

To:
City Executive Board – 31st March 2010

Item No:

Report of: Head of City Development

Title of Report: Establishment of the Oxford and Oxfordshire
Destination Management Organisation

Summary and Recommendations

Purpose of report: The report seeks approval to now establish the DMO as a public/private partnership.

Key decision – No

Executive lead member: Councillor Bob Price and Colin Cook

Report Approved by:

Executive Director, City Regeneration: Mel Barrett

Finance: Penny Gardner

Legal: Jeremy Thomas

Head of Environmental Development: John Copley

Policy Framework: Improve the local environment, economy and quality of life policy objective of the Oxford City Council Corporate Plan.

Recommendation(s):

The City Executive Board is RECOMMENDED to:

1. establish the Oxford and Oxfordshire DMO as a public/private partnership
2. host the DMO for the first year with Oxford City Council acting as Accountable Body.
3. agree that the Executive Portfolio Holder for City Development and Tourism should represent the City Council on the Board

4. explore the Option of blending the emerging DMO with Oxford Inspires, with a further report to CEB if appropriate.

Introduction

1. At the City Executive Board meeting on 9th October 2009, the Committee:
Resolved to give a pledge of commitment and to express the Board's support in principle for the creation of the Oxford and Oxfordshire Destination Management Organisation subject to a satisfactory business case, this to be subject of a report back and approval.
2. This report describes progress since October and appends the Oxford and Oxfordshire Destination Management Organisation Business Plan.
3. Members will recall that the Destination Management Organisation (DMO) is to be a public-private partnership agency responsible for the development and delivery of the visitor offer across the county. It would provide strategic leadership for the sector, backed up with marketing expertise and resources to support and promote a sustainable visitor economy. Its scope is to include not only UK domestic and international visitors, but also residents who spend and travel within the county and indulge in retail spend.
4. The DMO is to play a leading role in tourism delivery and promotion, working closely with a wide range of partners and stakeholders. It is to champion the sector and seek to influence all aspects of the visitor experience in order to nurture a thriving tourism industry; and it will employ tangible outputs to measure improvements in the value of the county's visitor economy.
5. Oxford City Council has been leading the DMO initiative with extensive support from all parts of the industry including Oxfordshire Economic Partnership (OEP), County and district councils, the commercial sector, and major stakeholder agencies including Tourism South East, SEEDA and Oxford Inspires. The OEP's Tourism Task Group under the joint-chairmanship of Charles Holmes, Chief Executive Oxford Four Pillars Hotel Group and John Hoy, Chief Executive Blenheim Palace acts currently as steering group for the DMO.

Progress since October

6. The draft Proposal that was included with the October CEB report was developed further with the OEP Tourism Task Group and this together with a successful conference at the Williams F1 conference centre was

used to seek pledges of commitment from the private sector. At the time of drafting the following pledges have been received:

Partnership pledges signed - Summary as at 26 Feb 2010

Level	In proposal (year 1)	Signed pledges
Diamond	2	1
Platinum	4	2
Gold	12	10
Silver	16	10
Bronze	6	4
Copper	10	
total	50	27
Businesses signed up		
Barcelo Oxford Hotel Bicester Hotel Golf and Spa Bicester Village Big Bang Blenheim Palace Bottle PR Broughton Castle Christ Church College Cotswold Lodge Cotswold Wildlife Park Eynsham Hall Fallowfields Hotel Four Pillars Hawkwell House Hotel In Oxford Group London Oxford Airport Macdonald Randolph Hotel Malmaison Oxford Milton Hill House Oxford Belfry Oxford Castle Ltd Oxford Castle Unlocked Oxford Centre Oxford United RBS WilliamsF1 Conference Centre Best Western Linton Lodge Hotel Vale and Downland Museum		

7. In total there are to date 26 businesses declaring their support for the DMO and pledging to contribute £55,000 in membership fees. Work continues to secure pledges and it is thought likely that about £65,000 will be pledged by the time of CEB.
8. In February the Public Services Board agreed to allocate £200,000 of the LAA reward grant to support the development of the Visitor Economy in

Oxfordshire. This is split 50/50 capital and revenue to be drawn down from the County Council over three years. The Visitor Economy Project Initiation document (PID) that accompanied the bid to the Board explained that the purpose of the Bid was to:

Deliver a programme of co-ordinated marketing campaigns to promote Oxfordshire with a focus on key international markets to achieve growth in the local economy through increasing visitor spend and longer stays. Where appropriate these would capitalise on the 2012 Olympics.

9. The intention is that the Visitor Economy Project Team will develop these campaigns through collaboration between the districts and other key partners including the emerging DMO. The proposed project management team structure includes the Chief Executive of WODC and the Executive Director of City Regeneration at the City Council as project sponsors with a core steering group team made up of WODC, City Council, OEP and Tourism South East officers.

Business Plan

10. An initial Business Plan has been prepared, a copy of which is attached as **Appendix 1** to this report. This sets down, in detail, the DMO mission and objectives and proposes that the full DMO operations would be rolled out in a phased manner over a three year period as the agency's capacity increases. It describes the Membership structures and benefits. It confirms the governance structure and management and staffing arrangements. The Plan also includes an income and expenditure projection (This can be seen as **Appendix 4**) and an Action Plan.
11. The OEP Tourism Task Group has started the process to establish a Shadow Board. It has initially both sought expressions of interest from the Task Group and invited comment on the make up of the Board. This would be made up of 10 Members as identified at paragraph 3.4 of the Business Plan. :
12. It has been agreed with the OEP Task Group that it is important that the shadow board in its first year focuses on delivery of a strong programme of activity. It will be very important that the new partnership shows what it can deliver in order to encourage others to join and benefit from such membership in the second year. This activity will be in close partnership with Tourism South East and also West Oxfordshire. The Business Plan proposes a clear focus on:
 - a targeted range of collaborative promotion and publicity,
 - themed local and county-wide campaigns,
 - website and e-marketing, with late availability on the web
 - national newspaper and other consumer advertising campaigns,
 - travel trade and PR programmes,

- dedicated print promotions for the UK and near overseas markets.
13. In particular the DMO will offer its members the opportunity to be a part of a series of campaigns each designed to generate longer stays and greater spend. Packages would be promoted through national press campaigns, and to the universities and conference agencies.

14. The Proposed Campaigns might include:

“Break Away” Family offer

A family break that includes overnight accommodation in a 3* hotel or quality guest house, plus entry to up to three pay-in “must see” attractions and leisure facilities in Oxfordshire. Participants would be able to choose from a selection of participating hotels and guest houses across the county. The package would also include discount vouchers to eat at a number of member cafes and restaurants. A similar campaign by Leicestershire DMO has generated 1,987 bednights in 2008/9.

“Spires and Shires”

A short stay (1 or 2 night) “mix and match” week end break package aimed at the cosmopolitan market, taking in the quality and diversity of the Oxford and Oxfordshire experience. The package would incorporate the “Classic” Oxford guided tour: Christchurch; covered market, Oxford Castle, colleges, Bodleian Library, Ashmolean Museum, punting; an evening meal and indoor or outdoor theatre experience. The county experience would include the Cotswolds; Blenheim or another stately home, Bicester village and a stopover in a country town or village for afternoon tea. Overnight accommodation would be in a 4* hotel.

“The Thames Experience”

A river-based 2 day package(s) aimed under 30’s and cosmopolitan markets, incorporating a range of activities along the River Thames between Henley and Oxford, including pleasure boat trips, rowing and punting, riverside walks, cycling, Rowing and River museum visit, nature trails and pub / restaurant dining. Overnight accommodation would be in a quality hotel near the river.

