

RAISING THE QUALITY AND AWARENESS OF TOURISM OPPORTUNITIES IN WEST CUMBRIA

EXECUTIVE MEMBER: Councillor Hugh Branney
LEAD OFFICER: Julie Betteridge, Head of Development Strategy
REPORT AUTHOR: Julie Betteridge, Head of Development Strategy

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

Tourism is one of the non nuclear sectors which currently brings activity, improvements, jobs and wellbeing for the benefit of Copeland residents. Partnership activity has the potential to increase spend and jobs in our local economy and bring new cultural opportunities benefitting local visitors.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

(eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

Britain's Energy Coast is willing to provide a grant to this Council of £279,000 for a two year programme of activity to raise the quality and awareness of the tourism offer in West Cumbria. The Council will engage Cumbria Tourism to deliver the project on its behalf. It is a key decision.

RECOMMENDATION:

- 1) that subject to (a) the Corporate Director – People and Places being satisfied that the outputs, objectives, milestones and outcomes detailed in the grant approval letter from Britain's Energy Coast dated 3 February 2011 (appendix B to the report) can be achieved; (b) that the special and standard conditions referred to in that letter particularly in respect of match funding are satisfied; and (c) subject to the Council receiving a 2% administration fee; that the Council accepts the grant and takes the lead role in delivering the Destination Management Plan; and
- 2) That an agreement be entered into with Cumbria Tourism (a registered company) to deliver the project on behalf of the Council the terms of such agreement being delegated to the Corporate Director – People and Places.

1. INTRODUCTION

- 1.1 Copeland Borough Council are a core member of the West Cumbria Tourism Partnership (“the Partnership”). The Partnership itself does not have separate legal status but is a group of bodies who come together to improve tourism awareness throughout the Copeland and Allerdale areas. Throughout the life of this Partnership we have maintained active member and officer engagement and provided an annual grant contribution to the work of the Partnership. We currently provide £25,000 per annum on a three year SLA until end of March 2012.
- 1.2 The Partnership have successfully obtained a package of resources including Britain’s Energy Coast support for a two year West Cumbria Destination Management Plan, commencing on 1 April 2011 and completing on 31 March 2013
- 1.3 The area of work covered by the grant is detailed in appendix B.

2. ARGUMENT

- 2.1 This project will bring benefits to Copeland. Tourism is an important non nuclear sector in Copeland's economy. Cumbria Tourism have been an active partner in the Partnership in recognition of the difficulty attracting visitors to the Western Lakes and West Coast of Cumbria and in line with the potential development and growth of Tourism in Copeland. The Council have been active within its capacity to lead and encourage tourism and local visitor activity. The Partnership programme of activities draws on our aspirations for increased economic activity within the tourism sector. The Council by receiving the grant of £279,000 for the programme is a continuation of our activities to ensure tourism development continues and impacts in terms of jobs, local wealth and services.
- 2.2 We currently have a number of project areas we are pursuing in partnership with our tourism partners from both private, public and community routes, namely Copeland Coastal Initiative, Destination Whitehaven, Adventure Capital, whilst Cumbria Tourism is leading on an accommodation accreditation programme and the Partnership is championing sense of place marketing, visitor economy clusters, focus on food and drink and festival developments and support potential areas of growth including welcome and hospitality training opportunities.
- 2.3 The West Coast tourism strategy aims to improve visitor numbers including local visitors and recognises our specific requirements for business based tourism. The Council through receiving the grant would be enabling a programme within Britain’s Energy Coast Investment Plan which focuses on three key areas of activity:

- a) Improving the quality of the visitor experience;
- b) Developing a distinctive sense of place for West Cumbria;
- c) Taste West Cumbria

3. OPTIONS TO BE CONSIDERED

3.1 The Council has three options:

- 1 To agree to accept the grant and deliver the project as part of our tourism delivery activity and assimilate any additional costs.
- 2 To agree to accept the grant and deliver the projects as part of our tourism delivery activity but set a maximum fee of 2% of the total project costs (ie £7,640 over the two years) to cover the financial costs of providing the role.
- 3 To decline the request leaving a key project within our regeneration plan to find an alternative organisation able and willing to take on this role.

3.2 Option 3 may result in loss of grant to Copeland's area. Options 1 and 2 ensure the grant is received but bring with it a risk which is controllable with proper and regular monitoring.

4. CONCLUSIONS

4.1 Executive are asked to consider option 2 as the best fit with the Council's commitment to the West Cumbria Tourism Partnership and its programme and our internal officer capacity. The Council is a key player in assisting the development of the tourism sector in Copeland and taking on this role ensures we maximise opportunities within the Destination Management for the West Coast and Western Lake District.

4.2 Britain's Energy Coast has joined with the Local Authorities, Cumbria Tourism and tourism businesses to recognise through this project the need to develop the tourism sector and its role in supporting local businesses, offering jobs and training and play an important role in helping to meet the challenges in diversifying the local economy to offset the anticipated impact of decommissioning on Copeland's economy.

