

JOINT CULTURE, LEISURE & TOURISM AND REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO



Friday 13th May 2011

at 3.30 pm

in Committee Room A, Civic Centre, Hartlepool

Councillor Hilary Thompson, responsible for Culture, Leisure and Tourism and Councillor Pamela Hargreaves, responsible for Regeneration and Economic Development, will consider the following item.

1. KEY DECISIONS

No items

2. OTHER ITEMS REQUIRING DECISION

2.1 No items

3. ITEMS FOR INFORMATION

3.1 Tourism Business Support Post Area Tourism Partnership (ATP) – *Assistant Director (Regeneration and Planning)*

JOINT REGENERATION & ECONOMIC DEVELOPMENT AND CULTURE, LEISURE AND TOURISM PORTFOLIOS

Report To Portfolio Holders



Report of: Assistant Director (Regeneration and Planning)

Subject: TOURISM BUSINESS SUPPORT POST AREA
TOURISM PARTNERSHIP (ATP)

SUMMARY

1. PURPOSE OF REPORT

The report outlines the background to and context of the delivery of tourism in the North East and the impacts of the Government changes to policy. The report informs of the future support the Council can make to the tourism economy in Hartlepool in light of these changes and seeks comments and endorsement on this support and of the regional and sub regional transition arrangements.

2. SUMMARY OF CONTENTS

The report outlines the background and context of the delivery of tourism in the North East and the impacts of the Government changes to policy. The report informs of the future support Economic Development can make to the tourism economy in Hartlepool in light of these changes.

3. RELEVANCE TO PORTFOLIO MEMBER

Business support for the tourism economy in Hartlepool sits within the Regeneration & Economic Development and Culture, Leisure and Tourism Portfolios.

4. TYPE OF DECISION

Non-key.

5. DECISION MAKING ROUTE

To be considered by the Regeneration & Economic Development and the Culture, Leisure and Tourism Portfolio Holders.

6. DECISION(S) REQUIRED

The Portfolio Holders are recommended to note the overall support to the tourism economy, in light of the current changes.

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2. BACKGROUND

- 2.1 The visitor economy has an important role to play in assisting the economic development goals in Hartlepool and the wider Tees Valley, supporting a higher quality of environment, positive perceptions of the town and supporting inward investment and the business community specifically in the visitor economy sector.
- 2.2 STEAM (Scarborough Tourism Economic Activity Monitor) research has estimated the value of the visitor economy to Hartlepool in 2009 (draft figures) as £49.7m, supporting 835 jobs and attracting 728,000 visitors to Hartlepool in 2009. From a Tees Valley perspective direct and indirect expenditure in the visitor and business conference sectors accounted for an estimated 5.8% of the total Gross Value Added (GVA) in the economy. Tourism at a regional level is valued at bringing £3.8 billion and directly employing 51,000 people (STEAM 2009).
- 2.3 Over the last few years the visitor economy has been supported by the North East Tourism Network, led by the Regional Development Agency, ONE NorthEast and supported by four sub-regional Area Tourism Partnerships (ATPs), of which Hartlepool was represented by visitTeesvalley.
- 2.4 ONE NorthEast supported the industry with a multi-million pound budget, through research, product development, bespoke skills support, funding and through the lead on developing the North East England brand through a national marketing and PR campaign to both a national and international audience.

- 2.5 VisitTeesvalley (with the support of the 5 local authorities of Hartlepool, Middlesbrough, Stockton, Darlington and Redcar & Cleveland) offered the tourism industry in Hartlepool business support, network development, funding support and marketing & PR activity which targeted a regional and local audience.
- 2.6 The local authority role within this framework was to work with the regional, sub-regional partnerships to gain the greatest opportunities for business support and marketing for the visitor economy in Hartlepool, whilst also delivering a series of projects bespoke to Hartlepool. The tourism function within Economic Development has:-
- supported 88 businesses (in 2010/2011) through various support and interventions
 - led on 2 networking groups who meet on a bi-monthly basis (and with 30 business involved within the two networks)
 - delivered on marketing activity to encourage visitors to Hartlepool
 - coordinated and delivered bespoke training programmes (a mix of 200 students, tourism staff and Tall Ship volunteer engaged in the My Hartlepool / My Tees Valley programme and Discovery Days)
 - supported other departments on various tourism related marketing (The Tall Ships Races) and product development issues (support with planning applications and working with business on national accredited schemes).
- 2.7 In 2009 the Regeneration and Planning Services Scrutiny Forum undertook an in-depth Scrutiny Enquiry into the Marketing of Hartlepool and how the marketing and promotional activity within Economic Development targeted two particular audiences, potential visitors and businesses interested in the visitor economy. The Forum's aim was to gain an understanding of how Hartlepool was marketed in terms of tourism and business and identify ways of raising the profile of the town. Key conclusions from this investigation included:-
- a) That the support provided by officers to the businesses in Hartlepool was greatly welcomed by the businesses in the town;
 - b) That the marketing budget, whilst not being well resourced, was utilised to its full potential;
 - c) That businesses can and are working in partnership to market Hartlepool;
 - d) That Hartlepool's places of interest are not well known enough both externally and within the town;
 - e) That the geographical position of Hartlepool does not help to encourage passing visitors.

