



Midlands Engine APPG – The Visitor Economy

Date: 22 November 2022

Time: 10:30 a.m.

Venue: Online

Attendees:

- Midlands Engine APPG Co-Chair: Lord Ravensdale, Crossbench Peer
- Lord Taylor of Holbeach (Chair)
- Lord Waverly, Life Peer
- Pauline Latham MP, Conservative, Mid Derbyshire

Guests:

- Delma Dwight, Director, Midlands Engine Observatory
- Becky Frall, Head of Tourism, West Midlands Growth Company
- Lydia Rusling, Assistant Director Economic Growth, South and East Lincolnshire Councils Partnership
- Roger Mendonca, Interim Executive Director, Midlands Engine
- Jacob Vivian, Project Manager, Midlands Engine
- Paula Mullin, Head of Policy and Partnerships, Midlands Engine
- Rachel Shaw, Director of External Affairs, Midlands Engine
- Christina Nielsen, Senior Researcher, Henham Strategy
- James Gordon, Researcher, Henham Strategy.

Opening Remarks

Lord Taylor: Welcomed attendees to the meeting. Said that by coordinating together, local groups can make the Midlands a more attractive destination for visitors. Then requested that a fact sheet be distributed to attendees, which would feature statistics demonstrating the importance of the visitor economy to the Midlands, and in particular, showing how the region has exceeded forecast estimates of jobs in the sector. He then noted that the tourism industry contributed £6.4 billion in GVA the Midlands economy, and that as a 'growth sector', it could reach £13.4 billion in GVA by 2040.

Following this, he introduced the three speakers for the session, and explained that their respective presentations would cover: 'growth areas' in the Midlands visitor economy; the impact of the Birmingham Commonwealth Games on the local economy; and the role of local tourism partnerships. He concluded by emphasising that, despite having been unsuccessful in its bid to become a pilot Destination Management Organisation (DMO), the region had seen strong integration of Local Economic Partnerships (LEPs), businesses, and other local visitor economy stakeholder groups over the course of the application process. Then handed over to the first presenter.

Presentation – Economic Breakdown of the Midlands Visitor Economy

Delma Dwight, Director, Midlands Engine Observatory

- **Introduction:** Thanked Lord Taylor for the introduction and said that the purpose of her presentation was to provide an overview of the latest statistics. Reminded the audience that the visitor economy plays a key role in driving economic growth in the Midlands, and that its influence would likely be even greater if supply chain linkages were taken into account. Then explained that though the sector had been hit hard by the pandemic and cost of living pressures, it was forecast to exceed £13 billion in GVA by 2040 according to some estimates, should it remain on its current growth trajectory.
- **Challenges and opportunities for the sector:** Emphasised that it was important to consider the ways in which this level of growth in the sector can be unlocked. Explained that the visitor economy encompasses 32,000 businesses and employs 402,000 people across the region, equating to 9% of the total workforce, which could rise to 20% in some areas. Then highlighted that a tight labour market was presenting a significant challenge to the sector, with job postings up 80% on the previous year, and businesses in the visitor economy putting double the intensity into finding employees relative to those in other sectors. Concluded by explaining that there were opportunities for greenification, supporting the local economy and growth, which her colleagues would elaborate on in more detail.

Lord Taylor: Commented that there appeared to be a dearth of visitor economy employment opportunities in some urban areas, such as Birmingham, Wolves, Solihull, and Leicester. Asked if this was due to an overall shortage of jobs in rural areas, resulting in a higher concentration of workers in the visitor economy?

- **Delma Dwight:** Agreed with Lord Taylor's observation, explaining that there was generally a higher dependency on visitor economy jobs in rural areas due to a lack of employment in diverse alternative sectors.

Lord Taylor: Remarked that it would be interesting to see how cities can strengthen their visitor economies in the future. Thanked Delma for her presentation, and passed over to the next speaker.

Presentation – The Legacy of the Birmingham Commonwealth Games

Becky Frall, Head of Tourism, West Midlands Growth Company

- **Preparations for the Games:** Opened the presentation by highlighting that Birmingham received significant support from DCMS and DIT in the run up to the Games, in the forms of trade, tourism, and investment programmes. Stressed that this preparatory work was vital, given that the moment to capitalise can easily come and go, and the time to take action is a relatively short window. Then explained that the various public bodies involved worked together effectively, with particularly strong support from the then-Tourism Minister Nigel Huddleston.
- **Business and Tourism Programme:** Proceeded to outline the two overarching aims of the programme, namely to ensure local businesses were ready to welcome a large global visitor influx, and to raise awareness and improve perceptions of the city. Explained that despite

initial uncertainty over whether visitors would be able to attend events amidst possible Covid restrictions, Birmingham city centre ultimately saw a record number of visitors over the two-week period over which the Games took place. Highlighted that, building on a strong post-pandemic recovery, the city centre recorded a 60% increase in visitors and a 24% rise in spend on the previous year. Highlighted the wider reach of the Games, noting that half of the UK population had a touchpoint with the Games, and that they drew a global audience of two billion people. Stressed that efforts to improve perceptions of the city were key in this regard, as though Birmingham has a strong legacy of industrial heritage, this alone would not necessarily motivate people to come to watch sporting events.

