



CABINET

Tuesday 2 March 2021

SUPPORTING THE EAST SUFFOLK VISITOR ECONOMY

EXECUTIVE SUMMARY

1. East Suffolk Council has ensured the continuing growth and success of the visitor economy in East Suffolk through its support of The Suffolk Coast (TSC) Destination Management Organisation (The current three-year funding agreement with the TSC expires at the end of March 2021).
2. TSC has provided brand and destination marketing services, performed well delivering excellent visitor information website services, a growing membership base, energy projects consultation responses, and highly effective individual and joint marketing campaigns. It has performed particularly well in addressing local tourism business needs during the ongoing major external shock that COVID-19 has brought to the tourism sector locally, regionally and nationally.
3. This report sets out the demand and rationale for renewing TSC funding and operational agreement for a further three years from April 2021 to March 2024.

Is the report Open or Exempt?	Open
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Wards Affected:	All Wards in East Suffolk
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Cabinet Member:	Councillor Letitia Smith Cabinet Member with responsibility for Communities, Leisure and Tourism
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Supporting Officers:

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1 INTRODUCTION

- 1.1 East Suffolk Council has contributed substantially to the continued growth and success of the visitor economy in East Suffolk through their support of our key destination marketing partner:- The Suffolk Coast Ltd Destination Management Organisation (TSC). The value of the tourism visitor economy in East Suffolk is estimated at £695m (2019 Volume and Value Study by Destination Research), and it supports approx. 11,000 FTE jobs (15% of employment) in East Suffolk. There has been steady incremental growth in this overall tourism economic value since TSC became the destination marketing services partner of ESC (formally SCDC) in 2012. TSC's work underpins this hugely important sector by supporting key elements of the ESC Strategic Plan (Growing our economy, Enabling our communities, Remaining financially stable), and a key driver within the East Suffolk Tourism Strategy, namely 'Provide excellent destination marketing services' through developing relationships with key partner organisations.
- 1.2 ESC (and its predecessors) has provided direct financial support to TSC annually since 2012 and has had three-year agreements in place since 2015. The current funding agreement with TSC delivers business plan outcomes that support the growth and development of the visitor economy in East Suffolk. In addition, ESC also provides officer time to help the development of supporting funding bids, advising on major decisions, and overseeing/ monitoring performance etc. The current funding agreement expires in March 2021.
- 1.3 TSC 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, The Yeo Group, The National Trust, Attain Solutions Ltd and AHP Consulting. The four annual board meetings are attended by officers from East Suffolk Council and Suffolk Coast and Heaths AONB.
- 1.4 ESC has provided £55k of funding annually to TSC over the last three years (separately as WDC and SCDC during 2018/19). TSC delivers excellent destination marketing services for the area, provides a strong and effective web presence, works effectively on joint campaigns with other Suffolk and Norfolk DMOs and Visit Suffolk, and has grown its membership base with 233 members signed up in August 2020 in spite of the impact of the COVID pandemic. TSC has worked hard to increase its self-sustainability with 2019/20 (pre-COVID) membership income totalling £27,000 and a further £18,000 earned through website advertising during that year.
- 1.5 Ideally TSC would be financially self-sustaining and is starting to consider other possible funding models that may support this goal. The availability of major energy development related tourism mitigation fund resources may also allow this to happen in the future but, at the present time, it still depends on ESC for approximately 50% of its annual operating costs.
- 1.6 TSC membership comes from a mix of towns, resorts and rural areas with a number of members now coming from businesses from non-traditional DMO areas such as Felixstowe, Lowestoft, Leiston, Halesworth etc. TSC has also provided financial support and consulting expertise to new festivals and events throughout East Suffolk that local businesses or groups want to deliver. TSC ran business networking events in pre COVID times as well as an annual conference. It has also delivered joint networking events with Visit Suffolk and is currently working on specific marketing campaigns in collaboration with other Suffolk DMOs, Visit Suffolk and regional tourism groups across East Anglia including the £0.5m 'Unexplored England' campaign (COVID recovery initiative). It

