Written evidence submitted by Tourism South East (RUT0223)

Executive Summary

- Rural tourism businesses are a significant contributor to GDP and employment performing an important role in helping rural economies diversify and become more resilient. They contribute to local distinctiveness, create a sense of place, help to improve the quality of life for local people and attract new investment in other business sectors.

- There are a plethora of domestic and EU funding streams and structures purporting to support rural tourism - Brexit may be an opportunity to evolve and implement a consolidated and joined up approach to public funding in support of rural areas.

- Having a network that is relevant to coherent rural landscapes will be more effective for delivery and longevity – the current LEP structure may not be the best fit.

- A core principle of the marketing support strategy should be to encourage the creation of a critical mass of support and product rather than being too fragmented. This should include increased partnering, support and encouragement around themes or products that provide a critical mass of rural offers

- Overseas marketing could benefit by bringing together the ‘most likely to succeed’ iconic rural tourism products - National Parks, National Trust, National Trails - using them to disperse visitors to the less well known rural areas.

- Business support and training will be vital to aid micro-businesses that make up the majority of the rural tourism industry. These should focus on digital marketing and customer service – particular support should be given to minimise reliance on OTAs.

- It is vital that the government continues to give assurances to existing migrant workers and in Brexit negotiations, takes account of the need for low skilled labour so that businesses are not faced with the prospect of having to find and train replacements in a very tight labour market.

- There could be a more sympathetic approach to tourism development in rural areas from local planners especially towards new forms of ‘glamping accommodation’, log cabin developments, country pub accommodation and the expansion of existing holiday parks to cater for higher market expectations.

1. Who is Tourism South East?
1.1 Until 2011, Tourism South East was the official Regional Tourist Board (RTB) for the South East of England. Following the withdrawal of RDA funding in 2010/11, we have operated as an independent not-for-profit membership and partnership body for the tourism industry.

1.2 During the years as an official RTB, TSE developed a wide range of rural tourism support programmes and has retained much of this strategic and operational capability. We are still engaged in supporting/advising destination partners and businesses on EAFRD and other rural funding programmes and deliver training programmes such as Welcome Walkers and Cyclists, support for rural tourism strategies and specific rural product marketing campaigns. Great Country Pubs is a current example [www.greatcountrypubs.com](http://www.greatcountrypubs.com).

2. Preliminary Comments

2.1 A useful starting point for the Inquiry is VisitEngland’s current Rural Tourism Action Plan – part of the Tourism Framework. It was compiled and reviewed relatively recently with extensive external input.

2.2 We believe there is a need for a long term (10 year) strategy for rural tourism. This will become more pressing following Brexit. EU funding programmes tend to work on 7 year cycles and allow more time for strategic planning, well structured bidding processes and a sensible timetable for delivery. This is in contrast to recent UK Government initiatives such as the UK Challenge Fund, Discover England Fund, Great Food and Drink and Rail Funds that have been too short-term, procedurally unrealistic and not fit for purpose.

Brexit should be an opportunity to evolve and implement a consolidated and joined up approach to public funding in support of rural areas.

2.3 Rural and coastal tourism areas share many of the same characteristics – indeed large parts of the English coast having formal rural designations. They also tend to suffer the same economic and social frailties, lack of resources and long term decline. There are parallel investigations into the special issues and potential interventions for coastal areas so it will be important to ensure that the evidence from these is taken on board and there is a coordinated approach to rural and coastal tourism.

3. The Nature of Rural Tourism

3.1 Rural tourism is inherently dependent on the quality of the landscape and the heritage assets that are under the control of a wide diversity of agencies, local authorities and private owners. It both supports and depends on farming, forestry, village communities, transport infrastructure, cultural and historic facilities etc. This, inevitably, will make a cohesive and co-ordinated approach much more difficult to achieve so strong and clear leadership will be essential.
The stimulation of demand does not lie solely in the hands of the public sector, Destination Management Organisations (DMOs) etc. Private sector holiday providers and tour operators are key to bringing visitors to the countryside whether they are accommodation suppliers (collectively or individually), outdoor activity operators or specialist tour operators. Hence, **engaging with them needs to be a fundamental part of any future rural tourism growth strategy.**

3.2 Day visits are overwhelmingly the dominant market for rural tourism businesses but tend to be the main cause of environmental pressures and traffic problems at peak times. Hence, the majority of rural tourism strategies seek to influence and manage rather than increase the number of day visitors focusing instead on higher spending, lower volume staying visitors. There are many good examples of destination management strategies for rural areas that have successfully embraced the principles of wise growth. **Finding ways to improve access and awareness without adding to the pressures on sensitive landscapes will need to be important considerations for any strategy to grow the domestic market.**

3.3 In terms of the international visitors, the English countryside may inspire some markets but not all. **Hence, its attributes, distinctiveness, unique qualities and brands need to be brought to the fore in overseas marketing.**

4. **Marketing**

4.1 The promotion of rural destinations and products has declined considerably since the abolition of Regional Development Agencies (RDAs) and Regional Tourist Boards (RTBs) in 2010. Subsequently, Government strategy has focused on DMOs replacing RTBs as partnerships between tourism businesses and local authorities. With some exceptions, the reality has been a patchwork of fragile local authority and public/private partnership organisations that struggle to make an impact.

