

Tourism Select Inquiry – September 2014

Written evidence submitted by the National Coastal Tourism Academy

Executive Summary

The tourism industry nationally has been a key driver in economic growth in the last 3 years, delivering nearly 1 in 3 of all new jobs created¹. As one of the leading sectors in the economy it should be at the forefront of Government attention.

The National Coastal Tourism Academy submits the following key recommendations for consideration by the DCMS Select Committee in order to sustain and accelerate growth in tourism:

- Continuation of the newly formed Tourism Council
- Full review of public sector sub-national funding structure for tourism
- Continuation in Coastal Communities Fund for projects that specifically seek to address the development of coastal destinations
- Funding for organisations to coordinate development projects to ensure public sector funds are invested wisely and lessons are shared for the benefit of all
- Review of government funded training and skills provision to reduce barriers for participation (particularly by MSEs).
- Review of apprenticeship framework to accommodate the needs of the tourism industry

Date: This paper is compiled and submitted in September 2014.

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

Brief Introduction

The National Coastal Tourism Academy (NCTA) is a Coastal Communities Fund project seeking to accelerate growth in the visitor economy, create jobs and establish a centre of excellence.

Established in 2013, and currently funded until December 2015, the first phase of the National Coastal Tourism Academy project focuses on using Bournemouth as a test bed to build understanding and tackle four key issues facing coastal destinations.

¹ Deloitte 2013 "Tourism: jobs and growth – the economic contribution of tourism"

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The learning from the Bournemouth projects will be incorporated into a virtual hub to share best practice and develop a resource for the benefit of industry nationally.

In addition to the learning and findings of the NCTA's own activities, the virtual hub will:

- Collate latest research from academia and Industry and translate key learning and recommended actions for the benefit of businesses
- Detail case studies and best practice from tourism related projects and initiatives across the country
- Provide interactive tools and resources to support businesses to achieve growth – responding to their stated needs and challenges

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 two key areas of the NCTA's wide remit, in order to offer a depth of insight on these complex and important issues for the industry.

1. Reversing a long term decline in seaside destinations

It is well documented that some seaside destinations have witnessed a decline in tourism over the last half century; however this is not necessarily a reflection of the current national seaside situation. According to a recent study of employment by Sheffield Hallam University² there are a number of seaside destinations that have grown since the start of the recession.

Seaside tourism in England in 2012 was valued at £4.3 billion for overnight domestic trips and £3.8 billion for tourism day trips³. Although predominantly a domestic market for many seaside destinations, there are some seaside destinations that have significant international visits, for example Bournemouth, where the International Education market is valued at £212 million⁴.

Although at a national level the number of overnight seaside trips has been steady at 14.4 million for the last few years³, some individual destinations have reported growth in both numbers of visits and value over the same period and therefore reflect Sheffield Hallam University's report that the fortune of coastal destinations is a mixture of growth and decline.

² Sheffield Hallam University 2014 "Seaside towns in the age of austerity"

³ Visit England 2013 "England's Seaside: What are the opportunities?"

⁴ Bournemouth Tourism 2013 "Volume and Value"

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The NCTA has been investigating how growth can be accelerated in a coastal setting using Bournemouth as a case study, as well as understanding the key to Bournemouth's success as a leading coastal resort.

In addition to the Bournemouth project, the NCTA is reviewing all published data and reports on seaside tourism nationally, as well as liaising with coastal destinations to understand the challenges, barriers and opportunities to accelerate growth in seaside tourism. Although this exercise is still in progress, to date the NCTA has identified two key factors that present a barrier to growth for seaside destinations:

- Very high concentration of independently owned MSEs (Micro and Small Enterprises) – corporate representation is typically very low and can be completely absent in smaller or more remote coastal settings – thus the delivery of change and investment is often slower, smaller and more fragmented than city or other urban settings. The Destination Management Organisation (where they exist) also has the task of bringing together a greater number of stakeholders to deliver resort-wide change.

The NCTA conducted a review of 117 destinations in England to identify representation of 38 key national or international accommodation and attraction brands (owned by 17 different corporations). The review found that 22% of coastal destinations had no corporate representation, and 74% had less than 5 accommodation or attraction businesses owned by a national brand – this has serious implications on the delivery of change in these destinations.

