# Written evidence submitted by

# Lakeland Arts and Wordsworth Grasmere

**Response – DCMS Select Committee Call for Evidence: Future of the UK Tourism Industry**

**Submitted on behalf of Cumbria Museum Consortium**

Lakeland Arts and Wordsworth Grasmere are two of the UK's leading cultural organisations operating across the Lake District and Cumbria, stewarding nationally significant museum, gallery and heritage assets including Blackwell, Abbot Hall, Museum of Lakeland Life, Windermere Jetty Museum, Dove Cottage and Wordsworth Museum. Our perspective reflects both the specific realities of rural tourism economies such as Cumbria and the wider national picture across culture, heritage, domestic tourism, international visitation and regional growth.

Tourism is not a peripheral sector for rural Britain, it is core economic infrastructure. In places such as the Lake District, tourism underpins employment, transport viability, town centre resilience, independent retail, hospitality supply chains and the sustainability of cultural heritage assets.

However, government policy often treats tourism as an outcome of place rather than a strategic economic sector requiring deliberate long-term investment.

**1. How effective are government policies in supporting growth, competitiveness and long-term resilience?**

Government policy remains fragmented and insufficiently aligned to the realities of tourism as a major economic driver.

The UK has strong cultural assets, globally recognised landscapes and significant heritage appeal, yet national policy often prioritises short-term fiscal recovery over long-term destination competitiveness.

VisitBritain forecasts 45.5 million inbound visits in 2026 with visitor spending of £35.7bn, above 2019 levels in volume terms, although real-terms visitor spend remains below pre-pandemic levels once inflation is accounted for. Tourism directly accounted for £58bn of economic output and supported 1.2 million jobs in 2023. This demonstrates recovery, but also fragility.

**Key barriers include:**

- High VAT relative to competitor destinations
- Employer National Insurance increases and rising National Living Wage costs
- Continued pressure from business rates
- Workforce shortages and recruitment constraints
- Weak public transport connectivity in rural and coastal areas
- Reduced perception of value in domestic tourism due to cost-of-living pressures
- Visa friction and reduced competitiveness for international visitors
- The continued absence of tax-free shopping for international visitors compared with key European competitors

Countries such as Spain, France and Italy have stronger national tourism strategies and more coordinated destination investment because tourism is treated as a strategic national economic sector rather than primarily a promotional issue.

**What competitor European countries do well**

**Spain** provides the clearest example of tourism as industrial strategy. Through its Spain Tourism Strategy 2030 and a €3.4 billion modernisation and competitiveness plan, tourism policy is embedded across multiple ministries with clear investment in sustainability, digitalisation, rural destination infrastructure, transport, destination diversification and year-round visitation. Spain focuses on higher-value tourism rather than volume alone, with policy aimed at regional spread, climate resilience and reducing overdependence on seasonal hotspots.

**France** integrates tourism with transport, heritage and regional infrastructure policy. Sustained rail investment, strong regional destination planning and accommodation tax systems that are transparently reinvested into local infrastructure, public realm and heritage preservation create stronger visitor confidence and community support. Tourism taxation is better understood because visitors can see where the money is spent.

**Italy** positions cultural heritage as core economic infrastructure. Government policy supports destination-led heritage investment, visitor management systems, conservation-led tourism planning and stronger dispersal of visitors beyond major cities into secondary destinations and rural regions.

**Where the UK falls behind**

The UK continues to underperform strategically in four major areas:

- tourism is not consistently treated as core economic infrastructure
- high VAT, business rates and employer cost pressures reduce competitiveness
- fragmented responsibility across Whitehall weakens joined-up delivery
- investment outside London remains comparatively weak

Spain funds tourism infrastructure; the UK too often funds tourism marketing. This is the critical policy difference.

Transport, workforce housing, digital connectivity, destination management and cultural infrastructure are central to tourism success in rural Britain, yet are often treated separately from tourism policy itself. This is particularly damaging for destinations such as Cumbria and the Lake District, where tourism underpins the wider local economy.

