

Investment Fund - Feasibility and Development Funding Application Form



SCHEME : West of England Visitor Economy Recovery project

APPENDIX 1

1. Lead Organisation

West of England Combined Authority

2. Partner organisations

Visit West

3. Scheme contact details

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4. Scheme Type – mark with an X

Business Support	X
Skills	X
Other (please specify)	Marketing & Communications

5. Is this investment linked to any others within the early investment or wider Investment Fund programme? If so please set out the relationship and linkages.

Regional Recovery Fund
 The proposal seeks to draw down £254,500 of the £1m extension to the Regional Recovery Fund, agreed by Investment Committee in June 2021. The ambition is to provide a targeted, rapid response, to the issues and opportunities in the Tourism, Leisure & Hospitality sector in the region, as the economy re balances after lockdown restrictions have been lifted. The wider objective is to test a range of approaches from both a supply and demand intervention perspective, to help inform future business cases. The ability to deliver this proposal as soon as possible is critical to its success.

The Talent Retention Platform (TRP) is an essential tool in the delivery of this proposal and has been

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developed via funds agreed through the Regional COVID -19 Recovery fund, released in Jan 2021. The proposal will test the functionality of the platform with a targeted sector and will be used to identify areas of development and improvement in functionality.

Growth Hub

The business support element of the proposal will be delivered in partnership with the Growth Hub. This will increase the reach of these services to a sector that, to date, has relatively lower levels of engagement. This provides the opportunity to test a sector specific engagement and support approach, whilst also providing an opportunity for businesses in the sector, to engage with other relevant WECA business & skills support services. This includes Workforce for the Future, which will help the sector diversify their existing workforce, tap into the emerging talent pipeline (changing perceptions of the industry), and upskill their existing workforce. Access to Workforce for the Future is via the Growth Hub as the regions 'one front door' to business support.

6. Total Funding required for this phase of works

A. Spending Profile (£)

	21/22	22/23	Total
Investment Fund	£181,275	£72,775	£254,050
Match Funding - please state source(s)	TBC	TBC	-

B. Cost Breakdown (£)

	Investment Fund (£)	Match Funding (£)
In house staff costs	20550	
VW Officer	40000	
Sustainable Tourism	25000	
Travel Trade Workshops	20000	
GH Promotion	20000	
Events	35000	
Asset development to support international events	30000	

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TRP Marketing to businesses	15000	
TRP Marketing to Residents	50000	
Total	254,050	TBC

7. Please describe the scheme to be developed (including its objectives and expected impacts) **and** the proposed activity to be undertaken through this investment.

- Details of the scheme to be delivered:

The tourism and hospitality sector has been disproportionately affected by the global coronavirus pandemic, which is of particular concern to the West of England, where pre pandemic the sector supported over 8% of regional employment and injected over £2.3bn into the economy annually and of this almost a fifth of direct spend was from international visitors. Reports from the South West Tourism Research Company show that the visitor economy in the region contracted by an estimated £1bn last year. A reduction of 54% of the total tourism related business turnover; £1.388bn in 2020, against £2.976bn in 2019.

For the local visitor economy to recover and continue to make a sizable contribution to the local economy, we must urgently both stimulate demand and tackle issues in supply, whilst making every effort to rebuild the sector to be as sustainable and inclusive as possible.

To date this has been a sector that has not engaged with business & skills support services, offered by WECA, as fully as it could. This proposal is seeking to test engagement approaches to the tourism and hospitality sector and provide a base of learning, that will contribute to the development of future, longer term interventions.

The most pressing challenge facing the tourism and hospitality sector is recruitment and retention of talent. Skilled and operational delivery roles across both front and back of house, previously benefited from skilled European workforce, with transient and seasonal roles supplemented by students and casual work. The compound impact of the pandemic and exit from the European Union has seen that source of workforce reduced. Also, there is a longstanding perception that the sector provides poor pay, working conditions and lacks security, which has been exacerbated by the pandemic. Encouraging young people to look to the sector for career opportunities is also needed. A structured engagement and marketing campaign will be delivered to link businesses and potential residents, alongside the potential to deliver associated skills training for the workforce.

