

Joint Special Meeting of Environment and Sustainable Communities Overview and Scrutiny Committee and Economy and Enterprise Overview and Scrutiny Committee



14 April 2023

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 To provide members with an overview of tourism/visitor economy and cultural services in the county council and to outline future opportunities.
- 2 To present the County Durham visitor survey for 2022.

Executive Summary

- 3 The visitor economy is a major economic driver for County Durham:
 - 15.77 million people visited in 2021, up 38.5% on 2020
 - Overall visitor expenditure was £826.68 million, up by 63.1% on 2020
 - The number of FTE jobs supported by tourism is 10,063, up by 48.1% on 2020
- 4 The cultural offer is an integral part of the visitor economy and drives a large number of visits; for example, Beamish Museum was the most visited attraction in the North East region in 2022, welcoming 774,000 people.
- 5 Durham County Council directly delivers or supports a significant proportion of the cultural offer in the county, including venues, festivals, events, and community arts programmes.

- 6 As the visitor and cultural economy are moving into post-pandemic mode, there are a number of significant strategic opportunities including:
- National and regional strategic policy developments on the visitor and cultural and creative economy, which benefit county Durham, including the DuBois review of destination management organisations, the proposed north-east devolution deal, the BBC's Across England strategy, and Arts Council England's Priority Places scheme.
 - The increased ambition and confidence of the cultural sector in county Durham, in part as a result of the shortlisted City of Culture bid, which directly provided media coverage with a value of £8 million.
 - The post-covid interest in outdoor activity, nature and the environment.
 - The launch of the County Durham Inclusive Economic strategy, and the embedded role of the visitor economy and culture in the long-term success of the county and the wider region.
 - The development of a new Destination management plan for the county.
- 7 Taking the current evidence and short- and medium-term opportunities into account the outlook is positive. However, it requires a strategic and approach to partnership and development both internally and externally, to maximise recovery and growth.

Recommendation

- 8 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

- 9 Visit County Durham is the destination management organisation (DMO) for County Durham working on behalf of businesses and public agencies.
- 10 The operating model is that of a destination management organisation within a local authority: delivering destination management, destination marketing and place marketing functions.

- 11 Visit County Durham Ltd is a separate not-for-profit company limited by guarantee with a public/private board of 12 directors. Durham County Council has two places on the board, these are filled by the Director for Regeneration, Economy and Growth, and the Portfolio Holder for Economy and Partnerships.
- 12 The Visit County Durham team are part of the Culture, Sport and Tourism Service of Durham County Council within Regeneration, Economy and Growth.
- 13 In 2021 the DCMS-commissioned DuBois review examined and assessed how Destination Management Organisations (DMOs) across England are funded and structured, and how they perform their roles, in order to establish whether there may be a more efficient and effective model for supporting English tourism at a regional level, and, if so, what that model may be.
- 14 In July 2022 the UK Government published its response to the Dubois review, agreeing that while Destination Management Organisations are a vital part of England's tourism landscape, it is necessary to reshape the DMO landscape at a local and regional level to maximise the visitor economy.
- 15 As a result, the Department for Digital, Culture, Media & Sport (DCMS) announced that it will provide £4 million over the next three years for VisitEngland to:
 - Develop and administer a new accreditation scheme for strategic DMO's that will see them become Local Visitor Economy Partnerships (LVEP)
 - Pilot a 'top tier partnership' of accredited LVEP's through a 'Destination Development Partnership'.
- 16 Visit County Durham, NewcastleGateshead Initiative (NGI) and Visit Northumberland were the first in the country to apply and test the accreditation process and are all now officially recognised by VisitEngland as LVEPs.
- 17 In November 2022 DCMS announced that the North East region (LA7 area) had been selected for the new Destination Development Partnership (DDP) pilot, with NGI as the accountable body.
- 18 Funded with £2.25 million (£750k pa over three years), the aim of the pilot is to develop new initiatives to attract visitors and attract investment into the visitor economy. As the selected region, we will act as a potential blueprint for the rest of England and help shape the future landscape of destination management organisations, delivering local

economic growth through the visitor economy across all seven local authorities.

