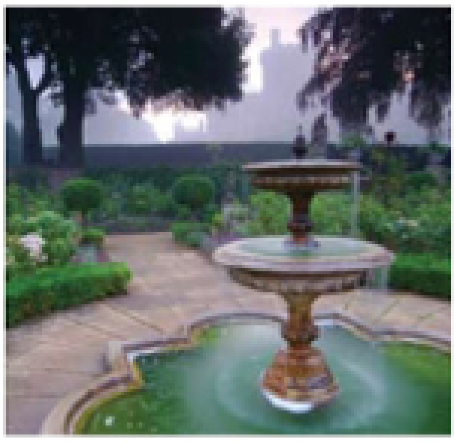
Building the Visitor Economy

Maximising the impact of Tourism and the Visitor Economy in the East Midlands



east midlands tourism

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Strategic Plan 2008-11

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Strategic Plan

2008-2011

Contents

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Introduction

1. The visitor economy is forecast to make a growing contribution to the prosperity and productivity of the East Midlands, providing a range of flexible employment opportunities, stimulating enterprise, boosting the region's rural communities and strengthening the profile of its destinations as places to visit and invest. The visitor economy is already vital to the region, with £5.6 billion of annual visitor spending supporting almost 100,000 jobs.

2. A thriving visitor economy strongly supports and encourages an enterprise culture, as around 90% of tourism employment is within micro-businesses. One key challenge is to ensure that the many lifestyle businesses in the sector, including those that are rurally based, are given the support required to lift standards of product and service quality, innovate sales and distribution channels and closely target their marketing to attract high value customers.

3. This Strategic Plan builds on the foundations of the first plan which covered the 3 year period to March 2008 and was focussed on the themes of marketing and quality improvement. The approach taken with this plan, to run for the three years from April 2008, is to deliver a broader set of strategic objectives in order that the full potential of the visitor economy is realised.

4. This plan benefits from the experience gained over the last three years and the strength of the partnerships that have developed to underpin delivery. A range of guiding principles was agreed by the EMT Board to set the direction with *emda's* role being one of key funder and influencer. The Plan will be delivered by a range of strategic partners including DMPs, VisitBritain, local authorities and other regional organisations drawn from both private and public sectors. The plan aims to make a significant contribution to the delivery of the Regional Economic Strategy for the East Midlands 2006-2020, '*A Flourishing Region'* by:
   - Growing the contribution that the visitor economy makes to the regional economy by increasing the number of visitors to the region;
   - Increasing the productivity of the region's visitor economy related businesses by improving the quality of the region's offer and the skills of the workforce.

5. DMPs will develop their own plans over the same period, taking account of sub-regional circumstances and requirements, and focussing on a number of high value programmes. Core funding for each DMP will be made available underpinning the delivery of strategic targets that have been aligned and agreed across the region. The DMPs have consulted on their plans with the principal local authorities that contribute to their core funding, together with other key stakeholders.

6. Delivery arrangements may also be modified to take account of the implementation of Government's Sub-National Review. The current delivery model has been developed and resourced as a partnership between *emda* and the principal local authorities. This is augmented by contributions and involvement from the private sector. The delegation of additional resources to a sub-regional level and the desirability of simplified delivery structures to maximise economies of scale may mitigate for new structures which combine a range of functions including development, place branding, tourism promotion and attracting inward investment.

Rationale for Intervention

7. Visitors of all types already make a significant contribution to the regional economy and there is considerable growth potential. Figures showing the value of tourism to the region in 2006 are given at *Appendix 3*. Increasing this inward flow of visitor spending is a core objective of this plan.

8. After three years of concerted marketing-led activity the region's destinations have achieved a significantly greater profile both in domestic and international markets. This Plan sees the continuation of this activity but with a focus on what has proved to result in high value returns for the investment made. In addition, the Plan will also address a range of other structural challenges for the industry which are currently constraining productivity. This includes measures to improve skills and workforce development, together with a focus to encourage strategic development opportunities.

Intervention Logic

9. *emda* sees the development of the visitor economy as an important sector contributing to a successful region. As well as the increasingly important economic impact in terms of new jobs, gross value-added and business creation, a vibrant visitor economy also improves the profile of the region and stimulates inward investment. It also provides many amenities that can enable a better quality of life for those living in the region. The current Regional Economic Strategy recognises the importance of the visitor economy.

