

Environment, Food and Rural Affairs Committee

Oral evidence: Rural Tourism, HC 428

Wednesday 11 January 2017

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Members present: Jim Fitzpatrick (Chair); Chris Davies; Simon Hart; Dr Paul Monaghan; Ms Margaret Ritchie; David Simpson; Angela Smith; Rishi Sunak.

Questions 221 - 283

Witnesses

I: Councillor Julian German, Cabinet Member for Economic Development and Culture, Cornwall Council, John Mortimer, Chair of Swindon and Wiltshire Local Enterprise Partnership, Councillor Paul Bettison, Leader of Bracknell Forest Council

Examination of Witnesses

Councillor Julian German, Cabinet Member for Economic Development and Culture, Cornwall Council, John Mortimer, Chair of Swindon and Wiltshire Local Enterprise Partnership, Councillor Paul Bettison, Leader of Bracknell Forest Council

Q221 Chair: Colleagues, gentlemen and visitors, welcome. Thanks very much to our witnesses for attending this afternoon, Councillors German and Bettison and Mr Mortimer. I will ask you to introduce yourselves in a moment. Just to let you know that this session is being broadcast and so it will be picked up by people outside. I am Jim Fitzpatrick. I am acting Chair because Neil Parish, who is the Chair of the Select Committee, is recovering from an operation at the moment. We are told that he is probably watching on television, so Neil, on behalf of the Committee, I am glad to hear you are making good progress and we look forward to seeing you soon.

Gentlemen, perhaps you will be so kind as to introduce yourself and indicate where you are from, and if you want to say anything in addition to that introduction please do so. Can I start with you, Councillor German?

Cllr German: Hello. Good afternoon. Councillor Julian German, Cabinet Member for Economy and Culture at Cornwall Council.

Cllr Bettison: Hello. Good afternoon. I am Councillor Paul Bettison and apart from being leader of Bracknell Forest Council, I am the Deputy Chairman of the Culture, Tourism and Sport Board at the Local Government Association.

John Mortimer: I am John Mortimer. I am the Chairman of the Swindon and Wiltshire Local Enterprise Partnership and, apart from that, I am the Regional Director in the south-west of England for the CLA.

Q222 Chair: Thank you, gentlemen. Thanks for attending. The first question is a very straightforward general one, which is to the local authorities. What priority do your authorities place on supporting local rural tourist businesses? Also, to Councillor Bettison, how does the LGA rank tourism in its work programme priorities?

Cllr Bettison: As far as the LGA is concerned, we rank tourism highly. For a great many of our member authorities, their communities would not be able to survive without tourism, so it is of vital importance to us. The way that the Local Government Association is organised is that we tend to shadow the types of services that our member authorities are tasked with delivering. Culture, tourism and sport works for us. It is of importance to us and I can assure you it is incredibly hotly debated at our board meetings.



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Cllr German: Tourism is critically important to Cornwall. One in three households directly or indirectly depend on tourism, depending on how you look at the figures, but in the way that we generally do it accounts for 21% of our GDP or 11% of GVA, so it is really important to Cornwall's economy. Having said that, we have, as a council, taken the very difficult decision not to revenue fund our DMO. Visit Cornwall went from being wholly funded from the council—around £1 million a year—to becoming a CIC.

Chair: Could you spell out the acronyms, please, just for anybody who might be watching? What is DMO?

Cllr German: Destination management organisation.

Chair: What is CIC?

Cllr German: Community interest company. It has gone from being a council function supporting the sector to the sector itself supporting. However, we have invested heavily. That is part of the issue of the pressure on council funding and the limited amount of revenue that we have. We have taken that difficult decision not to support the tourism industry in that way through revenue funding, with the debate this afternoon on social care being a case in point as to the other statutory responsibilities that we need to fund.

However, we have invested heavily into infrastructure—broadband, road and rail. We are still the largest local authority investor into rail travel, as an example, which is so critical for getting visitors about. Also in cultural infrastructure, we have maintained our funding to match our Arts Council funding. Why are the visitors coming to Cornwall? For that landscape, that heritage and that culture. We have used that capital investment into those areas to support the industry.

John Mortimer: From the perspective of Swindon and Wiltshire, the LEP takes tourism very seriously and has invested in it from the funds that we have had available to us so far. That investment, which was around £70,000, funded an accommodation project and survey. Finding out the data about the state of the rural tourism sector is very important, and there are very many operators, so it needs someone to pull that together.

For us it is particularly important. It has a turnover of £1.5 billion a year as a sector in Swindon and Wiltshire and GVA of £860 million. It employs 30,000 full-time equivalents, so it is extremely important. About 10% of employees in Swindon and Wiltshire are in that sector.

Wiltshire Council takes the issue seriously, as indeed does Swindon. Wiltshire has, for quite a while, funded the DMO, but that funding is on a sliding scale downwards. It has not quite reached the Cornwall zero, but the DMO is going into a discussion with Wiltshire Council now and the anticipation is that the funding will be cut from Wiltshire. At the same time, the DMO has about 600 members itself and those members contribute to the running cost of the DMO but not to the full cost of it.



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The DMO has been very effective, but at the moment the worry is about how we would continue to fund the co-ordination of a very disparate sector—a sector that is populated, in business, terms by micro and predominantly small businesses. There are some larger than that.

Q223 Chair: Can I just follow up on a couple of supplementaries? Councillor German, you mentioned that the reductions in local authority spend generally are impacting on spend on tourism. Have you had a chance to measure the impact of that so far? Councillor Bettison, the LGA are saying that it is clearly a priority. Is that right across the piece or is there a sub-committee within the LGA who focuses and it is more the destination counties and the destination management organisations that have a high focus and do most of the heavy lifting within the LGA, or do all local authorities take an interest?

Cllr German: There has not been an effect on tourism in Cornwall due to the reduction of revenue granted to Visit Cornwall. The private sector has really picked that up. Like Swindon and Wiltshire, it is very much predominantly micro, but businesses have been willing to invest into that destination management marketing. They understand that they need people to come to Cornwall and then they can battle for the individual tourists as they come. Access is going to be an issue and Great Western Railway have become a corporate sponsor of Visit Cornwall, so that has really helped to tie up two issues, one of funding but also of how to get people to Cornwall and get them to their destination.

Chair: We certainly want to come on to transport links later on in subsequent questions. Councillor Bettison.

Cllr Bettison: It is true to say that if a council is very dependent upon tourism it is probably to be expected that they will lobby to get one of their members selected for the board at the LGA, but there is no free choice. Indeed, I was recently drafted into that board and, as most people in the room know, Bracknell Forest is not really a great tourism destination, although we do have Lapland UK and Legoland as well. It is drawn from right the way across.

Indeed, for members who have found themselves on the board, such as myself, I have found it very useful being on the board and I have been able to take back to my own authority things that I would not have discovered otherwise. I am looking forward to the annual conference of the board in February, where I am looking forward to taking many notes and coming back with lots of ideas.

Q224 Chair: Is tourism a specific agenda item for the board meeting in February?

Cllr Bettison: Not just the board meeting; this is a two-day conference.

Chair: Alright. Okay. Super.



John Mortimer: Because the destination management organisation Visit Wiltshire has annually commissioned a piece of research about the economic impact, what we do know is that since 2011 through to 2015—so a five-year record—the estimated GVA has risen from £638 million to £860 million. The number of jobs has risen from 21,000 to 29,000. We are on an upward trajectory the last couple of years. Over 2014 it was improved again.

Deciding or relating that to whose activity and exactly what it is that is driving that is a more difficult question, but what we do know is the destination management organisation Visit Wiltshire has been putting in a tremendous effort in terms of understanding the market, putting the market together and providing training, advice and support to operators. We are going in the right direction, but we have certain identified and specific problems, and you may come to discuss those later in this session.

Q225 **Chair:** Can I introduce the “Brexit” word and ask what assessment, if any, you have made about the impact of Brexit on tourism, particularly the level of funding that will be needed with tourist businesses to replace EU funded programmes like LEADER and the money from the Rural Development Programme for England. Can I start with you, Mr Mortimer?

John Mortimer: In terms of funding, we are looking at around about £9 million coming towards us from the EAFRD Fund—the European Agriculture, Food and Rural Development Fund—and we have asked to invest that money in tourism, both in accommodation but also infrastructure, and to invest it in food and drink production. The linkage between local food and drink and tourism is a very strong and important one. If it is approved we will also be investing around the natural capital. Wiltshire has a very large quantity of natural capital. All of these three elements can be linked together. That is a £9 million fund through to 2020. In terms of what we would be losing if we do not have a replacement for EAFRD, that is one figure.

Rural tourism is related to agriculture, so the potential threats of Brexit to the agricultural sector, I am sure you understand, are very significant. If agriculture in the county is disrupted then we would expect a spill over to other areas of the local economy, including potentially tourism as there is quite a large amount of bed-and-breakfast on farm activity.

There are some threats there. There is the labour issue as well. The tourism sector, even in Wiltshire, is quite reliant on immigrant labour or temporary labour. It is a seasonal business. We would like to make it less seasonal. It makes it more difficult for permanent UK employees because they would be laid off a lot of the time during the winter season. We have to find opportunities. You will come on to discuss VAT and taxation, and there may be opportunities there outside of the EU to be more flexible about VAT in particular.



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Cllr Bettison: The LGA's position is that we should not just consider direct replacement of funding. This gives us an opportunity to improve and better direct funding in new ways. We would not therefore want to necessarily recreate 20 different funding streams, but to concentrate on having localism and transparency within those streams.

You mentioned earlier about board members of the LGA and where they come from, but because the Local Government Association is a national body when we debate things we do so in national terms. At our last board meeting we were discussing the fact that nobody can have not noticed that hotels in London are having a field day right now because of the lower value of sterling, but there is something of a perverse effect there.

