

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CORPORATE SCRUTINY COMMITTEE – WEDNESDAY,  
5 JANUARY 2022**



<b>Title of Report</b>	<b>NORTH WEST LEICESTERSHIRE VISITOR ECONOMY PLAN</b>	
<b>Presented by</b>	Paul Wheatley Head of Property and Regeneration	
<b>Background Papers</b>	<p><a href="#">Leicester And Leicestershire Tourism Growth Plan 2019</a></p> <p><a href="#">NWL Draft Tourism Strategy Scrutiny Report 20th November 2019</a></p> <p><a href="#">STEAM Report for NWL 2009 to 2020</a></p> <p>NWL Review Of Cultural Services 2021 – Fathom Consulting</p> <p>All reports available from Economic Development Team Council Offices, Coalville</p>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	The plan will be delivered within existing budget resources	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	Tourism and Visitor Economy Activities are a discretionary function	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	All staffing implications will be dealt with under the authority of the Head of Paid Service and in line with the Employment Stability Policy.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To present revised priorities for the council’s “Visitor Economy Service Plan”, which have been designed to improve sector performance and address service weaknesses identified by stakeholders.	
<b>Recommendations</b>	<b>THAT SCRUTINY BE REQUESTED TO COMMENT ON THE FOUR PRIORITIES SET OUT IN THE REPORT WHICH WILL INFORM THE NWL VISITOR ECONOMY SERVICE PLAN</b>	

