Action for attractions

The tourism industry in Britain is a key economic driver, worth some £64 billion a year, around 7% of GDP. New visitor attractions can transform an area and bring in genuinely new business. They can also, of course, displace business away from existing attractions. The millennium year saw investment of huge sums of Lottery money in large-scale new destination projects, some of which failed to live up to expectations. The Government's tourism strategy, *Tomorrow's Tourism*, identified a need to 'improve the quality and range of tourist attractions in the UK' as part of the drive to maintain the UK's competitiveness in world tourism. The English Tourism Council's new integrated strategy to meet this objective, *Action for Attractions*, was published at the end of 2000. ETC Chairman **Alan Britten** introduces the main findings and strategic recommendations.

Visitor attractions are one of the great glories of English tourism, spanning a huge range, from high culture to pure fun. These smaller-scale attractions are particularly vulnerable to changes in the marketplace. Recently, however, several factors have led to concern about the long-term viability of the sector.

Attractions are facing severe challenges, increasingly from activities outside the field of traditional tourism. Consumer leisure patterns are changing, and so too are domestic holiday patterns, with more main holidays being taken overseas. While we are travelling abroad more, the number of European visitors to the UK has recently been declining.

Additionally, demand for attractions is slowing. Although the overall number of visits has grown by 14% over the last ten years, this is less than the 24% in the previous ten years (see Figure 1). The average number of visits per attraction is declining, due to an increase in supply, indicating that supply may be outstripping demand (see Figure 2).

Serious competition is coming from new attractions, mainly developed with Lottery and European funding. As they are largely ineligible for this funding, private sector attractions are struggling to raise private investment. At the same time, the Government's free/reduced price admissions policy at national museums and galleries is likely to displace some visitors from admission-charging attractions. There is also uncertainty over the potential effect on local authority attractions (which are a discretionary service) of requirements to demonstrate 'Best Value' in service provision.

The ETC consulted with representatives of attractions and sectoral bodies, the Department for Culture, Media and Sport (DCMS), Regional Tourist Boards (RTBs) and other leading industry experts, including Locum Destination Consulting, to develop a new strategy, *Action for Attractions*. The strategy aims to improve understanding of the dynamics of the attractions sector and its vulnerability to changes in demand and increased competition. It identifies a number of areas where government and industry can work together to improve the quality and viability of the sector for the long term. The ETC proposes the formation of a new cross-sectoral attractions' advisory group to oversee the implementation of this strategy and encourage coordination, cooperation and information sharing across the sector. We hope that the wider attractions community will respond equally positively to the findings and recommendations, summarised overleaf.

Figure 1

Slowdown in number of visits % change — England

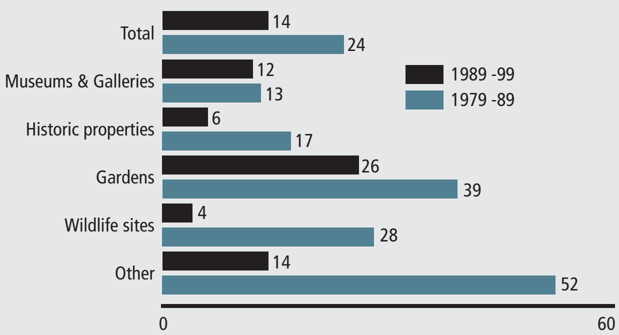

Figure 2

% change in average number of visits per attraction (UK) 1989-99

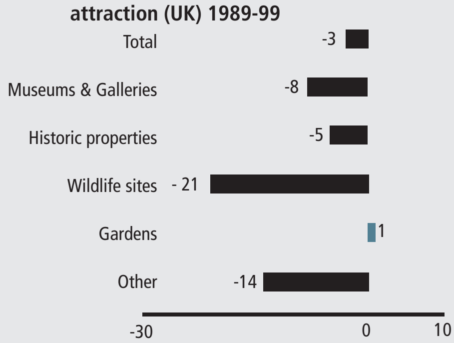

Figure 3

Visit trends % change 1989 - 99

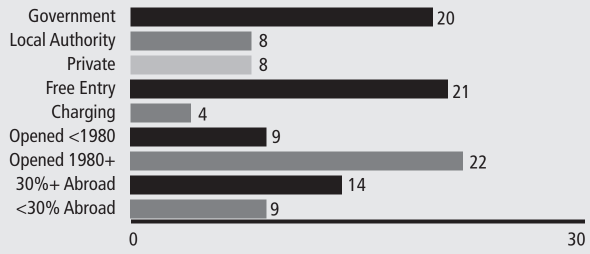

Figure 4

UK Visitor trends 1989 to 1999 —% change

Farms	+81
Visitor centres	+57
Gardens	+23
Country parks	+21
Steam railways	+14
Museums & Galleries	+14
Workplaces	+13
Leisure parks	+11
Historic properties	+8
Wildlife attractions	+3
TOTAL	**+14**