15. A three year budget forecast has been prepared for both the main DMO operation and separately the Tourism Information Centre, developed from the current Tourism (HT 30) and TIC (KR 01) budgets operated by the City Council. This is presented in part two, the ‘matters exempt from publication’ section of the CEB agenda. There are financial figures in the budget that are commercially sensitive and which private sector partners in particular have asked not to be disclosed in a public forum.
16. Thanks are given in preparing the Business Plan to the support received from Oxfordshire Economic Partnership, together with that from Tourism South East over Membership including fee level, and support from the tourism departments of Brookes University and Oxford and Cherwell Valley College.

17. The intention remains to integrate both Destination Oxford and the Oxfordshire Film Office (Location Oxfordshire) with the DMO as soon as practicable. There will also be growing collaboration with Conference Oxford, the University's conference desk.

Comments of Scrutiny in October 09

18. Value and Performance Scrutiny Committee when it last considered this proposal expressed the view that the following should be in place before the City Council gave more than a verbal commitment:

- Core funding is secured for the full 3 years
- Commercial sign up is secured for 2 years
- A full options appraisal and risk assessment is done
- Governance arrangements are in place that both protect and reward core funders and provide yearly break arrangements linked to the delivery of key targets
- Clear consideration is given to the tourism and economic benefits that the City would wish to see from this organisation and these are used to form part of the key targets mentioned above
- In the light of all the above a firm and funded business plan is agreed

19. A firm and fully funded business plan is appended to this report. This confirms the core funding that is secure for three years and the commercial commitments that have been received in writing. The Business Plan also establishes the Governance arrangements.

20. This report below records the options appraisal and risk assessment and confirms the tourism and economic benefits linked to key targets that the DMO will seek to deliver.

21. The tourism panel of the Value and Performance Scrutiny Committee considered a draft of this report on 17th March 2010 and a separate report from this meeting is included for CEB.

Blending of Oxford Inspires and emerging DMO

22. The Chief Executive of Oxford Inspires, Sarah Maxfield, is to leave for a new job in the North West at the end of this month. This has prompted the Chairman, Tony Stratton to consider a number of options with his board

23. One option being explored is to blend Oxford Inspires with the emerging DMO. There have been a number of high level meetings involving Tony Stratton, senior officers in both the City and County Councils and the Chief Executives of the Four Pillars hotel group and Blenheim Palace

24. At the most recent meeting on 1st March this small group agreed to explore the option further by seeking to understand better possible governance, high level staff structures and financial implications
25. Some of the initial factors being considered are:
- The PSB Visitor Economy bid was a joint Culture and Tourism bid for £250k, which indicates that these two areas are already closely entwined.
 - At present the City and County Council's fund (and would with the DMO) two governance structures of a Board and Chief Executive. Initial ideas suggest a single Board and Chief Executive responsible for separate tourism and culture teams with combined support staff.
 - Initial discussions are aware that it will be important to reassure the Culture sector that any new arrangements would seek to improve not diminish the excellent and extensive work achieved by Oxford Inspires.
 - Initial soundings with the tourism sector are very positive, as this sector recognises the importance of culture and events to the Oxfordshire offer to visitors.
26. The City and County Council Leaders and Chief Executives have lent their support to this current exploration, on the clear understanding that it does not diminish or endanger the establishment of the DMO. Therefore one option might be to delay the process to establish the DMO until there is further clarity on such a blending of culture and tourism. However, the alternative is not to delay progress at the moment, but rather for the City Council to go ahead now and to establish the DMO as a shadow public/private partnership. Nevertheless to ask officers to come back to CEB should a firm proposal emerge about blending culture and tourism for Members agreement.

Implications for the City Council

27. Within the Business Plan there is further clarity on how the City Council itself is contributing to the creation of the DMO and its involvement in its governance and ongoing operation. These include supporting the DMO as a shadow organisation before it is fully constituted as well as a level of commitment that is to being offered in the first three years, in partnership with the mutual commitment secured from other key players. The recommendation seeks Member approval to act as the host to the DMO for the first year until it is constituted as a company limited by guarantee.
28. Implication of hosting the DMO for the first year:
- **Broad Street building**
The proposal is that the building currently occupied by the TIC is occupied by the DMO for the both the continued operation of the TIC together with its own office base on the upper floors.. A bid would be made to the Visitor Economy Project Sponsors for some capital money

to refurbish the building to make it fit for its new role. The proposal shows payment of a notional rent.

- **Tourism Information Centre operation**
The proposal is that the DMO would take on responsibility for the running of the TIC.
- **Finance and grant.**
The proposal is that in the first year, while there is a Shadow Board, the City Council will 'host' the DMO as a ring fenced account. The City Council will continue to provide and charge for support services as it does already to the Tourism and TIC cost centres. In effect it will be giving financial support to the DMO of £120,000. This equates to the full budget already set aside in the 2010/11 budget (i.e. it presumes delivery of the additional £40,000 saving required in the budget). See **Appendix 4**. The proposal is also to give a grant of £30,000 to cover the rent of the building.
- **Seconding Staff**
The proposal is that three current tourism officers and eight TIC staff would remain employees of the City Council but would be line managed by the, yet to be appointed, Executive Director and the Shadow Board.
- **Interim arrangements**
The proposal is that until the DMO is constituted as a company limited by guarantee the City Council will act as 'banker'.
- **Project Director**
OEP has already seconded Susi Golding to be the Project Director to deliver the establishment and launch of the DMO by this summer under these arrangements. The City Council will continue in its role as the catalyst.
- **Governance**
The proposal is that the City Executive Board portfolio holder for City Development and Tourism will take a seat on the Shadow Board to ensure that the City Council has a prominent role on the Shadow Board. The Shadow Board will elect an interim Executive Chairman from amongst its Members.

29. Implications for the City Council when the DMO is a not for profit company.

- **When will the company be established.**
The Destination Management Organisation (DMO) would ultimately be a not for profit company limited by guarantee. Such a company will only be set up if the minimum amount of support as set out in the

Business Plan under Finance (section 7) has been raised and or pledged. For the first year the DMO would run in interim mode until March 2011, and seek to become a fully fledged company after a successful first season and once there is evidence of growing support.

- **Broad Street Building.**
There will need to be a formal lease between the Council and the DMO and the payment of a commercial rent.
- **Finance and Grant.**
The proposal is that the DMO is commissioned by the City Council to promote the visitor economy and tourism interests of the city in return for a grant. This grant will also contribute towards the amount to be paid to the Council in rent. This will be in effect a service level agreement between the DMO and the City Council in the same way that the City Council has such a commissioning agreement with Oxford Inspires and other of its key partners that it give major grant support to.
- **Seconding Staff**
It is anticipated that the staff, while remaining City Council employees, would be seconded across to the DMO
- **Governance.**
The DMO will be run by a Board of non-executive Directors with the City Council taking a seat on the Board.

Other Issues

30. In recruitment of the Chief Executive will need consideration to be given to whether the person is an employee of the City Council or is engaged as a consultant until such time as the individual can be employed by the new DMO company. The proposal remains to formally launch the DMO this summer in either June or July.

