

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to:	Economic Scrutiny Committee
Date:	20 October 2015
Subject:	Tourism Review

Summary:

As part of the budget process the Council agreed to undertake a review of the Council's role in tourism. This report describes a number of considerations - tourism schemes that the team has led, the local and national importance of the visitor economy, and initial thoughts from tourism businesses and from the tourism team. It is anticipated that the tourism review will take several weeks and will involve councillor, business, and customer input.

Actions Required:

Members are invited to:

1. provide officers with advice on the scope of the tourism review, ie which lines of enquiry should be pursued using the headings of the destination management plan (p3) as a framework;
2. establish an informal working group to assist officers in taking forward the review.

1. Background

In light of reduced budgets there is a need to review the County Council's approach to tourism. The tourism team have for the last 13 years been working on a number of externally funded regeneration projects, including the £22m Lincoln Castle Revealed and as this completed during 2015 and the team is now reduced in size, this review is timely.

It should be remembered that the council delivers a number of services which have an impact on tourism such as:

- Heritage services, which operate tourist attractions such as Lincoln Castle
- Environmental services, who operate some visitor facilities such as nature reserves
- Public transport, which visitors use to travel around the county

The review is intended to cover the focus of the Tourism Development team rather than this wider range of services.

Recent Work of the Tourism Team

Since 2002 Lincolnshire County Council's tourism team has been majoring on the development and quality raising of the tourism product:

Select Lincolnshire (previously called Tastes of Lincolnshire) was set up in 2002 using EU funds. Its purpose being to encourage businesses to use locally sourced produce to give a quality edge to their offer. It has had some 200/250 members and was externally evaluated as "a highly successful initiative" and that "the four key elements which make up the project are balanced and appropriate". Interestingly the funding was gained on the basis of it being a tourism project, but locally probably wasn't perceived as such and has perhaps been seen as more 'quality of life' than traditional tourism. In 2012/13 the running of Select Lincolnshire (with the exception of the Good Taste magazine) was contracted to the Chamber of Commerce to run on our behalf.

Lincolnshire Waterways Partnership (LWP) was set up in 2003 by the County Council, Environment Agency and British Waterways (now Canal and Rivers Trust) and was soon drawing down substantial EU and regional funds. Some £18m of investment was delivered, including waterside paths, bridges, locks, moorings and nature reserves. It was externally evaluated and described as "still the only waterways strategy covering a whole county and has greatly helped the Partnership establish an enviable reputation" and that people were "satisfied with the work undertaken and believe it has been good value for money".

Historic Lincoln Partnership (HLP) was set up in 2005, based on the lessons learnt on partnership, gaining funds and communication that had been trialled on LWP. A number of regeneration projects, all attracting external funds, were carried out in uphill Lincoln but the largest was the £22m restoration of the Castle which completed April 2015. The work at the Castle is gaining many awards and visitors seem delighted with the quality of the experience with some 164,520 paying visitors between April 1 to August 31, some way above our forecast target.

Marketing of tourism in Lincolnshire had been carried out by Visit Lincolnshire, of which the County Council had been a major funder. Following the demise of Visit Lincolnshire in 2011, the County Council took on the running of www.visitlincolnshire.com and this is currently funded by contributions from all the local authorities and delivered through the Chamber of Commerce. A paper holiday guide has been produced and distributed every year up to and including 2015, but it has been decided, due to falling support from the tourist industry, not to produce one for 2016. The Team has led on a county-wide PR campaign and also a specific PR campaign for Lincoln Castle Revealed. Whilst we use specialist help to gain national and international contacts, the team show journalists around once they've been attracted to the county as local knowledge is vital. Through Lincoln Castle Revealed some of the marketing campaign was done on the simple basis of selling the newly restored castle but we also bought into a wider Lincoln marketing campaign (run by Visit Lincoln) selling the destination as a whole.

Support to the Local Enterprise Partnership (LEP), businesses and lead economic development (ED) councillors: At the end of 2013 both Lead ED Councillors and the LEP Board approved and supported the Destination Management Plan for Greater Lincolnshire. A destination management plan (DMP) is a shared statement of intent to manage a destination over a stated period of time, articulating the roles of the different stakeholders and identifying responsibilities that each will take. The plan provides a destination-wide framework to ensure that all organisations and resources are aligned and deployed to deliver the greatest impact and return on investment. It will influence the priority and allocation of resources. A key benefit of having a DMP is to identify what the real needs and priorities are so that financial and human resources can be used most effectively.

