

**MINUTES OF THE MEETING OF THE PROSPERITY POLICY DEVELOPMENT  
GROUP HELD AT FOLLATON HOUSE, TOTNES ON WEDNESDAY, 19 JULY  
2006**

**MEMBERS**

∅ Cllr R F Croad – Chairman

\* Cllr H D Bastone – Vice-Chairman

\* Cllr R J Carter

\* Cllr G Date

\* Cllr I Longrigg

∅ Cllr J O'Connell

\* Cllr M C Ramsay

\* Cllr D W S Thorning

\* Denotes attendance

∅ Denotes apology for absence

Also in attendance at the invitation of the Chairman:  
Cllrs S M Fairman, R Rowe and R O Yonge

Officers in attendance:

All Agenda Items: Strategic Director (Community), Marketing and Tourism Manager  
and the Economic Development Officer

**PPDG.5/06 MINUTES**

The minutes of the meeting of the Prosperity Policy Development Group held on 29 June 2006 were confirmed as a correct record and signed by the Chairman.

**PPDG.6/06 DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be considered during the course of the meeting. These were recorded as follows:-

Cllrs H D Bastone, G Date and I Longrigg declared personal interests in Item 5: 'Tourism and Marketing Strategy 2006 to 2011' (Minute PPDG.7/06 below refers) by virtue of their respective employment links to the tourism industry and remained in the meeting and took part in the discussion and vote thereon;

Cllr M C Ramsay declared a personal interest in Item 6: 'Cultural Tourism' (Minute PPDG.8/06 below refers) by virtue of her daughter's involvement in the Devon Arts Network and remained in the meeting and took part in the discussion thereon.

**PPDG.7/06 TOURISM AND MARKETING STRATEGY 2006 TO 2011**

The Group considered a report which presented a revised draft of the Tourism and Marketing Strategy for discussion. The strategy was intended to link to the revised South Hams Community Strategy and Prosperity Strategy.

The report concluded that the strategy focused on the outputs that the Council would like to achieve over the strategy timescale. However, there was a clear challenge to develop new ways of working that increased the involvement of the private sector in destination management and provided a framework for increased financial contribution from other stakeholders.

In discussion, the following points were raised:-

- (a) Members highlighted the importance of tourism and leisure businesses, which accounted for 15.2% of the total employees in the South Hams and 14.7% of the total economic activity. Whilst a fundamental part of the economy, the Group was reminded that general tourism was not a clear corporate priority (CP) for the Council and its focus had been on sustainable or 'green' tourism. It was the only industry sector for which the Council provided marketing and it was noted that this was a discretionary activity. Further, CP2 was concerned with quality economic activity and jobs in the tourism industry tended to be relatively low paid and seasonal.

A debate ensued whereby some Members felt that certain parts of the tourism industry were well paid, and due to the transport network it was difficult to attract hi-tech industries to the district. In contrast, other Members did not believe that the tourism industry was well paid and referred to comments made by the economist Owen Nankivell. Owen Nankivell believed that to improve the Gross Domestic Product (GDP) of the district, it would be futile to focus on the tourism and agriculture industries and attention should be concentrated on to higher paid industries;

