

REPORT OF THE DIRECTOR OF COUNTRYSIDE, COMMUNITY AND VISITOR SERVICES

SUBJECT: PEMBROKESHIRE DESTINATION MANAGEMENT PLAN 2019-20

Purpose of Report

To request that Members formally adopt the '2019-20 Pembrokeshire Destination Management Plan' as the key document to guide service delivery in relation to tourism services in the county.

Introduction

The Destination Pembrokeshire Partnership (DPP) works together to deliver a very broad range of tourism services and support to the wider tourism sector. Each of the partners focuses on a different area as detailed below:

- **Pembrokeshire County Council** – Destination marketing activity, elements of destination management and lead body of the partnership.
- **Pembrokeshire Tourism** – Tourism membership organisation providing training, information and support to tourism businesses across Pembrokeshire.
- **PLANED** – Support community-led tourism initiatives together with guidance and support to the sector
- **Pembrokeshire Coast National Park Authority** - Custodians of the National Park landscape, elements of destination management, marketing activities that compliment wider destination marketing as well as direct management of some key visitor attractions across Pembrokeshire
- **Visit Wales** - Visit Wales also attend and contribute to Destination Pembrokeshire Partnership meetings.

The partnership's aims and objectives are:

- Working together to achieve common goals
- Promoting Pembrokeshire as a holiday destination
- Continued growth outside the main summer months
- Improving quality
- Improving the environment, infrastructure and cultural resources
- Improving business efficiency and profitability

Background

In 2015 the Destination Pembrokeshire Partnership (DPP) undertook a review of visitor services across Pembrokeshire with the aim of establishing a new model of service delivery. The strategy highlighted the on-going impact of reduced public sector funding on destination management and marketing in Pembrokeshire. In addition, it made an industry-led case for immediate changes to the direction and

governance of the DPP whilst presenting a range of options to secure its long-term sustainability through new models of finance.

Unfortunately, although accepted as necessitating action, the recommendations of the 2015 report were not able to be adopted by Pembrokeshire County Council and the wider DPP partner organisations due largely to concerns relating to financial viability, TUPE implications and compliance with state aid regulations. However, the circumstances have changed and it is believed that many of the issues that prevented the model from being workable last time can now be overcome.

As a result, the DPP held an industry engagement event at Twr-y-Felin in St Davids on the 13th February 2019 aimed at kick-starting a new approach to destination management and marketing in Pembrokeshire. Two key actions were agreed at the event as follows:

- 1) To commission a refreshed vision and business plan for the DPP by applying for LEADER funding to engage specialist consultancy advice.
- 2) To adopt an interim destination strategy (attached) to help retain a strategic focus for tourism delivery during a period of change.

Destination Management

The aim of the Destination Management Plan is to safeguard and grow the visitor economy in order to improve the contribution it makes to the economic well-being of the county. A copy of the interim plan is attached as an appendix for consideration by PCNPA Members.

There are 3 strategic areas for future investment highlighted within the '2019-20 Pembrokeshire Destination Management Plan':

- Growth outside of the main summer months e.g. investment in all-weather facilities/destinations, targeted out of high season marketing activity, out of high season events, etc.
- Improved access in all its forms, particularly for disabled visitors and those with societal needs.
- Initiatives that help to maintain, improve and generally raise awareness of the natural environment.

As tourism has now been added to the priority sectors identified by the Welsh Government, the plan will assist the partnership in bidding for external resources as it provides a focus to support funding applications.

Each of the DPP key partners will, therefore, be seeking to adopt the plan formally in the coming weeks and PCNPA Members are formally requested to both comment on and adopt the plan to aid joint working on tourism delivery in Pembrokeshire.

Financial considerations

All public agencies involved in the delivery of tourism services are operating with reduced budgets. In addition, tourism spend in general has effectively 'stalled' once inflationary rises have been taken into account. This, in turn, places an enormous pressure on a range of local businesses to maximise profits during the main summer season. As a result, the tourism economy in Pembrokeshire could be perceived to be

'underperforming' against its full potential and in comparison with other destinations across the UK.