Whilst there is a need to address the present local supply chain issues to meet current demand, there is also a pressure to ensure the region is competitive as a place to visit on the local and international stage. Demand and long-term sustainability can only be achieved by providing a future pipeline of business for the market, working within the tourism trade, with agents providing international inbound travel and business events is essential.

Once international travel reopens for the UK, there is significant risk that this will leave significant gaps in demand. To stabilise the potential imbalance, demand needs to be stimulated through the professional travel trade network, who are critical in developing international leisure and business events to ensure a sustainable pipeline of business is ready for when borders reopen.

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Trade shows are an integral part of business development for the international market. These provide effective and efficient means to meet with new and existing suppliers, who need regular information updates, regarding both the destinations represented and the businesses operating within the destinations.

Commercial and consortium partnerships have previously funded approximately 50% of the operational costs of these events, in addition to providing staffing and other in-kind support. This commercial investment is not available at present, as businesses begin to recover, with debt repayment and investment being a priority. Current LA funding does not meet the costs of these events.

This proposal addresses the immediate labour market and sustainability issues faced by the sector, whilst also providing support to ensure an international trade presence is maintained, with the tourism and travel industry in the short to medium term, while the commercial partnerships are re-assessed for future business development. This will ensure that a sustainable programme of future development is developed to maximise opportunities on behalf of the entire region. Having a regional presence ensures wider coverage of the industry as opposed to one or two businesses, so specifically supporting SMEs who would not be able to access events or markets independently. This coordinated approach has a range of direct outcomes and benefits, including:

- Drive engagement, action & behaviour change
- Increased business confidence and productivity
- Reductions in vacancies within the sector
- Future business leads
- New partnerships
- WECA's wider participation in international activity

Indirect benefits will include increased business development at international events, leading to increased visibility of the region as a destination, increased visitor numbers, spend, reductions in unemployment due to the end of furlough and sustained growth in the visitor economy. Also, raising awareness of the region through the significant 'soft power' of tourism and its connections to the wider cultural, creative and commercial economy.

This proposal is crucial in supporting the key manifesto commitments of:

- Jobs first
- Tackling the Climate Emergency and protecting nature
- Boosting our villages, towns and cities
- Promote Combined Authority investment on businesses creating local jobs and using local supply chains

Further to this, the proposal underpins the West of England Recovery Plans five key ambitions of:

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- Rebuilding business, helping new and existing businesses to survive and thrive; to safeguard existing, and create new jobs
- Getting residents back into jobs that pay above the living wage and offer employment security through training and work to match skills to opportunities
- Strengthen inclusion, preventing further widening of inequalities and building an inclusive economy where everyone has the opportunity to achieve their potential
- A green recovery, using changes in behaviour brought about by the pandemic to accelerate transition to net zero carbon
- Renewing places, creating greener, healthier, more vibrant places to live and work

There is support for Governments 'Tourism Recovery Plan (2021), which aims to:

- Recover domestic overnight trip volume and spend to 2019 levels by the end of 2022, and inbound visitor numbers and spend by the end of 2023 – both at least a year faster than independent forecasts predict.
- Ensure that the sector's recovery benefits every nation and region, with visitors staying longer, growing accommodation occupancy rates in the off-season and high levels of investment in tourism products and transport infrastructure.
- Build back better with a more innovative and resilient industry, maximising the potential for technology and data to enhance the visitor experience and employing more UK nationals in year-round quality jobs.
- Ensure the tourism sector contributes to the enhancement and conservation of the country's natural and historic heritage, minimises damage to the environment and is inclusive and accessible to all.
- Return the UK swiftly to its pre-pandemic position as a leading European destination for hosting business events.

Alongside BEIS' Hospitality Strategy (2021) , where the proposal will -

- Help the sector overcome current recruitment challenges by actively signposting jobseekers to hospitality vacancies
- Explore options for vocational training offers that support career paths in the sector.
- Work with the sector to raise the profile of skills and careers in hospitality.
- Encourage hospitality businesses to participate in Government programmes, including the Help to Grow scheme, to improve digital and management skills in the workforce.
- Showcase the best of UK hospitality in future international communications campaigns.
- Promote UK hospitality businesses overseas through inclusion in international ministerial visits and trade shows.
- Create, and share best practice on environmental guidance to help businesses decarbonise supply chains and achieve Net Zero, seizing the opportunity of CoP26.