The attractions sector

England's 4,500 visitor attractions:

- Span a diverse range including farms, steam railways and theme parks, historic properties and gardens, museums and galleries, country parks and wildlife attractions, visitor centres and workplace attractions.
- Have come into existence for various reasons, including:
  – preservation of the country's heritage, culture and environment
  – to enhance local facilities for residents and attract tourism
  – as catalysts for economic regeneration
  – to generate additional income for historic properties, farms and manufacturing plants
  – entertainment.
- Are generally owned and operated by the private sector and not-for-profit organisations. The public sector – government agencies and local authorities – makes up only a third of attraction owners.
- Are mostly small businesses attracting fewer than 20,000 visits a year.
- Around 40% do not charge for admission.
- Tend to have a high proportion of fixed costs and narrow operating margins, leaving little money for reinvestment in the product.
- Operate below capacity most of the time.
- Are usually seasonal outside the main urban areas.
- Are often reliant on the services of volunteers.
- Lack a single voice.

Some sub-sectors have fared better than others over the past decade (see Figures 3 and 4), including:

- government-owned attractions;
- those offering free admission;
- those opened since 1980;
- those attracting a high proportion of overseas visitors.

Improving market understanding

Current statistics on attractions supply and visitor demand are inadequate. Supply information and market measurement need to be more comprehensive and more reliable, provide more sub-sector analysis and be disseminated more widely and faster. Greater involvement and cooperation are needed from attractions to improve data quality and speed of turnaround of results.

Main recommendations

- ETC will seek new tenders for the main industry source of attractions statistics, the *Survey of Visits to Tourist Attractions* and the report *Sightseeing in the UK*. As part of this process, ways to address the perceived weaknesses of the current statistics will be sought. These will be reported to DCMS for discussion.
- ETC will discuss with DCMS how demand for attractions could be measured more reliably and regularly – possibly through an expanded Leisure Day Visits Survey – and the cost implications.

Increasing visitor satisfaction

All attractions must attract and satisfy visitors to survive. With rising standards of living and increasing familiarity with new technology, visitors' expectations are rising. Therefore, attractions must be able to improve their standards and refresh their product/presentation.

The small-scale nature of many attractions means it can be difficult for them to keep abreast of best practice elsewhere and to see how they compare. Wider dissemination of information and guidance is needed on:

- best practice in information provision, presentation/interpretation techniques and customer care;
- the opportunities offered by new technology;
- developing the potential for educational visits;
- widening access;
- the implications of the final phase of the Disability Discrimination Act (DDA) coming into force in 2004.

Main recommendations

- Industry training organisations should develop advanced customer care training, building on the success of Welcome Family, and make this available across the sector.
- The ETC, RTBs, sectoral organisations, DCMS and the Department for Education and Employment (DfEE) should work together, as appropriate, to help attractions develop their educational potential, to provide specific advice on the implications of the DDA for attractions, to develop guidance and to signpost IT initiatives.

Improving attractions' management skills

Most attractions are small businesses, often lacking the resources to pay for full-time experienced attraction managers or for their professional development. Many are highly dependent on the services of volunteers. An ETC audit of the difficulties faced by attraction managers is currently underway and has reported some interim findings.

Main recommendations

- There is a need to coordinate training and continuous professional development across the whole sector, to provide a one-stop shop as a source of information and to improve the quality of trainers from advisory organisations, such as Training and Enterprise Councils (TECs) and Business Links.
- The audit report should be circulated to the DCMS, DfEE, RTBs and National Training Organisations (NTOs), which will be invited to take the report's recommendations forward.