- 19 The pilot presents an opportunity to unlock both the county and regional visitor economy potential, attracting more visitors, creating new experiences, targeting new markets as well as creating jobs and opportunity.
- 20 This £2.25m funding is granted to supplement regional spend, not to replace and cannot be used on marketing but on developing the regional tourism eco-system including:
 - Skills co-ordination
 - Sectoral business support
 - Accessibility best practice
 - Sustainability support
 - Business events development
 - Product development

Culture, heritage and landscape

- 21 The culture and heritage offer in County Durham is a powerful asset that drives the visitor economy, and its clear that its role can have even greater impact on the wider economic success of the area.
- 22 A recent mapping of culture, heritage and landscape-based venues and attractions (appendix 2) reveals a substantial infrastructure and highlights further the importance of culture and heritage to the visitor and to the local economy.
- 23 As part of Arts Council England's delivery plan the national funding body identified 54 places across England in which their investment and engagement is too low and the opportunity to increase investment and engagement is high – and it will prioritise activity in these places.
- 24 County Durham is one of the priority places and there is some evidence that this is supporting increased investment including a 37% increase to funding to organisations in county Durham through the NPO core funding programme, and one of the largest MEND fund awards in the country to Bowes Museum at £974,000.
- 25 This follows County Durham's remarkable progression to the final shortlist of four in the UK City of Culture competition and the developing plans to deliver as much of the ambitious City of Culture programme as possible.

- 26 The bid built on existing strength in festivals and events in the county, including private sector and independent delivery.
- 27 The annual festival portfolio managed by DCC covers BRASS, Durham Book Festival, Bishop Auckland Food Festival, Seaham Food Festival and Lumiere, the UK's largest light festival, takes place every 2 years. In excess of 250,000 people attend the festivals.
- 28 Regular evaluation shows sustained public backing for each festival (between 95%-99% of respondents feel it's a worthwhile event for the council to support) as well as social and economic return on investment, with Lumiere providing £3.4 million economic benefit and 70% of visitors to BRASS stating that it had a very positive impact on their health and wellbeing.
- 29 New events such as The Bright Ideas Gathering, County Durham's answer to the TED conference, and emerging plans for the celebration of the bicentenary of the Stockton and Darlington railway in September 2025 and other city of culture legacy events will further develop the festival and event portfolio.
- 30 Durham County Council is one of a relatively small number of local authorities that directly manage theatre provision and so has responsibility for a significant part of the venue-based performing arts provision in the county. The council manages Gala in Durham, The Empire in Consett and Bishop Auckland town Hall as a studio space.
- 31 Following a new approach to our theatre provision, we have increased the proportion of our own productions or co-productions in the venues. This has a number of advantages including the ability to cast or commission local actors, writers & directors; supporting local suppliers; ensuring work is relevant to our audiences; and greater confidence in income forecasts. It has additional reputation benefits in the cultural sector and beyond, building Durham's profile as a place for creativity and talent.
- 32 This approach has been very successful in 22/23, exemplified by our in-house production of Brassed Off which played to full houses, met its financial targets, employed local brass band players, gave opportunities to a community cast and new regional talent.
- 33 In addition to Brassed Off, the in-house team has produced or co-produced an outdoor show that toured to parks across the county in summer 2022 and 2 Christmas productions. An audience of over 40,000 have experienced this work. All productions have met their targets and are putting County Durham on the cultural map.

- 34 We have similarly taken a new approach in our cinema at Gala introducing 'event cinema' where film, food and drink combine to create a more vibrant night out. We have built a closer relationship with our audience through social media and direct engagement so that film programming is more aligned to what we know people want. For example, the film programme for Pride Week was advised by a LGBTQ+ staff group.
- 35 The average income per screening has more than doubled during December 2022 and March 2023 compared to the same period in the previous year.
- 36 Our museums and heritage buildings are important to both residents and visitors, and we're committed to developing new ways of working to attract more visitors and improve the quality of experience.
- 37 At Killhope Lead Mining Museum the café offer and facilities for walkers and cyclists have been improved, recognising that the location and setting of the museum is as important as its exhibitions and events. This has resulted in an overall increase in visitors and a doubling of catering income.
- 38 New developments in Durham City, including The Story, the refurbished DLI Museum and art gallery and refurbishment of Redhills as a culture and education facility, bring significant opportunity to increase the cultural tourism offer in the city centre.
- 39 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.
- 40 Since launch and opening of the routes taking place in September 2021, NST has supported the creation of 64 FTE jobs and provides annual economic benefit of £4.3 million.
- 41 Exploring our natural landscape is a positive way to support health & wellbeing and the environment, as well as the visitor economy and we continue discussions neighbouring areas about linked trails, and with partners such as North Pennines AONB on their plans to develop access to the landscape through new campaigns and products.

Destination Management Plan

- 42 The destination management plan 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.
- 43 The 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.
- 44 The current plan has 8 key aims:
- Lengthen the amount of time that visitors spend in the county
 - Improve the quality of the visitor experience post arrival
 - Differentiate Durham for external audiences
 - Attract new staying visitors to the county
 - Retain existing day visitors to the county
 - Address seasonality
 - Develop new product and support existing product strengths
 - Improve SME and micro business performance
- 45 The 2023-2026 destination development plan is undergoing development and consultation with stakeholders currently, and is expected to be built on 5 key pillars:
- County Durham provides an end-to-end experience which is high quality welcoming and inclusive
 - County Durham is better promoted with a compelling narrative for external audiences
 - County Durham offers extended season products and experiences
 - County Durham offers eye-catching authentic product that meets the needs of consumers
 - County Durham's business are supported to develop performance resilience and profit

- 46 The plan will be aligned to and embedded within the aims of County Durham's first inclusive economic strategy.

