

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



**12 April 2024**

**County Durham's Visitor Economy**

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**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 services and the visitor economy in the County Durham and to outline future opportunities.

**Executive Summary**

- 2 The visitor economy is a major economic driver for County Durham contributing more than £1 billion per annum to the county's overall £9 billion economy.
- 3 Economic activity generated through the visitor economy translates into jobs and opportunity for the county's residents, contributing and supporting sustainable and vibrant communities as part of a balanced and mixed economy.
- 4 To ensure that the sector realises its full potential and development is appropriate to the needs of the county Visit County Durham provides coordination and leadership for tourism activity and the visitor economy for public agencies, private sector and tourism businesses. Our role is to provide strategic added value, expertise and sector leadership; we deliver Durham County Council's destination management, destination marketing and place marketing functions.
- 5 National and regional strategic policy developments will impact on the visitor economy in the coming months, creating opportunities and benefits. Including the North East devolution deal for which County

Durham is the lead for the Creative, Cultural, Tourism & Sport Portfolio.

- 6 The Destination Development Partnership pilot delivered by Visit County Durham, NewcastleGateshead Initiative (NGI) and Visit Northumberland, the first in the country to be officially recognised by VisitEngland as Local Visitor Economy Partnerships, is entering the final year of delivery, with the programme is due to conclude at the end of March 2025.

### **Recommendation**

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

## Background

- 8 Visit County Durham is the destination management organisation (DMO) for County Durham working on behalf of businesses and public agencies. The team are part of the Culture, Sport and Tourism Service of Durham County Council within Regeneration, Economy and Growth.
- 9 We are a Local Visitor Economy Partnership (LVEP) accredited DMO recognised by Visit England and government as one of a portfolio of nationally supported, strategic and high-performing bodies that provide strong local leadership and governance in tourism destinations all over the country. There are currently 30 LVEP's in England.
- 10 LVEPs work in collaboration locally, regionally and nationally on shared priorities and targets. Our mission is to support and grow the visitor economy through robust destination management, strong stakeholder relationships and clear planning.
- 11 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.
- 12 Funded with £2.25 million (£750k pa over three years to 2025), 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.
- 13 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.
- 14 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:
  - Sectoral business support
  - Accessibility best practice
  - Sustainability support
  - Skills co-ordination
  - Business events development
  - Product development

## **Destination Management Plan**

- 15 The destination management plan (DMP) converts local, regional, and national market research and strategies into a county-based plan to grow the county's visitor economy. The plan is aligned to and embedded within the aims of County Durham's Inclusive Economic Strategy.
- 16 Over the last year the 2023-2030 destination management plan has undergone extensive development and consultation with stakeholders including both the Economy and Enterprise and the Environment and Sustainable Communities OSCs at a Special Joint Meeting held on the 3 November 2023. Together with feedback from a workshop held on the same day where Members considered two questions:
  - a) How can we sustainably enhance the overall visitor experience in our area, including accommodation, attractions, and amenities?
  - b) What are the key strengths and unique selling points of our destination that can be leveraged to attract more visitors?
- 17 The feedback and comments from members during the workshop were captured and collated into a formal Overview and Scrutiny response to Visit County Durham. The draft Destination Management Plan has been updated and the response received from the E&E OSC and the ESC OSC meeting and workshop has been incorporated in to the final DMP.
- 18 An annual evaluation of the plan will be undertaken to assess the effectiveness and review progress against objectives. Necessary adjustments will be made based on feedback and data. Progress and achievements will be shared with stakeholders and partners to maintain transparency and accountability.

## **Performance**

- 19 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.
- 20 VCD has an established system to monitor tourism performance indicators, including visitor numbers, satisfaction levels, economic impacts, and environmental sustainability. But alongside high-level performance and economic data we monitor and report the outcomes of projects.
- 21 An annual evaluation of all aspects of Visit County Durham's work is undertaken to assess the effectiveness and review progress against objectives in our work plan and the destination management plan.

Progress and achievements is shared with stakeholders and partners to maintain transparency and accountability.

- 22 As part of Visit County Durham’s national recognition and accreditation as a Local Visitor Economy Partnership, progress is monitored through Visit England’s Growth Plan process.
- 23 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.
- 24 The indexed STEAM results from 2015 to 2022 show steady year on year growth for the visitor economy. In 2020 the sector retracted and was badly affected by the COVID-19 pandemic, 2021 and 2022 are recovery years from the affects of the pandemic. This is in line with national trends. The 2023 data is expected to show continued growth to pre-pandemic levels.