They are all desperately short of staff because a lot of the imported labour, largely from Eastern Europe, that has been making the beds in hotels, and waiting on and so on, has gone home because it is paid in sterling and that sterling is not buying the same number of whatever their currency is back home. Some of them have gone home because they are not getting paid enough and it does seem rather perverse that one of the effects of Brexit, like it or loathe it, is that we have this influx of tourism, especially to our cities, and hotels are saying they are not able to cope with it.

Likewise, in another place we may well have heard it is bad news that there are five pubs a week closing in this country. That is bad news, but there are 10 Indian restaurants closing every week in this country because they cannot get staff because the legislation has meant now that it is impossible for them to get staff. I have a number of friends who own Indian restaurants. I know a lot of people in that business. They are tending to employed Eastern Europeans, but the problem is the Eastern Europeans will not work legitimately. They need paying in cash. What they say is it is better to have an argument with HMRC down the line and negotiate a penalty than to get £20,000 per person from the UK Border Agency for every illegal.

Chair: I am very tempted to follow you down that rabbit hole, Councillor Bettison, but we will leave that conversation.

Cllr Bettison: But you see the perversion, Chairman.

Chair: Yes, indeed. Thank you.

Cllr German: I would agree with what has been said on European funding so far, and that there is an opportunity for improvement with the myriad funding streams and the amount of time that it takes to access that funding and the proportionality of trying to access the funding. If you are trying to get a very small amount of money, you may be completing the same amount of paperwork as if you are trying to do a large product. We can be more responsive to applicants in the future. There is a big opportunity, but also there are funding streams that are competitive that we currently access, such as the INTERREG funds, that are not part of



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government thinking of direct replacement at the moment, so I would hope that we will be thinking about that in due course.

EAFRD has been mentioned. We use some funding from that to promote our World Heritage Site—Cornish Mining World Heritage Site—which is the largest World Heritage Site in the UK, at around 20,000 hectares. That is a real global quality mark. One of the things that we could be doing more as a country is to be promoting world heritage. Through that funding, working with businesses to promote heritage-led tourism over the period of 2010 to 2013, those businesses through that project saw a 20% increase in their profitability. If you remember back, that was a pretty difficult trading time, so a number of businesses were not increasing their profits at that time, so that 20% increase was really significant.

In Cornwall over 50% of our farms are already diversified into tourism through providing bed-and-breakfast, tearooms, etc. The European funding has been critical to allow for that diversification and, as an average, around 22% of farm income in Cornwall now comes from that diversification. Given how difficult profitability is in farming at the moment, the ability to be able to diversify is really important, so that funding stream may be reconfigured but it is really important that we still have that funding coming into our rural communities.

Q226 David Simpson: Gentlemen, you are very welcome. Marketing is very important to your industry, so how do you rate VisitBritain and VisitEngland's performance in marketing rural tourism, both here in the UK and abroad?

John Mortimer: In this respect I am not a tourism expert, but if you visit the VisitBritain website, it did not jump out at me that they were promoting the exquisite opportunities for fun, relaxation and learning that exist in the British countryside. They promote the honeypot sites. They promote our cities. I found some links to local destination management organisations, which I would say represented more rural destinations, but it was not comprehensive and there was not something saying, "Yes, visit London, but visit this magnificence countryside—the countryside of Hardy and the countryside of all of the great programmes that we manage to sell all over the world", which does a lot of good for Cornwall because a lot of people go visiting Cornwall because of some famous programmes that they have seen set there.

My feeling is that they may well be, and probably are, successful in attracting people and supporting people who want to visit the country, but what we have not got is a clear signpost from there saying, "By the way, visit rural England. The way to find out about rural England is to follow the sign to this destination management organisation." I would like VisitBritain to be saying, "By the way, visit Wiltshire, and after you have spent a long time in Wiltshire pop down to Cornwall for the day."

Q227 David Simpson: Do not spend as much time in Cornwall as you do in



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Wiltshire. Paul, what is your view?

Cllr Bettison: The LGA was disappointed that VisitEngland was incorporated into VisitBritain. We remain concerned that VisitEngland should retain its sense of purpose and that it should be able to effectively support the English tourist offer. However, we are where we are and the role of VisitEngland in the Discover England Fund is welcome. However, we do not as yet seem to see them moving beyond that funding role, and we would like them to be a strong voice for English tourism. We do, however, I am happy to say, have a good working relationship with VisitEngland through Viscountess Cobham and Patricia Yates represented VisitBritain at our last board meeting.

Cllr German: With regards to VisitBritain, I come back to my point around World Heritage. That really is a global mark of quality and a lot of visitors that we want to attract to the UK, from China, for example, and from emerging markets, really do use the World Heritage Site list as that indicator of quality in choosing where they are going to go to visit. The promotion of World Heritage Sites could be much greater through VisitBritain, and, for Cornish Mining in particular, the new markets that that has links to—the Cornish diaspora of 6 million around the world in countries such as Mexico, Peru, and South Africa that would be really valuable visitors to the UK.

In terms of VisitEngland, we are really pleased at the Cultural Destinations programme. I mentioned before our investment into culture is ensuring that we have high-value tourism in Cornwall. Yesterday's announcement that we were successful in the VisitEngland and Arts Council funding to continue our programme around cultural destinations is most welcome.

Q228 **David Simpson:** Lastly, in relation to some of the concerns you may have about them, no matter how small they may be, have they been raised? Paul, you mentioned not going on beyond their funding aspect of it. Have any of you raised the issues with them to see if they can be addressed?

Cllr Bettison: Yes, we have. We have a good ongoing relationship, so I look forward to that progressing well.

Q229 **David Simpson:** Has anyone else raised anything with them?

John Mortimer: I cannot say that we have. I am not informed on that point.

Could I add something? There seem to be a lot of organisations involved in this sector and I cannot discern a logical structure or a defined relationship between the different organisations, and so it feels as if responsibility is not clearly allocated and the relationships are not clearly defined. That is my feeling, and it is something that would help. I would particularly say that the destination management organisations—and ours is a very good one—need to see themselves clearly in a network or



organisations that have responsibilities at different levels, and I would see our local enterprise partnership as being the sponsor of destination management organisations, because of our responsibility for promoting economic growth and jobs.

Cllr German: Following on from that point, the destination management organisation thing certainly is not clear, and there are many small DMOs competing with one another. I am sorry to use this example. It cuts across certainly political area geographies—the Cotswolds. A visitor would be looking for that as a destination, not necessarily the constituent counties or district authorities that are there. In Cornwall we are fortunate that that is coterminous and visitors would understand Cornwall; they have a feel for that sense of place. DMOs need to be around what the visitor is looking for rather than what happens to be the political geography.

Q230 **Ms Margaret Ritchie:** You are very welcome, gentlemen. On destination management organisations, some 200 English destination management organisations market local and regional areas and there have been some criticisms of the DMOs. In your view, how effectively can destination management organisations market rural areas in competition with domestic and international organisation with much greater resources?

Cllr German: Visit Cornwall, as our local DMO, does a good job. We have maintained the number one spot for favourite UK visitor destination for a number of years. I am fortunate to have a good example, and I welcome the Committee to look at that in greater depth. I would refer back to my previous answer, though, in terms of it being a mixed geography and a mix of ability and sense for the visitor as to how DMOs currently are around the country. It is difficult for area DMOs to market internationally, and that is really where VisitBritain needs to be stepping up to the plate. While London is an obvious gateway, we really need to be making sure we are getting out much broadly and VisitBritain are really pushing how to access the other areas.

Cllr Bettison: If I could just follow on from what Councillor German said about wanting to move away from all journeys beginning or ending in London, that is something that we hear a lot from councils around the rest of the country: that there are gateway airports other than London-based ones. There is clearly a little bit of niggles that people will always want to visit a capital city, but not necessarily on every visit. You mentioned the fact that there are 100 DMOs. Clearly there will be 100 different ways of doing it and 100 different ways of doing it efficiently.

John Mortimer: It is difficult to comment on and I would not comment on other people's DMOs. What I can comment on is the destination management organisation Visit Wiltshire and say that to the parties associated with them within the LEP territory, the view is that they are doing a sound job. They probably are not the right people to try to market Wiltshire to Japan or to the States, and that is where, as I said before, one would expect that that was the role of VisitBritain and that



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VisitBritain should be signposting to rural England, perhaps specifically to specific areas or signposting to the websites of specific areas and specific promotions.

What the local organisation is better at doing is probably promoting itself and its area to the UK market. We must not forget that in our case the day visitor market is extremely large. We have a very large number of day visitors visiting key sites—Salisbury, Salisbury Plain, Stonehenge, Avebury, etc. Visit Wiltshire is the right organisation to be promoting that to the rest of the UK.

In terms of resourcing, then any organisation that is attempting to promote a market needs to have the resource to do it. The resources need to be proportionate to the task that they have to undertake. There is a real question mark now and looking into the future about where the resources for that will come from. As I say, in a sector that is highly disparate and substantially micro or small business, getting them to work together as a body is very difficult if you have not got an organisation there working for them and with them to pull them together to do the research first, to set out the strategy, put together the marketing, co-ordinate the operators and then provide a service to the operators in terms of enhancing the quality of what they deliver through training and advice.

Q231 Ms Margaret Ritchie: Have you any further thoughts about how they could dilute those criticisms and improve their role?

John Mortimer: My two colleagues here have also alluded to this. The geography of the local organisation needs to be sensible. Visit Cornwall is obvious. Visit Cornwall has an interesting relationship, I have observed, with Devon, because Cornwall would really like people not to stop in Devon and come straight down to Cornwall. We would like to stop some people as they come through Wiltshire heading for Bath or heading for further south-west. There is competition, but what you do not want, I would imagine, is competition within natural geographies. Wiltshire is quite a neat natural geography. It is quite a large space. It has a number of very significant attractions. The geography seems to work, but, from an LEP point, I would not welcome a south Wiltshire destination organisation competing with north Wiltshire.