4.3 Our commitment and facilitation of tourism development has been a factor in the Partnership asking Copeland Borough Council to take on the Accountable Body role. We have a funding commitment of £50,000 to the Partnership to deliver this package of activity and will be monitoring outputs and impact as core funders of the partnership through existing member and officer participation at Board level.

5. WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?

- 5.1 The financial risk to the Council comes from clawback. Regeneration officers are confident that Cumbria Tourism and the Partnership have the track record and resources to deliver the project and the outputs are capable of being delivered. The arrangement with Cumbria Tourism needs to be framed so that the Council can terminate the arrangement if at any time through regular monitoring, it is felt that the Council is entering a period when the outputs may not be delivered and the Council starts to be placed at risk. See section 6.
- 5.2 The Council will set out a timetable arrangement between itself, the West Cumbria Tourism Partnership and Cumbria Tourism of the detail of expectations of data, reports and monitoring from all three sources to enable effective delivery of the project and timetables for activity and fee payment. This will be supported by a contract with Cumbria Tourism, a Company, which will deliver the project.
- 5.3 Human Resources; Copeland Borough Council staff will be involved in the project in two roles: firstly, as part of our tourism activity in support of our regeneration plan strategic objectives and as a core partner of the West Cumbria Tourism Partnership and secondly, in delivering the accountable body administration.
- 5.4 To set the provision for a maximum 2% administration fee (ie £7,640) to undertake the accountable body role. This will be reclaimed against monthly timesheets and evidenced costs over the two year project.

6. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 6.1 There are 3 risks to the Council of taking receipt of grant for West Cumbria Tourism activities where the Partnership and council regeneration staff are managing these risks:
 - o Firstly in maintaining skilled, enthusiastic and qualified tourism specialist staff. This is being provided to the Partnership and project from Cumbria Tourism on a contract for services basis against a project brief of delivering the West Cumbria Destination Management Plan as detailed in 6.5 below.
 - o Secondly in the delivery of the plan with partner engagement in a changing policy and economic environment – grant payment is linked to clear milestones, activity and outcomes as detailed in 6.4 below.
 - o Finally, in ensuring adherence by all partners to timely and appropriate systems for information, financial operations and

monitoring to ensure regular claims and payments of grants to the Council as detailed in 6.6 below.

- 6.2 The project will be managed by a sub group of the West Cumbria Tourism Partnership with members drawn from the Council, Cumbria Tourism and the Partnership Manager. Regular reporting will be made to the full West Cumbria Tourism Partnership Board.
- 6.3 A copy of the grant approval letter is attached as appendix B. This contains various conditions, both special and general and cross refers to standard conditions. The main risk from receiving nuclear partners money through Britains' Energy Coast for this project is that of clawback of grant should the project fail to deliver the project or more precisely fail to achieve the outputs, objectives and milestones detailed in the monitoring and evaluation form or fails to ensure that the outcomes are achieved. There are other specific requirements, for example, nuclear partners or BECWC being represented on the Project Steering Group, but these will be met through project management arrangements. Another is confirmation of match funding being in place which have been agreed and will be in place before the grant of £279,000 is drawn down.
- 6.4 The outputs, activities, etc are set out in the document at appendix A. They are precise and dependent on actions by partners within the Partnership including the Council. For example 40 new accredited businesses and 100 businesses participating in Welcome training. This is similar to other grants received by the council which is dependent on outside bodies activities. Officers take the view that the outputs, etc, as stated in Appendix A are capable of being delivered.
- 6.5 The Council does not have the resources to deliver the project itself hence its grant and participation in the Partnership. The Council will enter into a contract with Cumbria Tourism, a company, which will deliver the project. That contract will contain requirements in respect of the standard of service and clear termination powers in respect of a failure of them to deliver. This contract will maintain continuity of a tourism team for the Partnership.
- 6.6 Coupled with contractual provisions the Council in order to protect its position will have in place periodic monitoring arrangements, currently via monthly liaison meetings with Cumbria Tourism, so that at any time during the two year project period there is a risk of outputs, etc, not being met the contract with Cumbria Tourism could be terminated and the Council take over the running of the contract itself. This will minimise the risk of the project failing.

- 6.7 The project plan is a working emerging document and requires a risk assessment for each activity on the plan managed by the project and monitored by the sub group detailed in 6.2. The Board have considered the strategic risks for the Partnership in its Destination Management Plan and funding profile and will be monitoring this at its bi monthly meetings and reviewing on an annual basis.

7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 7.1 The Destination Management Plan of the Partnership will be implemented with its range of project outputs and programme outcomes.
- 7.2 The Council will be using its enabling role effectively to develop and improve the tourism sector of the Copeland and West Cumbria economies through targeted finance and project management at no additional cost.

List of Appendices

Appendix A - Grant approval dated 3rd February 2011

Appendix B - Nuclear Partnership Funding Development and Appraisal Form

List of Background Documents:

Destination Management Plan for West Cumbria, West Cumbria Tourism Partnership Bid to Britain's Energy Coast, Partnership Board minutes.