Details of the activities to be undertaken through this feasibility or development phase:

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Delivered over 12 months the proposal will balance a package of support and development, aimed at both supply and demand side interventions. This approach ensures that the increased demand for services from the sector can be accommodated, by delivering interventions that support the supply of labour and advancements in appropriate business practices, that can enable a rapid and sustainable recovery. This approach is intended to test the effectiveness of targeted, focussed, interventions to the sector and provide a basis for future business cases.

Supply Interventions – £190,550

As COVID restrictions are lifted and demand within the Tourism & Hospitality sector increases a range of issues and business needs are being reported, most notably issues in securing suitable staffing levels. Feedback from the sector has also identified the need for targeted business support interventions. There has been no regional co-ordinated skills and employment support for the industry since the closure of the Tourism Skills Network, this proposal is effectively starting from scratch and is aimed to act as a proof of concept for future development work.

- **Regional Recruitment Promotion**

Testing the functionality of the Talent Retention Platform (TRP), engage the sector to register and populate the platform with vacancies. A targeted regional marketing campaign, promoting the sector as a worthwhile and fulfilling career, will direct potential applicants to the platform, where they can view and apply for employment opportunities in tourism and hospitality. This will be supported by WECA's Workforce for the Future programme, enabling a work experience initiative, to provide opportunities for residents to gain experience of the sector and supporting employers with retention and recruitment strategies.

Linking with local colleges, a Sector Based Work Academy intervention can be tested with hoteliers as a 'proof of concept' group. Additionally, a skills audit identifying the wider training requirements for the sector, where they procure from and how their choices are determined, is an area of intelligence, necessary to inform future project proposals.

This also provides the opportunity to engage employers and promote established WECA projects including Tech for Growth and Digital Skills, alongside local authority employability programmes, such as Ways to Work & Achieve B&NES. This will be via engagement, support and AIG from the Growth Hub.

- **Sustainable Tourism**

Pilot scheme supporting the regions 'net zero' targets, delivering a green recovery for the visitor economy and support businesses aiming to improve their carbon impact. Delivered by Green Tourism, this will comprise an interactive workshop series, business audits, 1-2-1 advice and evaluation report. A set of Sustainable Tourism toolkits and a virtual business support centre will also be delivered and hosted on both the Growth Hub and Visit West web sites. This project also has the potential to support the CA Green Business Grants project.

- **Routes to Market**

A set of workshops aimed at supporting businesses development in working with the Travel Trade and developing new routes to market, this will be accompanied by a further set of workshops specifically designed for the sector, providing guidance on innovation and development of digital content and distribution. There is also the opportunity to link businesses to the Growth Hub business support service, to be connected with additional support programmes as appropriate such as Tech for Growth and Digital Skills.

Impact Measured by -

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- Number of business advertising on the TRP
- Number of job vacancies being filled by the TRP
- Number of businesses engaging in sustainability and business support services
- Number of hospitality businesses engaging in workforce for the future

Domestic and International Business Events Market Development and Business Pipeline – £63,500

Essential to the promotion of the region as an international visitor destination, attendance at key international trade shows to reconnect with the industry is required to generate new business leads. In support of these activities, it is also necessary to create a new regional promotional suite including film and social assets to promote the region as a premier destination for corporate and association events, including assets that are free to use for partner organisations. Further promotion can also be achieved through the hosting of education events with international agents.

With many competitor destinations attending and UK points of entry being promoted, it is critical to ensure the West of England retains a presence at these core shows. By missing the events that signal the return of the industry, the recovery will be slower as the region will not be considered a Tier 1 destination by either partners or buyers.

Travel Trade - These are generally more focussed on leisure or holiday visits, but also will include meetings for incentive travel, a sector that overlaps both business and leisure.