Q232 Ms Margaret Ritchie: Would there be a level of protectionism involved in promotion and marketing?

John Mortimer: Of course. Defending your market is the first important function of any marketing exercise.

Q233 Rishi Sunak: Good afternoon, gentlemen. Thanks for making time. You talked metaphorically about signposting. I want to talk about actual signposting and signage. We have had previous discussions about brown signs in particular in some of these evidence sessions, so I want to just get each of your thoughts specifically on what you think either Highways



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England or other relevant bodies can do to improve signage to rural tourist destinations. Maybe we can start with Julian and just quickly rattle through.

Cllr German: Thank you. Clear signage is important. We have also talked about the importance of our natural capital and our environment and landscape. You do not want a clutter of signage and detract from that environment. We understand the sometimes critical nature of brown signage and good physical signage, but looking not too far into the future, in an era of driverless cars and all of the technology that is coming towards us, then that virtual signposting—the use of apps, social media and modern technology—may well take the need for some of that physical signage out of where we are at the moment.

Cllr Bettison: As you doubtless will not be surprised, it is not an area the LGA has a formal view. We do believe that it is important, however, that the scheme continues to retain integrity. It must avoid overuse. Bear in mind that in addition to the brown signs, there are the AA yellow signs for specific events—shorter-term signage—so that surely has to be considered as part of the overall package there. If we were starting again, which we are not going to, then we might not have painted them muddy brown, but there you go. At the end of the day we all know that they are tourist sites, so they have recognition and that is worth a lot.

John Mortimer: Chair, I take Councillor German's point very well about virtual signs, but, as he said also, you do need signage, particularly in rural areas. Actually, you need signs in towns as well, as I found out when I visited Newport looking for the passport office last week. It would have been very helpful to have had a sign. We do need signs; particularly in the rural environment, where many of the destinations are hidden, down a line, off the road there, up the hill or round the corner, it is helpful to have signage.

As it goes, the brown signs have done a decent job. As Councillor Bettison said, it is important that you do not have too many cluttering up the place, and I do not think they have. I am sure that for the people who decide who will be allowed to have a brown sign to their attraction it must be quite a hard task differentiating. Brown signs are probably better in the countryside than fluorescent yellow or orange. We cannot have blue ones because they are used for road signs and red is a problem because it is used on road signs, so as the colour goes, it blends in quite well; the signs do not shout out at you. If you are looking, you will see it. If you are not looking, you probably do not.

Q234 **Angela Smith:** Can I ask what your authorities are doing to help local businesses attract visitors to rural areas outside of the peak summer months?

Cllr Bettison: Certainly that is the Holy Grail for most areas, because if you can extend the season then clearly you are utilising the assets and the labour force better and the down season is less. There are any



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number of ways, many of which are tried and tested and are replicable elsewhere. We have seen in recent years the number of Christmas markets that have blossomed in the country and that has extended into Christmas, and has brought people to venues that otherwise they might not have visited at that time of year.

Forgive me for quoting one that is not on the UK mainland, but there is a reason why the Isle of Man has the TT races in May and the tourist Classic in September. It extends their otherwise fairly short season. Blackpool switch the illuminations on just when the tourists would normally be packing up their buckets and spades and going home. There are any number of ways, and there is not any one-size-fits-all that we could prescribe. It is a question of finding out what assets a local area has and encouraging those with control over those assets to maximise them.

That takes me to another thing. If you are successful you can give your hoteliers, for example, a bit of a headache because sometimes they close down. They are not going to welcome suddenly having to either gear up for just a week or two, so it is not well-planned that can be another thing.

Another example I use there is the fact that the Isle of Man needs double the accommodation twice a year, when the races are on. They have what is known as home-stay, where, if you have a spare room, you register it with the Government; it goes on a website; they will almost guarantee to find you somebody for it at the approved rate and they give you an exemption from paying income tax on the benefit that you make on it. The result is that most people who let those sorts of rooms do not declare it anyway, so they are not losing any tax, but they are now getting the figures. That is a good example of where different layers of governance can work together for the benefit of the whole.

Q235 Angela Smith: I would be interested to hear Julian's perspective on the hotels point, because I know that Cornwall's hotels and cottages stay open all the way through the winter.

Cllr German: Certainly. We welcome all-year-round tourism because it means you are moving away from seasonal low-paid jobs to an all-year-round full-time employment that you can have career progression in as well. There will be lifestyle businesses that do want to close at certain times, and that is fine, but we want an industry that is all-year-round and high-value. On the whole, that is what we are looking to support, and we have done that really through our investment in culture and heritage. Those visitors are much less concerned about the school holiday and peak season. In fact, they may well wish to avoid it, but there are higher-spending tourists as well.

We have done that through a number of different ways and investments. A high-profile one would be the extension to Tate St Ives or indeed the formation of Tate St Ives in the first place as the only rural Tate, so really adding to that cultural infrastructure and now looking to extend it, the



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opening of which is this year. We have invested in Cornwall 365, which is the cultural part of our destination marketing organisation. We have invested in programmes such as the Devon and Cornwall Rail Partnership to promote cheap travel around the area out of season, and we have promoted bus routes out of the towns into the countryside with visitor-focused day pass tickets.

There is a suite of opportunities to extend the season, but I am sure that you will notice that Hull, as UK Capital of Culture, will really extend the season for yourselves in your area as well as Hull. That focus on culture really is a key way of making sure that the season is all-year-round and that is why Cornwall is pleased that DCMS has opened the bidding for European Capital of Culture and we look forward to bidding into that competition.

John Mortimer: It is extremely important. It is the Holy Grail, as Councillor Bettison says—not to want to be as busy as the sector is in the summer, which then sucks in a lot of temporary employment, but really to look to increase that base level of visitor and visitor spend through the winter months. To do that you have to offer reasons for people to come in the winter, so it is probably about extra events or different events, staging things that people will want to come to spend the weekend with you at least, if not the week. It is about finding different things for them to do.

In our part of the world we are pushing a lot of outdoor activity. Outdoor activity, particularly sporty outdoor activity, is not something that is only done in the summer. Indeed, there are some of them, say around field sports and game shooting, that are very valuable to our area and are winter activities. So sport is encouraging people to come. There is orienteering and then the attraction of spending the weekend in a fabulous country pub with a roaring fire and great local food; that is a different product and we need to find different products to encourage people to come at a different time.

Q236 **Angela Smith:** That is a really important point, but if I can address a further question on that to the member for Cornwall, if you do not mind, on outdoor activity, because you have the coastal path. Funnily enough, I know Cornwall much better than I know Hull; having grown up on the other side of the estuary that may surprise you. I know quite a significant part of the coastal path that I have walked already. I would just like to get an assessment from you of how important you think the coastal path has been in terms of boosting visits to Cornwall.

Cllr German: It is significant. I am happy to send some figures across. I cannot just see them in my paperwork at the moment. Certainly it does have a significant impact on the number of visitors that quote their reason for coming to Cornwall to be out in the open countryside and to have those views and vistas to be on the coastal path.



Equally, we have invested into trails linking into the coastal path—the Camel Trail, for example. We are now using growth fund money to turn Bodmin into a cycling town and the next iteration will be from Liskeard to Looe to make a trail across Cornwall, so linking the coasts as well. That environment and that ability to get out into a fantastic environment, coupled with good accommodation, good promotion and accessibility really does help to drive the visitor experience and make them want to come back.

Angela Smith: With the great pub with the cosy room and fire at the end of it.

John Mortimer: Can I just say that we are doing that as well? We have national trails. When you get on top of the Marlborough Downs on the Ridgeway, there are fantastic views and vistas. Our destination management organisation is promoting a new long-distance route, which is being called the Great West Way, which will take people from way east in the country right across through central southern England and on to Bath. Along that route and along any of these routes, what you need is fantastic places to stay, great places to have lunch and to be inventive about how you help people move along the way. If people want to spend more than one day walking the coastal route or the Great West Way then helping them move their luggage in the morning so that it is where they want to get to in the evening is the right thing to do.

Angela Smith: Yes, they do that on the Pennine Way.

John Mortimer: This is about, as I said before, getting new products and new reasons, and then packaging them really well to encourage people to come at a different time of year.

Chair: We might come back to the trails again in a few moments.

Q237 **Angela Smith:** Can I just ask one question further, Chair? Just on the other parts, Julian talked about cultural heritage—a very strong point—but there are also more creative ways perhaps of getting visitors out of season, such as food heritage and garden tourism, which in Cornwall has really taken off. I just wonder how much potential you think there is there to vary the offer so that we get an all-year-round season.

Cllr German: Certainly that is really important. Part of the European question was about funding rather than other issues, but part of that question is around protected food status, for example. Really important products to us are the pasty and Cornish clotted cream, but it is also about putting Cornwall across, so being on BA international flights and getting some brand recognition around the world and then being able to bring that in. Cornwall has the highest number of Michelin starred restaurants outside of London, but it is also about making sure we have the skills development through our colleges and the restaurants to ensure the new young people are coming into the industry and that they have



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the opportunity to develop in the industry to increase their skills and their income.

Q238 Rishi Sunak: We got some great lessons from Cornwall about examples of diversifying farm businesses into agri-tourism and such like. It would be great to hear from each of you, first, on whether you have any examples of that that you can share with the Committee that we can hopefully expand on, and, secondly, whether you have any thoughts on what Government should be doing as they look to design new support policies for rural areas after Brexit to support diversification of farm businesses into tourism.

Cllr German: An example for us would be Norton Barton, which is in north Cornwall, which is a food enterprise zone, so it has used the planning powers to create a planning area that you do not need permissions for as long as it is within a certain scope to create a cluster of food businesses there that can grow, as well as doing manufacturing onsite. It is also promoting that as a tourist destination as well, so the people that are coming to Cornwall that want that great meal next to the roaring fire can also go and meet the producers and see the cycle of where they are getting their produce from. That is one example, but I am happy to provide many more.

