

## STOCKTON'S VISITOR ECONOMY – BASELINE REPORT

### Summary

This report provides background information on the visitor economy in Tees Valley and Stockton for the scrutiny review of support for the local visitor economy. It outlines the nature and value of the visitor economy locally and the recent changes in the support structures at a regional, sub-regional and local level.

### 1. Background on the Visitor Economy in Tees Valley and Stockton

- 1.1. The visitor economy can be wide ranging in terms of the type of business included within it. Primarily the visitor economy would fall in to two categories; attractions including the natural environment, heritage, culture, iconic buildings, retail, sport, leisure facilities, festivals and events and services including hotels, pubs and restaurants, galleries and day-to-day services.
- 1.2. The Tees Valley visitor economy, in common with other areas of the North East, experienced a period of growth from 2003 – 2009. The number of overnight visitors travelling to Tees Valley rose by 26% and visitor expenditure rose by more than £40 million over this time period. The most recent information available is drawn from the research undertaken on behalf of One North East in 2010 by Global Tourism Solutions, using the Scarborough Tourism Economic Activity Model (STEAM). This data is not produced for Stockton Borough and there would be a significant cost to obtain it in the future. The report looks at the volume and value of visitors to Tees Valley in 2009. Key headlines from the report are:
  - 2.1 million overnight tourists spending 4.6 million nights in the area
  - 13 million day visits
  - Total economic value of £563m (overnight visitors £233m, day visitors £330m)
  - 7,200 direct tourism jobs (full time equivalents)
  - 1800 jobs supported by indirect revenue from tourism
  - Two thirds of overnight visitors to Tees Valley stay with friends and relatives
- 1.3. A 2008 research survey carried out by One North East showed that the main visitors to the area (45.5%) were between 18 – 24 years old and that of those staying for one to three nights 40.3% were 25 – 34 years old and 25.7% were 45 - 54 years old and these mainly arrived from Yorkshire and Humberside. The top four reasons for visiting were Exploring Towns & Cities 44.6%, Exploring the Countryside 41.6%, Events 32.2% and Shopping 30.9%.
- 1.4. Overall visitor numbers to attractions in Tees Valley in 2010 grew by 6% in comparison to 2009. 2 attractions in Stockton were listed amongst the top ten most visited attractions in 2010 in the Tees Valley.

Attraction	Visitor Numbers
Preston Hall and Museum*	89,054
Saltholme	80,316

\*closed Nov/Dec 2010

Source: One North East: North East Visits to Attractions Report 2010

- 1.5. Events and specialist markets are widely recognised as being an integral part of the visitor economy. Visitor figures for SIRF 2011 show that:
- The average level of spend per head is estimated to be increased by £13.76 during SIRF.
  - It is estimated that SIRF created additional spending of £855,954 within the borough
  - Estimated visitor number 65,000. 84% from the Tees Valley, 6% from rest of North East, 10% from rest of UK and 1% from abroad
  - 32% of visitors have attended SIRF 20 times or more
  - 93% of visitors think SIRF is good for promoting Stockton as a place to visit
- 1.6. The Triathlon and River Rat Race are two of the most high profile events on the River Tees with participation figures increasing over the last 2 years.

Event	2010 Participants	2011 Participants
River Rat Race	760	981
Triathlon	400	560

## 2. National Arrangements

- 2.1. As the national tourist board VisitEngland's role is to grow the value of tourism by working in partnership with the industry to deliver marketing campaigns and to provide advocacy for the industry and visitors. National Government policy encourages true private/public sector partnerships and, through VisitEngland, funding and marketing activity is designed to embrace such a partnership approach.
- 2.2. VisitEngland oversees the national tourism strategy – England: A strategic Framework for Tourism 2010-2020. The strategy sets out an 'attract and disperse' approach to marketing England as a destination to domestic and established overseas markets. They will work with tourism partners and the private sector at a national and local level based but this is based on key criteria for destination management organisations.
- 2.3. VisitEngland has recently secured Regional Growth Funding for a 3-Year tourism project, 'Growing Tourism Locally' aimed at stimulating economic growth and jobs at a local level. The funding will be allocated to a number of destination management organisations in England that will work closely with VisitEngland to design and implement local campaigns.

## 3. Changes in Regional Support Structures

- 3.1. Regional structures to support the visitor economy ceased following the closure of One North East (ONE) in March 2012. ONE marketing activity ended in May 2010 as part of the restrictions on public sector spending this included North East marketing campaigns, North East Visitor Guide, marketing analysis and visitor attractions footfall data.
- 3.2. Former One North East promotional assets, such as branding and marketing collateral, have been protected through various acquisition and transfer arrangements. They remain available for Tees Valley use if desired.
- 3.3. The Northern Tourism Alliance, formed in 2011, is currently an informal partnership between Visit County Durham, Newcastle Gateshead Initiative, Northumberland Tourism,

Hadrian's Wall Heritage and the North East Hotels Association. It is emerging as the possible public sector successor in relation to the promotion of tourism across the region. An officer from TVU or one of the Councils has represented the Tees Valley at meetings so far.

- 3.4. Across the North East and Yorkshire all tourism and destination management organisations have undergone some form of review due to funding cuts. The majority have reduced the scale and scope of operations and are moving towards more private sector-led funding and governance arrangements.

