

# Building resilience in the Heart of the South West Visitor Economy Research brief



## Introduction

TDA, on behalf of the Heart of the South West Local Enterprise Partnership (HotSW LEP), wishes to commission a research study to develop an evidence base that supports our visitor economy improve its resilience and ability to respond to economic shocks, including EU exit.

## Background

The HotSW LEP covers Plymouth, Torbay, Devon & Somerset, with Somerset County Council acting as Accountable Body for the LEP. Each LEP area in England has a Growth Hub that acts as an access point for support for businesses in the area. As the UK prepared to leave the EU on 31<sup>st</sup> October 2019, the Department for Business, Energy and Industrial Strategy (BEIS) announced that they had secured funding to offer support to businesses, and would use Growth Hubs/LEPs as a mechanism to deliver this. Some of this funding is allocated to gathering business intelligence on business resilience and readiness for economic shocks, including EU Exit.

## The Visitor Economy

The HotSW benefits from a mixture of strong traditional, rural and coastal businesses, including tourism and the wider visitor economy, farming, fisheries and agri-food, food and drink and mixed manufacturing. These businesses continue to underpin much of the employment and production undertaken within the area. The HotSW visitor economy and the quality of life in our area relies hugely on our natural, cultural and heritage capital. The area boasts two National Parks, two World Heritage Sites, a UNESCO Global Geopark and countless stunning beaches, attracting millions of visitors each year. Recent figures show that nearly 60 million people visited HotSW area spending £1.9bn; this is an extremely important sector to the HotSW economy. However, the sector faces a series of challenges including seasonality, skills shortages and issues recruiting and retaining workers, impacting on the overall productivity of the sector. Some of these issues will be exacerbated by an exit from the EU, but there may also be opportunities that can be capitalised on, such as developing business, educational and domestic tourism, particularly when connected to key vertical business sectors.

TDA, on behalf of the Heart of the South West Local Enterprise Partnership (HotSW LEP), wishes to commission a research study to develop an evidence base that supports our visitor economy improve its resilience and ability to respond to economic shocks, including EU exit. The research will seek to understand the economic opportunities across Devon, Somerset, Plymouth and Torbay related to the sector, and how these can be used as a catalyst for innovation and productivity growth.

The [Tourism Sector Deal](#) sets out the commitment to drive up productivity across the sector and this research will help inform the development of a Tourism Zone prospectus.

The study must be completed by 31<sup>st</sup> March 2020. The data will be owned by the HotSW LEP and available to partners.

## Requirements

This study will be a mixture of desk-based research and stakeholder interviews. We expect that the research will focus on the following lines of enquiry which will be further refined at the inception meeting:

- 1) What are the key baseline characteristics/metrics of the visitor economy in the HotSW LEP area? This could include, but is not limited to:
  - a. Total number of businesses (by relevant SIC code for clarity), and a break down by LA area
  - b. A breakdown of number of businesses by size – micro, small, medium and large, in total and by LA area
  - c. Number of employees employed in the industry, broken down by LA area
  - d. Turnover of tourism industry businesses, broken down by LA area
  - e. Measuring the operating period to understand if the business is open all year round or seasonally.
- 2) Summarise existing research around the key challenges and opportunities that face the sector in the HotSW LEP area as a result of EU Exit. This could include, but is not limited to:
  - a. Challenges around recruiting and retaining labour from both domestic and EU countries – both highly skilled and seasonal workers including the pay threshold of £30k
  - b. Potential changes to passport, visa and/or insurance requirements for visitors to the UK, including those travelling with pets
  - c. Perceptions that the UK is less welcoming to overseas visitors after EU Exit
  - d. UK residents and overseas visitors choosing to holiday within the UK as a result of devalued currency, and/or changes to passport/visa requirements
- 3) What are the drivers of productivity in the tourism industry? How do we drive up productivity? These could include, but are not limited to:
  - a. Extending the season – business and educational/niche tourism
  - b. Improved infrastructure, including superfast broadband and public transport links
  - c. Driving transformation through digital and creative technologies
  - d. Improved training and development for the workforce, including leadership and management training
  - e. Automation in the sector
  - f. Support and development for tourism and other cultural/heritage organisations/businesses to enable them to provide new products for key target markets
- 4) What are the future trends in the visitor economy expected over the next 10-20 years? How might tourism businesses within the HotSW LEP area take advantage of these trends? Trends could include, but are not limited to:
  - a. Green/sustainable travel
  - b. Accessibility
  - c. Adventure/activity/wellbeing holidays
  - d. Sporting and cultural events
  - e. Changes in demographics (e.g. solo travel, LGBT+, 'digital nomads', domestic versus foreign visitors)
  - f. Unique/tailored experiences
  - g. Changes in marketing – away from traditional routes, e.g. TV advertising campaigns/websites to social media (e.g. capitalising on the reach of social media influencers, use of hashtags)