Spain welcomed 96.8 million international visitors in 2025 and tourism contributes over 12% of GDP, supported by a clearer national approach to tourism as an economic priority. The UK remains internationally attractive, but often wins despite policy rather than because of it.

**1(i) International competitiveness and overseas promotion**

The UK's strongest international drivers are:

- cultural heritage and museums
- UNESCO landscapes and national parks

- literary and historic identity
- world-class arts institutions
- educational and business travel
- visiting friends and relatives
- major events and festivals

For Cumbria and the Lake District, nature and heritage are inseparable. From our experience, visitors increasingly seek high-quality, low-volume, high-value experiences rather than volume tourism. Culture and heritage organisations play an important role not only in attracting visitors, but in dispersing them spatially and seasonally, encouraging longer stays and deeper engagement beyond honeypot locations.

VisitBritain performs an important role internationally, but promotion must be matched by destination readiness. There is little value in attracting visitors to destinations that lack rail resilience, workforce housing, affordable staff transport or year-round cultural infrastructure. Investment in high-quality interpretation - including multilingual and digitally accessible content - buildings and collections care and programming would strengthen international competitiveness while enhancing the long-term sustainability of museums, galleries and heritage sites. Integrating cultural attractions more effectively with transport and ticketing systems could further increase dwell time and value.

The international profile of regional destinations outside London remains under-leveraged. Government should support stronger destination storytelling for places like Cumbria, Yorkshire, Northumberland and the South West, not simply London gateway tourism.

**1(v) Visitor levy proposals**

The proposal to allow mayoral strategic authorities to introduce an overnight visitor levy requires caution.

**Potential benefits:**

- dedicated reinvestment into tourism infrastructure
- destination management funding
- transport improvements
- public realm maintenance
- cultural asset sustainability
- environmental mitigation in high-pressure visitor areas

**Risks:**

- additional cost burden during a fragile recovery period
- perception of poor value in domestic tourism
- competitive disadvantage if implemented inconsistently
- displacement of visitors to nearby untaxed areas

For rural destinations such as the Lake District, any levy must be ringfenced locally and transparently reinvested into tourism infrastructure, transport, public toilets, visitor management and cultural assets. A levy without visible reinvestment would undermine public support.

**2. Government structures and tourism support**

VisitBritain and VisitEngland remain important but the DMO landscape is inconsistent and underpowered.

Destination Management Organisations are expected to deliver strategic place leadership without stable core funding. This creates over-reliance on short-term project funding and limits long-term planning.

In rural destinations this is particularly damaging because transport, seasonality and dispersed geography require strategic coordination rather than campaign-led promotion.

Government should move toward:

- multi-year destination funding
- stronger alignment between tourism, transport and cultural policy
- clearer integration between DCMS, DfT, DEFRA and MHCLG
- recognition of tourism within industrial strategy and regional growth planning

Tourism policy often fails because responsibility is too diffuse across Whitehall.

**3. Opportunities for inward investment**

The greatest opportunity lies in investing in visitor infrastructure rather than solely marketing.

This includes:

- rail reliability and last-mile transport
- EV charging and sustainable transport access
- digital connectivity in rural areas
- heritage asset capital investment
- workforce housing
- town centre public realm improvements
- year-round cultural programming
- collections care and interpretation as a core part of sustaining museums, galleries and heritage sites that underpin tourism demand

Private investment follows confidence and certainty.

In rural areas, investment is often constrained by planning complexity, heritage restrictions, transport weakness and low local authority capacity.

Government policy should treat cultural infrastructure as economic infrastructure.

Museums, galleries and heritage assets are not optional extras, they are anchor institutions for visitor economies.

**4. Recovery from COVID-19**

Visitor numbers have largely recovered, but financial resilience has not.