Inclusive Economic Strategy

- 47 The Inclusive Economic strategy was adopted by the council in December 2022. It seeks to overcome barriers to transform levels of growth and harness the county's potential, with all partners actively working towards this shared vision.
- 48 The strategy has been informed by feedback from residents, businesses and young people gathered during the Big Econ-versation, an extensive stakeholder engagement process which took place between February and April 2022.
- 49 Evidence shows that the visitor economy is a vital part of the county's wider economy, and resident and business feedback showed a strong commitment to maximising our cultural and heritage assets to support pride in place as well as supporting a stronger and more resilient economy.
- 50 Tourism and culture are embedded in the 'promotion' strand of the inclusive economic strategy, with the aim to promote our county, assets and opportunities to businesses, investors, visitors, developers, and residents.
- 51 Key priorities include the development of a clear brand and place marketing, to attract more inward investment in relevant sectors and places, to grow a year-round visitor economy, and to enhance cultural and creative infrastructure.
- 52 Work is underway to develop the detailed delivery plans that will underpin the strategy and will be adopted later this year.

Performance

- 53 Market intelligence is essential to accurately inform and shape our work, providing relevant information and insight to help the county's tourism sector to prosper and grow.
- 54 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 along with tourism performance and visitor survey data collection.

55 The indexed STEAM results from 2015 to 2020 show steady year on year growth for the visitor economy. In 2020 the sector retracted and was badly affected by the COVID-19 pandemic, and 2021 is a recovery year and continued to be affected by the pandemic. This is in line with national trends. The 2022 data is expected to show continued growth to pre-pandemic levels.

	2015	2016	2017	2018	2019	2020	2021
Expenditure (£ m)	885.21	904.63	948.65	962.19	980.72	506.75	826.68
Visitor numbers (m)	18.67	19.25	19.71	19.71	20.13	11.39	15.77
Employment (FTEs)	10,966	11,158	11,682	11,998	12,133	6,794	10,063

Visitor survey

56 During the summer of 2022, 1200 face to face CAPI surveys were undertaken with visitors to Durham. The surveys were conducted by Market Research Society accredited researchers on e-tablets gathering a mixture of quantitative and qualitative data.

Key objectives of the interviews were to:

- 57 Gather data on visitor profiles such as demographics, group composition, and distribution of overnight and day visitors.
- 58 Understand:
- (a) where people go to find information about events and things to do in Durham.
 - (b) key drivers of visits to the area.
 - (c) how visitors move around the destination
 - (d) awareness levels of the visitor offer in Durham
 - (e) visitor experience and identify areas for improvement
 - (f) the average spend of day visitors and overnight visitors
 - (g) dwell time for day visitors and average length of stay for overnight visitors.

- 59 Durham has a vibrant visitor economy with 15.77 million visitors in 2021. Using this as a base, a sample of 1200 respondents ensures we can be 95% confident that the data at an overall level has a variance of no more than +/-5% accuracy.
- 60 The key results are featured in the PowerPoint presentation at appendix 3.

Marketing

- 61 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.
- 62 thisisdurham.com and its channel sites is our main on-line fulfilment tool. It is viewed by more than 1 million unique visitors (individuals) a year and offers inspiration and information to potential visitors.
- 63 This year we have expanded the site to support 2 new markets
- the business and association conferencing market with 'Meet in Durham' which aggregates and signposts to the unique and bespoke conferencing facilities across the county,
 - Film Friendly Durham highlights the county locations that feature in iconic films and well-loved dramas such as Harry Potter and Vera, building on the growing market for 'Set Jetting' or screen-based tourism
- 64 We achieve greater marketing reach in the domestic market through partnership working with the county's tourism industry, regional and commercial partners, and Visit England. We take a considered, data driven approach to international marketing working with VisitEngland, VisitBritain and consortia to deliver activity to a small number of territories.
- 65 The main areas of work are content management to regularly refresh the destination offer optimisation and paid search to ensure traffic volume increases to ensure the site is current and functional, and the development of campaign channel sites to support tactical marketing work.
- 66 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).

- 67 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.
- 68 VCD undertakes marketing for key county events and festivals because they are conceived and delivered as destination events that will attract visitors. This allows us to ensure the destination is profiled through event promotion. This will be further developed under 'The Culture County' banner.

Conclusion

- 69 The culture and tourism functions of the council are substantial and provide significant benefits for residents, visitors, businesses and partners. The functions interconnect across all council departments and with external partners at a local, regional, national and international level. They are key to our sense of place, local pride and national profile and reputation.

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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.