Financial implications

31. The assumptions to date assume the City Council hosting the DMO and TIC as a ring fenced budget in the first year in line with the current Council Budget including a further reduction of £40,000 in tourism budget in 2010/11. It assumes the TIC operating at the breakeven point, with no subsidy from the City Council.
32. The proposal assumes a modest income from private sector membership of £80,000 in year one. (to date £55,000 has already been pledged). Those companies who have signed pledges in doing so have given expression to their strong verbal support to the proposal. The companies to date who have been asked to pledge are only the larger tourism businesses who have good financial stability.

33. It is anticipated beyond year one that there is only a 3 year commitment with the potential for the City Council to reduce its level of grant there after.

Legal Implications.

34. Legal implications include that the City Council will be the Accountable Body in year one, proposed membership arrangements, accounting for private sector membership income in role of “banker” until DMO is established. The subsequent formal creation of the DMO as a Company limited by guarantee will have legal implications.

Options Appraisal

35. There are two alternative options to be considered against the main proposal to establish the DMO. Either the City Council could withdraw from active promotion of the visitor economy and just retain the TIC (on an at no costs to the general fund basis) to provide support to visitors once they have come to Oxford or have already decided to come. Alternatively it could cease its involvement in the TIC as well. The private sector already does a limited amount of its own marketing and promotion through the publications and web site of the In Oxford Group such as its In Oxford map and restaurant and best in Oxford guides. The options analysis for the three options is tabulated at **Appendix 2**.

Level of risk

36. A risk assessment has been undertaken and the risk register is attached (**Appendix 3**). There are potential risks for the City Council in its suggested role as catalyst, host and banker for the DMO. However the core costs for the shadow DMO are covered by the confirmed public sector funding and the written pledges of commitment received to date from the 27 private companies. It is considered that all these companies are of good standing and will honour their pledges. Any additional expenditure on the programme of activities will only be spent when there is sufficient income already received and available. So the financial risks are mitigated.

Business Case

37. The visitor economy is an important source of economic benefit (10.4% of the Oxfordshire economy) to the county. However, compared with other regions in the UK, Oxfordshire has fewer total visitor numbers, shorter average stays and lower average spend per visit. The overarching aim of the project is to make Oxford, Oxfordshire Cotswolds and places of interest in Oxfordshire thriving and sustainable world-class destinations for visitors, local residents, and local businesses.

38. The key performance indicators from the Business Plan at section 5.4 are:

Indicator	2008	Change over 3 yrs	Target
Increased length of stay by visitors against baseline (2008) Domestic overnight	2.34 nights	20%	0.5 nights
Increased length of stay by visitors against baseline (2008) International	7.1 nights	20%	1.4 nights
Increased spend per head against baseline (2008)	£54.67	20%	£11
Return on Investment figures from campaigns supporting the value of campaign work.			1 in 4
Increase in job creation	20,139 FTE	20%	4,000

39. The creation of the Oxford and Oxfordshire Destination Management Organisation will be an effective way to unlock the potential of the visitor economy of the County. It makes economic sense for the public and private sectors to come together to working in partnership. The public sector will ensure that it achieves better value for money for the resources it has to promote the sustainable growth of the visitor economy. For the private sector it will be able to work more collaboratively with other sectors of the industry to their mutual advantage. This is described more fully in the Business Plan.

40. Furthermore, with increased competition not just from other UK destinations but also international destinations, it is essential to ensure that the region maintains its appeal and keeps pace with the demands of an increasingly sophisticated market, with the limited means that it has at its disposal.

Climate change / environmental impact

41. The DMO would facilitate a well managed visitor economy. This would be of considerable benefit for the environment. The DMO could prepare strategies and plans to promote eco tourism, appropriate modes of travel and quality assurances. There may be a slight increase in the carbon footprint of the TIC with more staff using this building.

Equalities impact

42. Greater coherence to the analysis and plans to market and promote the visitor economy enable greater diversity to be secured and enable enhanced provision for relevant sectors and related quality standards.

Conclusion

43. Since the last report to CEB in October 2009 the leading tourism organisations in the private sector have pledged their support in writing to the proposal of a DMO for Oxford and Oxfordshire, the Oxfordshire Public Services Board has approved the bid for £200,000 to be used to promote the Visitor Economy and a Business Plan has been prepared to demonstrate the business case behind the proposal.
44. Officers considered that CEB should now be able to give its blessing to the proposal and take the lead to establish this new public private partnership. The creation of the Destination Management Organisation will be an effective way to unlock the potential of the visitor economy of the County and ensure that the City continues to be (one of) the foremost tourist destination(s) in the World.

Recommendation

45. The City Executive Board is recommended to:
- establish the Oxford and Oxfordshire DMO as a public/private partnership
 - host the DMO for the first year with Oxford City Council acting as Accountable Body
 - agree that Executive Portfolio Holder for City Development and Tourism should represent the City Council on the Board
 - explore the Option of blending the emerging DMO with Oxford Inspires, with a further report to CEB if appropriate

Appendices

1. DMO Business Plan
2. Options Appraisal
3. Risk Register
4. Three Year Budget Forecast

**Name and contact details of author: Michael Crofton Briggs 252360
mcrofton-briggs@oxford.gov.uk**

List of background papers: none

Version number: 4

Oxford and Oxfordshire Destination Management Organisation

Business Plan

2010 – 2013

February 2010

V1

Prepared by:
M Crofton-Briggs
S Golding

TOURISM SOUTH EAST

40 Chamberlayne Road, Eastleigh
Hampshire SO50 5JH

Tel: (023) 8062 5400
Fax: (023) 8062 0010
Email: enquiries@tourismse.com
www.visitsoutheastengland.com

Direct Line: (023) 8062 5401

E-mail: mbedingfield@tourismse.com

3 March 2010

Susi Golding
Promoting Oxfordshire Manager
Oxfordshire Economic Partnership
Speedwell House
Speedwell Street
Oxford
OX1 1NE

Dear Susi

Oxford and Oxfordshire Destination Management Organisation (DMO)

Since March 2009, Tourism South East has been totally supportive of the work undertaken by both the public and private sector towards the creation of a proposed DMO for Oxford and Oxfordshire.

This support is based on our firm belief that in the current economy, there is an increasing need to develop much better and more viable partnerships between the public sector and the tourism industry in all its forms. A DMO is one way for all the parties to demonstrate an ongoing clarity and commitment in moving the industry forward.

Tourism South East is pleased to be closely associated with the new DMO, regarding it as one of its official Area Tourism Partnerships and offering a combined membership arrangement and additional support where necessary to ensure its success.

I encourage all local authorities and businesses within the County to become actively involved; and am pleased to offer the ongoing support of the team at Tourism South East to achieve this ultimate goal.

Yours sincerely



Michael Bedingfield
Chief Executive

The Southern and South East England Tourist Board
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Registered Office: 40 Chamberlayne Road, Eastleigh, Hampshire SO50 5JH



Welcome
to Excellence

Business Plan

Executive Summary

To be completed

1 Introduction

Oxfordshire is one of England's most popular visitor destinations with its distinctive blend of natural beauty, rural character and world class cultural heritage. Its prime attraction, the city of Oxford, receives over 9 million visitors each year, and is regarded as one of the UK's 'must see' cities.

Oxfordshire's other key 'brand' - the Cotswolds, and the county's rural districts, offer the bustle of market towns or the tranquility of stately homes and gardens, riverside walks and picturesque hamlets.

Consequently, visitors make a significant contribution to the economic prosperity of both city and county, and to the quality of life enjoyed by the people who live and work here. Visitor spend supports around 30,000 jobs within the county; approximately 10% of all employees.