It is, therefore, important that the tourism sector is well co-ordinated to maximise the use of existing resources and to respond collectively to opportunities as they present themselves in order to remain competitive during a potentially challenging economic period.

The '2019-20 Pembrokeshire Destination Management Plan' provides a means to galvanise joint activities and, through ongoing dialogue, continue to improve the co-ordination of services, including those provided by PCNPA, and ultimately improve the visitor offer over the next 12-18 months..

Risk considerations

By endorsing the '2019-20 Pembrokeshire Destination Management Plan' PCNPA will be demonstrating its firm commitment to joint working and the development of the local tourism economy.

Compliance

The '2019-20 Pembrokeshire Destination Management Plan' provides a mechanism for PCNPA to deliver a range of outcomes highlighted via the Corporate Plan which highlights the Authority's continuing commitment to "encourage and support the development of sustainable employment and businesses, particularly in tourism and recreation".

Human Rights/Equality issues

Not considered to impinge on any of the rights or freedoms contained in Human Rights Act 1998 or relevant equalities legislation. The strategy highlights the need to address accessibility concerns (particularly for individuals and groups of people with protected characteristics) as a key priority.

Biodiversity implications/Sustainability appraisal

The '2019-20 Pembrokeshire Destination Management Plan' highlights the importance of the natural environment and the National Park designation as a key aspects of the 'visitor offer'. This, in turn, should bring a greater degree of acknowledgement and protection to the special qualities of the National Park.

Welsh Language statement

A Welsh language version of the document will shortly be available via Pembrokeshire County Council.

Conclusion

The '2019-20 Pembrokeshire Destination Management Plan' provides a co-ordinated strategy to develop the visitor economy throughout Pembrokeshire. In addition, it provides a clear mechanism for PCNPA to deliver a number of key goals relating to the local economy as outlined in the current Corporate Plan. By formally adopting the plan, PCNPA will be highlighting the importance of the National Park to the visitor economy as well as the contribution it makes to the economic well-being of the county.

Recommendation

Members are asked to formally adopt the '2019-20 Pembrokehire Destination Management Plan' as the key document to guide PCNPA's tourism related services and activities over the next 12-18 months.

Background Documents

- 04/15 Destination Management Plan Report – Operational Review Committee – 28th January 2015
- 35/15 Review of Destination Pembrokehire – National Park Authority – 17th June 2015

(For further information, please contact the Director of Delivery and Discovery, James Parkin)

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Destination
Pembrokeshire

Future Structures:
consultation, research and
business model appraisal



Executive Summary

Hurio and the Wales Co-operative Centre - April 2015



Context and background

This report sets out the key challenges and opportunities facing Destination Pembrokeshire (DP) in delivering against Visit Wales' Partnership for Growth: Strategy for Tourism 2013-2020. The report highlights the on-going impact of reduced public sector funding on destination management in Pembrokeshire. In addition, it makes an industry-led case for immediate changes to the direction and governance of Destination Pembrokeshire whilst presenting a range of options to secure its long-term sustainability through new models of finance.

The report has been jointly funded by Pembrokeshire Coast National Park Authority (PCNPA), Pembrokeshire County Council (PCC) and Visit Wales (VW) and was commissioned on behalf of Destination Pembrokeshire (DP). The report is not intended to provide an 'instant solution' to the present challenges facing Destination Pembrokeshire. Instead, it should be viewed as a catalyst to help galvanise rapid discussion, agreement and long-term funding to ensure the viability and full potential of Destination Pembrokeshire's work.

Crucially, the report should be utilised as a reference tool to help guide discussions relating to the proposed transition of Destination Pembrokeshire from an informal partnership to a fully incorporated 'independent entity'. The view of local tourism businesses, as captured in the report, is that a transition to a more formal model of delivery is vital to ensure that Destination Pembrokeshire is 'fit for purpose' so that Pembrokeshire can both make the most of existing resources whilst maximising the potential for tourism growth locally.

