Executive Summary

1. The tourism industry nationally has been a key driver in economic growth, with a recent Office for National Statistics report\(^1\) on employment showing a growth rate of 11.7% over the five years to 2014. However, according to a study of employment by Sheffield Hallam University\(^2\) growth in coastal employment is just 1%. Although growing and not in decline, this is well behind the national average and shows that there is a need for ongoing support for the coast.

2. **Domestic and day trip coastal tourism is collectively valued at £8bn** to the English economy, representing 31% of domestic overnight holiday trips and 8% of tourism day visits. **15% of international visitors visit the English coast**, valued at c.£927m.

3. The National Coastal Tourism Academy submits the following key recommendations for consideration by the DEFRA Select Committee in order to sustainably grow rural tourism:
   
   a. Investment in:
      
      i. improvements to the transport network in coastal and rural areas and specific funds to address coastal erosion that consider the access of visitors in their plans.
      
      ii. access schemes in addition to the coastal path network
      
      iii. research, business support and sharing best practice
      
      iv. the public realm (e.g. beaches - a key attractor for coastal areas)
   
   b. Coordination of the coastal and rural visitor economy and a clear strategy for growth.
   
   c. Measures to encourage investment in coastal communities and rural areas by the private sector.
   
   d. Review of Government funded training and skills provision to reduce barriers for participation by SMEs and ensure the seasonal apprenticeship programme currently being trialled meets the needs of SMEs in rural areas.

**Date:** This paper is compiled and submitted in September 2016.

The views expressed in this paper are those of the National Coastal Tourism Academy.

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\(^2\) Sheffield Hallam University 2014 “Seaside towns in the age of austerity”
Brief Introduction

4. The National Coastal Tourism Academy (NCTA) is a successful Coastal Communities Fund project, the centre of excellence for Coastal Tourism in England, sharing best practice and providing support and guidance on the growth of the visitor economy in coastal communities. The NCTA is currently funded until March 2017.

5. NCTA activity focuses on:
   
a. Addressing seasonality – the NCTA has identified through new research, opportunities to reduce seasonality in coastal communities. The NCTA actively disseminates and shares this research and product development guidance to industry through our regional engagement programme as well as our online Resource Hub.
   
b. Provide business support and information to SMEs in coastal tourism – our online Resource Hub contains specialist information, toolkits and advice specifically designed for coastal tourism businesses, as well as shortcuts to relevant government led business support, and latest research and trends to guide business development.
   
c. Improve skills and the perception of the tourism industry on the coast.
   
d. Improve the Visitor Experience – to ensure a warm welcome and improve customer service, matching the needs of domestic overnight, day trip and international visitors.

6. The NCTA works with industry across all aspects of the visitor economy (hospitality, attractions, retail, transport, conference, international education, night time economy and arts & culture) as well as with Destination Management Organisations, the Local Enterprise Partnership and academia.

Evidence in response to issues identified in Tourism Inquiry announcement

This paper will focus on four of the seven areas of the inquiry, in order to offer a depth of insight on these complex and important issues.

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

7. The coast is considered by 84% of the British public\(^3\) as a national treasure. Yet awareness of the coastal offer and access to the coast is limited and 42% of people felt there were other places they would rather go.

8. On the coast, negative externalities can impact significantly. Transport issues are exacerbated by the fact most coastal destinations are at the “end of the line” both in terms of rail and road – congestion, repairs or the limited number of services for visitors and residents can

significantly reduce the potential of the sector. Coastal erosion is well documented leading to decline in the quality of product, due to overuse and lack of investment.

9. Coastal and rural areas alike suffer from the access challenge of “the final mile” where getting not only to the transport terminus in the destination is a problem but the connection to the attraction or accommodation is critically missing. Often reduced public support for bus services, no private sector provision or poor way marking are the causes of this that result in a negative first impression and reduced visitor spend.

10. The ideal scenario of “spreading” the positive impact of the visitor economy and mitigating negative externalities are even more difficult with coastal and rural destinations than other areas. Achieving growth requires significant co-ordination and development to present a coherent product that will drive visitors to travel the additional distance.

11. The investment in the English Coastal Path will greatly improve access to the rural coast, yet the path will not necessarily be suitable for cyclists, horse riding and other pursuits and so an on-going commitment to improving access and signage for all would be welcomed.

12. Recommendations

   a. Ongoing investment in improvements to the transport network in coastal and rural areas and specific funds to address coastal erosion that consider the access of visitors in their plans.

   b. Policy measures to encourage private sector investment in the provision of “final mile” transport services

   c. Coordination of the coastal and rural visitor economy and a clear strategy for growth.

   d. Continued investment in access schemes in addition to the coastal path network.

