

11 November 2021

County Durham's Visitor Economy

**Report of Amy Harhoff, Corporate Director of Regeneration,
Economy and Growth**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report and presentation provides members with detail of tourism and the visitor economy in County Durham.

Executive Summary

- 2 The visitor economy is a major economic driver for County Durham, generating £955mn of expenditure from 20.13mn visitors annually, supporting 12,133 jobs (STEAM 2019).
- 3 Covid-19 has had a devastating effect on the tourism and hospitality sector and since March 2020 Visit County Durham's work has focused on supporting the County's visitor economy businesses through the pandemic, and now towards recovery.
- 4 To better understand the support requirements of the sector we have issued seven Covid-19 tourism business impact surveys and gathered anecdotal feedback through 1-2-1 telephone calls and emails with businesses. The results from the surveys have been shared with teams within DCC, local and regional organisations and nationally with government to shape the response and support needed for the sector.
- 5 The visitor economy remains a growth industry in the County and has continued to build steadily over the past decade. Despite the current challenges facing the sector there is huge potential for further growth: over the next 5-10 years (by 2030) we forecast an increase in tourism jobs in County Durham - driven by the development of new and existing product, attracting more visitors resulting in increased expenditure.
- 6 We estimate the potential development pipeline to be in excess of £400mn, and the challenge in the coming months and years will be for

us to realise this potential for the benefit of economy and residents of the County.

- 7 Significant opportunities may also be realised from current government or DCC investment programmes: Levelling up, Stronger Towns, Community Renewal Fund, Reopening the High Street and Welcome back. Enquiries from hotel developers have increased significantly in 2021 and there are currently a number of live tourism-related planning applications.
- 8 There are further signs of more immediate recovery; anecdotal evidence suggests that accommodation providers are at capacity and recruiting additional staff to deal with demand; visitor attractions are reporting visitor numbers higher than pre-covid levels of 2019. The boom in staycations is having a positive impact on the county's businesses.
- 9 Taking the current evidence and short- and medium-term opportunities into account the outlook is positive. However, it requires a strategic approach to marketing and development to maximise recovery and growth.

Recommendations

- 10 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation.

Background

- 11 Members will recall that at the meeting of the Economy and Enterprise Overview and Scrutiny Committee held on 21 July 2021 members discussed and agreed the draft work programme of the committee. Included in the work programme and identified as a priority to come to formal committee was detail in relation to strategy and plans for tourism post COVID, the performance of the visitor economy and activity undertaken by Visit County Durham (VCD) to develop and promote the county's tourism offer.
- 12 Arrangements have been made for relevant officers from the Regeneration, Economy and Growth Directorate to attend committee and provide members with the information they have requested.

Visit County Durham overview

- 13 Visit County Durham is the destination management organisation (DMO) for County Durham working on behalf of businesses and public agencies, we came into being on 1 April 2006. Working closely with

VisitEngland, VisitBritain, the DCMS and a wide range of public and private sector partners and tourism businesses both in Durham and across England, our primary aim is to grow the county's visitor economy.

- 14 Our operating model is that of a destination management organisation within the framework of a local authority; we deliver Durham County Council's destination management, destination marketing and place marketing functions. This is a public/private model that was used as a best practice case study in a practical destination management handbook for the World Bank.
- 15 Visit County Durham Ltd is a private, not-for-profit company limited by guarantee with a public/private board of 12 directors. Durham County Council has a right of two places on the board, these are filled by the Director for Regeneration, Economy and Growth, and the Portfolio Holder for Economy and Partnerships. The VCD Ltd board meets four times a year and provides strategic oversight and private sector insight of the work of the VCD team.
- 16 The Visit County Durham team are part of the Culture, Sport and Tourism Service of Durham County Council within Regeneration, Economy and Growth; the directorate responsible for the development and delivery of the economic strategy for the county, associated policy, community, business services and infrastructure to unlock inclusive economic growth.
- 17 The team comprises 14 staff, with a core budget of £705,000 per annum, which includes an income contribution of £38,879. Income is generated, to supplement the budget, through visitor economy businesses via a paid for, non-exclusive membership scheme. The private sector contributes financially to work of VCD in return for benefits and activities which meet their needs and support their business, and partner marketing activity to raise the profile of the destination and its offer for visitors.
- 18 Our purpose is to provide strategic added value, coordination and leadership to tourism activity and the visitor economy in the county for public agencies, the private sector, and tourism businesses.
- 19 Our main activity is destination management. This means influencing or delivering directly, activities that relate to visitors and the visitor economy, including marketing, information services, product development, visitor experience, business engagement and workforce development.
- 20 Many people are involved in delivering a vibrant visitor economy, which is why we work in partnership with various teams in the Council,