3rd February 2011

Julie Betteridge
Copeland Borough Council
The Copeland Centre
Catherine Street
Whitehaven
Cumbria
CA28 7SJ

Britain's Energy Coast West Cumbria
Fleswick Court, Westlakes Science
and Technology Park, Moor Row,
CA24 3HZ
T: 01946 693241
Brunswick House, Harbour Business
Park, Maryport, CA15 8BF
T: 01900 811960

Ref: Project Number 14.2.3

Dear Julie

Britain's Energy Coast West Cumbria Programme: *Destination Management Plan*

Further to your recent application for Nuclear Management Partners Socio-Economic Funding Support through Britain's Energy Coast West Cumbria, I am pleased to offer Copeland Borough Council ("the Applicant") a maximum grant of **£279,000** ("the Grant") towards the eligible costs of the Project.

The Project is Destination Management Plan ("the Project").

We are awarding this grant for a 2 year programme of activity to raise the quality and awareness of the tourism offer in West Cumbria

This grant is subject to your organisation;

- (i) achieving the outputs, objectives and milestones detailed in the Monitoring and Evaluation Form;
- (ii) using all reasonable endeavours to ensure that the outcomes detailed in the Monitoring and Evaluation Form are achieved within the timescales set;
- (iii) complying with the standard conditions (attached) and special conditions below, and the provisions of this letter:-
- (iv) complying with the Britain's Energy Coast West Cumbria Publicity guidelines and the West Lakes Renaissance Publicity requirements.

SPECIAL CONDITIONS

- (v) Confirmation of match funding from RDPE, Allerdale Borough Council, Copeland Borough Council being in place before activities commence (copy offer letters required)
- (vi) NP or BECWC to be represented on a Project Steering Group
- (vii) A Project delivery/work plan is agreed with the Steering Group to ensure delivery is consistent with project objectives and value for money is obtained where elements of delivery are outsourced.
- (viii) A monitoring and Evaluation Plan is agreed for the project, including details of how project outcomes will be quantified and reported.
- (ix) Defined public launch with involvement of NP Personnel

- (x) Defined Communications Plan agreed by NP
- (xi) Ongoing programme of activities must refer to the NP funding
- (xii) Where the you are required to pay **Value Added Tax** on any of the Eligible Costs you shall use all reasonable endeavours to recover any such Value Added Tax and we shall not be obliged to pay any funding in respect of Value Added Tax until you have demonstrated to our satisfaction that the Value Added Tax is irrecoverable by you.

If we have to reimburse the payment of any irrecoverable Value Added Tax, then it shall be at a rate not exceeding 20% (but will be any lower rate if the prevailing Value Added Tax rate is reduced)

In the event that there is a conflict between the provisions of the Standard Conditions and the Special Conditions, then the Special Conditions shall prevail.

Commencement

You must materially commence the Project no later than **1st April 2011**. You shall, when accepting this offer, notify us of the date on which the Project is expected to start. You shall also notify us in writing immediately upon commencement of the Project.

Completion of the Project

The Project must be completed to our satisfaction no later than **31st March 2013**. You shall, when accepting this offer, notify us of the date on which the Project is expected to be completed. You shall also notify us in writing immediately upon completion of the Project.

Grant Aid

1. The Grant is the maximum sum payable by Britain's Energy Coast West Cumbria Nuclear Partners Funding for this Project.
2. The offer of grant remains open for 30 days from the date of this offer letter. If you have not signed and returned the attached acceptance form by the specified date, the offer shall lapse.
3. Eligible Costs are:

Item	Financial Year				Maximum Nuclear Partners Contribution
	11/12	12/13			
Revenue Funding	£135,000	£144,000			£279,000
Maximum Grant					£279,000
Maximum Rate %					n/a

4. We shall only be liable to pay Eligible Costs in each year up to the individual levels stated above. If you do not incur and claim the Full Eligible Costs for the relevant financial year then you may lose your right to claim that element of Eligible Costs.
5. The balance of funding from other partners in this Project must be secured before grant is claimed from us, and evidence of this submitted (if you have not already done so) with the first claim form.

Payment & Payment Criteria

Claims must be submitted **quarterly** following commencement of the Project. A final claim must be submitted within 3 months of completion of the Project.

Before payment can be made, Britain's Energy Coast West Cumbria must be in receipt of your acceptance of this offer; evidence that the balance of funding is in place; the appropriate claim form (attached); and evidence of progress/completion in the form of the monitoring report (attached).

A Statement of Grant Expenditure / Independent Accountants Report in the format attached will be required within 3 months of the completion of the Project. Any final claim will not be paid by Britain's Energy Coast West Cumbria until the final audit report is received.

If you are unable to claim any of these payments on the dates specified for any reason, then you must inform us in writing before the claim is due. You should give a reason for the delay and provide a revised date when a claim will be made.

Reporting & Monitoring

Monitoring reports are required quarterly from commencement of the Project. They must be submitted to your Project Champion using the monitoring report (attached).

Your contact within Britain's Energy Coast West Cumbria for this project is **Denise Smalley** (Tel No: 01900 811960) who will be pleased to answer any queries you may have.

Finally, I should like to wish you every success with your project.

Yours sincerely



Tom Gilroy
Programme Director

Encls.

