



## CABINET

Tuesday, 06 September 2022

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| <b>Subject</b>            | East Suffolk Visitor Economy Strategy   |
| <b>Report by</b>          | Cllr Letitia Smith<br>Cabinet member for Communities, Leisure and Tourism   |
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| Is the report Open or Exempt? | OPEN |
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| Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information. | Not applicable |
| <b>Wards Affected:</b>  | All Wards      |

## Purpose and high-level overview

### **Purpose of Report:**

This report highlights ESC's new Visitor Economy Strategy which has been developed following one of the largest economic shocks the sector has ever faced. The strategy aims to set out a clear, ambitious and proactive approach to growing this key sector but in a sensitive and environmentally sustainable way.

The strategy focuses on the following areas:

- Recent and anticipated economic performance of the local visitor economy
- The impact of the covid pandemic
- An assessment of the sectors' relative strengths, weaknesses, opportunities and threats
- Sector aspirations for the district
- What success will look like and how to measure it
- Managing visitor economy growth in an environmentally sustainable way
- Strategic priorities
  - Place
  - Business
  - Workforce/ skills
  - Identity
  - Partnerships
  - Environment

The new strategy sets out how ESC and partners can enable sustainable employment and business growth in one of the district's most important sectors. Furthermore, to ensure that our residents, communities, businesses and visitors can share and enjoy the significant opportunities and benefits of this sector.

### **Options:**

An alternative approach would be to not develop a Visitor Economy Strategy for the district and instead continue to deliver various tourism related projects and initiatives both as a Council and with partners. However, without an overarching framework and vision for what the Council wants to achieve in this critical sector for the district our actions could result in a disparate array of activity with no unifying aim. As well as being an ineffective approach, it would result in being far less prepared to take advantage of external funding opportunities and make partnership working far less effective.

### **Recommendation/s:**

That Cabinet approve the East Suffolk Visitor Economy Strategy.

## Corporate Impact Assessment

**Governance:**

If Cabinet approve the ES Visitor Economy Strategy, a strategy delivery group will be established, chaired by the tourism portfolio holder, to oversee delivery. This group will include representatives from all Council teams with a responsibility to deliver visitor economy investment and The Suffolk Coast DMO.

**ESC policies and strategies that directly apply to the proposal:**

ES Economic Strategy

**Environmental:**

One of the strategic priorities, and indeed a golden thread which runs through the new strategy, is 'Our Environment' which focuses on how ESC can protect and enhance the district's high quality built and natural environment whilst growing our visitor economy. Part of this includes supporting the target of achieving net zero in the visitor economy.

**Equalities and Diversity:**

An EQIA has been undertaken which results in a number of protected characteristic groups being either positive impacted by the new strategy or not experiencing any impact.

**Financial:**

The new strategy has no direct financial impact, however depending on how activities are taken forward additional future funding requests may be made to deliver specific projects/ initiatives.

The Sizewell C Tourism Mitigation Fund negotiated with EDF Energy will result in £12m being made available to support activity to minimise/ mitigate the impacts on the local visitor economy. This funding will be made available if/ when EDF announce 'financial close' (i.e. all investment required to build the new plant has been committed) and will be paid on annual basis during the construction programme.

**Human Resources:**

To deliver the Sizewell C Tourism Mitigation Fund a Tourism Fund Manager and Tourism Marketing Officer will be employed. This will be fully funded through the Tourism Mitigation Fund.

**ICT:**

No Impact.

**Legal:**

No impact

**Risk:**

The visitor economy is highly sensitive to changes in national and international economic performance. The current high inflationary pressures and resultant impact on household disposable income will likely impact on visitor numbers in East Suffolk. Indeed, recent anecdotal evidence from tourism accommodation providers is indicating a slowdown in bookings. Combined with the resumption of the wide availability of international travel this will likely have a negative impact on visitor volume and spend. This potentially more challenging environment for the visitor economy may have a short-term negative impact on the overall aim of the strategy i.e. to increase visitor volume and value. In the medium/ long-term however, it is anticipated that the sector will continue to grow locally due to continued investment in tourism assets and enhanced marketing/ promotion.

