

8. GROWING AND DEVELOPING THE VISITOR ECONOMY SECTOR WITHIN DERBYSHIRE GRANT ACCEPTANCE (RG/LT)

Purpose of the report and key issues

1. The purpose of this report is to seek approval to accept, in anticipation of, a successful European Regional Development Fund (ERDF); a total project bid expenditure of £450,000. This is in line with the Authority's standing order 7.C-2. Also to seek approval to spend these monies, in line with standing orders.

Approval will ensure that staff can quickly progress into the delivery phase and respond to a potential start date of February 2016. If between now and the committee meeting the ERDF application is unsuccessful we will remove the report from the agenda.

Key issues include:

- This application for ERDF funding responds to the Performance and Business Plan 2015/16, specifically the focus on 'developing products and services to grow the Peak District as the National Park for cycling'. The project will continue to deliver benefits related to the Corporate Strategy 2016-19.
- The funding is part of the European Structural Investment Funds (ESIF). The lead body for the bid is Visit Peak District and Derbyshire and its accountable body Nottingham and Derbyshire Chamber; whom will have a funding contract directly with the Department for Communities and Local Government (DCLG).
- This bid is a partnership proposal led by Visit Peak District and Derbyshire (VPDD), supported by the Peak District National Park Authority (PDNPA) and D2 partners. The project is for 3 years, planned start February 2016 to December 2018.
- The total ERDF grant offer is for £751,289 and the total programme value is £1,502,578. As a delivery partner of the bid, the Peak District National Park Authority will deliver one key strand: 'Pedal Peak Business Initiative', total project value £450,000 (ERDF grant £225K, PDNPA £37,500). PDNPA will support 'The Inspired by the Peak District' strand. Total project value £114,000 (ERDF grant £57K, PDNPA £3,000).
- The project will support the capacity of Small and Medium Enterprises (SMEs) in the visitor economy and its supply chains to grow in regional, national and international markets through strong product and market development based on the high environmental values of the Peak District National Park.

2. Recommendations

1. **Approve receipt of £225K grant from ERDF funding via Derbyshire and Nottinghamshire Chamber of Commerce for the 'Growing and Developing the Visitor Economy Sector within Derbyshire' programme to enable the Authority to deliver the Pedal Peak District Initiative' strand, and to approve spending this funding as outlined in paragraph 4.2.**

How does this contribute to our policies and legal obligations?

3. This application for ERDF funding responds to the Performance and Business Plan 2015/16, specifically the focus on 'developing products and services to grow the Peak District as the National Park for cycling'. This European funding will enable us to develop and deliver a programme of business support that is based on product development around cycling and help businesses to be more competitive and therefore strengthen the visitor economy.

The bid supports our 2016-19 Corporate Strategy and directional shifts through creating and strengthening cycling experiences that are sensitive to the landscape. Through supporting and creating a relationship with the targeted 105 businesses it will help to encourage responsible visiting, appropriate use of routes, promotion of relevant services, and grow National Park supporters (both businesses and cyclists), all based on a strong understanding of the special qualities of the National Park.

The bid is based on the work carried out with Peak District partners in 2013/14 to promote the Peak District economy. This led to an economic growth package called 'Enterprise Peak District' – Peak District Outline Growth Package. This was prepared by Mott McDonald and reported in February 2014. This report was commissioned by Derbyshire Dales District Council on behalf of the wider Peak District Partners to review the Peak District evidence base and consider how best to approach Local Enterprise Partnerships (LEP) to arrive at potential interventions to deliver economic growth to the wider Peak District. Since February 2014 partners have been seeking to deliver this package of projects. Two of the interventions identified are below and are the foundations of our delivery and support in this bid:

- "Pedal Peak Business Initiative – Supporting growth of the visitor economy and its supply chains through the Pedal Peak sustainable cycling initiatives.
- Inspired by the Peak District brand – Extending the reach of the Peak District brand to support business marketing, inward investment and exporting aspirations of the Peak businesses."

The 'Pedal Peak Business Initiative' in the bid also strongly supports the Authority's work on 'The Wider Peak District Cycle Strategy' 2014 – 2019 and supports 'Peak District and Derbyshire Growth Strategy for the Visitor Economy (2014) – through encouraging local SME investment within key destinations and hubs to improve the visitor experience. These in turn contribute to the National Park Management Plan.

Background

4. 1. Through relationships and knowledge of the sector VPDD has developed a package of interventions with partners: 1. Pedal Peak Business Initiative (delivered by PDNPA and supported by Derbyshire Dales District Council) 2. Inspired by the Peak District (led by VPDD and supported by PDNPA). Other interventions delivered by the partnership include 3. Promoting Derbyshire Products 4. Supporting Market Towns 5. Delivery of new and emerging business support needs to boost competitiveness.

2. The **Pedal Peak Business Initiative** strand of the bid will be delivered by the PDNPA and employ a Pedal Peak Business Officer, full time. The Pedal Peak initiative will allow businesses to access funding to become cyclist friendly through a grant scheme and receive business support to increase their competitiveness through working as clusters. The support will include a marketing tool kit and accreditation scheme. Grants are expected to average £5,000 (i.e. £2,500 ERDF and £2,500 from the SME) and will pay for lockable bike racks, wash down areas and bike maintenance equipment. The 4 business clusters relate to the following areas:

- Bakewell, Rowsley, Matlock and Monsal Trail
- Ashbourne, Hartington and the Tissington Trail
- Wirksworth, Carsington and the High Peak Trail
- The Hope Valley

3. The '**Inspired by Peak District**' strand will be led by VPDD and supported by the PDNPA and Derbyshire Dales District Council. The brand was initiated in partnership with Business Peak District (a business driven body; working in partnership with local authorities, to represent the interests of business within the Peak District). The development and expansion of the 'Inspired by the Peak District' branding initiative will provide more visitor economy businesses and their supply chains with the opportunity to develop a marketing edge from their association with the high quality Peak District environment. Since inception, the campaign has seen 240 businesses sign up as 'ambassadors' to use the brand. This demonstrates the potential untapped demand from Derbyshire SMEs. There is significant potential to increase this with support via this project bid.