10. There are a number of reasons why RDA intervention is appropriate:
    - Policy mandate – In April 2003, Government tasked the RDAs with the responsibility for the strategic development of tourism in England's regions. This resulted in *emda* developing the regional tourism strategy, *'Destination East* Midlands', investing in sub-regional delivery structures and prioritising capital investment across the sector;
    - Market failure – the industry's size and diverse nature mitigates for public intervention, due to the high proportion of small, micro and lifestyle businesses that may not have a direct route to market;
    - Low levels of productivity – The sector is one of the least productive sectors in the UK economy and is characterised by high staff turnover and low staff training rates[1].
    - Low levels of professionalism – There is a continuing need to promote high standards of quality across the industry to succeed in an increasingly competitive and international market place[2];
    - Coordination – There is a need for robust coordination within a complex multi-partner environment in order to enable economies of scale, greater efficiencies with public funds and modernised delivery structures.

[1] *Raising the Bar* – National Skills Strategy, People 1st 2007
[2] *Britain International Market Profiles* – VisitBritain 2007

Strategic Priorities

11. This Plan has three strategic objectives:
    - Increase the current numbers of visitors to the region and their levels of expenditure;
    - Improve the competitiveness, productivity and quality of the offer for all types of visitors to the region;
    - Plan and facilitate the investment needed to reinvigorate the region's tourism and visitor offer.

12. These priorities reflect the current commitment made in the Regional Economic Strategy which focuses particularly on marketing and investment to:
    - Target regional and sub-regional marketing and promotion with the aim of increasing visitor spend, particularly from staying and inbound visitors;
    - Develop a coordinated campaign to encourage investment in public realm, conference and business tourism facilities.

13. An evaluation framework is in development to ensure that the objectives and priorities are adequately tracked and delivered throughout the lifetime of the plan. All marketing activity will be independently evaluated using an NAO endorsed methodology. Outputs for this plan are set out in *Appendix 1* and these will form the basis of the performance framework. In addition, further analysis will more accurately measure job creation and GVA impacts together with other strategic outcomes.

Strategic Added Value

14. As well as delivering three specific objectives, the plan will also add value in a number of other ways, including:
    - Providing strategic direction and focus for other public and private sector stakeholders to contribute to the development of the visitor economy;
    - Levering additional funding of at least £4.5m from other public sector partners to support the DMP network and a further £3.3m to support capital development;
    - Levering additional private sector funding of at least £1m to increase the impact of marketing activities;
    - Providing opportunities and a forum for engagement across the sector on issues of strategic importance.

Priority 1 – Marketing and Sales

Objective: To increase the current numbers of visitors to the region and their levels of expenditure

Inbound Marketing

15. Marketing will continue to be a core priority with the objective to increase the amount of visitor expenditure into the region. Funding will be prioritised towards those campaigns that have previously proved to yield a high return on investment. These include both high earning domestic campaigns and inbound activity, with a priority focus on short-haul markets for the latter.

16. To maximise efficiencies in relation to marketing, DMPs will coordinate domestic marketing activity while EMT will coordinate inbound activity. This approach reflects the comparative knowledge of the region's destinations in the domestic and overseas markets. Research in overseas markets shows there is little awareness of the region's destinations. The benefits of a regional approach to marketing and PR include:
    - the ability to draw on cross-county themes that appeal to the overseas consumer;
    - economies of scale from promoting region-wide product;
    - the opportunity to build on the previous inbound leisure marketing undertaken in short-haul markets;
    - synergy and added value by working with neighbouring regions, such as the West Midlands, on inbound marketing.

17. There is significant potential to increase the number of staying visitors from overseas. As well as attracting more leisure visitors from short-haul European markets, other niche opportunities exist with particular long-haul markets, such as the USA. There is an opportunity to introduce 'new' tourism offers to anglophiles in target markets, based around themes such as history, heritage and gardens which research has shown fit closely to overseas consumers' demands for breaks in the UK.