Stronger performance through benchmarking

- identifying the processes that deliver best practice;
- enabling management to compare an attraction's performance against that of its competitors across a range of indicators;

- identifying opportunities for improvement. Benchmarking exercises are being carried out by a number of organisations, such as the Association of Independent Museums (AIM), the Association of Leading Visitor Attractions (ALVA), the Cultural Heritage National Training Organisation (CHNTO) and the Southern Tourist Board (STB) in association with Locum Destination Consulting.

Main recommendations

- The Southern Tourist Board (STB) should evaluate the Hampshire/Dorset benchmarking scheme for small/medium attractions (developed with Locum Destination Consulting). The STB should liaise with the ETC, the proposed attractions advisory group and the RTBs to develop a voluntary national scheme that is relevant to all attractions and affordable, in order to maximise participation.
- The proposed attractions advisory group will be asked to lead initiatives to raise awareness and increase coordination and harmonisation between benchmarking schemes.

Raising quality

Visitors seek, recognise and appreciate good quality in the attractions they choose to visit. For this reason, in 1991 the English Tourist Board (ETB) agreed its Visitors' Charter as the basis for nationally agreed standards.

Although attractions have made great strides in meeting visitors' higher expectations, standards still vary. The ETC is leading initiatives to develop a quality assessment service to help improve standards among attractions and provide reassurance to visitors. The East of England Tourist Board (EETB) is developing this service, in cooperation with the Heart of England Tourist Board and South West Tourism, and with the support of ETC.

Main recommendations

- ETC will support the development of the Visitor Attractions Quality Assurance Service (VAQAS) being developed by EETB, and liaise with the proposed attractions advisory group to ensure that sectoral organisations are aware of the initiative and that their views are taken on board.

Improved funding and investment

Private and public sector funding are needed for investment to improve quality, training, marketing, presentation and access in attractions. In considering funding issues, there are a number of aspects to be aware of:

- The uncertain revenues, longer return on investment time and lower returns on capital than in other sectors can make fundraising difficult.
- The costs of maintenance, restoration and refurbishment at many heritage attractions often cannot be fully recouped from admissions income and trading.
- The pricing of commercial attractions is constrained by competition from free entry attractions.
- Publicly owned attractions are not allowed to borrow.
- Private sector attractions are largely ineligible for Lottery funding.
- The private sector is losing some visitors and key staff to new attractions developed with the aid of Lottery and EU funding.
- There is concern among the private sector that there may be future subsidy of publicly developed attractions which fail to reach visitor and revenue projections.

Main recommendations

- Priority should be given to supporting bids for improvements to existing attractions rather than creating new attractions.
- Priority should be given to attractions that are appropriate to the local area and culture.
- More realistic assessments need to be made of the number of visitors, revenues and costs of potential grant-aided projects and their likely impact on existing attractions.

Taxation

The range of taxes and tax reliefs applying to attractions is as diverse as the sector. In general, attractions-related taxation and fiscal policy must be seen in the light of overall tax regimes and should concentrate on a small number of key issues that are likely to have the most widespread benefit.

The tax regime should encourage reinvestment, recognise particular needs and improve the financial benefits from charitable donations.

Main recommendations

- ETC will advocate incentives for investment so that any changes to the tax system encourage reinvestment.

More effective, efficient development and planning

The land use planning system can deter acceptable and beneficial reinvestment, upgrading and product enhancement. Many operators of smaller attractions have difficulty with, or are daunted by, the planning system and are discouraged by delays.

There are at least 13 national Planning Policy Guidance notes (PPGs) with some relevance to tourism. Any recommendations for attractions must be looked at within the context of an integrated set of measures that take account of all elements of tourism supply.

Main recommendations

- There is a need to encourage a clear understanding of the context for attraction developments among planners and others at the national, regional and local levels.
- The ETC will encourage government to revise Planning Policy Guidance Note 21 to include updating Section 5.4 on large-scale attractions.
- Backed by policy support from ETC, the RTBs should work with local authorities to examine the impact of tourism proposals and encourage better regional coordination.

Increased coordination and cooperation

The attractions sector is characterised by its diversity and range of sectoral associations. There is no overall liaison mechanism linking all types and sizes of attraction.

Main recommendations

- ETC will consult with sectoral organisations and RTBs with a view to setting up a new cross-sectoral attractions advisory group.

We hope that the wider attractions community will respond positively to these findings and recommendations, and that the attractions sector can look forward to a sound, sustainable future.

Action for Attractions costs £10 (Orders on 0870 606 7204 or via the ETC website, www.englishtourism.org.uk)