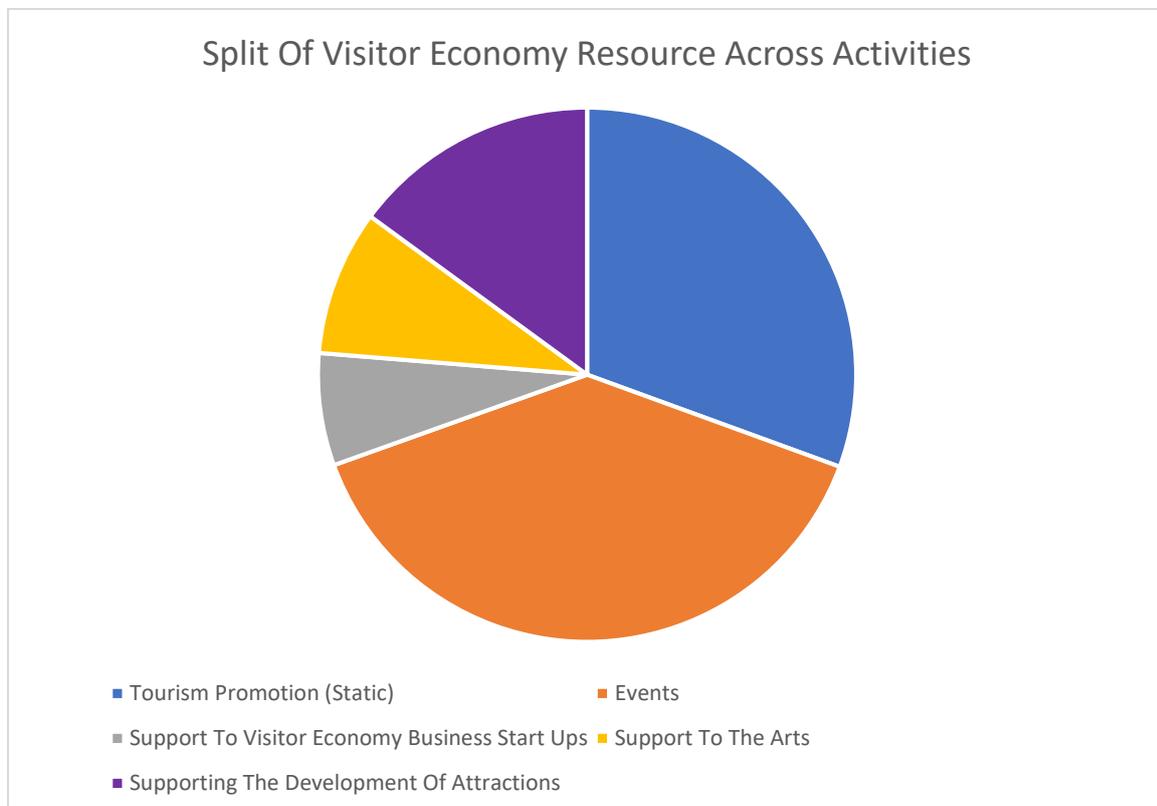
## **1.0 INTRODUCTION**

- 1.1 This Local Authority has a proud tradition of supporting tourism in the district, which stretches back more than 25 years and includes being instrumental in the development of attractions of regional importance such as Conkers, Moira Furnace, Snibston Pitheads and Ashby Canal.
- 1.2 Whilst North West Leicestershire may not have the same tourist appeal as many of the UK's National Parks, historic cities or coastal resorts, there is a recognition that tourism or the "Visitor Economy" plays a significant part in the economic fortunes of places like North West Leicestershire, particularly helping to broaden the range of employment opportunities on offer to our residents.
- 1.3 Although North West Leicestershire has not been a traditional place to holiday, many of the positive changes to the local environment that have occurred over the last 30 years, combined with a renewed interest in industrial heritage and an increased focus on short-breaks and staycations has presented an opportunity for to the council and partners to achieve more.
- 1.4 It is also worth noting that tourism is a proven way to bring new money into an area (through visitor spend) rather than simply circulating existing wealth.

## **2.0 OUR SERVICE**

- 2.1 In 2019 Leicestershire County Council commissioned a report entitled "Leicester and Leicestershire Tourism Growth Plan". This was intended to act as an "umbrella policy" to inform plans at the district/ borough and city level across Leicestershire.
- 2.2 Following on from the production of this county level report, this council appointed Leicestershire Promotions Ltd to produce a tourism strategy for the North West Leicestershire District. This strategy was presented to Community Scrutiny Committee in November 2019 and received support from that group.
- 2.3 Unfortunately, shortly following the presentation to scrutiny, the normal workings of the council were disrupted by the Covid Pandemic and as a result the Draft Strategy was not put before Cabinet for formal adoption.
- 2.4 In the absence of an adopted Tourism Strategy for the district our Cultural Services activities delivered by the Cultural Services Team have not yet evolved
- 2.5 This council currently invests £367,000 (net) per annum into supporting the Visitor Economy in the form of staff time, commissions, grants and service level agreements associated with tourism, arts, heritage and commemorative activities.
- 2.6 It should be noted that the figure of £367,000 per annum includes £55,000 from Coalville Special Expenses provided for the arrangement of events in the town.
- 2.7 All implications of the changes proposed in this paper can be accommodated within the existing service budget.

- 2.8 The proposals put forward in the Draft Tourism Strategy presented to Scrutiny in November 2019 have been revisited (given the time that has passed and the subsequent impact of the Covid restrictions on the behaviour of tourists). Further insight into the operation of the local Visitor Economy sector has also been gathered through an engagement exercise with local sector stakeholders and partners. These resources have been used to develop this new paper to scrutiny which is intended to seek a reaffirmation of support for the council's revised visitor economy sector interventions and activities as set out later in this paper.
- 2.9 The key observations made in the 2019 report and reiterated through the 2021 engagement exercise are that our current activities can be summarised as:
- To promote our attractions and events to our residents and their visitors, with only very limited efforts to promote beyond our district borders.
  - To provide some support to a few of our attractions to grow by providing small amounts of core funding to the operators.
  - To organise and run “events” which provide something to do for local residents
  - To provide grants to support arts organisations to overcome operational deficits
  - To provide a small amount of advice to start up visitor economy businesses
- 2.10 The approximate split of resource between the various activities in our current visitor economy plan is shown on the following pie chart.



### **3.0 WHAT ARE OUR ASPIRATIONS?**

3.1 Through the adoption of the 2021-23 Council Delivery Plan, this authority has already pledged itself to delivering significant growth within the local visitor economy. The Council has committed to the following measurables (taking the updated 2019 figures from the STEAM Report as the baseline)

- Develop our “visitor economy” offer to encourage dwell time, local spend and investment in new and improved attractions.
- Increase the number of jobs in the tourism sector in the District by 2% per annum.
- Increase annual visitor spend by 2% per annum
- Increase the number of overnight stays in NWL year on year by 2%

### **4.0 HOW ARE WE PERFORMING?**

4.1 STEAM Reports are a well-respected measure of the performance of an area’s visitor economy, providing key statistics such as value of tourism, number of visitors and number of jobs supported within the sector, within a defined geography.

