

## **DURHAM COUNTY COUNCIL**

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

At a Special Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Committee Room 1A, County Hall, Durham** on **Wednesday 28 January 2015** at **9.30 am**

#### **Present:**

**Councillor R Crute (Chairman)**

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

Councillors E Adam, A Batey, J Bell, J Clare, H Nicholson, R Ormerod, J Rowlandson, P Stradling and A Willis

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

Mr E Henderson

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

Apologies for absence were received from Councillors J Maitland, A Patterson, O Temple, S Zair and Mr I McLaren.

#### **2 Substitute Members**

No notification of Substitute Members had been received.

#### **3 Declarations of Interest**

There were no Declarations of Interest.

#### **4 Items from Co-opted Members or Interested Parties**

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

#### **5 Tourism Marketing delivered by Visit County Durham - Overview**

The Chairman introduced the Chief Executive, Visit County Durham (VCD), Melanie Sensicle and the Marketing Manager, VCD Sarah Johnson to speak to Members in relation to Tourism marketing delivered by VCD (for copy see file of minutes).

The Chief Executive, VCD noted the policy framework as regards tourism nationally, regionally and locally and referred Members to several diagrams setting out the links between Authorities, organisations, businesses and destinations.

Councillors noted that there had been no Central Government overarching policy for Tourism for several years prior to 2011, with the Penrose Review leading to the Government Tourism Policy in March 2011, developed in conjunction with the Visitor Economy Forum, which included major Tourism companies such as the Hilton and Merlin Groups. Members learned that this in turn had prompted Visit England to refresh their strategy which resulted in their Strategic Framework for Tourism in England 2010-2020. It was explained that this looked to the wider "Visitor Economy" rather than simply "Tourism" incorporating all the services and facilities in an area. The Committee noted that there were 4 principles underpinning the strategy, those being: quality; competitiveness; skills; and promotion. It was explained that delivery of the strategy was via the destinations themselves, with destinations developing their own Tourism Management Plans showing how they would help deliver the national strategy. Councillors learned that Durham has had a Tourism Management Plan in place since 2006, though this was refreshed in 2010 and had been seen as an example of best practice. It was highlighted that the Durham Tourism Management Plan 2010-2020 was influenced by the County Durham Regeneration Statement and was consulted on with the private sector and underneath the Durham Tourism Plan, a number of Destination Development Plans have been devised, for: Bishop Auckland; Barnard Castle; Chester-le-Street; Durham City; Seaham; Stanhope; and Stanley.

The Chief Executive, VCD noted the complexity of the links of Destination Management Organisations (DMOs), both in the public and private sector, to that of the wider Central, Regional and Local Government. It was noted that DMOs were varied organisations, both private and public sector and tended to reflect the area in which they operated, therefore they were difficult to compare. Councillors noted that Northumberland Tourism was a private sector DMO that focused on marketing, Newcastle/Gateshead Initiative focusing on inward investment and large scale cultural events and festivals, with Sunderland, North and South Tyneside being led by the Local Authority. Members were informed that VCD was a true DMO in the sense of a public/private partnerships looking to stimulate the visitor economy. Whilst acknowledging that the aforementioned DMOs were different entities and that comparison was hard to draw between them, it was important to be able to learn lessons between the organisations in terms of what works well.

Councillors noted that an overview for the North East, linking into VCD showed that Durham County Council (DCC) was the core funder, with influence coming from the North East Local Enterprise Partnership (LEP) and Combined Authority (CA), links to the North East Chamber of Commerce (NECC), the North East Cultural Partnership (NECP), the Northern Tourism Alliance (NTA) and the wider private sector.

In respect of the links to VCD within County Durham it was noted that, in addition to the link to DCC, there were links to: the Strategic Marketing Partnership (SMP) which incorporated attractions and organisations such as Hamsterley Forest, Beamish, Heritage Coast, Durham Cathedral, and Northumbrian Water amongst others (the SMP was created by VCD); Core Visitor Economy Businesses encompassing attractions, activities and accommodation providers; Related Visitor Economy Businesses, including culture, sport and leisure, transport and retail; and Public Sector Partners such as Town and Parish Councils, Area Action Partnerships (AAPs) and Business Durham.

The Chief Executive, VCD gave Members detail in relation to VCD:

- A not-for-profit, private-sector-led company
- Within the DCC Regeneration Directorate
- A board of 10 Directors, 8 private sector, 2 public sector
- 21 staff, together with project staff, effective 15 FTE
- Four divisions: Development; Marketing; Visitor and Industry Services; and Administration
- The remit of VCD was to provide strategic leadership for and co-ordination of the visitor economy and place marketing
- Funders: DCC; grants; and commercial income
- Core budget of approximately £800,000 per annum
- Has a turnover of around £1.1 Million

Councillors noted that VCD had a role in respect of gathering market intelligence and carrying out visitor and market segmentation surveys every 3 years. It was added other activities included; undertaking an annual Economic Impact Assessment; quarterly occupancy surveys; evaluation of all activities; and industry satisfaction surveys. Members noted that VCD had a role in working in partnership with various organisations at national, regional and county levels such as: England's Heritage Cities; Visit England; the Northern Tourism Alliance; Discover Durham and the Events Forum. It was highlighted that although there were 200 destination organisations in England, just 40 are regarded as fully functioning DMOs by Visit England and VCD was one of those DMOs. The Committee were informed that VCD had a responsibility in terms of providing a strategic direction through the Tourism Management Plan, a tourism investment portfolio and place branding.