- h. Changes to booking processes - e.g. AirBnB, price comparison websites, booking through messenger apps/Instagram

## Methodology

The methodology for this research could include the following elements, however TDA would welcome different and innovative approaches to responding to the key lines of enquiry set out above.

### A. Literature review

A review of all relevant literature including previous research conducted locally. Develop a high-level summary of this research and pull together key insights to respond to our lines of enquiry. Identify gaps in the knowledge base that should be tested through in-depth interviews

*Sources for literature review could include, but is not limited to:*

- a. *HM Government's [Tourism Sector Deal](#)*
- b. *Research published by local and national industry bodies, e.g. Visit Britain, Visit England, National Coastal Tourism Academy and SW Tourism such as BVA BDRC's [Holiday Trends Report](#), Visit England's [Future Trends Report](#)*
- c. *Research/documents published by Destination Marketing Organisations (DMOs), including associated business plans and statistics*
- d. *Destination Management Plans and Tourism Strategies as per local authority area*
- d. *Reports published by, or on behalf of, the HotSW LEP*

### B. Data review

Review all relevant ONS and local data on the tourism industry in the HotSW. This data should be used to estimate the scale of the opportunities in terms of economic output, jobs, productivity and wage growth and business growth. The data should also support a greater understanding of the scale of the challenges presented by economic shocks such as EU Exit. Ultimately this dataset should support the rationale for this opportunity being worthy of Government and LEP support. Where relevant the data should present a place dimension that highlights the different characteristics of the region.

### C. Business survey and in depth interviews

This aspect of the research will attempt to uncover the challenges and opportunities for tourism businesses, including issues that businesses are identifying that is inhibiting their readiness for EU Exit, and issues that businesses are reporting as impacting on performance or prospects (including general resilience). It will also assess the level of engagement with business support.

There will be 2 aspects to this research: a) a light-touch survey (could be email/online), and b) in-depth interviews with a smaller number of businesses and stakeholders. The sample of businesses surveyed should, as far as is possible, be representative of the visitor economy in the area and include micro businesses and SMEs, as well as several key flagship businesses. Stakeholders must specifically include key Area Tourism Partnerships (ATPs) and Destination Management Organisations (DMOs) in the HotSW area. Examples of best practice/barriers to development should be identified and highlighted, and presented as case studies within the report. Interviews can be carried out face-to-face or by telephone. You are required in the quotation to tell us how many businesses/organisations you intend to survey for each of these aspects.

### D. Bring together all findings and a set of recommendations

The final report must include a set of findings that show where HotSW LEP's sectoral strengths lie, together with an action plan that sets out what partners need to do to get there. The recommendations

should also set out where partners should focus any future bids to support innovation and productivity growth. Alongside the report, a 2-page infographic will be produced, that summarises the key findings of the report. The design of the final report and infographic should be finished to a high standard suitable for publication in a range of media including the HotSW LEP and Growth Hub websites. You may wish to use the services of a designer or desktop publisher to produce the report and infographic.

## Deliverables

The successful bidder will be required to:-

- Attend an inception meeting by the end of January 2020
- Complete a draft report by early March 2020
- Present findings to the HotSW LEP late March 2020
- Complete the final report and 2-page infographic by 31<sup>st</sup> March 2020

## Costings

A budget of up to £24,999 + VAT has been set aside for this work.

