

## **DURHAM COUNTY COUNCIL**

### **ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Council Chamber, County Hall, Durham** on **Thursday 11 November 2021** at **1.00 pm**

#### **Present:**

**Councillor B Moist (Chair)**

#### **Members of the Committee:**

Councillors M Abley, A Batey, G Binney, J Cairns, K Earley, C Hood, R Manchester, C Marshall, C Martin, J Miller, A Reed, I Roberts, A Surtees, P Jopling and J Charlton

#### **Co-opted Members:**

Mrs R Morris

#### **Also Present:**

Councillor J Charlton

Mr T Bolton and Mrs P Holding (Co-opted Members of Environment & Sustainable Communities Overview & Scrutiny Committee)

#### **1 Apologies for Absence**

Apologies for absence were received from Councillors A Jackson, A Sterling, R Ormerod and S Wilson

#### **2 Substitute Members**

Councillor P Jopling substitute for Councillor A Sterling

#### **3 Minutes of the meeting held 20 September 2021**

The minutes of the meeting held on 20 September 2021 were confirmed as a correct record and signed by the Chairman with the following amendment:

Item 8 to read: *Councillor A Reed left the meeting at 11.06 a.m. and returned shortly thereafter.*

#### **4 Declarations of Interest, if any**

There were no declarations of interest.

#### **5 Items from Co-opted Members or Interested Parties, if any**

There were no items from Co-opted Members or Interested Parties.

#### **6 County Durham's Visitor Economy:**

The Committee considered a report and presentation of the Corporate Director of Regeneration, Economy and Growth which provided detail of tourism in the county, the visitor economy and activities undertaken by Visit County Durham (for copy see file of Minutes).

The Managing Director of Visit County Durham provided an introduction to Visit County Durham (VCD) which highlighted that Visit County Durham was the Destination Management Organisation for Durham and the tourism team for County Durham. The main aim of which being to grow the visitor economy with destination management including marketing information services, product development, visitor experience and workforce development. The team worked closely with public and private key partners with Visit England and visit Britain, who were key partners at a national level, together with various teams within DCC and local tourism bodies.

It was explained that the VCD team consisted of 14 full time members of staff with a core budget of £705,000 and an income contribution of £38,879 resulting from work undertaken from within the private sector. The committee further received details of the vision for Durham as a visitor destination, that Durham will offer a visitor experience that matches its outstanding natural landscapes and internationally famous built heritage. The visitor economy would aim to support long term social, economic and environmental sustainability right across the county and be recognised by the County's residents as important to the quality of their lives.

In relation to the performance of the visitor economy, the committee was provided with a snapshot, which showed the impact of COVID in 2020 with just under a 50% contraction from the 2019 performance figures.

The presentation then provided a summary of County Durham into four recognised key areas which are marketed to visitors, Durham city, the Vale of Durham, Durham Dales and Durham Coast. The summary provided detail of the impact of these areas and their contribution to the visitor economy, with by far the largest impact and contribution, coming from the Vale of Durham which contains the central corridor that runs through the county and includes the majority of attractions such as Beamish, Locomotion and Auckland Castle.

In relation to visitor spend in the county, it was explained that the largest area of spend was in relation to food and drink which accounted for 38% of total visitor spend. This was also reflected in the employment figures with 37% of employment in the tourism sector being in the food and drink industry and it was highlighted that work is ongoing in developing a Food Tourism Strategy for the county.

The Managing Director of VCD continued to explain that in relation to the performance of the Visitor economy from 2015-2020, there had been a steady year on year growth, with growth of between 3-5% with the exception of 2020 where the impact of the COVID pandemic had been seen. In relation to the tourism outlook, the Managing Director commented that was positive and that Government had got behind the sector and a full return to pre-Covid numbers by 2023 was forecast. There has been a significant increase in Staycations which would drive short-term growth in the sector with occupancy levels in hotels high.

She went on to highlight that the visitor economy was key to County Durham and features in a number of wider economic development plans including the County Durham Plan, County Durham Economic Strategy, the Sustainable Transport Plan, the Levelling up Fund, Shared Prosperity Fund, Towns Fund and others with VCD working with multiple teams to support delivery of these plans, add value and bring expertise.

In addition, details were provided of product development with the example of the Northern Saints Trails given. VCD had been directly involved in the development of this product which covered the whole of the North East and consisted of six long distance walking trails. VCD had taken the lead in developing this product with significant support provided by DCC and regional partners. The product was currently in its infancy, but was gaining traction with international and national visitors.

In relation to partnership and industry engagement, the committee was informed that VCD work with 850 core tourism businesses plus 500 secondary visitor economy businesses. It was confirmed that they work intensively with the core businesses providing information on business improvement or various activity which is being undertaken in the county. They also delivered tailored training covering social media, YouTube, weddings and have developed a group travel scheme attracting travel into the county.