18. Inbound marketing will be refocused by working with a number of key strategic partners to include East Midlands Airport, Visit England, P&O and Eurostar. Partners will be chosen based on their ability and shared commitment to encourage more people to visit from overseas. The emphasis will be on maximising matched funding and the return on investment from a small number of high profile partnership based campaigns developed over the 3 year period. Return on investment targets (RoI) for overseas marketing will be set at 30:1.

19. A review to rationalise the number of inbound markets and to ensure that the selected core markets return the greatest value in terms of visitor spend is being undertaken. This is within the context of a reduced budget for inbound promotion and marketing support in comparison to 2007/08. To maximise collective effectiveness EMT will work closely with other *emda* departments to support the China and India Business Bureaux, together with other external agencies concerned with emerging markets.

Domestic Marketing

20. DMPs will deliver three-year marketing plans, based around core domestic markets, which promote strong destination brands and icons which have relevance to the consumer. Funding will be prioritised towards those destinations that are likely to deliver high impact and high returns. Work will also be needed to ensure that these visitors are encouraged to visit adjacent areas - for example, from the Peak District into the surrounding areas of Derbyshire. RoI targets for domestic marketing campaigns will be set at 14:1.

21. In some areas further activity to develop the visitor offer is necessary. This is the case in Northamptonshire and Leicestershire where the DMP will have the opportunity to develop a more flexible and tailored approach that suits sub-regional circumstances. Where marketing campaigns have not previously demonstrated a high return on investment, DMPs will develop plans which are designed to encourage greater awareness of the offer by, for example, greater engagement with the travel trade and press. These activities will not be subject to RoI targets. Access to capital funding for product development work may also be made available. DMPs will agree their plans with their principal local authority sponsors and other funding partners.

22. DMPs will target key customer groups that will maximise the return from staying visitors. This can include visitors from within or just outside the region, providing that there is at least a two-hour journey time to the promoted destination in order to promote overnights stays. Greater understanding of customers will be critical in gaining the edge over other destinations. Building on the previous plan there is a need for continued development of customer segmentation tools and CRM technologies.

23. In this plan greater emphasis has been placed on the importance of generating a base level of awareness for the region's offer in both the domestic and inbound markets. This has mainly been delivered through PR and travel trade engagement. This activity will continue with both EMT and DMPs working both separately, and together as appropriate, to deliver activity that encourages the travel trade to include more of the region's destinations in their product portfolio.

24. Business tourism remains a priority at the discretion of each DMP, based on the strength of their business product and its future potential. DMPs will include this within their 3-year bid, having regard to the commitment in the Regional Economic Strategy.

25. Over the next two years the region will see a substantially reinvigorated cultural offer with major new arts-related venues in the three cities of Derby, Leicester and Nottingham. DMPs will integrate these new opportunities into their marketing plans in partnership with the organisations responsible. Resources will also be made available under the auspices of Culture East Midlands for the development of events which tie into the plans for the Cultural Olympiad from 2008.

26. The DMPs will work together where economies of scale, product fit, campaign themes and audiences dictate. DMPs will also factor in any new delivery arrangements that may offer opportunities for more coherent cross-border working and benefit, such as the potential conferred by city-regions and multi-area agreements.

Sales and Distribution

27. Work to develop a commercial strategy will be confirmed with the appointment by March 2008 of a commercial partner. The objective is to increase the sales of the region's tourism product through a range of traditional and online channels.

28. This partner will develop sales campaigns through existing and new channels working with both EMT and DMPs to maximise the effectiveness of marketing budgets and activity. The commercial partner will increase distribution of the region's products and campaigns, but will also seek to respond to channel operator and consumer requirements by developing new activity.

29. The partner will be responsible for supply and distribution relationships, systems operation and development, website operation, sales strategy, implementation and performance The partnership will bring a high level of commercial expertise into the region's sales and distribution activity and will ensure that any commercial activity is conducted at a low level of risk with regard to EU State Aid regulations. It will also exploit the new opportunities available to destination marketing partnerships and position the region as a leader within this field.

30. As a priority the project will identify ways in which customer reviews can be included on the region's websites to allow greater feedback on the quality of the visitor experience. There is a continuing need to ensure that the region's destination websites are more user-friendly.