- Reduction in public sector funding for tourism at sub national level – many coastal towns have seen a significant reduction in public sector funding for tourism provision, and in some destinations there is no longer any destination management function. Local Enterprise Partnerships should provide a route to funding at sub-national level, yet not all Local Enterprise Partnerships recognise the importance of tourism. In addition, with a high concentration of MSEs, it is not easy to supplement funding through private sector investment, and any funding received is often limited to promotional activity. This has led to a reduction in:
 - o promotion – which results in fewer tourist visits
 - o 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.
 - o business support, skills and training provision
 - o research that influences decision making – particularly on visitor satisfaction, trends and new market opportunities
 - o private sector investment - due to a fall in confidence, where public sector infrastructure (parks, facilities and public space) is not maintained and improved

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Coastal destinations that are seeing growth (such as Bournemouth) are those that have continued to invest in tourism services, diversify their product offer and support businesses to achieve growth. However, this level of commitment to the industry is not seen in all areas. Growth in the visitor economy, the lifeblood of many coastal destinations, has been achieved by those that are proactive and working collaboratively across the private and public sector.

Promoting the importance of tourism and the visitor economy across all sectors and levels of Government is key, the creation of the Tourism Council is one step towards achieving this at a national level, and is welcomed by the NCTA. The cross departmental commitment and interest in the Tourism Council should be commended and the NCTA feels that the Council's remit should be broadened to tackle all the issues facing the industry.

Replicating the structure of the Tourism Council at a local level is perhaps the next step for coastal destinations that have not yet appreciated the impact and contribution their industry makes to the local economy. Sharing the lessons of those destinations achieving success for the benefit of all through case studies and collaborative working is the bridge that the National Coastal Tourism Academy is working to achieve.

The commitment by Government to the Coastal Communities Fund until 2016/17 is a vital step in achieving growth and regeneration for coastal destinations. Accessing central Government funding schemes, such as the Coastal Communities Fund or Skills Fund Agency schemes, has enabled resorts to deliver business support and training, improvements in the public realm and kick-start regeneration and growth.

However, to date there has been little coordination of such schemes and sharing best practice to ensure that public funds are used wisely and lessons shared needs central coordination. The short term nature of the funding schemes also make it difficult to have a more holistic and sustainable approach to regeneration and growth. Continued commitment to the Coastal Communities Fund and an increase in the length and scale of the projects that can be undertaken would be a welcome step.

A more integrated approach to coastal 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.

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. 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.

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Recommendation:

- Full review of public sector sub-national funding structure for tourism and how Local Enterprise Partnerships can support the industry
- Continuation in Coastal Communities Fund funding for projects that specifically seek to address the development of coastal destinations and extension to the life-span and scale of projects that can be supported
- Measures to encourage investment in coastal destinations by the private sector
- Funding for organisations to coordinate development projects on the coast to ensure public sector funds are invested wisely and lessons are shared for the benefit of all

2. Improving training and skills within the domestic tourism sector

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 towns and help tackle the levels of unemployment.

One aspect of the NCTA's work has been driving growth through supporting businesses and delivering a training and skills programme for the tourism industry in Bournemouth. After researching the needs of businesses, identifying barriers to adopting and investing in training and skills development, and analysing the training and business support provision in the locality - a bespoke programme has been offered to businesses at subsidised rates. The feedback has been excellent.

Additionally, the NCTA provides links to existing schemes to make training more accessible to industry. The Academy has acted as the bridge between industry requirements and Academic and commercial providers, tailoring courses to meet the needs of industry.

By working closely with the local industry, it has been possible to gain a picture of skills gaps resort-wide. One key sector, for example, is the lack of chefs, a problem identified by hotels and restaurants. Partnership working between the local employment Assessment Centre (SWRAC), local businesses and the NCTA is working towards a solution that will offer unemployed young people the opportunity to train as a chef and then gain a job at a local establishment.

The NCTA's key areas of focus have been product knowledge, customer service, marketing (in particular digital marketing) and management. By trialling a number of different delivery methods and evaluating the programme, the NCTA has been able to draw the following conclusions to date:

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- The main barriers to participation in training and skills programmes by businesses (particularly MSEs that employ less than 10 people) is lack of time, insufficient staff to allow commitment, and lack of flexibility resulting in the in-ability to commit to fixed times in advance.
- Time conscious business managers and owners are more likely to achieve growth if offered 1-2-1 business development and support on key issues
- The seasonal nature of tourism (particularly on the coast) makes participation in apprenticeships more challenging, and flexibility to release apprentices for training in the off-peak season rather than year round would be welcomed.
- 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.

Recommendation:

- Review of Government funded training and skills provision to reduce barriers for participation by MSEs.
- Review of apprenticeship framework to accommodate the needs of the tourism industry

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.

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