Tourism remains pivotal to the future of the economy in Pembrokeshire, sustaining over 16,000 estimated full-time jobs (14,000 directly and approximately 2,000 indirectly) and generating in excess of £570 million per annum. In addition, tourism activity often underpins the economic viability of local services as well as the vibrancy of local communities. Creating a clear vision and mechanism for tourism growth across the private, public and voluntary sector is, therefore, pivotal to Pembrokeshire's long-term socio-economic success.

The cornerstone of Pembrokeshire's appeal and success has been largely based on the wealth and quality of its natural environment and built heritage combined with, over the past decade, the county's impressive track record of multi-agency collaboration and innovative product development across the private sector. Destination Pembrokeshire (DP), formed in 2011, embodies this partnership-working ethos. The DP core group (Pembrokeshire County Council, Pembrokeshire Coast National Park Authority, PLANED and Pembrokeshire Tourism) is supplemented by a wider stakeholder partnership and, with an

agreed brand and a Destination Management Plan (DMP) in place, this has driven tourism delivery in the county over the last 2-3 years.

Despite its success, Destination Pembrokeshire faces an uncertain future. The impact of substantial public sector budget cuts continues to have a detrimental impact on the services that are presently provided by Pembrokeshire County Council and Pembrokeshire Coast National Park Authority. The statutory remit of both organisations dictates that tourism is, ultimately, a 'discretionary' service and as a result many existing visitor services remain under constant review.

The voluntary sector is also facing substantial challenges and PLANED is undergoing a formal process of moving to a less 'grant-dependent' structure of delivery which, in turn, may restrict its ability to meet the tourism related aspirations of local communities throughout Pembrokeshire without additional funding.

However, the biggest challenge presently facing Destination Pembrokeshire is the long-term financial security of Pembrokeshire Tourism as the county's primary trade association for tourism businesses locally. In particular, changes to the structure of regional funding and the delivery of tourism services in West Wales have impacted on Pembrokeshire Tourism's core funding, jeopardising the organisation's economic foundation and long-term viability. This is particularly worrying for destination delivery as losing a clear and industry-led representative body for tourism businesses in the county would leave Destination Pembrokeshire without strong trade links.

As a result, direct and immediate action to make the most of dwindling resources and bolster the long-term financial sustainability of Destination Pembrokeshire is urgently needed if the county is to retain a clear and sufficiently resourced collaborative approach to destination management locally.

Track record and current situation

The success of Destination Pembrokeshire to date has been pivotal in ensuring that the county has a clear vision for tourism growth locally, via the Destination Pembrokeshire Management Plan 2013-2018 and its associated Action Plan. This has supported a better and more focussed use of existing resources across the tourism sector locally and has ensured that there is a reduction in the duplication of effort amongst key agencies.

In addition, Destination Pembrokeshire has improved sector-wide communications and better co-ordinated marketing efforts to boost the 'reach' and effectiveness of key marketing campaigns (e.g. PCNPA's 'retro-poster' campaign and PCC's Visit Pembrokeshire digital activity). Destination Pembrokeshire's working partnership and annual trade engagement events have also assisted in securing positive outcomes in the delivery of activity such as training and research.



However, in a climate where resources are stretched to capacity, alongside an environment of significant international and domestic competition for funding and visitors – the need to work together to realise sustained and affordable growth and success, has never been more important. With increasing fiscal pressure on all partners and key changes in devolved funding arrangements regionally it is imperative that Destination Pembrokeshire evolves in order to strengthen its position in the context of securing, and sustaining resources for future delivery.

Review of DMO arrangements across the UK

Sections of the full report provide a comprehensive review of the potential future structure and delivery mechanisms of Destination Pembrokeshire (via consultation with key

stakeholders) alongside consideration of Destination Management Organisation (DMO) models elsewhere in the UK. The report focuses on the potential of new and more sustainable models for the delivery of tourism services associated with destination management in Pembrokeshire.