- **Opportunities for Local Businesses and People:** Explained that organising groups had worked hard to ensure that local people had opportunities to get involved in the Games, particularly those who did not have access to job markets, whom they could set up with skills for the future. Then said that working with local businesses to repair visitor destinations, and market them to the world, was a key step in this process. Highlighted the group's internet marketing support in particular, noting that it had connected 240 venues across the region, and helped them to use Google Insights to maximise outcomes. Explained that a temporary visitor information service was also set up, which received over 45,000 interactions, making up for services which had previously shut down due to spending cuts. Then stated that they had worked with businesses in the visitor economy to help them to open up new distribution channels and thereby access new markets, such as by linking them up with an established tour operator in a priority Commonwealth country. Noted that the marketing campaigns had helped Birmingham to land a further seven sporting events and six business events.
- **International Marketing Campaigns:** Said that DIT had helped organise trade missions to India, which took place virtually due to Covid, and to the Dubai Expo, where they presented the strong cultural aspects of Birmingham and met with tour operators. Explained that for the subsequent Australian media event, the UK ambassador had organised for a display of activities from across the West Midlands to be projected in Sydney Harbour, whilst the Canadian event consisted of a live demonstration by Glynn Purnell. Stressed that sporting and cultural aspects were linked throughout, with Peaky Blinders proving a particularly strong international hook, giving people something to hang on to before introducing them to other aspects of the region. Moreover, explained that during the period the Games were on, they worked with DIT to understand the impact of the visitor economy sector, whilst also hosting international fan trips for business, tourism and events.
- **Legacy of Hosting the Games:** Went on to explain that a legacy of the Games had been the building of a pipeline of relationships with different bodies, which demonstrated that a regional organisation could work across government departments to leverage positive outcomes. Stated that, due to time constraints, she will circulate the statistics on positive local outcomes separately, covering indicators such as changing intentions to visit. Concluded by explaining that, in the year ahead, the organisation will focus on refreshing the tourism board and continuing to shout about the attractiveness of the West Midlands for business and leisure tourism, as well as working on developing a partnership with Airbnb.

Lord Taylor: Thanked the speaker for an insightful presentation, and stressed that at the bottom of it all, energy and focus on what the group is trying to achieve was as important as anything. Then invited the final presenter to take to the floor.

Presentation – Opportunities for Future Collaboration in the Midlands Visitor Economy

Lydia Rusling, Assistant Director Economic Growth, South and East Lincolnshire Councils Partnership

- **Support of the Engine:** Opened the presentation by praising the work of the APPG, explaining that its first meeting had provided the energy to connect the visitor economy across the region, and that it continues to drive things forward. Then said that district and county council representatives had been meeting regularly to discuss opportunities and challenges in the sector, particularly in terms of attracting international tourists. Then explained that members of the APPG had championed a number of campaigns, such as the 5G Connected Forest and the carbon neutral games initiatives. Also referred to the visitor economy fact sheet produced by the Midlands Engine this Summer, noting that it had given stakeholders a deeper understanding of the sector, and shaped the East Midlands' response to the DMO pilot scheme.
- **DMO Pilot Scheme Application:** Explained that the de Bois review had highlighted fundamental issues in the DMO landscape, namely fragmentation, duplication, and a lack of funding. Stated that the East Midlands had done well to position itself as a potential pilot area for the new Destination Development Partnerships, having brought DMOs across the region together to identify how best to support the sector. Said that the East Midlands had submitted a robust 14-page proposal, with economic growth at its heart and a golden thread of partnership working throughout. Then explained that the Destination Development Partnership would have been a catalyst for transformation, allowing the East Midlands to focus on growth opportunities. Noted that though the region had been unsuccessful in its application, it did receive positive feedback on the partnership and how it linked areas, showing that the structures for collaboration are already in place to deliver growth in the sector. Stated that, as an example of this, areas were collaborating on business tourism, whilst Nottingham had been supporting Leicester on developing its visitor economy.
- **Future Opportunities:** Nonetheless, said that visitor economy organisations in the region still had a lot of learning to do in order to get a better understanding of capacity, capability, and skills. Also stated that there was a need to recognise the importance and scope of attracting international visitors, by working closely with airports, rail and port as an entry point to the region, as well as with Visit England to run workshops supporting businesses in the visitor economy to promote themselves to international markets. Stressed that attracting investment would be critical, and that the Birmingham Commonwealth Games and Coventry being named City of Culture had been positive influences in this regard. Also highlighted Arts Council England's new investment plan, released the previous week, which had announced a 25% increase in funding to the Midlands. Explained that she was currently

