

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



31 January 2025

County Durham's Visitor Economy

Report of the Chief Executive's Service

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 £1.2 billion per annum to the county's overall £10.7 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 current programme due to conclude at the end of March 2025.
- 7 DDP partners will continue to work together with the North East Combined Authority to develop further partnership and collaboration going forward in line with ambitions to double the size of the regional visitor economy.

Recommendation

- 8 Members of the Economy and Enterprise and Environment and Sustainable Communities Overview and Scrutiny Committees 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. The team is part of the Culture, Sport and Tourism Service of Durham County Council within Regeneration, Economy and Growth.
- 10 We are a Local Visitor Economy Partnership (LVEP), an 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 35 LVEP's in England.
- 11 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.
- 12 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.
- 13 Funded with £2.25 million (£750k pa over three years to 2025), the aim of the pilot was 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.
- 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
- 15 Funding for the pilot ends in March 2025. An independent evaluation of Destination North East England is underway with Wavehill Consultants and will report at the end of the pilot.

Destination Management Plan

- 16 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.
- 17 An annual evaluation of the plan will be undertaken in May to assess the effectiveness of the plan 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.
- 18 The new Regenerative Visitor Economy Framework was launched in September 2024 with the aim of boosting the North East of England's reputation as a "globally welcoming, inclusive and world-class regenerative visitor destination". The launch event was attended by more than 2002 stakeholders who heard from Mayor Kim McGuinness, Cllr Amanda Hopgood and the region's LVEP's.
- 19 The County Durham DMP will be supported by a regenerative visitor economy plan based on the North East Regenerative Visitor Economy Framework, and focusing on the broader aspects of place development including promoting sustainability, engaging with local communities, contributing to the knowledge economy, and practicing environmental stewardship.

Performance

- 20 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.
- 21 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.
- 22 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.
- 23 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.

- 24 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.
- 25 The indexed STEAM results from 2019 to 2023 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 effects of the pandemic. This is in line with national trends. The 2023 data shows continued growth and return to pre-pandemic levels across all measures.

	2019	2020	2021	2022	2023
Visitor numbers (m's)	20.13	11.39	15.77	17.91	20.15
Day visitors (m's)	18.52	10.75	14.39	16.30	18.54
Overnight visitors (m's)	1.61	0.64	1.38	1.60	1.61
Expenditure (£m)	981m	507m	827m	1.03bn	1.23bn
Employment (FTEs)	12,133	6,794	10,063	11,724	13,178
Direct (FTEs)	9,720	5,477	8,111	9,396	10,559
Indirect (FTEs)	2,413	1,317	1,952	2,328	2,619

- 26 In 2023 we welcomed 18.54 million visitors, contributing £1.23 bn to the local economy, of which 92% were day visitors contributing 57% of spend (£702.54m) and 8% stayed overnight contributing 43% of all spend (£530m).
- 27 The breakdown of the £1.23 bn visitor spend is:

- Food & drink 37%
- Indirect spend 25%
- Attractions & activities 14%
- Accommodation 9%
- Retail 9%
- Transport 6%

28 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.	Hamsterley Forest	160,929
6.	Locomotion	125,014
7.	Palace Green Library	110,560
8.	Raby Castle	103,310
9.	High Force	78,643
10.	Ushaw College	74,347
11.	The Bowes Museum	63,587
12.	Crook Hall & Gardens	52,000
13.	Bowlees Visitor Centre	44,085
14.	The Auckland Project	41,603
15.	Durham Castle	30,785
16.	Diggerland	26,825
17.	Barnard Castle	23,442
18.	Durham Town Hall	22,768
19.	Killhope	18,347
20.	Botanic Gardens	18,286
21.	Oriental Museum	15,865
* Primarily a resident audience rather than visitors.		

29 A high proportion of our visitors are coming from within the region, this is borne out by the 92% day visitor figure. Those that do stay overnight are travelling from various places within the United Kingdom.

30 The Durham and 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 and destinations that are easily accessible through transport gateways – primarily in the South East.

