



Delegated Decision Report

28th July 2020

Subject: North of Tyne Tourism Programme Business Case
Report of: Principal Strategy & Economy Manager
Decision maker: Paul Hanson, Interim Head of Paid Service
Portfolio: Place and Productivity

Report Summary

The purpose of this report is to request the approval of the North of Tyne Tourism Programme business case.

NTCA Cabinet, on the 28th January approved a budget of £3.5m for the Tourism Programme up to 2022/23 (from the Culture, Creative and Tourism allocation in the NTCA Investment Plan) and agreed to consider the budget for future years following a review in 2022/23. Cabinet also authorised the Head of Paid Service, in consultation with the Investment Panel and Portfolio Holder, to consider and approve the full business case for the North of Tyne Tourism Programme.

Recommendations

The Interim Head of Paid Service is asked to:

- i. Approve £3,500,000 for the North of Tyne Tourism Programme, subject to the funding conditions set out in paragraph 1.13.
- ii. Authorise the Director of Economic Growth to apply the allocated funding in line with the North of Tyne Tourism Programme business plan.

1. Background Information, Proposals and Timetable for Implementation

Proposal Name	North of Tyne Tourism Programme Business Case
Lead Organisation	NTCA
Partners	N/A
Delivery Areas	North of Tyne
Timescales	July 2020 – March 2023
Total expenditure	£4.07m
NTCA Investment Fund	£3.5m
NTCA Budget Implications	The programme will be funded from the £8.4m Culture, Creative and Tourism funding line of the Investment Plan agreed by Cabinet in March 2019.

- 1.1 Cabinet considered an investment approach for tourism at their meeting on the 28th January 2020. The report set out proposals for North of Tyne Events Programme and an approach to destination marketing that would support these activities. The aim of the North of Tyne Events programme is to secure benefits to the area through investment in a year-round programme of very high quality cultural and sporting events capable which will attract significant number of people to the area throughout the year.
- 1.2 A review was also undertaken of the current arrangements and delivery of destination marketing of the area and assessed how the Combined Authority could add value to the work already undertaken. A strategic coordination role was found to be extremely important, but currently missing and establishment of that role would ensure that the Combined Authority builds on existing provision. Cabinet agreed that NTCA should take on this strategic coordinating role around destination marketing and events commissioning, which will complement the work currently undertaken by the existing destination management organisations.
- 1.3 Cabinet agreed an indicative ten-year tourism programme allocation of £15m, with an initial agreed budget of £3.5m for the next three years. A review will be undertaken in 2022/23 before a budget is agreed for the following years of the programme. Cabinet also authorised the Head of Paid Service, in consultation with the Investment Panel and Portfolio Holder, to consider and approve a full business case for the North of Tyne Tourism Programme.
- 1.4 The North of Tyne Tourism Programme business case sets out the approach for the first three years of a ten-year strategy to expand the scale and impact of the North of Tyne visitor economy by giving people more reasons to visit, stay longer, do more and spend more. The programme will deliver a programme of events; create compelling visitor experiences that join up the best of our City plus Coast plus Countryside; and increase the impact and value for money of tourism development and promotion through a more co-ordinated approach across the area's full range of tourism assets.
- 1.5 The programme involves the planning, commissioning and delivery of an events programme over the next 3 years. These events will be designed to showcase the North of Tyne to domestic and international audiences. It is anticipated that they will comprise:
- **Anchor Events:** distinctive, high-quality home-grown events rooted in the culture of the area, attracting significant numbers of visitors and with the potential to grow in time to become signature events.
 - **Signature Events:** events that are unique to the area, which make a substantial contribution to national profile and attract staying visitors from across the UK.

- **Major Events:** large-scale events with international status, attracting significant audiences and extensive media coverage.

- 1.6 Furthermore, linked to the above, a series of new tourism products/experiences will be developed, based on the concept of ‘City plus Coast plus Countryside’. Products will focus on the area’s key strengths identified as being its: History; Landscape, Seascape, Cityscape; Sport & Adventure; Local Culture; and Arts. More particularly, products will be designed to give a higher profile to some of the area’s lesser known attractions and help to disperse tourists more widely across the North of Tyne area.
- 1.7 The project will be delivered over three financial years, with a start date of July 2020 and ending in March 2023. The initial months of the project will focus on creating the resources and capacity to restart activity, with the aim of returning to the pre-Covid 19 level of activity and visitor numbers by March 2023. This will create a platform from which to achieve growth during the following years of the full ten-year strategy.
- 1.8 The three-year programme of events and tourism products assumes that some social distancing measures and restrictions on mass gatherings may continue for several months at least. It also takes into account the possible impact of Covid-19 on the disposable income of visitors, as well as the potential for increased caution about attending mass gatherings and public events.
- 1.9 There will be a greater emphasis on smaller, bookable events so that numbers can be more carefully managed, and events staged in a safe way that promotes confidence in the public to engage. Delivery options for larger events will be as flexible as possible to allow for prevailing circumstances. For example, there is an option for larger events, such as the Winter/Spring Festival, to be designed as a series of smaller, bookable events that can be delivered under the same banner but spread out across different locations, should social distancing and mass gathering measures require this.
- 1.10 The cost of the Project is £4,070,000 over a period of three years, of which £3.5m is requested from the North of Tyne Investment Fund, and £570,000 will be levered from other sources (£285,000 from other public sector sources and £285,000 in private sector funding such as event sponsorship).
- 1.11 Independent estimates suggest that this initial investment of £3.5m investment from NTCA would generate additional visitor spending of £28.1m, supporting 520 (gross) new jobs and generating £16.6m (gross) additional GVA. The impact of this three-year programme will be fully evaluated to assess potential future growth and to inform the development of the full 10-year strategy.

