

## **Economic and Growth Committee**

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<b>Date of Meeting:</b>	16 September 2021
<b>Report Title:</b>	Tourism Recovery Plan
<b>Report of:</b>	Peter Skates, Director of Growth and Enterprise
<b>Report Reference No:</b>	EG/14/21-22
<b>Ward(s) Affected:</b>	All

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### **1. Executive Summary**

- 1.1.** This report sets out an approach to supporting tourism and the visitor economy in Cheshire East following an economic downturn in the sector due to the Covid pandemic.
- 1.2.** The plan sets out a number of approaches to supporting the sector through its recovery and describes the contribution of the Visitor Economy to Cheshire East and to the strategic aims and objectives in the Council's Corporate Plan 2021-25:
  - Open – Through its contribution to the economy of Cheshire East, Tourism and the Visitor Economy brings income into the borough. Since 2011 the Council has published a visitor economy strategy to support longer-term growth in the sector. Recognising the specific needs of the sector the Council's current focus, outlined in this report, is on recovery and resilience.
  - Fair – The Visitor Economy provides an environment that supports the wellbeing of our communities and specifically offers opportunities for employment.
  - Green – Tourism and the visitor economy contribute to Cheshire East being 'A thriving and sustainable place', particularly in relation to it being a great place for people to live, work and visit, contributing to thriving urban and rural economies, the environment and our quality of place.

## **2. Recommendations**

- 2.1.** To approve the Tourism Recovery Plan as the basis of the Council's approach to economic recovery in the Visitor Economy sector.

## **3. Reasons for Recommendations**

- 3.1.** To ensure that Tourism and the Visitor Economy can contribute to Cheshire East being 'A thriving and sustainable place', and a great place for people to live, work and visit, the sector needs support to recover from the impacts of the pandemic. The Council has a role to play in supporting this important sector to recover and in nurturing the conditions that will see it grow once more.

## **4. Other Options Considered**

- 4.1.** In normal circumstances the Visitor Economy Strategy would have been refreshed to cover the next five-year period. However, the pandemic has fundamentally changed the context for tourism and the visitor economy, requiring an emphasis on short-term recovery rather than longer-term strategy. Therefore, this recovery plan focuses on the period 2021 and 2022 to assist the sector to survive and recover, preparing the ground for a new Visitor Economy Strategy for 2023 onwards.

## **5. Background**

- 5.1.** The Visitor Economy is a broad term that is defined as the part of Cheshire East's economy which is supported by the expenditure of visitors. These are visitors staying overnight and those on day trips. The total value of the visitor economy pre-Covid was £994 million (STEAM<sup>i</sup> 2019), due to surpass the Visitor Economy Strategy target of £1bn by 2020. The majority of this relates to the value of day visitors, contributing £742 million. However, the impact of overnight visitors had grown by 66% over 10 years and contributed over £250 million to the economy.
- 5.2.** In the most recent Visitor Economy Strategy (2016-2020), which was approved by Cabinet in April 2016, the focus was on quality of place; infrastructure; dwell time; skills and investment. These are still highly relevant and will continue to have a strong focus. However, there is a clear challenge and requirement post-Covid to encourage, support and sustain hospitality & tourism businesses to enable recovery and subsequent growth in the visitor economy of Cheshire East. There is also a need to encourage resilience in the sector to deal with any future impacts of the pandemic.
- 5.3.** Sector intelligence points to a substantial reduction in the value of the visitor economy for the UK due to the pandemic and therefore we anticipate the value of the Visitor Economy in Cheshire East could have been reduced to

around 2009 levels. Therefore, there is a need to work closely with business and partners to support the sector and to provide conditions for sustainable growth. This will be achieved through providing the sector with a strong voice to secure financial and business support whilst ensuring initiatives such as high-profile marketing campaigns and then opportunities to revisit our approach to attracting business tourism and conferences to Cheshire East once again.

#### **5.4. Why a Recovery Plan and not a new Visitor Economy Strategy?**

**5.5.** The aim of the recovery plan for the period 2021 and 2022 is to assist the sector to survive and recover through targeted support. In addition to the actions of businesses themselves, additional measures and actions may be required to encourage resilience and ensure a strong recovery for our visitor economy sector.

**5.6.** Therefore, this initial focus is on recovery as a long-term strategy is not considered the right immediate response. Longer term aspirations and strategic approach to achieve them are still important, but we must first ensure that we have a recovering and growing sector in the short term to enable those aspirations to be met. That will enable work on a new Visitor Economy Strategy to be delivered for 2023 onwards, which will look to the medium and longer-term within the context of wider economic strategy.

#### **5.7. COVID – Impact on Hospitality & Tourism**

**5.8.** Coronavirus has impacted the Visitor Economy of Cheshire East with figures for 2020 expected to show the sector falling back to levels not seen since 2009. Hotel occupancy levels have fallen significantly with many seeing levels around 20% compared to around 80% in summer 2019. Events, weddings and attractions have all been impacted along with the supply-chains. The effects on the hospitality sector also impact on our town centres, affecting footfall and vibrancy.