31. The business plan for the partnership will be agreed in early 2008.

Priority 2 - Quality Improvement

Objective: To improve the competitiveness, productivity and quality of the offer for all types of visitors to the region

32. The Quality Improvement Programme (QIP) has delivered substantial benefits over the period of the first plan, both by increasing the numbers of nationally quality-assured businesses and by developing innovative ways to improve other aspects of the *Visitor Journey*©. The delivery of foundation actions to increase quality standards will continue to be a core priority for DMPs. Work includes adoption of star ratings, developing local quality champions, ensuring consistent information provision, supporting businesses and sharing best practice.

33. The target in the first plan was to raise participation in the national accommodation standards to 50% of total stock. This target is on track to be achieved. The overall target for this Plan will be to encourage:
    - a total of 60% of the region's accommodation businesses to become part of the national standards;
    - 40% of the region's visitor attractions signed up to the national code of practice *'Our promise to visitors'*
    - 20% of attractions to sign up to the *Visitor Attractions Quality Assurance Service*.

34. With concerted action by network partners it is likely that the 60% target will be reached in 18 months and further foundation activities will be developed at that point in agreement with the DMPs. Given the voluntary nature of the national standards it is likely that the effort required for further recruitment into the schemes will become disproportionate to the results achieved. Tourism businesses that are not in the recognised national quality schemes will not be able to benefit from any marketing by any of the region's delivery partners during the course of this Plan.

35. At regional level, the roll-out of a programme to encourage public sector organisations to favour star-rated accommodation for all business travel, training events and conferences will be intensified. Thirty public-sector organisations will be targeted to be followed with a focus on 20 of the region's major private sector companies in Year 2.

36. A review will be carried out on the costs and benefits of engaging with existing commercial accommodation agencies, both serviced and non-serviced, who operate their own in-house standards. The objective will be to maximise consumer choice by incorporating established brands not currently participating in the VisitBritain or AA quality standards.

37. A variety of other pilot projects have been successfully delivered by DMPs as part of the first quality improvement programme. Projects relating to improving the quality of taxi services and improving accessibility for less able and disabled visitors will be rolled out across the region from 2008. Working with LSC funding the existing taxi project will aim to provide training for at least 40% of the region's 15,000 taxi and private hire drivers.

38. A project to encourage undergraduate students to work in the industry with improved service standards along with projects to drive up the quality of food and drink will now be taken forward by DMPs if relevant for those destinations.

39. *Think Family,* a programme to improve the quality of the offer for family groups will continue with delivery involving both DMPs and the private sector. Work will be undertaken to encourage more tourism business to put in place family-focussed best practice including modular options that can be developed at a sub-regional level as appropriate. The *Q-book* - the on-line resource developed as part of the *Think Family* initiative - will be widened to include a *Think Access* module.

Sustainable Tourism

40. Sustainable tourism promotes positive outcomes on the environment, the economy and socio-cultural infrastructure of the place visited[3]. The region's tourism offer has some icons which are internationally renowned for environmental good practice and stewardship. The Peak District National Park is the most notable example, but others, such as the National Forest, are emerging destinations which are rooted in, and sensitively developing, the natural and built environment on which they depend. The strong environmental principles established by these destinations will be reviewed and transferred to other parts of the region via a set of best practice criteria.

41. The East Midlands will be one of the first English regions to comprehensively roll-out a new national sustainable tourism quality scheme, which aims to be a best practice entry-level standard. EMT will work closely with VisitBritain and other partners to encourage the region's businesses to sign up to the national scheme which will also seek to transfer best practice and reward action and success.

42. As well as national accreditation, individual tourism businesses will also be influenced through existing business support measures which can advise on issues such as reducing carbon emissions, waste reduction and sourcing local produce. This will be included as part of the sector resources currently being prepared for East Midlands Business (EMB) by People 1st, the Sector Skills Council.