In relation to relation to destination marketing it was explained that, VCD used every marketing tool available alongside their integrated marketing strategy which included the use of general press via newspaper articles, magazines, specialist magazines to promote walking and cycling opportunities. social media, e-mail marketing, blogs etc and it was highlighted that VCD work in partnership with strategic partners and tourism businesses to promote the county as a tourism destination. The main aims of destination marketing are to raise the national profile of the county and encourage overnight stays to increase the amount of spend from

visitors, raise shoulder season occupancy and raise awareness of the distinctive Durham offer.

The committee was then provided with detail of the Escape the Everyday campaign which was undertaken in partnership and funded by Visit England Destination Marketing Recovery Fund with the aim of attracting people back into the county as a destination with safe and wide-open spaces for people to visit and enjoy. The evaluation of this campaign was not currently available however VCDs website published statistics in July and August and a good return from the campaign was expected.

Further to the topic of media activity, the Managing Director confirmed that VCD subscribed to Travmedia and working in partnership to match the journalist's requirements with destination content. VCD had experienced a lot of success using this approach and was considered an effective way of securing competitive destination coverage.

It was also highlighted that VCD used events as 'hooks' to market the county and the Managing Director used the example of Lumiere, creating a sense of urgency and encouraging people to come now and stay, generating a sense of real excitement at seeing the amazing spectacle that happens once every two years, with some of the Lumiere artworks spread across the county for the first time this year.

In relation to what next, the Managing Director confirmed that a new national destination marketing campaign was to be run from November through to spring 2022. A promotional had been produced and promoted everything that County Durham has to offer and builds upon achievements over the last 12 months.

In relation to other activity underway it was highlighted that it was that VCD had commissioned a social influencer who was a disability activist to promote the county as an inclusive destination and that she had already visited Bowes Museum, Beamish Museum and Locomotion and that she plans to visit further attractions in the county. In addition, an interactive online marketing tool for Christmas was being developed and VCD was collaborating with Visit Northumberland on the 20<sup>th</sup> anniversary of the first Harry Potter film.

The Managing Director of VCD concluded by reminding members that County Durham was one of eight destinations on the list for the City of Culture 2025, which would be a huge achievement if selected in the final round.

The Chair asked whether VCD is best suited to provide the best service to the people of County Durham in relation to the tourism and visitor economy. He continued that in relation to Pre-COVID figures the target for VCD was for the tourism economy to be 17% of the total economy of County Durham. He continued that comparing like with like the County Durham economy is £9 billion with 17%

totalling £1.53billion. However, the actual figure achieved is £980 million whilst still a massive sum there was a shortfall of £550million. However, if the County Durham economy was performing in line with the UK average performance then the County Durham economy would be at £12 billion with 17% at £2.4billion then there would be a shortfall in performance of £1.6 billion. Can VCD explain how current management arrangements/relationship are working based on current performance and does this committee or Cabinet need to explore other management arrangements. What is success and what is failure, can we improve performance. He also commented that he did not understand what a Destination management organisation is.

The Managing Director of Visit County Durham responded that the forecast figures for the end of 2020 was £1.3 billion. She confirmed that the consultants who produce the Economic Impact Statements that the way the visitor economy was heading we would have hit the £1.3 billion by the end of 2020 and would have been on track for the 17% of the County GVA. COVID hit in 2020 and significantly impacted on the visitor economy and we are now having to recalculate future targets using the 2019 figures as a baseline for where we want to be by 2023.

The Managing Director explained that she considered VCD the best placed organisation to deliver that growth in partnership. The Durham Tourism Management Plan set out what as a County we are missing and what is restricting us and in terms of performance. She further explained that there was a huge gap with competitors in relation to bed spaces with 92% of visitors to the County being day visitors, who spent less than those visitors staying for longer overnight periods.

The Chair continued that having had 15 years to get the gaps filled perhaps a proactive approach could be taken across the Council in targeting those identified gaps.

Councillor Miller noted his concerns regarding the food and drink industry and whilst he acknowledged that it was expected to recover, it was important that ongoing support to independent businesses was offered across the County. In response the Managing Director, Visit County Durham advised that the team were in the process of developing a Food Tourism Strategy and were a member of the County Durham Food Partnership, however acknowledged that help and support was required now to this sector and highlighted that VCD had worked with Food and Drink North East during the pandemic to address issues in the industry. It was confirmed that Food and Drink North East was presenting at a conference next week looking at sustainability and encouraging people to eat and buy local.

