more than 34% of overnight stays and day visits. Seasonality is most marked in the non-serviced accommodation sector as the April – September period accounts for 76% of all days
- Approximately 1,235 bed spaces are available in serviced accommodation (down from 1,289 in 2009), and 1,236 in non-serviced accommodation units (up from 975 in 2009)
- Compared to England as a whole, within South Derbyshire the number of Overnight trips (+9% compared to +2%), the number of Bednights (+3% compared to -0.5%), and the Expenditure of those staying overnight (+18% compared to +1%) all increased at a substantially higher rate *(based on figures supplied by Visit England)*

VOLUME OF TOURISM IN 2011

Tourist Days and Numbers

	Tourist Numbers		Tourist Days	
		% of overnight		% of overnight
Staying in Serviced Accommodation	134,000	42%	242,000	31%
Staying in Non-serviced accommodation	26,000	8%	165,000	21%
Staying with Friends and Relatives	161,000	50%	383,000	47%
Total Overnight Tourists	302,000	100%	715,000	100%
Day Visitors	3,664,000		3,664,000	
Total	3,986,000		4,455,000	

A total of 321,000 overnight trips were made to South Derbyshire in 2011 (+6.3%). The average length of stay was 2.46 nights, equating to 790,000 tourist days. Friends and relatives welcomed 791,000 overnight visitors to the district (50%), and the average length of stay at 2.38 nights was longer than the average of 1.81 nights spent in serviced accommodation. Stays in non-serviced accommodation were much longer, averaging 6.3 nights. [These figures are comparable to Derbyshire as a whole].

Day visitors are by far the largest category making trips to South Derbyshire with 3.66 million trips. However, they are down to 82.2% (from 91.9% in 2009) of the total number of trips made, so the

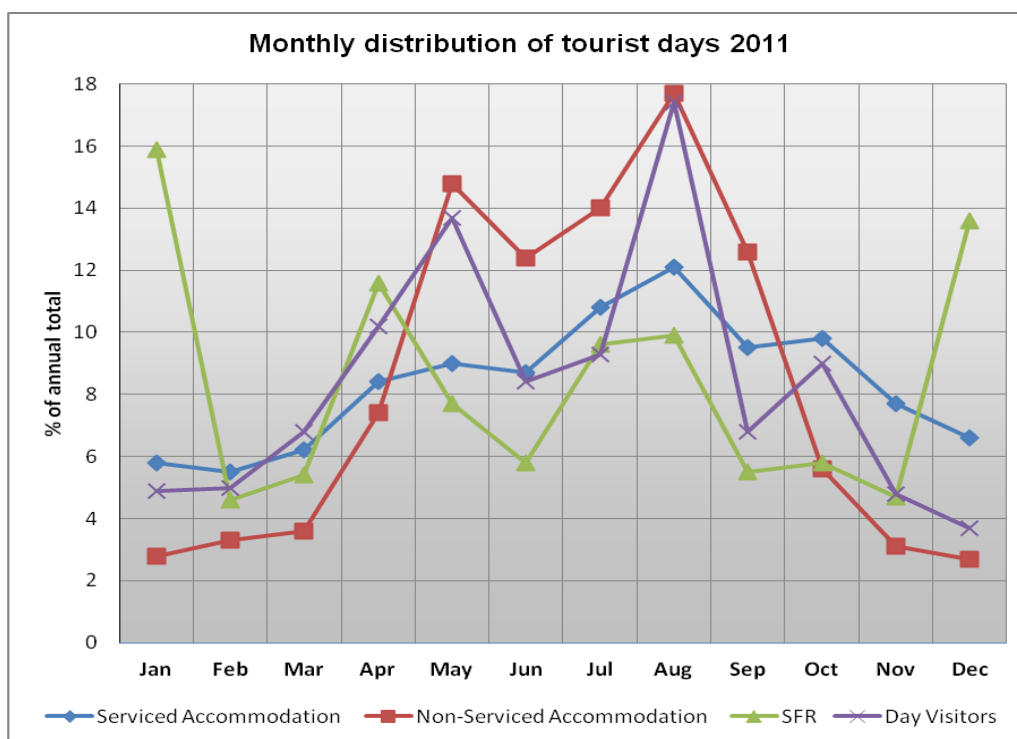
proportion of trips involving an overnight stay is increasing – which is important as those staying overnight spend more per day than do day visitors.

Seasonality

	Overnight Tourist Days	% of total	Day Visitors	% of total	Total Tourist Days	% of total
January - March	163,700	21%	637,600	17%	801,300	18%
April – June*	223,300	28%	1,088,200	30%	1,311,500	29%
July – September	239,900	30%	1,256,400	34%	1,496,300	34%
October – December	162,900	21%	682,300	19%	845,200	19%
Total	789,800	100%	3,664,500	100%	4,454,100	100%

*Note that the 2009 Easter Bank Holiday took place in April in both 2009 and 2011

The line graph below shows the distribution of tourist days by month in 2011. It can be seen that there are significant differences between different types of accommodation. A high level of seasonality exists between April and August, a period which accounts for 56% of all overnight tourist days. Non-serviced accommodation is most seasonal, with 71% of overnight stays taking place between May and September. The SFR market has peaks at Easter, July-August, October and Christmas/New Year showing the influence of school holidays and families coming together at these times.



VALUE OF TOURISM IN 2011

South Derbyshire – Tourism Revenue

2011	Total £	% of overnight
Serviced Accommodation	23,610,000	50%
Non-Serviced Accommodation	7,910,000	17%
Staying with Friends and Relatives	15,900,000	33%
	47,420,000	100%
All Staying Visitors		
Day Visitors	115,370,000	
Total	162,800,000	

Tourism generates approximately £162.80 million for the South Derbyshire economy, including both direct and indirect revenue. Around 29% of this revenue comes from overnight visitors. Two-thirds (66.5%) of the revenue from overnight tourists is from those staying in serviced and non-serviced accommodation. Day visitors represent the largest segment of tourists in terms of the amount of revenue that they generate (71%).

