

## WEST CUMBRIA DESTINATION MANAGEMENT PROJECT EXTENSION

**EXECUTIVE MEMBER:** Councillor Hugh Branney  
**LEAD OFFICER:** Julie Betteridge, Head of Regeneration and Community  
**REPORT AUTHOR:** Julie Betteridge, Head of Regeneration and Community

### WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS

Tourism is one of the economic diversification sectors being supported through Britain's Energy Coast and the Economic Blueprint. Copeland's visitor economy employs over 6,000 people and the West Cumbria Destination Management project works with businesses, the councils, Cumbria Tourism, residents and local groups to bring 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?

**The Council has been the accountable body since 1 April 2011 for the West Cumbria Destination Management Project receiving a mix of funding including £347,300 grant from Britain's Energy Coast to raise the quality and awareness of the tourism offer in West Cumbria. A further 6 month extension to this project to 31 March, 2014, is proposed which requires Executive agreement to continue to perform the accountable body function for this additional 6 month period.**

### RECOMMENDATION:

- 1) Executive accepts the additional Britain's Energy Coast grant of £35,000 under a change control to our existing grant offer of £347,300 and continues to take the lead role in delivering the Destination Management Plan until 31 March 2014; and
- 2) That a further six month extension to the current agreement with Cumbria Tourism (a registered company) is arranged to deliver the project on behalf of the Council.

## **1. INTRODUCTION**

- 1.1 Copeland Borough Council is 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 provided £25,000 per annum on an SLA for the first two years of the project ie until the end of March 2013. This project extension does not require any additional grant contribution from either Copeland Borough Council or Allerdale Borough Council.
- 1.2 The Council at its Executive meeting in February, 2011, agreed to receive Britains’ Energy Coast grant alongside other public and private funding to act as accountable body and take the lead role for the West Cumbria Tourism Partnership West Cumbria Destination Management Plan in 2011-2013. The Executive have already agreed at its meeting in December 2012 to extend its role as accountable body for this project and receive a further £78,300 grant funding from BEC for the period April to September, 2013.
- 1.3 The Partnership have successfully directed and overseen the project with a small management group, facilitated by the Council, meeting regularly, monitoring and managing outputs and outcomes and enabling the Council to make quarterly claims to Britain’s Energy Coast.
- 1.4 The Council have engaged Cumbria Tourism to deliver the project on its behalf and are looking to continue this arrangement during the project extension.
- 1.5 The West Cumbria Tourism Partnership is currently one of the Council’s strategic partnerships with membership by the portfolio holder endorsed as part of the outside bodies annual list by Full Council.

## **2. ARGUMENT**

- 2.1 The project is in process of developing a new five year strategy from 2014 with Cumbria Tourism taking a lead role. However, the existing project is being offered a further extension of six months to enable adequate development time to develop the new strategy and BEC commission. The new project will have Cumbria Tourism as the Accountable Body from 2014.
- 2.2 Tourism is an important non-nuclear sector in Copeland’s economy. Cumbria Tourism has been an active partner in the West Cumbria Partnership in its role as the Destination Management Organisation for Cumbria. The Council have been

active within its capacity to lead and encourage tourism and local visitor activity and this has provided outcomes with an increase in visitors and visitor spend in Copeland. The current Partnership programme of activities draws on our aspirations for increased economic activity within the tourism sector. The Council in its lead role for this project has ensured tourism development continues and impacts in terms of jobs, local wealth and services – an extension of six months will ensure continuity from the current project into a new programme of activity delivering against the Economic Blueprint.

- 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 extension would be completing 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
- 1 To agree to accept the grant extension and project lead role to enable continuity to complete the project successfully.
  - 2 To decline the request which will leave a key project within our and Energy Coast current regeneration priorities to find an alternative organisation able and willing to take on this accountable body and lead role for its final six months of operation.

### **4. CONCLUSION**

- 4.1 The Executive are recommended to agree to accept the grant extension and project lead role to enable continuity into a new programme of visitor economy and destination management activity for the Blueprint. Completing the project extension fits with the Council's current 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 finishing this project role effectively ensures we maximise opportunities within the Destination Management for the West Coast and Western Lake District moving forward.
- 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. Cumbria Tourism have worked closely with the partnership and Copeland Borough Council through a contractual arrangement to deliver the project, in particular the project staffing and core PR function.

- 4.3 The Partnership are now being offered a further six month extension to the project with a further £35,000 grant from Energy Coast for the six month period October 2013 to March 2014. The Executive is being asked to support this final extension to the project and continue to act as accountable body until 31 March, 2014 and receive a further grant amount of £35,000 to deliver this project extension.
- 4.4 The partnership project has been run successfully meeting its targets and managing the project budget. The participation of visitor economy businesses has been extremely positive with the cluster activity and bespoke marketing support to businesses well supported. The partnership board has strong participation from the visitor economy businesses.