businesses, stakeholders, and partners from across the county, and in the region. We partner nationally and internationally with England and Britain's tourism board(s) VisitEngland and VisitBritain. We take a different role in each of our areas of activity depending on need and existing arrangements.

- 21 Our objective is to ensure that the tourism sector performs to its maximum capacity and brings economic benefits to the county and its residents in the form of wealth and job creation. Our broad aims are to attract people to the area and to provide visitors with the best possible experience when they are here.

Strategy

- 22 The County Durham Vision for 2035 is that County Durham is a place where there are more and better jobs, people live long, and independent lives and our communities are well connected and supportive.

- 23 Tourism and the visitor economy are recognised in the document as an important sector for local growth, jobs, and prosperity; the sector is featured as a key strategic ambition under the 'More and better jobs' strand:

- 24 ***More and better jobs***

We will build on our successful tourist economy through culture-led regeneration to broaden the leisure experience for residents and visitors to the county. Our visitor experience will compete with the best offered by other comparable destinations.

- 25 The Durham Tourism Management Plan (DTMaP) is the destination's plan which converts local, regional, and national market research and strategies into a county-based plan to grow the county's visitor economy. The plan is for all organisations and individuals in Durham, and, where relevant, national bodies to help them understand what is being done, what needs to be done and how they can contribute to Durham's success.

- 26 Durham has had a Tourism Management Plan (DTMP) since 2006. It was compiled by Visit County Durham in collaboration with the county's tourism industry and a range of partners, including various teams in Durham County Council.

- 27 The Durham Tourism Management Plan is developed and monitored by the board of Visit County Durham Ltd, and endorsed and adopted by the Cabinet of Durham County Council as the plan for developing the county's visitor economy.

- 28 To support delivery of the plan by the County Council, a Tourism Internal Working Group was established with representation from across the Council to support the co-ordination of activity to ensure a primary focus on the delivery of key actions and priorities outlined in the DTMP.
- 29 The DTMP sets out a vision for Durham as a visitor destination, the vision is underpinned by three objectives and identifies eight priorities relevant to future success.
- 30 The vision for Durham as a visitor destination:
- Durham will offer a visitor experience that matches its outstanding natural landscapes and internationally famous built heritage. The visitor economy will 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.*
- 31 The next iteration of the DTMP will span the period from 2022 to 2026. Work is currently underway to update and refresh the plan.
- 32 In February 2021 consultants Blue Sail were appointed to develop a 2-year Accelerator Strategy to identify a number of short-term priorities to boost tourism in the wake of COVID-19 and to put in place approaches that support the growth, resilience, and stability of the sector.
- 33 The Accelerator Strategy is intended to sit alongside the Durham Tourism Management Plan which provides the over-arching vision for tourism development across the county but can also be used as a stand-alone strategy.
- 34 The approach taken in developing the strategy was to align recommendations with the strategic priorities and plans of Durham County Council and the wider North East, to draw on insight and lessons of good practice, to be market focused and, to identify quick wins as well as plans that can be put in place for the medium term.
- 35 A food tourism strategy is also in development and will be complete in the same time frame as the accelerator strategy and management plan.