4.2 Many Local Authorities have subscribed to the STEAM Reports over a sustained period of time and use the trend data that is built up year on year to guide their Visitor Economy action plans.

4.3 North West Leicestershire District Council has access to STEAM Report data for its area for each year from 2009 to 2020.

4.4 Changes in the data between 2019 and 2020 are of interest as they show the impact of Covid Restrictions on the NWL Visitor Economy. Headline figures indicate that between 2019 and 2020 there was a 63% reduction in the number of tourist visits to the district which resulted in a similar sized decrease in the value of the sector to the local economy. Employment numbers within visitor focused businesses also reduced by 59% over the period.

4.5 Figures evidencing whether there has been a natural “bounce back” of the sector in 2021 (following the relaxation of covid restrictions) won’t be available until early summer 2022. Anecdotal reports from local attractions however would indicate that they have had a good 2021 season.

4.6 Of potentially greater importance to NWLDC (as part of a review of the activities and services it delivers as its visitor economy offer) are the longer-term trends in sector performance. Particular points to note are:

- Between 2009 and 2019 (excluding Covid Impacts) the value of tourism to the local economy (adjusted for inflation) grew at an average of 1% per annum. Strongest growth was between 2013 and 2016 but since then the value has actually begun to decline. This would seem to indicate that either visitors are spending less or alternatively that the margins (between revenues and costs) for visitor economy businesses are being squeezed.
- Over the same period the number of visitors per annum grew by 247,000 or 0.77% per annum average.

- In terms of employment there were 203 additional jobs in the sector at the end of the 10 year period and growth was 0.8% per annum average.
- Overnight stays in serviced accommodation (use of hotels etc) saw an average increase of 2.2% per annum

4.7 From analysis of the available data officers believe that

- whilst the interventions delivered by the Cultural Services Team has delivered modest growth over the last 10 years there is evidence (pre-covid) that the historic levels of growth have plateaued and even started to decline.
- It is unclear whether continuing to deliver the current workplan activities will be sufficient to deliver the levels of growth set out in the Council Delivery Plan even adjusting for covid impact.

## 5.0 THE REVIEW

5.1 As referenced earlier in this report, this council has commissioned a number of reports to inform it how it might revise its visitor economy interventions and activities to support better levels of growth in the sector locally. Most recently Fathom Consulting have been employed to engage with key businesses and partners within the local Visitor Economy Sector to establish how these stakeholders believe the Council can best support them.

5.2 This information has been accorded particular weight in developing an updated plan of activities and interventions to be delivered by the team (which we have chosen to refer to as our new Visitor Economy Plan) because it reports comments made by businesses or organisations actually engaging with tourists and indicates how they would like us to help them, rather than being Council Officer opinion.

5.3 Fathom Consulting compiled their report following detailed interviews with a significant number of stakeholders drawn from across our district. Issues or actions that received a high incidence of reference were drawn into the report recommendations.

5.4 The comments / suggestions (as to how the council could improve its support to the sector) most frequently made were as follows:

- Focus on Place, [visitor] Experience and Enterprise/Economy.
- Linking of heritage assets and a focus on industrial heritage (district and county).
- Prioritise the physical development of the Heart of the National Forest and the 'emerging destination' status.
- Support the [local] tourism sector through co-ordination, commissioning, funding advice, networking, organisational support (charity/volunteer sector delivering tourism services) and facilitation (bringing the sector together, supporting collaboration).
- Introduction and growth of a digital (web and social media) platform for the district (linking with towns/villages).
- Refocused promotional resources from static locations (TIC) which can only be accessed by a few, to investment in boarder tourism priorities.

