



Committee	Cabinet
Date	06/02/2024
Subject	The Suffolk Coast Business Plan 2024-27
Cabinet Member	Councillor Sarah Whitelock Cabinet Member with responsibility for Communities, Leisure & Tourism
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Key Decision?	No
Is the report Open or Exempt?	OPEN

Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
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Purpose/Summary

ESC jointly established The Suffolk Coast Destination Management Organisation (DMO) with representatives of the local tourism sector in 2012. Since this time the Council has agreed rolling 3 year funding agreements to support the delivery of the DMO's Business Plan which has contributed significantly to sustainably growing the visitor economy in East Suffolk. The current business plan is due to expire in March 2024 and the purpose of this report is to present to Cabinet the new plan which will cover 2024-27 period.

The DMO has provided brand and destination marketing services, performed well delivering excellent visitor information website services, a growing membership base, engaged in energy projects tourism mitigation, and highly effective individual and joint marketing campaigns. It continues to provide advice and guidance to the sector as it recovers from the unprecedented economic shock that pandemic trading restrictions caused.

Recommendation(s)

That Cabinet:

Approve funding of £182k to support the delivery of The Suffolk Coast's new 3 year business plan covering the period April 2024 to March 2027.

Strategic plan

How does this proposal support Our Direction 2028?

Environmental Impact	Not applicable.
Sustainable Housing	Not applicable.
Tackling Inequalities	Not applicable.
Thriving Economy	<p>The new DMO Business Plan supports the following priorities:</p> <p>Support Responsible Tourism and the visitor economy The DMO's mission is to promote East Suffolk as a visitor destination and support tourism businesses within the district. Furthermore, a specific aim is to increase tourism in the shoulder seasons to ensure sustainable tourism growth.</p> <p>Encourage investment in East Suffolk's Key Sectors Tourism is one of East Suffolk's key sectors with a value of £680m and accounting for 14% of total employment in the district. The promotion of tourism and business support for the visitor economy facilitates further investment in this sector.</p>

	<p>Increase the economic viability of our towns East Suffolk’s market and coastal towns have a heavy reliance on tourism and by promoting and growing the value of visitor economy, the DMO’s business plan supports increasing the vitality of these towns.</p> <p>Ensure our residents can benefit from national infrastructure projects The DMO will have a key role in mitigating the impacts on the visitor economy from the major energy projects being developed on the East Suffolk coast. This will involve significant additional investment in tourism assets that will not only benefit visitors but also residents.</p>
<p>Our Foundations / governance of the organisation</p>	<p>Not applicable.</p>

Justification for recommendations

1. Background

- 1.1 The East Suffolk visitor economy is one of the district’s key sectors in terms of the scale of its business base, economic value and employment. In 2022 it had a total value of £680m and accounted for 14% of total employment. As such it is recognised that to sustainably grow the sector, and as a major asset owner in resort areas, ESC has a key role in supporting its development.
- 1.2 ESC established The Suffolk Coast DMO in collaboration with the local tourism industry in 2012. This was based on the recognition that to maximise the economic opportunity that the visitor economy represents to the district, the public and private sector need to work in partnership. Since 2012 the DMO’s activity has focused on marketing and promoting the Suffolk Coast as a visitor destination, providing advice and guidance to local tourism businesses, and researching the potential impact of major energy developments on the visitor economy.
- 1.3 The DMO has been partly funded by ESC since its inception and raises additional revenue from membership fees and advertising. It has steadily built up its membership base to 250 tourism businesses from across the district. ESC funding is based on the DMO producing a three-year business plan setting out its activities to sustainably grow the local visitor economy. This report considers the DMO’s new business plan covering the 2024-27 period.

- 1.4 ESC has provided £55k of funding annually to the DMO over the last three years (2021-24). In return for this funding, the DMO delivers high value destination marketing services for the whole district, provides a strong and effective web and social media presence, works effectively on joint campaigns with other Suffolk and Norfolk DMOs and Visit Suffolk, provides tourism specific business support and has grown its membership base to 250 during the difficult post-covid recovery phase for the tourism sector. The membership comes from a mix of towns, resorts and rural areas across the district, reflecting the diverse nature of East Suffolk's tourism offer.
- 1.5 The DMO also facilitates networking within the tourism sector as well as with public bodies such as ESC. This includes the DMO hosting a highly regarded annual conference which brings together over 150 organisations to hear from a range of local, regional and national speakers on how to ensure resilience and sustainable growth within their businesses.

2. Introduction

- 2.1 East Suffolk Council has contributed substantially to the continued, sustainable growth and success of the visitor economy in East Suffolk through its support of its key destination marketing partner - The Suffolk Coast Destination Management Organisation (DMO). The DMO's work underpins this hugely important sector by contributing to key elements of ESC's current and former strategic plans and is also a key driver within the East Suffolk Tourism Strategy, namely 'Provide excellent destination marketing services' through developing relationships with key partner organisations.
- 2.2 The new DMO business plan has been produced in the context of the visitor economy continuing to recover from the impact of Covid restrictions, cost of living/ cost of doing business crisis, major energy projects being developed within East Suffolk's tourism destinations and changes to the sub-regional/ regional destination marketing landscape. The new plan reflects the opportunities and challenges these developments represent and the need to adapt activity accordingly to continue to deliver the aim of sustainably growing the local visitor economy.
- 2.3 The current funding agreement with the DMO delivers business plan outcomes that support the sustainable growth and development of the visitor economy in East Suffolk. In addition, ESC also provides officer time to support the development of funding bids, advising on major decisions, and overseeing/ monitoring performance etc. The current funding agreement expires in March 2024.
- 2.4 The DMO is led by a board of professional business leaders who all provide their time free of charge and is supported by a marketing and membership management team it employs directly. Board members include representatives from Adnams, Snape Maltings / Britten Pears Arts, The Hotel Folk, ESC, The Yeo Group, Attain Solutions Ltd and Suffolk and Essex Coast & Heaths National Landscapes.