3. THE CHANGES TO THE TOURISM STRUCTURES

3.1 Since the new Government, several changes have emerged which have overhauled the previous working practices and the opportunities available to the visitor economy.

3.2 ONE NorthEast & Northern Tourism Alliance

ONE NorthEast tourism function will totally cease to exist by December 2011. The tourism marketing function has ceased and the remaining few months will concentrate on the regional website, database management system (desti.ne) and research. This will be in partnership with the Northern Tourism Alliance, a partnership set up by NewcastleGateshead Initiative, Northumberland Tourism, Visit County Durham and Hadrian's Wall Heritage and informed by close discussions with visitTeesvalley. It is hoped the Alliance will continue some of the successful work achieved by the North East Tourism Network.

3.3 visitTeesvalley / Tees Valley Unlimited

Tees Valley Unlimited (within which visitTeesvalley became a part of) had to make severe budget reductions in light of the loss of funding to the organisation, with the overall budget being reduced from £7.4m to around £2.2m. This has had a significant impact on the organisation. Along with these cuts and the emergence of Tees Valley Local Economic Partnership (LEP) there has been a need to focus on two key ambitions – 'to drive the transition to the high value, low carbon economy' and 'to create a more diversified and inclusive economy'. The impact of these changes led to visitTeesvalley ceasing to exist from March 2011. One transitional tourism post has remained at Tees Valley Unlimited, whose role will be to work with Tourism Officers across Tees Valley in delivering the Transitional Plan and exit strategy and transfer identified areas of work to local authorities within the Tees Valley. This is predominantly focusing on:-

- Network priorities
- Website & destination management system (desti.ne)
- My Tees Valley (bespoke course to improve a visitor experience)

3.4 Tourism Policy

The new Government Tourism Policy was launched in March 2011. It identified the importance of the tourism industry to the economy – 200,000 businesses, directly provides £52bn of the UK's GDP, 4.4% of jobs and one of the fastest growing sectors.

However the aims for future policy have changed and these changes need to be considered and reflected in the support and activity provided to and by businesses. Key areas of particular relevance from the policy and are transcribed below:-

- “The government will ‘modernise and update local tourism bodies to become focused and efficient Destination Management Organisations which are led by and, increasingly funded through partnership with the tourism industry itself’.
- “The new local tourism bodies must act as the voice of the visitor in their destination, and the businesses which form the local visitor economy too. This means there must be strong partners with Local Authorities and Local Enterprise Partnerships in place-making as well”.
- “There must be partnerships between the public sector – usually the Local Authority – and local businesses and attractions, including newly formed Enterprise Partnerships... their governance must give majority power over hiring, firing and directing the management to local private and third sector visitor economy organisation instead of LAs, LEP or other Government bodies”.
- “We will leave decisions on whether and how to modernise, shrink or close the existing state-sponsored scheme (Quality Inspection Scheme – star ratings) to the industry itself, through the newly-refocused VisitEngland”.
- “We will improve visitor information by reformulating the rules on our existing ‘Brown Tourist Signs’”.

3.5 The loss of external funding opportunities (Single Programme Funding, Working Neighbourhood Fund) to support both local businesses and the Council with product development and marketing opportunities will also have implications on future projects and developments. Whilst the emergence of Regional Growth Fund is an option for large scale projects, SMEs (which make up a large element of the tourism businesses) will struggle to gain access to such opportunities. There will be a need by HBC to consider programme bids to support smaller businesses within this sector as well as other sectors.

