Written evidence submitted by Northumberland Tourism (RUT0203)

Background:

Northumberland Tourism ltd is the Destination Management Organisation (DMO) for the county of Northumberland. A not for profit company, Northumberland Tourism generates income by selling marketing services to partners, providing opportunities for them to convert the visitors we attract to the county into customers.

Tourism is critical to Northumberland’s economic future. It is the county’s second largest employer and last year contributed £816m to our economy.

Responses to Key Questions

Marketing: How well do agencies promote rural destinations across England? What more should the Government do to support this work?

Reductions in public funding support for national and regional marketing campaigns mean that both international and national marketing disproportionately benefits larger city destinations and the large leisure and tourism corporate players. This does little to promote rural England. Whilst public funds have in many areas been replaced with private investment this advantages large, often internationally owned OTAs and attractions and reduces the impact of regional or local destinations who rely on match funding being provided by collections of small or micro businesses.

The promotion of rural destinations has fragmented since the abolition of Regional Development Agencies (RDAs) and Regional Tourist Boards (RTBs) in 2010. Government strategy focused on Destination Management Organisations (DMOs) replacing RTBs as partnerships between tourism businesses and local authorities. The reality has been a patchwork of fragile local authority and public/private partnership organisations that struggle to make an impact. Many of these organisations are chasing the same businesses for membership scheme participation and advertising revenues. Whilst DMOs are potentially simpler to establish and run in branded city destinations, this is not the case in rural destinations where there may be a number of destination brands. Most other countries have maintained a sub-national infrastructure rather than foster a chaotic free-for-all.

Visit Britain’s main focus is on developing the overseas markets for the UK, working with the national tourism bodies for Scotland, Wales and Northern Ireland. Visit Britain’s marketing activity is generally focused on the capital and those honeypot sites (many of which are urban locations) that are already attracting significant numbers of overseas visitors. Whilst it makes sense to market those destinations that already have a high awareness in the overseas visitor’s minds, this approach is therefore of limited benefit to many rural lesser known destinations that do not feature in their promotions. The cost demanded for individual destinations to participate in specific overseas promotions led by Visit Britain are simply unaffordable for destinations like Northumberland.
The recent re-absorption of Visit England back into Visit Britain is in our opinion a backward step that has not only left England as the only part of the UK without an independent national tourist board, it has also taken away resource and emphasis on domestic promotion. Visit England’s RGF funded ‘Holidays at Home are GREAT’ 3 year campaign was extremely successful in boosting visitor numbers to participating destinations and supported significant job creation. It also raised awareness of the advantages of taking a holiday or short break at home and responded to the ‘staycation’ trend. Visit England also provided valuable support advice and research to assist all destinations in their own domestic marketing activities.

The current ‘Discover England Fund’ is aimed at developing the overseas markets and the minimum project value of £250,000 sets the bar for participation at an unreachable level for many rural destinations. This also favours large tourism businesses when trying to find matched funding as opposed to the many micro-businesses that make up the rural visitor economy. As a result it is likely that a great proportion of the funds will end up in the coffers on international organisations rather than the local industry.

The abolition of Visit England as an independent body focused on promoting domestic tourism and its subsequent merger into Visit Britain has reduced the level of nationally supported tourism investment. Government has focused its support on promoting inbound tourism, believing that domestic tourism just displaces spend from one part of the national economy to another. We do not support this notion as rural destinations are disproportionately dependent on domestic visits in comparison with major cities (60% of international visitors never leave London and only 3% of visitors to Northumberland are from abroad) and nationally we need to persuade more people to holiday at home.

We would recommend that the Government learns a lesson from other countries in that the private sector cannot replace public funding of tourism destination promotion, particularly in rural destinations where SMEs with limited marketing budgets dominate. Local authorities have been subject to huge funding cuts and therefore pressure on supporting discretionary activities such as tourism promotion will therefore only increase.

Access: What, if any, changes are needed to give people better access to the coast and countryside?

