

TOURISM REVIEW

THE FUTURE OF DESTINATION MARKETING AND THE RELATIONSHIP WITH THE NEW FOREST TOURISM ASSOCIATION

1. INTRODUCTION

- 1.1 As part of a wide series of service review across the Council that commenced in 2016 the Tourism Service has been looked at in detail. A key element of this service is the relationship between the Council and the New Forest Tourism Association. A fundamental part of this relationship is the way in which the New Forest is promoted and marketed as a destination to attract people to visit the area and to utilise the tourism facilities which are a major sector of the local economy.
- 1.2 This report only deals with these aspects of the Tourism service. A separate report deals with the future of the Lyndhurst VIC. For the avoidance of doubt this report does not include the Councils relationship with the New Forest Business Partnership or the wider support it gives to businesses or the economy in general.

2. THE CURRENT SITUATION

- 2.1 The Council currently provides significant support to the operation of the New Forest Tourism Association. This involves the collection of membership subscriptions, the support/organisation of its operating structure and supporting a number of events it wishes to organise. Most importantly there is a significant budget which the Council holds for the marketing of the New Forest as a destination, the hosting of a website which is used to promote businesses in the area and the production of guides and publications which fulfil a similar function. The Council also organise the Brand New Forest initiative which supports local businesses and the tourism offer of the area. Although there is significant income from the advertising charges the Council supports these activities by about £100,000 per year.
- 2.2 The Council works in partnership with the Tourism Association in the design and operation of these activities but it is the lead player as the Association has no employed resources to input into the processes. Without the Council's support the organisation and the most of the activities would be unable to continue. This could have serious adverse consequences on some tourism businesses in the area with knock on effects into the wider economy.
- 2.3 This review has looked at the question as to whether the relationship between the Council and the Tourism Association could be realigned so that the latter is better supported to decide how it wishes to market the destination in the future as well as advertising its local businesses. It has also considered whether destination marketing should be a self-sufficient activity of the tourism business sector.

3. THE VIEWS OF THE NEW FOREST TOURISM ASSOCIATION

- 3.1 Throughout the review process there has been an active dialogue between the NFTA and the Council. The NFTA nominated 3 members to discuss this on their behalf.

The outcome is to be reported more widely across the Association at meetings during the autumn.

- 3.2 It is believed that the preferred approach to the future as set out in the next section has found a significant measure of agreement with the NFTA representatives.

4. CONCLUSIONS OF THE REVIEW AND THE PROPOSED WAY AHEAD

- 4.1 The key conclusion is that the Council believes that the best way forward is for the tourism business sector to take responsibility for determining the way in which the New Forest is marketed and promoted as a destination to visitors for the benefit of business. The Council further believes that the Tourism Association is currently well placed to enhance and develop this role in the future, given that it reflects the interests of the members of the Association and it follows from this that the Council would stand back from its current level of involvement in setting and delivering the strategy.
- 4.2 To enable this transition to occur the Council will provide assistance to the Tourism Association both in terms of the initial set up and for the first 3 years of the new arrangements, in terms of transition funding. After this the Council would expect the Association or Company to be able to fully fund the activities it wishes to carry out to promote the New Forest as a visitor destination for the benefit of business.
- 4.3 The new arrangement is very likely to require the establishment a new Company to be established in order to carry out activities including being able to receive the transitional funding which the Council is proposing to make available from April 2017 until March 2020.
- 4.4 The Council envisages, subject to negotiation agreement that the activities that would become the responsibility of the new Company would include;
- Management of the Destination Website
 - Visit New Forest leads on Social media
 - Email marketing
 - Promotional videos
 - Public Relations and advertising of New Forest as a Destination
 - Providing the offer to local tourism business of a route to the Destination Market
 - The voice of New Forest Tourism, lobbying on important issues, providing research into visitor trends and sharing industry news and insights

This includes all associated income and expenditure being the responsibility of the Company.

- 4.5 The Council's preferred approach is to retain ownership of the destination website and envisages that staff will be retained to carry out duties related to its maintenance and development on instruction, via an agreed contract, with the new tourism body. This can include web hosting and design costs, the production of such guides and promotional material as the Association or Company wishes to produce. The Council's aim in any arrangement would be simply to recoup the expenditure it incurs. This would be reviewed over time and could be changed if it was not to the Company's satisfaction.

5. INTERIM ARRANGEMENTS AND TRANSITIONAL FUNDING

- 5.1 It is proposed that in the short term, and up until 31 March 2017, the Council releases the existing Employment and Tourism Manager to the Association to help with preparation for the new arrangements and, if they so wish, to negotiate with the Council on the details of how the new arrangements will work. Management arrangements within the Council will be adjusted to facilitate this.
- 5.2 Although subject to more detailed negotiations the Council's would then offer transitional funding to the new Company to allow it to establish itself and then to consider how best to market the destination in the future. The transitional funding could be in the region of £100,000 in the first year; £50,000 in the second year and £25,000 in the third year. After this period the Council funding would cease. The Company would contract with the Council to continue with the web hosting and the production of documents/guides on a cost recovery basis. It would also recruit whatever staff it decided that it needed to carry out its new role.

6. NEW FOREST DISTRICT COUNCIL STAFFING IMPLICATIONS

- 6.1 The changes set out in this report would result in the post of the Employment and Tourism Officer being made redundant on 31 March 2017. TUPE does not apply. No other staff in the Employment and Tourism service would be directly involved other than some adjustments to existing job descriptions to reflect the new arrangements.

7. FINANCIAL IMPLICATIONS

- 7.1 There will be a redundancy cost.
- 7.2 At the end of the transitional funding period the Council will be saving approximately £100,000 per annum which it currently spends on Destination Marketing and the support it gives to the New Forest Tourism Association.
- 7.3 For the avoidance of doubt these measures have no impact on the budgets which will remain available for general business support in the District.

8. CONSULTATION

- 8.1 The contents of this report are now the subject of formal consultation with the staff affected and the other groups involved in the review process. This will run from 7 to 21 October. Following the end of the consultation process EMT will consider all of the comments received and then decide what to recommend to the Cabinet meeting on 2 November.

9. STAFF SIDE COMMENTS

- 9.1 As set out in the report to the Cabinet.