DMOs across the UK, though experiencing similar challenges to Pembrokeshire in terms of maintaining sustainable operations, have chosen to deliver those DMO services in many different ways based on their local circumstances. Differing models include Social Enterprises and Companies Limited by Guarantee to Arms-Length Management Organisations and Community Interest Companies. It is, therefore, safe to say that there is no clear 'one size fits all' model when it comes to destination management.

For example, Visit Cornwall has recently established itself as a trade-led Community Interest Company (as of the 1st April 2015). Previously, Visit Cornwall operated as an economic development company that was wholly owned and partially subsidised by Cornwall Council. However, following Cornwall Council's decision to withdraw funding from the *former* Visit Cornwall, the new Visit Cornwall CIC has been given (one-off) transitional support of £300,000 from the local authority and will drive private sector revenue contributions via membership (currently 950 businesses) to assist with promotional activity.

In areas where more informal models are in place (e.g. Devon, Staffordshire, Winchester) considerable public sector input underpins existing operations (e.g. £100k plus in Winchester). In addition, the capacity of larger trade operators to contribute significant sums (e.g. Alton Towers in Staffordshire) means that no *direct* comparisons can really be made with Pembrokeshire's situation but there are still clear indications of both public and private institutions having to work more closely together to underpin core destination management activities.

Each area considered within this report has its own established networks, cross-sector relationships and prevailing working arrangements, which have informed their chosen structure. Destination Pembrokeshire's situation is unique. The review of arrangements elsewhere, although useful to learn from, corroborates the premise (used as a driver for Visit England's current research into future funding for DMOs) that ultimately;

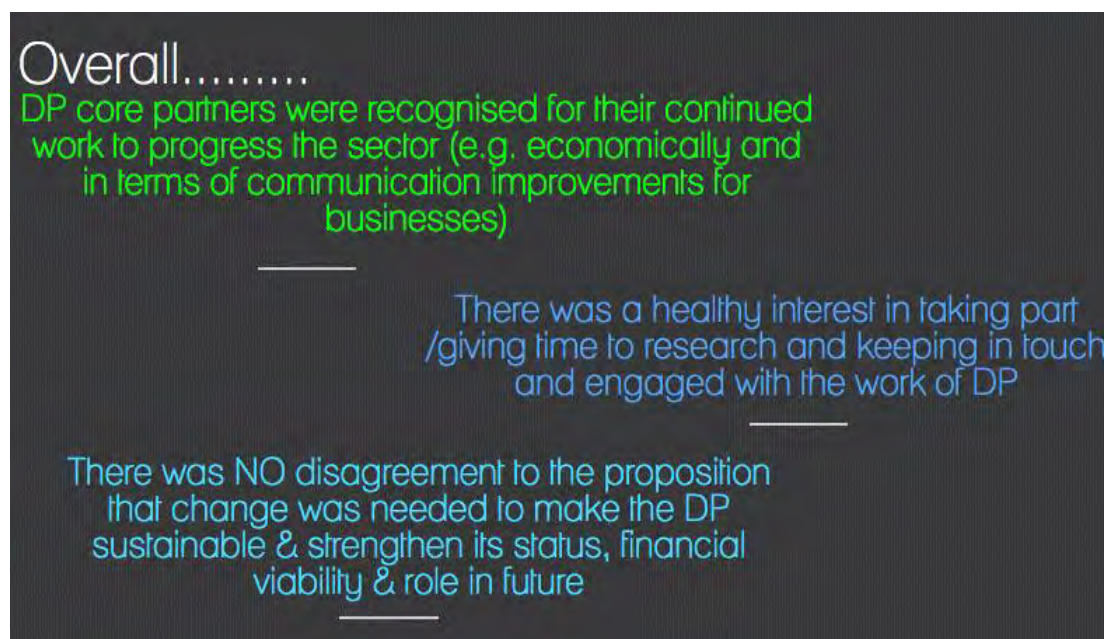
"Funding destination management is a local decision for local stakeholders"

Consultation with local stakeholders

The report has been informed by the contribution of over 75 businesses and local organisations who gave their time and views during face to face, telephone and online survey sessions for which Destination Pembrokeshire is extremely grateful.

