

UK Rural - October 2022

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**SPOTLIGHT**  
Savills Research

# Rural Tourism and Leisure



Sustainable tourism • Greening your business • Rural opportunities

71%

of UK travellers confirm that sustainable travel is important to them

27%

reduction in the number of UK residents travelling overseas in May 2022 compared to May 2019

# Environmental responsibility

Sustainability and acting in an environmentally responsible way continue to be growing trends among both consumers and the tourism industry as a whole

With economic headwinds set to send a chill through the country well into 2023, rural businesses will need to be as creative as ever to maximise opportunities from the tourism and leisure sector. Energy costs for business and disposable income challenges for consumers will weigh heavily on diversification decisions. Despite this, or perhaps because of this, the overall rural tourism and leisure themes of wellness, experience and sustainability remain true. For rural businesses looking to navigate the difficult times ahead, understanding the overlap between these trends could be the source of inspiration for new business ideas.

In this publication, we look at Savills updated Rural Vibrancy Index and show how large tourist attractions are tackling sustainable transport; simultaneously reducing their Scope 3 (see page 4) carbon emissions, while making it easier and cheaper for visitors to get to them. We also provide some insight on the overlap between wellness, experience and sustainability, and the cost of living crisis. We highlight the bicycle to give rural businesses some inspiration for low cost, high enjoyment ideas to welcome visitors to the countryside.

## IS SUSTAINABILITY STILL IMPORTANT?

Covid has produced a dramatic shift in how we work, travel, and entertain ourselves. While some indicators have returned to pre-pandemic levels such as cars on UK roads, others have not. Recent estimates from the Office of National Statistics indicate a 27% reduction in the number of UK residents travelling overseas in May 2022 compared to May 2019. These behaviours are exactly what regulators were trying to nudge society towards in order for us to meet our collective net zero targets.

While the recent change in political leadership at Westminster signals a change in environmental focus, net zero remains a primary goal. More importantly, the sustainability of fossil fuel consumption has been thrown centre stage by the ongoing energy crisis. Short term reliefs may be welcome, but undoubtedly the energy crisis will be the ultimate accelerator of the sustainable fuel shift, from walking and cycling more to electrifying transport and the adoption of small-scale renewable self-sufficiency.

Sustainability continues to be a growing trend within the tourism sector.

Consumers increasingly believe acting in an environmentally responsible way is the right thing to do and are actively choosing brands that match their ideals. Booking.com's annual sustainable travel report revealed that 71% of UK travellers confirm that sustainable travel is important to them (a 10% increase on 2021). A third say they have stayed in sustainable accommodation over the past year and 62% intend to do so at least once in the coming year. The research indicated an increasing desire to make more conscious choices across the entire travel experience, from transportation to accommodation. Some 23% of respondents said they chose to travel to a destination closer to home in order to reduce their carbon footprint and 14% said they had researched public transport or options to rent a bicycle at their chosen destination.

As consumer interest in sustainable travel choices increases so do the opportunities for rural tourism and leisure. Businesses that identify hotspots in their carbon emissions and make appropriate changes are consequently more likely to prosper and attract more business.





“Rural businesses will need to be as creative as ever to maximise opportunities from the tourism and leisure sector”



### RISING COST OF LIVING

Understanding how consumers feel about rising costs of living with regards to travel and leisure will be vital in helping rural businesses with diversified enterprises survive and be successful over the coming years. Recent research from Visit Britain indicates 76% of UK adults think “the worst is still to come” with the top three barriers to taking a UK overnight trip in the next six months from August 2022 being the rising cost of living, the cost of fuel and personal finances. Interestingly, with regards to day trips 32% of UK adults say that they will “look for more free things to do” on their day trips.