**5.9.** For Cheshire East, there are no official (Office for National Statistics) estimates yet of the impact of COVID on hospitality sector economic output or on employment, however, we have estimates of Gross Value added (GVA<sup>ii</sup>) and employment, by industry for all recent years (and projections up to the 2030s) from the Council's Cheshire & Warrington Econometric Model (CWEM).

**5.10.** According to the estimates from current CWEM model: The GVA of Cheshire East's Accommodation sub-sector in 2020 was 48.0% lower than in 2019, while the GVA of the Borough's Pubs, Restaurants & Other Food and Drink Services sub-sector was 45.6% below its 2019 level. To put this in context,

the CWEM estimates suggest that, in 2020, Cheshire East's total GVA (across all industries and services) was only 2.5% lower than in 2019.

#### **5.11. A Recovery Plan**

**5.12.** Over the past few months officers have been taking soundings from businesses and working with Marketing Cheshire to develop an approach to help support the sector through a recovery period. The Tourism Recovery Plan sets out a rationale for how the Cheshire East can recover ground and position itself for future growth. These complements and contributes to a Destination Management Plan (DMP<sup>iii</sup>) at sub-regional level produced by Marketing Cheshire with input from the Local Authorities.

**5.13.** Cheshire East is ideally positioned to take advantage of some of the key thematic post-Covid trends such as:

- Outdoor experiences
- Friends and family
- Wellness
- Lifestyle and culture
- Sustainable and green

**5.14.** The plan identifies and describes key areas of activity that support this positioning in Cheshire East including:

- Outdoor events
- Filming/Film Tourism.
- Heritage
- Culture.
- Weddings
- Town Centres
- Visiting Friends & Relatives
- Green Space
- Cycling/walking
- Glamping/Camping/Caravanning
- Historic Estates & Houses
- Spa's & Retreats
- Self-Catering

**5.15.** In the first year, as restrictions are removed, the focus will be on supporting our towns, tourism & hospitality businesses, and attractions through the re-start of the economy. Working with partners we will work to position Cheshire East as a safe outdoor location with world class product for all. This will

initially target the local resident, visiting friends and relatives and short breaks to discover what is on the doorstep, moving to regional and national as the relevant re-opening steps are met.

**5.16.** Resilience to the effects of the pandemic continue to be of importance and will help provide more certainty should further impacts occur. Recruitment and retention are immediate issues for the sector's recovery and proposals are being developed that will assist Cheshire East businesses to recruit staff.

**5.17.** The recovery plan also sets out a number of thematic campaigns in 2021 aligned with the Destination Management Plan priorities between now and 2022, with key actions to guide the Council and its partners through this period of recovery.

**5.18.** Actions outlined in the plan include:

- Working with Marketing Cheshire and other organisations to develop and promote effective campaigns, media profile and user content.
- Delivering a number of Visitor Economy Forums aligned to business needs with relevant presentations from industry experts.
- Realising the value of the visitor economy as part of regeneration plans and 'Town Centre Vitality Plans' with the aim of creating successful town centres.
- Ensuring Cheshire East tourism & hospitality businesses have access to new tools such as 'User Generated Content'<sup>iv</sup> to increase their visibility and assist in their recovery.
- Offering Cheshire East tourism & hospitality businesses access to the most up to date research from industry professionals, including research around consumer sentiment.
- Working with partners to understand and address training requirements, job retention and employment opportunities.
- Continuing to utilise government grants to further support sectors including visitor economy, town centres and our rural areas.

**5.19.** Cheshire East Council has already distributed grants to many hospitality businesses and specific grants such as 'The Welcome Back' fund have also been used to support town centres and hospitality businesses.

**5.20.** The success of the recovery plan requires a multi-disciplinary approach involving a range of CEC departments, Tourism Agencies, businesses, Department of Culture Media and Sport (DCMS) and research agencies along with neighbouring authorities, the LEP and Marketing Cheshire.

**5.21. A wider context**

**5.22.** Three recent Government strategies have been published that are of particular relevance to this sector. In June 2021 the Government published a Tourism Strategy recognising that Tourism is an economic, social and

cultural asset and a major contributor to jobs and growth. It set out an aspiration to reach 2019 levels at least a year faster than independent forecasts predict. In July 2021, the Government also published a Hospitality Strategy focused on reopening, recovery and resilience alongside a High streets Strategy.