Overall, there is widespread support for 'change'. Respondents viewed the need to formalise present arrangements as necessary to take forward implementation work. It was widely acknowledged that, in a climate of dwindling resources, there is an even greater need to avoid 'duplication of effort' and maximise the benefits of existing funds.

It's also extremely important to note that the need for "change" was not cited in the context of dissatisfaction with the work done to date by Destination Pembrokeshire but moreover, due to the need for Destination Pembrokeshire to be 'fit for purpose' to meet future challenges i.e. change is required in order to maximise use of dwindling resources in the public sector and the parallel profit squeeze in the private sector.



There was no disagreement to the proposition that formalisation could assist in securing Destination Pembrokeshire as an effective, sustainable delivery mechanism and consolidate its role, and the county's status, in the future (particularly when working with Welsh Government and Swansea Bay City Region).

Recommendation: Social Enterprise Model

Following the detailed review of pan UK DMO operating models and the consultation with stakeholder businesses/organisations, a social enterprise (SE) model of delivery is proposed together with a shortlist of 3 options for consideration, specifically:

1. Establishing a new, stand-alone social enterprise
2. Establishing a social enterprise that facilitates the development of Pembrokeshire Tourism Business Improvement District (TBID)
3. Transfer of responsibility to an existing body (private sector)

The social enterprise model fits the values and ethos of the existing Destination Pembrokeshire Partnership (often referred to as the 'DPP') core group and is a business-based model that can accommodate public and third sector involvement. Social enterprises are open and democratic organisations, are relatively quick and easy to set up and represent a well-established model with a proven track record for successful delivery.

In addition to the above, the “not for profit” structure of a social enterprise means that they are eligible to apply for a number of grants and funding streams not available to normal businesses or public bodies as well as having a structure that can accommodate the adoption of charitable status.

Practical Considerations

There are a number of considerations that each of the partners will need to deliberate as they embark on the journey from an informal partnership to a fully constituted social enterprise (including governance, staffing and representation arrangements) and these are outlined within this report. Should the partners decide to proceed with the recommendation the adoption of a social enterprise model offers:

- A single purpose delivery vehicle from which to develop a clear brand
- Protected liability for individuals and organisations
- The ability to access funding resources currently not available to the partnership under the existing working arrangement
- Provision of a vehicle from which the partners can develop a business plan that reflects shared values and address the long term financial sustainability of the partners and the partnership
- A structure that has the flexibility to accommodate future growth and development

Conclusion

Initial development of partnership working arrangements is not an easy task, nor indeed is the long-term continuance of productive partnerships. However, in Destination Pembrokeshire there is an opportunity to capitalise on what has been a positive ethos of collaborating internally (i.e. cross-sector and county-wide) to compete externally (i.e. delivering successful destination management and marketing).

There is, of course, always the option to “do nothing” and see what happens over the course of the next 12-24 months. However, we believe that a failure to make changes to the business model of Destination Pembrokeshire at this point will result in not only potential ‘stagnation’ of delivery but also the risk of ‘collapse’ of DP delivery due to the possible cessation in operations of some core group members.

Changes to the way funding is allocated via Visit Wales, as well as other local and national economic and resource pressures, mean that Destination Pembrokeshire cannot be sustained in its current form due to the over reliance on goodwill and participation (both in time and financial resources) of the constituent core group bodies who face unprecedented financial and operational challenges.