## Payments

Payments will be made on completion of two milestones:-

- Milestone 1: 30% - Following attendance at the inception meeting
- Milestone 2: 70% - Completion of the draft report

The contract with the supplier will contain a clawback clause in the event that the final report is not produced on time and/or is not of sufficient quality.

## Timescales

- 20<sup>th</sup> December: Procurement Published
- 13<sup>th</sup> January: Deadline for Quotations
- 17<sup>th</sup> January: Contractor Appointed
- w/c 20<sup>th</sup> January: Inception Meeting (provisional date 22<sup>nd</sup> Jan)
- 16<sup>th</sup> March: Draft Report Completed
- Late March: Presentation to HotSW LEP
- 31<sup>st</sup> March: Final Report Completed

## Contact

Any queries or questions please contact Carl Wyard at TDA [carl.wyard@tda.uk.net](mailto:carl.wyard@tda.uk.net)

## Quotation

To be returned by email to [carl.wyard@tda.uk.net](mailto:carl.wyard@tda.uk.net) by 9am Monday 13<sup>th</sup> January 2020

Supplier details	
Contact name	
Name of organisation	
Role in organisation	
Phone number	
E-mail address	
Postal address	
Signature (electronic is acceptable)	
Date	

### Pricing (10%)

Deliverables	
Total Price (exc. VAT)	£
Breakdown & Timescales	<i>Please provide a breakdown of the project activity by time and cost (separate document may be included)</i>

### Quality Questions (90%)

Please respond using no more than 1000 words in total.		
No.	Method Statements	Weighting
1	<b>Experience</b> Explain your knowledge, experience and evidence of undertaking previous, similar/relevant activity and work (please provide examples if possible).	25%
	Response:	
2	<b>Proposed Approach</b> Do you agree with the methodology set out or do you have a different view? Please describe how you would approach this research, including any innovative techniques or best practice, giving a detailed timetable with appropriate milestones.	20%
	Response:	

3	<b>Capacity and Resources</b> How will you ensure that you have the resources and capacity to complete the work within the given timescales? If you intend to use subcontractors, please give their names and state which elements of the activity they will be engaged on.	30%
	Response:	
4	<b>Research Sample</b> How many businesses and stakeholders will you survey as part of your evaluation? Please give numbers for the following two elements (for the light touch survey please set out the required number of returns you believe are needed): a) Light-touch survey b) In-depth interviews	15%
	Response:	

## Evaluation of Quotations

Quotations will be evaluated to identify the Most Economically Advantageous offer. This is determined as a ratio of the submitted Price and Quality of Quotation response as detailed below:

- 10% Price
- 90% Quality

## Pricing

Price submissions (for the Project Requirements) will be evaluated against the Total Price of the lowest quotation received to determine a score relative to the lowest price, which will be awarded the highest score.

## Quality

Each Quality Question will be scored against the following matrix

Score	Description
0	<b>Unacceptable Response</b> No response, response not relevant or question not answered.
1	<b>Poor Response</b> The response is partially compliant, but with serious deficiencies in meeting service requirements (any supporting evidence is minimal).
2	<b>Fair Response</b> The response is partially compliant (some evidence may be provided which supports compliant elements) with shortfalls in meeting service requirements.
3	<b>Satisfactory Response</b> The response is compliant with service requirements likely to be met, any concerns are of a minor nature.
4	<b>Good Response</b> The response is compliant and offers relevant evidence to support their claims,

	clearly indicating that service requirements would be met.
<b>5</b>	<b>Excellent Response</b> The response is compliant and offers relevant detailed evidence to support their claims, clearly demonstrating a comprehensive understanding of the service requirements.

The indicated weighting for each question will be applied to calculate the total quality score.

The total score for will be calculated by combining the weighted Price and quality scores. The Supplier with the highest score will be awarded the contract.

TDA withholds the right to not award the contract.