Rishi Sunak: Just before we move on, a food enterprise zone scheme used the planning policies.

Cllr German: Yes. That was promoted by Defra but enabled through the NPPF.

Cllr Bettison: Are we going to be talking about broadband separately?

Chair: We are indeed.

Cllr Bettison: So you do not really want me to mention that now.

Rishi Sunak: Why do you not save that for my colleague who is going to be asking you about broadband?

Cllr Bettison: The only reason that I would have mentioned it here—I will not go on about it here—is that we tend to think only of broadband for people who are doing their own work in their own home, but very many people these days who go away for a short weekend operate small businesses and they will not go somewhere if they are not on broadband, not even for a weekend. It is vital for drawing people in as well as getting people to live there.

John Mortimer: We are on a progression. In terms of farm diversification, it started with B&B. It moved towards artisan food products and farm shops. I see in my day job across the South-West—and Cornwall is excellent at it—the creative thinker who says, “I have the farm shop. I make this onsite. I am going to have a café and restaurant. By the way, when they are here we will do a bit of agri-tourism as well,



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and we will show them around the farm". There are also farm safaris and that sort of thing; they are all great ideas. Dotted around my work territory of the South-West I see lots of examples.

The initiation of these has been greatly helped by public investment and the public purse sees the payback in terms of revenue, jobs and taxation. All of my members pay their taxes. The problem with the investment programmes that we have had so far is that they are always very one-offish. There was an opportunity to apply to create a food enterprise zone, but I am not sure what one would do now if you wanted to create a food enterprise zone because that was last year's flavour and last year's opportunity.

Capital investment schemes are constantly changing. In the last European programme you could apply for money to do X, but when that stopped there is no more money for X. It is only for y and by the time you realised you should have been doing X you cannot do it anymore because now public investment funds are going down the latest flavour.

What we would like to see is more consistency in public investment and public support, rather than it just being flavour of the month and a few people are able to take advantage of something. There is an element of that that is piloting. If we can get a few people to make a success then it is an idea that other people will pick up on. That is arguing against myself to a certain extent, but consistency of investment and opportunity is really important, and we seem to flit around in what we are prepared to support and invest in.

Cllr Bettison: Both my colleagues there referred to the planning process and it is worthy of Members' note that just over nine out of every 10 planning applications are being approved these days.

Q239 **Chris Davies:** Gentlemen, first of all I am sorry: I had to a Delegated Legislation Committee; that is why I have been absent for most of the session. There has been a lot of talk about the reduction of VAT on the tourism industry. What are your feelings on this matter?

Cllr German: From a Cornwall perspective we see a lot of VAT—around £600 million a year—coming back to the Exchequer. It is a value-added tax and in terms of the tourism industry, what is the value that is added? It is the landscapes that we have referred to. It is all of that infrastructure that goes to support the industry. That money is not coming back to the place that is generating that return. How do we marry up the need to keep that infrastructure and to keep that environment if we have not got the resources to do it? That is a difficulty there.

In terms of the specifics around that, as part of our next devolution deal we have put forward a pilot to look at that escalator because not just in the tourism industry but across the business community, we have many small businesses that are under the VAT threshold, and there is a strong sense that those businesses are not willing to take the leap because of



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how much you need to grow in order to stand still in terms of revenue and profitability.

We have put forward growth of 5%, 10%, 15% or 20% over four years as a VAT escalator as perhaps a means of in the end increasing revenue to the Exchequer and for our economy and the benefits that will have locally in terms of greater employment, productivity and profitability and as a means to ease businesses to grow. Hopefully that is something that the Government will look favourably at in their devolution deal.

John Mortimer: Regarding the VAT question and the question of an escalator, or rather a de-escalation, that threshold is possibly one of the most significant barriers to small business growth in the economy in general. People will work up to that threshold and stay there because crossing the threshold is just too difficult to do.

It is too expensive suddenly. For products and services that they have been providing at a certain price without VAT, suddenly they have to increase those prices by 20% and there is a whole big leap there in terms of what it means to your business, not only in terms of what your customer has been used to but what more resource you will have to put into the business to justify and get yourself back to your net income, if you like.

That step is not only about crossing a cash threshold. It is a step jump in terms of what the business would need to be doing in terms of its marketing and other aspects of business management and indeed growth. There is a big barrier there and it does not just apply in the tourism sector, but it does apply in the tourism sector because of the B&B type and the small, rural food and drink outlet.

On the broader question of VAT, we put in our submission that we believe that we should look at the reduction of VAT on accommodation and attractions. I am sure that members will be familiar with the Tourism Alliance UK tourism statistics 2015; at the risk of repeating what you have probably heard already, their information says that the UK is one of only three of 28 EU countries that charges the full rate of VAT on tourism accommodation. The average in Europe is 10.3%; in France it is 5%; in the UK it is 20% on accommodation. The UK is one of only 12 EU countries to apply the full rate of VAT on restaurant meals. The average in Europe is 15%; we are at 20%. The UK is one of only 13 countries to apply the full rate of VAT on admissions to amusement parks. The average in Europe is 15.5%. We are one of only seven countries to apply the full rate for admission to cultural attractions. The average in Europe is 12%.

If you are talking about putting 20% on your hotel bill, that cannot be attractive to people who, when they stay domestically in their own countries, are used to paying much lower rates, perhaps as low as 5%. Just from personal experience, I hope to go to Europe if it snows and the



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cost of hotel accommodation is noticeably good value, at least if you do not stay too far up the mountain.

Cllr German: Just for the avoidance of doubt, Cornwall would welcome a reduction in VAT for tourism businesses. I put forward the example of the pilot, which is something that is practical and we may achieve. Our starting position would be a reduction of VAT for tourism businesses, full stop. It is what is achievable. I put forward the pilot as something that perhaps, if we did not get the others, we would like to see.

Within that, though, and John touched on this, is the regulation side of it and having more red tape for businesses. In common with some other councils, Cornwall has been working on a Better Business for All programme and trying to ensure that regulation is much easier for businesses, for example in the tourism industry around fire regulations or campsite licensing, where there are a whole host of different forms and points of contact—to bring that all together in one place. We feel we could do the same for VAT if we were given that opportunity, so to ease the way for businesses into that process.

Something that might also be of interest to this Committee would be the potential around a rural BID. We see the business improvement districts in urban areas. We feel confident that tourism BIDs could work in rural areas, so again that is a suggestion for something that could be taken forward. I mentioned VAT not returning to the area. This would very much be led by the private sector. They would have to agree to form a business improvement district, but they would see that extra taxation going back into that added value in their area.

Q240 **Chris Davies:** Do you think there should be a two-tier system—a VAT system for London and a VAT system for the rest of the country

Cllr German: It is not a question I have considered before, sorry.

Q241 **Chris Davies:** You would be happy to have a lower VAT system for Cornwall itself.

Cllr German: There is an issue here in terms of devolution. All of the evidence shows us that where fiscal powers are devolved to areas, there is stronger economic growth. I am sure Members from the devolved nations would recognise that. I would certainly welcome that within an England context. Whether that meant that London was lower or higher would then become an issue for the areas that had those powers devolved to them to decide.

Q242 **Chris Davies:** I was abroad last week and there was good snow, I must say. We did not go to a particular country because of its cost. It was because it suited our requirements as a family, so I was wondering how people do that when they come to Britain. My question about the London issue comes from talking to people abroad last week: everybody knows London; wherever you go in the world, everybody knows London. The problem we have in Wales and you in Cornwall and wherever else is to



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get them away from London. London has so much to offer, which is great, but so does the rest of Britain, and we have to make it attractive to get people out there.

Just while you were talking, I thought about this two-tier VAT system because I am one of the many MPs who have signed up to try to get VAT reduced on the tourism sector, but I do not know how much chance we see of that happening in the foreseeable future.

I was interested in what John was saying. You were talking specifically about the VAT reduction on the rooms. I am lobbied quite heavily by friends in particular who run restaurants and pubs, and they feel it very unfair that their food has VAT on it. I am just wondering where the campaign is coming from. You were saying you have a different idea in Cornwall. If there is not a fully agreed and joined up campaign from the whole of the tourism industry, we are not going to get anywhere. We get nowhere by being fragmented, so we have to know what you want as far as that is concerned.

Cllr German: Again, for clarity, we would support the campaign for a reduction in VAT in tourism across the board.

Q243 **Chris Davies:** Is that tourism rooms or is that attractions or is that food?

Cllr German: We would be happy for a broader definition of tourism. The example of France has already been given. These definitions exist, but I would not want to scupper a reduction in VAT for tourism because of an argument about the semantics around the definition of tourism.

John Mortimer: I should, just for completeness, say that the logic of this argument around this theory of reducing VAT for rooms must extend to the logic of reducing it on meals out as well. The theory is that by reducing it the Treasury do not lose revenue because there would be more revenue driven in because there would be more visitors, more meals and therefore more bills and more cash moving around that the Treasury would benefit from.

Mr Davies, thinking on my feet following the conversation, as you just did, perhaps differential rates between parts of our national geography might be difficult, but one good way of extending the season would be to drop rates off season. That might be a thought that we could take away. If accommodation was a lot cheaper and if the whole tourism offer was cheaper off season, would that attract people to use the facilities and create those long-term, all-year-round jobs that we would like to see in rural areas?

Q244 **Chris Davies:** It is a thought that could change the course of history, but I know the Chairman is trying to push me on. We will come back to it, I am sure, at a future time.

The Chairman wants me to finish with my second question, which is you mentioned, Julian. On local infrastructure projects and fundraising for that coming back to a local area, what sort of projects would they be? I



just have a slight concern in my area, for example, which is a large tourist area but also a large farming area and a large go-through area—north, south, east, west. If we had a road as an infrastructure project, how much of that could be associated to the tourism sector and how much to the other sectors? It is quite a difficult way of arguing to bring money back to areas, surely.