The Chief Executive, VCD explained that 95% of the businesses supported by VCD were "microbusinesses" and received information via a "weekly grapevine"; industry conferences; approximately 300 one-to-one visits, the Visitor Information Network; and marketing platforms. Councillors were informed that VCD also had a role in promoting County Durham, with campaigns that promoted the whole destination rather than promoting individual businesses. It was added that the destination website was "thisisdurham.com" and VCD worked with the press to promote and facilitate familiarisation visits. In connection with championing the sector, VCD worked with: the County Durham Cultural Partnership; the County Durham Economic Partnership; the World Heritage Site Management Committee; the Durham City Business Improvement District; and Business Durham.

Members noted that it was important to develop the sector within County Durham to provide a great offer for visitors and that VCD helped with physical investment through the development of an investment evaluation process.

It was added that other work included improving customer service through the “Welcome to Durham” training scheme and improving the food and drink offer of the County through “Taste Durham”. Councillors noted that several major studies, for example the County Durham Accommodation Development Report, had helped to provide information to support Investors. It was explained that another role that VCD had was in leveraging investment from other funding sources, successes included: £500,000 from the Regional Growth Fund (RGF) for national marketing; £450,000 from the Department for the Environment, Food and Rural Affairs (DEFRA) to develop rural tourism; and £80,000 from industry annually used for destination marketing.

The Chief Executive, VCD noted the VCD Board looked for VCD to earn money through various methods including; consultancy work, for example the Audience Development study for Auckland Castle; advertising within the Durham Pocket Guide, which covered the cost of design, printing and distribution of the guide; and through project delivery, for example a management fee from coordinating the “Northern Lands” programme. The Committee noted examples of the major projects within the County including: Welcome to Durham; Taste Durham; a Tourism Investment Portfolio; a brand toolkit; national marketing; the Pocket Guide; thisisdurham.com; Destination Development Plans for towns; the 800 anniversary of the signing of the Magna Carta; and Northern Lands.

The Chairman thanked the Chief Executive, VCD for her presentation and asked Members for their questions on the report.

Councillors asked questions in relation to: promoting nearby adjacent attractions, not just within County Durham; promotion of cycling and walking and the impact of the Tour de France stage held in Yorkshire; the lack of a major attraction within County Durham; linking to hotels within the County and tapping into the business visitor market.

The Chief Executive, VCD noted that while there is a page “Durham and Beyond” within the Pocket Guide and on thisisdurham.com, it would be difficult to justify to the businesses within County Durham that their money was being used to promote businesses outside of the County. It was noted that there was a dedicated section on the thisisdurham.com website highlighting activities such as cycling and walking, with around 120 cycling routes and information on walking festivals in the Dales and Barnard Castle. It was added that some of the £500,000 from the RGF was used to promote the countryside with a walking and cycling theme and that the Tour de France had impacted positively on County Durham, with increased hotel occupancy at the time of the Yorkshire stage. The Market Manager, VCD noted that a Durham cycling route had been included on the “Welcome to Yorkshire” website for the first time.

The Chief Executive, VCD noted that a new large attraction would be beneficial for County Durham, though reminded members that Beamish was voted Best Visitor Attraction in England in 2012, and noted that in the past there had been potential for a “Horrible Histories” attraction, however this did not go forward on the basis of financial constraints. Members noted that VCD had worked with the owners of the Eleven Arches project at Auckland Castle regarding market intelligence and would look to engage with them more. The Chief Executive, VCD explained that the area of Business Tourism was one that had scope for development, noting there was no large conference facility within the County to host the larger 2-3 day association events.

It was noted that these types of activities can be very important in being able to attract visitors outside of the traditional holiday periods and also helps in filling in mid-week bookings for hotels. Members learned that 2 studies carried out in the past had shown the potential, though a conference facility would need to be within Durham City to be able to have a strong enough pull as a destination. It was added that often conferencing activities would go hand-in-hand with other cultural activities such as theatre, however, to maximise the potential, there would be a need to focus on conferences as the main activity with that supporting the culture side, not vice-versa.

The Chairman reminded Members that a Working Group would be established and asked for Members' comments on the draft Terms of Reference as set out within the agenda papers and asked for volunteers to form a Working Group of 10 Members and Co-opted Members.

Members volunteered and it was noted the Working Group would comprise of: Councillors R Crute (Chairman), A Batey (Vice-Chairman), J Armstrong, J Clare, H Nicholson, R Ormerod, J Rowlandson, P Stradling, A Willis and Mr E Henderson.

The Principal Overview and Scrutiny Officer, Stephen Gwilym noted that the first meeting of the Working Group would consider a draft project plan.

**Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Terms of Reference for the Working Group, as set out at paragraphs 28 to 35 of the report, be agreed.