



Agenda Item 5

Overview and Scrutiny Committee 16th March 2021

Title: Annual update of the Destination Management Organisation – Shakespeare’s England
Lead Officer: Martin O’Neill, Business Manager, Projects and Economic Development
Portfolio Holder: Councillor Richard Hales
Public report
Wards of the District directly affected: None

Contrary to the policy framework: No
Contrary to the budgetary framework: No
Key Decision: No
Included within the Forward Plan: No
Equality Impact Assessment Undertaken: No
Consultation & Community Engagement: No
Final Decision: No
Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	4/3/21	Chris Elliott
Head of Service	4/3/21	Philip Clarke
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)	4/3/21	Richard Hales

1. Summary

- 1.1. This report provides the Overview and Scrutiny Committee with an update on the activities of the District's Destination Management Organisation (DMO), Shakespeare's England, over the last 12 months and through the current COVID-19 Pandemic in relation to the tourism sector.

2. Recommendation

- 2.1. That the Overview and Scrutiny Committee notes the contents of the report.

3. Reasons for the Recommendation

- 3.1. There are no specific recommendations as part of this report. The details in relation to the activities of the DMO are contained in section 7 below.

4. Budgetary Framework

- 4.1. At its meeting in March 2019, Warwick District Council approved funding of a total of £225,000 for the period 2019 – 2023 for Shakespeare's England to be paid in instalments of £75,000 per annum. This is in line with the funding being provided to Shakespeare's England by Stratford District Council.

5. Risks

- 5.1. There are no risks associated with this update report.

6. Alternative Option(s) considered

- 6.1. This is an update to Overview and Scrutiny committee, there are no alternative options to be considered.

7. Update on the Tourism Sector and Activities of Shakespeare's England

- 7.1 Members of the Committee will be aware that this report is an annual update of the activities of the DMO in relation to the tourism sector. The report was originally due to be heard at the meeting of the Committee in August 2020. At that time, due to the impact of the Global Pandemic on the tourism sector, and in the hope that the situation would have improved, the report was deferred to March 2021. Regretfully, the situation has not improved and the sector continues to experience one of the most devastating impacts of the pandemic across all of the industrial sectors to date. This report will inform Members of what the DMO has been undertaking to continue to support, signpost and inform those businesses across the South Warwickshire region at a time when tourism activities have ground to a complete halt. The following bullet points give an indication of how tourism and travel have been affected over the course of the pandemic using some of the latest national data sets available;
 - Monthly air passenger arrivals to the UK fell from 6,804,900 in February 2020 to 112,300 in April 2020, a fall of 98.3%.
 - In Quarter 2 2020 overseas residents made 96% fewer visits and spent 97% less than in Quarter 2 2019.

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- Accommodation and travel agency businesses saw the sharpest decline in turnover during the first national lockdown, falling to 9.3% of their February levels in May 2020.
- In travel and tourism industries overall, the number of people aged 16 to 24 years saw the largest fall in employment of any age group between Quarter 3 (July to Sept) 2019 and Quarter 3 2020.
- In April 2020, only 19,862 passenger vehicles travelled, compared with 227,393 in the same month in 2019, a decrease of 91.3%. This includes cars, motorcycles, vehicles with trailers, caravans, camper vans and coaches.
- Hotel occupancy in every English region declined sharply at the start of the pandemic, with room occupancy in the West Midlands at just 17% of available rooms in open accommodation businesses in April 2020, compared with 71% the previous year.
- Turnover in travel and tourism businesses fell to its lowest level in 2020 in May, at just 26.0% of February levels, compared with 73.6% in all other industries.

Source – Office for National Statistics, Coronavirus and the impact on the UK travel and tourism industry, latest version published February 2021

7.2 In terms of Warwick District, the Council commissions an annual independent Tourism Economic Impact Assessment (TEIA) which provides a detailed breakdown of the impact of tourism across the District over a 12-month period, in particular visitor numbers, visitor spend and sector employment numbers.

