Executive Summary

- Tourism is vital to the rural economy of our county of Lincolnshire, the second-largest by size in England.
- Measures to support rural tourism growth need to integrate rural tourism into other tourism and economic development strategies.
- In terms of marketing, there is currently little to no support for tourism outside the city of Lincoln.
- There are access issues both to and within the rural areas of Lincolnshire.
- There is a need for funding solutions that are more tailored to the needs of micro businesses.
- A decent broadband infrastructure network is vital for rural growth.
- Universities within rural regions are a key source of support for rural tourism.
- Championing 'slow tourism' will help to maintain the distinctive identity of rural areas.
- The 'light touch’ support currently offered by public bodies is not sufficient to kick-start effective growth.

1. Introduction: who we are

1.1. This submission has been prepared by Lincoln International Business School (LIBS) at the University of Lincoln. With its location at the heart of a large rural county, the school has a particular interest in and focus on issues relating to business in rural economies and has research groups specialising in Regional and Rural Enterprise, the Visitor Economy and Marketing and Supply Chains relating to Agrifood.

2. Tourism and rural growth in Lincolnshire

2.1. Tourism is a vital sector for the rural economy, and is one of the largest sectors of employment. In the rural areas, much of it takes the form of micro business with limited resources for development. By its nature, rural tourism is also widely dispersed, although a few honey-pot centres attract significant numbers of visitors. Tourism is also the result of diversification within other sectors, such as farming and food, but also in some cases manufacturing. So a development strategy for rural tourism needs to encompass a variety of other sectors and issues, and how they interact at the local scale. National policies need to take into account of local specificities. To illustrate this place-based approach, we draw on the example of Lincolnshire in our submission.

2.2. Lincolnshire is a rural county with an economy heavily dependent on agriculture and agro-industry; being relatively sparsely populated, it also has a rural ‘feel’, its market towns and villages retaining a distinctive character of close association with the land. In addition, the resurgence of interest in locally-sourced food is driven by a strong sense of the heritage of place, and an associated commitment to retaining a distinctive rural character.
2.3. It may be said that the county remains an undiscovered destination in the UK, although this is rapidly changing, largely due to developments in the county capital of Lincoln: its Castle recently underwent extensive refurbishment; the Cathedral is currently undergoing a similar major upgrade and a new attraction, the International Bomber Command Centre (IBCC), is due to open in 2017. The city hosts a number of hallmark events such as the Christmas Market. The University of Lincoln brings substantial numbers of visitors to the city by way of parent visits, particularly for graduation. Train access has improved accordingly. Lincoln now possesses a dynamic and effective DMO, Visit Lincoln (http://www.visitlincoln.com/) and has recently launched an events promotion initiative, Meet Lincoln (http://www.meetlincoln.co.uk/). Yet the benefits of such initiatives need to be extended to a far greater extent to the county’s rural areas. The LEP, the County Council and the District Councils have all prioritised the visitor economy, yet their own resources are severely stretched.

2.4. The keyword for rural tourism in Lincolnshire, as in other rural counties, needs to be integration: it is vital that initiatives should harmonise with those already underway. In particular:

2.4.1. Given the county’s historic contribution to air power in the Second World War, there is significant potential around aviation heritage: sites are scattered throughout the county, as well as to the north and south of it. Based on current visitor numbers as well as the research conducted in preparation for the IBCC, it is clear there is a significant market for this kind of tourism. Embedded as it is in the rural landscape, this means that associated services such as accommodation and hospitality could benefit, as well as attractions themselves;

2.4.2. Its well-established agricultural base means that food-related tourism has obvious potential. Rural micro and SME food businesses remain a cornerstone of the local rural economy, despite threats from national retailing and international food chains. There has been a renewed interest in local, regional and speciality produce which provides a springboard for inbound and local tourism. Provenance and source traceability are motivators for consumers, and there is an economic multiplier effect/virtuous circle for the local economy associated with local food. There is a need, however, for a collective ‘brand’ identity and a joined-up network of public and private sector stakeholders to support food tourism.

