

Local Enterprise Partnership

04 November 2021

National Review of Destination Management

Is the paper exempt from the press and public?	No
Purpose of this report:	Discussion
Is this a Key Decision?	No
Has it been included on the Forward Plan?	Not a Key Decision

Director Approving Submission of the Report:

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Executive Summary

The paper provides a summary of the independent review of how Destination Management Organisations (DMOs) operate and function in England. The paper identifies where some **potential** implications arising from the review may arise and suggests that the LEP undertake some preliminary work exploring how the MCA, LEP and businesses within the tourism and visitor economy can be engaged to ensure any changes in the current system deliver the maximum benefit.

What does this mean for businesses, people and places in South Yorkshire?

It is too early to speculate on the implications for businesses, people and places in South Yorkshire yet, but it is an opportune moment for the LEP to consider what these might be and how the LEP can meaningfully engage on the agenda.

Recommendations

It is recommended that the LEP Board:

1. Notes the outcomes of the independent review as set out in the paper.
2. Establish a working group to report to the Board on the detailed implications of the review for South Yorkshire.
3. Ensure the working group has as a focus of the work the principle of subsidiarity at its heart, and a focus on what the visitor and tourism economy businesses and key assets in the region need to grow.

Consideration by any other Board, Committee, Assurance or Advisory Panel

Not Applicable

1. Background

1.1 In March 2021, the government announced an independent review to assess how Destination Management Organisations (DMOs) across England are funded and structured, and how they perform their roles, in order to establish whether there may be a more efficient and effective model for supporting English tourism at the regional level, and if so what that model may be.

1.2 In the current arrangements Welcome to Yorkshire (WTY) is the Destination Marketing Organisation for Yorkshire and the official tourism agency with individual councils in South Yorkshire acting as Destination Management Organisations for the visitor economy; working to support the marketing and sector offer locally.

The LEP have previously noted that South Yorkshire has a **growing but underexploited visitor economy** offer that is constrained by a lack of a wider overarching narrative that promotes the strengths of South Yorkshire's individual and collective offer to either a domestic, national, or international audience.

There has been a longstanding frustration in parts of South Yorkshire that Welcome to Yorkshire has not always been the advocate for the region that it could be.

1.3 The DMO review principally focused the direction of its comments towards national government, and in particular identified both the lack of clear structures and funding at the national level as being the cause of the structural failures within the system. It concluded that:

- There is a need for DMOs. Many English DMOs do great work, and add a lot of value, but this is not consistent across the board and is despite the Government, not because of it.
- The current landscape in England is a complicated patchwork quilt, with each DMO managed and led in different ways. There is fragmentation across the landscape, as well as geographical overlap, duplication, distorted priorities and competition when there should be alignment.
- DMO funding models are diverse and often opaque – some entirely private, some entirely public, some a mix of the two. The pandemic led to a huge drop in commercial revenues, against backdrop of a decade of funding being withdrawn by the public sector starting in 2012.

- The funding situation also means England's DMOs are not really in a position to support the Government to deliver its tourism policies or to carry out the full suite of activities needed to keep a destination sustainable and competitive.

2. Key Issues

2.1 The review not only sought to identify some of the challenges in the current system but also set out a range of proposals. Some of these recommendations have the potential to have a **direct and indirect** impact on the LEP.

In summary the review suggested that:

- The Government should bring coherence to England's DMO landscape via a tiering approach, using an accreditation process to create a national portfolio of high performing nationally accredited Tourist Boards.
- The national portfolio should then be split into two tiers – a top tier of accredited Tourist Boards acting as 'Destination Development Partnerships' or as leaders of them, (these could be described as 'hubs') and a second tier of accredited Tourist Boards acting as members of these Partnerships ('spokes'). Destination Development Partnership status could be awarded to either an individual accredited Tourist Board covering a large enough geography (e.g. a city region) or to a coalition of willing accredited Tourist Boards within an area that come together under a lead Board.

The Review also recommended that:

- The Government should then provide core funding to each Destination Development Partnership. The funding should be focused on activities that ensure their destination remains sustainable, competitive and responsive to high level strategic challenges identified by the Government such as those around sustainability, skills, inclusive tourism and levelling up.
- The Destination Development Partnership would be expected to pass down a degree of funding to accredited Tourist Boards amongst its coalition and work collaboratively with them to deliver a shared vision.

If the recommendations of the review are accepted by the Government then there **are potential implications for how tourism and the visitor economy is managed at both the regional, sub-regional and local level.**

3. Options Considered and Recommended Proposal

3.1 Whilst the Government are yet to formally respond to the recommendations of the review it is likely that the sponsor department for DMOs (the Department for Culture, Media and Sport – DCMS) will set out how it proposes to respond post-Spending Review.

In order for the LEP to better understand the implications of the review and how we may wish to respond, if at all, to any new arrangements then it is recommended that the LEP Board:

- Establish a working group to report to the Board on the detailed implications of the review for South Yorkshire.
- Ensure that the working group has as a focus of the work the principle of subsidiarity at its heart, and a focus on what the visitor and tourism economy businesses and key assets in the region need to grow.

4. Consultation on Proposal

4.1 Not applicable

5. Timetable and Accountability for Implementing this Decision

5.1 There is no published timetable that sets out the Government's intended response timeline – or when those changes if approved would come into effect. The decision sought in this paper seeks to explore the issue in greater depth.

6. Financial and Procurement Implications and Advice

6.1 Not applicable

7. Legal Implications and Advice

7.1 Not applicable

8. Human Resources Implications and Advice

8.1 Not applicable

9. Equality and Diversity Implications and Advice

9.1 Not applicable

10. Climate Change Implications and Advice

10.1 Not applicable

11. Information and Communication Technology Implications and Advice

11.1 Not applicable

12. Communications and Marketing Implications and Advice

12.1 Communications on the transport settlement has taken place and further communications linked to announcements made will be agreed.

List of Appendices Included

None

Background Papers

None