Cllr German: It is also part of the European funding question earlier. We touched on certain funds. We did not touch on the core structural funds. In Cornwall, west Wales and the Valleys, we can still use some of that funding for infrastructure. One of the projects happening in Cornwall at the moment is the dualling of the A30 on Bodmin Moor. Certainly that will have a wider beneficial effect for the business community and residents, but easing the traffic congestion during times of peak flow will certainly be beneficial to the tourism industry.

We have used those structural funds. This point in case was never going to be a Department for Transport priority, but we brought council funding and we brought European funding to the table, which enabled Highways England to bring some funding to the table to de-trunk the road for a period of time while we carried out that project. Highways England felt that the project would be around £120 million and we are bringing it on time and on budget for under £60 million. That will be a critical piece of infrastructure. It will reduce journey time by many minutes for many millions of people, so a real investment that has tangible benefits.

Q245 **Chris Davies:** Some would say the process is not quite fair, though because nobody could deny that mid-Wales and Brecon Beacons, for example, one of the great tourist destinations in Britain, is not a glorious place to go. We are outside of that EU funding area, so the present process is not quite fair, surely. Why should Cornwall be more advantageous to receiving money than mid-Wales or other places in Britain?

Chair: We are coming on to discuss the transport issues and the transport infrastructure. This question was more about local infrastructure and local taxation to fund them rather than transport—

Cllr German: Just to directly answer that question, European funding is based on need. Cornwall is the poorest area in England. West Wales and the Valleys is the poorest area in Wales. That is why they receive a higher level of funding.

Chris Davies: I understand that, but that is not seen as fair right across the country.

Cllr German: It depends whether infrastructure funding is based on need or on other criteria.

Q246 **Angela Smith:** I got stuck on that A30 just after Christmas, so I hope to see it completed soon, but it is very necessary. I will admit that.



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Just moving on to business rates, we know that by 2020 there is going to be new flexibilities on the levy of business rate, which will allow the multiplier to be shifted up and down in order to incentivise local businesses to invest in various ways. How do you think local authorities will take into account the needs of tourist businesses when taking advantage of these new flexibilities? I am looking for a particular answer from the LGA, but also local answers from Cornwall and Wiltshire.

Cllr Bettison: The elephant in the room here is we do not yet know how well off we are going to be at the end of the review. Depending on who you listen to, one suggestion is that we will be no better off than we are today, in which case a number of councils will have great difficulty in giving discounts on business rates. I am sure that they would give discounts if they were able to, but some councils are now scrapping for their last one percent of social care surcharge, because it makes the difference between balancing the books this year and not. We can, of course, here expound good intentions, but with all respect that is all it is, an intention, until such time as we know whether we are going to pay the bill.

Angela Smith: Your point about the review is an important one.

Cllr Bettison: It is critical.

Cllr German: I would agree with that, but my understanding—you may know more—is that currently there is not the ability to be flexible by sector or by place. If we wanted to do a scheme to promote tourism activity in St Austell, for example, as far as I am aware, as the proposals are for 2020 we would not have the flexibility to do that. My concern is to make sure that local authorities do get the flexibility and that they can make those decisions: “We do want to support this sector or that sector. We think that it is important to do that in this place within our area or that place within our area,” and, currently, I do not see that flexibility, so it would be most welcome if you all could push for that. Then we would have the opportunities to support tourism.

John Mortimer: From a local enterprise partnership perspective, the ability to use flexing of the business rate to attract and to hold investment in our area would be welcome. It would be, presumably, the local authority that would have the business rate retention or business rate flexing power and we would have to hope that they would want to use that to encourage further investment in both economic growth and jobs associated with that. We would welcome that, if that is what were to come to pass. Would that be a good thing to apply to tourism? It might, and it might be to specific tourism projects that, once again, one wants to help the project happen. That would be one way of looking at it, a bit like one was able to do with enterprise zones for a period. Enterprise zones is another example of an idea that came but we are not quite sure if it is still there or not.

Q247 **Angela Smith:** Presumably, you would have to raise the multiplier to



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deliver the funds for that across the whole of your area.

John Mortimer: Or you do it on the basis of speculating to accumulate, which is that you make some kind of rate exemption to get the business established, on the calculation that having that business there will bring further income to your economy, etc.

Cllr German: On that enterprise zone point, which, handily, has come back up, we have the largest enterprise zone in the country, Aerohub at Newquay Cornwall Airport. While that is not specifically related to tourism in terms of the space and aerospace businesses that are locating there, we find the flexibility of business rates and being able to take those local decisions very valuable in attracting new business. I see no reason why that should not work for the tourism industry as well.

Q248 **Angela Smith:** Can I just ask one further question on business rates, Chair? It is a slightly different tack; it is on the review itself. I know that the livery yards are particular exercised about the potential impact on their businesses of the outcome of the review. Is there any assessment yet of the potential impact of the review, particularly on rural businesses? Livery yards are a really good example of what could happen here if we get this wrong.

John Mortimer: To my knowledge, there is no comprehensive view of what that impact is going to be. There are two things to say. First, I do not believe we have yet had clarity, despite the fact that the new rates are coming in in April, on what the Treasury is calling "check, challenge and appeal". There is a lot of potential process to go through, if you are a livery yard, to take your case to them and argue that the valuation is harsh or incorrect and we have not gone through that process.

I would also mention that although in the Autumn Statement the Chancellor indicated rural rate relief for rural small businesses in small rural communities, quite specific ones, particularly around public houses and community-type facility businesses, he did not move the small business rate relief. Currently, the small business rate relief is still at £12,000 and the rate review pushes a lot of small businesses over the £12,000 threshold. That is a very important issue that will hit a lot of our small tourism businesses, because they could well be in that area of rateable value. That is something that, from a tourism point of view and from a small business point of view in rural areas, we would like to see resolved.

Cllr German: I concur with that answer. It is a really interesting question because, again, it comes back to, although business rates have been devolved, the review will set the business rate centrally, so there may well be perverse outcomes in certain areas. Government are trying to do this as a one-size-fits-all, but that will create negative impacts. The devolution of being able to set the business rates locally would be very useful in ensuring that we have real ability to drive the economy locally.



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Q249 **David Simpson:** Gentlemen, the issue of infrastructure has been mentioned, but what more can central and local government do to improve local bus routes and rail transport for rural visitors? This has been raised time and time again. Even within Northern Ireland we have an issue with that. In relation to local government, what more can they do to help that?

Cllr Bettison: The general ongoing pressure on council budgets has meant that many of the discretionary bus services have had to be reduced. Reductions in government subsidies, changes to the way that the English National Concessionary Travel Scheme is funded and reductions of 40% to core council funding have all called into question the future of many services. That is not a happy situation. I know in my own local authority we costed the journey per mile and we had some people who we were paying £15 for them to go on a bus trip, and it would have been cheaper to send a taxi.

Q250 **David Simpson:** That is in relation to the bus routes, but to the council areas that you represent, what sort of infrastructure is there for rail routes and the railways? Are they good? Are they bad?

John Mortimer: There are a number of investment programmes going on, which will benefit my local enterprise area: the electrification of the Great Western Line, which will bring Swindon to within about 45 minutes of London, and Chippenham, in north Wiltshire, to around about an hour from London, so that is great. We will be able to get people out of London quickly. There are also investment programmes on the cards, not yet happening, around upgrading the mainline stations, so the arrival by rail into Wiltshire will be speeded up and it will be smartened up. How the visitor gets from there to Salisbury Plain, if that is their destination, is a completely different challenge. There are also investment programmes that we are using through Local Growth Fund 2 and, potentially, through Local Growth Fund 3 and the Chancellor's announced infrastructure bottleneck fund, where we would be looking to improve the traffic flow through the main trunk routes, particularly north and south, through our territory. These are difficult but essential routes to the south coast from the Midlands as well. Those are routes that tourists inevitably have to use and get tied up and snarled up in, as they do on the 303 through Wiltshire.

There is major investment, but the problem still is there of how you get people away from the main network into where the tourist destination is. The answer is that is colossally difficult and, as Councillor Bettison said, there are no ring-fenced funds for this sort of thing nor, it seems, is there a national strategy or national recognition about the importance of rural transport. It is one of those aspects of council budgets that is not at the top of the priority list, because it is not about caring for people and saving people's lives, although in many respects that lack of accessibility both for residents and for visitors is quite damaging on the rural economy, on the jobs, on the age profile of people who stay and work in



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the rural economy. I know you are going to ask a question about labour later on, but it is related to that question as well.

David Simpson: You may have to look at the bicycles that Boris introduced to go out there.

Cllr German: Through the Cornwall devolution deal and through our growth deal bids we have invested significantly into rail and bus and we have improved our relationships with Network Rail, and rail and bus operators. One of the investments was to upgrade the sleeper line from London to Penzance, the facilities on the sleeper service, but also facilities at key stations, Paddington, Truro and Penzance, so there is a good experience of using that service. We have increased passenger usage on the St Ives line through promotion as a tourism route and to reduce congestion within St Ives, to over 500,000 a year. We invested in the Truro-Falmouth branch line by ensuring there was a passing place, so doubling the capacity on the line and we have increased that to over 700,000 a year. We are the largest investing local authority into rail—really important. I mentioned earlier the tie-up between Visit Cornwall and Great Western Railway, ensuring that passengers can get to the reaches of Cornwall, the Liskeard-Looe line being another example.

The final mile is also a key consideration and so, through the devolution deal, having the ability to franchise and re-regularise bus services has meant that we have had positive discussions about ticketing, and we will introduce a one-stage ticket so that that is a seamless journey for people. We work with operators to look at tourist movement, so we are going on to the buses and asking people about their journeys; I think that only happens in TfL areas at the moment. The Tinner route is an example of that, so not just the route itself around St Just and Pendeen, but also the branding, bringing on wi-fi, and making sure that you have a good experience on the buses as well. We have brought in bilingual signage; operators have decided to do that, bringing the sense of place forward, that experience of place when they come and visit as tourists, to really feel that they have had a good experience.