2.4.3. Lincolnshire has a thriving seaside offer, which could be better integrated; into other activities and attractions rather than the county simply acting as a ‘funnel’ to the coast, as is currently the case.

2.5. In addressing the questions posed by the Committee, we draw upon our experiences of research in Lincolnshire.

3. Q1. Marketing: How well do agencies promote rural destinations across England? What more should the Government do to support this work?

3.1. Funding for regional and local tourism promotion has been significantly reduced following the abolition of Regional Development Agencies. For example Lincolnshire Tourism, Lincolnshire’s destination management organisation, closed in 2011 following the cessation of funding from the RDA. Although the activities previously managed by Lincolnshire Tourism have been
incorporated by Lincolnshire County Council, they receive significantly less funding and are reduced in scope. The loss of Lincolnshire Tourism also means that the rural tourism businesses have lost a key representative body, and provider of business support and networking services.

3.2. As a rural county, Lincolnshire is at a distinct disadvantage compared to areas covered by metropolitan authorities, which are likely to have greater resources for tourism promotion. There are key assets within rural areas of England which remain under-promoted and hence ‘hidden’, to the detriment of local tourism businesses. An example is the Lincolnshire Wolds, the only Area of Outstanding Natural Beauty in the East Midlands. An economic baseline study of the East Lindsey we undertook suggests that there is strong potential to enhance the tourism offer of the Lincolnshire Wolds, but there is a need for greater promotion of this rural landscape.

3.3. In addition, umbrella marketing organisations are needed to focus on harnessing the creativity and individual spirit of micro and SME entrepreneurial businesses and at the same time to realise the collective benefits of strong overarching brand identity.

4. Q2. Access: What, if any, changes are needed to give people better access to the coast and countryside?

4.1. The question of access has two parts. There is the issue of how people access particular sites and locations, especially in areas of open country: access to the land. However, there is a wider issue of how people reach the rural areas by car or public transport. Whilst the former does present challenges in particular locations this is irrelevant if transport into rural areas is difficult and discouraging to visitors.

4.2. In Lincolnshire transport access is poor. Few of the county’s roads are dual carriageways and public access by train and bus is extremely limited. There is now a direct train service between Lincoln and London but only twice a day and timed to suit travellers leaving, rather than arriving in, Lincoln. Other market towns and indeed the coast could be far better served by trains than currently. Visitors arriving in Lincolnshire by train then have limited opportunities to travel to rural destinations by bus. So rural tourism in Lincolnshire is highly car-dependent, whether for local visitors or those from outside the region. International visitors have additional problems as there is no easy access by public transport from neighbouring airports. There is no direct public transport link from Lincoln to either Humberside or East Midlands airports.

4.3. Whilst transport may be a particular Lincolnshire problem it is not unique in this regard, and there are similar challenges in other rural areas of England such as North Yorkshire and Northumberland, although those areas with a direct connection to a main railway line fare better.

5. Q3. 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?

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5.1. The Regional and Rural Enterprise Research Group led a national evaluation of LEADER, on behalf of DEFRA in 2013\(^2\). LEADER remains a key funding source for rural tourism businesses and, as per the recommendations of our evaluation, LEADER funding now covers a greater area of rural England and has been extended into some market towns. According to feedback from some Local Action Groups (LAGs), however, LEADER funding remains elusive to some smaller tourism businesses. This is because of the requirement that LEADER funding is matched (in that it only funds up to 40% of a project) and that it is paid in arrears, which is a deterrent for micro-businesses which are more likely to experience cash flow problems. Given that rural tourism is dominated by micro-businesses, there is a need for funding sources that provide small grants and bureaucratic-light application processes.