## 6.0 EVOLVING OUR SERVICE

- 6.1 Stakeholders within the local Visitor Economy Sector recognise the value of the services and support we currently provide to them. In no way is there a push for wholesale change, more a suggestion of greater focus and moving with the times.
- 6.2 Whilst more investment would be welcomed, it is recognised that in the current financial climate it is unlikely to be feasible for the council to invest more into the Visitor Economy.
- 6.3 There appears to be a recognition that any new activities will need to be funded through savings achieved by ending or reducing other activities. Stakeholders have given some indications of where they believe we could reduce our activities without detriment to them, but officers also recognise that Councillors will want to give careful consideration to ensure that anything new provides a greater return overall than that which is to be reduced in scale.
- 6.4 Having analysed the visitor economy services we currently offer and the revised focus that stakeholders would like us to adopt it is proposed that the existing services should be evolved as follows:

### Priority One

***Provide leadership for the local visitor economy by championing it at the regional level and joining with neighbouring districts to raise opportunities and issues at the national level.***

Stakeholders indicated that there was little awareness of what our visitor economy offer was as part of the Leicestershire, East Midlands or national tourism offer. NWLDC have the connections to positively address this and prioritisation of resource on defining "Our Place" along with the other actions below would be welcomed.

### Priority Two

***Increase the amount of officer time invested in working with local attractions and tourism businesses to create a better connected and more knowledgeable network.***

The goal would be to establish and sustain a collective of visitor economy businesses which can signpost and cross sell. Ultimately it would be hoped that by working together some natural "packaging" would occur which would lead to an increased length of visitor stay and increased spend locally. As an example, there is strong evidence that at present our visitors come for one attraction and then go home again afterwards. Where the attraction visited has a long dwell time (i.e. a full day attraction) this isn't an issue as ancillary spend on food etc will be high. However, most of our attractions currently have a dwell time of less than half a day and therefore there is often a failure to capture that ancillary spend. Packaging of attractions e.g. visiting Moira Furnace in the morning and then popping into Ashby for lunch before visiting the castle in the afternoon would deliver a longer stay and increased local spend.

### Priority Three

***Prioritise resource on working with stakeholders and delivering projects which create the infrastructure and attractions to support a greater number of visitors, staying longer.***

North West Leicestershire has a number of quality attractions within its borders however, with the exception of Donington Race Circuit and Conkers, none offer the breadth of

things to do to retain visitors for more than half a day and many have relatively low visitor capacity.

The greatest financial benefit to the local economy comes from visits which involve an overnight stay (as a result of spend on meals and accommodation), full day stays bring the next level of benefit (spend on lunches) with half day stays being least positive. Through the recent engagement exercise those stakeholders who operated attractions expressed a desire to grow their attractions to accommodate more people staying longer but pointed to a number of barriers such as lack of supporting infrastructure (particularly a lack of places to stay overnight) and lack of access to finance. NWLDC was viewed by stakeholders as “best placed” to address this by providing support to access grant funding e.g. from LLEP and through its inward investment promotion activity which was seen as a way of bringing new investment into attractions and infrastructure.

#### **Priority Four**

***Lead the promotion of North West Leicestershire as a place to visit to an audience beyond our district borders, particularly by use of digital marketing channels.***

We can only expect our visitor economy businesses to grow and create more wealth and employment if their customer base grows. At present there is little awareness (beyond North West Leicestershire) of North West Leicestershire or its offer and this keeps our customer base small. Resetting the balance between inward and outward focussed marketing activities would provide us with the means to attract visitors from a wider catchment area bringing new spend into the district.

6.5 To create capacity to implement the new priority activities outlined above, within existing budget and staff resources some existing activities will need to be either stopped, reduced in scale or delivered differently.

6.6 The following is proposed:

6.6.1 A quantum of Cultural Services Team staff resource is currently utilised to support new start businesses within the visitor economy sector. The council’s primary channel for support to new businesses is through the Economic Regeneration (Business Focus Team) and it has been observed that there is currently a degree of duplication. Going forward it is proposed that this duplication is removed with the Economic Regeneration Team taking responsibility for supporting new business start ups regardless of the sector in which the business plans to operate.

6.6.2 The council currently invests the largest proportion of its Cultural Services resources into events. At present our approach is very “hands on” with officers taking on the role to; conceive, plan, arrange and run a significant number of events ourselves. This is very time consuming, costly and carries significant risk to the authority. It is proposed going forward that our approach should be to simply be the commissioner of a programme of events with arrangements contracted to specialist event organisers. It is also proposed that the programme of events be revisited to ensure that in addition to being of interest to local residents they also form part of an outward focused offer. It is believed that these changes will free up resource, reduce council risk and broaden appeal.

6.6.3 The Council’s current approach to marketing and promotion of our visitor economy offer is through a static offer which is inward focused. The district Tourist Information Centre in Ashby currently consumes the second largest proportion of the overall Cultural Service resource (budget and staff) and the primary function is to promote activities that are taking place in and around Ashby to those who are able to access the TIC during its opening hours (which are limited by the opening hours of the Library where it is based).