- 5.23.** In partnership with the Council, the visitor economy in Cheshire and Warrington is supported by the Cheshire and Warrington Local Enterprise Partnership (LEP) and the local Destination Management Organisation (Tourism Board), Marketing Cheshire. A Destination Management Plan (DMP) helps to articulate the priorities for the sub-region but needs to be supported with tourism strategies (or recovery plans) for all parts of Cheshire including Cheshire East.
- 5.24.** The recovery plan and longer-term strategy detail the actions that Cheshire East needs to take to develop or enable a successful visitor economy. However, they also demonstrate how we are contributing to achieving a shared vision, priorities and targets described in the DMP, so contributing to a national Tourism Strategy from Visit Britain and Visit England.
- 5.25.** To be effective the recovery plan and future Visitor Economy Strategies must also link to the aspirations and priorities of local tourism associations, sector groups and Cheshire East Council plans – economic, rural, cultural, transport, environmental and spatial – to make the most of available capacity and resources.
- 5.26.** The Plan provides a framework for support and promotion that will assist the sector to be resilient in the short-term and to recover. It sets out several actions that will enable the sector to take advantage of opportunities and position Cheshire East as a safe, accessible destination with quality assets and experiences. This includes partnership working, promotional campaigns, a focus on both rural assets and town centres, addressing recruitment and retention issues, business support, networking opportunities and research to inform a future Visitor Economy Strategy. However, plans need to be flexible and responsive enough to deal with the continuing influence of the Pandemic over this period. Therefore, the Council will keep measures under review and may still have to respond to changing circumstances.

## **6. Consultation and Engagement**

- 6.1.** The recovery plan sets out a number of measures that will be reliant on engagement with businesses, directly or through Marketing Cheshire, to inform how actions are implemented and to monitor their impact.
- 6.2.** This, together with research over the recovery period, will be used to inform the development of the next Visitor Economy Strategy. A report will be brought back to the Committee in the 2022/23 cycle that will update Members on the recovery and the proposed Visitor Economy Strategy.

## **7. Implications**

### **7.1. Legal**

7.1.1. There are no direct legal implications arising from the report and its recommendations.

### **7.2. Finance**

7.2.1. There are no direct financial implications arising from the report and its recommendations. Actions outlined in this report will be delivered within existing Visitor economy and other relevant service budgets, approved grants or subject to the Council's business planning process.

### **7.3. Policy**

7.3.1. The Visitor Economy is a valuable contributor to the rural, visitor and cultural economies of Cheshire East, and along with its contribution to 'quality of place', it plays an important role in economic well-being.

### **7.4. Equality**

7.4.1. Given that the proposal does not represent any change of policy an EIA has not been conducted. There are no direct implications for equalities.

### **7.5. Human Resources**

7.5.1. There are no direct implications for human resources.

### **7.6. Risk Management**

7.6.1. There are no direct implications for risk management.

### **7.7. Rural Communities**

7.7.1. Tourism and the visitor economy are a significant contributor to the rural economy with many of the major attractions and accommodation providers being in the rural areas.

### **7.8. Children and Young People/Cared for Children**

7.8.1. Children, young people and their families form a large part of the visitor audience for attractions in Cheshire East, many of which include outdoor facilities. Encouraging visitors, to what is largely an outdoor activity venue, will have a positive impact on quality of life, providing social, mental and physical health benefits for all age groups.

7.8.2. Future opportunities for cared for children will be considered in developing proposals for recruitment and careers in the hospitality sector.



## 7.9. Public Health

7.9.1. Cheshire East has many outdoor attractions to visit, which can offer a positive impact on quality of life, providing social, mental and physical health benefits for all age groups.

## 7.10. Climate Change

7.10.1. The tourism and visitor assets of Cheshire east often depend upon the quality and sustainability of the environment. Some attractions provide significant environmental assets for Cheshire East and their operators are delivering actions related to environmental sustainability, nature-based sequestration and promoting healthy lifestyles.

Access to Information	
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Appendices:	Tourism Recovery Plan 2021
Background Papers:	Visitor Economy Strategy <a href="#">Visitory-Economy-Strategy-2016-2020</a> <a href="#">(cheshireeast.gov.uk)</a>

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<sup>i</sup> **STEAM:** The Scarborough Tourism Economic Activity Monitor (STEAM) is a nationally used, statistically robust tourism economic impact modelling process which approaches the measurement of tourism from the bottom up, through its use of local supply side data, tourism performance and visitor data collection. STEAM quantifies the local economic impact of tourism, from both staying and day visitors.

<sup>ii</sup> **GROSS Value Added (GVA):** measures the contribution to the economy of each individual producer, industry or sector. It represents the value of the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production.

<sup>iii</sup> **DMP:** A Destination Management Plan (DMP) is a shared statement of intent to manage a destination over a stated period of time, articulating the roles of the different stakeholders and identifying clear actions that they will take and the apportionment of resources. It is produced for an area by a Destination Management Organisation (in this case Marketing Cheshire) on behalf of the stakeholders. VisitEngland (the National Tourism Board) encourages and supports the development of Destination Management Plans throughout England as an essential tool in the delivery of a successful visitor economy.

<sup>iv</sup> **User Generated Content (UGC):** This refers to the content that is created by the users of a brand (visitors to Cheshire in this case). It can be anything from comments, reviews, and images to social media posts. Marketing platforms can harness UGC to benefit the brand, as it is often more trusted than traditional advertising as it is seen as being unbiased and created by users rather than paid for by the brand.