



Title: **Tourism, Inward Investment and Maritime Marketing Support**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Council** On: **29 September 2011**

Key Decision: **Yes – Ref 1005563**

Change to Budget: **Yes** Change to Policy Framework: **No**

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1. What we are trying to achieve and the impact on our customers

- 1.1 To support the overarching economic strategy to 'bring about the physical and economic regeneration of Torbay and deliver the benefits to the local community.' Through increasing the tourism and inward investment marketing activity it is expected that visitor numbers will improve, there will be increased demand in the shoulder season and an increase in higher spending visitors in line with Council objectives. In line with the Inward Investment Strategy seeking to increase full time year round employment in Torbay by capitalising on existing sector strengths and exploiting the offer of Torbay as a business destination.
- 1.2 The Mayor has indicated that he wishes to draw £250,000 over two years from reserves to support the key areas of tourism, maritime event and inward investment marketing.

2. Recommendation(s) for decision

- 2.1 That £250,000 be released from reserves over two years to support the key areas of tourism, maritime event and inward investment marketing.
- 2.2 That the Chief Executive of the Torbay Development Agency be instructed to identify appropriate delivery options for the marketing spend.

3. Key points and reasons for recommendations

3.1 Tourism

Tourism related industries such as hotels, restaurants and attractions currently account for 16.7% of jobs within Torbay making it one of the largest employment sectors. The importance of the tourism industry and visitor economy is identified in the economic strategy and recognised as a priority sector. Contributing to the economic strategy the tourism strategy sets out the changing nature of the tourism economy in Torbay and provides a detailed action plan on how the future of the sector in Torbay will be developed. It has three key objectives listed below

- To reduce the decline in visitor numbers and spend
- To increase the value of tourism to the Torbay economy
- To reposition the English Riviera as a leading and inspirational UK destination

The strategy identifies a number of key challenges which include increasing competition, continuing decline in the appeal of traditional seaside resorts, reducing durations negatively impacting total visitor spend and the need to attract new visitors. The resultant tourism marketing spend will support these objectives through strategic use of TV advertising and a supporting national campaign utilising magazines, PR and outdoor routes. This would contribute to the attraction of higher spending visitors and would also support the maritime sector by animating and supporting existing events, improving marketing materials and facilitating trips. Business and conference tourism is a key target sector in the Tourism Strategy, and as Torbay becomes better known as a business location as well as a visitor destination through inward investment marketing, the opportunities in this sector will be improved.

3.2 Inward Investment

The Torbay Inward Investment Strategy is a response to the economic needs of Torbay and the Council's commitment to growth of the local economy. The economic strategy explicitly highlights the need to increase investment from private and public sources to bring about faster economic growth for Torbay leading to increased employment and improving public finances. Stimulating and attracting investment is a key focus of the economic strategy meaning that the Inward Investment Strategy is crucial to its success.

The priority sectors identified in include higher value advanced electronics, healthcare and environmental science which have all been identified for potential development in the Torbay economy. They are highly productive sectors, which to a lesser extent already exist, and with the right inward investment support could develop further and help build the Torbay economy for the future. Other sectors such as contact centres which would complement the local labour market will be targeted. The resultant inward investment marketing spend will be used to support these goals aiming at specific identified target markets including electronics and photonics, low carbon economy, call centres through the use of

audio visual material, design and print work and targeted advertising and regional or national events promoting Torbay's offer.

3.3 Events

A strategic events programme can be an effective driver for tourism, and can help to retain local residents' leisure spend within the Bay. Events can also create an opportunity to raise the profile of a destination nationally and internationally through supporting PR campaigns.

However events can be a costly exercise with little impact if not programmed strategically. It is proposed to invest in seed funding selected events, backed up by long lead-in promotion campaigns, a self-funding sustainability plan and a cost:benefit analysis of proposed events funding. Decisions on choices of events to fund will be based on a combination of factors including footfall, bednights, visitor profile, legacy benefits, and reputation enhancement.

Some events attract a high number of direct visitors e.g. the South Coast Festival of Rugby, which anticipates 10,000 attendees per day and 34,000 + bednights, delivering a good return on the requested investment for that event. Maritime events will also be developed as a vehicle for attracting high-spending tourism to the Bay. Some prestigious arts and cultural events have less quantifiable benefits, but they raise awareness of the destination in the media and amongst new audiences, and help to re-position Torbay as a quality destination that might appeal to the higher spending ABC1 segments or potential inward investors. This contributes to expansion of the holiday season, attraction of new and increased number of repeat visits and the development of Torbay's reputation as an event destination.

An events forum, bringing together the key organisations to enhance the existing event programme and identify appropriate events that will support delivery of these outcomes will be established and to ensure that there is a coherent strategic direction to the event programme for Torbay.

These three destination marketing strands of tourism, inward investment and events will help to realise Torbay's ambition to be a destination of choice to live, work, visit and invest in.

Steve Parrock, Chief Executive Torbay Economic Development Company

Supporting information

A1. Introduction and history

A1.1 As the adopted economic strategy and economic assessment highlights- Torbay's economy significantly lags behind the South West Region and other coastal resorts. This is demonstrated by lower wages and productivity per employee, higher deprivation, higher unemployment and other benefits claimants and weaker public finances.