7.3 The latest TEIA report was provided in 2020 but reports for the previous year 2019. The national DMO, Visit England/Visit Britain have modelled the forecasts of how tourism is likely to be impacted post pandemic as the sector begins to recover during 2021 with the as yet unknown restrictions for international tourism in 2021. The following table compares the figures from 2019 with the forecasts for 2021.

	Visitors 2019	Visitors 2021	Visitor Spend 2019	Visitor Spend 2021	Total employed 2019	Total employed 2021
Shakespeare's England area	10.6m	4.2m	£805m	£354m	14,409	8,050
Warwick District	3.8m	1.7m	£314.6m	£138.4m	5,398	2,364

7.4 The overall impact is evidently very grave for the Tourism sector. Throughout the period of the pandemic, now approaching a full 12 months, Shakespeare's England has continued to operate to provide support, advice, guidance and the latest updates and Government information to the businesses in the South Warwickshire area, including Warwick District.

- 7.5 Clearly the effects of the pandemic have had an impact on the ability of the DMO to meet their objectives;
- To promote tourism and visits to the area locally, nationally and internationally.
 - To encourage visitors to stay longer, explore further and spend more
 - Support the Travel Trade in bringing visitors to the region and maximising the economic impact of Tourism
- 7.6 Nevertheless, the DMO have held quarterly meetings of their Board, attended by the Portfolio Holder for Business and Finance and the Deputy Chief Executive (BH). Also a number of Tourism Forums over the past 12 months to present industry insight and measures to support local tourism businesses throughout the pandemic, particularly in respect of the 3 national lockdowns in gaining access to business grants and funding to support the sector. Further details of other DMO activities are set out in section 9 below.

8. Update regarding The Conditions of the Grant from WDC.

- 8.1 Members of the Committee will recall that the Executive decision that was made to continue the grants funding for the DMO was made in March 2019. The conditions of the grant were that a new set of Key Performance Indicators (KPIs) should be established. Subsequently following a challenge to this condition and having sought legal advice, it was found that the imposition of KPIs would not be permissible as if implemented as written would expose the Council to an unacceptable degree of risk from a potential procurement challenge. The legal advice also determined that to make the funding conditional on the delivery of the KPIs would potentially create a service contract in terms of OJEU procurement rules.

Consequently, officers sought and obtained, under the emergency powers set out in our Scheme of Delegation, approval from the Group Leaders for a revised approach. This approach was resolved at the meeting of the Executive on 29th June 2020.

Rather than agree KPIs on which the release of funding would be conditional, measures have been agreed that reflect that the award of the WDC grant is based on there being benefits to the Council district as a result of the activities undertaken by Shakespeare's England.

Payment of the funding would not be conditional on these measures being achieved, hence the late payments being released but the Council would wish to monitor performance against the measures and would, potentially, take that into account when making a future decision on renewal of the funding.

- 8.2 The revised conditions of the grant are;
1. Building relationships between WDC and SE
 2. Increasing WDC business membership

3. Holding tourism forums and network events within the Warwick District
4. Seeking out tourism news, events and activity in Warwick District
5. Carrying out social media campaigns (targeted at Warwick District)
6. Promoting of WDC Events
7. Increasing new Shakespeare's England members in the Warwick District area
8. Increasing the number of overnight visitors in Warwick District

8.3 Clearly it has not been practically possible to meet all of the conditions (in particular number 8) during the restrictions that have been in place. Section 9 sets out the primary activities that have taken place over the past 12 months which correlate with the above conditions.

9. Specific Examples of the DMO activity to support and promote both the District and the South Warwickshire area;

9.1 A member of the Shakespeare's England team worked once a fortnight at Riverside House up until the first lockdown, forging much closer relationships with both the team involved in tourism and events, but also going out to meet local businesses and promote membership to them. This work was gaining momentum up to the time of the outbreak of the pandemic and the subsequent lockdown.