Business Events – These are solely focussed on meetings, conferences, and incentive travel.

Face-to-face meetings capitalise on the ability to test itineraries and themes, providing 'sales' opportunities as well as improving knowledge on industry trends and requirements. Many of the buyers will be difficult to reach outside of these events. All events attended will operate a hosted buyer programme and will qualify the buyers attending to ensure suppliers have the right level of business.

There are a number of events, that are a priority to attend over the next 12 months and are as follows;

- World Travel Market, London, 1 – 3 November 2021
Virtual 8 – 9 November <https://www.wtm.com/london/en-gb.html>
- IBTM World, Barcelona, Nov-2nd Dec 2021
<https://www.ibtmworld.com/>
- ITB Berlin, 9 - 13 March 2022 <https://www.itb.com/en/home/>
- Meet GB / Meet England, expected venue ICC Wales, Newport, Feb/March 2022
- Explore GB, Spring 2022

Market Content and Development

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In support of attendance at the above event, there is also a requirement for new regional content and toolkit for travel trade and business events UK and international trade shows and events, also for online distribution.

Impact Measured by –

- Number of businesses included in itineraries
- Number of new itineraries generated
- Increase in occupancy rates
- Number of leads generated
- Social Media Exposure, inc trade / local media generated

8. Please set out how the activities to be undertaken through this Feasibility and Development Funding Application will be managed and resourced. If use of consultants or other third parties is proposed please describe how these have been, or will be, procured.

Details:

The proposal relies on a delivery partnership between WECA and Visit West (VW), as a specialist provider. Activity delivered by VW will be managed by WECA, via a delivery agreement, that will set out the expected and agreed activities, outcomes and outputs.

Regional Recruitment Promotion –

Managed by WECA and delivered by VW, a dedicated officer post (employed by VW) will engage with VWs membership and wider network, directly promoting the benefits of using the TRP, whilst also providing referrals to further support programmes, either directly or via the Growth Hub. The post will also work alongside local FE, delivering specific skills interventions and if possible, sector based work academies. This will be supported by a marketing campaign promoting the benefits of working in the sector to residents, which will amplify content already produced by UAs partners.

Sustainable Tourism –

Delivered by specialist provider 'Green Tourism' and managed by VW, providing referral to the scheme and host the materials developed. GH will also provide referral where possible and host all materials. On going support could lead to WECA Green Business Grant.

Business Support -

Travel trade market development workshops, delivered by VW, supported by GH. The development of digital content and distribution, will be delivered alongside WECA's Tech for Growth Programme. Referrals will be via VW and GH.

Domestic and International Business Events Market –

Delivered and attended by VW, all materials will be produced in consultation with WECA and where possible will be designed to accommodate further use, in terms of international / FDI promotion. Additional opportunity for WECA presence and inclusion in senior level meetings.

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9. What output will be produced using the funds awarded as part of this Feasibility and Development Fund Application, and when will this be completed?

	Mark with an X	Date (mm/yy)
End of programme impact report	X	Dec 2022

10. When do you plan to start and complete your project and what are the main project milestones? Please include the milestones related to the feasibility or development work to be undertaken through this application **and** the milestones for the subsequent implementation phase through to completion.

A. Milestones for the activities through this Feasibility and Development Funding

Milestone	Date (mmm/yy)
Regional Recruitment – Business Marketing campaign start	Oct 21
Regional Recruitment – Resident Marketing campaign start	Oct 21
Sustainable Tourism/ Routes to Market – Work shop first sessions	Nov 21
Sustainable Tourism/ Routes to Market – Final sessions	Sept 22
Business Development Events – Start	Nov 21
Business Development Events – Finish	May 22

B. Planned milestones for scheme development or delivery beyond this initial phase.

Milestone	Date (mmm/yy)

11. Application sign off by the promoting organisation:

Senior Responsible Owner	Name:	
	Signature:	
	Date:	

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Section 151/Chief Finance Officer *	Name:	Stephen Bashford
	Signature:	
	Date:	20/09/2021

* Where WECA are the applicant this should be signed by the appropriate Director/Head of Service

Date approved by WECA Committee:	
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