

Coventry City Council
Minutes of the Meeting of Cabinet Member for Jobs, Regeneration and Climate
Change held at 12.00 pm on Friday, 30 July 2021

Present: Councillor J O'Boyle (Cabinet Member)

Members:

Other Members: Councillor J Lepoidevin

Employees (by Directorate): O Aremu, Law and Governance
S Bennett, Law and Governance
V Birchall, Business, Investment and Culture
P Jones, Business, Investment and Culture

Apologies: Councillor P Male

Public Business

7. Declarations of Interest

There were no declarations of interest.

8. Minutes

The Minutes of the meeting held on 15 July, 2021 were agreed and signed as a true record.

There were no matters arising.

9. New Coventry Destination Management Organisation Collaboration Model

The Cabinet Member for Jobs, Regeneration and Climate Change considered a report of the Director of Business, Culture and Inward Investment which indicated that the Coventry Destination Management Organisation (DMO) Project seeks to initiate a proof-of-concept model (known as Destination Coventry) to test the viability of creating a formal public / private DMO entity for Coventry from 2023 onwards. The project is a collaboration between Coventry City Council and Coventry & Warwickshire Chamber of Commerce and will deliver both traditional and innovative destination management and marketing activities. The report sought the necessary approvals to initiate the model, noting the related expenditure in 2021/22 and 2022/23 from existing approved budgets.

Destination Management Organisation (DMO) is the umbrella term for arrangements in a place to support co-ordination and collaboration across the tourism sector's many stakeholders. They differ across the country in scale, funding models and governance, from wholly local authority operated arrangements through membership schemes and private companies. In Coventry, the Council's Visit Coventry and Conference Coventry & Warwickshire

operations make-up the DMO. This in-house model is considered appropriate in places where the visitor economy is less well-developed and where the sector has few, if any, major operators.

Coventry's Destination Management Partnership (DMP) was convened in 2019 as a result of recommendations made in the 2019-2023 Tourism Strategy. It is made up of senior public and private sector stakeholders from across the city's visitor economy sectors. In relation to reporting to the DMP, three working groups covering its core remit, were established – Visitor Experience, Product & Promotion and Visitor Economy & Skills. The DMP has provided opportunity for a regular tourism economy dialogue and created an appetite for exploring ways in which the current DMO could be more successful and effective in delivering the tourism strategy and growing the city's visitor economy, especially in the build up to UK City of Culture 2021 and the Commonwealth Games in 2022. The DMP has recognised that there is potential for improving impact through a new structural model for the DMO, with greater involvement and investment from the private sector businesses in the sector.

The DMP convened a DMO Advisory Board to explore an alternative DMO model for Coventry. The group's findings validated that a form of public / private partnership model can be successful in destinations where the sector is more developed and sector associations and collaboration are well established, as we are experiencing in Coventry. The DMP considered that testing a proof-of-concept through the next two years, with the opportunities afforded by UK City of Culture and the Commonwealth Games would give the best chance to establish the feasibility of a new approach.

The report proposed an initiation of a proof-of-concept model (known as Destination Coventry) to test the viability of a more formal public / private DMO entity for Coventry from 2023 onwards. The model will take the form of a collaboration project with an existing membership organisation, namely Coventry & Warwickshire Chamber of Commerce (CWCC). Under a robust governance structure as set out in the Business Plan attached as an Appendix to the report, Destination Coventry will be overseen by an Oversight Board of Council and visitor economy stakeholders. Quarterly board meetings will provide financial oversight, and monitoring of the business plan, Tourism Strategy delivery, and grant outputs. The Board will also set and review KPIs, as well as commission activity. Quarterly reports to the Cabinet Member for Jobs, Regeneration and Climate Change and CWCC Board will take place.

The model will require an ongoing and enhanced Council financial contribution, initially until March 2023, but will also benefit from CWCC contributions, plus the introduction of membership income, leveraging income from other commercial activities and the opportunity to access Government and VisitBritain funding, as set out in Section 5 of the report. Council contributions to the collaboration project with CWCC will support the target levels of delivery for destination management for the period July 2021 to March 2023, in advance of which a decision will be required as to the future from April 2023, the implications of which will need to be reported to members at the time for approval

The model allows the principles outlined in the report to be met and addresses more of the considerations highlighted than any other option. Crucially, it removes the risk of introducing an additional competing membership organisation to the city. Destination Coventry will deliver both traditional and innovative destination management and marketing activities as set out in its Business Plan as detailed in the Appendix to the report.

There are no additional funding approvals required as a direct result of the recommendations in the report. The proposal, if approved, would be funded from existing service budgets of £686k (over 2 years), which already support destination management and promotion, together with £200,000 of one-off funds previously approved to support readiness for City of Culture. The majority of the £686k above relates to existing staff costs which will form part of the DMO. £46,000 per annum currently allocated to supporting the visitor information function will be applied to the project, together with the staffing budget (and on-costs) currently used to fund the in-house roles. £10,000 per annum from the Corporate Communications budget, which is used to support destination promotion through the in-house model.

There is an expectation within the Business Plan that the newly formed DMO will be required to generate new income streams to supplement to contributions from the City Council and the CWCC in order to finance the planned staffing and running costs. Any inability to do that will not be a risk to the City Council, any underperformance would need to be managed by the DMO by controlling spending.

The draft budget for the delivery was summarised in the report.

RESOLVED that the Cabinet Member for Jobs, Regeneration and Climate Change:-

- 1. Approves the Business Plan for Destination Coventry activities in support of the Tourism Strategy, as set out in the Appendix to the report, which outlines the intended activities of the DMO and the arrangements for monitoring, review and governance described in Section 2 of the report.**
- 2. Approves a financial contribution from the City Council to Destination Coventry totalling £886k, funded from existing approved resources for destination management and tourism towards the planned total business plan cost for the newly formed DMO of £1.249m, to support the proof of concept collaboration project with Coventry & Warwickshire Chamber of Commerce for the delivery of destination management and promotion for the period July 2021 to March 2023.**
- 3. Notes that the financial contribution to the collaboration, as outlined in Section 6.3 of the report, will pay for Council staff in relevant service areas which have been seconded to Coventry & Warwickshire Chamber of Commerce until the end of this agreement.**

4. **Delegates to the Director of Business, Investment & Culture, following consultation with the Director of Law & Governance, and the Director of Finance to negotiate, complete and seal such legal documents as are necessary to give full effect to the recommendations set out in this report.**

10. **Outstanding Issues**

There were no outstanding issues.

11. **Any Other Items of Urgent Public Business**

There were no items of urgent public business.

(Meeting closed at 12.25pm)