#### WHY ACT?



##### Personal

For many rural businesses there is a personal desire to protect the planet for future generations



##### Competitive advantage

Environmental responsibility can enhance customer retention and loyalty



##### Cost savings and efficiencies

A carbon footprint assessment can lead to business cost savings and increased efficiencies



##### Cost of living

As the cost of living rises, consumers will seek out fair value experiences



##### Energy crisis

As the cost of fuel increases, businesses will seek out more sustainable options



##### Government policy

Increasingly government policy is focusing on environmental outcomes

### Rural Vibrancy Index

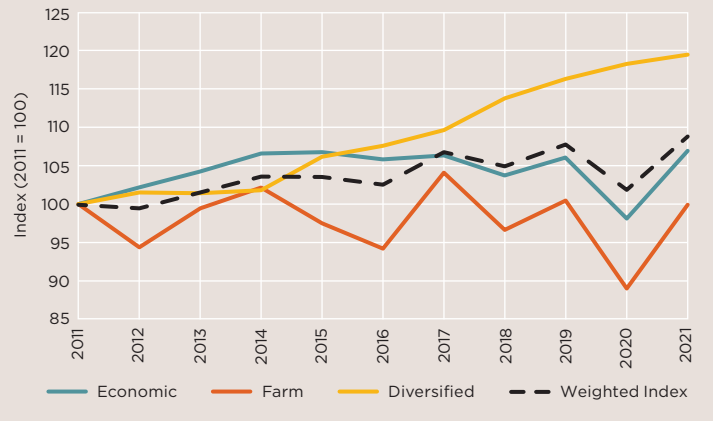


figure 1

Source Savills Research

## What is the Rural Vibrancy Index?

### Trend tracker for rural tourism and leisure

The Savills Rural Vibrancy Index (RVI) tracks some of the key influences on farm tourism and leisure trends and aims to give a comparative indication of the strength of the rural tourism and leisure sector over time.

The RVI combines a wide range of indicators in three separate categories: farm business drivers, economic indicators, and diversified enterprise performance results. The vibrancy of the sector is represented as standardised values indexed relative to the year 2011 (2011=100).

#### LOOKING BACK

Strong recoveries from the Economic Base and Farm Drivers indices saw the RVI (weighted index) grow by 7% between 2020 and 2021 exceeding its peak during 2019 (figure 1).

Although the rate of growth in the Diversified index between 2020 and 2021 was not as strong as previous years at 1%, this follows a resilience through 2020 that was not seen in the other categories represented in the RVI.

#### LOOKING AHEAD

Current data and activity for 2022 suggests the Economic Base index will decline with notable downward

pressure from the poorly performing UK pound. The Farm Drivers index will experience a mixture of influences, with increased input costs being partly offset by increased prices in some sectors such as arable and dairy.

A notably dry and sunny summer will have supported certain farming sectors, as well as many diversified rural businesses. However, it remains to be seen how the cost of living crisis has impacted consumer spending habits across those diversified enterprises.

We expect the overall RVI to be steady in 2022, but the outlook for 2023 is challenging.

Rises in fuel, energy, and food costs will undoubtedly have a knock-on effect on levels of disposable income for consumers.

Opportunities in rural tourism and leisure will therefore be centred around those that cater to the demand for sustainability, wellbeing and experiences, while simultaneously providing value for money to the consumer.

Staycations are likely to enjoy continued favour with holidaymakers, while midweek-weddings are rising in popularity. In addition, sustainable transport such as cycling will rise in prominence.

“ For the government’s net zero target to remain viable, rural businesses must change the way they operate ”



**THE GREENHOUSE GAS PROTOCOL**

This is a globally recognised standard for measuring and managing Greenhouse Gas emissions from companies and their value chains. It classifies emissions in three scopes:

- SCOPE 1** Direct emissions from owned or controlled sources, such as gas or petrol used in day-to-day operations;
- SCOPE 2** Indirect emissions from the generation of purchased electricity, heating and cooling consumed by the business;
- SCOPE 3** All other indirect emissions that occur in a company’s value chain.

By measuring Scope 3 emissions businesses can assess where the emission hotspots are in their supply chain and identify opportunities to significantly reduce their carbon footprint and often costs at the same time. The major Scope 3 emission sources for tourism are:

- purchased goods and services: primarily food and drink;
- travel: primarily transportation to and from the destination.

# Greening your business

To meet the government’s net zero target, it is essential that rural businesses measure their carbon footprint and lead the way in reducing their GHG emissions

An overhaul of the UK’s rural economy will be essential to meet the government’s net zero target. To remain viable, rural businesses must change the way they operate and become leading examples for reducing the sector’s domestic greenhouse gas emissions.

Decarbonisation starts with understanding your carbon footprint. The Greenhouse Gas Protocol (GHGP), see top right, is a tool for rural estates to do just that. Much of an estate’s carbon footprint is determined by land use and livestock numbers. However, diversified businesses will have their own range of impacts – from cleaning products to staff transport. The GHGP can be used to measure the carbon footprint of an estate’s diversified operations as well as its core land use.

