

LVEP Business Case Report - Appendix A

Business Case

Executive Summary

The Hampshire, Portsmouth, and Southampton Local Visitor Economy Partnership (LVEP) aims to enhance the visitor economy across the region by leveraging existing resources and strategic partnerships. Tourism South East (TSE) will act as the accountable body, ensuring effective governance and financial management. This business case outlines the strategic, economic, commercial, financial, and management aspects of the LVEP, focusing on the first three years starting April 2025.

Objectives:

- **Enhance Visitor Experience:** Develop and implement strategies to improve the quality of visitor experiences in Hampshire.
- **Promote Local Attractions:** Increase the visibility and attractiveness of local tourist destinations.
- **Support Local Businesses:** Provide support and resources to local businesses in the tourism sector.
- **Sustainable Tourism:** Promote sustainable tourism practices to preserve Hampshire's natural and cultural heritage.

Strategic Case

Vision and Objectives

The LVEP's vision is to create a thriving visitor economy that supports sustainable growth, enhances the visitor experience, and benefits local communities. The key objectives are:

- Develop and adopt a comprehensive Destination Management Plan (DMP) (**See Appendix 1 below**).
- Implement targeted activities (to be agreed) in years two and three to boost visitor numbers and spending.
- Align with existing local strategies (such as economic development and destination strategies) across the area as well as other critical strategic objectives for the area which support good growth.

Strategic Fit

The LVEP aligns with local and regional economic strategies, including the Economic Strategy for Hampshire 2025-2027, Portsmouth City Council's Visitor Economy Strategy, and Southampton City Council's Tourism Strategy. The partnership will support the broader goals of economic development, sustainability, and community engagement.

Consideration of wider strategic objectives are also necessary to ensure that tourism and the visitor economy is not isolated from the wider opportunities across the region.

Economic Benefits

- **Year 1:** Development and adoption of the DMP, setting the foundation for future growth.
- **Years 2 and 3:** Access to funding and marketing support that will lead to increased visitor numbers, higher visitor spending, job creation, and enhanced local business opportunities.

Options – Delivery Model

Preferred Option: Establishing the LVEP with TSE as the accountable body

- **Rationale:** TSE's experience and existing relationships with local authorities and tourism bodies, as well as its coverage across the whole of the geography, make it the ideal lead organisation. This option ensures continuity, effective governance, and alignment with regional strategies.

Discounted Options:

- **Independent LVEP:** Lacks the established infrastructure and relationships of TSE.
- **Local Authority-led LVEP:** Lacks the wider benefits that come from working with an established regional Destination Marketing Organisation. Leadership from one local authority partner complicated in the absence of a combined authority being in place.
- **Do Nothing:** Without the establishment of an LVEP for the Hampshire, Portsmouth and Southampton areas, there will be no access to support and funding from Visit England for tourism projects.

Options – Resourcing

Preferred Option: Existing Local Resources

- **Rationale:** Utilising existing staff resources from each of the partner organisations is the simplest and quickest way of providing staff resource. The proposal from TSE to use the subscription payments from the relevant authorities to fund this work also means that no additional funding is being sought at this time.

Discounted Options:

- Creation of a new and separate organisation with its own staff was discounted due to the time this would take, and the difficulties with getting this agreed given the financial difficulties facing the local government sector, as well as the uncertainty over devolution and local government reorganisation.
- Do nothing.

Commercial Case

Deliverables and Activities

Year One:

- Conduct baseline research and stakeholder consultations
- Establish governance structures and secure initial funding
- Develop and adopt the DMP
 - The DMP will include:
 - Action Plan
 - Marketing Strategy
- Brand Establishment
- Budget planning for years two and three based on the DMP

Years Two and Three:

- Delivery of the DMP action plan
- Implement marketing campaigns and promotional activities
- Quarterly and yearly reporting to Growth Boards and Visit England
- Develop new tourism products and experiences
- Enhance visitor services and infrastructure

Resource Allocation

The partnership will utilise existing staffing levels across TSE and partnering local authorities, ensuring efficient use of resources. Additional funding may be sought for specific projects and initiatives once a DMP has been finalised and agreed by the partnership.