2.5 The DMO makes highly effective use of digital platforms to promote the district as a tourism destination. The Suffolk Coast website attracts over 801,000 annual visits, the DMO has a combined social media (Instagram, Facebook and X) audience of over 48,000 and has 30,000 email subscribers for its monthly enews broadcast with an impressive open rate of 27%. These usage statistics make The Suffolk Coast one of the highest performing DMOs in the region.

3. Proposal

3.1 It is proposed that ESC commit to funding the DMO for a further three year period (April 2024 – March 2027) at £182k. The 2024-27 business plan (see Appendix A) sets out the DMO's proposed tourism promotion activity which includes the use of ESC funds. The key element of their activity will be the marketing and promotion of the Suffolk coast as a visitor destination. The main route to market will be via TSC website (www.thesuffolkcoast.co.uk) and various social media channels.

3.2 The aim of the DMO, as demonstrated through its new business plan, is to support the sustainable growth of a responsible tourism economy through data driven marketing and providing tourism businesses with new routes to market. A key objective in growing sustainable tourism is by focussing on boosting growth in the shoulder seasons i.e. the autumn and spring.

3.3 The focus of DMO activity during the 2024-27 period will be:

- Destination marketing via campaigns, TSC website and social media.
- Work collaboratively with the regional DMO network to deliver regional destination campaigns which benefit the local visitor economy.
- Supporting the delivery of the Sizewell C tourism mitigation programme.
- Supporting the transition of regional tourism support structures.
- Provide a forum for East Suffolk tourism businesses to engage with key public sector partners and identify key challenges and opportunities in the local visitor economy.
- Host an annual DMO conference.

4. Financial Implications

4.1 The proposal is for ESC to contribute £182k to the DMO over the next three financial years (2024-27). This represents a 10% increase on the previous three-year funding agreement. This increase is deemed proportionate as it represents the first increase in funding to the DMO since 2015. During this time the DMO have absorbed increases in costs by increasing alternative revenue streams, however during the course of the current business plan inflation has been recorded at its highest rate for over 30 years, as such this proposed increase in funding is appropriate.

5. Legal Implications

- 5.1 If approved, a partnership agreement will be drafted between the DMO and ESC setting out the funding contribution and the activity the DMO will deliver in return.
- 5.2 The financial assistance ESC is proposing to provide does not amount to a subsidy under the Subsidy Control Act 2022.

6. Risk Implications

- 6.1 The DMO Business Plan supports ESC's objectives of growing the local tourism sector sustainability and in a way which benefits residents as well as visitors. Without ESC's funding and influence on tourism investment, we put at risk the opportunity to promote growth in this sector in a sustainable fashion and achieve the priorities within Our Direction 2028.

7. Options

- 7.1 To approve continued investment in the DMO by providing core funding for the period 2024-27.
- 7.2 To provide a reduced amount of funding than is being proposed, leading to a reduction in the ability to support the Council's objectives around tourism development and promotion.
- 7.3 To provide no funding, which would lead to the closure of the DMO, no destination marketing function for the East Suffolk visitor economy and a hugely reduced engagement with the tourism sector. Furthermore, this would severely reduce our ability to mitigate the impact on the visitor economy of the Sizewell C and other major energy developments.

8. Recommendations

- 8.1 That Cabinet approve funding of £182k to support the delivery of The Suffolk Coast's new 3 year business plan covering the period April 2024 to March 2027.

9. Reasons for Recommendation

- 9.1 The DMO is the Council's main route to market for promoting East Suffolk as a visitor destination. Tourism is a key sector for East Suffolk as demonstrated by its overall economic value, business base and employment. Without the DMO, the Council would have no ability to engage in destination marketing for the district, would not have a business led organisation / membership base with which to engage and would be severely limited in its programmes to mitigate the impact of the Sizewell C and other major energy developments taking place in the district. For these reasons the relatively modest investment over three years will enable ESC to deliver on all its priorities relating to the visitor economy as set out within the new strategic plan.

10. Conclusions/Next Steps

- 10.1 By approving continued ESC investment in the DMO, the Council will enable the organisation to maintain its high value destination marketing of East Suffolk and continue to provide invaluable business support advice to the local visitor economy sector. The DMO are keenly aware of ESC's priorities for tourism as set out within the new strategic plan and through this new funding agreement they will provide even more focus on sustainably growing the local tourism sector, ensuring that tourism investment benefits residents as well as visitors and support the district in maximising the local benefit from NSIPs.

Areas of consideration comments

Section 151 Officer comments:

The 2024/25 budget and the following two years have been updated with a £182k (in total) budget to accommodate the recommendation of this report. Subject to this request being approved, the budget provision will be approved as part of the Budget report to Full Council on 21 February 2024.

Monitoring Officer comments:

No additional comments.

Equality, Diversity and Inclusion/EQIA:

Equality Impact Assessment EQIA577622562 undertaken which shows a positive impact on the socio-economic protected characteristic

Safeguarding:

Not applicable.

Crime and Disorder:

Not applicable.

Corporate Services implications:

(i.e., Legal, Finance, Procurement, Human Resources, Digital, Customer Services, Asset Management)

Budget provision has been made to support this proposal. No further implications.

Residents and Businesses consultation/consideration:

Not applicable.

Appendices:

Appendix A | The Suffolk Coast DMO Business Plan 2024-27

Appendix B | What is The Suffolk Coast Destination Management Organisation?

Background reference papers:

None.