4. Feedback from businesses who initially signed up shows there is a strong desire to see this campaign continue and introduce ways to develop it further. This bid strand will further develop the 'place inspired' brand to work with a wider range of businesses and create a clearly defined programme of promotional activity and the ability to access business to business (B2B) and business to consumers (B2C) exhibitions.

5. It will work with businesses to adopt 'Inspired by the Peak District' branding, providing a network of businesses who can collectively market their products, whilst at the same time building on the branding ambitions of the region; as identified in the 'Enterprise Peak District' Report, February 2014. Providing a high quality product, attracting higher spending visitors and increasing the economic benefit of the D2 area. To date this project has signed up 240 businesses to use the brand.

5. **Proposals**

It is proposed that the Authority supports the bid and accepts the grant in support of the 'Pedal Peak Business Initiative' and confirms its support for the 'Inspired by the Peak District strand'.

It is a requirement of standing orders part 7.C-2 that approval is given to receive grants over £200,000. Therefore, if approval is not provided, this grant cannot be spent. Likewise, approval is needed to spend funds received that are over £150,000. The Pedal Peak Business Initiative is a significant strand in the overall 'Growing and developing the Visitor Economy in Derbyshire' programme.

6. **Are there any corporate implications members should be concerned about?**

ERDF guidelines need to be followed by the PDNPA officer and the grant scheme set-up according to guidelines to ensure claims are fully paid. VPDD, as lead body, will also recruit a Project Monitoring Officer, with ERDF experience, to establish and agree procedures with partners for recording, storing and evidencing the necessary documentation.

7. **Risk Management:**

The project risks will be identified as part of the project set-up (currently there is an assessment of risk as part of the ERDF application). Project risks will be managed by the Pedal Peak Business Officer and the senior responsible officer in the Authority and risks will be mitigated and reported to the programme board. Risks will be managed in

a way that meets the Authority's approved risk policy.

8. Sustainability:

The project will increase competitiveness of SMEs through a focus on growth of the visitor economy and its supply chains particularly linked to cycling.

In the long-term we foresee the investment in SMEs, regional cycle hubs and 'Inspired by' brand to grow the tourism market in Derbyshire and the Peak District.

The Pedal Peak Business initiative will establish a network of up to 105 businesses of which at least 60 will receive grants; to help realise the ambitions of the area to become a world class cycling destination which will be backed further by the creation of a strong brand. This will attract visitors and increase spend from both national and international markets by encouraging greater spend within Peak District SMEs and overnight stays within tourism sector. By the Authority taking a lead in this project we will be able to ensure that important messages about sustainability and responsible visiting are embedded in the project.

9. Financial

This offer is made to the leading applicant which is the role given to the VPDD within the bid. The total bid offer is for £751,289, total project value £1,502,578. VPDD will manage the financial control of this project and will utilise systems used by DNCC.

As a delivery partner of the bid, the PDNPA will be contracted to deliver one key strand: 'Pedal Peak Business Initiative', total value £450,000. £225K is ERDF and 225K is match (£150,000 SME grant contribution, £75K PDNPA and Derbyshire Dales District Council). See below total Pedal Peak Business Project expenditure and income:

Pedal Peak Business Initiative strand				
PDNPA Cash expenditure	Year 1	Year 2	Year 3	Total
Recruitment	1,000.00	0.00	0.00	1,000.00
Pedal Peak Business Officer Salary	31,185.00	33,866.00	33,866.00	98,917.00
Staff training	500.00	300.00	300.00	1,100.00
Overheads	8,061.00	8,061.00	8,061.00	24,183.00
Laptop/software	800.00	0.00	0.00	800.00
Travel and subsistence	750.00	1,000.00	1,000.00	2,750.00
Route development and marketing	3,500.00	10,500.00	0.00	14,000.00
Business and Community Events	500.00	1,000.00	500.00	2,000.00
Cycle Friendly Toolkit	1,000.00	2,000.00	2,250.00	5,250.00
Grant for SMEs from ERDF (forecast)	35,000.00	67,500.00	47,500.00	150,000.00
Sub Total	82,296.00	124,227.00	93,477.00	300,000.00
Eligible Match from SMEs (50% of grant)	35,000.00	67,500.00	47,500.00	150,000.00
Total Pedal Peak Business strand expenditure				450,000.00
Pedal Peak Initiative Income	Year 1	Year 2	Year 3	Total
ERDF grant	60,000.00	92,500.00	72,500.00	225,000.00
PDNPA Match	12,500.00	12,500.00	12,500.00	37,500.00

DDDC Cash Match	10,000.00	10,000.00	10,000.00	30,000.00
DDDC Officer-time match	2,500.00	2,500.00	2,500.00	7,500.00
Total	85,000.00	117,500.00	97,500.00	300,000.00
Match from SMEs (forecast)	35,000.00	67,500.00	47,500.00	150,000.00
Total including SME match				450,000.00

PDNPA will also support 'The Inspired by the Peak District' strand. Total value £114,000 which includes £3,000 cash match from the PDNPA (£1000 per annum for three years).

10. **Background papers (not previously published) – None**

Appendices - none

Report Author, Job Title and Publication Date

Rachel Gillis, Policy and Partnerships Assistant Director and Louise Turner, External Funding Adviser, Policy and Partnerships, 14 January 2016