Acceptance Form
Standard Conditions
Claim Form and Monitoring Report
WLR PR Guidelines
BECWC PR Guidelines
NMP PR Guidelines
Special conditions (VAT)

NUCLEAR PARTNERS FUNDING DEVELOPMENT AND APPRAISAL FORM

Project Name: Destination Management in West Cumbria	BEC Project Number:	
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Is this Project with the Britain's Energy Coast Approved Programme?	Yes	No
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Section 1 – Applicant Details	
1.1. Project Applicant: West Cumbria Tourism	
1.2. Delivery Body or Lead Organisation Name: Cumbria Tourism	
1.3. Delivery Body or Lead Organisation Address: Cumbria Tourism Windermere Road, Staveley Kendal Cumbria LA8 9PL	
Lead Contact name: Katie Read	
Telephone: 01900 818789	Email: kread@cumbriatourism.org

Section 2 – Project Details & Strategic Fit
<p>2.1: Give a brief description of the project, which clearly identifies the main activities and specifies what the funding will purchase:</p> <p>WEST CUMBRIA TOURISM is Cumbria Tourism's delivery partner in the west. We bring together Cumbria Tourism, Hadrian's Wall Heritage Ltd, Copeland and Allerdale Borough Councils and a range of private sector tourism businesses in a dynamic private and public sector partnership. Effectively delivering a two year programme of activity to raise the quality and awareness of the tourism offer in West Cumbria.</p> <p>The two year programme will focus on three key areas of activity:</p> <p>1. Improving the quality of the Visitor Experience through the promotion of quality accreditation programmes, training in visitor welcome and business excellence and the development of thematic and area based tourism business clusters. In these respects, the strengthening of Strategic Leadership and Policy for the visitor economy in West Cumbria will ensure that the public and private sectors work effectively together and take full advantage of opportunities for greater collaboration and cooperation.</p> <p>Cost: £40,000</p> <p>Outputs: 40 new accredited businesses and 100 businesses participating in Welcome training, 7 clusters (Coast, Heritage, Accommodation, Business Tourism, Events and Festivals including Whitehaven Festival and Taste Cumbria, Attractions, Food and Drink)</p>

2. Developing a distinctive Sense of Place for West Cumbria through greater exposure in website and print marketing activity, a co-ordinated programme of festivals and events, orientation for visitors and vigorous PR activity.

Cost: £90,000 (including other public and private sector contributions)

Outputs: Marketing programme, Holiday Guide, Top Attractions leaflet, Website (20% increase in hits per annum), PR activity – 1% growth per annum in numbers to accommodation and attractions.

3. Taste West Cumbria. A programme of skills development, awareness raising and promotion of food and drink produce in West Cumbria culminating in a major food festival in Cockermouth each year.

Cost: £465,000 (including private sector contributions)

Outputs: Annual Festival (17,000 attended in first year), 360 training beneficiaries, 25 members in food cluster, 40 businesses engaged in festival, 20,500 additional day visitors, 8850 staying visitors.

Balance of costs: (Staff, travel, evaluation etc) £193,000

The Objectives of the project are:

1. To increase the percentage of quality accredited businesses in the visitor economy across West Cumbria which will be best placed to service technology tourism
2. To develop and implement a Sense of Place marketing and awareness raising programme to spread the benefits of tourism throughout West Cumbria
3. To develop a programme of improvements in the provision of information for visitors within West Cumbria's key destinations
4. To support sectors which have potential for growth through the development of area based and thematic clusters of businesses
5. To co ordinate and promote a programme of events and festivals.
6. To enhance skills development, awareness raising and promotion of food and drink produce in West Cumbria culminating in a major food festival in Cockermouth each year.

This activity will complement a number of established and existing projects which are either underway or programmed in West Cumbria. These include Tourism Connect (a capital grant programme), Adventure Capital UK , Culture and Heritage and Hadrian's Wall Western Frontier. Together with the county-wide tourism development and marketing work undertaken by Cumbria Tourism

The British Energy Coast West Cumbria Board had originally approved funding for a more comprehensive programme of tourism development and marketing activity in West Cumbria. However the North West Development Agency is no longer in a position to provide resources towards the original programme and a smaller and more focussed programme based largely on delivery and development of the quality of visitor experience, sense of place marketing, thematic clusters (including events and festivals) and an approved food and drink programme has been designed.

