Summary

This submission outlines relevant information from research undertaken by ICTHR and other experience from ICTHR staff members pertinent to the Environment, Food and Rural Affairs Committee’s current inquiry into the role of tourism in supporting rural growth in England.

Our main observations are that:

1. Appropriate funding formulae can be better used to ease the problems that rural areas face from the higher cost of marketing and providing services in areas of low population density.

2. Cooperation between agencies is often difficult in tourism, and more so in geographically large rural areas. There are means to help facilitate this in terms of knowledge and process.

3. The marketing of rural tourism often has distinct differences from marketing of tourism generally, for example through the managing of expectations, provision of ‘signposting’ and facilities in wildlife tourism.

4. Rural tourism access remains largely car dependent, and while car use facilitates access to multiple tourist sites within a visit, tourists often seek to use other travel modes at the destination as part of the visitor experience, so transport issues need to be thought of more holistically rather than just about access to the countryside.

5. Particular access issues also exist for people with physical and mental disabilities in accessing rural destinations, as well as in the provision of suitable accommodation.

6. There is a need to join-up the criteria used for evaluating tourism funding in different funding agencies.

7. If and when negotiations to exit the EU are concluded, it will be important to determine whether, and to what extent, EU funding needs to be replaced, and through which funding agencies this is done.

8. Reducing VAT on tourism (accommodation and/or visitor attractions) is one of the most efficient ways of stimulating economic activity, and would have significant benefits for rural tourism communities.

9. There is considerable need for investment in digital competencies in small and micro rural tourism businesses, and in developing peer networks that can be used for knowledge and support.
Background

10. On 8 July 2016 the Environment, Food and Rural Affairs Committee launched an inquiry into the role of tourism in supporting rural growth in England. This document contains written evidence from the International Centre for Tourism and Hospitality Research at Bournemouth University.

11. The International Centre for Tourism and Hospitality Research (ICTHR) was established in 1996 with the aim of advancing the understanding of tourism and hospitality through world-leading research. It is globally one of the most widely recognised research centres in these fields. With 34 members of staff, including 6 professors, and often working in collaboration with other Bournemouth University staff and a global network of partners, the Centre has particular strengths in digital tourism marketing, tourism economics, and sustainable transport and travel. In the latest Research Excellence Framework, ICTHR was part of a larger group, for which 82% of the work submitted to the REF panel was rated as either world-leading or internationally recognised.

12. ICTHR research has often demonstrated the economic benefits of tourism in different parts of the world, and has also highlighted the need for tourism development to include environmental and social sustainability. These are all very pertinent to rural tourism, where economic benefits are often less obvious and visible than in urban or seaside destinations, and where environmental and social sustainability are often extremely important. The remainder of this submission details the implications from ICTHR’s previous research on the issues raised by the questions posed by the inquiry.

Marketing

13. Marketing of rural destinations tends to be very variable. There are some very good examples of marketing strategies that are being effectively implemented, and some poor examples. Arts, cultural and tourism marketing has been coordinated well, in for example Dorset (with active engagement of ICTHR staff) and also Essex, Kent and Yorkshire. The variability is primarily due to funding and the prioritising of funding; expertise; and a willingness to cooperate between public and private sectors in tourism, arts and culture.

14. Rural authorities face a very challenging environment in terms of providing services in areas with low population density and are often faced with significant difficulties in prioritising their spending. Rural tourism marketing is often seen as a low priority against the provision of other services, partly a consequence of the low visibility of the benefits of tourism in these areas. The recent success of Bournemouth as a destination is a good example of how a local authority has been able to invest in tourism where the benefits are far more obvious and transparent. Funding is something that can be eased by central government, in terms of appropriate funding formulae, or by giving greater weight to rural initiatives in funding applications.
15. In terms of expertise there is a need for the development of marketing skills, particularly at a time when the use of the internet and social media is changing the landscape of marketing communications at a pace. There are considerable returns-to-scale to be gained from learning how we interact with the countryside and the interactions between rural and urban tourism at the national level, for findings to be transferred to local levels.