Partnership resourcing as at 30 November 2024 is as follows:

Tourism South East

- Head of Project Development
- Project Manager
- = 1 FTE



Hampshire County Council

- Tourism Manager
- Senior Marketing Officer
- Digital Marketing Officer
- = 3 FTE



Portsmouth City Council

- Tourism and Marketing Manger
- Digital Marketing Manager
- Tourism Assistant
- = 3 FTE



Southampton City Council

- Tourism Manager
- Marketing and communications manager
- = 2FTE

This does not include tourism officers within the Boroughs and Districts, other Destination Management Organisations and Business Improvement Districts. Note that, since the funding for the HCC Tourism Service has been removed from the HCC budget from 2025-26, HCC resources in this area are under review.

We are not seeking funding from the HPPB to cover the cost of this service. Any consideration about future resource for the LVEP will be based on the DMP and will be subject to a separate business case and decision.

Financial Case

Funding and Costs

The following budget is for the LVEP only and does not take into consideration the budgets held within each partner organisation for the delivery of tourism locally. The funding in year one below refers to the organisation’s existing contribution to Tourism South East which will be repurposed by TSE to support the work of the LVEP.

- **Year 1 Budget:**
 - HCC - £5,000
 - SCC - £5,000
 - PCC - £5,000
 - **Boroughs & Districts** - £2,000
 - **Total** - £17,000
- **Expenditure:**
 - DMP - £9,952
 - **Staffing (TSE)** - £8,048
- **Years 2 and 3:** This will be determined through the development of the DMP and will be subject to separate decisions. It is also anticipated that some of the work of the LVEP could be resourced through a commercialisation model which is currently being explored.

The extent to which the HPPB may or may not decide to recommend additional tourism-based work can be explored as part of the prioritisation work the Board is undertaking between January and March 2025.

Financial Management

TSE will act as the Accountable Body for the LVEP and manage the LVEP's finances, ensuring transparency and accountability. Regular financial reports will be provided to all stakeholders.

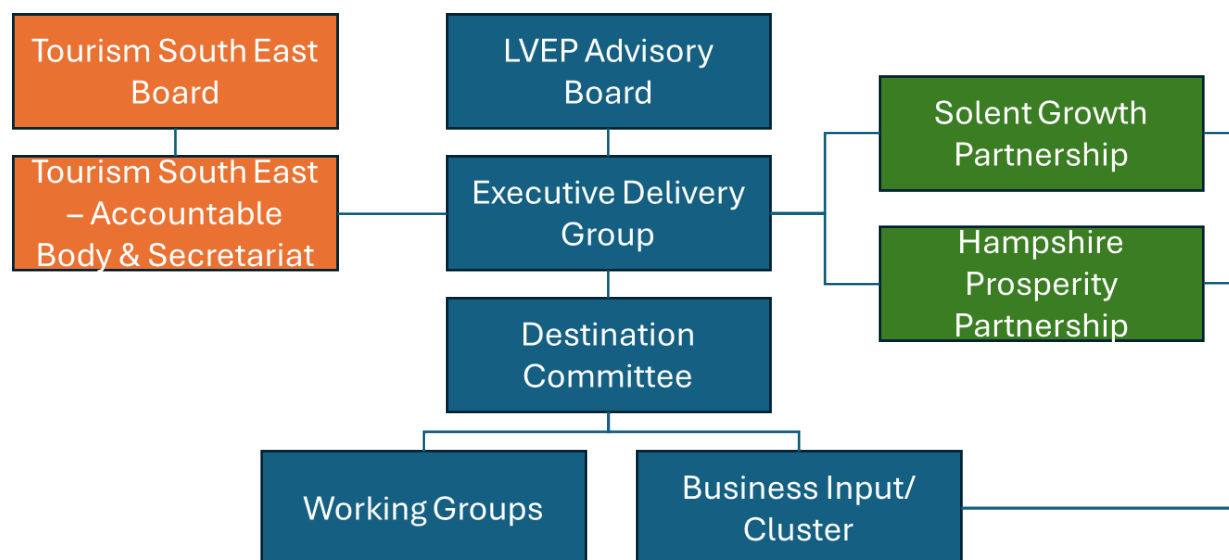
Any central government funding will be applied for by TSE on behalf of the LVEP.

Management Case

Governance and Accountability

Lead Organisation: Tourism South East (TSE)

Governance :



- **The Advisory Board:**
 - Independent Private Sector Chair
 - Executive Delivery Group x 4
 - Growth Board representatives (Solent / HPPB) x 2
 - Private sector – one business representative from each of the four upper tier local authority areas (Portsmouth, Southampton, Hampshire and IOW) and one wider industry representative

- **Advisory Board Governance:**
 - The independent Chair will be selected from the Board and must be a private sector representative. The term of the Chair should be limited to a one year rolling position.
 - The Board will report to its funders and Visit England on both a quarterly and yearly basis. For the purpose of the HPPB this will be via a quarterly report with an annual progress report on the DMP.