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?

13. One of the key opportunities for sustainable growth is investment in a research and development programme to identify core strengths and opportunities, to ensure that decision making is based on robust evidence. There are many external factors that impact on the industry’s shared consumers but no one business has the means to research all the factors and trends. This lack of information in areas such as consumer, volume and value trends impacts on their ability to remain competitive and productive and respond to threats and opportunities in the marketplace. This is particularly an issue in the SME and micro businesses and in terms of realising the international export opportunities.

14. The government provides a number of business support services and advice via the .gov website and this should be welcomed. However, there is a significant lack of awareness of these facilities among coastal SMEs and a feeling that the content is not always relevant. The
NCTA has worked to bridge this gap by linking to relevant content and providing additional resources specific to the sector.

15. Targeted business support is available via the Growth Hub network but this focuses on high-growth businesses, which by their very nature tends not to include rural and coastal tourism providers. The priorities of coastal tourism businesses are attracting new markets, improving profitability, and keeping apace with changes in technology and consumer needs to deliver a good visitor experience. Therefore support should be focused on these areas.

16. Seasonality presents a significant challenge for coastal and rural tourism businesses and coastal seasonality has changed little since 2008. NCTA research produced in the last two years has identified opportunities for growth for coastal tourism in the off-peak periods but support is now required to increase awareness of these resources and enable destinations and businesses to action that research and deliver growth year round.

17. Sharing best practice and lessons learnt from implementing change and achieving growth will be key to accelerating growth in rural areas and supporting rural businesses and communities to diversify and increase tourism in a sustainable manner. This information needs to be collated and shared widely.

18. Ensuring local areas have evidence based plans for growth (Destination Management Plans) is a critical way to ensure that public investment is utilised most effectively. Every destination is different and what support they require, and who it comes from, will vary based on a number of factors (visitor profile, awareness, destination life-stage and a variety of complex issues arising from its stakeholders). By using a DMP destinations can justify where and how investment needs to be made for appropriate and sustained growth and provide the evidence the public sector requires for its intervention.

19. Recommendations

   a. Dedicated funding for rural and coastal tourism for research, business support and sharing best practice that supports the need for destination management plans.

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?

20. Coastal tourism is fragmented, dominated by an exceptionally high number of independently owned SME tourism businesses (less than 3% corporate representation5), which makes coordination of change at a local level difficult to control and engage.

21. There has been a reduction in public sector funding for tourism at sub national level and in some areas there is no longer any destination management function. Local Enterprise

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4 GBTS 2015
5 NCTA “Coastal Tourism 2015” available from www.coastaltourismacademy.co.uk
Partnerships (LEPs) should provide a route to funding at sub-national level, yet not all LEPs recognise the importance of tourism. In addition, the high concentration of SMEs means it is not easy to supplement funding through private sector investment, and any funding received is often limited to promotional activity that is aimed at a short term return and not more long-term sustainable results. This has led to a reduction in:

- promotion – which, if not targeted properly, can results in fewer tourist visits
- provision of services (such as public toilets, Tourist Information Centres and beach management) – which in turn leads to a substandard quality of service and therefore lower satisfaction.
- business support, skills and training provision
- research that influences decision making – particularly on visitor satisfaction, trends and new market opportunities
- private sector investment - due to a fall in confidence, where public sector infrastructure is not maintained and improved

22. Pressures on local government funding are exaggerated in rural and coastal communities due to the social make-up of coastal communities as emphasised in a recent ONS publication\(^6\). The report highlighted that coastal communities have a higher than average population with a long-term health problem, some of the most elderly populations in the country (20% over 65, compared to 16% national average), 31% of residents working part-time and a net outflow of commuters.

**Training and skills**

23. Critical to achieving growth, is a skilled workforce and a benchmark level of training and skills, if the UK coastal tourism industry is to compete on an international stage. Sound training and skills should be embedded within the industry, connected to the national curriculum and cut across all levels of the workforce. It is essential that school leavers and graduates perceive a career in the UK coastal tourism industry as aspirational, with solid career progression and excellent prospects. This will help stem the drain of talented young people from coastal and rural areas and help tackle the levels of unemployment.

24. Coastal tourism directly supports 210,000 jobs\(^7\) but growth in the sector is limited by the availability of a skilled and willing workforce. 12% of staff employed on the coast come from overseas\(^8\) and they fill vital (though not always ‘skilled’) jobs. Guaranteeing the continued availability of overseas workers (especially EU workers in light of the recent Brexit decision) is critical to the ongoing success of the industry.