**TAKING RESPONSIBILITY FOR TRAVEL**

Scope 1 and Scope 2 emissions are by their very nature easier to measure and influence than Scope 3 emissions. Energy provision in accommodation is an obvious example. Many accommodation types rely on heating and air conditioning to keep guest rooms at a pleasant temperature. Other energy intensive devices, such as water heaters for showers and pools, lights, TVs, refrigerators and laundry machines, all contribute to Scope 1 and Scope 2 emissions. Switching to renewable energy sources and energy-efficient equipment are simple and cost-effective wins.

**MINIMAL, PARTIAL, OR SIGNIFICANT INFLUENCE**

For many tourism providers, much of their Scope 3 footprint is out of their direct control. Consequently, there is only so much they can do to reduce these emissions, such as encouraging customers to use low carbon transport. To account for this, an attribution strategy can be developed. A full carbon footprint (Scopes 1, 2 and 3) will quantify the amount of emissions that arise from running a destination attraction and an attribution strategy can complement this by determining how much influence the business has over

each aspect of the footprint. To undertake this process, two key steps need to be taken:

- **Materiality assessment:** How important is each component of the footprint? How much does each aspect of the footprint vary?
- **Influence mapping:** How much influence do we have over each aspect of the footprint? Significant? Partial? Or minimal?

This is a complex assessment and only the highest profile or most regulated businesses are likely to need to justify their attribution strategies. But lessons can be learned as to how these high-profile businesses are responding to the Scope 3 challenge.

		Materiality assessment		
		High	Medium	Low
Influence mapping	Significant	Purchased goods and services, for example external laundry services for accommodation	Waste generated in operations, for example miniature shampoo bottles used by guests	End of life treatment of products, for example disposal of old bed sheets
	Partial	Outbound logistics, for example delivery of veg boxes to customers	Visitors travel to destination, for example visitors flying from abroad	Employee commuting, for example farm shop staff driving from local village to estate
	Minimal	Inbound logistics, for example transport of food and beverage to venue	Assets leased by estate, for example energy used by let offices	Use of sold products, for example the use of a fire pit purchased from a farm shop

figure 2

Source Savills Research

£215m

total for heritage related visits and trips in England in 2019

19%

of heritage destinations surveyed have already installed EV charging points

## Responding to the challenge

Travel is the final piece in the carbon emissions reduction puzzle

The heritage landscape of the UK provides major commercial value to the tourism economy. According to the Centre for Economics and Business Research (CEBR) heritage related visits and trips in England alone totalled £215m in 2019.

The largest of these heritage businesses have been at the vanguard of adopting meaningful approaches to both understanding and improving overall environmental and social impact. However, all tourism businesses rely on travel, as visitors come to them as destinations.

Taking responsibility for this travel impact is the final piece of the puzzle in reducing carbon emissions, but sustainable travel is now also a major issue in making visitor destinations affordable and accessible to as many people as possible. We look here at how some of the UK's greatest estates are responding to the sustainable travel challenge.

### POSITIVE ACTION

In collaboration with Historic Houses, Savills surveyed some

of UK's most popular heritage destinations, each with over 50,000 annual visitors. The focus of our survey was sustainable transport, but many of the conversations with participants touched on sustainability being a core element of future business strategy across all parts of the business.

Participants who identified themselves as "not doing very much" for sustainability or being in the preliminary stages of developing a sustainability strategy had still implemented several "quick wins".

The table below (figure 3) highlights short, medium and long-term actions that are already in place or are being considered by our respondents.

### SHARING BEST PRACTICE

There are many lessons to be learned from the experiences of these estates in adopting sustainable transport options for visitors.

The majority of these estates were actively promoting their sustainability strategies, and most

of them had begun to tackle the sustainable transport challenge.

Understandably, the biggest barriers related to the investment that is needed in grid infrastructure to enable electrification, and in public transport networks to provide connectivity to urban populations (figure 4). Although local, regional, and national tourism initiatives are seen as an important mechanism to promote sustainable tourism to the public and help towards alleviating some of the barriers, the government needs to do much more, much quicker to invest in these core services as part of its net zero investment plans. For remote destinations dependent on road access, rural tourism and leisure operators may feel they have little choice until this happens. However, our survey showed how creative sustainability thinking can produce a win-win for visitors and destinations alike, with cycling being one example of a low cost, high experiential sustainability initiative to champion.