A Strategic Tourism Group was established, accountable to both the LEP and Lead ED Councillors. The focus of this group is to:

- *Champion and represent the tourism and visitor economy sector*
- *Support partnership working*
- *Custodians of the Destination Management Plan and drive forward the priorities*
- *Shape the future activity of tourism development in Lincolnshire*

The DMP sets out an approach to developing the visitor economy addressing the following issues:

- **Tourism Product** - overall appeal and appearance, access, infrastructure and visitor services, issues of capacity and quality of accommodation, attractions, places and services, making improvements, filling gaps and pursuing new development. Sustainable development.
- **Routes to market** - the need to embrace new technologies especially relating to communicating and social media, selling to customers, existing markets, trends and the opportunity for change, consideration of current and future target markets, overseas versus domestic.
- **Skills and training** - identifying needs within the industry and ensuring the various training providers are offering appropriate and accessible opportunities.
- **Destination image, branding and promotion (marketing)** - the need to 'sing from the same song sheet' in how we talk about the county and our tourism products. The balance between county-wide and sub-destination activity. Agreeing on our 'hero' brands and supporting their growth and development.
- **Working structures and communication** - the need to improve stakeholder engagement and joint working, through better structures and communication.

- **Tourism performance and impacts** - the balance of volume and value, the advantage and chance of increasing spend per head. Opportunities to increase the level of tourism spending retained locally, for example through local supply, prioritise towards staying as against day visitors, and increasing length of stay, lengthening the season.

These issues could form the basis of the review.

Greater Lincolnshire Destination Forum

An officer group for tourism in Greater Lincolnshire has been established which includes district council representatives (including North and North East Lincolnshire) as well as the two Destination Management Organisations in the county – Visit Lincoln and Visit East Lincolnshire. This group has also signed up to the Film Friendly Partnership with Creative England and respond through the County Council to all film location requests.

Support to other funded projects: due to the high profile nature of many of the projects above, particularly Lincoln Castle Revealed, we have been asked to provide advice to many other externally funded projects across England, often on the recommendation of Historic England and the Heritage Lottery Fund (HLF). This has included amongst others the Piece Hall, Halifax, Nottingham Castle, Derby Silk Mill and Chester Farm, Northampton. We have also helped the Cathedral on their HLF bid Lincoln Cathedral Connected, particularly after their initial Round 1 application was turned down and we have recently started supporting the Lincolnshire Archives project. The team have built up extensive experience, particularly in terms of funding, communication and how to put a project into its wider context. It makes sense to utilise this across the authority and by mentoring external projects we continue to build our reputation with funders and keep our knowledge current.

Tourism in Lincolnshire

The following is a snap shot of the state of tourism in Lincolnshire using the latest STEAM 2014 Tourism Economic Impacts:

- £1.266 billion was generated within Lincolnshire through visitor and tourism business expenditure
- Economic impact: 5.9% growth between 2013 and 2014
- Total visitor days and nights: 28m, 2.2% growth between 2013 and 2014
- Visitor days grew at a faster rate than the number of visits to the county, encouragingly this indicates an increase in the visitors' average length of stay, up 3.3%
- Overall visitor days have been growing by an average of 1.4% between 2009 and 2014 and the total number of visitor days has grown by more than 1.8m from 26.2m in 2009 to 28.1m in 2014
- The non-serviced accommodation sector accounted for the largest share of the overall growth in economic impact at £36m

- Tourism visits in Lincolnshire in 2014 were estimated to have supported 18,907 FTE's, 80.6% generated directly, 19.3% being indirect and induced
- There are nuances within these figures and it is understood that the retail sector is still very challenging
- This research shows positive growth in the value of tourism, however it doesn't account for the amount of promotion and investment that has taken place in Lincoln in 2015 and we won't receive this year's figures until the summer of 2016. However although we do not have a full year of Lincoln Castle Revealed figures, to date we can report a trebling of figures with 164,000 paying visitors between April 1 and August 31. Anecdotally hotels are reporting 2015 as the best year ever and there are many other examples of businesses reporting a positive 'Castle Effect'. Retail is still quite challenging and there are reports from the service sector that good trading for tourism businesses is rolling out positively to them too.