In relation to staffing of Visit County Durham, Councillor Reed complimented the team on their achievements given the small amount of budget and staffing base they had to work with. She then commented on the expertise in the team and asked why consultants had been brought in to do a particular piece of work, what priorities had been identified by the consultants and what the VCD budget was used for. In

response the Managing Director, Visit County Durham explained that consultants were able to offer a wider perspective and a fresh pair of eyes, offering a more objective view and that this had resulted in the development of the Accelerator Strategy identifying two key target markets, the family market and the older people in couples or groups which have a large amount of discretionary spend. She went on to explain that the allocated budget for Visit County Durham was primarily spent on the staff team with approximately £140k spent on activity with £70k spent on marketing (which was doubled through partnership working).

Councillor Hood asked in relation to the management and governance of Visit County Durham what the benefits were of it being set up as a private company. The Managing Director, Visit County Durham provided a brief summary of the history of Visit County Durham and explained that as a result of the way funding was sourced when VCD was established, being a company meant that they were able to access funding not available to local authorities. However, the team considered themselves very much part of the Council and were transferred to DCC in 2010 under Regeneration, Economy and Growth Service Grouping with appropriate reporting mechanisms in place.

Councillor Abley raised a further query with regard to visitor numbers, how these were targeted and how easily this was measured. He also noted that the county lacked in attracting visitors to overnight stays and queried what the strategy was for improving this and meeting targets. He also commented that target stretching can be demoralising and a review of these to a more achievable level should be considered.

The Managing Director, Visit County Durham acknowledged that the target of 17 % was purposefully challenging and that they have a formula for growth of 5% year on year based on the Visit England model. She advised that overnight stays were crucial to improving performance and that the Accelerator Strategy recognised the issues and gaps in accommodation which has resulted in the production of an accommodation strategy for the whole county, identifying more focus on varying types of accommodation, in key areas such as Bishop Auckland. It was explained that VCD worked closely with colleagues in Regeneration on joint initiatives and ran workshops inviting prospective developers to invest in developing visitor accommodation in the county. It was also noted that the VD team were able to comment upon all relevant planning applications and were consulted. Furthermore, it was acknowledged that the target could be revisited to provide something more meaningful and achievable in the future.

Councillor Jopling commented that from her own experience in the tourism sector, it was important for those looking to invest that tourism was a priority and supported within the county. She went on to note that should County Durham achieve City of Culture in 2025 this would provide a huge boost for tourism. Tourist information and access to basic information would be crucial alongside investment in the necessary infrastructure including transport and accommodation.

The Managing Director of VCD reassured Members that tourism was a priority in the county with the necessary support in place and referred to the Visitor Information Network with information readily available in accommodation and attractions throughout the county. In relation to the transport infrastructure, she confirmed that VCD now sits on the Regional Public Transport Board and were able to feed into discussion of this nature.

Councillor Batey added her thanks for the presentation and praised the work of the VCD Team, she noted that it was encouraging to hear the support for the service and the extensive work which they undertaken to promote the county as a tourism destination and gave examples of promotion at international, national and local airports. However, she expressed concern in relation to the small amount of funding available to the team and also that they were having to compete for funding from various funding pots in the future. She continued that the praise and recognition which VCD received was a testament to the work of the staff and their model of partnership working.

Councillor Marshall added that it was clear from the presentation that there was no golden bullet to drive tourism and acknowledged that it was important to look at the whole economy. He also commented that he was pleased to hear that there had been some assurance provided regarding the planning system and their ability to support applications for visitor accommodation, which would make things easier for business owners attracted to the area.

He went on to ask what opportunities being awarded City of Culture would offer to the normal County Durham resident and what additional money would be available for tourism should the application be successful.

She explained that communities were really at the heart of this and she was happy to see that the visitor economy featured strongly in the bid. Any funding awarded as part of a successful bid would help to make long term sustainable changes within the county. Further work to identify those changes was being considered in closer detail at this stage.

Mrs R Morris, Co-optee in referencing paragraph 42 of the report noted that with pre-pandemic international holiday bookings expected to be back to near normal levels in the near future, the strategy may need to be revisited to account for less staycations. She also asked whether any thought had been given to formalising a regional approach to market the northern region rather than just the county.

In response the Managing Director, Visit County Durham noted that despite Northumberland County being larger than County Durham, visitor numbers in Northumberland were around 9 million less per year than County Durham, however their visitor economy was higher than County Durham's which was driven by overnight stays.

Councillor Surtees thanked the Managing Director for her presentation and the work of the VCD Team. In relation to the challenges around visitor accommodation she explained that many plans for accommodation in her area had not come to fruition and given increased number of visitors visiting the Heritage Coast asked whether this could be reviewed including looking at utilising sites for campervans and mobile homes. She went to ask whether there'd be any merit in exploring options for advertising and offering incentives for tourists on the reverse of parking tickets.

