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Case study: the Visitor Economy

Purpose of report

For noting.

Summary

Recommendations

Members are asked to note the case study for the visitor economy.

Action

Secretariat / CLOA Advisory Panel as appropriate.

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Case study: the Visitor Economy

1. The role of festivals and events as positive economic drivers is increasingly recognised across the globe and within the UK. Festivals are acknowledged as having a major impact on the development of cultural tourism to the host communities.
2. The case studies below illustrate a number of thematic festivals, each with differing economic impacts, and highlighting the need to maintain a flexible approach to the type of support required.
3. A key challenge for local authorities moving forward is to identify those activities that have the biggest potential for increasing their economic impact in order to best focus time and resources.

Festivals Suffolk

4. Festivals Suffolk is a new marketing campaign that promotes Suffolk's own unique brand of festival, highlighting the importance of a vibrant cultural sector to support the visitor economy. An economic study was commissioned from East of England Tourism using PRIME¹ based on the activity generated by the following events:
 - 4.1 HighTide Festival
 - 4.2 Bury St Edmunds Festival
 - 4.3 Aldeburgh Poetry Festival
 - 4.4 Harvest@Jimmy's
 - 4.5 Ip-Art Festival
 - 4.6 Latitude
 - 4.7 Pulse Festival (Ipswich)
 - 4.8 Aldeburgh International Festival
 - 4.9 Newmarket Festival
5. The study estimates that the net impact (i.e. once displacement has been considered) of the Festivals Suffolk range of events on the local economy was the generation of £1,386,277, of which £1,257,063 was in the local economy. This in turn created or sustained 13.15 FTE jobs, of which 11.69 were in Suffolk.

¹ The Cambridge Economic Impact Model

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The Great East Swim

6. The Great East Swim is one of a series of 1 mile, mass participation, televised events held across the country. Open to participants of all abilities from elite athletes through to those with additional needs, 3,000 swimmers participated and an estimated 7,000 spectators attended in 2010.
7. Key Economic Outcomes:
 - 7.1 Economic Impact £572,286 (using the PRIME model)
 - 7.2 Return on Investment £3.58 per £1 spent. 3.5 times investment made.
 - 7.3 PR and media value achieved £229,736
 - 7.4 Estimated value of sponsorship raised for good causes £167,000
 - 7.5 26% of participants who responded to the post event survey indicated that they stayed overnight. Of these 51% stayed in hotels
 - 7.6 19% of spectators stayed at least one night, with 43% of them staying in hotels
 - 7.7 41% of visitors from outside of the county indicated that it had improved their perception of the county
8. The direct economic impact of the event is clear; furthermore it is likely that multipliers arising from the opportunity to showcase the county to a new audience will translate into additional future visits.

Aldeburgh Food and Drink Festival

9. In just five years the Aldeburgh Food and Drink Festival (AF&DF) has established itself as one of the best in the country. Although the main weekend is held at Snape Maltings, the festival is unique in that it includes a week of Fringe Events held throughout the East Suffolk area, enabling the market towns, villages, pubs, cafes, hotels and shops to benefit from the increased interest in local food. The Festival supports 200 exhibitors and the fringe event supports 500 local businesses (hotels, pubs, coffee shops and every other retailer).
10. It is estimated that the festival generated an annual financial benefit to the local economy of £1, 723,000. This sum has been estimated by taking into account sales by the exhibitors and their personal expenditure, fringe events, financial benefits of positive marketing, benefits to the wider community and longer term benefits of exposure.

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Tour of Britain – Norfolk Stage

11. Norfolk County Council invested £265,000 to bring the Tour of Britain to Norfolk in September 2010. The event was staged mid morning to mid afternoon on a Thursday, during term time. This inherently excluded many potential spectators in employment who were unable or unwilling to take time off and those in full time education. Yet according to police figures 130,000 spectators saw the riders compete in Norfolk. This was the highest for any stage of the 2010 Tour and one of the highest ever.
12. Based on an average spend of £41 per person, the event day spend in Norfolk is up to £5.4 million. This represents a twenty-fold return on investment.
13. 81% of the income came from out-of-county visitors. Many visitors also took the opportunity to stay more than one night. The economic impact of this has not been included in the analysis.
14. The stage highlights, broadcast on ITV4, featured panoramic shots of Norfolk's attractions and countryside. Several positive references were made in the commentary, such as 'picturesque scenes' and 'fantastic coastline'. With 133 pieces of media coverage achieved reaching a readership/audience figure of 10 million the PR Value alone amounts to over £500,000.
15. This year Norfolk and Suffolk County Councils, along with key district and borough council partners are sharing stage 7 of the Tour from Bury St Edmunds to Sandringham.

Lee Valley White Water Centre- a tourism destination and agent for social change

16. The new Olympic venue in Hertfordshire, The Lee Valley White Water Centre (LVWWC), is a generator for legacy outcomes in the main Olympic Park. In addition to the main Olympic course there is an intermediate course, a new lake so ensuring that kayakers and canoeists can progress through development phases from beginner to elite levels, a café, seminar facilities and an adjacent country park with walking and cycling access. It is also adjacent to the poorest wards in the County.
17. The LVWWC is the only new Olympic facility to be open before the Games in 2012 and its paid operation began on Good Friday 2011. It is now the base for the British Canoe Union (BCU), it has team GB in residence training on most days, has held a successful test event and given the County host status. Apart

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from hosting the Olympic event for five days in 2012 the World Championships in 2015 have also been won.

18. The Herts is Ready for W inners legacy partnership is closely involved in all aspects of the work www.hertsisreadyforwinners.co.uk
19. So far the facility has generated £800,000 of income, is fully booked for the rest of the operational season and is predicted in a full year operation to attract 70,000 users and many more casual visitors. It is also expected to operate with a small surplus. It is now seen as a tourism destination with many casual visitors and organised tours to view the facility, see Team GB in action and stop for refreshments. For the five days of Games in 2012 teams and visitors will be hosted in hotels and other accommodation and these experiences will be built on to deliver a much bigger event in 2015 and to promote the County as a visitor destination
20. There have also been a number of legacy related benefits:-
 - 21.1 The RSL is undertaking an entire refurbishment of the flats in the poorest wards to help develop an increase in feelings of pride in what has been a challenging community with high levels of unemployment, low academic achievement, vandalism etc. A residents association has been formed and the community engaged with including invites to the LVWWC events and tours.
 - 21.2 A Legacy Group has been formed of two Counties, two Districts and one Town council working on an integrated set of funded schemes to improve the social, physical and economic environment. A scheme for a new hotel in the area is being developed.
 - 21.3 The major kayak supplier has opened a store close by creating 6 jobs and the LVWWC has created 45 more some going to local residents. In addition the nearby college is working with the Centre to create apprenticeships and offer training linked to the courses it offers.
22. Although these examples focus on the East of England, similar examples can be found across the country.