



To: Business, Economy and Enterprise Scrutiny Board (3)

Date: 17th April 2024

Subject: 2024 Tourism Strategy and Destination Management Organisation (DMO) Model

1 Purpose of the Note

- 1.1 To update Members of the Board on progress in establishing Destination Coventry as a sustainable Destination Management Organisation (DMO) for the city. To review and update on activity undertaken by the DMO to promote Coventry as a destination for business and leisure tourism, in support of delivery of the Coventry Tourism Strategy 2019-2023 outcomes. To review the recent changes in national and regional tourism infrastructure and consider the priorities in securing a sustainable DMO and new Tourism Strategy for the City.

2 Recommendations

- 2.1 The Business, Economy and Enterprise Scrutiny Board (3) is recommended:
 - 1) To note the contents of the presentation and report.

3 Destination Coventry - Background

- 3.1 In July 2021, approval was given by the Cabinet Member for Jobs, Regeneration and Climate Change for a collaboration between Coventry City Council and Coventry and Warwickshire Chamber of Commerce, to deliver a pilot Destination Management Organisation (DMO) for the city. A DMO is the umbrella term for arrangements established in a place to support co-ordination and collaboration across the tourism sector's many stakeholders.
- 3.2 The new pilot DMO, named Destination Coventry, was established in August 2021, and publicly launched in December 2021, as a proof-of-concept model to test the viability of a public and private sector funded entity to promote Coventry as a destination of distinction for both leisure and business tourism. It was considered that testing the proof-of-concept model through the period of UK City of Culture 2021 and Commonwealth Games 2022 delivery would provide the best opportunities to establish the feasibility of such an approach. It should also be noted, however, that in the lead up to this period, the visitor economy was amongst the sectors that was most affected by the COVID-19 pandemic, which impacted on a number of plans and key partner businesses through this period and into the pilot proof-of-concept period.
- 3.3 The following principles were established for the model from the outset – that Destination Coventry would:
 - Lead in the management, development and promotion of Coventry's leisure and business tourism

- Continue to operate the Coventry & Warwickshire Convention Bureau
 - Assume responsibility for the provision of visitor information in the city
 - Provide opportunities for the private sector to engage in a regular tourism dialogue
 - Coordinate delivery of the 2019-2023 Tourism Strategy, with stakeholders contributing to Strategy reviews and future iterations
 - Not rely solely on Council funding – but will enable the private sector to contribute financially to the DMO’s destination marketing activities, with the aim of amplifying growth of the city’s visitor economy
 - Deliver activities to include the development of income streams to ensure sustained financial viability
- 3.4 The management and operations of Destination Coventry are overseen by an Oversight Board, chaired by the Managing Director of Coventry Building Society Arena. The Board further includes representatives from the Coventry & Warwickshire Chamber of Commerce, Coventry BID, Coventry City Council, Visit England and representatives of several tourism, leisure, and hospitality sector businesses.

4 Destination Coventry – Headline Aims, Outputs and Impact

- 4.1 A key objective for the proof-of-concept DMO was to test the viability of a public and private sector collaboration, through demonstrating increased investment and amplifying growth in the visitor economy.
- 4.2 Coventry Tourism Strategy targets for the proof-of-concept period – grouped across four themes of Partnership, Product, Place and Positioning – include increasing the number of day and overnight visitors to the city and increasing levels of visitor spend (see below).
- 4.3 A buoyant visitor economy further attracts inward investment opportunities which subsequently go onto create new jobs, further impacting on tourism impact economic value.
- 4.4 Sector performance over this period has been measured through the Scarborough Tourism Economic Activity Monitor (STEAM). STEAM is a tourism economic impact model which measures how many visitors a destination attracts each year and quantifies the contribution the sector makes annually to the local economy. Clearly, the COVID-19 pandemic had a significant impact on the UK hospitality and tourism industry, most evidently across 2020 and 2021.
- 4.5 Table 1 below demonstrates that Coventry had already established growth in the sector between 2018 and 2019 (pre-pandemic), and whilst there was an evident and inevitable decline in 2020 and 2021 (due to COVID-19), its strong position and profile (with large-scale major events from the latter part of 2021 and across 2022) ensured it was able to lead the way in the recovery phase, leading all other West Midlands destinations in not only recovering, but exceeding pre-pandemic levels of impact.