Tourism ensures that Oxford, and towns such as Witney, Henley, Banbury and Bicester sustain a greater range and variety of hotels, shops and restaurants than they would do otherwise, whilst tourists also boost the footfall for museums, visitor attractions and events.

However, in the past there has been a lack of co-ordination across the county in regards to tourism marketing and infrastructure. Improved co-ordinated marketing would help increase visitors' length of stay and thus increase both the direct and indirect economic benefit of tourism to the county.

Furthermore, with increased competition not just from other UK destinations but also international destinations, it is essential to ensure that the region maintains its appeal and keeps pace with the demands of an increasingly sophisticated market.

The creation of a Destination Management Organisation would be an effective way to unlock the potential and enable improved co-ordination.

The Business Plan has been conceived as an evolving document that must anticipate and react to changes in the market place, learn from best practice, and adapt. It is therefore subject to change and should be as a work in progress.

1.1 Background

Tourism is one of Oxfordshire's major industries.

It is estimated that there are 27,658 jobs (20,139 full time equivalent) in some 1,150 organisations generating £1.267 billion direct benefit to businesses and some £291

million of income through indirect and induced effects. In 2008, the total economic benefit of tourism to Oxfordshire was some £1.559 billion or 10.4% to the economy¹.

The total expenditure of £1.301 billion on tourism represents an increase of 4.3% compared to 2007, at a time when the global economic downturn was just beginning.

1.2.1 This income was made up of:

	Number of tourists millions	Spend value £ million	Spend per person £
Staying trips	2.4	531	217.25
Day trips	21.4	770	35.97
2008 total	23.8	1,301	54.67
2007 total	23.4	1.248	53.22

1.1.1 Domestic tourists contributed:

	Number of tourists millions	Spend value £ million	Spend per person £
Staying trips 2008	1.8	290	156.63
Staying trips 2007	1.9	287	147.51

56.1% of the domestic visits were for holiday purposes, 25.3% were by those visiting friends and relatives and 16% were business trips. Just under 3% were for other purposes such as education or training, social or sporting events, house hunting, weddings etc.

The average length of stay for domestic overnight trips in 2008 was 2.38 nights (2007: 2.56 nights).

1.1.2 International tourists contributed:

	Number of tourists millions	Spend value £ million	Spend per person £
Staying trips 2008	0.596	241.68	405.50
Staying trips 2007	0.587	230.07	391.95

32% of the international visits were for holiday purposes, 31% were to visit friends and relatives, 27% were business trips and study purposes (including language students) made up 6%. Just under 5% trips for other or mixed reasons.

The average length of stay for staying trips was 7.10 nights (2007:7.28 nights)

These figures reflect the impact of foreign language students who generated 21.5% of the income. In addition, 19.8% of the income was generated by those visitors staying in university campus accommodation.

¹ The economic impact of tourism on Oxfordshire 2008 - Tourism South East, November 2009

1.2.4 The **Oxford Tourism Study**² carried out in 2008 identified that there is no consistent, integrated approach to tourism across Oxford and the wider county, and that consequently the county lags behind other destinations. It also highlighted that, although there are numerous agencies involved with initiatives at both local and county level, the approach is generally fragmented, uncoordinated and poorly resourced, making it difficult to manage the visitor economy and realise its full potential.

The report proposed that a DMO would be the most effective way to unlock this potential.

1.2.5 As a follow up to the Tourism Study, an options appraisal workshop was held in March 2009, at which key public and private sector stakeholders examined successful DMO models elsewhere in the UK and considered a range of management options. A county-wide DMO was selected on the basis of its ability to engage widely at a strategic level, attract financial “buy-in” across the sector and deliver best value for money³.

2 Mission and Objectives

The mission of the DMO is to make Oxford and Oxfordshire a thriving and sustainable world-class destination for visitors, local residents, and local businesses.

It should build an effective co-ordinated infrastructure that can develop and support Oxfordshire’s tourism industry and the wider visitor economy, and provide the basis to deliver and build continuous improvement in the sector long into the future with the private and public sectors working together in partnership.

It would achieve this through delivery against seven key objectives:

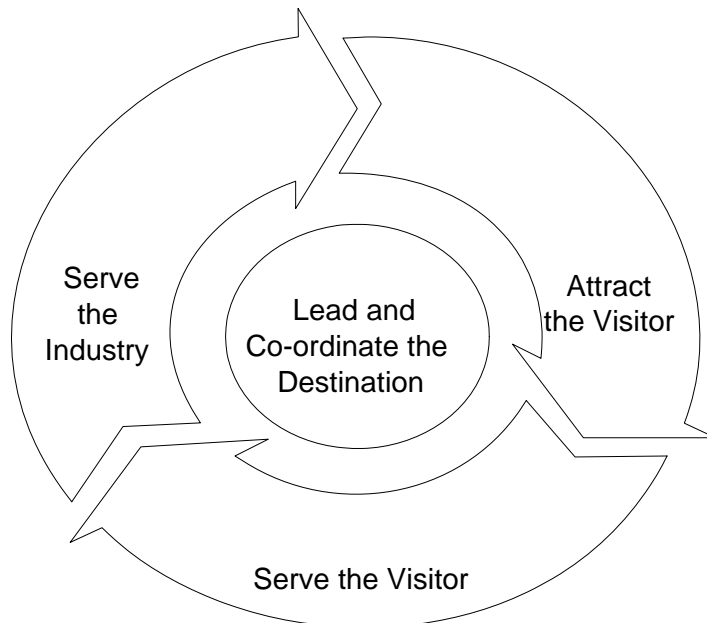
- To undertake and coordinate tourism marketing on behalf of Oxford and the county with its component districts, enhancing the visitor offer and promoting longer stays
- To develop and implement an integrated tourism strategy that promotes the area’s strengths, while enhancing its current brands and destinations
- To increase the value and economic benefit of the visitor economy, providing measurable social, cultural and economic benefits to local residents and businesses alike
- To engage the energies of businesses, community groups and public sector stakeholders in order to support and sustain a healthy visitor economy
- To work across the sector to improve the visitor experience and to help sustain a world class destination
- To lead on improving the management of resources and infrastructure, and have responsibility for research and dissemination of visitor information

² Oxford Tourism Study – The Tourism Company, October 2008

³ Oxford Tourism Management Review Options Appraisal - April 2009

- To represent and promote the tourism industry, championing the sector and speaking with authority on its behalf.

In summary, this can be shown as four inter-relating areas of work, namely to:



3 Governance

3.1 The Destination Management Organisation (DMO) would ultimately be a not for profit company limited by guarantee. Such a company will only be set up if the minimum amount of support as set out under Finance (section 7) has been raised and or pledged.

3.2 For the first year the DMO would run in interim mode until March 2011, and seek to become a fully fledged company after a successful first season and once there is evidence of growing support.

3.3 The DMO would initially be hosted by Oxford City Council.

3.4 It is envisaged that the DMO will initially be run by a shadow board of directors for year one. The shadow board would include:

1. Accommodation sector(large)
2. Accommodation sector (medium and small)
3. Attractions
4. SME businesses
5. Transport sector
6. Oxfordshire Economic Partnership (Board Lead for Tourism)
7. Oxfordshire County Council
8. Oxford City Council
9. Tourism South East
10. Academia

This would give a board of 10 in total with a Shadow Executive Chairman elected from the board members.