David Simpson: Very good. Paul, do you want to finish off?

Cllr Bettison: I have nothing to add in terms of my own experience on this.

Q251 **Dr Paul Monaghan:** Good afternoon, gentlemen. Earlier, we talked about national parks and walks and things like that, and you were able to emphasise just how important they were to the local economy. Some of the evidence that this Committee has received already does suggest that good walking access is vital to rural tourism and income generation. Maybe we can start with yourself, Councillor Bettison. What would be your response to criticism that local authorities are not maintaining national trails and public rights of way in an acceptable manner?



Cllr Bettison: The LGA has already called for the Government to inject a further £1 billion a year into roads and path maintenance. This should not be paid for, we believe, by increasing fuel duty. We believe also that Government should simplify and consolidate the many funding streams for roads and paths investment, freeing up councils so that they can focus on maintenance and improvement rather than on administration of a little bit here and a little bit there. Again, I am afraid, it is a question of we are happy to do this, but we cannot do everything with no money.

Cllr German: We have touched on those financial pressures of local authorities. Footpaths are a statutory duty, not necessarily a life and death one, as some of the discussions around services in social care, but certainly one that also feeds into health and well-being and ensuring that residents or visitors do not need those services in the future, so we need to bear that in mind as well. Revenue is difficult to come by, so it is a challenge. However, we talked about the South West Coast Path; when we look at facilities like the Camel Trail—over 400,000 visitors a year, around £11 million spent, 260 full-time equivalent jobs associated with that—there is significant benefit for our communities, so we do see those trails and footpaths as important.

This might be a little bit controversial, but in terms of the definitive map, some of those footpaths do go nowhere and, in some places, start nowhere as well, so perhaps a look at the definitive map for the 21st century may be helpful. That is not necessarily going to reduce the mileage of footpaths that we have, but may well make them more productive in terms of where residents live now and what they want to access. Some of those old routes, such as walking postal routes to an individual farmhouse that is no longer there, which we have a statutory duty currently to maintain, may not be providing value for the taxpayer.

Q252 **Dr Paul Monaghan:** What about that criticism directly that local authorities are not maintaining these trails and paths?

Cllr German: We do our best to maintain them and we have worked in partnership in Cornwall, and it happens elsewhere, with the Ramblers, with volunteers to come in and make sure that paths are up to standard, as well as having our own officers putting finance into that: in Cornwall's case, £172,000 a year is devolved to parish councils. Parish councils understand the local importance of those paths as well, and they took that up to ensure that paths are kept clear. No doubt with more money we could do more, but I feel that we are doing the best job we can with the resources that we have.

Q253 **Dr Paul Monaghan:** Would you have any specific suggestions in relation to how some of those funding constraints could be addressed or should be addressed?

Cllr German: The obvious one would be more money to local authorities to do that, but also we need to look at how we can be smarter. Using the Camel Trail example, the concessions that we are leasing along that trail



mean that we can then bring the rental income straight back into supporting that trail, so having somewhat of a commercial aspect to how we deliver this. Obviously, that will not be suitable for all of the footpaths across the country, but it certainly helps with those key high footfall routes.

Dr Paul Monaghan: So, more money and some income generation perhaps.

John Mortimer: I would add to that, and it was an interesting point about rationalising the network. Currently, there is an ongoing programme spending a lot of money increasing the size of the network, because that is the net output of the review and the end date that has been placed on fixing the definitive map. I believe Wiltshire has decades of backlog of appeals and amendments that have been lodged, potential amendments to the definitive map, so we are still completing a process, the effect of which is to probably put more miles on top of the 120,000 miles of linear rights of way routes in England and Wales, of which Wiltshire has 3,850. The reality—and it has been implied by your question—is that as councils are forced to reduce their budgets, the budget for the rights of way department is going down, but the statutory duty does not go down. My own feeling—and it is not an official view—is that it will be very difficult to afford to maintain all 120,000 miles of our network at a high standard and high condition, and the vast majority of it does not get used. However, there is a statutory duty on the highways authority to do so and, indeed, on the landowner to do so and yet a very large number of those miles are not used.

What perhaps we should be doing, particularly in the interests of the tourism sector as opposed to addressing this problem globally, because it is one, is that we should be selective and we should be allowed to be selective in order that resource can be focused on key routes. Obviously, the national trails are key routes, but there are also all the linking footpaths that enable visitors, residents and day visitors from the UK to take a circular route. That means investing in and maintaining the rights of way network that feeds the national route, the rights of way network that feeds the coastal path or the Ridgeway, but that is about making selective investment. If you focus on areas like that, you could also focus on the ancillary investment and the ancillary support that would go to making sure there is great accommodation and great places to eat and drink, but focus that around key routes that can be attractive to the visitor.

Q254 **Dr Paul Monaghan:** Councillor Bettison, just coming back to you on that issue of funding constraints, do you have any views on how the funding constraints should be addressed?

Cllr Bettison: Yes. Councils currently have access to a myriad of funding pots with different legal requirements, different assessment criteria, business case requirements and timescales. This leads to inflexibility, duplication and, in some cases, waste. If there was some sense made of



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this, we would spend less time applying for money and more time applying the money.

Q255 **Dr Paul Monaghan:** Some decluttering then, perhaps.

Cllr Bettison: Yes.

Q256 **Dr Paul Monaghan:** What precisely is it that you would like to see decluttered?

Cllr Bettison: I am quite happy, outside of the meeting, to give you a paper with our suggestions for bringing different funds together, if that would help.

Dr Paul Monaghan: That would be helpful, yes.

Q257 **Angela Smith:** I should declare that I am a member of the Ramblers, so this is a big one for me. What John has suggested is quite radical, because the history of the rights of way is exactly that they are definitive on the maps, they are historic rights of way and very difficult to change in law. Groups like the Ramblers really defend the rights to those paths very rigorously, quite rightly, in many instances. What you are suggesting is a reconfiguration, in a sense, and I am not necessarily opposed, which takes account of the modern use of those paths. Many walkers do not like linear routes, because they have to find a way back; you either catch a bus or you do five or six days' walking and stay somewhere every night. More generally, the circular routes are favoured, which on the coastal path is quite difficult, very often; you cannot always do continual loops. I just wonder whether you think that the broader walking community would be receptive to this quite radical concept of reconfiguring public rights of way in certain parts of the country, to reflect their modern usage rather than their historical development.

John Mortimer: What I was suggesting more was recognising the unaffordability of maintaining every single mile of our 120,000-mile network.

Angela Smith: That is necessarily still a radical reconfiguration though.

John Mortimer: It is, but I have to say I would equally accept the solution of the Government investing much more money in the maintenance of the network. It is a state responsibility that the state needs to fund fully in order that it is not left to the discretion of a local officer which bit of the right of the way is properly maintained and which is not. In Wiltshire, we now have £40 per mile per annum to maintain a right of way and that is very difficult to do. It is a statutory duty, the state should pay for it, so the conclusion is the state should ring-fence funding for local authorities so that they can maintain the network at the standard that the walkers would like it to be at.

Angela Smith: Or you think of reconfigurations.



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John Mortimer: Or you take a different approach, which says we cannot afford that, are not going to afford it and then you have to allow discretion for some bits of routes to be maintained better.

Chris Davies: On that particular point, if we may, for future reference for the Clerk, Chair, and when the Chairman comes back, it would be worth having an inquiry into these footpaths. It is a problem right across the country. When I was a county councillor and part of the LGA, it was a problem; people were coming to me. From the landowner's perspective, there would be a person who would walk it once a year just to keep it open; he would be the only person walking that footpath just to keep it open.

Chair: We do have the Ramblers coming in themselves in due course, so we will have an opportunity to explore this issue more in the sessions ahead.

Q258 **Chris Davies:** It is a big issue that is overlooked and we should tackle it at some point.

Another very big issue is broadband, which has already been touched on. We can spend many hours—in fact, many days—talking about the inadequacies of broadband around the country, but what I would like to particularly pick out while you gentlemen are here is I think it is you, Councillor Bettison, who has said, under your organisation, the LGA, that you would rather see local authorities funded to roll out broadband rather than see it as a national scheme. I am just wondering why.

Cllr Bettison: That does not ring too many bells with me.

Q259 **Chris Davies:** The LGA apparently has come out and made a statement. You call for councillors to be directly funded to roll out superfast broadband rather than via central Government schemes.

Cllr Bettison: Certainly the LGA is usually in favour of local democracy and local choice, so that would fit with the LGA's traditional sense. The critical thing is that we get the right level of broadband and that we get it in a reasonable time. Many local authorities have been highly involved over recent years in supplementing national programmes and getting money from all sorts of places. That is fine, but the critical thing, especially for our rural areas, is that they get this broadband. If you compare access in many of our rural areas in this country, it is pretty lamentable compared to the access that other European countries have. If we want people to either locate out of cities to the more remote areas, there are a lot of people these days who could quite adequately perform their career, their duties for whatever it is they do for a living, in a beautiful, idyllic cottage somewhere provided they are connected. As I said earlier, it is important also that when you go to, as John said, the beautiful pub at the end of a day's rambling, the pure fact of life is that these days many people just want to check on what is happening back at the ranch.



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Q260 **Chris Davies:** With the greatest respect, if I could stop you there, we know those facts; we are now trying to work out why it would be better for local authorities to deliver the superfast broadband rather than national Government.

Cllr Bettison: I am quite happy to get you a full argument on that.

Chair: That would be very helpful, Councillor Bettison, as well as the information you kindly offered to supply us on the bus thing; that would be very welcome, thank you.