Table 1 – Coventry STEAM Data

Measure	YEAR 2018	YEAR 2019	YEAR 2020	YEAR 2021	YEAR 2022
Tourism Economic Impact Value (£M)	£568.30	£594.36	£230.88	£495.29	£750.86
Overall Visitors	7,974,000	10,030,000	4,028,000	8,197,000	11,050,000
Overnight Visits	8%	12%	11%	11%	12%
Day Visitor Spend	£27.77	£38.84	£39.04	£40.46	£46.18
Overnight Visitor Spend	£119.42	£203.95	£209.58	£220.56	£224.74
Jobs - Direct	5,108	5,275	2,176	4,201	5,693
Jobs - Total	6,575	6,760	2,754	5,367	7,534

- 4.6 Achieving a blended (public and private investment) funding model was another objective for the proof-of-concept pilot. Prior to the pilot, Coventry City Council's in-house tourism team operated with a circa £30,000 annual operational budget (excluding salaries). This budget was used to market the destination of Coventry as a place to visit under the Visit Coventry brand, but also to grow the business events sector under the Conference Coventry & Warwickshire brand. Such investment was widely recognised as insufficient for an ambitious city as large as Coventry with such a strong tourism offering and the key events being hosted in the city during 2021 and 2022.
- 4.7 The Council's and Chamber's support to encourage and develop a partnership DMO pilot, with blended public/private investment, has led to Destination Coventry receiving over £209k of private sector funding in this pilot period, via collaborative marketing initiatives and the creation of a compelling membership model for businesses to join.
- 4.8 Membership was crucial to the success of achieving a blended funding model. At the time of reporting, Destination Coventry has 97 active members across all its levels of membership. Since the launch of the membership model in December 2021, the scheme has secured over £107k of membership revenue for investment in DMO activities. Within this model, the patronage scheme has far exceeded any initial targets. This higher-level membership was initially envisaged to elicit more ambassadorial commitments, with a pledge to support destination activities. Currently, a range of organisations such as West Midlands Trains, No Ordinary Hospitality Management, Birmingham Airport, Coventry Building Society Arena, CV-Life, Coventry BID and Warwickshire County Council are all committing to this level of membership.
- 4.9 Due to the extraordinary events of 2020 and 2021, many businesses within the Visitor Economy were at crisis point, as lockdowns and social distancing measures were implemented to curtail the spread of COVID-19. With lockdowns and tiered restrictions introduced, many businesses struggled to mitigate the measures and react to the changing milestones in the road to recovery. Destination Coventry, in collaboration with local private and public sector partners, provided valuable business support to the sector coming through into recovery from these challenging times. Destination Coventry supported the provision of over £300k of Community Renewal Fund and Additional Restrictions Grants alongside business support, to over 60 businesses through a close partnership with the City Council's Economic Development Service and the Chamber of Commerce. Destination Coventry further

responded to the sector's barriers to recovery by creating and supporting innovative programmes and campaigns, such as 'Step into Hospitality', which was a solution created to tackle the shortage of skilled workers in the sector.

4.10 Destination Coventry further hosted Coventry's inaugural Tourism Conference September 2022, delivering keynote lectures, panel discussions and workshops, on subjects such as sustainable tourism, recruitment and skills challenges, and Google advertising, to over 100 senior delegates from the sector.

4.11 Destination Coventry's development and delivery work through the pilot period has further included:

- Delivering a range of key destination marketing and PR campaigns, including those linked to major events hosted in the city through the pilot period
- Hosting buyer familiarisation trips (e.g. for tour operators and travel trade buyers), including international group travel buyers and media familiarisation trips from nations such as India, Canada, Australia, and the Far East
- Hosting visiting media and influencers (e.g. travel editors and social media bloggers)
- Producing printed collateral (e.g. promotional materials and official visitor guides)
- Trade show presence and attendance, including The Meetings Show (London), Conference and Hospitality Show (Birmingham), Excursions Group Travel Show (London), Group Leisure and Travel Show (Milton Keynes), and IBTM World (Barcelona)
- New product development - including digital development of consumer websites
- Paid search and search engine optimisation (e.g. Google, YouTube and Facebook)
- Delivery of the Coventry and Warwickshire Convention Bureau (business events booking service)
- Visitor information provision across two city centre sites
- Producing Official Coventry Visitor Guides
- Retail and merchandise products
- Commissioning a package of research including Coventry's STEAM report (tourism economic impact model), Accommodation Audit, Hotel Market Data and Analysis, Attractions Footfall Monitor, Events & Festival Impact Assessment, Visitor Survey, and the Visitor Sentiment Report

4.12 Based on recognition of the above success of the pilot DMO and the potential to develop a longer-term, sustainable DMO model, on 12 March 2024 the Cabinet Member for Jobs, Regeneration and Climate Change approved an extension to 31 March 2025 of the Destination Coventry hosting arrangement with the Coventry and Warwickshire Chamber of Commerce, in order to facilitate detailed exploration with the Coventry and Warwickshire Chamber of Commerce for a permanent public/private funded destination management operating model for the city.