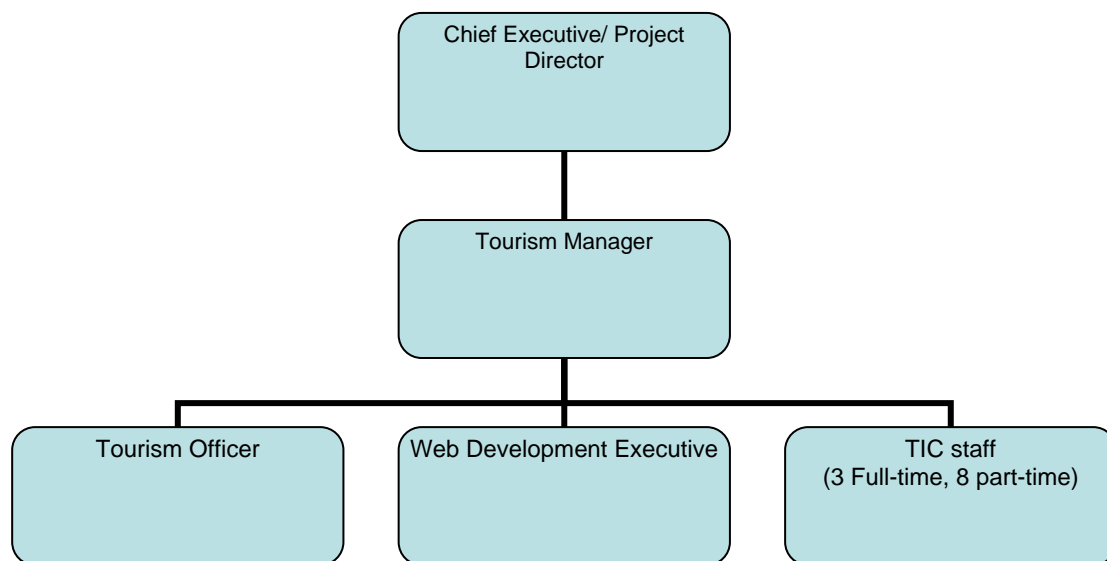
3.5 All organisations that sign up will automatically become members of the DMO and will be entitled to attend and vote at general meetings of the company. Members' liability in the event of a winding up will be limited to £1.

3.6 A chief executive will be appointed, with ideally a tourism background, to deliver the objectives. However, a project director will be required to set up the organisation and agree terms of transfer of staff and other commitments with the sponsoring organisations and to generate additional pledges.

4 Organisation

4.1 The structure of the DMO is initially envisaged as below (as at February 2010). The Tourism Manager, tourism officer, web development executive and TIC staff are all employed by Oxford City Council and seconded to the DMO.

The Chief Executive would be appointed by the board (see 3.6). In the start-up phase the role of interim Project Director is likely to be a seconded post.



4.2 The DMO's operations would be rolled out in a phased manner over a 3 year period as the agency's capacity increases. The immediate priorities however would be to develop its infrastructure and deliver promotional services that provide early benefits for its members.

4.3 The services offered by Destination Oxford and Location Oxfordshire (the Oxfordshire Film Office) will gradually be fully incorporated into the DMO.

5 Operation

5.1 The proposed premises will be located at the current Tourist Information Contact Centre (TIC) (ground floor and office space above), 15-16 Broad Street, Oxford, OX1 3AS.

5.2 Phase 1 (2010 – 11) – See attached action plan

5.2.1 Membership services – devising and promoting a portfolio of membership packages targeted at local tourism businesses.

5.2.2 Web services – developing and maintaining a Destination Management System (DMS) that provides a Single Point of Entry to information on the county's visitor offer, a database of consumer contacts, and online accommodation booking, event ticketing and e-sales.

5.2.3 Collaborative promotion and marketing – developing a targeted range of activities and publicity: themed local and county-wide campaigns, website and e-marketing, national newspaper and other consumer advertising, travel trade and PR activity, and dedicated print promotions for the UK and near overseas markets.

5.2.4 Future planning for tourism – developing a holistic tourism strategy that enables Oxford and Oxfordshire to better position itself to attract target markets. Engaging with regional promotion / planning towards the 2012 Olympics.

5.2.5 Research – commissioning and collating annual tourism statistics to create benchmarks against which future economic impact can be measured.

5.2.6 Development of Service Level/ Commissioning Agreements with core funders ie Oxford City Council, Oxfordshire County Council, Oxfordshire Economic Partnership and separately with Tourism South East.

5.3 Phase 2 (2011-13)

5.3.1 Fully incorporating venue finding, conference organisation and event management services. This would include complete integration of Destination Oxford's services into the DMO. In addition, this should include closer integration and co-development of revenue generating opportunities with the University of Oxford, Oxford Brookes University and the Oxford colleges through Conference Oxford.

5.3.2 Integration of film office (Location Oxfordshire) – providing information, advice and services to film and television agencies that wish to use Oxford and Oxfordshire locations. This should include co-development of revenue generating opportunities.

5.3.3 Business development and support – improving the quality and capacity of businesses within the sector through:

- Engaging with the industry to identify needs, and utilising business support agencies to engage and develop tourism SME's

- Developing training courses / workshops to aid businesses; leading on new initiatives similar to West Oxfordshire's successful green tourism scheme
- Enhancing the quality of the visitor experience by increasing the number of quality assured businesses
- Engaging schools and colleges about careers in leisure and hospitality.

5.3.4 Detailed market research – undertaking countywide research and analysis that allows the tourism sector to assess factors such as visitor trends, occupancy rates, business and marketing performance, and to gauge the incremental benefits of tourism and its financial impact on the community. To also include research on potential target markets to enable development of better targeted marketing campaigns.

5.3.5 Development of specific travel trade and groups strategy - ensuring there is a targeted, co-ordinated strategy for the UK and international travel trade, and groups market.

5.4 **Proposed KPIs** – Detailed information to be included in action plans above as measurement indicators

Tangible measures and outputs will be defined, put in place and existing data maintained to measure the impact of activities and the sustainable increase in the value of tourism to Oxfordshire.

Indicator	2008	Change over 3 yrs	Target
Increased length of stay by visitors against baseline (2008) Domestic overnight	2.34 nights	20%	0.5 nights
Increased length of stay by visitors against baseline (2008) International	7.1 nights	20%	1.4 nights
Increased spend per head against baseline (2008)	£54.67	20%	£11
Return on Investment figures from campaigns supporting the value of campaign work.			1 in 4
Increase in job creation	20,139 FTE	20%	4,000

These outputs will include:

- Increase in number of unique visitors to the DMS / conference website
- Number of visitor enquiries handled by hub TIC
- Tourism economic indicators (Cambridge model II benchmark)
- Return on Investment of marketing campaigns.
- The value of attracted private sector support towards marketing campaigns
- PR: number and value of press articles
- Increase in subscribers to the tourism contact database
- Converted conference business
- Jobs created and safeguarded
- Percentage increase in the number of quality assured accommodation
- Percentage increase in accommodation bookings

6 Marketing strategy

6.1 An outline 3-year marketing strategy will be developed in the first six months of year one. This will then be refined on an annual basis subject to the numbers of partners and opportunities that may arise.

6.2 An overarching identity will be developed to ensure consistency of co-ordinated marketing. The aim of this is not to dilute the effectiveness of already successful existing key brands of Oxford and the Oxfordshire Cotswolds but rather to act as the glue which adds coherence to all activity and makes the offer simpler for the visitor to access and understand.

6.3 Indicative headline activities for year one/two as part of the draft marketing strategy would be:

6.3.1 Identity

- Development of overarching visual identity that will reflect the county and city offer. This will include the print, web portal, and the complete visual identity of the DMO both internally and externally to visitors and stakeholders (see 6.2).

