

**Title** The Regional Approach to Fulfil Ambitions for the North East Visitor Economy  
**Report of:** Phil Witcherley, Director of Economic Growth and Innovation  
**Portfolio:** Culture, Creative, Tourism and Sport

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## **Report Summary**

The North East Combined Authority (North East CA) Cabinet agreed in March 2025 that the North East CA should develop proposals, in collaboration with industry and partners, to build on existing structures including the current Destination Development Partnership (DDP) pilot, Destination North East England, which has been managed by Newcastle Gateshead Initiative (NGI) Ltd since 2022. The focus of these proposals is embedding a strategic regional tourism function and shaping and enabling the delivery of a ten-year strategy for the visitor economy.

Since March 2025, the North East CA has consulted on our vision for the visitor economy with more than 300 stakeholders in the sector on the best ways to support and add value to the work of local authorities at a regional level. This report sets out the results of this engagement and proposed next steps, including the financial and operational implications.

Funding from the North East CA Investment Fund is proposed to support the delivery of the new regional tourism function. Delivery will occur through evolving the role of Newcastle Gateshead Initiative (NGI) Limited and providing funding to meet their operating costs as a re-designed organisation for the remainder of FY 2025/26. In addition, we are seeking to secure capacity for external independent expertise to carry out an organisational review and develop a transition plan, including establishing a long-term approach to governance and a corporate identity that accurately reflects a regional remit. This will ensure that the redesigned organisation is financially sustainable, delivers value for money, achieves efficiencies, and carries the confidence of all public and private sector partners. Following the organisation review, a further report will be brought to Cabinet later in 2025 to outline a proposed long-term budget for the organisation that builds on and secures the in-principle commitments set out in this report.

The purpose of this report is to request approval of £1,555,751 investment funding towards NGI Ltd to support the operational transition to a new regional body, based on a redesigned NGI, and to deliver regional visitor economy activity and authorise the Chief Executive, in consultation with the Mayor, to finalise the terms on which this grant funding is to be provided. This report was recommended for approval by the Finance and Investment Board at its meeting held on 7<sup>th</sup> July 2025.

## **Recommendations**

The Chief Executive, is recommended to:

Approve £1,555,751 of North East CA Investment funding to Newcastle Gateshead Initiative (NGI) Limited to deliver a strategic tourism function for the region, through a redesigned and reorientated organisation.

### **A. Summary of Investment Proposal (Context)**

#### **1. Background**

The Mayor's manifesto, North East devolution deals and interim Local Growth Plan prioritise growing the visitor economy and recognise the benefits that a thriving culture and events scene provides in terms of regional profile and job growth.

The North East's distinctive visitor economy offer spans over 500km of coastline, two UNESCO World Heritage Sites, Northumberland National Park, historic castles and cathedrals, leading football teams,

an international cricket ground, and diverse and distinctive cultural and heritage venues. The region also boasts key infrastructure to support the sector including Newcastle International Airport, which generates over £1bn in economic impact annually, the Port of Tyne ferries, and critical linkages via rail and road. The visitor economy is a significant source of employment in the North East, supporting 91,000 jobs across 7,205 businesses, 99% of which are SMEs. The tourism sector contributes £6.1 billion to the regional economy.

In addition to being a major source of employment and economic value, the visitor economy sector directly supports the North East's pride in place by displaying the region's cultural identity, heritage, and natural assets to residents and visitors alike. It plays a significant role in shaping perceptions of the region, fostering community cohesion, and enhancing quality of life. Investment in the visitor economy also acts as a catalyst for wider regeneration and place-making, attracting inward investment, stimulating local supply chains, and encouraging innovation across creative, leisure, and service industries.

In 2022, the region was chosen to deliver the first regional tourism Destination Development Partnership Pilot (DDP), receiving £2.25m from the Department for Culture, Media and Sport (DCMS) to attract more visitors, create new visitor experiences and target new domestic and international visitor markets. The DDP, in addition to creating a pilot that promotes best practice and learning and creating a coordinating framework for the regional visitor economy, also sets a regional 10-year ambition of doubling the size of the visitor economy and growing its cumulative economic impact to over £10bn.