Short term "quick wins"	Medium term	Long term investment
Sustainability champion	Salary sacrifice schemes for staff bike/electric car schemes	Shuttle buses from local transport links
Internal sustainability working groups (multi-departmental)	Green ticketing (visitors)	Footpath/cycle path creation or improvement
Information: publicise cycle/walking routes where available	Composting & recycling (commercial scale)	e-bike hire schemes
Encourage/discount for group bookings in single vehicle	Water conservation (rainwater collection)	Green energy generation
Staff car sharing	Digital information/signs rather than printed maps/leaflets	Change heating systems
Encourage staycations over daytrips	Prioritise local suppliers with high sustainability standards	Change to electric or hybrid estate vehicles
Bike storage and security	Stop use/sale of single use plastics on-site	Tree planting/woodland creation
Raising awareness (staff and visitors)	Introduce organic/regenerative principles into garden/land management	EV charging points (staff/visitors/holiday accommodation)
Switch to eco cleaning products	Green travel rewards (staff)	Recruit sustainability lead

figure 3

Source Savills Research

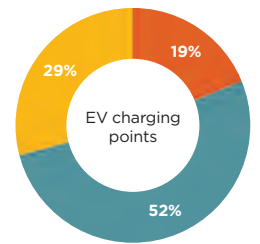
## SUSTAINABLE TOURISM

Of the UK destinations surveyed by Savills in collaboration with Historic Houses:

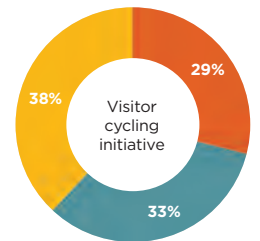
86%

had a sustainability strategy in some form, ranging from the initial stages of development to a published document on their website

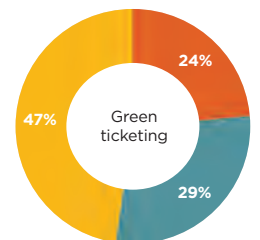
- Already in place
- Likely or highly likely to implement
- Barriers to implementation



Barriers: cost, infrastructure, planning and grid capacity



Barriers: landscape, topography, lack of safe cycling or walking routes, cost of new infrastructure



Barriers: lack of sustainable transport, logistics, existing pressures on ticket prices.



figure 4

Source Savills Research



30%

off admission for Blenheim visitors who travel by bus, train, bike or electric car

£110m

is available for capital grants through the Rural England Prosperity Fund

# Opportunities for rural tourism and leisure businesses

Adding incentives to sustainable transport measures can limit Scope 3 emissions

As demand for experiences, wellbeing and sustainability collides with the cost-of-living crisis and the accompanying decrease in disposable income, businesses must adapt to maintain viable appeal. While challenging, there are opportunities that span these requirements. Our case studies below focus on one of these opportunities; cycling, which is able to provide a unique and invigorating perspective of locations at low cost to both the tourist and the environment.

## SAFETY AND SECURITY

Safety is the first consideration when deciding to cycle to a destination and should therefore be the first consideration of the business too. Changes to the Highway Code have attempted to improve the situation for cyclists, designating them among the most vulnerable of road users and requiring those using heavier or quicker modes of transport to be especially vigilant. Despite these attempts, cyclists

are still likely to avoid busy or unsafe roads and give preference to quiet, scenic and safe routes, such as those that might be created across an estate.

## PARTNER UP

Consider crafting routes to incorporate other tourist facilities or hotspots outside of local settlements. Campsites and caravan parks, as well as scenic highlights or monuments, will all attract their own body of tourists. Collaborating will impart a mutual benefit greater than the sum of its components if travel between these places can be encouraged and signposted.

## ENHANCE THE EXPERIENCE

Bicycles can also be used to provide mutual benefit in the case of the business and customer's experiences of tourism, particularly where terrain is not ideal for exploration or there are great distances

between points of interest. For visitors, the ability to use the speed and efficiency of a bike to explore in less time represents increased value for money from a day-out holiday. For an estate, bikes permit visitors to explore further, reducing impact on core areas of the estate. Electric bikes, also known as e-bikes, can enhance this effect beyond that of conventional bikes, permitting customers to explore further without fatigue.