2.2(a) Start Date: 1 st April 2011		2.2(b) End Date: 31 st March 2013	
2.3: You will need to demonstrate how the aims of your project fit with the priorities of Britain's Energy Coast.			
2.3(a) Please identify which Britain's Energy Coast (BEC) Programme Strand the project helps deliver, and how it does this:			
	BEC Strand Action	Strand description (from BEC document)	How specifically does the project help to deliver this Strand?
Main BEC Strand	Prosperity	...be a strong, diversified and well connected economy with a highly skilled, innovative workforce and business population and generates high employment	This project is a named project under this strand. The project will develop the tourism sector, diversity the local economy, support local businesses and improve skills
Other Linked BEC Strand(s)	Place	..quality of life promotes a positive image to the world....	This project will improve and raise the quality of local tourism businesses. West Cumbria will be recognised as a tourism destination with a quality tourism product. Employment opportunities will be increased.
	People	..provide opportunities..	
2.3(b): Describe how your project fits with and contributes to other regional strategies, e.g. Regional Economic Strategy, European funds, sub-regional strategies			
<p>The project fits with the Regional Economic Strategy. The Destination Management Programme is designed as a comprehensive and integrated series of measures to improve the visitor experience in West Cumbria with a key focus on raising visitor awareness, improving accommodation quality and developing customer care skills within the industry. In doing so this addresses the following key RES Actions:</p> <ul style="list-style-type: none"> • 101 – Improve Attack Brands and Signature Projects in line with market demand • 10 & 11 - Increase competitiveness and productivity of tourism industry • 120 - Improve product and design of visitor accommodation • 105 & 101- Increase quality and profitability within tourism industry • 101 & 105 - Increase occupancy rates, length of stay and 			

quality ratings

- 103 - Increase conference and training facilities for business tourism market
- 30 & 31 - Improvements to training and staff development
- 113 & 106 - Improved environmental performance of tourism businesses

The project also addresses other key themes including: Productivity levels; Performance and Quality and Superior Skills.

At a sub-regional level the recently revised **Cumbria Economic Strategy (2009-19)** has the twin strategic priority of 'Raising the Attractiveness of Destination Cumbria as a place to live, invest, work and visit'. Specific mention is made of the need to improve the overall quality of accommodation in the County. This overall aim is further developed in the **Cumbria Sub- Regional Action Plan**, where the opportunities to improve the visitor offer in the more peripheral areas of the county are highlighted; "Close proximity to the world renowned Lake District means that there is huge potential for Furness and West Cumbria to expand Cumbria's tourism offer to visitors from far and wide"

Whilst it would be unrealistic for West Cumbria to replicate the performance of a mature tourism destination like the Lake District and the area undoubtedly suffers from its relative remoteness and lack of infrastructure, it is widely accepted that the visitor economy of West Cumbria has growth potential. This potential is also recognised in the **Tourism Strategy for Cumbria 2008-18** and the **Britain's Energy Coast Master Plan (2008)**. The Tourism Strategy has highlighted the need for focussed area-specific programmes in both Carlisle and West Cumbria and the subsequent West Cumbria Study has identified the parts of the visitor economy in most need of attention.

2.3(c): How does the project link to other activity in the geographical area?

The programme will be an integral part of the wider Britain's Energy Coast Masterplan in which there are a range of important and complementary programmes for Destination Management including

- Improvements to Town Centres (including public realm)
- New Hotel investment for Whitehaven harbour
- Hadrian's Wall Heritage Western Frontier (Roman Maryport)
- Transport and access improvements
- Leisure and educational facilities
- Skills Development Programmes
- Events and festival sponsorship

The programme will also have links with the NWDA's Food Tourism Programme, Tourism Connect and Adventure Capital (2009-12) and the TASTE Cumbria initiative

2.4. What evidential demand has been identified for the project? Why is funding required?

A range of evidence as outlined above justifies the need for the project. In particular

- The underperformance of the tourism sector in West Cumbria by comparison with other parts of the county

- The low levels of quality and accommodation accreditation in West Cumbria
- The lack of investment in accommodation and attractions in West Cumbria over recent years

The very low levels of awareness of West Cumbria amongst visitors (as evidenced by **Strategic Marketing Research in 2008/09** (74% knew little of it, 11% considered it is too far away, 10% believe there is not enough to see or do and 6% thought it sounds too depressing or grim)

More recent research from the **Leisure and Tourism Organisation (March 2009)** identified that West Cumbria continues to suffer from accessibility, lack of transport, general quality of accommodation and attractions. In addition its profile amongst potential visitors is low and information and branding could be improved. The study classed the area as one with underexploited potential with natural assets, coastline, heritage and culture. It concluded that it could provide a viable alternative visitor destination if weaknesses are addressed.

Given these shortcomings there is a need for some degree of public intervention to stimulate the market and encourage more public and private sector investment in the visitor economy of West Cumbria. Regional funding has been made available through Cumbria tourism to deliver some pan Cumbrian marketing and business development and accreditation activity. However West Cumbria requires a more concerted and well resourced programme delivered from within the area which is focussed on the specific needs of the area and its communities. The recent flooding incidents which brought Cockermouth and the wider West Cumbria area to the attention of a global audience have merely raised the importance and urgency of this programme.