The DDP provides regional coordination and strategic planning on regional issues such as availability of accommodation and the environmental sustainability of the sector. This arrangement has to date supported regional working at a deeper level to realise the sustainable economic and social benefits of the visitor economy across Newcastle, Gateshead, Northumberland, North Tyneside, South Tyneside, Durham, and Sunderland.

In March 2025, Cabinet requested that proposals are developed, in collaboration with partners, that set out how the region can deliver on the growth potential of the regional visitor economy by building on the existing Destination Development Partnership (DDP) pilot (Destination North East England) and in doing so build the regional delivery capacity needed to accelerate growth and collaboration, drawing on the region's wider assets and infrastructure that contribute to and support the region's visitor economy. Cabinet approved key principles which have guided the development of these proposals for new regional capacity and organisation:

- Value and capacity should be added to local delivery, with the focus being on enabling regional opportunities for impact at scale.
- Strategic and operational accountability will be to the Mayor and Cabinet.
- There should be a clear leadership role for local stakeholders and wider industry, including private investment and amplification of the role of the private sector.
- Focus should be on the delivery of amplified and aggregated regional benefit.

The Interim Local Growth Plan sets out the scale of the visitor economy and its contribution regionally, and the assets and infrastructure that help to underpin this, supporting our mission to become 'a home to a growing and vibrant economy for all' and 'a welcoming home to global trade.' Specific opportunities are identified to help capitalise on these assets and generate significant sustainable growth, including changing international perceptions of regional peripherality; creating a more integrated and mixed visitor package and offer including sustainable 'products'; improving pathways into employment and skills development; and, significantly increasing the number of international visitors (both leisure and business) and the duration, and therefore spend, of their visits.

Embedding and deepening these regional activities will enhance business competitiveness, workforce skills, and sector resilience across the North East's visitor economy. This will work in tandem with the

activities delivered by Local Authorities and industry partners at a local level, including destination development and management, sector convening and business support. Additionally, this will sit alongside the development of a regional culture and sports strategy, and creative industries growth plans, in particular screen and music, all key pillars to the overall regional approach. Through deeper partnership development and a focus on key functions, this will stimulate economic growth by supporting SMEs to improve productivity, helping job creation, and strengthening supply chains across hospitality, cultural, and creative industries. Alongside this, by leading national and international marketing campaigns, cultivating strategic relationships with global travel trade partners, and presenting a unified, compelling brand narrative for the region, a new regional approach will raise the North East's international profile, attract greater volumes of international visitors, and position the region as a globally recognised, competitive visitor destination.

## 2. The Investment Proposal

The existing NGI's activities will be evolved to focus on increasing demand for the regional visitor economy whilst also addressing constraints and improving the labour market for the sector. Core functions will include delivering a fully integrated Regional Destination Development Partnership, operating effectively as a 'hub and spoke' model bringing together local and regional endeavours, with the strategic capacity to lead national and international marketing campaigns, shape sector-wide strategies for attractions, accommodation and environmental sustainability underpinned by high quality data and evidence, and represent the North East in national partnerships, policy forums and advocacy efforts.

NGI Ltd is a company limited by guarantee. The management of the company is conducted by the board of directors which includes representatives of both Newcastle and Gateshead councils and private sector organisations. As part of the proposals set out in this report, the North East CA would become the public sector member for the new Board, overseeing its transformation to a redefined organisation delivering our regional ambitions.

The redesigned NGI Ltd will assume a core set of immediate 'day 1' functions from its start in summer 2025, with the ability and scope to add functions over time based on the need and the capability to deliver. The functions the organisation will undertake as the new 'Regional body' at its start are set out in the table below. Regional funding will therefore not support any non-regional activity undertaken by the 'Regional body.' Local activity, that is activity, which is solely local in scope, will instead be funded via Service Level Agreements with the relevant local authorities / areas where it is appropriate and where there is agreement in place to do so. A clear set of key performance indicators will be aligned to the core functions, with appropriate capacity and resource allocated to deliver against them.