6.3.2 Markets

- Revisit how the area is promoted to the UK domestic market and develop new marketing campaigns to our target audiences.
- Select key international markets to focus on in partnership with Tourism South East and Visit Britain and in conjunction with the visitor survey and other market research.
- Increase attendance at key UK trade and consumer shows with partner buy in.
- Engage with group and tour operators and offer high quality, good value group products.
- Business Tourism – Evaluate the effectiveness of current interaction with the corporate/conference buyer and how the county is being marketed to this sector to maximise impact of activity. Work towards full integration of Destination Oxford.

6.3.3 PR

- Develop a PR strategy with a time line for press releases and PR activity to ensure a high return of press coverage for the area. The strategy will look at how best to engage with the consumer, trade and conference/incentive media.
- Create a Press and Trade pass for the destination to raise awareness.
- Host and organise press trips for key journalists and travel writers (both national and international).
- Coordinate key marketing themes across the county to ensure the highest level of press coverage is achieved.

6.3.4 Advertising

- Create an annual advertising plan ensuring there are calls to action to deliver maximum return on investment. This plan will assist in the distribution of marketing material and drive potential visitors to contact/book by phone/email or through the website.

- E-marketing will be a strong focus in year 1 through the e-marketing module. This will include the development of bi-monthly newsletters to the trade, consumer and corporate clients.
- Build on existing databases and break them down into sectors for more targeted consumer/trade and conference/business.

6.3.5 Website

- Develop the website as the leading channel of communication for the DMO to become a world class portal for information delivery and customer fulfilment.
- Further develop the already successful SEO and increase the number of visitors to the website.
- Develop the commercial focus of the website portal to increase the number of accommodation bookings and additional online sales through data distribution.
- Develop links/co-ordination with existing websites promoting the county.

6.3.6 Partnerships

- Grow and develop existing working relationships with Tourism South East, Visit Britain/Visit England and Heritage Cities.
- Work together with Oxford Cotswolds on combined national and international marketing opportunities.

7 Services

7.1 Five tiers of membership have been developed with costs ranging from £100 to £10,000 per annum with the level of service and benefits scaled accordingly. A breakdown of membership benefits can be found in Appendix Two.

7.2 Businesses which become members at lower levels will be able to upgrade and/or participate in additional activities for an appropriate cost to allow maximum flexibility.

7.3 All members will automatically become members of Tourism South East (TSE) as part of their DMO package. The DMO will work closely with TSE to ensure maximum collaboration and partnership working.

7.4 Only quality assessed accommodation businesses will be allowed to become members of the DMO. This will help ensure that Oxford and Oxfordshire are recognised as promoting a quality offer. The DMO will work with those businesses that are not quality assessed and wish to become part of the DMO to enable them to achieve a rating.

8 Financial forecasts/ budgets

This main part of this section has been removed, and is included as Appendix 4 with the main report (so that there is only set of one budget pages).

8.1.4 The contributions from Oxford City Council, Oxfordshire County Council and Oxfordshire Economic Partnership have been confirmed. These contributions will be in the form of grants and staff secondments.

8.1.5 It is hoped that the other District Councils will each contribute to the core funding. However, for year one there will be no financial contributions. For years 2 and 3 this has not yet been confirmed, therefore no figures have been allocated.

8.1.6 An application for a grant of £200,000 over three years has been made to Oxfordshire County Council. This was confirmed at the Public Service Board on 18 February 2010. A partnership involving the Visitor Economy Project Team, Oxfordshire Cotswolds, Oxfordshire Economic Partnership, the District Chief Executives and the DMO will agree on how this grant is to be spent. The focus of the grant is to be on international and domestic marketing and not DMO core costs.

8.1.7 Membership fees have been calculated on a five tiered basis as set out below:

Status	Year 1 (2010/11)		Year 2 (2011/12)		Year 3 (2012/13)	
	Target number of Members	Income £	Target number of Members	Income £	Target number of Members	Income £
Diamond	2	20,000	5	50,000	6	60,000
Platinum	4	20,000	6	30,000	8	40,000
Gold	12	24,000	14	28,000	20	40,000
Silver	16	16,000	18	18,000	35	35,000
Bronze	6	6,000	20	10,000	40	20,000
Copper	10	1,000	40	4,000	50	5,000
Total	50	84,000	103	140,000	159	200,000

8.1.8 Enhanced trading activity

It is anticipated that income will also be raised from a number of other avenues:

- Industry contributions to targeted “package” campaigns
- Corporate sponsorship
- Other trading activities:
 - Conference Bureau
 - Oxfordshire Film Office (from August 2010)
 - Booking commissions via website
 - E-sales/ image library

Core funding will be complemented through membership and enhanced trading activities (including that of the TIC) to generate an anticipated annual turnover of approximately £510,00 by year 3 of operation. The aspiration would be to then increase this to £1,000,000 in succeeding years by maximizing the income potential of e-sales, conference booking revenue and film office activities.

The DMO board and management would expect to generate sufficient funding through membership pledges to enable it to commence its year 1 programme of PR, marketing, short-stay packages and website development. This would entail early

buy-in to the "privileged" Diamond and Platinum membership tiers from major industry stakeholders.

8.1.9 Staffing costs

This includes all staffing, including on-costs.

8.1.10 Supplies and services

Includes web costs such as the Destination Management System, as well as TSE membership.

8.1.11 Marketing campaigns, web activity

This does not include the LAA Reward Grant, which is detailed separately (see table in paragraph 8.1.3).

8.1.12 Tourist information centre

The Oxford TIC, which would become the hub TIC, would be run by the DMO. Income achieved over and above the running costs of £600,000 will support additional activity of the DMO.

Objective 1 – To undertake and coordinate tourism marketing on behalf of Oxford and the county

Ref	Action	Performance indicator	Lead role	Timeline
1.1	Overarching identity to be established for the DMO	Brief agreed and agency appointed Identity agreed by shadow board	Project Director, Head of City Development, Shadow Board	Q1 2010
1.2	Develop Marketing strategy	Outline 3 year strategy agreed by shadow board Annual action plan agreed ROI of activity	Project Director, Tourism Manager	Q1 2010 2010 - 2013
1.3	Develop co-ordinated domestic marketing activity	Evaluate current domestic activity Domestic marketing campaigns agreed Increase in additional membership support	Project Director, Tourism Manager	2010 - 2013
1.4	Work with TSE on international campaigns	Key markets defined from research ROI Increase in value of visitors from target destinations	TSE, Project Director, Tourism Manager	2010 - 2013
1.5	Develop series of international campaigns	ROI, increase in awareness of diversity of destination, Increase in length and value of visitor stays	LAA steering group	2010 – 2012
1.6	Co-ordinated attendance at key trade and consumer exhibitions	Annual exhibition strategy agreed Increase in partner buy-in ROI	Tourism Manager, District Tourism Managers group	2010 – 2013
1.7	Develop PR strategy	Outline 3 year strategy agreed by shadow board Annual action plan agreed and carried out Increase in PR ROI	Project Director, Tourism Manager	2010 2010 – 2013
1.8	Develop Web strategy	Outline 3 year strategy	Tourism Manager	Q1 2010

		agreed by shadow board Annual action plan agreed and carried out Increased traffic to website Increased number of e-bookings		2010 – 2013 2011 - 2013
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Objective 2 – To develop and implement an integrated tourism strategy