Workforce and Skills Development

In the 21st Century, our natural resource is our people – and their potential is both untapped and vast. Skills will unlock that potential. Our recommendations start with an ambitious vision. The UK must become a world leader in skills. Skills are the most important lever within our control to create wealth and to reduce social deprivation.[4]

43. Low levels of customer service, poor management development and a lack of core technical skills are hampering the development of the industry. These issues are compounded by high levels of staff turnover in the sector which currently is at least 30 per cent. Nationally this is the equivalent of losing around 590,000 people per year at a cost of some £900m to the sector. These issues have been identified by People 1st in its National Skills Strategy for sector entitled 'Raising

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[3] *Sustainable Tourism, The UK Domestic Perspective* VisitBritain 2007
[4] *Prosperity for all in the global economy – World Class Skills: Final Report* Leitch Review of Skills 2006

the Bar' and will be addressed in strategic terms by emda, the LSC and other partners with appropriate delivery coordinated at sub-regional and local levels.

44. These issues are particularly acute in the hospitality, leisure, travel and tourism sector (HLTT) where 16% of hotel and accommodation managers and 14% of mangers of licensed premises have no qualifications[5]. This results in the sector having the lowest level of productivity of any sector in the UK, also lagging behind our competitor destinations such as France and the United States where productivity is nearly a third higher.

45. The amalgamation of business support and skills brokerage into East Midlands Business (EMB) offers the opportunity for better regional coordination. Specialists will operate within EMB to ensure that business advisors and skills brokers have the resources at hand and knowledge required to support businesses within the visitor economy. Some 1,500 priority growth businesses with between 10 and 50 employees that can most benefit from support will be identified and targeted over the duration of the plan. As a first stage, People 1st has been contracted to produce the necessary resources to support the existing business advisors and skills brokers. The Business Support framework, including EMB and the regional business support information service (RBSIS), will be increasingly important to ensure an effective and coordinated approach. Other related support services, such as *emda's* High Growth Fund, may also have application within the sector and will be reviewed accordingly.

46. To ensure the effective delivery at sub-regional level of both the National Skills Strategy and *emda's* Action Plan on Employment, Skills and Productivity (esp), it is proposed to put in place additional measures dedicated to improving skills within the visitor economy. Measures will include consideration of the potential for a National Skills Academy, pro-active promotion of the 'Skills Passport', foreign language training, customer service and professional development for managers. In the first year the theme of Management Development is likely to be the focus of a programme in close partnership with the LSC.

47. A review will be carried out on the ways in which other parts of the community can be encouraged to benefit from tourism opportunities within the region. This will include an assessment of measures to encourage minority and under-represented groups to access employment and training within the industry.

[5] Raising the Bar – National Skills Strategy People 1st 2007

Priority 3 – Investment

Objective: To identify and facilitate the right types of capital investment for the visitor economy across the region

48. Destinations require continual investment in product and service to remain competitive. The region's product is not as developed as many other areas and to achieve the desired growth in visitor spending further development in facilities, capacity and quality public realm is required.

49. Currently capital investment is facilitated by a broad cross-section of stakeholders and due to the complexity of the process this can result in a lack of prioritisation or coordination. To increase levels of coordination a greater level of joint work is required both by regional and sub-regional agencies.

50. An assessment of regional priorities, undertaken in 2007/08, has provided a firm basis for improving coordination and delivering the strategy. In summary, EMT's role will include:
    - Working closely with emda's sub-regional Strategic Partnerships (SSPs) to identify, promote and facilitate developments and strategic plans of benefit to the visitor economy;
    - Work with other partners to draw up and support action plans derived from the 2006/07 Tourism Investment Opportunities Review;
    - Stimulate area-based development plans for strategically important potential or emerging destinations, such as the Derwent Valley Mills Heritage site;
    - Influence other funders and programmes to ensure that visitor economy investment is considered, included and taken forward;
    - Support the case for individual projects which will have strategic significance for the region and are funded or delivered by other agencies,
    - Work with private sector developers and other bodies such as Urban Regeneration Companies in support of new capital investments of benefit to the visitor economy.

51. It is recommended that sub-regional Visitor Economy Investment Groups are the most appropriate way to steer programme activity, acting as the strategic advisory body on visitor economy priorities.

52. Suggested membership would include the SSP, the DMP, local authorities and other key destination partners. Given the SSPs' existing investment role and expertise it would appear normally appropriate that these bodies lead the group. However Visitor Economy Investment Groups may vary in form and function between sub-regions according to existing partnerships and priorities.

