

WORKING TOWARDS A DESTINATION MANAGEMENT ORGANISATION FOR NORTHERN DEVON

1. Purpose

The purpose of this paper is to outline the opportunity of creating a Destination Management Organisation (DMO) for northern Devon and to seek approval in principle to exploring the potential further through consultation with the tourism sector and key stakeholders.

2. Tourism is unlike any other industry:

- *It is hard to measure*, cutting across a number of traditional industry sectors, beyond a core of accommodation, catering, and attractions to include significant elements of transport, retail, hospitality, leisure, recreation, heritage, arts, culture, entertainment, food & drink, professional services and construction, amongst others.
- *It is characterised by predominantly very small businesses*, who collectively define the visitor experience through where they stay, what they see and what they do. The offered 'tourism product' is not just the services of an individual business, but the collection of visitor services within the area, including the natural environment, which is of exceptionally high quality in northern Devon.
- *It is a fragmented industry* comprised of a diverse range of services which have developed to meet the needs of visitors, but have little in common operationally, other than they are dependent on the needs of tourists to varying degrees for their viability
- *Individually, such businesses lack the resources* to effectively promote both themselves and the area as a destination for tourism. Tourism-related businesses must therefore come together to pool resources to promote a destination area effectively, but often need help to do so.

3. Advantages of Destination Management Organisations (DMOs)

While the benefits of working together to promote a destination area and brand, such as 'North Devon & Exmoor', have been recognised for many years, *the development of Destination Management Organisations (DMOs) is more recent.*

DMOs have a wider purpose and mandate than solely marketing a destination area on behalf of its sponsors:

- They are focused on *"leading, influencing and coordinating the management of all the aspects of a destination that contribute to a visitor's experience, taking account of the needs of visitors, local residents, businesses and the environment."*^a
- They *bring together wider stakeholders* with an interest in the development of tourism (public, private, community sectors, conservation organisations, agencies, charities etc.) to align activity, projects and investment to make the very most of the resources an area has for the sustainable development of tourism.
- They *add strategic capacity and direction*, working with stakeholder partners to pull together a joined-up vision, strategy and action plan to deliver positive change, local jobs and sustainability.
- Through such a strategy or Destination Management Plan (DMP):

- They *monitor and respond* to visitor trends and the activities of competitor areas.
- They *align activity* with national and regional policies/strategies.
- They *draw upon collective partner resources and capacity* for the delivery of a common agenda
- They *shape direction and priorities*, for example (typical priorities highlighted by Visit England)^b:
 - Seasonality of tourism – when more may be needed
 - The spread of tourism activity within the area
 - The balance of volume and value
 - Priorities towards staying as against day visitors, and increasing length of stay
 - Issues of capacity and quality of accommodation and services
 - Opportunities to make more of the destination’s particular distinctiveness
 - Opportunities to increase the level of tourism spending retained locally e.g. through supply chain initiatives
 - The need to develop new services for visitors.
 - The need to improve stakeholder engagement and joint working.
- They *address and coordinate action* areas that are relevant to the local visitor economy, for example (typical activities highlighted by Visit England)^b:
 - Partnership structures and communication
 - Community engagement, including advocacy
 - Product quality and development, including investment promotion
 - Infrastructure investment and improvements.
 - Place making – public realm etc.
 - Sense of place – use of local produce
 - Arts, culture and heritage – access, interpretation, promotion
 - Provision for informal and organised activities
 - Events planning and management
 - Destination branding and awareness-raising
 - Tactical marketing, including relationships and engagement with others
 - Information services – including signing and host orientation
 - Visitor transport and access
 - Business support and training
 - Environmental management and conservation
 - Visitor safety and security
 - Research and knowledge gathering
- They *provide an entry point to VisitEngland, VisitBritain and Government* as a strategic body for tourism in a destination area, together with bid-writing capacity to apply for strategic funding.
- They monitor progress against plan and *make sure things happen*.