16. There is reluctance on behalf of many organisations within a given geographical area to cooperate. There may indeed be competition for scarce resources between agencies, though the Arts Council / Visit England ‘Cultural Destinations’ programme is welcome. Staff at the ICTHR have collaborated with Dorset agencies in developing a bid to this programme, which has had rural coverage elsewhere in England. Increasingly they are being forced to cooperate in order to ensure financial savings, however, there are ways of helping facilitate this in terms of knowledge and process.

17. Marketing rural destinations is challenging because rural markets require specific different needs. For example, in 2009-10, ICTHR conducted a project for the Scottish Government and Scottish National Heritage examining the wildlife tourism market in Scotland. The report “The Economic Impact of Wildlife Tourism in Scotland”, freely available from the Scottish Government website, demonstrates that over a million trips are made annually to or within Scotland for the primary purpose of watching wildlife, and that wildlife tourism is a substantial generator of income and jobs in the Scottish economy. Wildlife tourism encompasses a spectrum of visitors, from those wanting close-up views and those wanting to preserve wildlife and its habitats, and key needs for marketing that are distinct from other forms of tourism, such as managing expectations, providing ‘signposting’ and wildlife watching facilities that satisfy the wildlife watchers’ interests while not causing disturbance.

18. Recent research, funded by the Economic and Social Research Council (“Destination Feelgood”) and undertaken in partnership with the National Coastal Tourism Academy has demonstrated that including wellbeing as an element of destination marketing and tourism products has a triple benefit of enhancing tourists’ wellbeing, improving public health, and increasing tourism spending in destinations. Wellbeing as a tourism product is obviously highly relevant to many rural destinations. Some findings from this research are available free-of-charge in the article “Exploring well-being as a tourism product resource” published in August 2016 in the journal *Tourism Management*.

Access

19. Rural tourism has evolved as a predominantly car based practice that enables tourists to trip chain to multiple sites on a day out. Once at the destination tourists seek to engage with other travel modes that are part of the visitor experience. Walking, cycling and bus provision are particularly valued and rural destinations should seek opportunities to develop intermodal connectivity at popular destinations. To date non-car based initiatives have often lacked integration with other modes.

20. For disadvantaged or disabled people, access is far from ideal. Various different access problems also exist with mental health issues and learning disabilities, where access to the countryside has been shown to have particular benefits. There has been much good work by for example the Youth Hostels Association and Family Holidays Association on 'social
tourism’ with staff at BU having contributed to the work of the All Party Parliamentary Group on this issue.

21. Given the growth in recreational cycling there is also a demand for cycle friendly routes and there is a need to enhance the connectivity of the rural cycle network which has evolved in a piecemeal way often in isolated locations. Research on slow travel indicates cycling and walking disperse visitor spending beyond key destinations and that participants spend more.

Funding and fiscal policies

22. When looking to gain public funds for investment in tourism infrastructure and facilities, organisations or businesses are able to bid for funds through Defra Growth Programme Grants, the Department for Communities and Local Government’s Coastal Communities Fund, or through their Local Enterprise Partnership, Department for Business, Energy and Industrial Strategy (previously the Department for Innovation and Skills) Growth Deal funding. They can also apply for EU funding through the European Regional Development Fund, through which many tourism projects have been funded in the past but which Brexit negotiations have thrown into doubt for the future. One of the future priorities for funding must be to determine whether, and to what extent, ERDF funding needs to be replaced.

23. From our experience working with the Dorset LEP on their prioritisation of Growth Deal applications and working with partners on bids for other funding sources, it is apparent that there needs to be more joined-up thinking about how these funds are allocated. While the different funding streams come from different sources with different priorities, and attach differing levels of importance to rural tourism, there is a need to ensure that the assessment of proposed investments is done coherently and ensure that a project rejected as a poor use of public funds by one or two funding agencies does not get funded by another agency simply because they are using different criteria. One priority for funding should be to join-up the criteria used by different funding bodies, possibly ensuring that a representative on each funding body’s committee assessing applications is also on the other funding body’s committees.