#### **4. Changes in Tees Valley and Stockton Support Structures**

- 4.1. Visit Tees Valley (VTV), the Area Tourism Partnership and Destination Management Organisation, was part of Tees Valley Unlimited (TVU) which was subject to a full review that reported in March 2011. This resulted in the organisation being reduced to approximately one third of its previous size. TVU is now more focussed on strategic leadership of the sub-region.
- 4.2. VTV was responsible for the strategic direction of tourism in Tees Valley. Its priorities were based around improving the physical product, developing Tees Valley as an events destination, upskilling the tourism workforce, and marketing to improve the perceptions of Tees Valley. In 2010/11 VTV had a budget of £810k of which £213k was for marketing. TVU received direct funding from ONE of £600k towards the operational costs of VTV and all of that funding was withdrawn.
- 4.3. Most marketing and business support activities for the visitor economy ceased in Tees Valley when VTV was wound up in March 2011 following the loss of that funding. At the time it was recognised that following the end of sub-regional activity and the reduction in direct support provided to the sector, it would be necessary for local tourism businesses to operate their own networks and play an increasing role in their marketing. Transition arrangements were put in place for several months following the closure of Visit Tees Valley. TVU hosted a temporary tourism post focusing on exit strategies, this post ended in March 2012.
- 4.4. TVU's marketing priorities are focused on attracting investment from priority sectors and promoting the new enterprise zone offer. Tourism type activity is focussed on alignment with inward investment to support the quality of life offer. The visitor and lifestyle assets in the Tees Valley are seen as an important element of the overall Tees Valley marketing proposition to investors. The new TVU website and marketing information are continuing to be developed and will highlight quality of life aspects such as attractions, leisure, education and health provision in the area.
- 4.5. Stockton Council's Tourism service has been the subject of two Efficiency, Improvement & Transformation (EIT) reviews. The EIT Review of Events, Arts and Tourism provided the opportunity to consider the primary role of the tourism function as it relates to the wider proposals for the Service. As a result of the review the vacant Tourism Promotions Assistant post was deleted from the structure.
- 4.6. An EIT Review of Regeneration & Economic Development also considered the role of the Council in relation to tourism. In the light of the need to reduce expenditure and reprioritise support, it concluded that R&ED's role within tourism should be encouraging business growth and enabling the sector to support itself. This role was to be undertaken as part of the work of the wider business engagement role of the service. As part of that process the Tourism Promotions Manager post was deleted from the structure and a visitor economy specialism role was developed as part of one post within the business engagement team. The focus of the work is therefore now on providing support to visitor economy businesses to assist with their growth plans, ensure they are aware of and have

access to the support available and that they are able to benefit from the visitor attraction opportunities in the Borough.

- 4.7. Following on from the closure of Visit Tees Valley, the associated website was closed down in March 2012. The data behind the website was also linked to the Visit Stockton website via a system called Desti.ne which was no longer be funded as of March 2012. As a result of this the former stand alone website for Visit Stockton was redirected to the Leisure and Visiting page within the Council's website ([www.stockton.gov.uk/citizenservices/leisureandents](http://www.stockton.gov.uk/citizenservices/leisureandents)). This option carries no cost associated with it and houses links to external sites e.g. accommodation and visitor attractions and also a link to the Stockton Visitor Guide. Stockton Council has full control over the site and pages can be reviewed and updated as frequently as required.
- 4.8. There is currently a separate site for eateries within the Borough called Bite to Eat ([www.bitetoeat.co.uk](http://www.bitetoeat.co.uk)). This site is controlled and maintained by an external agency and we would incur costs every time updates or changes need to be made. It is not possible to easily measure if this site having any effect on the number of visitors to the restaurants. The need for and benefit of having such a website considered to be limited and this will be discussed with businesses through a restaurant promotions group that is currently being set up.
- 4.9. The Tourist Information Centre (TIC) in the Shambles is the frontline customer facing part of the service and is run by 2.5 FTE staff. Stockton TIC was the highest ranked for customer service in the Tees Valley following a recent VisitEngland Mystery Shopper survey. Following the recommendation of both EIT reviews, further consideration will be given to transferring the TIC to the Stockton Customer Contact Centre and other appropriate premises.

## 5. Conclusion

- 5.1. The visitor economy remains an important part of our local economy. The importance of visitors to the Borough and their impact on businesses, events and spend in the area is recognised. The Tees Valley Statement of Ambition includes the objective to 'develop the visitor economy by continuing to accelerate investment in the tourism and visitor economy sectors'.
- 5.2. Stockton Borough Council is continuing to support the visitor economy through it's £20M investment in improvements in Stockton Town Centre, the £7M investment in Preston Hall & Park, the expansion of our events programme as part of the strategic development ambition to create stronger links and visitor flow between Stockton Town Centre and the River Tees and the further expansion of our programme of specialist markets. Investment is also planned in the Globe Theatre which will provide a 2000 capacity conference and events venue, and the RSPB continues to invest in the facilities at the Saltholme International Nature Reserve.
- 5.3. As a result of reduced resources there has been significant changes made to the support structures for the visitor economy regionally, sub-regionally and locally. The Council's support for tourism has been re-focussed and the visitor economy is now treated as one of the business sectors to be supported to encourage growth. Part of that role will be to facilitate local visitor economy businesses to operate their own networks and play an increasing role in their marketing.

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