## PROVIDE AFFORDABILITY

Cycling can be cheaper than other modes of transport. Despite this and other accompanying benefits to health and carbon dioxide emissions, obvious drawbacks, such as convenience and safety, may discourage visitors from considering cycling options. Rural businesses can therefore look to incentivise sustainable transport measures if they wish to limit Scope 3 emissions.



## CASE STUDY 1

### TRAQUAIR, SCOTLAND

This is Scotland's oldest inhabited house dating back to 1107 and has remained in the same family since 1491. Over the last 70 years they have developed a successful tourist destination that today includes a maze, craft workshops, house, gardens, café, brewery, events and weddings. Traquair is committed to

the principle of sustainable tourism and along with other green initiatives actively promotes walking and the use of bikes. Creating a footpath and cycle route from the local town of Innerleithen has transformed how people travel to the venue and led to an increase in the number of walkers and cyclists. Upon arrival at the estate, bike racks can be found, providing peace of mind to visitors for the duration of their visit.

## CASE STUDY 2

### PORLOCK MANOR ESTATE, SOMERSET

The Porlock Manor Estate is in the Exmoor National Park in West Somerset. The heart of the estate is the ancient port of Porlock Weir, where the estate's land stretches up steep wooded slopes and valleys to heather-covered moorland. The Porlock Manor Estate has been linked to the Blathwayt family since 1686. A tenant on the estate, Exmoor Adventures, provides the experiences visitors now demand, from kayaking and rock climbing to archery. It also provides mountain bikes for hire, including e-bikes, that allow visitors to explore the national park, together with offering coaching, guided bike rides, uplift days, family and school activities. Exmoor Adventures has received funding from Cycling UK to allow visitors a mountain biking taster session to encourage more people to experience the joys of cycling.



🚲 Cycling provides a unique and invigorating perspective of locations at low cost to both the consumer and the environment 🌱



**CASE STUDY 3**

**BLenheim, OXFORDSHIRE**  
Eight miles north of Oxford, Blenheim Palace sits among more than 2,000 acres of landscaped parkland and formal gardens. The palace was built between 1705 and 1722 and designated a UNESCO World Heritage Site in 1987.

Visitors to Blenheim who travel by bus, train, bike or fully electric car enjoy a 30% reduction on admission prices. This, combined with adopting sustainable transport

in the first place, leads to savings of between £8 and £12 per adult; up to a third off the cost of travelling to Blenheim by car. Figure 5 shows the comparison in journey times. Considering the journey from Oxford, it is only walking that takes a significantly greater time; cycling from central Oxford takes only 25 minutes longer than travelling by car and cyclists benefit from the National Cycle Route 5, which takes in “a picturesque diversion through Wolvercote and by the Oxford Canal path” and a dedicated cycleway.

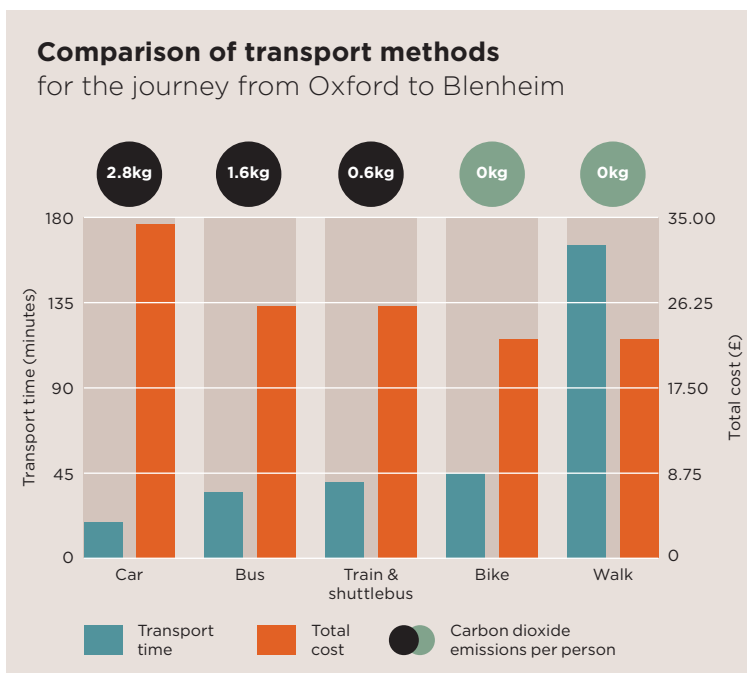


figure 5

Source Savills Research

## The Rural England Prosperity Fund

Helping to address the needs and challenges of rural areas

Many small rural businesses and community infrastructure projects will benefit from grant funding from the recently announced Rural England Prosperity Fund (Rural Fund). The Department for Environment, Food and Rural Affairs (Defra) together with The Department for Levelling Up, Housing and Communities (Dluhc) have announced that a total of £110 million is available to provide targeted support to rural areas through capital grants.