There are *also wider economic benefits* from a focus on joined-up destination management:

“Great destinations are great places to live and work as well as to visit. If they are well managed, they are more likely to generate ‘wise growth’ in their visitor economy, maximising the benefits of that growth in long term, additional income and jobs. The best-managed destinations can also attract new investment, keep value-added jobs, bring in new talent and stimulate innovation.” (VisitEngland)

4. The need to act

- In 2018, the visitor economy around tourism visits to northern Devon (across the districts of North Devon and Torridge) was *worth an estimated £0.56 billion, supporting almost 11,000 jobs^c*.
- Northern Devon shows *a high level of dependency on tourism for wealth and jobs* – almost 1 in 6 of all jobs (15%) in North Devon^c - and in the absence of large employers, is a relatively accessible sector in which to start a business, creating opportunities in the most peripheral areas. Making the very most of the year-round and high value opportunities afforded by tourism is a strategic priority for the area (see *Northern Devon Tourism Strategy 2018-2022: supporting growth in northern Devon*).
- The *impact of COVID-19 has underlined the importance of tourism* to the area. Tourism has been one of the sectors hardest hit by the pandemic. When the UK went into lockdown on 23 March 2020, most tourism businesses were required to close their doors to the public. This created an immediate loss of income with implications for the long-term financial sustainability of the sector.
- Analysis commissioned by VisitEngland and VisitBritain^d has forecast (assuming no second wave of infections):
 - *48% decline in the volume and value* of domestic tourism in England in 2020.
 - *59% decline in international visits* (and 63% decline in spending).
 - The tourism economy will take *a number of years to recover* to 2019 levels.
- *Areas with the highest dependency* on sectors hardest hit by COVID-19 are expected to see the biggest economic decline.
- Analysis of impact on high street spending revealed that eight of the 20 small town areas in England and Wales with the biggest losses in retail spending in April 2020 were in the south west, *including Barnstaple and Bideford* - all were local economies geared around tourism, with a high proportion of jobs in accommodation, food and drink services and retail^e.
- With a number of sectors closely linked to the visitor economy, arguably, *there has never been a more important* time to assist the recovery of tourism in northern Devon.

5. Proposal

North Devon + has been exploring the potential to create a DMO in northern Devon, including outline discussions with DMOs in other areas, VisitEngland and North Devon Marketing Bureau, who are keen work together on this initiative. The results of these discussions have revealed that:

- *There are many different types* of DMOs. They typically vary in form, function, governance and size but essentially take a lead role in the management and development of tourism in a destination area.
- They may be a single organisation, such as a local authority; an informal partnership or a legal entity, such as a community interest company that includes representation from both the private and public sectors.
- Their activities *usually include destination marketing* for an area, *but not always* – there are examples where a DMO has worked successfully with a separate marketing organisation.

- Central to a successful DMO is the development of a *Destination Management Plan*, which is broadly equivalent to a Strategy and Action Plan for Sustainable Tourism in a destination.
- DMOs are usually funded through *a mix of commercial and public funding* streams, including grants.
- There are eight recognised DMOs in Devon, including Visit Exmoor and Visit Dartmoor, but *none focused on northern Devon*.
- *VisitEngland is very* supportive of developing a more strategic approach to tourism development and has offered guidance in exploring the potential.

Whilst there are many options for structuring a DMO, the most appropriate choice will depend on the needs of the area. *VisitEngland recommends that the first steps are* to:

- (a) *Consult* with tourism businesses and key stakeholders around issues, needs and priorities for developing tourism and supporting tourism businesses in the area; then.
- (b) *Assess* the most appropriate DMO model *in the light of those* findings.

The proposal is therefore a measured one – to start a process of consultation through surveys and interviews to understand the needs of the sector and the area; and then review options in the light of results.

6. Decision requested

Agreement in principle to exploring the opportunities further, including consultation with businesses and key stakeholder organisations /agencies.

ND+

2 Sept 2020

^a VisitEngland (undated), *Principles for developing Destination Management Plans: case studies*

^b VisitEngland (undated), *Principles for developing Destination Management Plans*

^c The South West Research Company, *Value of tourism analysis 2018*

^d VisitEngland, *Domestic and inbound insights webinar*

^e Tortoise Media (April 2020), *Coping with COVID-19: Corona shock tracker*.