Tourism Investment Plan

53. During 2006/07, EMT assessed the opportunities for tourism in the East Midlands. The aim of this review was to provide the basis for informed, strategic interventions into the visitor economy based on growth potential, need, fit with other regional requirements and the type of public sector intervention required.

54. Phase I of the work provided a detailed assessment of the principal tourism development opportunities in the region. Phase 2 produced an Action Plan and also developed criteria for project evaluation specific to the sector.

55. The plans have been shaped to respond to the following issues identified during consultation:
    - Recognition of the different types of project originators and the potential influence this may have in the type of intervention required;
    - The interventions and actions likely to be required to ensure that the opportunities are realised;
    - The roles and responsibilities of EMT and *emda*, together with the 'family' of partners and other interests, particularly SSPs and local authority partners;
    - The role of planning policy in respect of the deliverability of projects;
    - The timeline for the recommendations, particularly as some projects have considerable lead-in and development periods;
    - The implications of EU State Aid regulations on projects seeking direct funding from *emda* and its family of partners.

56. The Tourism Investment Plan foresees close work with partners to deliver priorities grouped by the following types of action. Where appropriate *emda* will seek proposals on a competitive basis:
    - Assessment for funding;
    - Strategy, concept and masterplan development;
    - Influencing and supporting the private sector;
    - Providing evidential support to aid project evaluation;
    - Marketing support.

57. *emda* has allocated significant capital funding to tourism related investments over the past 3 years and the investment plan will ensure that future funding maximises the economic benefits to the region and is fully complementary in type and scale to previous investments.

Olympic Games and Paralympic Games

58. A range of preparatory activity has been undertaken on the opportunities presented by the 2012 Games and associated cultural Olympiad[6]. These will be further developed and integrated with a wider regional strategy for the 2012 Games which is in the final stages of preparation. The cultural Olympiad represents a major opportunity for the region and EMT will work closely with Culture East Midlands and partner organisations to maximise impact. This includes supporting a post within *emda's* 2012 team to prepare the ground.

59. There is also potential for developing a wider range of events as catalysts for promoting and showcasing the region and its destinations. While it is a matter for others to run such events there is value in reviewing and potentially assisting the development of events, particularly relating to sport and culture, which could, over time, prove to be strong attractors for visitors. This review, with partner organisations, will be undertaken in 2008.

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[6] *Understanding the Tourism Opportunity presented by the Olympic Games and Paralympic Games* Scott Wilson 2006

Place-Shaping & Visitor Services

60. The respective roles in place-shaping are defined by the *Charter for Destination Management* agreed by the RDAs, VisitBritain and LGA in November 2007. The Charter identifies the needs, roles and responsibilities for those key organisations active within the visitor economy to enable excellent destination management, place-shaping and sustainable growth.

61. EMT will work with the region's principal local authorities in developing the fundamental role they have in driving this agenda. Linked to the Tourism Investment Plan a number of national pathfinder projects will be developed which embody the principles and practice of the Charter and promote best practice within destination management. This work will also support the integration of the visitor economy within the economic block of local and Multi-Area Agreements.

62. To support its investment work, EMT will also work with partners to ensure Government's 'Good Practice Guidance on Planning for Tourism' is widely adopted. The guidance is designed to ensure that both planners and the industry understand the potential of the industry and the principles and practice of land-use planning.

63. Further to the various pilots undertaken during 2005-07, and in line with national strategy, it is proposed that work on visitor services will continue to modernise the delivery of information services and exploit emerging technologies to enhance provision. Alongside the capital programme there will be funding to support the wide-scale take up of best management practice across the TIC network in the region. This has been identified as a key development need on the basis of a mystery shopping study.

Support Strands

64. A variety of work will be undertaken to support the three priority areas, informing forward strategy and enabling the accurate monitoring of delivery. This includes an annual assessment of the economic value of the industry, measures to continue to modernise delivery and tracking of key output targets shown at *Appendix 1*.

65. An annual analysis of the economic volume and value of tourism to the region has been undertaken using the Scarborough Tourism Economic Activity Model since 2004. Results for 2006 are shown in *Appendix 3.* This has identified:
    - The economic scale of the visitor economy in terms of visitor numbers, nights and expenditure;
    - The economic impact of the visitor economy in terms of jobs, GDP and GVA.
    - A full view of the region's supply side - including all accommodation establishments and visitor attractions from district level upwards;
    - The current and/or potential economic impact of developments which might be seeking public investment;
    - Information about comparative performance against other sub-regions, such as those in the North West and North East, which have adopted the same methodology.