Average Expenditure

	Spend per person per day £	Spend per person per trip £
Serviced Accommodation	97.57	176.20
Non-Serviced Accommodation	47.93	304.19
Staying with Friends and Relatives	41.52	98.78
All Staying Visitors	59.95	147.28
Day Visitors	31.49	31.49

Visitors staying in serviced accommodation spend more per day than other types of visitor, whilst those staying in non-serviced accommodation spend more on their overall trip (reflecting their longer average length of stay). Visitors staying in the homes of friends and relatives spend less than those staying in commercial tourist accommodation, although they do spend much more than day visitors to South Derbyshire.

Categories of Expenditure

Analysis by Sector of Expenditure	£	% of Total Expenditure
Accommodation	9,590,000	6%
Food & Drink	28,158,000	18%
Recreation	11,472,000	7%
Shopping	37,847,000	23%
Transport	14,617,000	9%
Indirect Expenditure	40,777,000	25%
VAT	20,337,000	12%
Total	162,796,000	100%

The most significant categories are Food & Drink and Shopping which accounts for 18% and 23% of all visitor expenditure respectively.

EMPLOYMENT

Visitor spending directly provides almost 1,900 FTE jobs in South Derbyshire. As shown in the table below, 34% of all jobs are supported by expenditure on shopping and a further 28% and 17% of all jobs are maintained by expenditure on Food & Drink and Accommodation respectively. Indirect expenditure supports a further 497 jobs, bringing the total number of jobs attributable to tourism to almost 2390.

Direct Employment	Jobs (FTEs)	% of direct
Accommodation	323	17%
Food & Drink	532	28%
Recreation	263	14%
Shopping	651	34%
Transport	123	7%
Total Direct Employment	1,892	100%
Indirect Employment	497	
Total	2389	

Note: the above figures include jobs (FTEs) supported by both overnight and day visitors to South Derbyshire.

COMPARATIVE FIGURES

As well as looking at figures for 2011, it is also helpful to consider the performance of the tourism sector in South Derbyshire over time, and in comparison to Derbyshire figures.

Growth of Tourism within South Derbyshire

Although not all figures in the table below are directly comparable due to changes in methodology, it is nonetheless evident that since the first economic impact study of tourism in South Derbyshire was undertaken in 1997, growth in visits, spend, in job creation and bed-spaces have all been substantial. The proportion of visitors staying overnight in commercial accommodation continues to increase, which is significant as this is the highest spending type of visitor.

	1997	2000	2003	2006	2009	2011	Change 1997-2011
Total Visitors	1.9M	1.8M	3.6M	3.6M	3.7M	4.0M	+ 111%
Overnight – visitors	143,000	200,000	225,000	259,000	302,000	321,000	+ 124%
– nights	397,000	500,000	549,300	626,600	715,000	790,000	+ 99%
Spend (not Index-linked)	£34M	£61M	£110M	£125M	£139M	£163M	
Jobs – direct	900	1500		1590	1750	1890	+ 110%
– indirect	160	300		425	460	500	+213%
– Total	1060	1800	2022	2015	2210	2390	+ 125%
Bedspaces – Serviced	764	814		965	1289	1235	+ 62%
– Non-Serviced	210	248		843	975	1236	+ 489%
– Total	974	1062		1808	2264	2471	+ 154%
Commercial	38%	42%		43%	48%	50%	
SFR	62%	58%		57%	52%	50%	

Comparison to Derbyshire and East Midlands figures

Referring to STEAM data collected between 2003 and 2011 it is evident that growth of tourism in South Derbyshire has been significantly greater than for Derbyshire, see the first table below which compares trips, and employment. In every case, growth in South Derbyshire is much higher than Derbyshire figures.

	South Derbyshire			Derbyshire		
	2003	2011	Change	2003	2011	Change
Overnight visitors - trips	224,720	321,000	+43%	3.19M	3.90M	+22%
Overnight visitors - days	549,290	790,000	+44%	9.05M	10.59M	+17%
Day Visitors - trips	3.36M	3.66M	+9%	33.39M	35.01M	+5%
Total visits	3.59M	3.99M	+11%	36.58M	38.92M	+6%
Total employment supported, FTE	2,022	2,389	+18%	24,510	27,019	+10%

Turning to headline figures comparing total tourism spend in 2011 with 2010, the tourism industry within South Derbyshire performs well, continuing the trend seen each year since STEAM was first used in 2003. The table below ranks Derbyshire districts, and Derbyshire, according to the percentage change from 2010 to 2011.

Total Revenue (£'s millions)	2010	2011	Change £	% change
Chesterfield Borough Council	129	144	+15	12
Derby City Council	313	342	+29	9
Erewash Borough Council	167	178	+11	7
<i>Derbyshire</i>	<i>1614</i>	<i>1723</i>	<i>+109</i>	<i>7</i>
South Derbyshire District Council	153	163	+10	7
District of Bolsover	98	104	+6	6
North East Derbyshire District Council	109	116	+7	6
Amber Valley Borough Council	159	168	+9	6
High Peak Borough Council	202	211	+9	5
Derbyshire Dales District Council	285	296	+11	5

As well as the ranking indicated above, it should also be noted that the actual increase in spend measured in millions of pounds (Change £ above) was the fourth highest of the Derbyshire districts. The proportion of tourism spend across the county that is spend in South Derbyshire has increased every year since 2003, such that in 2011 of every £100 tourists spent in Derbyshire, almost £9.50 of that was spent within South Derbyshire.

KM 24/08/2012