4.2 Most other countries have maintained a sub-national infrastructure rather than foster a chaotic free-for-all. **In the case of rural development planning we would recommend that having a network that is relevant to coherent rural landscapes will be more effective for delivery and longevity.**

These could be based on exceptional landscape boundaries – National Parks, AONBs or a district or county area where it is primarily rural e.g. Isle of Wight. This would also be more consistent and cohesive with other planning, development and conservation policies. **The LEADER Local Development Strategy areas may be an appropriate way of defining rurality.**

4.3 We would contend that the kind of local rural tourism plans encouraged by the recent EAFRD Tourism Cooperation Call, have limited potential in terms of creating effective marketing entities and activity and are not sustainable beyond project funding. They are not capable of generating impact in the market, especially overseas, that will make a significant difference.
4.4 We would recommend that a core principle of the marketing support strategy should be to encourage entities that have a critical mass of support and product rather than even more fragmentation.

4.5 This is one of the reasons we believe that the LEP structure has limited ability to support tourism in the rural economy – a simple example in the South East is the South Downs National Park which cuts across three LEP areas. One LEP has released EAFRD calls and the others have not so businesses in only part of the National Park can participate. The Inquiry needs to consider other options for engaging rural businesses in meaningful campaigns which with the resources and scope to make an impact.

4.6 VisitBritain’s marketing activity is generally focused on London and large honeypot locations that are already attracting significant numbers of overseas visitors. Whilst it makes sense to market those destinations that already enjoy high awareness in overseas markets, this approach is of limited benefit to many rural, lesser known destinations that tend to be overlooked.

Hence, the overseas strategy should make a greater attempt to bring together the ‘most likely to succeed’ iconic rural tourism products - National Parks, National Trust, National Trails - using them to disperse visitors to the less well known rural areas.

4.7 Research amongst international visitors suggests that pubs and rural pubs in particular, are a unique and much loved rural heritage asset. Whilst we welcomed Visit Britain’s ‘Pubs are GREAT’ initiative, we believe the potential for greater promotion and packaging is enormous. As an accommodation option, staying in a quality guaranteed country pub should be first choice for many of our overseas visitors. We would actively support a national initiative to bring a bookable, country pub accommodation product to the international market.

4.8 We also believe that there needs to be increased partnering, support and encouragement around themes or products that provide a critical mass of rural offers – Food and Drink Associations (e.g. Hampshire Fayre), Rural accommodation collectives (e.g. Farmstay, Camping and Caravanning Club), Pubs (e.g. Great Country Pubs), Walking/Cycling Holiday Operators (e.g. HF Holidays), Outdoor Activities (e.g. Go Active Breaks).

4.9 Rural businesses need to be fully enabled to take online bookings. Without it they are more likely to be dependent on Online Travel Agents where commissions can be high, resulting in low margins. More substantial support and initiatives to encourage more direct bookings at sub-national level may lessen this reliance. A good example of this, led by New Forest Tourism, Cumbria Tourism and Visit Cornwall, is the ‘Fairbooking’ scheme. In the context of supporting the viability and web presence of rural tourism businesses, we recommend that the Inquiry looks at the evidence of the Fairbooking initiative.
4.10 At the same time, small rural tourism businesses are well placed to take advantage of the marketing opportunities associated with social media. Social media can give them the opportunity to convert customers into loyal ‘friends’ who return and recommend. These skills could all be improved through focused business support and training programmes.

5. Funding and fiscal policies

5.1 In recent years the four main funding sources for rural tourism have been:

- VisitEngland
- Local Authorities
- RDAs
- EU Programmes – EAFRD, LEADER, INTERREG

5.2. In 2015, against the advice of the DCMS Select Committee and the findings of the VisitBritain/VisitEngland Triennial Review, the Government decided that VisitEngland should no longer undertake domestic tourism marketing. While they manage the £40m Discover England Fund, this is specifically for developing tourism products for the international market and not for domestic marketing. A minimum project value of £250,000 sets the bar for participation at an unreachable level for many rural destinations. Funding regimes need to be more appropriate to the majority of micro-businesses that make up the rural visitor economy.

5.3 During this same period the local authority austerity has meant that county, district and borough councils have substantially reduced or ceased tourism support and other environmental services essential to the wellbeing of the rural tourism economy e.g. beach cleaning, litter/fly tipping enforcement; or devolved them to Parish Council or other bodies.