Ref	Action	Performance indicator	Lead role	Timeline
2.1	Development of tourism strategy to enable DMO to better position itself to attract target markets	Future strategy agreed by shadow board	Project Director, Tourism Manager, Shadow Board	Q1 – Q2 2010
2.2	Development of strategies for the travel trade and groups market	Strategy developed and agreed by shadow board	Chief Executive, Tourism Manager, Shadow Board	2011
2.3	Research into new target markets	Commission research Develop strategy/action plan to effectively target new markets	Chief Executive, Tourism Manager	2011 - 2012

Objective 3 – To increase the value and economic benefit of the visitor economy

Ref	Action	Performance indicator	Lead role	Timeline
3.1	Commission annual Economic Impact Survey for districts and county	Increase in length and value of stays from baseline	Project Director/ OEP	2010 - 2013
3.2	Establish Service Level Agreements with core funders	SLAs agreed with Oxford City Council, Oxfordshire County Council, OEP and TSE Baseline and reporting data agreed	Project Director/Chief Executive, Head of City Development,	2010, 2011, 2012
3.3	Location Oxfordshire to become majority self funding	Baseline data agreed and changes reported Strategy to increase revenue generation agreed	Project Director/Chief Executive, OCC, Oxford City Council	By Q4 2011

Objective 4 – To engage the energies of businesses

Ref	Action	Performance indicator	Lead role	Timeline
4.1	Define and develop range of membership benefits across the five different levels	Agree membership benefits by April 2010 Membership packs produced	Project Director, Tourism Manager, Head of City Development, TSE	Q1 2010
4.2	Development of membership strategy	Future membership strategy agreed by shadow board	Project Director, Head of City Development, Tourism Manager	Q1 2010
4.3	Develop series of targeted membership campaigns	Baseline agreed Increase in number of members	Tourism Manager	2010 - 2013
4.4	Work with Destination Oxford (DO) to increase volume and value of conference and incentive business	Baseline data set Action plan agreed Increase in value of confirmed business	Project Director, DO	2010
4.5	Work with Location Oxfordshire to increase revenue generating opportunities for local business	SLA agreed with Location Oxfordshire Full launch of website Film trails developed	Project Director, Oxford City Council, Location Oxfordshire	2010
4.6	Business development and support	Identify and promote support available from local agencies	OEP, Tourism Manager, Districts	2010 – 2013
4.7	Develop targeted training courses/skills development	Baseline data set Increase in businesses participating in training/skills development	OEP, LSC, TSE, Business Link	2010 - 2013
4.8	Develop group and tour operator packages	Number of packages agreed/ baseline set Increase in number of operators featuring the county Increase in value of group and tour operator business	Tourism Manager, Businesses	2010 - 2013

Objective 5 – To improve the visitor experience

Ref	Action	Performance indicator	Lead role	Timeline
5.1	Development of web portal for the DMO	Website launched	Tourism Manager	Q1 – Q2 2010
5.2	Development and maintenance of a co-ordinated Destination Management System (DMS)	DMS system agreed Number of e-bookings increased (baseline to be agreed)	Tourism Manager	Q1 – Q2 2010
5.3	Integration of Destination Oxford into the DMO	SLA finalised Referral system defined	Project Director/Chief Executive, Head of City Development, DO	Q3 – Q4 2010
5.4	Increase the number of quality assured businesses	Baseline data set	Tourism Manager, QiT, VisitBritain, Visit England, Districts	2010 – 2013
5.5	Improve level of customer satisfaction	Visitor survey satisfaction baseline set Increase in level of satisfaction / recommendation	OEP, LSC, TSE, Business Link	2010 - 2013

Objective 6 – Research and dissemination of visitor information

Ref	Action	Performance indicator	Lead role	Timeline
6.1	Undertake/commission visitor surveys to inform strategies and activity	Biennial visitor surveys commissioned. Baseline data on visitor satisfaction levels and changes.	DMO	January 2011
6.2	Produce and disseminate visitor information	Annual county wide / accommodation guides produced Distribution plan for dissemination agreed	Project Director, Tourism Manager, TICs	2011 - 2013
6.3	Attendance at consumer shows	Increase in awareness ROI	Tourism Manager, District Tourism Managers group	2010 - 2013

Objective 7 – To represent and promote the tourism industry

Ref	Action	Performance indicator	Lead role	Timeline
7.1	Appoint the shadow board for the DMO	Shadow board successfully appointed to March 2011	OEP Tourism Task Group	Q1 2010
7.2	Recruit Chief Executive	Job description agreed Selection process undergone and successful appointment made Chief Executive in post	Shadow Board	Q1 – Q2 2010 Q2 2010 By December 2010
7.3	Improve the perception of careers in tourism, hospitality and leisure	Increase in numbers wishing to have career in tourism, hospitality and leisure Increase in skills level Representation at Careersfest	OLSP, OCVC, Oxford Brookes, Abingdon & Witney College	2011 – 2013 January 2011
7.4	Develop working relationship with TSE, Visit England, VisitBritain and other key tourism partnerships	Increase in partnership working Representation on key committees Oxfordshire participation in 2012 tourism activity agreed Ensuring Oxfordshire view fed in to lobbying activity and new initiatives	Project Director, Tourism Manager, Shadow Board	2010 - 2013

- Key Membership benefits

Description	Copper* £100	Bronze £500 pa	Silver £1,000 pa	Gold £2,000 pa	Platinum £5,000 pa	Diamond £10,000 pa
Full membership services of Tourism South East (including listing in Group Travel Guide if applicable to size of business)	Yes	Yes	Yes	Yes	Yes	Yes
On line promotion through 'Visit Oxford and Oxfordshire' portal	Basic web listing	Basic web entry	Standard web entry	Enhanced web entry	Enhanced plus multi-media	Enhanced plus multi-media
Accommodation bookings and referrals from Oxford and County Tourist Information Centres or leaflet racking in Oxford TIC if an attraction	Yes	Yes	Yes	Yes	Yes	Yes
Free reciprocal hyperlink	No (but available to purchase)	Yes	Yes	Yes	Yes	Free reciprocal hyperlink
Listing in annual destination guide with over 100,000 copies and targeted distribution	No (but available to purchase)	1/16 th listing – no photo	One-eighth page - photo	Quarter page	Half page	Full page
Collaborative promotion and marketing, including targeted range of activities and publicity, themed local and county wide campaigns, travel trade and PR activity		Yes	Yes	Yes	Yes	Yes
On line booking and e-sales		Yes	Yes	Yes	Yes	Yes
Annual sticker for DMO		Yes	Yes	Yes	Yes	Yes
Regular partners newsletters		Yes	Yes	Yes	Yes	Yes
Access to market research and intelligence		Yes	Yes	Yes	Yes	Yes
Access to industry training and development courses		Discounted rate	Discounted rate	Yes	Yes	Yes
Opportunity to buy coverage in the E marketing campaigns, banner ads – discounted by tier		Yes - 5%	Yes - 7%	Yes - 10%	Yes - 15%	Yes – 20%
Poster site in Oxford TIC		5% discount	10% discount	15% discount	20% discount	Included (min 2 months in dedicated Diamond space)
Representation at trade/consumer shows at discounted rates		No discount	Yes - 5% discount	Yes – 10% discount	Yes – 20% discount	Full representation included
Enhanced press and PR opportunities – hosting journalists			Yes	Yes	Yes	Yes
Opportunity to participate in a tailored visitor/ trade package		No discount	5% discount	10% discount	20% discount	Full inclusion
Inclusion in a national press marketing campaign		No discount	5% discount	10% discount	20% discount	Automatic full inclusion
Membership of Destination Oxford conference bureau				Yes	Yes	Yes

*Copper membership is a basic entry level membership only available for quality assessed: Guesthouses/B&Bs with 1 – 6 rooms inclusive and Self-catering accommodation/holiday parks with 1 – 5 units

Glossary

DMO	Destination Management Organisation
DMS	Destination Management System
DO	Destination Oxford (the conference and incentive bureau for Oxfordshire)
LSC	Learning and Skills Council
OCC	Oxfordshire County Council
OCVC	Oxford and Cherwell Valley College
OEP	Oxfordshire Economic Partnership
OLSP	Oxfordshire Learning and Skills Partnership
QiT	Quality in Tourism
ROI	Return on Investment
SLA	Service Level Agreement
TSE	Tourism South East
TIC	Tourist Information Centre

DMO Options Appraisal

Appendix 2.