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\(^6\) 2011 Census: Coastal Communities (28 October 2014), Office for National Statistics

\(^7\) Sheffield Hallam University 2014 “Seaside towns in the age of austerity”

\(^8\) NCTA 2015 – Employment and Skills research funded by UK Commission for Employment and Skills
25. By working closely with the local industry and undertaking research\(^9\) with businesses on the coast, it has been possible to gain a picture of skills gaps. Chefs remain the most difficult role to recruit (24% of all businesses and 44% of food and drink businesses). Other roles difficult to recruit were housekeepers, chambermaids (particularly for guest houses) and cleaners. There is a general perception that there is a shortage of skills in the hospitality sector but it is soft skills (positive attitude, adaptable, well-presented, customer focused) that are considered more important to tourism businesses than specific job related skills. People 1st\(^{10}\) also highlight the importance of ‘soft skills’ and specifically customer handling expertise as a gap in 61% of businesses.

26. Training provision is often limited in rural and coastal areas and the NCTA has found that:

   a. Where it is provided, the main barriers to participation in training and skills programmes by businesses (particularly SMEs that employ less than 10 people) is a lack of time, insufficient staff to allow commitment, and lack of flexibility resulting in the in-ability to commit to fixed times in advance.

   b. Time conscious business managers and owners are more likely to achieve growth if offered 1-2-1 business development and support on key issues.

   c. The impact of Government funded training and business support schemes, is restricted by the number of businesses that are willing and / or able to complete the application and monitoring process often required by the funding body.

27. Apprenticeship programmes have traditionally presented an issue for coastal and rural businesses due to the seasonal nature of the work and ability to release apprentices during the peak periods to undertake their training. The trial currently being undertaken by the government is welcomed and as this develops it is in important to ensure that the new seasonal apprenticeship programme works for SMEs in rural areas as well as the larger businesses currently involved in the trial.

28. Recommendations:

   a. For the rural and coastal product, the public realm is such a key attractor to the visitor - through the beach and public spaces – and therefore additional support and funding needs to be provided to ensure that those ‘attractors’ (e.g. the Beach and landscape) are well maintained and world class.

   b. Measures to encourage investment in coastal communities and rural areas by the private sector

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\(^9\) NCTA 2015 – Employment and Skills research funded by UK Commission for Employment and Skills

\(^{10}\) ‘Overcoming the Soft Skill challenge’ 2015, People 1st available at http://www.people1st.co.uk/Research-policy/Research-reports/Monthly-insights-reports
c. Review of Government funded training and skills provision to reduce barriers for participation by SMEs.

d. Ensure seasonal apprenticeship programme currently being trialled meets the needs of SMEs in rural areas.

Defra role: What more should the DEFRA do to ensure government departments support rural tourism?

29. DEFRA’s recognition of the importance of tourism industry through this inquiry, and recognition that tourism includes domestic, inbound and day-trip visitors is greatly welcomed. Growth can best be achieved through focusing on reducing seasonality through the growth of off-peak visitors and DEFRA’s commitment to tackle this would also be welcomed.

30. Promoting the importance of tourism and the visitor economy across all sectors and levels of Government is key, the Tourism Industry Council and inter-ministerial group work towards achieving this at a national level, and are welcomed by the NCTA. DEFRA’s ongoing commitment to and involvement in these cross parliament groups would also be welcomed.

31. Rural and coastal areas have a much higher than normal level of SMEs and recognition of this among DEFRA and other government departments is essential, including ensuring that funding and initiatives are available to and suitable for the independently owned micro business.

32. There is a significant synergy between the opportunities and challenges faced by coastal communities (large and small) and rural areas, therefore close relationships with the Department for Communities and Local Government (responsible for Coastal Communities) and a greater collaboration on funding and support programmes specific to the visitor economy would be welcomed.

33. A more integrated approach to coastal and rural regeneration and central Government funding as well as an ongoing commitment to the Coastal Communities Fund would particularly help destinations where other sources and models of finance (such as Business Improvement Districts) are not achievable.

34. One of the key opportunities for sustainable growth is investment in a research and development programme to identify core strengths and opportunities for rural destinations, to ensure that decision making is based on robust evidence. The NCTA is seeking to make market research, academic research and industry insight accessible and actionable to the tourism industry. To date we have been successful in supporting businesses and the destination to achieve growth and create jobs.

35. The National Coastal Tourism Academy would like to thank you for the opportunity to provide evidence as part of this inquiry and would welcome the opportunity to provide oral evidence to the Committee.