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

Visits (000)	2019	2021	2022	2023	% change vs 2019	% change vs 2022
London	21,714	2,719	16,126	20,277	-7%	26%
<i>Rest Of England</i>	16,930	3,246	13,181	15,231	-10%	16%
North East	536	105	477	459	-14%	-4%
North West	3,441	708	2,655	3,417	-1%	29%
Yorkshire	1,328	228	1,058	1,147	-14%	8%
West Midlands	2,428	417	1,642	1,889	-22%	15%
East Midlands	1,202	246	962	1,083	-10%	13%
East Of England	2,266	551	2,035	2,209	-3%	9%
South West	2,599	393	2,104	2,431	-6%	16%
South East	5,396	846	3,641	4,312	-20%	18%
Scotland	3,457	479	3,242	3,987	15%	23%
Wales	1,027	124	687	892	-13%	30%
Total UK	40,857	6,384	31,244	37,959	-7%	21%

Spend (£m)	2019	2021	2022	2023	% change vs 2019	% change vs 2022
London	£15,700	£2,689	£14,149	£16,697	6%	18%
<i>Rest Of England</i>	£9,051	£2,326	£8,444	£9,893	9%	17%
North East	£367	£88	£311	£360	-2%	16%
North West	£1,611	£490	£1,632	£2,155	34%	32%
Yorkshire	£637	£178	£533	£644	1%	21%
West Midlands	£1,043	£277	£864	£1,058	1%	22%
East Midlands	£461	£149	£514	£600	30%	17%
East Of England	£1,019	£318	£1,004	£1,116	10%	11%
South West	£1,327	£245	£1,291	£1,464	10%	13%
South East	£2,581	£580	£2,286	£2,477	-4%	8%
Scotland	£2,547	£462	£3,192	£3,593	41%	13%
Wales	£515	£67	£394	£458	-11%	16%
Total UK	£28,448	£5,646	£26,497	£31,075	9%	17%

Destination development

- 32 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.

- 33 The VCD team supports and works with various departments across the Council including Regeneration, Planning, Environment and Culture on major programmes and development projects.
- 34 A number of new partner developments opened 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. We will gain insights into the impact these new developments have had on our visitor economy in early 2026, after a full year of trading during 2025.
- 35 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 MIPIM and UKREiiF
- 36 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.
- 37 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.
- 38 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.
- 39 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 and pilgrimage, church architecture, adventure experiences.

- 40 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

- 41 Visit County Durham adopts a partnership approach to 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.
- 42 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.
- 43 Of the 926 core tourism businesses 520 are actively engaged with VCD as follows:
- Accommodation 601 (274 in Partnership 46%)
 - Attractions 143 (116 in Partnership 81%)
 - Activity 108 (55 in Partnership 51%)
 - Tour Guides 18 (17 in Partnership 94%)
 - Entertainment 14 (8 in Partnership 57%)
- 44 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 88 (23% in Partnership)
 - Shopping/Retail 18 (19% in Partnership)
 - Additionally, VCD works with 42 Supplier Partners who provide B2B products and services to our tourism businesses.
- 45 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.

- 46 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.
- 47 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.
- 48 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

- 49 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.
- 50 Our focus is on pre-arrival marketing to independent travellers at the point where we can influence and inspire their destination choice.
- 51 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.
- 52 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 international audience.
- 53 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



- 54 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.
- 55 Social media marketing is undertaken currently through Facebook, Twitter, Instagram, YouTube and to some extent Pinterest.
- 56 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.
- 57 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.
- 58 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.
- 59 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

60 Campaign call to action is “Next Stop Durham”. The campaign is flexible to support broad destination offer, and promote experiences it started in October 2024 and will run to June 2025. The aim of the campaign is to drive visits away from the traditional tourist routes of London, York and Edinburgh, and the Lake District or Yorkshire encouraging a break or holiday in Durham. Target audiences are family segments: Aspirational Family Fun / Fun in the Sun and couple’s segments: Free & Easy Mini Breakers / Country Loving Traditionalists.

61 The campaign is collaborative with content and financial contributions from key partners:

Primary partners –

Locomotion, The Auckland Project, Beamish Museum, Raby Estates

Supporting partners –

The Bowes Museum, Dalton Park, Ushaw: Historic House, Chapels and Gardens, Hamsterley Forest

Accommodation partners –

Ushaw: Historic House, Chapels and Gardens, Lumley Castle, Radisson Blu, Seaham Hall Hotel

62 Campaign activity includes the use of VCD and partner owned channels, a detailed media plan. The campaign taps into the S&DR200 and Railway 200 with advertising and promotion across the railway network and the London Underground. And the road network at motorway service stations on digital boards. Campaign website:

<https://www.thisisdurham.com/nextstop>

63 We continue to promote the county’s annual festival and events programme and the cultural offer through the Culture County channels.

64 Web page content hubs are being developed to showcase Durham’s distinctiveness with ‘Only in Durham’ and tapping into the health and wellness trend. Relevant product will be showcased, and marketing activity will drive consumer traffic.

Regional Destination Development Partnership pilot & Devolution

- 65 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.
- 66 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
- 67 Year 3 activity
- Region of Gastronomy bid development
 - Development of Travel Trade activity for domestic and international working with Newcastle Airport, Port of Tyne and regional tourism businesses
 - Film and TV 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
- 68 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

- 69 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.

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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.