5.4 This has impacted heavily on the rural and coastal environment. Litter is a particularly significant issue and has a big impact on the perception of the UK in general. Cuts in local authority budgets to clean up the public realm and what appears to be a lost generation of teenagers whose attitude to littering is not the same as previous generations, threaten to undermine all efforts to promote this country to overseas visitors. There needs to be a renewed commitment by government to tackle the problem – and support for those agencies responsible for addressing it.

5.5 RDAs spent £65m per annum on tourism growth and development. This funding, much of which targeted rural and seaside areas, ended in 2010/11. While RDAs have been replaced by Local Enterprise Partnerships (LEPs), only a small number of LEPs view tourism as a focus for growth and consequently LEPs funding for tourism related support of any kind has been minimal.

VisitEngland has previously issued advice to LEPs on the case for supporting tourism and the government should reinforce this.
5.6 The loss of central and local government funding for tourism means that rural tourism development is increasingly dependent upon other sources of public funds (e.g. the Coastal Communities Fund and the Heritage Lottery Fund) and European funding primarily through but not limited to EAFRD, LEADER and INTERREG.

5.7 Post the Brexit vote there are a number of concerns about EU funding:-

- Firstly, that the money available between the vote and the final exit will not be maximised particularly where there is a requirement to partner with other EU regions e.g in INTERREG projects.
- That current uncertainties and delay in terms of decisions by the Rural Payments Agency will be addressed so that business waiting for EAFRD and other European funding can get on with their projects.
- That the same level of UK Government funds will be available for all rural support post the final exit.
- That UK funding continues to be short-term driven by national political cycles (usually resulting in a maximum of 3 year programmes) and based on political aims rather than genuine need. One of the positive aspects of EU funding is that it is based on a long term strategic view.

5.8 Post Brexit there is an opportunity to simplify the complex array of funding and ensure it is delivered by a more relevant and effective structure.

6. Access

6.1 The road network is absolutely essential to rural communities and the lack of investment and the congestion this causes as peak holiday times is an issue for the whole industry. The first experience of overseas visitors can be hours spent in traffic jams – in the South East’s case on the M20, M25, M27, A31 and A27. It may also be a factor in discouraging overseas visitors from venturing beyond honeypots such as London and other cities.

6.2 Rural areas also tend to suffer from a lack of adequate public transport. This can be a key issue for workers in rural tourism businesses as well as a lost tourism opportunity. Greater commitment is needed to support public transport in rural areas, including initiatives to make rural areas more accessible without the use of a car.

6.3 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.
6.4 The rail network is also important to rural areas particularly in the promotion of car free experiences. In the South East, the New Forest has been exemplary in creating ongoing connectivity for train passengers via cycle, bus tours or even electric car hire.

6.5 There should be a full review the tourism brown and white signing system to address cross county border consistency, maintenance and eligibility guidelines. The Inquiry should start with VisitEngland’s recent work in this area.

7. Planning and regulation

7.1 We endorse the Tourism Alliance’s representations on planning and regulation covering rural areas.

7.2 Our experience is that local authority planners and economic development teams vary greatly in their understanding of and attitude to tourism related development in rural areas. Over the years we have encouraged a more sympathetic approach to tourism development producing specific guidance and holding seminars for planners on key product areas such as country pub accommodation. The rapid expansion of new forms of ‘glamping accommodation’, log cabin developments and the expansion of existing holiday parks to cater for the higher market expectations are all influenced heavily by the interpretation of local planning policy and would benefit from refreshed government guidance.

8. Infrastructure and skills

8.1 We endorse the Tourism Alliance’s view on the need for effective broadband in rural areas.

8.2 There is a clear need to raise the skill levels and professionalism of owners/managers of rural tourism business particularly in the areas of digital marketing and customer relationship building. LEPs have tended to focus elsewhere so small rural businesses have, in general, not engaged. Much more needs to be done without reinventing the wheel. There are plenty of programmes and courses in existence such as Welcome Host Gold, Welcoming Walkers and Cyclists and the Green Tourism Scheme that should be the starting point for any new support programme.

8.3 Rural tourism businesses, in common with the hospitality sector as a whole, rely heavily on EU workers. Brexit has resulted in considerable debate around how EU workers will be affected. It is vital that the government continues to give assurances to existing workers and, in the Brexit negotiations, takes account of the need for low skilled migrant labour so that businesses are not faced with the prospect of having to find and train replacements in a very tight labour market.

9. DEFRA’s role
9.1 DEFRA should engender a joined-up approach across government and, post Brexit, look to consolidate the myriad of funding streams currently in place for the rural economy.

9.2 It should reassess the structures for effective delivery of programmes and look for ways to develop critical mass to sustain activity particularly in the area of marketing.

9.3 It should advocate the benefits that tourism can bring to rural communities and support revenue rather than just capital costs and recognise that rural tourism needs public sector funding support more than urban destinations.

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