In conclusion, Destination Pembrokeshire requires a pragmatic and practical new approach to ‘future proof’ success and the sustainability of its work. It is the strong belief of the Destination Pembrokeshire core group members, that a formalised model will focus effort and raise awareness and recognition of the value of the DMO and the constituent Destination Management Plan.

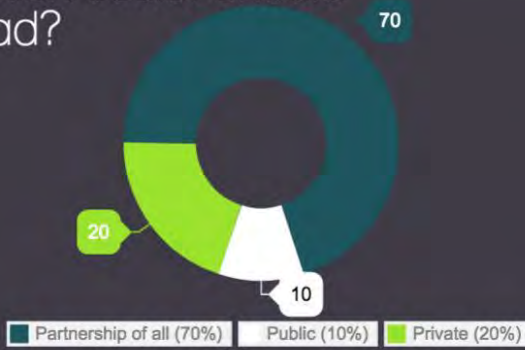
The inception of a formalised structure will assist in communicating a renewed sense of purpose and clarity alongside a more commercially focussed approach. It will also provide a solid foundation for delivery that is, at worst, less vulnerable to external factors, and, at best, able to foster a business environment within which funding opportunities can be positively exploited to the benefit of the county’s visitor economy.



Consultation Feedback

75 stakeholders/organisations contributed

Which sector should lead?

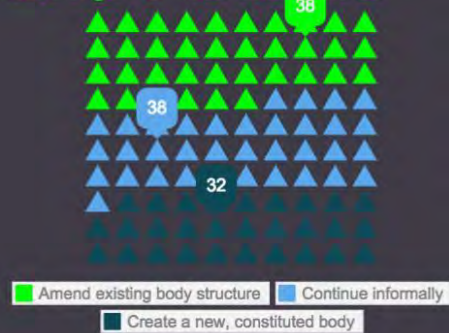


Pembrokeshire Tourism was the body cited most frequently, within the online and face-to-face interviews, as the best placed to take the lead moving forward - due largely to its private sector representation.

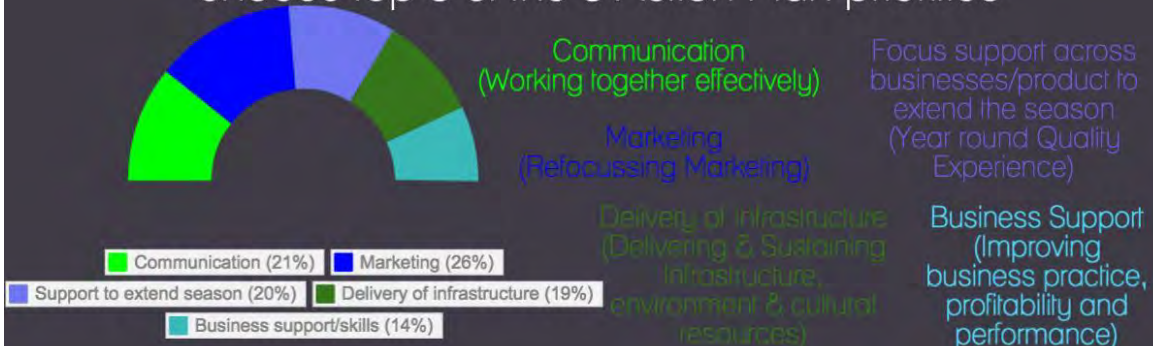
Preferred structure?

A fairly even split of views....

"Amend an existing body to lead" edged ahead BUT there is low awareness of what DPP or indeed any DMO model does/should do



What should DP's principal functions be? "choose top 3 of the 5 Action Plan priorities"



Views were spread although "marketing" was the most quoted



Levels of awareness & understanding about funding streams/business models/initiatives?

Overall awareness/understanding is low as regards external funding options/sources - even tourism related

#Communication

'some confusion as to DP's role (& relevance to operators' day-to-day work)
- evolution of DP should raise awareness, refreshing understanding and recognition

Change was, overall, seen to be required in order to maximise use of dwindling resources in the public sector and profit squeeze in the private sector