2.5 What are the project objectives (these should be Specific, Measurable, Achievable, Realistic, Time-bound [SMART])?

- To increase the number of businesses in the visitor economy across West Cumbria to match the county average (currently 60%) by 2013 that are underpinned by sound quality assurance and environmental credentials through the implementation of a nationally recognised quality assurance programme.
- To develop and implement a Sense of Place marketing and awareness raising programme to spread the benefits of tourism throughout West Cumbria and benefit a minimum of 150 businesses
- To develop in partnership with Local Authorities and other providers a programme of improvements in the provision of information for visitors within West Cumbria's key destinations including: welcome, place management and events
- To support and demonstrate progress in visitor economy sectors which have potential for growth through the development of area based and thematic clusters of businesses- particularly in the priority sectors of Food and Drink, Culture and Events and Outdoors/Adventure

Section 3 – Benefits and Value for Money

3.1(a) Set out the alternative Options that have been considered:

<p>Option 1: Reference Case (Do nothing)</p>	<p>Modest and poorly funded programme of marketing and PR activity in West Cumbria (WLDTP) between 2009 - 2011. Little prospect of continuation beyond this period. As a result</p> <ul style="list-style-type: none"> • Continued under performance of the tourism sector in West Cumbria • Ongoing lack of awareness amongst visitors of the West Cumbria offer. • Increasing dependence of the hospitality sector on business and migrant worker accommodation rather than growth in the leisure sector • Demise of the tourism infrastructure in the area (TICs public realm etc) • Lack of investment in raising quality, design and environmental performance of accommodation businesses in West Cumbria • Little improvement in hospitality skills • Continued focus of consumers on The Lake District with potential disbenefits in terms of traffic congestion, loss of tranquillity etc <p>Under utilisation of natural, outdoor, coastal, food and drink, business tourism, heritage assets in West Cumbria as stimulus for economic growth.</p>
<p>Option 2:</p>	<p>Programme of co-ordinated development and marketing activity in West Cumbria as set out above with budget of some £788,000 over its two year life. Significant focus on quality improvements, raising awareness, business cluster activity and the use of the area's food and drink to raise the quality of visitor experience. Delivered mostly through dedicated West Cumbria team (2 staff) based in West Cumbria with specialist support from Cumbria Tourism</p>
<p>Option 3:</p>	<p>A West Cumbria Tourism Connect Accommodation Grant Scheme for the area with none of the related marketing, PR, Quality Accreditation, Welcome and Skills work. The cost of this programme would be in the order of £750,000 plus staff costs over a two year period. Management and administration of this programme would be undertaken by two FTEs based in the West of the county with some support (finance and independent review of grant applications) undertaken by staff at CT in Staveley. Whilst implementation of this option would address one of the fundamental issues in West Cumbria- ie that of the poor quality of visitor accommodation in parts of the area other complementary issues would remain</p> <ul style="list-style-type: none"> • Lack of awareness of the area and its assets/visitor attributes • Poor skills of the workforce in the hospitality field • Limited complimentary activity and orientation for visitors <p>Potential decline of the visitor infrastructure in Towns and villages</p>
<p>Option 4</p>	<p>Establishment of an ambitious Tourism Development and Marketing Programme for West Cumbria with a more significant marketing and PR budget of some £2m over a two year period. This would be expected to significantly raise the profile and awareness of West Cumbria as a visitor destination but has the potential issues of displacement of spend from other parts of the county as well as not delivering a sufficiently high quality experience for visitors</p> <ul style="list-style-type: none"> • Parts of the accommodation stock would remain substandard • The customer care skills and welcome of the local workforce would require further investment and training. • The area does not yet have a well developed range of visitor attractions, good quality restaurants, cafes, pubs etc. Whilst private sector investment is likely to follow there may be some lag behind the marketing activity.

3.1(b) What are the Benefits and Costs of the alternative Options?				
A. Costs	Option 1 £000's	Option 2 £000's	Option 3 £000's	Option 4 £000's
NPartners Funding	0	279	300	500
Other Public	75	314	650	1362
Private	25	195	750	500
Total	100	788	1700	2362
B. Benefits	Option 1	Option 2	Option 3	Option 4
Jobs Created/ Safeguarded	0	3	30.	10.
Businesses Accredited	0	40	10	40
People: Skills	0	100 additional trained businesses	20 trained businesses	40 trained businesses
Increased Visitor numbers	0	87000 additional visitors pa	87000 additional visitors pa	174,000 additional visitors pa
C. Cost effective ratios (A/B)				
<p>3.1(c). What is the preferred option and how does it give best value for money</p> <p>Option 2</p> <p>It offers best value for money by:</p> <p>Economy (inputs) except for job creation Presents good degree of return for the investment proposed</p> <p>Efficiency (net unit costs/funding ratios): Provides a more comprehensive and co-ordinated programme in which marketing is matched with skills development and quality accreditation.</p> <p>Effectiveness (in meeting project objectives): Again meets the wider objectives set out for tourism development in West Cumbria rather than purely a narrow focus on accommodation quality or marketing.</p>				
<p>3.2. What Outcomes will the project deliver?</p> <ul style="list-style-type: none"> Increasing productivity within the accommodation sector with subsequent benefits to the local economy (including diversification and increased GVA) Additional staying visitors in West Cumbria with benefits to local supply chains (including local contractors, food providers, support services etc) Enhanced image and awareness for the area following the recent flooding Increased pride within local communities- generating more VFR (visiting friends and relatives) tourism Higher spending visitors in the raised quality accommodation- with again wider benefits to the local economy Better skilled and more adaptable workforce- new job opportunities with the potential for higher salaries. New job opportunities for young people in West Cumbria A stronger rural economy in West Cumbria as a result of the investment which will help to support the wider rural network of schools, shops, PO's and helping to keep villages alive. 				