- **Executive Delivery Group:** The Executive Delivery Group will sit directly below the Advisory Board and will be the main vehicle for the coordination and delivery of the DMP. The Executive Board will be made up of an operational lead from each of the four partner organisations (TSE, HCC, PCC, SCC).

- **Destination Committee:** The purpose of the Committee is to ensure a collaborative approach to developing the DMP and the wider strategic direction for the LVEP. One of the fundamental principles of the committee and the wider LVEP is the ability to be inclusive to businesses and provide a means for input through their destination representative. The Committee will be made up of:
 - Executive Delivery Group
 - Borough and District representatives
 - Destination Management Organisations
 - Business Improvement Districts

Risk Management

A comprehensive risk management plan will be developed, identifying potential risks and mitigation strategies. Regular reviews will ensure proactive management of any issues.

Conclusion

The establishment of the Hampshire, Portsmouth, and Southampton LVEP, with TSE as the accountable body, presents a strategic opportunity to enhance the region's visitor economy. By focusing on the development and implementation of a robust DMP in Year One and targeted activities in Years two and three, the LVEP will drive sustainable growth and deliver significant economic benefits.

Appendix 1 – Outline for a Destination Management Plan

A Destination Management Plan (DMP) is a comprehensive framework designed to manage and develop a destination in a sustainable and strategic manner. Here are the key elements typically included in a DMP:

1. Vision and Objectives

- **Vision:** A clear, long-term vision for the destination that aligns with the aspirations of stakeholders and the community.
- **Objectives:** Specific, measurable goals that the DMP aims to achieve, such as increasing visitor numbers, enhancing visitor satisfaction, and promoting sustainable tourism.

2. Stakeholder Engagement

- **Involvement:** Engaging a wide range of stakeholders, including local authorities, tourism businesses, community groups, and residents.
- **Collaboration:** Establishing mechanisms for ongoing collaboration and communication among stakeholders.

3. Market Analysis

- **Visitor Data:** Collecting and analysing data on current and potential visitors, including demographics, behaviours, and preferences.
- **Market Segmentation:** Identifying target markets and segments to tailor marketing and development efforts.

4. Destination Assessment

- **SWOT Analysis:** Evaluating the destination's strengths, weaknesses, opportunities, and threats.
- **Resource Inventory:** Assessing the destination's assets, including natural, cultural, and infrastructural resources.

5. Branding and Positioning

- **Brand Identity:** Developing a strong, unique brand identity that reflects the destination's values and attractions.
- **Positioning:** Positioning the destination in the market to differentiate it from competitors.

6. Product Development

- **Experience Enhancement:** Improving existing tourism products and developing new ones to meet visitor expectations.

- **Infrastructure Development:** Investing in infrastructure and amenities to support tourism growth.

7. Marketing and Promotion

- **Marketing Strategy:** Creating a comprehensive marketing strategy that includes digital, print, and experiential marketing.
- **Promotional Activities:** Implementing targeted promotional campaigns to attract visitors from identified markets.

8. Sustainability and Accessibility

- **Sustainable Practices:** Promoting sustainable tourism practices to protect the environment and local culture.
- **Accessibility:** Ensuring the destination is accessible to all visitors, including those with disabilities.

9. Visitor Management

- **Capacity Management:** Managing visitor numbers to avoid overcrowding and ensure a positive visitor experience.
- **Visitor Services:** Providing high-quality visitor services, including information centres, signage, and customer service.

10. Risk and Crisis Management

- **Risk Assessment:** Identifying potential risks and developing strategies to mitigate them.
- **Crisis Response:** Establishing plans for responding to crises, such as natural disasters or health emergencies.

11. Monitoring and Evaluation

- **Performance Indicators:** Defining key performance indicators (KPIs) to measure the success of the DMP.
- **Regular Reviews:** Conducting regular reviews and updates of the DMP to ensure it remains relevant and effective.

12. Governance and Implementation

- **Governance Structure:** Establishing a governance structure to oversee the implementation of the DMP.
- **Action Plan:** Developing a detailed action plan with timelines, responsibilities, and resources required for implementation.