Briefly tourism structures in Lincolnshire are as follows. The County Council has a small tourism team that largely concentrates on product development, although it has picked up some marketing and PR work since the demise of Visit Lincolnshire. All the district councils have a tourism officer, but most now have wider duties and some have devolved their budgets to a Destination Management Organisation (DMO). There are two DMO's in Lincolnshire: Visit Lincoln is the most developed and there is also Visit East Lincolnshire; Visit South Lincolnshire has looked at forming a DMO but this hasn't progressed as yet.

Tourism in the UK

- Tourism is worth £106 billion to the English economy in total
- Visits to England's attractions increased by 4% in 2014, consolidating the sector's return to growth following 2013's positive figures

Tourism and its value to the UK led to a recent announcement of the government's new Five Point Plan to boost tourism - spreading the benefits of one of the fastest growing sectors beyond the capital, helping to create jobs and rebalance the economy.

'For many areas tourism is a key industry bringing jobs, growth and security for working people. Tourism supports almost 1 in 10 jobs in the UK and we want to rebalance the economy to make sure this boost is felt right across the country.'

A new inter-ministerial group will be formed and will focus on five key areas:

- A better coordinated sector: the sector is too fragmented - we want to see local attractions and tourism organisations collaborating to grow the sector for everyone not competing.
- Skills and jobs: Driving and retaining talent in the sector to encourage growth
- Common sense regulation: Reforming regulation sensibly to drive competition and improve the tourism offer for visitors

- Transport: Forging innovative links between the transport and tourism sectors to help visitors travel outside of the capital
- An improved welcome: Delivering a world class welcome at the Border

How does the work of the County Council's tourism team currently match against this?

Coordination: we believe that through our county-wide brief and projects like Select Lincolnshire, Lincolnshire Waterways and Historic Lincoln this has long been our approach. Lincoln Castle Revealed was praised by Heritage Lottery Fund for its wider focus acting as a catalyst for tourism in the county. Successes include the Stephen Langton Trail and the restoration of the Doddington Hall tapestries at the Castle's Heritage Skills Centre. The village of Langton by Wragby worked with the team seeing the advantages of attaching themselves to a much larger project; Doddington Hall and Lincoln Castle, through the tapestries have seen the advantages of cross selling each other. However these are exceptions and despite promoting these case studies it has proved harder to get some of the tourist industry as a whole to see how Lincoln Castle is an opportunity for their business. They are supportive of the restoration but somehow see it as separate or remote from themselves. We are continually encouraging them to "think like a visitor" but not all are achieving this yet.

Skills and jobs: there is an on-going problem that jobs in tourism are seen as of low value and when a mantra is repeated often enough it tends to become self-fulfilling. In a US or European context, the hospitality sector has a far better reputation and makes more investment in its staff. Many tourism businesses in Lincolnshire are family run and through projects like Select Lincolnshire we have endeavored to encourage training of staff. There is much still to do here; evidence from the Select mystery shopper's reports indicates year after year that businesses are boosted or let down by the quality or otherwise of their staff.

Tourism offer: Lincoln Castle Revealed, Select Lincolnshire and Lincolnshire Waterways are all examples of where the County Council has invested in the tourism product.

The issue of confidence in the food sector and more widely in relation to the County of Lincolnshire was felt to be a key factor in the widespread support for Select Lincolnshire. "This place has always been understated – there are so few positive messages getting out.....we really need good branding like this for the benefit of locals as much as visitors....to show off what we have got here!"

The Castle has seen a trebling of its visitor figures to date and a huge increase in positive national and international PR, so we know that investing in the tourism product pays dividends both for the attraction itself and for Lincolnshire's profile. "I barely scratched the surface in Lincoln...The Vault and auditorium were of superb quality" Daily Telegraph travel section.

LCC has also invested in its other heritage sites and countryside visitor facilities and there are further plans proposed. Nationally the quality of the tourism offer is considered of great importance and there is a level of acceptance within the

tourism industry (not confined to Lincolnshire) that some businesses don't recognise that visitors have high expectations and that there is a continued need for investment across all sectors.