3.3. Does the Project provide Strategic Added Value (SAV) or other social, economic or environmental benefits?

- Enhanced image for the area leading to improved climate for inward investment
- Better collaboration amongst businesses in the tourism sector
- Additional indirect spend amongst supporting businesses-
- More vibrant rural communities as a result of visitor spend. This helps to sustain facilities such as shops, restaurants and cinemas/theatres
- The visitor spending also helps to sustain a richer and more vibrant programme of festivals and events (which hitherto have been primarily dependent on local support). This also leads to improved quality of life
- Increased youth employment and training opportunities with relatively low entry level requirements.

3.5. Who will benefit from the results of the project and how will they be involved in its design and development?

Visitors will benefit from higher standards of accommodation and as a result there is the prospect of higher levels of visitor satisfaction, an enhanced reputation, longer stays and more repeat visits. A key part of the public sector intervention in the sub-regional economy is to change perceptions of places to encourage people to visit, invest in and live in the area. This project is focused on an aspect of the tourism industry that is crucial to visitor perceptions and for its justification draws on the findings of research amongst visitors (Cumbria Visitor Survey 2006, Non-visitor Research 2006, Perceptions Survey 2008/9)

Businesses should also benefit from higher occupancy levels and ultimately greater levels of profitability. This should lead to the creation of more jobs within tourism businesses as well as supporting service businesses. Crucially these jobs created should be higher value jobs with more scope for training and personal development as a result of the employing businesses raising their performance, offering a higher quality product and generating greater spend that will directly benefit the staff employed. All tourism businesses in Cumbria are contacted regularly to assess their business performance and the requirements for public sector support (CT 6 monthly Business Performance Surveys 2000-2009). Marketing support and grant assistance towards quality investment are the most highly requested areas for support. Businesses will also press for this type of support through their voice in CT Commercial Member Committees which meet at least 4 times per annum.

Staff working within the tourism industry in businesses should benefit from a more confident market, training opportunities and a better career structure. There is areal need to make seasonal jobs full time, on the back of a better quality product that attracts visitors throughout the year , not just during peak seasons. Businesses in this programme will be assisted through a rigorous investment planning process that will benefit them beyond the direct capital and revenue support, and will highlight the potential that needs to be realised from the human resources in the businesses.

The economy of West Cumbria should from an improvement to the image and success of the tourism industry in the area, new job creation, greater wealth and higher levels of GVA. Visitor spend helps to sustain a wide range of services and facilities (eg petrol filling stations, leisure facilities and shops that would not otherwise be sustainable). Higher quality accommodation and attractions will result in a greater number of higher spending visitors with higher levels of repeat visits and greater levels of visitor satisfaction.

3.6. What are the estimated total cost and breakdown of the project?

	Capital	Revenue	Total
Fees			
Land/Property Acquisitions			
Works			
Staff and premises		178,000	178,000
Quality, Food and marketing		610,000	610,000
Total		788,000	788,000

3.7. Please detail the main sources of funding, the current level of commitment and eligibility for expenditure:

Public

£25,000 Allerdale Borough Council Approved

£50,000 Copeland Borough Council Approved

£239,000 Rural Devt. Programme for England Approved

Private

£279,000 Nuclear Partners Approved

£195,000 Private sector businesses To be raised during programme

3.8. Please indicate the estimated programme of expenditure:

	£ 000's											
	Previous Years		2010/11		2011/12		2012/13		Future Years		Total	
	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev	Cap	Rev
NPartners						135		144				279
WLR/NWDA												
ERDF												
RDPE						141		98				239
Allerdale BC						15		10				25
Copeland BC						25		25				50
Private						78		117				195
Total						394		394				788

3.9. Have there been any costs incurred previously on this project? Are these included in table? If these have been incurred by different project numbers then please state numbers?

N/A

Section 4 – Monitoring & Management

4.1. What Lead Organisation and other Delivery organisations will be involved in the project?
The programme will be led by the Western Lake District Tourism partnership with several other delivery partners including

- Cumbria Tourism
- Copeland BC
- Allerdale BC
- Hadrian's Wall Heritage
- Private sector Businesses

4.2. Set out the project management arrangements you will use to ensure project delivery.

The project will be managed on a day to day basis by the Tourism Partnership Director using significant support from Cumbria Tourism. Specifically this will provide

- Financial Management and regular accounts
- Specialist advice on marketing and quality accreditation
- PR support and web advisors

West Cumbria Tourism will deliver specific elements of the programme by subcontracting some specialist work utilising the skills of Cumbria Tourism and other agencies such as PR, design, delivery of food accreditation and welcome programmes.

The Programme Director will be supported from the West Cumbria Office by one officer. Progress of all the programme strands will be managed and monitored by the Partnership Director who will prepare regular (quarterly) reports for the West Cumbria Tourism Board. The Board will effectively act as a strategic steer for the Destination Management Programme and challenge any areas of under performance or lack of effectiveness. Quarterly Reports on performance will be prepared for funders.