24. Reducing VAT on tourism services would be highly beneficial for rural tourism, and is one of the most effective ways to stimulate growth in the UK economy. ICHTR provided some research evidence to the campaign group CutTourismVAT, in 2012, the results from which are freely available on the CutTourismVAT website. Our results demonstrated the highly inefficient nature of tourism taxation and therefore that reducing VAT on tourism products would be highly beneficial. Specifically, when compared with other taxes including income tax and corporation tax, in the same modelling framework, our analysis demonstrated that cutting tourism taxation is a substantially more effective means of stimulating economic activity (GDP) for every pound of tax revenue lost. While these results come from a model that did not explicitly differentiate rural tourism to other forms of tourism, we would expect that a cut in tourism VAT would have significant benefits to rural tourism.
Planning and regulation

25. On the whole national parks and Areas of Outstanding National Beauty (AONBs), given their particular powers, are very good at preserving the specific character of some areas, though many other areas of great value are not so well served.

26. There is a need to broaden the understanding of sustainability as something that is not just about the environment, but also about society and the economy; and to ensure that officers and members in local government as well as politicians and civil servants in central government, are open to new developments in sustainable approaches and technology. This needs to be built on a sound understanding of the dynamics of the rural environment, society and economy.

Infrastructure and skills

27. Non-car based infrastructure is inevitably poor in rural areas and, where good infrastructure exists, it is often isolated and effectively acts as a tourist attraction in its own right (for example, several popular cycle trail initiatives which generate car journeys). There has long been a need for a more integrated approach, however realistically costs are prohibitive and other barriers to implementation exist. Our analysis indicates cycle and bus provision needs to be viewed through a visitor experience lens rather than as utilitarian provision. It needs to maximise the visitor experience and offer creative non-car based days out.

28. There is a need for local investment and the recognition that this is as important and may actually give greater returns, than larger national schemes. Such decision making needs to take place at a local level, but there are problems with regard to the skills sets and experience of many in local government. Staff at the ICTHR have worked on continuing professional development programmes in rural tourism for tourism destination management and arts officers and also with rural communities in the development of community-based rural tourism in for example, the Durham Dales and East Cleveland. There is a continuing need and latent demand for such provision.

29. We note that there is a separation and poor coordination between the work of the sectors skills councils responsible respectively for tourism (People First) and the creative industries (Cultural and Creative Skills - CCS). For example, CCS focus on heritage and the arts which have interests and training needs in the provision of hospitality services, while hospitality and tourism providers (should) have knowledge and interest in the arts and cultural resources in their locales.

30. There also needs to be due consideration for the teaching of tourism related vocational skills in Further and Higher Education and the development of more advance managerial and leadership skills. Part of this concerns funding, but also it is about having a more open academic culture. UK universities are well placed to provide specialist provision and continuing professional development education, but often find it difficult to link up with SMEs in rural areas.

31. Small businesses in rural locations often have an appetite for digital marketing but are constrained by a lack of knowledge, particularly related to their inability to measure the
return they obtain on their online marketing. Through the ESRC-funded “Digital Destinations” study and other funded programmes of training for rural micro tourism enterprises, we have found that there was a perceived lack of support at a destination level among these small business owners. Internet and mobile technologies provide small rural tourism enterprises with unparalleled marketing opportunities. However, this requires sustained support and where possible a concerted policy to build peer networks which owners can tap into and use for knowledge and support.

Local environment and character

32. With localisation of decision making there is a need for control of funding. There is also a need to recognize that much of the local environment and character is based on traditional agricultural and other land use based businesses and it is necessary for these sectors to remain healthy for the richness of these special characteristics to be maintained.

33. Important in local environment and character is the development of real local food supply and consumption, which can contribute to celebrating this local character, as well as maintaining the environment, landscape, rural society and benefiting the local economy.

34. Rural landscapes have provided inspiration for artists, craft workers and ‘makers’ for many years. Artists’ work, studios, galleries etc. are of considerable interest to tourists who can provide vital sources of income. There continues to be untapped potential to learn from examples of best practice.

Defra role

35. Defra needs to work closely with other government departments and agencies to coordinating rural tourism initiatives and also to ensure that legislation and initiatives are ‘rural proofed.’

36. DEFRA might also learn from and contribute to the UK ‘GREAT’ nation-branding campaign as a vehicle for cross-departmental working. Inter-departmental working was a priority in the most recent UK national tourism strategy and DEFRA should review its participation in this platform.

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