The TIC does also act as a sales outlet for a small number of limited draw arts venues in the town such as Venture Theatre. Delivery of tourism promotion through a TIC based in Ashby does little to promote attractions in the north or east of the district.

6.6.4 The TIC in Ashby has been temporarily closed since 2020 due to covid restrictions. There have been some calls from Ashby Town Council and through a petition for the TIC to reopen however this would be at odds with the comments gathered in the stakeholder and partner engagement carried out by Fathom Consulting which recommended that closure be made permanent so that the resource could be redeployed to a promotion service that benefited visitor economy businesses across the district.

6.6.5 Taking on board stakeholder recommendations and recognising the very limited geographical service of the TIC in Ashby it is proposed that the facility be permanently closed to be replaced by Tourist Information Points (one each in Coalville, Ashby, Conkers and Castle Donington – subject to agreement on appropriate locations) with the Public Information Points that were erected around the district to publicise post covid high street reopening being refurbished and reused for the purpose, supplemented by increased information on the council's website.

6.6.6 Recognising the benefit of the TIC in Ashby as an outlet for ticket sales for local arts venues we have already explored the potential for Ashby Library to take on this function and this is something they have indicated a willingness to do.

## **7.0 STAFFING/ESTABLISHMENT MATTERS - GOVERNANCE**

7.1 Cabinet will be asked to consider the Council's draft Visitor Economy Plan at its meeting on 2 February 2022, having regard to the comments from Scrutiny and advice from officers.

7.2 If the Visitor Economy Plan is approved, this will affect how the Council delivers this work. All matters related to staffing and proposed changes to the establishment are within the remit and delegation to the Chief Executive (CX) as Head of Paid Service in the Council's constitution. The CX can make the decisions which are required in relation to staffing matters which are necessary to effect the decision of Cabinet.

7.3 Section 4 of the Local Government and Housing Act 1989 provides for the Head of Paid Service to report its proposals to Council, where they consider it appropriate to do so relating to:

- the manner in which the discharge by the authority of their different functions is co-ordinated;
- the number and grades of staff required by the authority for the discharge of their functions;
- the organisation of the authority's staff; and
- the appointment and proper management of the authority's staff.
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7.4 The Chief Executive has been consulted on this proposal and does not consider that the duty under section 4 is engaged. This is due to the scale of the service, its budgets and the number of staff that will be affected by the proposals in the Visitor Economy Plan.

## **8.0 CONCLUSION**

8.1 The Council Delivery Plan sets out a desire to significantly grow the NWL visitor economy.

8.2 This represents a significant challenge at the current time, with limited potential for growth arising out of the current Visitor Economy Plan (Cultural Services - Service Plan)

8.3 Specialist advice has been sought to identify alternative interventions that would be expected to deliver greater growth and would be more valued by sector stakeholders.

8.4 It is recommended that the council should focus its visitor economy service plan on:

- Providing leadership to local partners and stakeholders operating in the sector.
- Support the creation of networks between partners and stakeholders
- Assist with the creation of more and better attractions and supporting infrastructure
- Lead an outward focused marketing and promotion campaign.

8.5 It has been identified that the council can do all these things should it so wish within existing resource constraints, subject to amending some of its current activities to free up capacity.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The proposed plan will help deliver the Visitor economy aspirations set out within the 2021 to 2023 Council Delivery Plan
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	The Visitor Economy Plan proposes a uniform service across the district
Customer Impact:	The Plan will change the way in which local residents are able to access tourist orientated information, increasing accessibility for most.
Economic and Social Impact:	The objective of the plan is to grow the Visitor economy leading to increased wealth and employment opportunities across the district
Environment and Climate Change:	The plan should make tourist information available digitally or in more locations thereby reducing the need to travel to obtain information for most residents
Consultation/Community Engagement:	Fathom Consulting carried out engagement with sector stakeholders to produce the report which has helped shape the formation of the visitor economy plan.
Risks:	The primary risk implication arising out of this report is that the proposed Visitor Economy Plan fails to deliver the levels of sector growth desired. Mechanisms for monitoring impact are in place and will allow remedial action to be proposed if required.
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