4.3. Set out the key milestones in the project from this point forward to completion

April 2011	Prospectus for Destination West Cumbria Programme launched
May / June 2011	Thematic clusters groups established: Coastal Cluster (Copeland BC lead) including Adventure/ wild life product development Heritage (South Copeland lead – Heritage open days September 2011) including Hadrian's Wall and ancestral tourism Development Food and drink cluster
June 2011	Launch of quality accreditation programme for visitor accommodation / business tourism cluster
June 2011	Co-ordinate Events and Festivals cluster
July / August 2011	Launch of ambassador scheme and development of sense of place tool kit
September 2011	2 nd annual Food Festival Cockermouth
October 2011	First Annual Report of Destination Management Programme
September 2012	3 rd annual Food Festival Cockermouth

April 2013

Effective completion of Destination Management Programme

4.4. How will the project be procured? And how does this meet/satisfy the Public Procurement requirements?

Individual components of the programme (eg training, website, marketing , pr, event management and print activity) will also be procured following normal tendering processes to achieve best value for the public purse

4.5. State Aid

What State Aid issues have been identified/considered? How will these be addressed?

The programme as set out will not contravene State Aid limitations. Checks will be made to ensure that companies benefitting from marketing activity or training support have not exceeded eligibility guidelines over a three year period.

4.6. Exit/Forward Strategy Explain what arrangements you intend to make once the funding comes to an end to ensure that the outcomes and other longer-term objectives are met.

It is unreasonable to suggest that all of West Cumbria's Destination Management challenges will be met in the two years of the programme. However the programme will improve partnerships, establish business clusters, develop exemplar businesses, raise awareness of the destination and achieve a wider understanding of the challenges. Evidence and the case for investment in the visitor economy will be stronger, and the coordination of the implementation of strategic priorities will have been furthered.

As public funding from local sources diminishes, it is anticipated that the investment from the private sector will increase as a result of the growing confidence and profitability of businesses- particularly in terms of marketing and product development activity. As a result the industry should become more self reliant at the end of the two year programme
The whole programme will be externally evaluated on completion to establish value for money and lessons for any future programmes

4.7. How will the project meet the publicity and marketing requirements of the Britain's Energy Coast Programme? This should set out in detail how it will publicise the involvement of the funding stream to its beneficiaries, partners and general public.

The project will comply with the publicity and marketing requirements of the Britain's Energy Coast programme. Maximise pr opportunities. Recognition will be given to all funders on any publicity, promotional or marketing material produced for the project and on the website.

4.8. Does the project include the purchase or creation of an asset which will have a value or cost implications extending beyond the lifetime of the project? If yes, who will own or receive the asset? What clawback arrangements/agreements are to be put in place at the end of the project?

The components of the programme are unlikely to result in the creation of an asset; however where this does occur (eg website, intellectual rights) it is anticipated that this will remain in the ownership and management of the West Cumbria Tourism or any successor organisation.

Section 5 - Risk Assessment

5.1. Please identify the main risks to the project.

Risk Description	Probability	Impact	Overall Risk	Risk Owner	Potential Mitigation
Lack of private sector engagement and match funding	Medium	A more limited programme with fewer outputs	Low-spend not at risk for	WCT	Increased publicity for the programme. Work with major companies to ensure that they only use accredited accommodation
Failure to achieve outputs	medium	Lower levels of quality. Lower levels of economic growth. Lower awareness	Low – as above	WCT	Business and Action Plan will establish realistic and achievable outputs. Monitoring reports will record the status of each project enabling mitigation and remedial action to be taken.
External issues including increased competition from other destinations, natural disaster (e.g. flooding) and poor exchange rates	low	Less ability for private sector to support the programme and deliver improved product. Fewer visitors and lower spend	medium	WCT/CT	CT has an emergency plan providing basic management guidance and procedures to deal with these extreme high impact issues. This will be adopted and shared by WCT and require regular review and update
Loss or shortage of skilled staff to deliver the programme	low	Less and slower impact of the programme in West Cumbria-lower outputs	low	WCT/CT	Reduce risk by creating good working conditions and employment terms. CT employs IIP principles and training for in-house staff.
Delays and slippage of the programme	medium	Unfinished and partially delivered programme. Job outputs would reduce	Low – though depends on early approval of programme funding	WCT/CT	Early approval of programme will enable adequate time for delivery of programme

Attachments

Please detail below any additional information attached :-

- Financial schedule
- Outputs schedule
- Destination West Cumbria – business plan
- Project Budget breakdown

Declaration

APPLICANT:	BRITAIN'S ENERGY COAST PROJECT SPONSOR:
Signed	Signed
Name	Name
Date	Date

Appraisal Comments

Lead Appraiser's Summary and Recommendations including any conditions (this summary should also comment on any contribution to SAV made by the project)

		Yes	No
I confirm the M&E Plan has been reviewed as part of the appraisal and is of an adequate standard.			
Signature of Lead Appraiser:		Date:	
Name:			
Team:		Telephone Number:	

Where projects are subject to panel appraisal: Appraisal Panel Summary and Recommendations including any conditions

		Yes	No
Signature of Panel Chair :		Date:	
Name:			
Team:		Telephone Number:	