The table below identifies the core functions for the regional body with examples of how this will operate with local activities, and as referred to above, to deliver a fully integrated Regional Destination Development Partnership operating as a 'hub and spoke' model that brings together local and regional endeavour, and in alignment with wider and complementary business support.

Function 1: National and international marketing activity	<p><b>Regional body:</b> Enhanced/extended marketing team manages key markets, plans and delivers long term activity and bespoke campaigns, e.g. screen tourism, Nordic campaign in partnership with transport operators</p> <p><b>Local Activity:</b> campaign development partner; provides local intelligence, amplifies information dissemination; provides training and support for local business</p>
Function 2: Strategic Place Marketing	<p><b>Regional Body:</b> enhanced/extended marketing team commissions perceptions research &amp; brand mapping, develops regional narrative and brand propositions that utilise and amplify local brands and assets. This includes helping organise regional delegations, and deploying bespoke campaigns/collateral/representation at regional-level national and international events, e.g. UKREiiF</p>

	<b>Local Activity:</b> jointly develops regional brand propositions, manages local brands, works in partnership with the regional body at regional-level national and international events including with local content and contributors.
Function 3: Convention Bureau and Meetings, Incentives, Conferences and Exhibitions (MICE) strategy	<b>Regional Body:</b> Reshaped team delivers convention Bureau for whole region including existing local platforms such as Meet in Durham; develops a holistic Meetings, Incentives, Conferences, and Exhibitions (MICE) strategy, manages institutional relationships <b>Local Activity:</b> develops offer in partnership, local liaison, training, and business support
Function 4: National sector advocacy, partnerships, and policy development;	<b>Regional Body:</b> Holds relationships with national and international governments and agencies, co-ordinates agreed national advocacy, convenes and co-ordinates new pathfinder or policy initiatives <b>Local Activity:</b> Local intelligence and knowledge development, driven by local sector convening, jointly agrees advocacy and policy initiatives, and contributes content.
Function 5: Regional Skills and Centre for Excellence in Tourism & Hospitality	<b>Regional Body:</b> Co-ordinates strategy, connectivity with regional skills strategy, leads on major projects (e.g. centre of excellence) <b>Local Activity:</b> holds delivery relationships with providers, co-ordinates and provides local intelligence, local employer liaison.

Following a period of stabilisation and redesign of the current organisation to fulfil the 'day 1' functions above and following the organisational development review (see below), the organisation will be assessed for potential additional new functions which may include a major events bureau and co-ordinating strategy and long-term priorities to help attract investment for new infrastructure.

### Organisational Development Review

To ensure that the repurposed organisation has the capability and capacity to deliver the above functions, there is recognition of the need to ensure 1) the organisation is structured correctly for the longer term and 2) that a period of time in FY2025/26 is provided to enable an effective transition for this purpose.

It is therefore proposed that, in addition to funding being provided to support the above regional functions, additional investment is provided to enable capacity for external independent expertise to carry out an organisational review and development. This is to ensure there is an effective transition to perform the regional functions, including establishing a long-term approach to governance. This will ensure the new organisation is financially sustainable, demonstrates and delivers value for money, and carries the confidence of all public and private sector partners.

As set out above, the intention is that NGI Ltd is redesigned to carry out a wider regional remit than it currently does. To ensure that NGI Ltd takes on this wider role, it will require funding to stabilise its existing activities and provide capacity to implement the required changes. It is therefore proposed that the North East CA provides up to £1.55m of funding for FY 2025/26. The breakdown of this funding is set out below and in the financial implications section of this report. The strategic transition, including an organisational review and development of communication and marketing assets, will occur over the current year, with a budget of up to £250,000 (as part of the overall investment). Provision for this specific budget to support transition is made on a 'worst-case' basis and we would expect final costs to be lower.

External expertise will be procured to undertake work to design an operating model that supports the agreed strategy and objectives of the organisation, associated organisation design appropriate for the efficient and effective delivery of functions, and a transition plan to move to that model, in addition to support updated marketing and communications to reflect the redesigned regional body. The review will also identify longer term investment requirements, income generation (including, for example, membership fees and partner arrangements), and expenditure. It will also consider whether any

changes to the existing constitutional arrangements of NGI Ltd would be appropriate and the implications of NGI Ltd taking on the wider role.