Performance

- 36 Visit County Durham uses evidence to guide its work. This supports our USP as the main source of knowledge, expertise and experience about the county's visitor economy and visitor economy development. It also helps us to take an objective rather than emotional view of what will and won't work to grow the volume and value of the visitor economy.

- 37 Market intelligence is essential to accurately inform and shape the work of Visit County Durham and our partners, we gather and analyse current and relevant intelligence and information to help the county's tourism sector to prosper and grow.
- 38 One of the main pieces of research undertaken is the annual economic impact assessment STEAM, which approaches the measurement of tourism from the bottom up, through its use of local supply side data and tourism performance and visitor survey data collection.
- 39 The indexed STEAM results from 2015 to 2020 show steady year on year growth for the visitor economy, except for 2020 where the sector retracted and was badly affected by the COVID-19 pandemic.

	2015	2016	2017	2018	2019	2020
Expenditure (£ m)	885.21	904.63	948.65	962.19	980.72	506.75
Visitor numbers (m)	18.67	19.25	19.71	19.71	20.13	11.39
Employment (FTEs)	10,966	11,158	11,682	11,998	12,133	6,794

- 40 Based on economic forecasts set out in governments UK Tourism Recovery Plan, the visitor economy is predicted to return to pre-pandemic levels by the end of 2023 but will need significant support at national, regional, and local levels to do so.

Challenges and opportunities

- 41 The ratio of overnight visitors to day visitors has remained almost static for the past 10 years. Day visitors account for 92% of all visits to the county with overnight visitors at 8%.
- 42 Despite marketing efforts targeted to attract audiences external to the county, several factors influence the high proportion of day visitors compared to overnight, including:
- lack of visitor accommodation in key tourism areas
 - lack of visitor product, particularly targeted at the family market
 - strong neighbouring destination brands (Yorkshire, Cumbria, Scotland)
- 43 Developments are underway which will help plug some of the gaps and improve the visitor offer, these include hotel, retail, and leisure developments in Durham City. Developments in Bishop Auckland.

Accommodation developments from small scale shepherd huts to 5-star destination hotel accommodation and everything in between. We estimate the potential development pipeline to be in excess of £400 million.

- 44 The growing programme of festivals and events is helping to build our reputation. The initial county bid for City of Culture 2025 made the longlist of eight destinations invited to work up a fuller bid for the next round and we believe this could be an excellent catalyst for developing Durham's cultural offer and raising awareness of the county as a cultural destination.

Destination development

- 45 Visit County Durham offers support, advice, and guidance for potential investors in the county's tourism product and submits formal responses to tourism planning applications. The last year saw a record number of enquiries, ranging from glamping pods to visitor attractions. Tailored support is provided for major capital developments.
- 46 Significant opportunities may also be realised from current government or DCC investment programmes including Levelling up, Stronger Towns, Towns Fund, Community Renewal Fund, Reopening the High Street and Welcome back, the visitor economy is a component in many of the programmes.
- 47 The VCD team supports and works with various departments across the Council including Regeneration, Planning, Environment and Culture on major programmes and development projects.
- 48 In early 2018 VCD and the Regeneration team commissioned a county-wide accommodation study focussing on the potential for hotel developments in Durham City, Bishop Auckland, and Seaham. Sector specific studies were produced for glamping, bed and breakfast, and pub accommodation.
- 49 The regional Northern Saints Group, led by Visit County Durham, created linked long-distance trails based on the heritage of the Northern saints and the tradition of pilgrimage. The Northern Saints Trails, based on ancient pilgrim routes, position the North East as the 'Christian Crossroads of the British Isles', and bring the fascinating stories of the region's Saints to life, set against a backdrop of the very best of the region's attractions, landscapes, places to eat.
- 50 The trails were soft launched in the summer of 2020 with the official launch and opening of the routes taking place in September 2021. Current developments on the routes are improved waymarking, access and interpretation.