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| <b>External Consultees:</b> | Extensive consultation to develop this new strategy has taken place. This has involved 55 interviews held with key stakeholders including accommodation providers, attraction providers, business and tourism group reps, Cultural attraction providers, Broads Authority, Suffolk Coast DMO, VEE, ANOB, National trust and New Anglia LEP. In addition, 4 stakeholder discussion workshops were held and 50 stakeholder questionnaires were completed. |
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## Strategic Plan Priorities

| Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal:<br><i>(Select only one primary and as many secondary as appropriate)</i> |   | Primary priority                    | Secondary priorities                |
|--|---|-------------------------------------|-------------------------------------|
| <b>T01</b>   | <b>Growing our Economy</b>                                  |                                     |                                     |
| P01  | Build the right environment for East Suffolk                | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| P02  | Attract and stimulate inward investment                     | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| P03  | Maximise and grow the unique selling points of East Suffolk | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| P04  | Business partnerships                                       | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| P05  | Support and deliver infrastructure                          | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <b>T02</b>   | <b>Enabling our Communities</b>                             |                                     |                                     |
| P06  | Community Partnerships                                      | <input type="checkbox"/>            | <input type="checkbox"/>            |
| P07  | Taking positive action on what matters most                 | <input type="checkbox"/>            | <input type="checkbox"/>            |
| P08  | Maximising health, well-being and safety in our District    | <input type="checkbox"/>            | <input type="checkbox"/>            |
| P09  | Community Pride   | <input type="checkbox"/>            | <input type="checkbox"/>            |
| <b>T03</b>   | <b>Maintaining Financial Sustainability</b>                 |                                     |                                     |
| P10  | Organisational design and streamlining services             | <input type="checkbox"/>            | <input type="checkbox"/>            |
| P11  | Making best use of and investing in our assets              | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| P12  | Being commercially astute                                   | <input type="checkbox"/>            | <input type="checkbox"/>            |

|            |  |                          |                                     |
|------------|--|--------------------------|-------------------------------------|
| P13        | Optimising our financial investments and grant opportunities | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P14        | Review service delivery with partners                        | <input type="checkbox"/> | <input type="checkbox"/>            |
| <b>T04</b> | <b>Delivering Digital Transformation</b>                     |                          |                                     |
| P15        | Digital by default   | <input type="checkbox"/> | <input type="checkbox"/>            |
| P16        | Lean and efficient streamlined services                      | <input type="checkbox"/> | <input type="checkbox"/>            |
| P17        | Effective use of data  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| P18        | Skills and training  | <input type="checkbox"/> | <input type="checkbox"/>            |
| P19        | District-wide digital infrastructure                         | <input type="checkbox"/> | <input type="checkbox"/>            |
| <b>T05</b> | <b>Caring for our Environment</b>                            |                          |                                     |
| P20        | Lead by example  | <input type="checkbox"/> | <input type="checkbox"/>            |
| P21        | Minimise waste, reuse materials, increase recycling          | <input type="checkbox"/> | <input type="checkbox"/>            |
| P22        | Renewable energy   | <input type="checkbox"/> | <input type="checkbox"/>            |
| P23        | Protection, education and influence                          | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>XXX</b> | <b>Governance</b>  |                          |                                     |
| XXX        | How ESC governs itself as an authority                       | <input type="checkbox"/> | <input type="checkbox"/>            |

**How does this proposal support the priorities selected?**

**T01: Growing our Economy**

Build the right environment for East Suffolk

One of the main ways in which ESC enables growth in the visitor economy is through direct investment in tourism assets. Recent examples include the Martello Café, First Light Festival and East Point Pavilion. The new strategy recommends continued investment in resort development to sustainably grow the visitor economy.

Attract and stimulate inward investment

A strong and diverse visitor economy offer acts as an effective showcase for the district's high quality of life. This positive profile attracts business investment in other sectors and forms part of the overall inward investment incentive package. Continued investment in the visitor economy by ESC and partners will only strengthen this positive offer.

Maximise and grow the unique selling points of East Suffolk

The exceptional high quality of East Suffolk's natural and built environment is the overall reason for its success as a tourism destination. The objectives and recommendations set out in the new strategy will continue to protect, enhance and extend these key features of the district.

Business partnerships

ESC's strong collaboration with The Suffolk Coast DMO, which consists of local tourism businesses, is the route to market for marketing and promoting the tourism offer. This collaboration will strengthen in the coming years with the DMO supporting the delivery of the Sizewell C tourism mitigation package.

**T03: Maintaining Financial Sustainability**

Making best use of and investing in our assets/ Optimising our financial investments and grant opportunities

ESC has a strong capital investment programme related to its tourism and resort assets. This has included securing significant external funding as well as use of its own fund to

develop a programme of investment which will continue to strengthen the ES tourism offer.

#### **T04 : Delivering Digital Transformation**

Effective use of data

The new Visitor Economy strategy has been developed using a strong evidence base of local, regional and national data, analysis and intelligence. The use of the annual 'Economic Impact of Tourism' report and the development of a local tourism indicators dashboard will demonstrate the effective delivery of this new strategy and inform future delivery plans.