66. This insight has been invaluable from a strategic perspective in establishing baselines, tracking progress against targets, making the case for new

investments and driving engagement with tourism enterprises in areas such as business support and quality assurance. Trend data is now yielding a further dimension to inform long-term strategy. This survey will continue over the period of the plan but to aid cost-efficiencies it will be contracted centrally and greater involvement by the participating local authorities will be sought.

67. EMT supports the creation of the *English Tourism Intelligence Partnership,* an advisory body on tourism data and statistics, with additional dedicated staff in the Office of National Statistics. It will ensure greater consistency in relation to how visitor economy data are collected and interpreted in order to achieve greater consistency and comparability across the regions. EMT will also encourage the participation of accommodation providers in the new on-line England Occupancy Survey. Specific qualitative studies, for example on visitor satisfaction, will be developed with partners as appropriate to inform and underpin the Quality Improvement Programme.

68. Evaluation of all tactical marketing campaigns will continue to be handled by one agency on behalf of the network. The budgeted cost is 2.5% of the total marketing budget which represents significant efficiencies. Overall the budget for Research and Insight has been reduced compared to previous levels.

Government's Sub-National Review

69. The Government's recent review of sub-national economic development and regeneration may have implications for the delivery of tourism services and the DMP network. Along with other new policy measures, such as the development of city regions, the review offers the opportunity to further strengthen sub-regional delivery arrangements, both in terms of financial sustainability and potentially in broadening remits to achieve greater economies of scale, which could include areas such as regeneration and development.

70. In 2007/08 *emda* and EMT will work with colleagues and principal local authority partners to assess the implications of the review. This will examine the present delivery structures that support the visitor economy and how these could be developed in the future to further improve delivery arrangements.

Delivery and Communications

71. Each priority will be subject to an annual business plan which will dovetail with what is already planned at DMP level and be related to the same set of strategic targets. Economies of scale will be sought across the network wherever possible to ensure best value.

72. Resource implications will be assessed for EMT and other delivery partners. This is particularly the case with the two new priorities: skills and workforce development, and investment. A comprehensive Communications Plan to inform and engage all key stakeholder groups across the region and beyond will be developed prior to April 2008.

Appendix 1 – Strategic Targets & Key Performance Indicators (DRAFT TBC)

Targets	**Baseline: end 2007/08**	**Target by end 2008/09**	**Target by end 2009/10**	**Target by end 2010/11**	**Total Additional**
Priority Objective 1 – Marketing & Sales					
Unique Visitors to Websites	1,035,500	896,000	979,000	1,045,000	2,920,000
Database Growth	197,150	253,000	274,000	288,000	815,000
Bednights - direct (booked via DMS)	13,777	12,500	13,600	13,725	39,825
Bednights - indirect	5,572	1,000	1,000	2,000	4,000
Marketing Investment Levered (£)	275,000	330,000	330,000	340,000	1,000,000
Average Return on Investment	17:1	17:1	17:1	17:1	17:1
No. of bookable products on websites	50	370	370	210	1000
No. of Businesses assisted on ICT	35	85	70	60	215
No. of new distribution channels	0	2	2	2	6
No. of sales generated	0	30880	65200	107500	203580
Gross revenue generated (£)	0	1.06m	1.84m	3.2m	6.1m
Commission sales income (£)	0	94,000	165,000	285,000	544,000
No. of new customer records	Not available	12300	21700	26800	60800
Accommodation Images uploaded	1100	100	100	100	300
Funding Levered for ICT improvement	2,800	6,800	5,600	4,600	17,000
Priority Objective 2 – Quality and Skills Improvement					
People assisted in skills development (Quality Improvement Programme)		150	150	150	450
No. (%) of region accom in national standards	2288	480 (10%)	Retain %	Retain %	60%
No. (%) region accom in green standards	450 (20%)	110 (5%)	230 (10%)	110 (5%)	450 (20%)
No. region attractions signed to CoP**	0 (40%)	110 (15%)	110 (15%)	70 (10%)	290 (40%)
No. region attractions signed to Visitor Attractions Quality Assurance Service	93 (20%)	60 (10%)	30 (5%)	30 (5%)	120 (20%)
No. Public / private sector organisations involved in Inspected First	15/0	10/10	5/5	0/5	30/20
Provide training for at least 40% of the region's 15,000 taxi / private hire drivers	15000	2000	3000	1000	6000
People assisted in skills development (Skills Improvement Programme)	Not available	300	700	500	1500 *
Priority Objective 3 – Investment					
No. of Strategic Development Frameworks	1	2	3	3	8
No. of Destination PathFinder Projects	0	0	3	0	3
Investment levered from local authorities for DMP core funding (£)	n/a	1,500,000	1,500,000	1,500,000	4,500,000
Investment Levered to support the delivery of the capital programme (£)	n/a	1,100,000	1,100,000	1,100,000	3,300,000