9.2 Big Breakfast, Leamington Spa 13 March 2020. Tourism Forum took place in April 2019 at Royal Pump Rooms, Leamington Spa and another was due to take place July 2020 at Chesford Grange but was changed to a virtual forum due to COVID.

9.3 In terms of new members in Warwick District, hospitality and tourism businesses have predominantly been in lock down since March 2020 so access has been challenging. However new members have been recruited as follows:

- Holiday Inn, Kenilworth
- Hilton, Warwick
- Jephson Hotel, Leamington
- Chesford Grange Hotel
- Esquires Coffee, Leamington – (in process once lockdown 3 is lifted)

9.4 Regular meetings have taken place between officers and the team at Shakespeare's England over the past 12 months, including attendance at the Tourism Forums and the Board meetings as well as ad-hoc liaison meetings.

9.5 WDC officers were providing regular updates on the planned events in the District for these to be featured on the Shakespeare's England website but no events have taken place since before March 2020. A select few events were able to take place in between lockdowns, such as the Christmas activities at Warwick Castle which was promoted fully, as was Market Hall Museum virtual sessions. There is hope that events will restart as part of the Government's Roadmap and the Events Team will send details of these to Shakespeare's England for publication on their website for 2021.

9.6 In terms of the wider activities that the DMO have been able to deliver which contribute to the conditions of the grant;

9.6.1 For the Shakespeare's England members:

- Guidance, support, signposting
- Information hub
- Regular Facebook-Group posts
- Weekly Round-up email
- Open Forums – Visit Britain/Visit England
- Coventry and Warwickshire Chamber of Commerce- digital skills training
- WCC and WDC business support grants

- Lobbying - Tourism Resilience Fund
 - Minister for Hospitality
 - Against Tier 3
 - Tax Free shopping

9.6.2 For actual and potential visitors to the area:

- Information hub - COVID-Secure
- Social Media Campaigns-
 - #DiscoverYourDoorstep
 - #ShareyourStratford
 - #SalutetoShakespeare
 - #WelcombeBack
 - #HomeschoolHelp
 - #AskusAnything

- National Campaigns –
 - #KnowBeforeYouGo
 - #We'reGoodtoGo
 - #EnjoySummerSafely
 - #ExploretheEveryday

9.6.3 Working with the UK Travel Trade:

- UK inbound virtual family
- Inteletravel Conference
- Britain & Ireland Market Place
- MeetEngland
- World Travel Market
- Promoting the South Warwickshire area at the 2020 Virtual Meet GB Conference

9.6.4 Online presence on Facebook, Instagram, Twitter and Email Marketing campaigns

- Facebook – 22.5k followers
- Instagram – 2448 followers
- Twitter – 6799 followers
- LinkedIn – 606 followers

9.6.5 Regular PR campaigns using Advent Communications as the delivery vehicle including;

Highlights

- BBC Midlands Today
- ITV Midlands News
- Radio 5 Live – Wake up to Money
- Times Radio

Local Media Coverage

- 200 Clippings 200, online, print & radio platforms
- BBC CWR
- Regional & Local papers – Kenilworth, Leamington, Coventry, Solihull, Stratford and Rugby

National Media Coverage

- Daily Telegraph
- Guardian
- Daily Mail
- Times
- Times on Sunday

9.7 Ongoing matters to be considered in regards to Shakespeare's England;

Going forward, as the tourism sector begins to recover there will be greater dialogue with the DMO to ensure optimal promotion of Warwick District tourism and tourism businesses. Additionally, over the next 6 – 12 months, particular attention will be given to the following matters;

- COVID recovery – the gradual reopening of travel both domestic and international, what will the ongoing restrictions be (quarantine measures and changes to business travel as an example) and the subsequent impact on sector recovery.
- Closer working with Stratford District Council and how the DMO operates within that context.
- Future funding in line with the above point.