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

- 5.1 The financial risks to the Council was detailed with the original request to become accountable body. The operation of the project has been delivered in line with the funding offer and the original plan in entering into the accountable body role and this will continue with the extension through a change control on the revised project offer letter received and signed in March 2013.
- 5.2 The key activities undertaken by the council in support and full liaison with the Tourism Partnership staff as part of the accountable body role relate to three key areas: payment and recording of invoices, making quarterly claims and strategic contract management – day to day delivery and management tasks are undertaken by the tourism team.
- 5.3 Human Resources; Copeland Borough Council staff will continue to 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 Executive previously agreed to the provision for a maximum 2% administration fee (ie £7,640 on the original project and £1,740 on the first six month extension) to undertake the accountable body role. This will be extended to include the further additional six month project extension which is an additional £700 to be claimed. This resource is invoiced against finance officer time for claims and

invoice process, admin time in setting up payment of invoices and management time linked to contract and monthly project meetings. The extension into 2013/14 has a greatly reduced requirement for invoice processing and financial admin linked to the quarterly claims and it is anticipated that these costs will be covered by the 2% fee.

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

- 6.1 The project has a local management group that meets monthly and oversees the project risk register quarterly and makes regular claims and reports to the Partnership Board and key funder, Energy Coast. The Council lead this management group and undertake the role as part of their economic development commitments.
- 6.2 The variation grant decision was made at the June 2013 Energy Coast Board meeting. The conditions of the existing grant offer will be amended to increase the total project grant amount by £35,000 to £392,300. The main risk from receiving nuclear partners money through 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. The project has been operating for 27 months and is on target to achieve outputs and outcomes, all existing milestones have been met.
- 6.4 There are no additional outputs and milestones for the further 6 month extension, the key changes from the previous extension are changes to the timescales of the key new strategy milestone. The partnership has a consultant working with it to deliver the new 5 year strategy which will be in place by September 2013.
- 6.5 The Council does not have the resources to deliver the project itself. The Council will extend its contract with Cumbria Tourism, a company, to deliver the project extension. The contract contains requirements in respect of the standard of service and clear termination powers in respect of a failure of them to deliver, these have not needed to be used over the past 18 months of the contract duration. 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 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 document overseen by the Partnership Board and monitored by the management sub group with a risk assessment for each activity on the plan. The Board have considered the strategic risks for the Partnership with this project extension and are clear that the extension offers the best opportunity for a continued destination management activity in West Cumbria in support of the Economic Blueprint.

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

- 7.1 The Destination Management Plan of the Partnership is being 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.

## **8. STATUTORY CONSULTEES:**

- 8.1 Monitoring Officer Comments: No additional comments
- 8.2 S151 Officer Comments: This request is a further extension of an existing arrangement to facilitate the continuation and completion of this project. The extension of this agreement however will not allow full cost recovery of our accountable body costs, meaning the council is subsidising this project. All future accountable body undertakings must be done at full cost recovery, to avoid this subsidy
- 8.3 EIA Comments: The West Cumbria Tourism Partnership works with communities, agencies and strategic organisations to make tourism accessible to all. Broader strategic projects are focused on bringing people to the West Coast and creating new attractions and events that can be accessed by a wider variety of visitors and residents, with some development projects in place to help subsidise entry into new activities to ensure that more people are able to access Copeland and its coast. Destination West Cumbria works with the Council to underpin a variety of programmes and major events to offer a wide cultural offer, helping to promote equality and good relations between different equality groups.
- 8.4 Policy Framework: As the Council continues to respond to unprecedented challenges around the future role of local government and significant reductions in funding, it is examining carefully the number and scope of partnerships in

which it is involved. With regard to this partnership, a 6 month extension to March 2014 is sought to enable the partnership to continue to underpin the priorities of three of our strategic partnerships the Cumbria LEP, Energy Coast West Cumbria and Lake District National Park Partnership as set out within our corporate plan priority 2. This extension should be achieved in such a way that allows it to be cost neutral to the Council to ensure that this remains consistent with our corporate policy framework.

- 8.5 Other Consultee Comments, if any: The Tourism partnership including Copeland businesses are in support of the extension to enable time to prepare a new five year tourism strategy for West Cumbria to deliver against the Energy Coast Blueprint Implementation Plan.

**List of Appendices**

None

**List of Background Documents:**

Destination Management Plan for West Cumbria, West Cumbria Tourism Partnership Bid to Britain’s Energy Coast, Partnership Board minutes, Quarterly claims to Britain’s Energy Coast, offer letters and variation letters Appendix A:

**Britain’s Energy Coast Change Control Proposal Excerpt**

Initial funding was £279,000 and covered the period February 2011 to March 2013. Subsequent additional funds of £78,300 were agreed to finish in September 2013. Continued funding of £35,000 would safeguard the two full-time jobs and have the added benefit of relaxing the very short timescales that the consultants appointed to the WCT contract for the strategic plan would have to work to in order to meet robust destination management delivery plan. This should result in a more considered and robust destination management delivery plan. It will also allow for additional outcomes to be achieved.

Staff costs, office overheads and expenses	£35,000
<b>Total</b>	<b>£35,000</b>

**Updated Expenditure Forecast including change for 2013/14 :**

BEC	113,300
Private	8,700

**Updated output forecast including change for 2013/14 :**

- |   |           |
|---|-----------|
| • Businesses engaged  | 20        |
| • Maintain Growth of Visitor numbers at 1%  | 1%        |
| • Maintain web presence and increase dwell time / unique visitors by a further 5% |           |
| • Private funding leverage  | £8,700    |
| • Deliver Estimated Advertising Value (EAV) in PR coverage.                       | £1million |
| • Jobs safe guarded   | 2         |