Transport and tourism: with other interested parties the County Council has worked hard at improving the rail links between London and Lincoln and this summer has seen some special direct trains connected with the Magna Carta 800 event programme which has proved an interesting trial. Castle Shuttle (April-October 2015) was set up to transport visitors from the outskirts of Lincoln to the uphill area. It has been a learning curve for the County Council and although it has shown growth month on month, figures have been disappointing overall and despite the Castle trebling its visitor figures the existing infrastructure seems to have coped far better than was anticipated by everyone.

Improved welcome: the County Council working with the Districts and Boston College put in place welcome training for the tourist industry in readiness for the 2015 celebrations. Take-up for Welcome Host was reasonable, but poor for the Ambassadors training; an online resource which aimed to improve the Lincolnshire product knowledge of staff in the tourist industry. Anecdotal evidence in Lincolnshire is that the tourist industry is largely friendly but often unprofessional.

Consultation with the Tourism Industry

Time has not allowed for a massive consultation on this Tourism Review, but soundings have taken place with the Greater Lincolnshire Destination Forum and the Strategic Tourism Group. Conversations with the industry would indicate that the issue of marketing is the one that would emerge strongly from a wider consultation. The following is a brief summary and would perhaps provide a useful focus for the Committee discussion:

- Many parts of Lincolnshire are not covered by a Destination Management Organisation (DMO) – what would happen to those areas not covered by a DMO? Roughly 40% of Lincolnshire is covered by a DMO. The view from one of the largest tourism businesses was that the strong would be alright, but the weaker areas would just not get covered.
- Is it the role of the County Council to engage in marketing? There was some divergence here, but some disbelief from the tourist industry representatives that we would not be undertaking and didn't have the resources for marketing. They are supportive of the work we have done on product development but marketing is an issue. Arguably marketing isn't our role and something the DMO's can undertake; however there needs to be acceptance that for a small business, say a B&B or self-catering cottages selling the whole Lincolnshire tourism offer is a big ask. What appeals to the visitor and what they buy into is the whole: the countryside, the coast, the heritage, the accommodation, the towns and villages, the food, the ambience – some of these elements cover businesses that can contribute to the marketing, other areas like countryside walks are free to all.
- How can we get small businesses to work together to promote the whole? Should we have a compact with businesses – this is what we can do, this is what we would like you to do?

- Some agreed that there was a need for a county-wide approach to research, group travel, travel trade and business tourism. Some would like the County Council to carry on its facilitating role.
- Duplication is always perceived as a problem. The view was expressed by some that many businesses know what works for them and place their advertising accordingly and so duplication shouldn't always be seen as a problem. For example a visitor attraction might be a member of both Hidden England and Visit Lincoln (both marketing consortia) but as they appeal to different markets should not be seen as duplication.
- They seemed to want a thematic approach rather than a geographic one – although in the past the reality of district boundaries has diluted the commitment to this approach.
- The connection between the visitor economy and place marketing was considered very powerful – the places where people aspire to live, are frequently those where they also aspire to go on holiday to. So the quality of life messages work for both.
- All concerned about the need for more hotel investment and agreement that there has been a piecemeal approach to this in the past and that we may not have been supplying the sort of information that a potential investor would require. Need for a Lincolnshire-wide approach and no mixed messages.
- www.visitlincolnshire.com as requested is now a signposting website, but has lost income generation opportunities and therefore its future sustainability as a result.

Some additional discussion points from the Tourism team

- Lincolnshire's tourist industry is not particularly well balanced, in the sense that it should be like a triangle, with first rate 'big draw' tourist attractions at the top, middle ranking attractions below them and small attractions below them – all feeding off each other. The investment in Lincoln Castle has done much to redress the 'big draw' issue, but there are many small attractions and too few middle ranking ones. Lincoln Cathedral, as a world class building does not have tourism as its main reason for being and some serious financial issues to resolve other than marketing.
- A growing opinion within the tourist industry that it is someone else's job to market their business. The team fully accept the difficulty a small business has in selling the whole Lincolnshire visitor offer, but is often frustrated by the very passive nature of the industry. There are a number of highly professional, quality tourism businesses in Lincolnshire who see communication as a two way process and have an understanding of both what the customer wants and how inter-related the tourist industry is. Unfortunately there are many businesses which do not.
- There are ambitious growth expectations for manufacturing, agri-food, renewables, care services and the ports/logistics (key sectors highlighted in the Strategic Economic Plan (SEP) and Devolution plans), but possibly not such a co-operative voice for culture, heritage and the visitor economy for Greater Lincolnshire (despite the visitor economy appearing in both the Devolution and SEP documents). Perhaps instead of continually focussing

on geographical boundaries we should be making a case for evidencing the impact of these three sectors on growth, economy and place.