Option	Pro	Con
1. Establish the Oxford and Oxfordshire DMO	<ul style="list-style-type: none"> • Attraction of private and public sector funding to match City contribution • Greater co-ordination, integration and resourcing across the county would enable improved management of the visitor economy and would enable it to realise its full potential. • Enable City to punch its weight • Secure greater spend with City's businesses including in the city centre • Safeguarding of jobs • Improve quality of welcome • Alignment with corporate objectives of a World class city • Preparedness for 2012 • Holds opportunities to link to related initiatives on city centre management and culture 	<ul style="list-style-type: none"> • No budget saving beyond £40k already required • Partnership working may require compromise
2. Retain in house and just run the TIC	<ul style="list-style-type: none"> • Save £120k • Able to focus on Oxford only • Clarity of city council role 	<ul style="list-style-type: none"> • Do not grow the economic benefits of visitor economy • Impact on safeguarding tourism jobs • Might impact on the quality of staff retained in TIC • Loss of voice for City in tourism markets • Not conduct joint marketing campaign could result in parts of the county having no consistent integrated approach to tourism and possibly lose competitiveness against other comparable destinations
3. Cease involvement in Tourism	<ul style="list-style-type: none"> • Save £120k • Opportunity benefit to re-let Broad St premises 	<ul style="list-style-type: none"> • Impact on reputation of the Oxford Brand and City Council • Leaving the marketing campaign to local businesses means less resource efficient marketing and promotion, resulting in reduced effectiveness of budgets. • Any potential increase in jobs and economic benefit would be significantly reduced.

Appendix 3

Risk Register

Risk Score **Impact Score:** 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Action:	Outcome required:	Q 1	Q 2	Q 3	Q 4	I	P
					Mitigating Control: Level of Effectiveness: (HML)			Action: Action Owner:	Outcome required: Milestone Date:	⊗	⊗	⊗	⊗		
								Mitigating Control: Control Owner:		☺	☺	☺	☺		
1	Acting as 'banker' to the shadow board. Risk is liable for bills, such as salaries, without income from other required sources.	2	2	Gives Council control over finances, but if DMO falters in early stages might have a small impact to pay staff before contracts can be terminated	Mitigating Control: Tight budget monitoring especially of income from partners. Keep a level of 'reserves' against the risk. Level of Effectiveness: M	1	1	Action: Accept Action Owner: Michael Crofton-Briggs Mitigating Control: Control Owner:	Outcome required: Milestone Date:						
2	Inability to fill key roles – Executive Chairman and Executive director	4	3	From outset DMO will need top calibre individuals to drive organisation to achieve success.	Mitigating Control: Council on Board, Good advert, good interview panel, be prepared to re-run process rather than accept 'adequate'. Level of Effectiveness: M	2	2	Action: Accept Action Owner: Michael Crofton-Briggs Mitigating Control: Control Owner:	Outcome required: Milestone Date:						

3	DMO fails to collaborate well and deliver aims	4	3	Partners fall away. Not achieve Membership income targets Un-able to build and grow an effective partnership Poor joint marketing Not achieve KPIs	Mitigating Control: Council on board, require good monitoring report, Creation of stakeholder network and good communication to promote achievements Level of Effectiveness: M	3	1	Action: Accept Action Owner: Michael Crofton-Briggs Mitigating Control: Control Owner:	Outcome required: Control expenditure to match income Formal review by City Council Milestone Date: March 2011.								

Appendix 4: Three year budget forecast

- The budget has been prepared using cautious assumptions.
- The core costs are presented separately to one off funding such as the LAA Reward grant so as not to distort the picture.
- The assumption on Membership income is that the current pledges of £55k will be received in the first year together with a further £25K. It is anticipated that far more than the 50 businesses that this represents will become members.
- However, income will be closely monitored.
- Marketing and similar expenditure will only proceed when adequate funds are available.

DMO core

These figures correlate with HT 30 budget for 10/11

Annual Expenditure	£ HT 30 in 10/11 budget book	£ 10/11	£ 11/12	£ 12/13
Employees inc the Chief Executive and three current City tourism officers (all FT.) £101k current + £11k extra on web post +£35k 50% CE salary	100,870	147,000	202,000	235,000
Premises including maintenance and rates	1,315	40,000	40,000	40,000
Rent		53,000	53,000	53,000
Supplies and services including web and TSE membership *	75,887	55,000	70,000	100,000
Savings required	(80,000)			
Income	(4,000)			
Marketing, campaigns, web activity		20,000	48,000	95,000
Support Services. SLA with Council for HR, finance, etc	18,825	20,000	20,000	20,000
Reserve				20,000
Total	112,897	335,000	433,000	563,000

* Supplies and services in HT 30 includes marketing, campaigns etc which is excluded from this row for the DMO budget

DMO core

Annual Income	£	£ 10/11	£ 11/12	£ 12/13
City Council *		120,000	120,000	120,000
City Council grant to cover rent *		53,000	53,000	53,000
County Council		42,000	30,000	30,000
OEP		10,000	10,000	10,000
Membership		80,000	140,000	200,000
Trading activities		30,000	80,000	150,000
Total		335,000	433,000	563,000

*City Council contribution is equivalent to the 10/11 expenditure on HT 30 ((£113k) and KR01 (£60k) of £173,000, split between £53k grant to cover rent and residual of £120k

Tourism Information Centre

These figures correlate with the KR01 budget for 2011/11, with the exception of reducing the overtime budget by £11,000 and putting Premises costs in the DMO.

	£ KR 01 in 10/11 budget book	£ 10/11	£ 11/12	£ 12/13
Employees	232,987	221,987	224,400	228,500
Premises - included above with DMO	38,299	0	0	0
Supplies and services	294,606	294,606	294,000	294,000
Support services SLA with Council for HR, finance, etc	86,000	86,000	86,600	88,500
EXPENDITURE	613,593	602,593	605,000	611,000
Income (09/10 projected income achieved £570k)*	(591,715)	602,593	(605,000)	(611,000)
Total	60,177	0	0	0

* recent changes made by new Tourism team leader will generate more income in 10/11

LAA reward grant to be allocated by the Visitor Economy Project Team for Oxford, the Oxfordshire Cotswolds and other places of interest across Oxfordshire

	£ 10/11	£ 11/12	£ 12/13
Revenue – co-ordinated marketing campaigns and promotion	40,000	40,000	20,000
Capital – web development and physical asset enhancement	50,000	35,000	15,000
Total	90,000	75,000	35,000