	2015	2016	2017	2018	2019	2020	2021	2022
Expenditure (£m)	885.21	904.63	948.65	962.19	980.72	506.75	826.68	1,038.71
Visitor numbers (m's)	18.67	19.25	19.71	19.71	20.13	11.39	15.77	17.91
Employment (FTEs)	10,966	11,158	11,682	11,998	12,133	6,794	10,063	11,724

- 25 In 2022 we welcomed 17.91 million visitors, contributing £1.04 bn to the local economy, of which 91% were day visitors contributing 52% of spend (£544.75m) and 9% stayed overnight contributing 48% of all spend (£493.96m).

- 26 The breakdown of the £1.04 bn visitor spend is:

- Food & drink 37%
- Indirect spend 25%
- Attractions & activities 14%
- Accommodation 9%
- Retail 9%
- Transport 7%

27 The breakdown of the most visited County Durham attractions is:

1	Beamish Museum	801,756
2	Hardwick Park	433,246
3	Durham Cathedral	373,165
4	Wharton Park	217,488
5	Locomotion	125,014
6	Palace Green Library	110,560
7	Raby Castle	103,310
8	High Force	78,643
9	Ushaw College	74,347
10	The Bowes Museum	63,587
13	Crook Hall & Gardens	52,000
11	Bowlees Visitor Centre	44,085
12	The Auckland Project	41,603
14	Durham Castle	30,785
15	Diggerland	26,825
16	Barnard Castle	23,442
17	Durham Town Hall	22,768
18	Killhope	18,347
19	Botanic Gardens	18,286
20	Oriental Museum	15,865

28 A high proportion of our visitors are coming from within the region, this is borne out by the 91% day visitor figure. Those that do stay overnight are travelling from various places within the United Kingdom. The North East has a low percentage of international visitors, this is due to low recognition of the product offer and strong international demand for London.

29 The below table demonstrates how the North East region compares to London and other English regions for international and domestic visitor numbers and spend. You will note that we lag behind the other regions, but this presents an opportunity via the DDP and regional collaboration for the North East to raise awareness of our offer and grow both domestic and international tourism in a sustainable way.

Region	Inbound Visitor Numbers (2022)	Inbound Spend (2022)	Domestic Visitor Numbers (2021)	Domestic Spend (2021)
<b>London</b>	<b>16.12m</b>	<b>£14.13bn</b>	<b>14.7m</b>	<b>£3.53bn</b>
South East	3.64m	£2.29bn	15.6m	£2.80bn
North West	2.67m	£1.68bn	13.3m	£2.28bn
South West	2.10m	£1.28bn	16.1m	£4.52bn
East of England	2.05m	£1.02bn	9.3m	£1.79bn
West Midlands	1.64m	£867m	8.1m	£1.58bn
Yorkshire	1.06m	£533m	9.6m	£2.23bn
East Midlands	0.96m	£515m	7.6m	£1.37bn
<b>North East</b>	<b>0.48m</b>	<b>£311m</b>	<b>2.9m</b>	<b>£539m</b>

## Destination development

- 30 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. The VCD team also runs accommodation workshops for small developers and investors focused on glamping, camping and caravanning, conversion of pub rooms or spare rooms to visitor accommodation.
- 31 The VCD team supports and works with various departments across the Council including Regeneration, Planning, Environment and Culture on major programmes and development projects.
- 32 A number of new partner developments are set to open in 2024 creating exciting experiences and giving visitors more reasons to visit. New opening include The Faith Museum in Bishop Auckland opened in October 2023 The Rising at Raby Estate, New Hall at Locomotion, new developments at Beamish Museum, The Story in Durham City.
- 33 In 2023 a regional accommodation study was produced to support future accommodation development requirements. The findings from the study have been used at trade shows such as MIPIIM and UKREiiF
- 34 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. Discussions are taking place with the Durham Heritage Coast team about a coastal Northern Saints Trail. And the North Pennines National Landscape about a rural route. In addition, we have had exploratory conversations with Cumbria, Yorkshire, Ripon, Whitby, and York about linking these destinations to the Northern Saints project.

- 35 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.
- 36 Visit County Durham remains committed to promoting local produce to visitors through our Taste Durham initiative. We also encourage and support businesses to use local produce in their business. In 2023 we seed funded and supported the development and production of Durham Mustard, which was launched in November 2023 and is now available to buy from local venues across the county.
- 37 Other development initiatives emerged from the workshop held with Scrutiny Committee Members in November 2023. And we are currently scoping existing products that can be brought together in itineraries to attract new audiences – including joint ticketing across attractions, a law-and-order theme, food and drink trails, focused walking and cycling routes, faith tourism, church architecture, adventure experiences.
- 38 We commissioned a transport connectivity report to understand the challenges and opportunities for public transport to travel to County Durham and across the county. We are working through the recommendations from the report, one of which is to develop itineraries by bus.