- In the Greater Lincolnshire Destination Management Plan alone there is a list of over 20 groups and organisations involved in promoting various areas or sectors in the county. As a business or person wishing to re-locate to the county there is probably some confusion as to where to go for information, advice or inspiration. Greater Lincolnshire is diverse - rather than seeing this as an obstacle, should we view it as an attractor? From City to Coast to Countryside we have a diverse landscape that should be appealing and attracting more growth than it currently is.
- Need for more research: this is a UK wide problem. As a whole the Lincolnshire tourist industry does not know enough about its customers: who they are, where they are coming from, what they think of us, what those who do not come think of us. We do not have enough information about how successful the industry is or how it impacts on the Lincolnshire economy. This information is critical for targeted marketing and for attracting new investment. So for example based on occupancy rates we should be seeing more hotel investment but possibly investors are not being supplied with the appropriate information that they need to make those decisions. Visit Lincoln, with the support of City and County are investing in a system called T-stats, an online system that will monitor the performance (including such things as parking data) of an area on a monthly basis. This will offer a more accurate rounded picture of destination performance.
- During the Lincoln Castle works when the site got worse before it got better, we had a difficult balancing act of not getting people too excited too early and we handled this by lots of behind the scenes stories and there is much anecdotal evidence of people returning to see the finished works. As a general rule the marketing should not get ahead of the product development; in short, do not over-sell and run the risk of poor feedback. There is concern for example about developing the coach market in Lincoln, when we are aware that coach parking and pick-up arrangements are not functioning particularly well. Lincolnshire needs to operate more as a short break rather than a day tripper destination, but we know that there is not enough accommodation to deliver this.

Our Objectives

Visitors will come to Lincolnshire regardless of anything the County Council might do or not do. However destination marketing is competitive and others both in the UK and overseas are selling their areas hard. Lincolnshire has seen some very positive growth in its visitor economy, but it is from a low base. **We need to keep our market share and ideally increase it.**

Lincolnshire's visitor economy has everything to gain from working together, every part of which feeds off and supports every other part and accept that a tourist will not be 'parochial' in the way they want to discover what we have in the county. **We need to encourage businesses to 'think like a visitor' and to continually invest in the quality of that visitor offer.**

The visitor economy impacts on many areas: the road and rail infrastructure, parking, leisure facilities, retail, events, cleanliness, the public realm, investment, the welcome, friendliness and general ambience. **We need to value the visitor economy and ensure that it is built into the overall Lincolnshire offer.**

Some businesses are stuck in the past, almost in a dependency culture, wanting things to be done the way they have always been done. **We need businesses to be receptive to more imaginative solutions, particularly in working together to create win win positions.**

Messages

- 'Put Lincolnshire on your list'
- 'Good business development opportunities in Lincolnshire'
- 'Your business will succeed here'