To address the extra needs and challenges facing rural areas the Rural Fund is in addition and complementary to the £2.6 billion allocated via the UK Shared Prosperity Fund (UKSPF), which supports productivity and prosperity in both urban and rural areas. Eligible local authorities have been allocated funding and will be responsible for distributing the Rural Fund grants between 1 April 2023 and 2025.

The Rural Fund provides capital funding to:

- support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams.
- support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy.

### BICYCLES: PARAPHERNALIA OR PASSION?

Cycling itself has evolved far beyond being a quick and easy way to commute to work or school, or as a periodic and pleasant outdoor activity that can be done at the weekend. For many people, it is a regular sporting pursuit to which a large amount of money is dedicated, even given the current financial pressures.

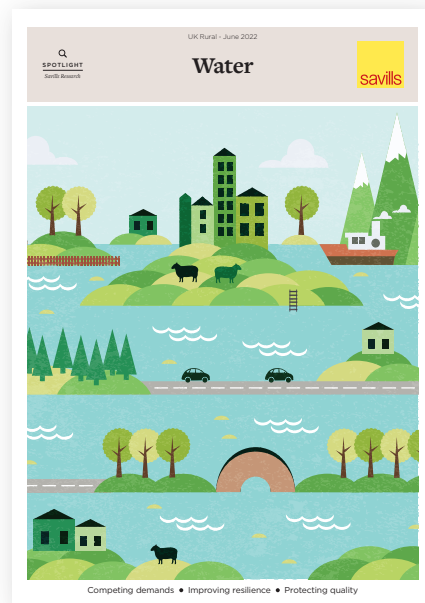
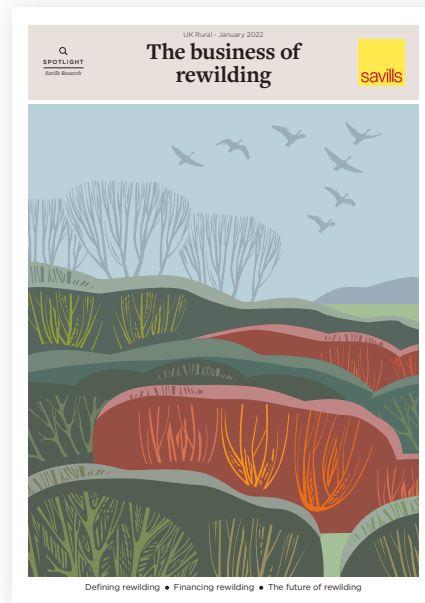
■ **Bikepacking:** How to bikepack? Strap a tent to a bike and venture out into the great unknown. These adventure cyclists will need a simple place where they can pitch their tents in order to rest between long days in the saddle.

■ **Hit the trails:** Mountains are few and far between in the UK. Dedicated



mountain biking trails give thrill-seeking cyclists a place to hone their downhill skills and are well-suited to locations with difficult terrain.

■ **Refuel:** Cycling can be up to five times more energy efficient than walking. Even so, cyclists will need to stop regularly and refuel. Create a dedicated bike café to provide this essential pitstop and you will see the business become the focal point of the local cycling club ride.



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**Nicola Buckingham**  
Rural Research  
+44 (0) 7807 999 011  
nbuckingham@savills.com

**Joe Lloyd**  
Rural Research  
+44 (0) 7790 824 970  
joe.lloyd@savills.com

**Ashley Lilley**  
Food and Farming  
+44 (0) 7770 652 964  
alilley@savills.com

**Simon Foster**  
Tourism, Leisure and Events  
+44 (0) 7855 999 486  
sfoster@savills.com

**Adam Davies**  
Tourism, Leisure and Events  
+44 (0) 7929 854 314  
adam.davies@savills.com