## **Partnership support and industry engagement**

- 39 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.
- 40 The number of tourism businesses in County Durham is currently c926 with 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.
- 41 Of the 926 core tourism businesses 520 are actively engaged with VCD as follows:



- Accommodation 631 (314 in Partnership 50%)
  - Attractions 147 (120 in Partnership 82%)
  - Activity 118 (63 in Partnership 53%)
  - Tour Guides 18 (15 in Partnership 83%)
  - Entertainment 15 (8 in Partnership 53%)
- 42 We also work with secondary tourism businesses and of those listed on our website as having a visitor focus, are engaged as follows:
- Eating Out (97.25% in Partnership)
  - Shopping/Retail (24, 24% in Partnership)
- 43 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.
- 44 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.
- 45 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.
- 46 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 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 – International and Domestic**

- 47 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.

- 48 Our focus is on pre-arrival marketing to independent travellers at the point where we can influence and inspire their destination choice.
- 49 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.
- 50 Through our work with the Destination Development Partnership, we have a unique opportunity to work directly with the Visit Britain overseas teams to amplify our messaging through targeted campaigns to internationals audience.
- 51 There is a dedicated team in place to act as advocates for the North East throughout the VisitBritain network and drive the DDP international strategy. Visit Britain's overseas representatives have been visiting the region on education and familiarisation visits.

The Visit Britain team has activated the international marketing strategy and is working closely with the region's LVEP's to secure content and stories.

## **Activating international marketing: opportunities**



- 52 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.
- 53 Social media marketing is undertaken currently through Facebook, Twitter, Instagram, YouTube and to some extent Pinterest.
- 54 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.

- 55 Monthly 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.
- 56 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.
- 57 Our current domestic marketing activity is a national destination marketing campaign with a halo theme highlighting the different and unique ways to experience the county, underpinned by the below strands, with accommodation running throughout the themes:
- Heritage
  - Outdoors
  - Food & Drink
  - Family Fun
  - Culture
- 58 Campaign call to action is “Do Durham Differently”. The campaign is flexible to support broad destination offer, and promote experiences it started in October 2023 and will run to May 2024. The aim of the campaign is to drive visits in shoulder seasons and support key out-of-season breaks (half term, easter). Target audiences are family segments: Aspirational Family Fun / Fun in the Sun and couple’s segments: Free & Easy Mini Breakers / Country Loving Traditionalists.
- 59 The campaign is collaborative with content and financial contributions from key partners:
- Primary partners –**  
The Auckland Project, Beamish Museum, Locomotion, Raby Estates
- Supporting partners –**  
The Bowes Museum, Durham Cathedral, Ushaw: Historic House, Chapels and Gardens
- Accommodation partners –**  
Headlam Hall, Hotel Indigo, Radisson Blu, The Rose & Crown, Seaham Hall
- 60 Campaign activity includes the use of VCD and partner owned channels, a detailed media plan including Staycation Magazine, The Yorkshire

Post, The Liverpool Echo. Online travel features with The Independent and The Standard. Influencer commission with UK Staycations.

## **Regional Destination Development Partnership pilot & Devolution**

- 61 The regional Destination Development Partnership (DDP) pilot project is entering the final year of delivery. The work of the DDP is very much focused on development, coordination and improvement, the funding cannot be used for marketing activity.
- 62 Delivery in Year 1 and Year 2 focused on gathering the evidence base and delivery of targeted projects for skills, accessibility and sustainability. A 10-year strategy is in development and we have delivered:
- Accommodation strategy for the North East produced by Hotel Solutions
  - Business Events Strategy produced by Monstarlabs
  - Digital roadmap produced by Monstarlabs
  - Workforce audit underway with People 1st
  - WelcoME App for accessibility rolled out across the North East
  - 360-degree video of attractions/venues to support accessibility
  - Industry accessibility and inclusion training
  - Durham, Sunderland and Newcastle participation in Global Destinations Sustainability Index
  - Northumberland to be put into GDS Index as a county pilot
  - Development of an industry staff induction and career path handbook
  - Developing an evaluation framework for the DDP project
  - Launch of a community platform to engage the industry
  - Access to additional data on tourism supply, accommodation performance and perceptions of the regions product
- 63 Proposed activity for delivery in Year 3:
- Region of Gastronomy bid
  - Development of Travel Trade activity for domestic and international working with Newcastle Airport, Port of Tyne and regional tourism businesses
  - Film and TV strategy
  - Campervan strategy
  - Feasibility study for a Norwegian ferry route
  - Development of a virtual skills portal
  - Active Travel project
  - Trade show delegations for business events as a region

- 64 Work to develop the Culture, Creative, Tourism and Sport portfolio is ongoing, at an officer level this is being led by Alison Clark, Head of Culture, Sport and Tourism at DCC. Visit County Durham participates in regional workshops to develop the portfolio themes, objectives, and investment priorities.

## **Conclusion**

- 65 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 jobs and opportunities for the county's residents.

## **Contact:**

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## **Appendix 1: Implications**

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### **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.