#### **T05: Caring for our Environment**

Protection, education and influence

Clearly, the development of the tourism offer in ES must be sustainably managed due to the sensitive landscapes in which many of key destinations are located. A golden thread and one of the strategic priorities within the new strategy is the focus on protecting and enhancing this high quality natural and built environment, whilst sustainably growing the value of the local tourism sector.

## **Background and Justification for Recommendation**

| <b>1 Background facts</b> |  |
|---------------------------|--|
| 1.1                       | Tourism and the visitor economy is incredibly important to the vitality and strength of the East Suffolk economy and is a key element of the Council's recently refreshed Economic Strategy. In 2019 the value of the visitor economy in East Suffolk was just under £700m and supported around, 11,000 FTE jobs, accounting for 15% of employment in the district. Overall, there was an estimated visitor spend of £525m within the district in 2019.  |
| 1.2                       | The value of East Suffolk's visitor economy is higher than any other district in Suffolk and plays a major role in attracting new and returning visitors to the whole county. East Suffolk is also home to some of the most well-known visitor destinations in the country. The vibrancy of the sector, and the places we know and love, is a key ingredient in what makes East Suffolk special; it is often why many people not only want to visit the area but also live and work here.  |
| 1.3                       | ESC provides direct support to the visitor economy in three key areas: <ul style="list-style-type: none"><li>• <b>Destination Marketing</b> via The Suffolk Coast DMO in the form of promotional campaigns, continued development of The Suffolk Coast website, wide range of social media promotion and accessing sector specific business support.</li><li>• <b>Resort Investment &amp; Development</b> – recent examples include the Martello Café in Felixstowe, Eastern Edge beach chalet development in Lowestoft, reimagined and redeveloped East Point Pavilion, Lowestoft. ESC has strong</li></ul> |

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|  | <p>resort investment pipeline using a mixture of external and in house funding.</p> <ul style="list-style-type: none"> <li>• <b>Festival and event development</b> – examples include the First Light Festival, East Suffolk Towns Celebration events and facilitating external bodies to host events on Council land.</li> </ul> |
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## 2 Current position

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| 2.1 | <p>The new Visitor Economy Strategy builds on the previous plan which was developed in 2017. The sector experienced a huge economic shock because of measures to control the Covid-19 pandemic, which has led to highly erratic trading patterns over the last two years. Busy summers in 2020 and 2021 fuelled by the staycation boom contrasted massively with a virtual closedown of the sector during spring and Christmas 2020. This has had a huge impact on the volume and value of tourism in East Suffolk as demonstrated by the figures below which compare 2020 with 2019:</p> <ul style="list-style-type: none"> <li>• Total value of tourism down by 57% (£400m loss)</li> <li>• Total tourist sector jobs down by 38% (&gt;5,500 jobs lost)</li> <li>• Day and overnight trips down by over 56% (almost 7m trips lost)</li> </ul>  |
| 2.2 | <p>Despite the huge impact on the sector resulting from the pandemic, East Suffolk continues to offer an extremely strong tourism product which is built around 5 key strengths:</p> <ul style="list-style-type: none"> <li>• <b>Coastline</b> – 49 miles of largely unspoilt coast running from Corton to Landguard Point with some of the best beaches in the UK and including the UK’s most easterly point.</li> <li>• <b>Distinctive Towns &amp; Villages</b> – wide range of seaside towns, historic hamlets and market towns.</li> <li>• <b>Stunning natural landscape</b> – beauty spots such as Suffolk Coasts and Heaths AONB, Sutton Hoo, Carlton Marshes, southern gateway to The Broads National Park, Rendlesham Forest.</li> <li>• <b>Events &amp; Festivals</b> – vibrant programme covering all tastes e.g. Latitude, Aldeburgh Festival, Folk East, First Light Festival and countless food/ drink events.</li> <li>• <b>History &amp; Cultural Heritage</b> – over 200 museums, 4 castles and more than 200 churches, prime examples include Framlingham Castle, Lowestoft Historic High Street, Landguard Fort, Snape Maltings</li> </ul> <p>The new strategy considers these outstanding tourism assets and assesses the East Suffolk offer in the context of the key political, socio-economic and technological factors.</p> |

### 3 How to address current situation

3.1 The overall aim of the new strategy is to develop and grow the value of the East Suffolk visitor economy in a sustainable and inclusive way. To achieve this the new plan will focus on six strategic priorities:

- Place
- Business
- Workforce/ skills
- Identity
- Partnerships
- Environment

3.2 Against each of the strategic priorities an ambition has been developed along with a set of aims, recommendations, roles & responsibilities, and actions delivery mechanism. The actions mechanism will provide the basis for the annual delivery plans which will set out specific actions to deliver against each of these priorities.