This work will continue to work closely with Local Authority officers and constituent tourism bodies and will regularly report to Economic Directors group. As part of this work, we will develop a proposal for governance for the new body that ensures that bodies such as Visit Northumberland and Visit County Durham are involved in the governance of the organisation going forward.

The existing DDP governance arrangements will continue, ensuring that the region continues to benefit from existing sector leadership and input from across the region. These arrangements will continue until the end of that project, unless superseded by findings from the organisational development review.

<b>Project Expenditure</b>		<b>To March 2026 (£)</b>
Staff Costs (please refer to additional summary below)		1,136,156
Overheads (comprising Rent / IT / Insurance / Audit / Professional Fees / Legal etc)		153,063
Programme/Activity Costs to deliver the strategic regional tourism function (destination development / profile and place marketing / research)		878,992
Strategic Transition and Organisation redesign costs (indicative and we are looking to provide value for money through procurement):		
Interim External expertise costs	75,000	
Provision for costs to recruit	10,000	
Brand/marketing/comms redevelopment	75,000	
Provision for organisational structure changes	90,000	
		250,000
<b>Total</b>		<b>2,418,211</b>

A brief has been developed for the organisational development review and has been included for further information in Appendix 1.

A summary of the Staff Costs split across functional areas is provided below:

	<b>FY25/26</b>			
<b>Service Area</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Leadership / Corporate Services / Finance	118,229.50	118,229.50	118,229.50	354,688.50
Comms/Marketing/PR/Events	131,657.93	131,657.93	131,657.93	394,973.79
Delivery: Visitor Economy Development / Sector Development / Research	128,831.16	128,831.16	128,831.16	386,493.48
<b>Total</b>	<b>378,718.59</b>	<b>378,718.59</b>	<b>378,718.59</b>	<b>1,136,155.77</b>

Project expenditure is based on the organisational footprint and associated costs of NGI Limited as at 1<sup>st</sup> July 2025 and comes in advance of the organisational development review referred to above. This review will include assessment of the organisation's internal structure and operations, including capacity, capability, systems, data, and communication channels, as well as its ways of interacting and working with the external environment and delivery landscape; in particular, aligning with locally focused and managed activities. This will ensure that the organisation has clear alignment between its core functions, with the costed capacity required to deliver these functions, and the investment resources needed to support going forward. The goal overall is to optimise the organisation's efficiency, productivity, and strategic alignment with our goals for the region's visitor economy.

## 2.1 Outputs and Outcomes

Outputs	25/26	Total
Number of residents who have received a direct intervention in line with the aims of the programme	300	300
Number of unique enterprises receiving support	262	262
Number of knowledge exchange interactions	6	6

Description of Outcomes	Timeframe for achievement	Totals
Increase in day visits to the North East	To Mar'26	72,500
Increase in nights stayed by tourists in the region	To Mar'26	18,250
Increase in total spend within the regional visitor economy	To Mar'26	£6,250,000

## 2.2 Timetable for Implementation

Milestone	Forecast Date
Proposal Start Date	01/07/2025
Commencement of Core Functions Delivery	01/07/2025
Organisational Review commencement	July 2025
Organisational Review Completion	November 2025
Report to Cabinet on forward plan	25 <sup>th</sup> November 2025
Financial Completion Date	31/03/2026
Anticipated Proposal Completion Date (date by which all outputs/outcomes will have been achieved)	30/06/2026

## 2.3 Evaluation

The investment covers a nine-month period to 31<sup>st</sup> March 2026 which includes resource to undertake an organisational development review to optimally position the organisation going forward. A report will be brought to Cabinet in late 2025 to present the outcome of this detailed review. As such, an evaluation is not required as the review will provide an alternative outcome to assess performance and to appraise and recommend an organisational structure and model for future delivery.

## 2.4 Appraisal

The appraisal of the business case has been externally assessed; a summary is provided below.