Product Strengths

- **Lincoln Cathedral:** a £16m bid to the Heritage Lottery Fund (HLF) is in preparation with a Round 1 recently pass secured. The more detailed Round 2 has a planned submission of November 2016. The plans in brief include some conservation work, a new café, shop, interpretation and education space on the north side and landscaping to the North Green and improvements to the public realm. The proposals both support our investment in Lincoln Castle Revealed and will bring the visitor facilities at the Cathedral up to the Castle standard. Whilst Lincoln Cathedral has always been a world class building, it has perhaps not had the facilities that allow it to proclaim it. The HLF process is becoming ever tougher and they tend to hold projects back until they are satisfied by what is proposed (as demonstrated by the Cathedral achieving its Round 1 pass at the second attempt). It is therefore in the interests of both the Castle and of Lincolnshire that the Cathedral achieves its Round 2 pass at the first attempt. There will no doubt be others approaching HLF in the future from the county, a logjam of competing projects is undesirable. Offering the experience and track record that the County Council built up through Lincoln Castle Revealed is probably the best help that we can offer the Cathedral.
- **Lincoln Castle:** this site had been under-performing for many years and its poor visitor offer was impacting negatively on the whole of historic Lincoln. As a result of the £22m investment, which completed March 2015, the Castle has seen a trebling of its visitor figures. Visitor satisfaction is high with 4 and 5 star reviews on Trip Advisor. Our visitors are finding it a 'big visit' and are staying 3 to 4 hours minimum and therefore perceiving it as very good value for money. Many visitors are not only new to the Castle but new to Lincolnshire too, encouraged to visit by our successful marketing and PR campaign. Our target markets are families and heritage seekers and these are giving us consistent numbers throughout weekends/school holidays and weekdays.

- **Aviation Heritage:** interest in aviation heritage continues to be very positive and is a real Lincolnshire strength. Encouraged by the recent anniversaries, its place on the national curriculum and the growing interest in family history has seen it evolve from personal remembrance to a wider acceptance of it as part of everyone's heritage. There are still development opportunities and projects at Coningsby and Scampton are being investigated and the Aviation Heritage project has submitted a £300k marketing and education bid to Heritage Lottery Fund.
- **Waterways and Cycling:** cycling in Lincolnshire is popular with both locals and visitors and the County Council invested in a number of cycle paths, using the waterway network corridors. Further quality visitor improvements were made in the waterway facilities. As a network it is the joined up nature of the provision that make it work most effectively and there are further opportunities to build on this.
- **Mayflower 400:** 2020 will see the 400th anniversary of the Mayflower Pilgrims leaving for America. Lincolnshire can lay claim to some very strong connections with some of the key members of the story. In particular Gainsborough Old Hall where a congregation of Separatists were allowed to worship in secret; Boston Guildhall where some of the Pilgrims were imprisoned and later tried at Lincoln Castle and also from where a group of Separatists set sail for Holland. There are other US connections including Captain John Smith and the later Bostonians who left in 1630 and founded Boston, Mass. Our current thinking is that we might tie all these together under some sort of Freedom banner also bringing in Magna Carta, John Wesley and WWII US connections. A national partnership of Mayflower connected areas are already meeting, but a closer partnership exists with Nottinghamshire where people like John Smyth, William Brewster and William Bradford lived and worked in the North Notts/Gainsborough area. The product in both Gainsborough and Boston needs some attention and HLF has expressed an interest in a coordinated bid.

Team Strengths

Since 2002 the tourism team has developed and then delivered a number of externally funded projects and this has led to the development of some valuable and transferrable skills. So for example the lessons learnt on the Lincolnshire Waterways Partnership were used successfully on the Historic Lincoln Partnership and Lincoln Castle Revealed.

- A particular talent is for engagement and ensuring that all our stakeholders are enthused. Our projects have a vision and are meant to inspire but also to be practical and to fit into their wider context. For example in 2005 Lincoln Castle was largely unloved and HLF made it very clear that we should not think about coming to them for funds. The team took this very unpromising beginning, to turn round the perception and create a project that was delivered on time and on budget and which literally had no detractors.

- A series of successful funding bids have been made to EU funds, regional funds and Heritage Lottery Fund. These bids have a strong strategic approach and aim to act as a catalyst for the wider development of Lincolnshire's visitor economy. We take some pride in the fact that Lincoln Castle Revealed was approved at the first attempt, HLF having 'taken our bid to pieces and failed to find anything that didn't work'.
- Telling the Lincolnshire stories. The team kept control of Good Taste magazine when the Chamber of Commerce took on the contract for Select Lincolnshire. We felt that it was key to telling the Castle 'behind the scenes' stories and for selling the Lincolnshire sense of place messages that we really needed to get across. It has proved to be a key influencer both inside and outside the county and we would like it to continue. Lincolnshire Echo is to be the publisher for the next issue and this is a developing new partnership.

2. Conclusion

Tourism development is complex. There are many facets that need to be explored in reviewing the Council's role in tourism development. Members' support in undertaking this review will be welcomed.

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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