working with the Midlands Engine on an investment prospectus for the region, for which they had reached out to organisations in North West, with a view to replicating the policy sprint they had undertaken as part of its successful application for the pilot scheme. Concluded by thanking all involved from the Engine, remarking that its focus on partnership had been noted and positive.

Questions

Lord Taylor: Thanked all the speakers, commenting that their respective presentations seemed to build on each other, and that they give hope for the future. Reminded the audience that it was vital to try to maintain the growth potential of the visitor economy in the Midlands, whether that be easy or not. Then opened the floor for questions and observations.

Pauline Latham: Commented that cities seemed to be failing to capitalise on opportunities in the visitor economy, and that a lack of funding for city councils may make this situation even worse. Said that it was particularly disappointing that the Derwent Valley corridor in Derbyshire, despite containing a world heritage site, did not appear to have particularly high employment in the visitor economy. Asked the speakers what could be done to help create more visitor economy employment opportunities in places like Derwent Valley?

- **Delma Dwight:** Offered to circulate an enlarged version of the map of visitor economy employment, complete with labels. Deferred to colleagues to provide further answers.
- **Becky Frall:** Responded by highlighting that a strong foundation for all visitor areas was key to delivering value across the Midlands visitor economy. Stated that she hoped that conversations already underway would lead to improved identification under-represented areas of the Midlands, which could be targeted for improvement.
- **Lydia Rusling:** Explained that in general, cities had been hardest hit by the impacts of Covid, and that tourism numbers had recovered quickest in rural and coastal regions post-lockdown. Said that key to boosting tourism in the East Midlands was intra-region collaboration, learning from previous examples in order to effectively target growth areas, and to utilise cities to best attract international visitors.

Lord Waverley: Commented that the UK's ongoing negotiations with India for a free trade agreement (FTA) could create new opportunities to attract inward investment from Indian firms and individuals. Explained that as part of his work with the Indian-British Chamber of Commerce, he would put Birmingham forward to be paired with an Indian city, with representatives from the Midlands Engine to engage with Indian counterparts, subject to the approval of the APPG co-chair.

Then remarked that the regional boundaries of LEPS seemed to differ from other categorisations, and noted that this could be a constraint on progress. Asked if they would consider the possibility of unifying regions to match up with others, which could allow them to improve their contribution?

- **Lord Taylor:** Responded by highlighting that in the case of the Greater Lincolnshire LEP, its boundaries were a reflection of Lincolnshire's cultural reality, being distinct from Yorkshire. Then said that he had been inspired hearing about the contribution of Ugandan Asians to the UK at a recent event, and noted that Birmingham could benefit in a similar way from closer links with India.

Lord Ravensdale: Said that it would be interesting to see how the Midlands Engine can feed into the British-Indian Chamber of Commerce, and any investment opportunities that come with it. Then thanked the presenters, noting that they had highlighted some great opportunities in the West Midlands visitor economy. Asked what the roadmap for the DMO review looks like going forward, particularly in terms of a timeline for the pilot scheme?

- **Lydia Rusling:** Responded by explaining that that the implementation period for changes to the DMO landscape will take place over 2023, though this would be subject to the outcomes of the pilot scheme. Then stated that the new system would be comprised of two tiers, namely Destination Development Partnerships and Local Visitor Economic Partnerships (LVEPs).
- **Becky Frall:** Explained that the criteria for becoming an LVEP was expected to be confirmed within the next month, and that Visit England would invite visitor organisations to apply between January and March 2023. Then said that work was underway on plans for the alignment of the boundaries of DMOs in the Midlands, as to ensure that none overlapped.

Concluding Remarks

Lord Taylor: Encouraged the group to continue its work so as to ensure that the Midlands wouldn't get overlooked in favour of 'levelling up' regions in the North. Explained that the Midlands faces its own levelling up challenges, which it must confront. Then said that it would be his last time performing the function of Chairman of the visitor economy group, as he was due to retire from the role, though he hopes to maintain an interest in the group's activities.

Lord Ravensdale: Thanked Lord Taylor for his hard work for the group, remarking that it had been one of the most effective at getting things done.

Lord Taylor: Thanked all the presenters and attendees, and brought the meeting to a close.