### Appraisal Summary:

The proposal outlines a strategic investment to support the transformation of NewcastleGateshead Initiative (NGI) into a new regional visitor economy organisation. This transition aims to enhance the North East's appeal as a unified and well-networked destination, increasing domestic and international visitor numbers. The project will conduct an organisational review of NGI in 2025/26, ensuring a fit-for-purpose structure and operating model is in place by April 2026, continuing the work of the Destination Development Partnership (DDP) pilot.

The strategic case is strong highlighting the need for public funding due to market failure. The repurposed NGI will deliver core regional functions to stimulate visitor demand and support economic growth.

The economic case quantifies outputs based on NGI's DDP experience. Clarification is needed on definitions for enterprise support indicators. Long-term projections suggest a 2.5% annual uplift in visitors and spend, with a return on investment (ROI) of 4:1. A high-level assessment estimates £6.25m in additional visitor spend by March 2026, supporting 92 gross FTE jobs (46.5 net) and generating £3.66m gross GVA (£1.86m net). A full value-for-money assessment and BCR will follow the organisational review.

The commercial case justifies the need for a centralised regional visitor economy body. It emphasises the importance of a single platform for visitor information and coordinated marketing. The project includes one procurement to appoint a consultancy for the organisational review. The preferred governance model is an Arm's Length Body partially owned by the North East Combined Authority (NECA), with future financial implications to be detailed in a subsequent business case.

The financial case estimates total project costs at £2.42m, with up to £1.56m requested from NECA and £862k in match funding from DCMS, private sector, and NGL members. A sustainable operating plan will be developed, exploring public, private, and commercial funding options. DCMS funding is not yet secured

The management case outlines clear governance and delivery arrangements. Key milestones are reasonable, but delays in procurement or review could impact timelines. At point of appraisal subsidy control position is not fully set out and requires additional review prior to contracting.

#### **Proposed Conditions of Funding:**

	<b>Condition</b>	
1	To inform the development of a robust BCR and value for money assessment of the next stage of the project, the organisational review should consider the cost efficiencies to be achieved, alongside the additional quantifiable benefits to be delivered by the new regional body / operating model from April 2026.	Contract Condition

## **2.5 RAG Assessment**

<b>Overall RAG assessment</b>		
<b>Risk</b>	Strategic case	<b>GREEN</b>
	Commercial case	<b>GREEN</b>
	Economic case	<b>AMBER</b>
	Financial case	<b>GREEN</b>
	Management case	<b>GREEN</b>
	<b>Overall rating</b>	<b>GREEN</b>

## **B. Potential Impact on North East Combined Authority Objectives**

This proposal directly addresses the strategic priorities of the Combined Authority as outlined in the North East Deeper Devolution Deal, the Local Growth Plan, and the Mayoral Manifesto.

The Deeper Devolution Deal explicitly highlights the region's ambition to develop the cultural, creative, tourism, heritage, and sport sectors on a regional basis. Establishing a Regional Destination Development Partnership and Marketing Agency would operationalise this commitment by providing a strategic, coordinated approach to sector development across the North East. It would strengthen the coherence of the regional offer, enhance national and international visibility, and improve the ability of the sector to attract visitors, investment, and talent, delivering on the aspirations set out in the Deal.

Building on this foundation, the interim Local Growth Plan, conceives of the visitor economy as central to the mission to develop ‘a North East we are proud to call home.’ This mission seeks to create an inclusive and thriving region by removing barriers to opportunity, enhance quality of life, and strengthening local pride. The establishment of the regional body will support this mission by significantly increasing the volume of workforce and business support delivered in partnership with local partners, and by stimulating visitor demand through the cultivation of a compelling and cohesive brand narrative for the North East. In doing so, it will help realise the full potential of the visitor economy to change international perceptions of the region, strengthen sustainable and networked infrastructure, deepening civic pride and reinforcing the North East’s reputation as a vibrant and welcoming place to live, work and visit.

### C. Key risks

A proposal-specific Risk Register has been completed as part of the Business Case and will be reviewed as part of the organisational development review by the Project Team and any concerns will be highlighted to the reconstituted NGI Board which will make decisions on any major mitigation measures needed. The risks associated with this proposal have been fully considered through the Combined Authority’s Single Assurance Framework and will be regularly reviewed through the North East CA’s claims and monitoring process.

