

3 February 2011

Dear colleague

### **Future of destination management organisations**

With the demise of Regional Development Agencies (RDAs) and the emergence of local enterprise partnerships (LEPs), the tourism landscape is undergoing significant change. I am writing to offer some thoughts on how these changes might impact upon how councils relate to Destination Management Organisations (DMOs) or similar bodies, where they exist.

Many RDAs currently support a Destination Management Organisation (DMO) or similar body. Amongst other things, these bodies develop the local tourism offer, help improve the look and feel of destinations, support businesses to improve their customer service standards so that places are more welcoming and market the destination to potential visitors. There is no single model for how a DMO works; they have varying degrees of involvement from the private sector and the local council or councils in two-tier areas, but the withdrawal of RDA funding means that some DMOs will stop functioning in April 2011, or start to scale back their activity.

Clearly it is up to you, and your local partners, to decide what, if any, support you give to destination management locally, depending upon how important tourism is to your local economy. Where councils do want to act to support DMOs, or a successor arrangement, there are a number of different approaches emerging.

### **Local enterprise partnerships**

Some councils are working with the private sector through local enterprise partnerships to identify how the LEP can work with local tourism businesses and bodies. In most areas LEPs are aiming to give a lead on the full range of interlinked issues that affect local economies and upon which a thriving visitor economy rests. This includes transport provision, infrastructure investment, skills, employment and training provision. As a result, there is potential for LEPs to work with tourism businesses, both through special-purpose DMOs but also through Chambers of Commerce and other bodies, to sustain and support great destinations.

### **The private sector**

In other places a solution entirely led by the private sector might be the most appropriate. Local tourism businesses, the majority of whom are small or medium sized enterprises, might pool expertise and resources to achieve savings on activities like marketing, and commission - including potentially from the council or LEP - the development of solutions to common challenges, ranging from the need to maintain and develop the skills of the workforce, to the need to minimise the cost of regulation.

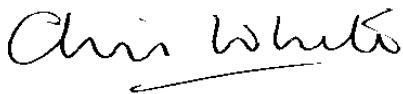
## **Direct funding of destination management**

We understand that in some places options for directly funding a DMO or successor arrangement are being considered. Options include using left over RDA funding that is not absorbed back into central government and local businesses in Business Improvement Districts agreeing to prioritise destination management to receive extra investment.

## **The LG Group**

The LG Group would be pleased to help with any questions about the relationship between councils and DMOs, and how the tourism landscape can be linked with your LEP, and we would be delighted to hear from you about how your area is responding to changes in the tourism landscape.

Yours sincerely

A handwritten signature in black ink that reads "Chris White". The signature is written in a cursive style with a horizontal line underneath the name.

Cllr Chris White  
Chair, LG Group Culture, Tourism and Sport Programme Board