- (b) In response to a question, it was noted that the tourism marketing budget comprised of approximately £50,000. The budget was used for items which included: supporting the holiday guide and a variety of other projects (including Destination South West, Devon and Cornwall Overseas Marketing and Discover Devon Naturally). Officers confirmed that in comparison to other similar local authorities, the Council's spend on tourism marketing was relatively low (17<sup>th</sup> out of 22). However, when including expenditure on the public realm which benefited the tourism product (e.g. the maintenance and cleanliness of public conveniences), the Council's spend on tourism overall was well above the core average;
- (c) The view was expressed that holiday guides were becoming underused and were being superseded by the internet and web-based marketing. It was noted that some business sector representatives concurred with this belief;
- (d) Some Members expressed concern that whilst they could see the benefits of a Devon Destination Management Organisation (DMO), they had doubts whether it could deliver, due to the large number of public and private sector stakeholders involved;
- (e) Officers advised that business representatives had accepted a need for greater involvement and funding from the private sector towards the tourism industry. There was also general agreement that the Tourism Forum should be run by the private sector, as opposed to the Council, but the Forum would request some low level officer support (e.g. to co-ordinate meetings);
- (f) It was noted that due to existing accounting practices, monies obtained from the holiday guide were redistributed to the Tourist Information Centres (TICs). Some Members commented that TICs should be self-sufficient and could therefore operate at a break-even level, with the Council Taxpayer not having to financially support them. Whilst approximately 50% of enquiries at TICs were non-tourism related, a Member highlighted the link between TIC users being predominantly tourists and the consequent investment into the local economy. In his experience, a Member also stated that TICs did more than just provide tourist information and highlighted the effort that some TIC staff put into local events and projects. A Member also expressed the view that TICs were not marketing their services properly and believed that they should be asked to justify the subsidy which they obtain and review their charging structure;

- (g) The Group was informed that the partnership with Teignbridge District Council (TDC), to produce a joint visitor brand, was considered to be a quick win. The Group believed that for the partnership to progress further, a clear and shared agenda was required. Some Members also expressed reservations about developing a strong 'South Devon' brand with TDC, due to the differences in tourism culture between the South Hams and Teignbridge areas. In response, officers agreed that there were both differences and similarities between the two areas and it was a challenge to bring these together, but the work was important due to budgetary pressures as was highlighted at the Group meeting on 5 December 2005 (Minute No. PPDG.12/05(b) refers);
- (h) In light of the impact of low cost flights, a Member expressed concern for the future of the domestic tourism industry and was of the opinion that the number of overseas tourists was diminishing. The Member felt that in conjunction with other local authorities, pressure should be placed on the Government to reduce Value Added Tax levels for tourism, which were well in excess of other countries;
- (i) The Leader of Council advised that he supported the greater involvement in the tourism industry from the private sector. The Leader felt that the tourism marketing budget needed to be investigated. He envisaged that the budget could be gradually phased out and reallocated into areas more closely aligned to CP2 (Quality Economic Activity). In agreement, a Member felt that the Council should cease to market tourism, as other sectors did not receive such funding. Members felt that the entire tourism budget (including staffing costs) should be investigated to consider whether the monies could be spent in a more effective way for the Council Taxpayer.

Therefore, the Group felt that a further report should be presented back to Members which reviewed the entire tourism budget. As a consequence, a decision on adopting the Tourism and Marketing Strategy and its Action Plan should be deferred until the report was prepared. To provide officers with further direction and guidance in preparing such a report, it was agreed that officers would liaise with the Deputy Leader, the Executive Member for Distinct Environment and the Chairman and Vice-Chairman of the Group.

## **RECOMMENDED**

That the Executive be **RECOMMENDED** that a further report be presented back to the Group which reviews the entire tourism budget (following consultation with the Deputy Leader, the Executive Member for the Distinct Environment and the Chairman and Vice-Chairman of the Prosperity Group). Consequently, the adoption of the Tourism and Marketing Strategy and its Action Plan be deferred, until consideration of this further report.

### PPDG.8/06 **CULTURAL TOURISM**

A Member provided the Group with an oral update on work she had undertaken on the subject of Cultural Tourism and her intention to carry out a benchmarking exercise and research in this area.

Officers and the Group thanked the Member for the tremendous amount of work and effort undertaken to date. Officers advised the Group that the Council no longer supported cultural activities in themselves, with the exception of Nine Days of Art and Villages in Action. It was noted that money for cultural tourism development had helped in the bid for Objective 2 funding, which would result in a funding drawdown of £80,000 if the bid was successful. A Member felt that public art should be given a greater onus by the Council and that any means to increase its profile should be welcomed.

The point was raised that should interested parties wish to set up a Cultural Tourism Forum, good practice could be learned from areas including Dorset and the Blackdown Hills, which have been very successful at setting up such groups.

(Meeting commenced at 2.00 pm and concluded at 4.00 pm).

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Chairman