5 Coventry Tourism Strategy 2019-2023

- 5.1 Delivery of Coventry's Tourism Strategy 2019-2023 has been a core principle and ongoing key priority for the Destination Coventry model.
- 5.2 Progress has been measured against planned priorities and actions outlined in the Coventry Tourism Strategy, across the four key themes of: Partnership, Product, Place and Positioning.
- 5.3 Tourism Strategy deliverables are outlined and monitored through delivery of the Destination Coventry Business Plan and are regularly reviewed by the Oversight Board.
- 5.4 Sector performance is also periodically monitored and performance-managed through use of the aforementioned Scarborough Tourism Economic Activity Monitor (STEAM) data – a tourism economic impact model that reports how many visitors Coventry attracts in the year of study and that quantifies the contribution the sector makes to the local economy.
- 5.5 Clearly, the COVID-19 pandemic had a significant impact on the UK hospitality and tourism industry in 2020 and 2021. However, as Table 1 above highlights, in both the Coventry 2021 and 2022 STEAM reports, the city saw record-breaking (above pre-pandemic) levels of Tourism Economic Impact Value. Coventry further exceeded its 2023 Tourism Strategy targets in 2022 for overall visitors (by 7.4%); for Day Visitor Spend (by 15.5%); and for Overnight Visitor Spend (by 60.5%). The proportion of Overnight Visits also rose over this period to 12% in 2022 (from a baseline of 8% in 2018).
- 5.6 The growth in accommodation has also been strong in Coventry across this period. The 2022 STEAM report shows that Coventry has 70 serviced and non-serviced establishments offering 13,600 beds, which is 2,146 beds up on the baseline in 2016. This figure excludes the uplift that will be seen from the recent opening of the new Indigo Hotel at Friargate.

6 Visitor Economy Sector Developments and Coventry Tourism Strategy 2024+

- 6.1 A review of Destination Management Organisations in England, commissioned by the Department for Digital Culture Media and Sport (DCMS), and conducted by VisitEngland Oversight Board Chair, Nick de Bois, was published in September 2021, shortly after the establishment of Destination Coventry as a pilot DMO. The review examined and assessed how DMOs across England are funded and structured, and how they perform their roles, in order to establish whether there may be a more efficient and effective model for supporting English tourism at the regional level.
- 6.2 The UK Government published its response to the review in July 2022. The response recognised that DMOs are a vital part of England's tourism landscape, connecting with local businesses and Government agencies to attract investment and visitors across the regions, boosting the visitor economy. The response stated that, for this to happen, it is necessary to transform the DMO landscape at a local level and address long-running concerns about the structure, funding models and fragmentation of England's DMO landscape.
- 6.3 As a result, the DCMS has developed a new accreditation scheme. Under the new accreditation scheme, a streamlined number of DMOs will be renamed Local Visitor

Economy Partnerships (LVEPs), and these LVEPs can be clustered under a top-tier Destination Development Partnership (DDP).

- 6.4 With the support of Coventry City Council, Warwickshire County Council and wider District/Borough Councils in the local geography, a new partnership has been developed to respond to this opportunity – the Coventry and Warwickshire Destination Partnership LVEP (CWDP). This partnership has been accredited as a ‘Partnership LVEP’. This allows for the development of shared governance and a collaborative growth plan for the LVEP geography, whilst retaining existing destination management arrangements (e.g. Destination Coventry, Shakespeare’s England) and established local sector brands (e.g. Visit Coventry; Conference Coventry and Warwickshire).
- 6.5 The formation of a Partnership LVEP with Warwickshire will secure access for Coventry and Warwickshire to the new national structure and funding model for England’s DMO landscape.
- 6.6 To align activity in the local geography, the CWDP will be required to deliver one cohesive overarching Destination Management Plan for the LVEP collaboration. Due consideration will also be given to how this LVEP Plan fits within the West Midlands Destination Development Plan.
- 6.7 It is proposed that work to develop a new Coventry Tourism Strategy 2024+ should reflect (i) the significant progress achieved through the Coventry Tourism Strategy 2019-2023 (ii) proposals for a sustainable DMO for Coventry, and (iii) the landscape developments in the regional and national destination infrastructure, through the emergence of LVEPs and DDPs. It is proposed The Coventry Tourism Strategy 2024+ should be developed in tandem to seamlessly connect to the emerging CWDP Destination Management Plan and the West Midlands Destination Development Plan, whilst articulating the new medium-term destination priorities that are unique and specific to the city.

7 Health Inequalities Impact

- 7.1 The establishment of Destination Coventry as a proof-of-concept model for a new DMO was anticipated to increase resources for tourism promotion and destination management, thereby creating opportunities to improve service delivery, invest in the City’s visitor offer and strengthen the business and leisure tourism economy within the city and its surroundings.
- 7.2 Destination Coventry has successfully secured over £209k of additional private sector investment over the pilot period, to support tourism promotion and destination management. Whilst it should be noted that the model is still in its relative infancy and the development of a longer-term sustainable model is required, the projected success of the DMO and Partnership LVEP model will contribute to sustaining and increasing employment in the tourism and hospitality sectors, creating positive opportunities for local people. This will further promote Coventry as a visitor destination and focus for investment, promoting opportunities for sustainable and inclusive growth in the city, thereby contributing to positive health outcomes for local residents.

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