Key high-level risks include:

- Financial: Delay in funding approval impacting on deliverability and commencement of activities in the timeframe proposed.
- Financial: Lack of investment impacting on quality of delivery and impact delivered from across core functions, impacted by inability to secure match funding from public and private sources.
- Legal: Inability to configure and implement a clear governance approach to support the ambitions and functions set out for the redesigned regional body.
- Operational: Loss of staff expertise and/or failure to recruit to key positions and functions.
- Operational: Reduced or insufficient coordination between activities and functions at local and regional levels.
- Operational: Mission-creep resulting in too many functions or activities being undertaken impacting on strategic objectives and related KPIs.
- Reputational: Inadequate or poorly executed communications and advocacy impacting engagement and confidence from partners.

### D. Financial and other resources implications

The financial profile for the project/programme is included below:

<b>Funding source</b>	<b>2025/26</b>	<b>Total</b>
<i>North East CA Investment Fund (£)</i>	£1,555,751	£1,555,751
<i>Partnership Fees (£)</i>	£259,272	£259,272
<i>Destination Development Partnership / DCMS (£)</i>	£421,188	£421,188
<i>MIPIM*</i>	£182,000	£182,000
<b>Total (£)</b>	<b>£2,418,211</b>	<b>£2,418,211</b>
<i>*As is currently the case, the Combined Authority will not be attending or funding activity around MIPIM. This will be funded by either LAs or the private sector who wish to attend.</i>		

### E. Legal implications

The comments of the monitoring officer have been included in this report.



Whilst it is proposed that the North East CA becomes a member of NGI Ltd (and replace the existing local authority members, i.e. Newcastle City Council and Gateshead Council), it is not intended to make any changes at the present stage to NGI's existing governance arrangements.

The funding agreement between the North East CA and NGI Ltd will set out the outputs which the North East CA expects to achieve in return for the funding support it is providing. The funding agreement does not mean that the North East CA assumes any responsibility for any liabilities of NGI Ltd.

## **F. Equalities implications**

The North East CA follows the Public Sector Equality duty and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024, the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader.

The approach outlined provides the opportunity to build on the successful launch in September 2024 of the Regenerative Visitor Economy Framework, which sets out a shared understanding for regenerative tourism in North East England to drive sustainable and inclusive economic growth, including generating social benefits and driving value for local people and places as well as incoming visitors to the region.

## **G. Consultation and engagement**

In developing the proposals set out in this paper engagement has been undertaken with the following groups and organisations: LA7 Chief Executives; LA7 Economic Directors; Newcastle Gateshead Initiative Ltd Board and Senior Leadership Team; Local Visitor Economy Partnership (LVEP) boards and visitor economy businesses in those areas, visitor economy businesses and stakeholders in local authorities not currently covered by an LVEP, Visit England, and the Culture, Creative, Tourism and Sport Advisory Board; and the Department for Culture, Media and Sport.

The Combined Authority will continue to consult and engage externally, with both public and private sector partners, through the organisational review and ensure that the redesigned organisation includes expertise, and is able to represent issues, from across the full breadth of the region. In particular, we will set up a visitor economy reference group to provide input into the organisational review and future priorities for the Visitor Economy. The review will also consider how best to ensure that the Board includes a broad range of expertise geographically and by type of organisation. It will also consider a potential role for a Local Authority Executive Director, in addition to Combined Authority representation.

## **H. Appendices**

Appendix 1: Brief for an Organisational Review and Development of NGI Ltd

## **I. Background papers**

North of Tyne Combined Authority [November 2022 Cabinet](#), and North East CA [July 2024 Cabinet](#) – 'Culture, Creative, Tourism and Sport Strategic Portfolio Plan' – pages 35-36.

[November 2024 Cabinet](#) - 'Early Delivery Priorities for Culture, Creative, Tourism and Sport in the North East' - pages 87-94.