- 51 Discussions are taking place with the Durham Heritage Coast team about a coastal Northern Saints Trail. In addition, we have had exploratory conversations with Cumbria, Yorkshire, Ripon, Whitby, and York about linking these destinations to the Northern Saints project.
- 52 In July 2021 Durham County Council and A Coruña Provincial Council in northwest Spain signed a region-to-region tourism collaboration agreement. The protocol was signed by Amy Harhoff, corporate director regeneration, economy and growth, and Antonio Leira, Councillor for economic affairs.
- 53 The agreement was endorsed at a hybrid meeting on 16th August, with representatives from DCC, VCD and A Coruña Provincial Council. The new alliance includes the sharing of best practice in tourism marketing, the promotion and enhancement of the English Way / Camino Ingles and other pilgrimage routes including the Northern Saints Trails and to share strategies and best practices that result in an increase in the economic impact of tourist activity in the province of A Coruña and in County Durham.
- 54 A suite of toolkits has been produced to highlight wider market opportunities for those operating within the visitor economy. The aim is to provide hints and tips to businesses who are interested in developing new products to attract new markets – astro-tourism, walking, cycling, accessibility, visitor welcome, equestrian and dog friendly.

Partnership support and industry engagement

- 55 Visit County Durham adopts a partnership approach to all its work. Since its inception in 2006 Visit County Durham has established or joined coalitions of organisations and individuals from the private and public sectors who agree to work together for a common aim or a set of compatible aims, and who share resources and responsibilities and agree to work in a co-operative and mutually supportive fashion.
- 56 There are c850 core tourism businesses in the county – accommodation, attractions, and activities, and an additional 500 plus businesses that contribute and are integral to the visitor economy, these include transport, cafes, restaurants, retail, and suppliers of services to the tourism industry.
- 57 The VCD partnership scheme offers a package of enhanced promotional and tailored business support activities in exchange for an annual fee. The scheme is designed to encourage collaborative working for the benefit of the destination and does not exclude those who cannot afford to or do not want to pay. We continue to work with

all visitor economy businesses and reinvest income generated through the scheme into initiatives that benefit the industry.

- 58 We engage with and support partners via several channels. Our weekly e-newsletter the Wednesday Grapevine is sent to over 1,200 contacts. Tailored training events are held throughout the year, sessions have included accessing overseas trade, astro-tourism, weddings, social media, YouTube, and informal drop-in days. We have an annual programme of industry events which includes informal networking and a spring and autumn conference.
- 59 In addition to our general partnership scheme, we offer a Strategic Partnership service for key businesses to shape and influence destination development and marketing activity for Durham. We work together in partnership to develop and deliver domestic and overseas marketing activities, monthly and annual themed campaigns.
- 60 Strategic Partnership is targeted at organisations that have an influential position within Durham's visitor economy, they are integral to the success of Durham, share VCD's ambitions and have significant capacity to help boost the area's profile and drive forward its future growth and success. 23 organisations are currently signed up as Strategic Partners.
- 61 Visit County Durham continues to work in partnership with travel organisations who represent key points of entry into the county, including the Port of Tyne; Newcastle, and Durham Tees Valley Airports, LNER and Trans Pennine Express, to identify opportunities to promote Durham through their activities, and to ensure VCD and partners are aware of travel partner initiatives that would benefit our own work.

Marketing

- 62 VCD takes an integrated marketing approach that provides seamless communication with the consumer from the earliest planning stage, to when they visit the county and that continues when they return home
- 63 Our focus is on pre-arrival marketing to independent travellers at the point where we can influence and inspire their destination choice.
- 64 We achieve greater marketing reach through partnership working in the domestic market with the county's tourism industry, regional and commercial partners, and Visit England. And take a realistic approach to international marketing working with VisitEngland, VisitBritain and consortia to deliver activity to a small number of territories. Online marketing