John Mortimer: I would not want to go through the whole argument about broadband, but I would say that local authorities are very major investors in it, because of the matched funding that they have provided for the BDUK programme. In my own patch, we are making good progress. For those people who do not have superfast broadband, it is not fast enough. It is not enough progress, but it is on track and I understand, through the relationship with the regional director for BT in the South-West, that the take-up of superfast broadband is very good in the deep rural areas and not very good in the peripheral area where they have had quite good broadband up until now. If you have been getting somewhere around five megabits per second, a lot of the customers there are not applying to sign up for superfast, whereas if you have been getting half a megabit per second and someone says you can have superfast, you get your chequebook out very quickly and take the opportunity. We are now seeing the feedback of money from BT back into the BDUK programme, which is allowing us to plan to tackle another 5,000 homes in Wiltshire.

The end of the line solution is the gold at the end of the rainbow, and one of the problems has been defining where the end of the line is, because no one has seemingly wanted to do that. I understand why, because the technology is moving very fast, so where the end of the line was going to be two years ago and where the budget would allow us to get to two years are now different. Tackling that end-of-line question now, the last 5%, and tackling that comprehensively in a way that the consumer can understand, where communities can come together and work with providers is what we should be doing. We need clarity and speed now from Government about how they will help deliver the last 5%.

Chair: We will be exploring that with both the Government and BT in due course.

Cllr German: There is no doubt that this is a key issue for the UK and for our position in a global economy. If we do not have good internet access as a country, we are going to falter. From Cornwall's perspective, we have very much seen it as part of our infrastructure investment and enabling, so we have used European, UK and Cornwall funds to roll out the best broadband network in rural Europe. That has led to definitely an evidenced growth of the creative industries in Cornwall and internet-based businesses, so using that fantastic environment that we



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have been talking about to attract visitors, it also attracts the millennials, the people who want to do business but want to do it in a good environment in a pleasant setting as well. The final 5% is key for rural tourism. Many of those 5% are farms, they are rural tourism businesses that are in remote locations and by not having broadband they are at a competitive disadvantage. I can submit some further written evidence from businesses that talk about how they lose business because they know that competitors are getting that and they are getting the phone calls to say, "We want to come; do you have superfast broadband?" "No, we do not." "Okay, we are going somewhere else." We can submit further evidence on that.

It is also crucial that people have the skills to be able to use this. Just because you are a bed-and-breakfast that gets superfast broadband, it does not mean you necessarily know how to market your business or how to use cloud-based solutions for your business. We need to have that support so that people can use it to good effect.

Q261 Chris Davies: Can I ask you, in Cornwall, just out of interest, when you say you are in the last 5%, does that mean 95% is covered or are you like Brecon and Radnorshire where we are in the last 5%, but only 65% of our constituency is covered by broadband?

Cllr German: No, we have 95% coverage of broadband and a little less of superfast. We have used EU structural funds predominantly, but BDUK as well to invest hard in this area. Given our rurality and, in some ways, periphery, we felt that that was really important for our residents and businesses and one of the joys of the internet is that you are no longer a peripheral business, you are at the centre of a global business if you are doing that in an internet-based way.

John Mortimer: Can I just add two words to that: mobile phones, as well? They are equally critical for the tourism business, to ensure that there is good coverage.

Cllr German: We have talked about accessibility. We are developing an app for transport, and obviously you need to be able to use it out on the ground, so that coverage is very important to making sure that people have access in all sorts of ways.

Chair: Thank you, and thanks for the offer to send us more information on specific issues that have cropped up from businesses in respect of this. Let us move on to skills and employment.

Q262 Dr Paul Monaghan: This Committee has heard some evidence from the Tourism Alliance, which suggests that the tourist sector will require around 1 million new staff by 2022 due to a range of factors, including high turnover rates. We have also heard that 21% of tourist-related businesses, compared to 15% of all businesses, report that they experience staff who lack essential skills in some respect. We have also heard that employees are typically faced with low pay, casual, seasonal



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and part-time work and poor progression opportunities. Perhaps starting with yourself, Mr Mortimer, what measures do you think the UK Government should be adopting or developing to tackle problems with recruiting and retaining labour for rural tourist businesses?

John Mortimer: First is increasing the credibility and profile of being a tourism employee as being a proper, credible and skilled job. Really successful tourism businesses treat every aspect of their business as a professionalism and, therefore, whatever the staff of the business are doing is a fully professional thing and a skilled thing. Therefore, we need that to be addressed through the further education sector, in providing appropriate training for all the different types of roles that tourism requires.

There is another problem for rural tourism as opposed to tourism in general, and that is about accessibility to work. This is not only about physical accessibility. A lot of people in the tourism sector are young people; where do they live if they are working in the rural tourism sector? As with a lot of these issues, there is a train of issues that link together to make permanent employment in the tourism sector difficult.

Extending the season is another objective, so remember that idea about differential VAT at different times of year, because if you can extend the season then you provide secure, long-term employment for a bigger core of skilled local people. However, as I say, you then also have to make sure that they have somewhere to live and that raises the whole question about rural affordable housing for the people who serve the tourism sector.

There is a lot more, but, in a nutshell, those are some of the issues that you can consider.

Cllr German: I absolutely agree with that and, to add to it, the devolution of skills has meant that we have been able to create a focus in this area, working with providers like Cornwall College to make sure that people are equipped. There is a shortage of chefs, for example, in Cornwall, so being able to train people up into what is now a well-paid, all-year-round job. That is key to making sure that there is the ability for those jobs to be attractive, for them to be all-year-round and remunerated. That is part of the reason we have focused on culture and heritage for our tourism drive, because it enables that to happen.

Moving on to the housing aspect, I am not sure if we are coming on to planning as a question, but the St Ives Neighbourhood Plan example of full-time residential occupation for new builds is certainly an issue that reflects that access to housing requirement in our rural areas, where values have been created that are higher than normal in the housing market, certainly in relation to wages. Therefore, ensuring that we have an ability for people to reside full-time in those locations—and that is not just about servicing the tourism industry; it is about the retained firefighters and the lifeboat crews and the like as well.



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Cllr Bettison: Of course councils want to stimulate local economies and they want to, as far as possible, provide young people with the right skills. We have done quite a bit of work and one of our publications on that, which I am sure, if they have not been submitted, will be submitted. A council's ability to address unemployment and skills demands is constrained by the fact that current mainstream re-engagement, employment and skills funding, worth £10.5 billion in 2016-17, commissioned nationally by Whitehall or their agencies for providers to deliver, is scattered across 20 different national schemes. Again, we do believe that there is scope there for some tidying up and some real direction.

Dr Paul Monaghan: Maybe you could, again, give us some written information around that particular issue.

Cllr Bettison: I am happy to do that.

Q263 **Dr Paul Monaghan:** That would be helpful. Moving on just a little, earlier in the evidence-gathering session, several of you have mentioned the threats and risks of impact of the UK exiting the EU. Some of you also mentioned immigrant labour or imported labour. Perhaps again starting with yourself, Mr Mortimer, what solutions do you think are needed to ensure that rural tourism is not hampered by any of the constraints on the free movement of people or the free movement of labour that might come when the UK leaves the European Union?

John Mortimer: We, as a country, need to recognise that we need people to work, we need permanent employees to boost our own local supply and we need temporary employees, because of the seasonality. The tourism sector as a whole, as we have spoken of, clearly has a seasonal peak. We would prefer that was more even, but rural employment in general has a large requirement, both in agriculture and in tourism, for seasonal extra support.

Post-exit, we need a policy that will allow that permanent and temporary labour to be accessed from wherever in a straightforward and unbureaucratic way. Extending the season successfully and building a larger, all-year-round core business will enable us to fill more of that requirement from local or UK skilled employees. One of the problems in the sector is about seasonality, so a lot of the jobs are not permanent. If we can extend the season, we can make more jobs permanent, and then they may be more attractive to UK nationals, but we have to have that flexibility post-exit to be able to bring employment into rural areas.

Q264 **Dr Paul Monaghan:** Do you see it as essential?

John Mortimer: Absolutely essential.

Cllr German: Again, I agree with that answer. Just to add to the issues around movement of labour, certainly there is the potential for a big effect on both tourism and agricultural industries if we do not have that movement, but there is also a need for a focus on bringing our residents



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who are furthest from the labour market back to it or introducing them to it. The importance of the focus on skills and support for residents, so that we can bring people who have been away from the labour market to support the industry if—well, not if, because we want to do that in any case, but if there was a constriction of labour movement that would become even more important than it currently is.

Cllr Bettison: I agree with what both my colleagues have said. It is important, obviously, that people who have come here under the system that is still there as of now should be allowed to stay. I do believe, however, without going down the rabbit hole mentioned earlier, that if they are subsequently proven not to be playing the game, then I do not think we should allow them to stay. They should be then sent back.

Q265 **Dr Paul Monaghan:** In terms of your role within the LGA and looking ahead to what we have heard is an essential aspect of rural tourism—that access to some form of free movement of people or labour is required—again, what solutions do you think, from the perspective of the LGA, are required that the UK Government need to have a think about or have to start implementing to protect access to that resource?

Cllr Bettison: The Government, working with local authorities, need to look seriously at where the labour skill shortages are and for how long we are going to have to fill the gap with people from overseas. That might be former European colleagues, it might be further afield, but we have to be a little more selective, because there are people who bring skills that we need. I am reminded of the baby and the bathwater and we must not do that. We must be selective, because if we are not selective then we will not have a workforce that is fit for purpose and if we do not have a workforce that is fit for purpose, our offer will not be fit for purpose.

Q266 **Dr Paul Monaghan:** Indeed. Is that dialogue taking place at the moment? If it is not, how would you see it beginning?

Cllr Bettison: To the best of my knowledge, it is not taking place at the moment, but it is one of those things that needs to take place. I am not sure how flexible the Home Office are being in terms of asking for ideas. They might not be quite so open as CLG are in terms of asking for ideas.

Q267 **Dr Paul Monaghan:** How flexible would you like them to be?

Cllr Bettison: I would like them to listen.

Q268 **Dr Paul Monaghan:** Are they not listening at the moment?