The responsibility for the management and maintenance of rights of way lies principally with Highway Authorities. Managing these assets under current budget constraints is a challenge which means that signage, interpretation and route clearance is compromised.
The provision of better signposted routes with added destination and distance information would help visitors make more informed decisions about which routes are worth taking.

Whilst local authorities and National Parks have been creative in developing new operational relationships any new funding is principally secured via grants and developer contributions (s106/CIL). However, this type of funding is typically directed to new infrastructure and capital investments (e.g. cycle routes, paths between towns or transport hubs and key facilities) and cannot be used to maintain the network (or the enhancements once created), which is instead reliant on local authority funding and working practice.

Improved public transport and supportive infrastructure, such as small car parks, helps with accessibility. Better information, both on and off-line would help give visitors to explore the countryside. However, rural mobile connectivity limits opportunities for most rural destinations.

**Funding and fiscal policies: How can public funding be best targeted to get new rural tourist businesses off the ground and keep them going? Are changes needed to tax levels and business rates?**

Project funding support such as EAFRD, Regional Growth Fund, redundant building grants and grants for physical improvements and expansion have successfully supported tourism businesses when bank support has been less available or reliable. This has encouraged growth and the raising of standards in rural areas. However, these initiatives have not helped fund promotion and marketing activity and therefore risked the success of the initial capital investment. There has tended to be a focus on using public funds to support innovation and ‘fads’ rather than the tried and tested, which threatens long term sustainability.

In this context, rural tourism businesses face multiple challenges in new, or emerging, visitor destinations with a low consumer profile. In the first place, they need to work together to boost the area’s appeal, and to attract and retain good quality staff. The fragility of many DMOs in rural areas is also a factor in providing a supportive framework of marketing and business support activity. These were helpful services provided by Regional Tourist Boards and Business Link and have not been effectively replaced by new LEP business support services.

Business Improvement Districts (BIDs) should not be seen as the panacea for replacing public sector funding. BIDs can often be competing with existing tourism organisations in promoting destinations due to a misalignment of BID priorities. BIDs cannot overlap, so there will be many occasions where an existing BID trumps the opportunity for a wider
potential tourism focused BID. BIDs are expensive and high risk to develop and there can be significant resistance from businesses.

The levying of a bed tax or similar visitor levy to fund DMOs would shift the burden from the taxpayer to the visitor who is enjoying a destination and using local services. This has been a successful policy overseas and is often levied at a level that constitutes a negligible additional cost for the visitor but can generate significant income to support local tourism promotion.

Online Travel Agents (OTAs) can also have a negative impact by benefiting from the destination promotion activity but contributing nothing towards the costs. Their high commission rates (20-30%) adversely affect the profit margins of accommodation providers. Taxation on these organisations is one option that could see funds coming back into the destinations for promotion and development.

There needs to be further clarification around the implications of BREXIT and impact on EU Structural Funds as rural areas benefit disproportionately from these sources. There is also a need to provide easier to access grant opportunities for diversification. The bureaucracy of LEADER and other EU Structural Funds needs to be addressed in any replacement schemes. The lack of knowledge and skills in central government departments is a real issue, particularly due to the abolition of RDAs and centralisation of responsibility and support.

**Planning and regulation:** What, if any, changes are needed to planning and other regulations covering rural areas of special character, such as National Parks, to encourage sustainable tourism?

Appropriate and sensitive development in special areas should be encouraged as they create jobs and add to the local economy in areas that would otherwise offer no opportunities for the indigenous population. The countryside should not be preserved in aspic, but neither should development be at the expense of it. Strong robust conservation policies and clear guidance in the local plan can and should encourage positive development and deter unwelcome proposals.