Many organisations are experiencing the “high volume, low margin” problem:

- visitors have returned
- costs have risen faster than income
- payroll pressures have intensified
- charitable subsidy expectations have increased
- reserves have been depleted

Employer NI increases and wage inflation are materially affecting museums, hospitality and heritage organisations. The National Trust and others have publicly highlighted major cost increases linked to payroll policy changes. Recovery should be measured by resilience, not footfall alone.

**5. Domestic tourism and demand**

Domestic tourism remains essential but is under significant affordability pressure. Household caution, transport costs and accommodation inflation are reducing frequency of short breaks and day visits. Rural destinations are particularly exposed because travel costs form a larger proportion of total spend.

**Targeted interventions should include:**

- business rates reform for hospitality and cultural venues
- transport affordability improvements
- integration of transport and attraction ticketing to encourage longer stays and increased visitor spend
- stronger off-season destination campaigns
- support for school and family cultural visits
- VAT review for hospitality and visitor economy businesses
- stronger incentives for domestic cultural tourism

Domestic tourism should be treated as economic resilience policy, not just leisure policy.

**6. Regional growth and rural tourism**

Tourism can be one of the strongest drivers of levelling up when supported properly.

**Key rural barriers include:**

- poor transport connectivity
- limited evening and public transport
- workforce housing shortages
- seasonal employment instability
- weak digital infrastructure
- planning barriers to sustainable investment
- pressure on local services from visitor volume
- insufficient local authority capacity
- greater development of wellbeing, learning, genealogical research and volunteering tourism offers, which can extend the visitor season, diversify audiences and strengthen links between cultural institutions, education providers and local communities.

The Lake District illustrates this clearly: globally recognised destination, but local infrastructure often operates under significant strain. Government policy must recognise that national parks and rural visitor destinations require year-round infrastructure funding, not seasonal reactive support.

Tourism should support communities, not overwhelm them. That requires better policy alignment between tourism, housing, transport and environmental stewardship.

**7. Cultural heritage and creative assets**

Culture is one of the UK's strongest tourism advantages. Museums, heritage sites, galleries, landscapes and historic places drive both domestic and international visitation. Free museums, regional cultural institutions and place-based storytelling are powerful economic assets.

As Cumbrian museums we find visitors increasingly choose destinations based on the quality of the cultural offer, not simply accommodation availability. This includes increasing demand for deeper, knowledge-based engagement with place and activities that promote wellbeing. These audiences tend to stay longer, spend more and travel year-round, offering a significant opportunity for sustainable growth.

Government should:

- recognise cultural institutions as tourism infrastructure
- strengthen capital funding for heritage assets
- support multilingual and digitally accessible interpretation to improve international accessibility and engagement
- improve revenue support for regional museums
- support major exhibitions and cultural destination programming
- protect access to arts education and local cultural participation

Culture creates longer stays, higher spend and stronger repeat visitation.

**8. Tourism workforce**

The workforce challenge is now one of the sector's most serious structural risks.

**Key issues include:**

- recruitment shortages
- rural housing unaffordability
- transport barriers for staff
- immigration constraints
- retention challenges in lower-paid sectors
- increased payroll costs from NI and wage policy changes
- reduced flexibility from employment regulation changes

In rural areas, staff often cannot afford to live near where tourism jobs exist. This is not solely a labour issue - it is a housing and transport issue. Immigration policy must better reflect sector realities, particularly in hospitality, visitor services and specialist heritage roles. Without workforce sustainability, growth targets are not credible.

**Final Recommendation**

Tourism should be recognised by Government as strategic national economic infrastructure. For rural Britain, tourism is not discretionary - it is foundational. Policy must move beyond promotion and address the operating conditions that determine whether destinations can remain viable:

- transport and housing
- skills
- workforce
- business taxation
- cultural investment
- environmental sustainability

The future of UK tourism depends less on attracting more visitors and more on creating destinations that can sustainably support visitors, residents and cultural institutions together. For the Lake District and Cumbria, success must be measured not by volume alone, but by resilience, stewardship and long-term prosperity.