[March 2025 Cabinet paper](#) – 'Delivering our Ambition for the Regional Visitor Economy,' pages 534-539

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## K. Glossary

DCMS	Department of Culture, Media, and Sport
DDP	Destination Development Partnership
FY	Financial Year
LVEP	Local Visitor Economy Partnership
NE	North East
NGI	Newcastle Gateshead Initiative
North East CA	North East Combined Authority
NTCA	North of Tyne Combined Authority

## L. Consultees

Cabinet Member:	Director/Head of Service:	Director of Finance and Investment:	Monitoring Officer:
Yes	Yes	Yes	Yes

## **Appendix 1: Brief for an Organisational Review and Development of NGI Ltd**

### **Purpose:**

To undertake an organisational development review of, and transition plan for, NGI Ltd that will deliver on the long-term ambitions for the regional visitor economy. The review will establish a rebranded and redesigned organisation that is positioned and equipped to deliver our ambitious vision for growing the region's visitor economy, ensuring that the region is as dynamic as it can be in attracting visitors to experience and enjoy what we have to offer, now and into the future. Delivering a set of core functions against related KPIs, the organisation will be financially sustainable, deliver value for money, achieve efficiencies, and carry the confidence of all partners.

This follows approval at the [10<sup>th</sup> June 2025 meeting of the North East CA Cabinet](#).

### **Why?**

The region's visitor economy is of significant economic importance and directly supports our regional profile, our pride in place, community cohesion, and acts as a catalyst for wider regeneration across the region. The Interim Local Growth Plan has a 10-year vision to double the GVA of the visitor economy. This means significantly increasing the number of visitors, both leisure and business, and the duration of their visits.

Following extensive consultation across the region's public and private sectors, ongoing since March 2025, there is broad consensus on transitioning to a regional tourism body to transform and enhance the visitor economy across our wider area, to strengthen regional coordination, and elevate the profile and brand of our great region.

### **Organisation - core functions:**

The redesigned NGI Ltd will assume a core set of immediate 'day 1' functions for commencement in July 2025, with the ability and scope to add additional functions over time based on the need and the capability to deliver. These functions are fully set out in the June 2025 Cabinet Paper (see above) but briefly comprise:

- delivering a fully integrated Regional Destination Development Partnership operating as a 'hub and spoke' model bringing together local and regional endeavours;
- the strategic capacity to lead national and international marketing campaigns including leading the region at key investor events and through the Convention Bureau;
- shape sector-wide strategies for attractions, accommodation and environmental sustainability underpinned by high quality data and evidence;
- co-ordinate strategy and connectivity with regional skills strategy, leading on major projects (e.g. proposed centre of excellence for tourism and hospitality); and
- represent the North East in national partnerships, policy forums and advocacy, including working directly with neighbouring CA areas, and through The Great North partnership and Scotland on relevant campaigns and initiatives to attract domestic and international visitors.

Following the organisational development review, the organisation will be assessed for potential additional new functions which may include a major events bureau and co-ordinating strategy and long-term priorities to help attract investment for new infrastructure.

### **Organisational Development Review – key requirements:**

The North East CA is proposing to redesign the existing Newcastle Gateshead (NGI) Ltd by overseeing its transformation to a fit-for-purpose, rebranded organisation. This will be delivered by a comprehensive assessment of the organisation to identify an optimal operating model for delivering the above core functions and overarching regional ambition set out for the visitor economy.

This will include assessment of the organisation's internal structure and operations, including capacity, capability, systems, data, and communication channels, as well as its ways of interacting and working with the external environment and delivery landscape; in particular, aligning with locally focused and managed

activities. The goal overall is to optimise the organisation's efficiency, productivity, and strategic alignment with our goals for the region's visitor economy.

The review to be undertaken will need to dovetail with work focused on the specific legal and governance requirements for the repurposed organisation. This element is being commissioned separately, but appointed contractors for each area of work will need to come together where it is needed and appropriate to do so.