There needs to be an increasing supply of good quality visitor accommodation in rural destinations. Planning remains a barrier to rural visitor accommodation development, although is improving, particularly where local planning authorities have commissioned research to fully understand the opportunities for visitor accommodation development in their area.
There is a need for a more positive and better informed approach to the formulation of planning policies for visitor accommodation development in England’s rural areas, and a more supportive development management approach, with development management teams working more constructively with rural accommodation businesses and land owners to achieve viable visitor accommodation projects that meet the needs of the market and the business, at the same time as protecting the landscape in which they are located.

Local Planning Authorities are regularly under-resourced and struggle to deal efficiently with planning applications. Some consistency and continuity in planning system would be welcomed. It was unhelpful that the Good Practice Guide on Planning for Tourism was deleted by DCLG in its 2013 Review of Technical Planning Practice Guidance as this creates an advice vacuum.

**Infrastructure and skills: What measures are needed to ensure transport, housing and other infrastructure meets visitor needs? How can the sector ensure there are enough people with the right skills to support customers and businesses?**

One of the principal issues for many years has been the lack of broadband provision in rural areas. Although there have been numerous Government backed initiatives to address this issue, there has been limited traction.

Whilst broadband deficiencies in rural areas are widely discussed as both businesses and residents make their voices heard, the extremely poor mobile infrastructure is too readily ignored. This is unfortunate as mobile access for the visitor is becoming increasingly critical. There has been a huge shift from traditional marketing and visitor information solutions with mobile use for travel and holidays rapidly becoming the norm.

The failure of the Government Mobile Infrastructure Project and the now reliance of a binding agreement on the mobile operators to invest £5bn by 2017 puts significant faith in the industry to plug large gaps. But this commitment will only increase full coverage from 69% to 85% of geographic areas.

Cuts to local authority budgets have resulted in significant reduction in funding for bus subsidies which will particularly affect rural services that are often the services that private operators cannot run profitably.

Public transport in rural areas is a key concern; if bus services are available they are often infrequent and unsuitable to support visitors to an area. Greater commitment is needed to
support public transport in rural areas, including sustainable tourism strategies to make rural areas more accessible without the use of a car. There are some good examples of seasonal bus services to tourist destinations in rural areas however these networks tend to only be supported during the summer period, therefore limiting the potential for tourism at other times of the year.

**Local environment and character: How can national and local policies get the right balance between growing tourism and enhancing the local environment and character?**

There should be a consistent approach to planning and planning applications should be referred to tourism officers for comment. There are diminishing levels of experience within local authorities on tourism issues.

It is possible for destinations to do capacity calculations for visitor numbers to determine optimum levels and establish clear, achievable, measurable, time bound and desirable growth targets for each area. A similar approach should be used in planning policies to ensure development is governed by applying similar targets and supply and demand projections.

Honey pot sites continue to be over promoted by the national tourist boards without sufficient ‘attract and disperse’ mechanisms in place. Lesser known areas still have spare capacity for both day and staying visitors. Visitors need to be aware of these alternatives and be persuaded to visit. The key is in raising awareness of these alternative options and influencing visitors to consider them.

**Defra role: What more should the Department for Environment, Food and Rural Affairs do to ensure government departments (including Departments for Communities and Local Government, Business, Innovation and Skills, Culture Media and Sport and HM Treasury) support rural tourism?**

A more joined-up approach would be welcome. DEFRA should be an advocate for the benefits that tourism can bring to rural communities and play a role in cross government tourism policy.

DERFA needs a sufficient level of resource to deliver current obligations. Unacceptable delays in the release of EAFRD funding have resulted in part from a lack of available DEFRA staff and this same lack will now jeopardise the success of the fund by limiting the support that can be given to applicants. Many areas of the country, such as the North East have done the requested work and been ready to support funding calls for many months. The
delays will also result in compressed time tables and compromised priorities which again will put the success of the programme at risk.

It is important to continue to support the revenue costs rather than just capital.

Recognise that rural tourism needs public sector funding support more than urban destinations

Recognise that there are plenty of rural tourism growth opportunities that can be exploited with the right support

Encourage a greater role for LEPs in supporting rural tourism

*September 2016*