4. THE WAY FORWARD

4.1 In light of the subsequent changes there are proposals in place to help support the visitor economy of Hartlepool.

4.2 Tees Valley and five local authorities

Tees Valley Unlimited provided a one year Transitional Post to support the visitor economy and deliver the transitional plan including developing exit strategies for a number of actions. The Councils will

remain committed to working in partnership across Tees Valley and will look at delivering jointly on appropriate activity and projects identified within the Transitional Plan are noted below:-

- TVU and the Council's will continue to engage with local businesses to ensure they are aware of the key issues that face them and to help them to access any business support available. Key networks that were developed across Tees Valley (Attractions & Events Forums) will be looked at to see if there is still private sector interest to continue these in the future.
- Work will continue to encourage businesses across the Tees Valley to work together and also develop networks, Hartlepool being a good example of this with the success of the Passport and Hotels Group and the building of relationships between the Hartlepool College and local businesses.
- TVU and the local authorities will continue to network and engage with colleagues in ONE NorthEast, who are delivering in research and destination in order to help in the decision making of local specific activities
- TVU will continue to look at any opportunities (which are yet to be identified) through the Northern Tourism Alliance which will support the local businesses.

Hartlepool will play a leading role in managing this transition with the Transition Officer, particularly in relation to website and destination management activity.

- 4.3 The current changes coupled with the current financial constraints will mean tourism support will need to be more targeted and quantifiable and there will be a greater need for joining up activities to get the most effective results for businesses. It is important to build on the successful press coverage and image awareness to potential visitors which The Tall Ships Races 2010 succeeded in achieving (valued at over £3m).

The key priorities in the forthcoming year will be:-

- Inform businesses of the current changes and implications
- Provide advice and guidance as to the best routes to support – both financially and for marketing, training and networking purposes
- Deliver two key campaigns to promote Hartlepool as a visitor location which will include a range of marketing material. This will include two campaigns around the two key pieces of targeted printed material (Hartlepool Mini Guide – 30k distributed within a 1-2 hour drive time through a National Distribution Company and the Eat+ campaign – 25k copies distributed within Hartlepool and through a targeted 1 hour drive time. Both campaigns have

provided an increase in income generation year on year through advertising and sponsorship opportunities, with £4,500 contributing to the two pieces of print in 2010/2011 (34% of the overall cost for design, print & distribution).

- To deliver and enhance the current destinationhartlepool.com website to act as a key source of information for both visitors and residents on all aspects of visitor information – accommodation, attractions events and to support this with social media activity and e.direct mail. This will be the most cost effective activity in the future and also have the widest reach in terms of audience.
- To engage with other departments within Hartlepool Borough Council to look at how to deliver joined up marketing activity where appropriate and encourage staff to assist with the information collection in order to provide the most up to date information for visitors. Key activity is working with Cultural Services and the Countryside Service. Consultation has already focused on print (the potential to join together the Mini Guide and What's On material), website delivery (develop a What's happening element within destinationhartlepool.com) and social media.
- To look at alternative and new opportunities for joint working outside the traditional 'Tees Valley' boundary. Tourism and Cultural Services have now joined membership with Discover Durham to target our key attraction Hartlepool's Maritime Experience to the trade and group market. Discover Durham is a membership partnership of attractions within County Durham (which receive financial support from the Durham Area Tourism Partnership).
- To continue the work of the two key networking groups – Passport Group and Hotels Group and to engage with the Navigation Point Group. The groups join together at bi-monthly meetings and consist of businesses with an interest in the visitor economy. The Passport Group has representatives from public, private and the voluntary sector and a key to these meetings is to see where opportunities arise where businesses can work together to support each other in reaching potential visitors (be it through events or marketing opportunities) and to share examples of best practice.
- To continue to deliver business engagement and support with the local businesses
- To increase the income generation received to support all marketing activity and in particular look at the opportunities within the website for income generation.
- To deliver on bespoke training and workforce development, in particular raising the awareness of the tourism product and customer care to local businesses and students. There is additional support to the educational sector on raising the profile of the tourism industry as a potential career opportunity and also working to engage local tourism businesses with the education sector.
- To continue to work with Redcar & Cleveland Borough Council on the Golf Week which last year had 340 golfers playing over 900

rounds of golf, 66% of those playing from outside North East England. By 2012 it is envisaged this event will be cost neutral.

5. RISK & FINANCIAL IMPLICATIONS

- 5.1 The loss of the sub-regional and regional infrastructure does have the risk of tourism losing the profile it has previously received on a sub-regional, regional and national level. A substantial budget supporting local businesses in terms of marketing, training, PR, business support and product development has been lost and there are very limited opportunities for businesses to access funding, in particular for the smaller SME's which make up a considerable proportion of tourism businesses.
- 5.2 The loss of the sub-regional Area Tourism Partnership could weaken the influence and opportunities from the Northern Tourism Alliance. The transitional post is only identified for one year and whilst Local Authority Tourism Officers will support the 'way forward' there is no identified sub-regional resource after 2011/2012.

RECOMMENDATIONS

- 6.1 The Portfolio Holders are recommended to note the overall support to the tourism economy, in light of the current changes.

7. CONTACT OFFICER

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