The Managing Director confirmed that discussions did take place with Regeneration and the Heritage Coast and Seascape Teams and emails had been sent out to existing sites to seek their interest in extending facilities to campervans. In relation to the suggestion regarding parking tickets she confirmed that she would ask the team to look into it.

Mr T Bolton, Co-optee Environment and Sustainable Communities added that it was great to see so much activity going on to boost the visitor economy in County Durham. He went on to suggest that Town and Parish Councils could have a role to play in this given their in-depth local knowledge and suggested that it may be beneficial to consult with them going forward.

The Managing Director, Visit County Durham added that she would certainly take this forward, noting that Town and Parish Council's had been used for Durham 19 Year of Culture, however had been done slightly differently for the Loved By Locals campaign. She agreed to take this point forward and ensure that they were on the communications list to ensure they are kept informed on what going on within the visitor economy.

**Resolved:**

That the content of the report be noted.

Councillors M Abley, J Charlton, P Jopling and Mr T Bolton left the meeting at this point.

**7 Managing Change in County Durham's Towns and Villages:**

The Committee considered a report of the Corporate Director of Regeneration, Economy and Growth which set out both the process for establishing planned interventions through Masterplans and Targeted Delivery Plans and, demonstrated the development and alignment of funding programmes such as the Towns and Villages programme to facilitate change and improvement (for copy see file of Minutes).

The Head of Development and Housing provided a detailed presentation which highlighted the purposes of a Masterplan, detail of the Main Town Masterplans

process in relation to the 12 main towns in the county which had already been prepared. In addition to the 12 main town masterplans, levelling up Masterplans for Chester-le-Street, Durham City, Newton Aycliffe, Peterlee, Stanley and Three Towns were to be considered by Cabinet on 17 November 2021, with a view to them being adopted following consultation in Spring 2022.

The presentation further picked up upon Town and Villages initiatives, including background to the programme, detail of the five key themes, budget allocations and then detail of various projects undertaken throughout the county in relation to the key themes of: Strategic Investments, Housing and Community, Environment and Health, the Built Environment and Transport and Connectivity.

Councillor Hood left the meeting at this point.

Councillor Martin raised a concern regarding the deliverability of these plans, noting that there had been a number of iterations of some of the plans already together with consultations. He commented that it wasn't just about securing money, but also about each plan being delivered and what was needed to ensure that it was done so in a timely manner.

In response the Head of Development and Housing noted that it was crucial to ensure the foundations of the plan were right to ensure the best possible chance of success. He commented that funding streams came and went but it was important to articulate those ambitions well, which in turn would help secure the required funding. He went on to explain that it was also important that expectations were managed in relation to projects identified within the masterplan, as not 100% of the plan would be deliverable. He continued on by explaining that by understanding what people want, it provided a focus for delivery of the plan. He added that people want to see movement quickly however that is not always possible, however good projects do ahead and are delivered.

Councillor Cairns added that it was fantastic to see a plan in place, however she felt that her local area had been ignored for the last 10 years. The area which was once a village was now a satellite town just off the A169, with over development of housing and no infrastructure in place to cope with the levels of increased housing. She asked that local communities were involved in any future discussions concerning development in their area.

The Head of Development and Housing responded that such development would sit within the County Durham Plan and that any applications should be in accordance with the approved plan. The Spatial Policy Manager confirmed that consultation had taken place on the general principles of the County Durham Plan however a lot of the development in that local community was agreed prior to the adoption of the County Durham Plan.

Councillor Surtees added that Councillor Cairns comments related to housing, which the Chair had indicated at the beginning of this agenda item would be discussed at a separate meeting of the committee.

Councillor Surtees left the meeting at this point.

The Chair advised that he had allowed the point to be made by Councillor Cairns as in his opinion it related more to consultation.

Further discussion ensued regarding consultation on the general principles of the County Durham Plan and Councillor Abley commented on development which had occurred at Shildon before the plan had been adopted.

Councillor Miller further noted that there was significant emphasis on Towns, however the County's villages were equally as important and it would be good to see the same level of commitment made to villages in the future.

Councillor Earley raised a query regarding investment caps and added that he felt it was really important to keep the enthusiasm and momentum in the community going until the project was seen through to fruition. He continued by asking whether there was a need to look at Town Centre Management.

Further discussion ensued regarding the changing retail environment and how this had impacted on existing masterplans. The Economic Development Manager acknowledged that different approaches to retail were now required in comparison to 10-15 years ago, noting there was now a greater focus on independent retailers in town centres. Councillor Earley suggested that as there has been a change in town centres and a move to more independent retailers was there not a need for more town centre management.

Councillor Roberts commented that she totally agreed with the comments made, she noted the importance of consultation and commented that she was hopeful that the plans and investment which were to be made in the area are forthcoming and successful.

**Resolved:** that the content of the report be noted.