6. Q4. 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?

6.1. Broadband and digital mobile infrastructure is key not only to supporting entrepreneurial development in the countryside but also to visitor satisfaction, as visitors now expect reliable access when they are travelling on holiday or business, not only for communication but also (increasingly) to download apps that can enhance their visit. These functions, however, depend on the quality of the local network provision.

6.2. Across Lincolnshire, access to broadband and in particular superfast broadband has been improving with funding from the Government’s Superfast Broadband Programme. However, take up of broadband in the rural and coastal areas remains low among residents and businesses, with Lincolnshire highlighted as an area at risk of ‘digital deprivation’\(^3\). Lincolnshire County Council has managed a number of pilot projects to promote take up and use of broadband in the most rural areas, with use of ERDF funding. We recently undertook an evaluation of these activities\(^4\), which suggested that the type of business support that is most likely to result in better use of ICT within rural businesses is one-to-one support, tailored to the needs of the business, and Technology Hubs which provide access to broadband-enabled equipment and technical expertise. This is in contrast to generic training workshops which, although useful for some businesses wishing to find out more about social media, for example, are not as well received and not felt to be as useful by participating businesses.

6.3. One innovative approach piloted by the University of Lincoln and Lincolnshire County Council is the creation of collaborative projects which pair academics with rural (mainly tourism-focused) businesses. These collaborations have enabled academics and businesses to work together on the use of technology

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to improve a specific aspect of the business, such as inventory and stock control systems, websites and online presence, and reaching new customers.  

6.4. A limitation to the success of all these initiatives, however, has been the prescriptive nature of ERDF funding which limits the support to 12 hours per business (too many hours for some, too few for those wishing to have specialist support or to develop a long-term collaboration). The eligibility criteria of ERDF has meant that retail and agriculture, two important sectors for rural tourism, are excluded from some local business support initiatives. There is, therefore, a need for future business support funding in rural areas to be more inclusive in order that all tourism businesses can benefit.

6.5. Universities, such as University of Lincoln, which lie at the hub of a large rural area, are examples of organisations that can work with rural businesses and their agents and other stakeholders; particularly to provide and facilitate support that addresses the specific barriers to development faced by rural businesses, such as higher business costs (finance: capitalisation, payment terms, trade barriers); problems of distribution and geographic distance from markets; skills gaps (IT, inventory control, distribution, accounting, marketing, web and mobile technology and social media); separation within networks and from wider networks:

- Business intelligence
- Skills training/support and targeted mentoring
- Shared university cutting edge technical/ICT innovation
- Harnessing of researcher and student energy and skills transfer
- Regional/European funding access
- Marketing, network and value chain/relationship awareness
- Smart network leadership and co-ordination
- Novel approaches to capitalisation, e.g. ‘crowdfunding’

6.6. However, whilst many universities have been encouraged to set up campuses in rural areas, the small scale and often specialised nature of these campuses may limit what they can offer to the diverse nature of businesses in rural areas. Small rural campuses can bring benefits, but there is a danger that expectations can be raised which cannot be met. Many of these rural campuses in the UK have also been subject to threat of closure, or actual closure as a consequence of their small scale and difficult financial situation.  

7. Q5. Local environment and character: How can national and local policies get the right balance between growing tourism and enhancing the local environment and character?

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7.1. It would be well worth supporting the extension of Cittaslow (http://www.cittaslow.org.uk/) to the market towns. Championing ‘slow tourism’ and a strong commitment to retaining the individual character of towns in the face of homogenising pressures, its aim is to improve the quality of life for both residents and visitors. Many towns have in recent years established business improvement districts and this could be viewed as a sustainable next step.

8. Q6. 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?

8.1. Regional-level public support is explicitly ‘light-touch’ due to financial constraints (see for example the Greater Lincolnshire Destination Management Plan, 2013-2020 at http://www.greaterlincolnshirelep.co.uk/assets/downloads/Destination_Management_Plan.pdf). While policies are thus generally well-disposed to the development of rural tourism, increased levels of resource support are crucial to effective outcomes.

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