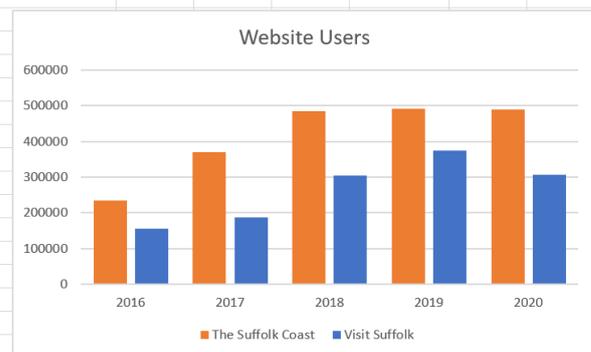
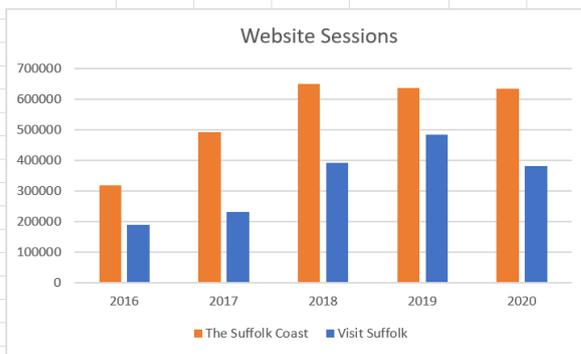
continues to provide regular promotional output for all of East Suffolk via its social media channels.

1.7 Before the pandemic struck TSC had been steadily building its membership and earned income from advertising, whilst engaging in and working on consultations relating to the major energy developments proposed on the Suffolk coast. Since COVID TSC has focused primarily on survival and providing business support and collaborative recovery campaign work with other regional and national tourism groups. It has acted as a conduit for information, guidance and support for both members and non-members alike.

1.8 Through the pandemic the TSC website was one of the only websites across Suffolk and Norfolk that matched year on year audience engagement despite a reduction in above the line advertising. Over the summer of 2020 website users increased by 43%. The table and graphs below compare the Visit Suffolk and TSC website performance over a full calendar year and shows that TSC has performed well against a tourism group covering a much wider geographic area and reach.

The Suffolk Coast		sessions	YoY	users	YoY
2016	317321			233941	
2017	493180		55%	369008	58%
2018	650739		32%	485711	32%
2019	637858		-2%	491667	1%
2020	634190		-1%	489542	0%

Visit Suffolk		sessions	users	
2016	190568		155944	
2017	230182	21%	186469	20%
2018	392231	70%	303573	63%
2019	485455	24%	375686	24%
2020	382225	-21%	306052	-19%



2 THE PROPOSAL

2.1 It is proposed that ESC commit to supporting TSC for a further three-year period (April 2021 to March 2024) by continuing the financial contribution of £55k p.a. in each of the next three financial years. A new three year business plan (included at Appendix A) has been produced by TSC which sets out a number of key deliverables:

- Help tourism businesses recover after the challenges of 2020
 - Continue to provide COVID advice and guidance
 - Continue to direct tourism businesses to available financial support
 - Continue to provide excellent destination marketing services across East Suffolk as COVID allows
 - Work with other DMOs, Visit Suffolk etc to secure longer-term tourism support for the county and the region
- Regrow advertising and membership income.
- Work closely with strategic partner ESC to secure stable support to contribute to core costs, allowing the small team to actively seek funding for impactful campaigns.
- Stay deeply involved in discussions with ESC and the energy project developers, ready to play the major role in protecting the reputation of the area as a serene and tranquil place to visit, and to conceive new products and assets to mitigate the impacts of the projects.
- Engage with regional tourism colleagues, other Suffolk DMOs, Visit Suffolk, Visit East of England and supporting the mission to make East Anglia a Tourism Zone.
- Work with Suffolk Growth Partnership in shaping the Visitor Economy, this is linked to the recently created post - Strategic lead for the visitor economy – Suffolk Growth Partnership. Retain the strong team and provide them with additional support.
Refresh the board, with a new chair and a more diverse membership.