Outputs	
Description	
Major events delivered	1
Signature events delivered	3
Anchor events delivered	10
Attendees at events	190,000
Overnight attendees at events	99,000
Bookable North of Tyne visitor products developed	8
Bookings for North of Tyne visitor products	1,440
Overnight visitors participating in new tourism products.	864
Jobs created in Tourism and Culture Unit (Direct)	4

1.12 A full appraisal has been undertaken which found that the project has a clear strategic rationale and aligns very well with the strategic ambitions of the North of Tyne Combined Authority, the North East LEP and other relevant bodies. The appraisal noted that it is evident that tourism is a growing sector and that growth in the North of Tyne area has been above the UK average over recent years, whilst still remaining below the level of performance that it might expect based on the relative size of its economy and relative to the performance of comparator areas. The North of Tyne Tourism Programme will build on recent success in order to exploit untapped potential with an early focus on supporting recovery.

1.13 NTCA Investment Panel considered the proposal on the 12th May and recommended to the Head of Paid Service that funding of £3,500,000 is approved for the North of Tyne Tourism Programme subject to the development of a detailed monitoring and evaluation plan as part of a detailed three-year business plan.

2. Potential Impact on Objectives

2.1 The North of Tyne Tourism Programme has a strong fit with the Combined Authority’s vision and key priorities. The project demonstrates strong alignment with the North of Tyne Economic Vision and demonstrates alignment with regional and national policy, specifically the UK Industrial Strategy, the Tourism Sector Deal and the Culture & Creative Sector Deal.

3. Key Risks

3.1 Risks associated the funding application have been considered as part of the application and appraisal process. The conditions associated with the funding approval relate to the mitigation of risks.

4. Financial and Other Resources Implications

4.1 The financial implications associated with the funding approval proposed in this Report are:

	2019/20	2020/21	2021/22	2022/23	Total
North of Tyne Tourism Programme		391,672	1,058,512	2,049,816	£3,500,00
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Resources are available in the NTCA budget to cover the proposed expenditure.

5. Legal Implications

5.1 The Interim Monitoring Officer’s comments have been included in this report.

6. Equalities Implications

6.1 All of our constituent authorities receiving grant have in place individual equality policies which they adhere to and are in line with the Public Sector Equality duty which came into force in April 2011.

7. Inclusive Economy Implications

7.1 The programme has potential to contribute towards an Inclusive Economy in the North of Tyne area. The investment in new events and tourism products / services will help to attract increased numbers of visitors to the area, to stay longer and spend more. This additional visitor

spending will support jobs in the local economy. NTCA will be in a position to encourage employer partners (e.g. those organising events or developing new products) to sign up to the North of Tyne Good Work Pledge. In addition, one of the most significant routes for inclusion of those furthest from the labour market is through volunteering and event providers will be required to provide routes for these volunteering opportunities to be made accessible to members of the Inclusive Economy target groups.

8. Climate Change Implications

- 8.1 NTCA will ensure that climate change implications are considered as part of the planning of each event to ensure that sustainable travel options are built in. SMEs engaged in the events planning and delivery or product development components of the programme and that are eligible for support will also be signposted to Business Energy Savings programmes to assess support for energy efficiency/renewable investment that will help them to reduce their carbon footprint locally.

9. Consultation and Engagement

- 9.1 The project has been discussed at Technical Officers Group meeting, Investment Panel, at Officer level in NTCA.

10. Appendices

None

11. Background Papers

NTCA Cabinet Paper, 28th January, Item 4 Investment Fund Update and Funding Approvals, Appendix A, North of Tyne Tourism – proposed investment approach
<https://static1.squarespace.com/static/5bbf08bdc2ff616708156a58/t/5e25d1fd5dfafe47d3a23102/1579536894238/NTCA+Cabinet+28+January+2020%2C+Agenda+Pack+.pdf>

12. Contact Officers

Maria Antoniou
Principal Strategy & Economy Manager
maria.antoniou@northoftyne-ca.gov.uk
07970627134