- 65 thisisdurham.com and its channel sites is our main on-line fulfilment tool. It is viewed by more than 1million unique visitors (individuals) a year and offers inspiration and information to potential visitors.
- 66 The main areas of work are development to ensure the site is current and functional, optimisation and paid search to ensure traffic volume increases by ensuring the site is visible in search engine results, content management to regularly refresh the destination offer, and the development of campaign channel sites to support tactical marketing work.
- 67 We create and distribute destination content for third parties to use in their marketing work including national marketing bodies (VisitEngland), intermediaries (travel trade), events with visitor appeal (Lumiere) and points of entry (airports).
- 68 e-direct marketing is designed to create and maintain direct relationships with existing and potential visitors and involves managing large consumer databases and sending tailored and targeted communications to individuals.
- 69 Social media marketing is undertaken currently through Facebook, Twitter, Instagram, YouTube and to some extent Pinterest.
- 70 We undertake marketing for major county events because they are all conceived and delivered as destination events that will attract visitors. This allows us to ensure the destination is profiled through event promotion. Wherever possible we use the place brand in destination events that other people produce and deliver.
- 71 Tactical marketing campaigns enables us to deliver tangible benefits to tourism businesses, provides ways for tourism businesses to utilise our promotional platforms and ultimately helps Durham to compete with others on a national level.
- 72 We work in partnership to promote the destination to the international market via the Heritage Cities consortium, trade buyers with Strategic Partners and the domestic group travel market with Discover Durham.
- 73 Our press and public relations function are focused on supporting the destination and businesses, gathering content from destination partners and generating coverage in out-of-region regional media e.g. Manchester Evening News, The Times.
- 74 Current campaigns include Escape the Everyday – a day visit and staycation campaign. We secured £80K from VisitEngland’s DMO Recovery Fund to support the industry and drive visitors to the county over the summer and autumn of 2021.

- 75 Escape the Everyday is a digitally led campaign with paid media, sponsored online content and social media influencer commissions. To date we have achieved a reach of 4.5 million people.
- 76 VCD generated or supported over £400k worth of media coverage this year to date with initiatives such as National Walking Month – May 2021: which generated over £50k worth of coverage, and 60 feature inclusions.
- 77 We host media, press and influencer visits throughout the year and have recently supported and welcomed Britain Magazine, Wanderlust Chloe, Daily Mail, Mini Travellers and The Times.
- 78 We are running a dedicated campaign to maximise the ability of Lumiere to attract out of county visitors, encourage longer stays and short breaks. The campaign is supporting the new county-wide artworks through itineraries to increase dwell time and spend with enhanced stay longer content on Lumiere channels and a joint media visit and Instameet.
- 79 For the official opening of the Northern Saints Trails we organised a media call on 16th September achieving 20 pieces of regional and national coverage with a value over £70k and a 3.4m reach. We commissioned a September feature in the Guardian which was syndicated across Yahoo and MSN with a value of £87k value and 10.3m reach. And an online feature on the Group Leisure & Travel magazine website.
- 80 Activity planned for the next 6 months includes a new national destination marketing campaign with a dedicated web portal, video content, digital ads and paid for media. Ongoing recovery marketing to support the sector and building on the profile we have achieved over the last 12 months.
- 81 Campaigns to date have focussed on encouraging people to reconnect with the county, the new campaign will target those that may not have considered Durham as being for them. The campaign will run November to Spring 2022 with paid media from early 2022 to support shoulder season.
- 82 It will be important for us to maximise the opportunities presented through the County's bid for UK City of Culture 2025 as a catalyst for developing Durham's cultural offer and raising awareness of the county as a cultural destination.

Conclusion

83 Overview and Scrutiny committee members will be aware of the performance of the visitor economy and work undertaken by VCD in partnership to develop and market the county as a tourism destination to support the creation of more and better jobs in the county.

Background papers:

- [County Durham Plan](#)
- [County Durham Vision](#)
- [Durham Tourism Management Plan 2016-2020](#)

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Appendix 1: Implications

Legal Implications

None.

Finance

None.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Climate Change

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

None.