3.3 The ambitions for each priority are set out below:

#### **Place**

By 2027, the visitor experience in East Suffolk will be significantly enhanced by an ongoing programme of investment in both the physical infrastructure of the district and the quality of service. This will be clearly seen by visitors and enjoyed by residents, adding to their sense of pride.

#### **Business**

By 2027, East Suffolk will have a growing base of visitor economy businesses – in good economic health, resilient and fuelled by innovation.

#### **Workforce & Skills**

By 2027, East Suffolk will have a stable visitor economy workforce supported by a strong local skills training offer with the aim of creating a skills academy in the region.

#### **Identity**

By 2027, East Suffolk will, through a consistent, adequately funded marketing programme with 'best in class' promotional assets, strengthen the reputation and brand identity of the visitor economy.

#### **Partnerships**

By 2027, East Suffolk will have a network of highly focused partnerships supporting and enhancing the visitor economy and will continue to be playing an active role in the regional development of tourism.

#### **Environment**

By 2027, the East Suffolk visitor economy will be an exemplar in both sharing and protecting its natural environment and will be on a clear pathway to net-zero carbon by 2030.

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| 3.4 | <p>There are a number of growth opportunities within the visitor economy sector nationally that this new strategy has been designed to maximise locally. These include:</p> <ul style="list-style-type: none"> <li>• The growth of the ‘staycation’</li> <li>• Increased participation in cycling and walking activities</li> <li>• Heightened awareness of wellbeing</li> <li>• Rapidly growing interest in environmental matters</li> <li>• The thirst for experiences</li> <li>• Increase in dog ownership and including them on holiday</li> </ul> <p>There is a lot to suggest that East Suffolk captures the zeitgeist of the UK domestic visitor in the 2020s and this presents a huge opportunity and a platform for sustainable growth.</p>                        |
| 3.5 | <p>Alongside these significant opportunities for the local visitor economy there are also a number of challenges, those with the highest profile include the proposed Sizewell C new nuclear development and wider ‘energy coast’ developments. Sizewell C will provide the district and wider regional/ national economy with a significant boost in terms of investment, employment and business growth. However, it will pose challenges for the local visitor economy as the development is planned to take place within the heart of the AONB, which is a significant draw for tourists seeking to experience the tranquillity of the Suffolk coast. This challenge is compounded by the significant offshore wind development and related onshore infrastructure.</p> |
| 3.6 | <p>Research was undertaken by the DMO in conjunction with the AONB partnership which captured the concerns of visitor economy businesses. Concerns included increased congestion, visual impact of construction site and external perceptions that the Suffolk coast would be a construction site for over a decade, all of which would deter visitors. This research was instrumental in negotiating the £12m Tourism Mitigation Fund with EDF Energy. This fund, alongside exploiting any opportunities for the visitor economy Sizewell C may present, will seek to mitigate any potential negative impacts that these developments may incur whilst also building on existing visitor economy strengths.</p>  |
| 3.7 | <p>To oversee and guide delivery of the new strategy the ES Visitor Economy Strategy Group will be established. This will comprise officers of ESC involved in the delivery of aspects of the visitor economy and The Suffolk Coast DMO, it will be chaired by the Cabinet Member for Tourism. ESC will continue to work closely with county, regional and national tourism groups such as Visit East of England and Visit Britain in areas such as tourism promotional campaigns to support the delivery of the new strategy.</p>  |
| 3.8 | <p>Measuring the success of delivering the new strategy is clearly important. ESC will continue to commission the annual ‘Economic Impact of Tourism’ reports which allows us track and compare several key indicators related to the value and volume of tourism in ES. This impact measure has been used for several years and now provides a useful time-series analysis stretching back over a decade. The ED</p>   |

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|  | team will also be exploring the development of a monthly dashboard to inform more agile decision making which will make use of locally developed indicators. |
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#### 4 Reason/s for recommendation

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| 4.1 | Approval of the new ES Visitor Economy Strategy will provide a clear and proactive approach to further growing sustainable tourism in the district. It will signal ESC's clear intent that it values the importance of this key sector in driving overall sustainable growth in the local economy and be a catalyst for enhanced governance and partnership working to deliver the aims and ambitions of the strategy. Furthermore, it will support measures to exploit the numerous opportunities to sustainably grow the local visitor economy and mitigating the challenges highlighted above. |
| 4.2 |   |

## Appendices

### Appendices:

|                   |   |
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| <b>Appendix A</b> | East Suffolk Visitor Economy Strategy 2022-27 |
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### Background reference papers:

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| None |
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