Underpinning the economic strategy the tourism strategy seeks to reinvigorate the tourism sector in Torbay by steadying visitor numbers, attracting higher spending visits and to reposition the English Riviera as a leading and inspirational UK destination.

The English Riviera was one of the last bastions of the week – long holiday for the domestic market. This situation has changed quickly with the average domestic staying visitor duration recorded as 4 nights. The English Riviera is becoming a shorter break destination but still has the appeal and the potential for longer holidays in the high season.

Key issues highlighted by the strategy include;

- Lower than average visitor spend compared to the rest of Devon
- Continued market domination by C1,C2, D families, over 60's and coach groups.
- With a continuing decline in visitor numbers, a dynamic market and increased competition the English Riviera needs greater investment in the implementation of powerful marketing and PR campaigns.
- The strategic role for marketing is to provide a clear focus on brand development and increasing destination brand awareness.

The Inward Investment Strategy seeks to develop full time employment in Torbay by capitalising on existing sector strengths and exploiting the offer of Torbay as a business destination. From local benchmarking it should also be noted that we believe Devon is spending circa 300k on inward investment marketing, or ten times that which Torbay can presently afford

The purpose of the Inward Investment strategy is to bring about faster economic growth through new investment in Torbay. The benefits of that growth will include:

- increased full time employment
- a reduced dependence upon the public sector for employment,
- improved opportunities for the community and
- higher earnings which will in turn raise aspiration and ambition in the area.

However a wide range of interventions and stimuli are required including encouraging and supporting growth in priority employment sectors and attracting new inward investment.

Recognising that Torbay will face stiff competition for inward investment the inward investment strategy looks at the strengths of Torbay's offer in a number of sectors; reviews the competitive environment; identifies sectors where Torbay can present a strong case to potential investors; and recommends activities which the Torbay Development Agency (TDA) can undertake to promote the Torbay opportunity to potential investors and key influencers.

Indicative actions include:

- Focusing on sectors where there is a specific asset or success which can be built upon, particularly advanced electronics, healthcare, public sector relocation and business process outsourcing.
- Develop and promote an image of Torbay as a business friendly location. Torbay needs to be known for its commitment to business growth through its sector business networking, business advice programmes, aftercare support for investors, etc.
- Develop and market clear, persuasive value propositions which present Torbay's advantages and successes in key sectors.
- Promote Torbay as a 'first choice' destination for business supported by a wider campaign to promote the area for tourism, retail, culture etc.
- Ensure the maximum conversion from enquiry to investment by adopting best practice techniques for responding to enquiries, following up and maintaining contact with key decision makers.
- Build better relationships with partners including the Local Enterprise Partnership and UK Trade and Investment to ensure the Torbay 'offer' is promoted by the regional and national team.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 The Economic Strategy itself sets out the key risks from failing to deliver. The principal delivery risks relate to failing to deliver economic growth and prosperity within Torbay and the resulting negative outcomes this will have.

A2.1.2 Promotional spend can lose its impact if not strategically planned to have maximum impact of timing and stakeholder engagement. Torbay Development Agency will ensure maximum engagement from partner agencies to help deliver efficient and effective destination marketing management.

A4. Summary of resource implications

A4.1 Delivery will be principally through Torbay Council's economic development company however where identified as appropriate other delivery routes will be commissioned.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

A5.1 The decision is unlikely to have an adverse impact on any of the target equalities groups. Campaigns will be designed to ensure that all groups can engage with it, and will conform with relevant standards. Services, advice and events are intended to support the delivery of actions in the relevant strategies and also strive to be accessible to all.

A6. Consultation and Customer Focus

A6.1 Developed against a considerable evidence base and analysis the adopted economic strategy was consulted upon with Councillors alongside consultation with the Business Forum, the Chamber of Commerce and has held an economic forum to consult on the overarching economic strategy. A wider consultation saw broad support offered for the strategy. TDA has used the business barometer survey and face to face meetings with business community and economic partnership to ensure that the strategy remains relevant. The inward investment strategy was developed on the basis of this evidence and significant engagement with key local businesses especially those which are foreign owned, with intermediaries such as property agents and others who might influence inward investment decisions.

The Tourism strategy was developed in wide consultation with:

- Business representatives including: The Tourism Steering Group, The English Riviera Attractions Partnership, Torbay Tourism Forum, Executive of the Torbay Business Forum, Torbay Development Agency Ltd Board, Torbay Town Centres Company, Torbay Self Catering Association, Brixham Tourism Partnership, and over 200 private sector individuals have responded to the consultation.
- Torbay Council Representatives including Cabinet Member for Tourism, Cabinet Member for Economic Regeneration, Transport and Planning, Environment Commissioner, Torbay Development Agency CEO, Executive Head of Residents & Visitor services and the Executive Head of Spatial Planning.
- Wider partners including Torbay's Cultural & Environment Partnership, neighbouring local authorities, South West Tourism, Visit Devon, Visit England and the British Resorts & Destination Association.

A7. Are there any implications for other Business Units?

A7.1 The Torbay Development Agency, as part of its strategic economic development function, will identify the strategic delivery options for the marketing spend however where appropriate other delivery routes will be commissioned.

Background Papers:

The following documents/files were used to compile this report:

Torbay Economic Strategy 2010-2015

Torbay Inward Investment Strategy

Torbay Tourism Strategy

Torbay Economic Assessment