Note: Items in Italics deliver emda targetry outputs and /or recognised KPIs
** Relates to the number of businesses targeted for the programme. Numbers of employees assisted may be higher.*
***CoP Attractions National Code of Practice*

Appendix 2 – Summary Budget

NB - The detailed budget is being developed as part of emda's Corporate Plan. The proposed percentage split by activity is as follows:

Activity	**%**
Domestic Marketing	25
Inbound Marketing	10
Commercial Channel Development	4
Quality	6
Skills	5
Investment	28
DMP Core Costs	19
Market Insight	2
Evaluation / Other	1
Total	**100**

Appendix 3 - Economic Impact of the Visitor Economy

Annual Headline Figures	Derbyshire	Leicestershire	Lincolnshire	Northamptonshire	Nottinghamshire	Rutland	East Midlands
Economic impact of the visitor economy (£ million)	1,329.8 (24%)	1,186.4 (21%)	866.5 (15%)	765.5 (14%)	1,377.9 (25%)	74.5 (1%)	5,600.6 (100%)
Tourism Economic Impact per head of population (£s)	£1,355	£1,295	£1,276	£1,174	£1,323	£1,997	£1,300 (Region Average)
Total number of visits ('000s)	35,736 (25%)	31,306 (22%)	16,685 (12%)	19,115 (13%)	38,421 (27%)	1,606 (1%)	142,870 (100%)
Employment supported in the visitor economy (FTEs)	23,859 *(25%)*	19,061 *(20%)*	16,120 *(17%)*	12,710 *(13%)*	22,132 *(23%)*	1,456 *(2%)*	95,338 *(100%)*
Numbers of visits ('000s) staying overnight in commercial accommodation	1,867.0 *(21%)*	1,430.0 *(16%)*	2,412.2 *(27%)*	1,233.4 *(15%)*	1,734.9 *(20%)*	211.1 *(2%)*	8,888.6 *(100%)*
Economic impact of visitors staying overnight in commercial accommodation (£ million)	335.0 *(21%)*	245.7 *(16%)*	420.4 *(27%)*	229.0 *(14%)*	310.1 *(20%)*	34.0 *(2%)*	1,574.2 *(100%)*

Note: Percentages may not total 100% due to rounding
Impact of Day Visitors & Staying with friends/ relatives sub-sectors not shown individually but included in overall £5.6bn figure.

Appendix 4 – Glossary

AA	Automobile Association
CRM	Customer Relationship Management
DMP	Destination Management Partnership
DMS	Destination Management System
EMB	East Midlands Business
esp	Employment, Skills and Productivity Partnership
GDP	Gross Domestic Product
GVA	Gross Value Added
HLTT	Hospitality, Leisure, Travel and Tourism Sector
LGA	Local Government Association
LSC	Learning and Skills Council
NAO	National Audit Office
ONS	Office of National Statistics
PMS	Property Management System
PR	Public Relations
QIP	Quality Improvement Programme
RBSIS	Regional Business Support Information Service
RDA	Regional Development Agency
RoI	Return on Investment
SSPs	Sub-Regional Strategic Partnerships
STEAM	Scarborough Tourism Economic Activity Model
SWRDA	South West Regional Development Agency
TIC	Tourist Information Centre
VSAP	Visitor Services Action Plan