It is recognised by the board of TSC that this proposed funding agreement will be reviewed if significant tourism mitigation funding linked to major energy developments is made available to TSC during the next three years.

3 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?

3.1 This proposal supports the strategic plan by addressing the key themes of (i) Growing our economy, (ii) Enabling our communities, and (iii) Remaining financially stable.

3.2 Continuing support for TSC means that they can continue to focus on providing excellent destination marketing services for East Suffolk and help to support further growth in employment, business investment and visitor spend in the visitor economy. This also

helps to promote the plan's priorities focusing on developing business partnerships and the unique selling points of East Suffolk.

- 3.3 TSC destination marketing work helps to showcase the positive natural environment in east Suffolk and highlights how people's health, wellbeing & community pride are enhanced by excellent tourism and visitor economy services and facilities in the area.

4 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 4.1 Support for TSC also helps the Council to remain financially stable by ensuring we have the best partner on board providing key destination marketing services and by promoting the area and its unique tourism assets that ESC and others are able to invest in to deliver future benefits.
- 4.2 Service standards, risk and performance management will be developed in-line with usual partnership arrangements. The three-year agreement with TSC includes appropriate performance measures designed, agreed and monitored to ensure that the current level of service is maintained and over time enhanced.

KPI	2021/22	2022/23	2023/24
Memberships	176	200	220
Advertising Revenue	£5,000	£16,000	£18,000
Events Supported	Tbc (COVID)	6	10

- 4.3 The proposed agreement with TSC will cost the Council £55k p.a. leading to a total commitment of £165k over the three years. A tender process will not be undertaken as TSC is the only viable and suitable organisation identified as able to deliver the required service. This funding proposal is budgeted for within ESC's Economic Development budget.
- 4.4 Risks – As with any service that the Council considers providing through a partner organisation there will be a number of risks to consider and mitigate. These will be monitored and managed by the ED&R team

5 OTHER KEY ISSUES

- 5.1 This report has been prepared having considered the results of an Equality Impact Assessment Ref EQIA306086126. The EIA shows a positive impact overall on all potential visitors to, and within East Suffolk as marketed to by TSC.

6 CONSULTATION

- 6.1 Discussions have also been held with the board of TSC concerning the three-year agreement and with the recently appointed Strategic lead for the visitor economy – Suffolk Growth Partnership, and other tourism group representatives.

7 OTHER OPTIONS CONSIDERED

- 7.1 TSC is seen as the only viable partner able to continue to provide the brand and destination marketing services that we need in East Suffolk in a cost-effective way.

8 REASON FOR RECOMMENDATION

- 8.1 Destination marketing services are critical in ensuring the continuing development of a successful visitor economy. This sector is worth almost £700m pa to the east Suffolk economy and employs 15% of the district's total workforce, this combined with the particularly hard impact Covid has had on the sector demonstrates the need/ value in providing continued support. Whilst there is always room for improvement, TSC has delivered these services consistently well across East Suffolk and requires a continuing financial commitment from ESC to continue to do so.

RECOMMENDATIONS

1. That it be approved that East Suffolk Council enter into a further three-year agreement with The Suffolk Coast Limited Destination Management Organisation to provide destination marketing and brand management services across the District at a cost of £55,000 per annum making a total commitment of £165,000 over the life of the agreement.
2. That authority be delegated to the Head of Economic Development and Regeneration, in consultation with the Cabinet Member with responsibility for Communities, Leisure and Tourism, to review the agreement should section 106 tourism mitigation funding, linked to major energy projects, become available during the lifetime of this agreement.

APPENDICES

Appendix A	The Suffolk Coast DMO Business Plan 2021-24
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BACKGROUND PAPERS – None