The following specific requirements for the organisational development review are:

<b>Overarching objectives</b>	<ul style="list-style-type: none"> <li>• Design an operating model and organisational design that supports the agreed vision, strategy, objectives and core functions of the organisation.</li> <li>• Develop and agree with the Board (including the North East CA), and in consultation with other stakeholders, a transition plan to move to that model.</li> <li>• Align and work with other appointed contractors to support: the development of branding and communications; the organisation's relaunch; and the organisation's revised governance and Board membership.</li> <li>• The above to include clarification of longer-term investment requirements, income generation (for example, including membership fees) and expenditure to drive forward operations and delivery of the period to at least FY2028/29.</li> </ul>
<b>Targeted objectives</b>	<ul style="list-style-type: none"> <li>• Enhanced Strategic Alignment: ensuring that the organisation's structure supports its strategic goals, core functions and that a core set of KPIs (with relevant measurement criteria) are agreed and implemented.</li> <li>• Improved Efficiency and Productivity: assessing how processes and the organisation overall can be structured to increase productivity and achieve efficiencies over time.</li> <li>• Increased Employee Engagement and Satisfaction: identifying and co-designing clear roles and responsibilities that grow and support employee morale and engagement as part of a new organisation and approach.</li> <li>• Better Communication and Collaboration: optimising communication channels and collaboration with key internal and external stakeholders to improve cross-region teamwork and decision-making.</li> <li>• Preparation for Future Growth or Changes: ensuring that a well-defined organisational structure can be easier to scale or adapt to new challenges and opportunities.</li> </ul>
<b>Areas for review and development</b>	<ul style="list-style-type: none"> <li>• <b>Organisational Structure and model:</b> Identifying the most effective way to structure the organisation, reporting functions, and roles. This may include a review of other successful regional tourism bodies' business models. This should review the current position and 'as-is' capability moving to a 'to-be' capability and capacity footprint. This should include defining clear roles and responsibilities for employees (e.g. at functional levels) to support accountability, ownership, and productivity, aligning with how the organisation will work with other partners in the region (see below).</li> <li>• <b>Roles and Responsibilities:</b> The review will need to account for the delivery and the associated roles and responsibilities held at</li> </ul>

	<p>local levels, in line with local partners, to ensure that there is clarity, effective management of expectations, and optimal aggregation of support and activities between local and regional levels. Working with local partners, this should result in a clear definition of activity alignment between local and regional levels.</p> <ul style="list-style-type: none"> <li>• <b>Communication Channels:</b> Ensuring that information flows effectively internally through the organisation, and outwards to external stakeholders and audiences, including ensuring that this aligns with the development of communications and marketing assets for the new organisation.</li> <li>• <b>Processes, Systems and Data:</b> identifying areas where processes and systems can be streamlined, developed, or adapted to meet the core functions and objectives set out. Ensuring that the organisation is configured optimally in respect of its data collection, sourcing, analysis, dissemination, and onward advocacy.</li> <li>• <b>Culture:</b> assessing the organisation's culture and identifying areas and opportunities to create a positive and fulfilling environment for staff and partners.</li> <li>• <b>Financials:</b> identification of longer-term investment requirements with associated benefits and impacts, income generation potential and expenditure to drive forward operations and delivery of the period to at least FY2028/29.</li> </ul> <p>The above to be undertaken with appropriate consultation with industry stakeholders, public sector partners and staff.</p>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Agreement of a Project Inception Plan for the work, outlining approach, anticipated timeframe and key milestones, outline issues and risks to be considered by all parties, and access to information and data.</li> <li>• A transition plan that comprises a timed and resourced approach to organisational development within a clear report that sets out the approach to and conclusions and recommendations against each of the areas set out herein, supported by proposed investments required.</li> <li>• The above to be presented as both a draft report and final report at agreed and appropriate milestones.</li> </ul>

### Managing the work:

Fortnightly meetings will be agreed to ensure regular contact and discussion is maintained through the delivery of the work. This will align with agreement of key milestones for completion of activity and reports, including reporting to the NECA Cabinet and Economic Directors<sup>1</sup>.

### Timeframe:

<sup>1</sup> Economic Directors is a weekly meeting of Economic Development Directors comprising representation from NECA and all Local Authority partners.

Subject to contracting, work needs to commence by early July 2025 and conclude by the end of October 2025. Detailed milestones will be agreed with the North East CA. **This is to ensure that forward proposals can be presented to the North East CA Cabinet meeting on 25<sup>th</sup> November 2025.**

*North East CA, June 2025*