Cllr Bettison: I am not saying they are not listening, but I would hope that they will listen, because it is very important that we get this right. One of the things that should be a benefit from this—and I am not being pro or against—and that everybody should be able to argue is that we get choice. If you are going to have choice, you need information to use that choice wisely, and that is what I am saying and the best way of doing that is to talk.



John Mortimer: I have a very small point, for completeness: in particular, about the free movement, I was not making a very political point. I was making a political point that we require movement and access to labour, which may not come from the UK domestic population.

Cllr German: I also would make a very little point, which may or may not be political. The point around reassurance is critical and for those people who are here, certainly within our rural tourism and agricultural communities the uncertainty that they are facing is already damaging business. People are making the decision to move from those businesses because they do not know what the future holds, so reassurance is critical.

Chair: Gentlemen, we have been going for just over two hours now. We have two more areas we would like to discuss with you briefly, if you could bear with us, and we are going to start with Margaret.

Q269 **Ms Margaret Ritchie:** Thank you, Chair. It is about balancing the economic, social and environmental issues. Britain is ranked in third place for the strength of its whole national brand, but only 15th for its natural beauty and the Government note that more could be done to improve awareness by overseas visitors. In that respect, and if I could start with Julian, how are you working with businesses to minimise the impact of visitor activities on the environment and character of rural places?

Cllr German: We are the only authority that has an environmental growth strategy and that is shared with our LEP and the strategic economic plan; they are integrated along with our health and well-being strategy. We have worked hard to ensure that the business community are on board and that they are thinking about how their investments do not harm our environment.

As I think I said previously, our natural environment along with our identity is key to Cornwall's brand, so businesses that were going to go down the route of harming that environment would be harming their own business opportunities and we have worked to ensure that there is public-private join-up on that. Does that answer your question? Do you want some examples?

Ms Margaret Ritchie: Yes, enlarge, please. Give us as much information as you have.

Cllr German: Can we go to someone else and then come back, if that is okay?

Cllr Bettison: The main tool through which councils can manage future demand and impact of visitors is through the planning system. A local plan sets out the local planning policies for each local planning authority and identifies how land will be used; it determines what will be built where and provides the framework for the development across England. Local people's views are vital in shaping the local plan and it is indeed



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quite a torturous business producing one. With that said, that careful balancing act that the production of a local plan is has resulted in, as of December 2016, 89% of all councils in the country now having a local plan in place. That gives surety to residents of what will happen, so that means that residents of a local area are not worried unduly, because they have participated in building this plan.

Q270 Chair: We are specifically coming on to ask about planning and, in particular, the St Ives example. This is more about environmental impact with the numbers of visitors coming in. How do you protect the quality of the local environment with so many people just walking around, let alone discarding litter and using up the resources that are available?

Cllr Bettison: We also have to deal with pressures particularly from visitor numbers. We have other tools, such as licensing hours, taxi marshal schemes, local byelaws and investment in the street scene.

Ms Margaret Ritchie: That is like public realm.

Cllr Bettison: Yes, and much of this again is done with significant public consultation. Many people underestimate the amount of public consultation there is these days. In fact, in some areas of the country you get pretty close to burning the public out they are consulted so much. We do have tools and, as the Chairman knows, I am a great fan of the LGA, and one of the great benefits of the LGA is that every council in the country can learn from the experiences of every other council in the country. That is much better than just being in your own bunker designing your own masterplan. Since we do not compete with each other, we can co-operate, so, yes, we have a lot of tools.

John Mortimer: I would address this not at the peak honeypot attractions or town centres, where you get a lot of visitors and they are shoulder to shoulder. I would just talk about the more normal, average type of rural tourism environment. We have touched on employment, we have touched on cash pumping through the local economy and that helps the social issue. We have talked about the economic impact, so, yes, we want to increase the economic flow value of the tourism sector. At the same time, there are other things we have spoken about that affect the environmental outcome and one of those is around transport. If the use of cars, private transport, has an environmental impact on an area, then the way to deal with that is comprehensively to address that question about public transport in rural areas, or private transport put in place by a consortium of local attractions in order to make attractions accessible and get people from the public network to where there is no network, but to offer a private solution to getting people around it.

Q271 Ms Margaret Ritchie: Adding to that, what examples can you give us of measures councils can adopt to help spread visitors across an area, particularly away from the honeypot areas so you can get them into areas that are less visited, perhaps?



John Mortimer: This comes back to the marketing question and making sure that there is a comprehensive, efficient and effective way of introducing the visitor to the whole area, so that they do not just think about Wiltshire as being Salisbury and Stonehenge; they are offered a much broader view of where the other lovely spots are to go and visit. That requires a marketing effort and it requires someone to mount that marketing effort in a unified and co-operative way, which brings us back to the question about DMOs.

Could I say as well, on environment, encouraging and schemes that encourage tourism operators to upgrade their environmental performance in terms of insulation, resource use, recycling, and all of that obviously will also address that balance between environment and economy?

Q272 **Ms Margaret Ritchie:** Councillor German, is there anything more you wanted to add in respect of my first question about examples, by way of illustration?

Cllr German: Thank you for allowing me to compose myself. On that last point, in terms of Brexit, the debate around environmental standards is one that we are very alert to, whether that is clean water, bathing water quality, environmental standards in agriculture, really important in terms of the role that the environment plays in the brand and that will be the same across rural tourism. I am very keen to see that level of environmental protection and awareness at least maintained, if not increased, to give us a global competitive advantage.

In terms of those examples, our World Heritage Site would be one. We have created an ambassadors scheme to show business owners what is available to them, how the landscape around them tells the story about the World Heritage Site. As part of that scheme, businesses can use the Cornish Mining World Heritage Site logo. For the benefit of that they pay back, so that might be a percentage or a unit, 1p a unit or whatever it may be, put back into the World Heritage Site. Businesses that are benefiting, perhaps intangibly, from being located in that environment are giving a tangible benefit back to the long-term stewardship of that environment.

I mentioned the potential around rural bids, so creating a monetised way of putting back to ensure the protection of the environment.

We have the Cornwall Sustainability Awards and that has been a great way, across the wider business community, to ensure recognition of the value of the environment is there. As well as rural tourism businesses winning those awards, businesses such as aggregates businesses and abattoirs have also won, ensuring the wider business community understands the value of the environment that they are working in.

We have also talked about protected designation schemes. Our rural businesses producing items such as Cornish clotted cream and the interest in Cornish pasties as well has ensured that there is a good use of



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local materials. Whilst the dairy industry is having a really difficult time in Cornwall, there is a premium paid for Cornish milk because it is being utilised in those higher-value products and that creates an ongoing awareness of the value of being located where you are and of producing those products in an environmentally sensitive way.

I hope that helps to give some examples and, again, I am happy to add more in writing.

- Q273 **Angela Smith:** I have a very quick supplementary. I am feeling hungry after that. It is just this balance between the honeypot areas that Mr Mortimer referred to and encouraging visitors to visit other parts of any given area, like Wiltshire or Cornwall. Is there not a need to be careful about that? I absolutely understand the importance of encouraging people to visit more widely an area and to get to know an area more thoroughly, but sometimes there may be parts of an area that you do not want to see over-exploited. We have that in my area, the Peak District. I am sure there are coves and villages in Cornwall where you would not necessarily want hordes of people visiting continually all year and I am sure you have that in Wiltshire too. Is this not a tension that needs to be borne in mind?

John Mortimer: Yes, it is, but, on the other hand, one needs also to respect the ambition and aspirations of independent private businesses to see their business thrive. It would be entirely wrong and unjust to say to a pub in one of the Cornish coves or one of Wiltshire's tiny and beautiful villages, "We will not help promote your business, because we think it is a really nice, unspoiled village and we do not want anyone to go there".

Angela Smith: That is not what I was suggesting. I am suggesting there is a tension there.

John Mortimer: Yes, of course there is, and I would take you back to what I have suggested, particularly in terms of the public funding and support that we are able to give and that is focusing that support onto areas where things like national trails, accommodation and other visitor experiences can work together. That is an efficient use of resource.

- Q274 **Simon Hart:** On national park planning, there seems, in some areas, to be some tension between national park planners and business, particularly in the tourism sector, as far as striking the right balance between economic development and sustainability on the one hand and protection of important ecological sites on the other. I have some experience of this in my own patch in Wales with the Pembrokeshire Coast National Park and our tourism offer. Is that a problem that, as a panel, you see as relevant and, if it is, how would you adjust national park planning policy to improve it?

Clr German: I am not sure that any of us have national parks, but certainly we are blessed with Area of Outstanding Natural Beauty coverage in Cornwall, which has the same status although formed slightly differently, but the same level of protection in planning. This really



encapsulates a lot of what we have been talking about. If we are looking for a sustainable industry of tourism and rural community, there is a balance to be had. We need to look at that social, economic and environmental balance and, from our perspective, what we have tried to achieve in our local plan and I also referenced our environmental growth strategy, which is particularly strongly planning-focused, and the AONB management plans and, indeed, the evolution of neighbourhood plans within those areas really recognise that balance, so it does not seem to me that there is a conflict. In fact, we need reasonable development to be allowed to happen, but we would not want development that harmed our natural environment, large-scale, out-of-character development that would then be a disbenefit to our tourism industry.

Q275 Simon Hart: I suppose it is the last bit that I was getting at. I appreciate that not all of you have national parks under your jurisdiction or in your areas, but as things stand at the moment, certain national park planning authorities, it would appear, would take an ecological consideration as a deal-breaker, however small the ecological impact may be, as opposed to acknowledging the economic and social benefit, however large that might be. That is an accusation that is made quite frequently by businesses in my area. I just wonder if it is one that is occasionally heard in the worlds in which you move. If it is not, that is great. I just wonder if it is unique to my area.

Cllr German: I would say that those three pillars are, in general, balanced, but where you have protected landscapes—Area of Outstanding Natural Beauty, World Heritage Site—then it is right that that protection should be given due weight.

Simon Hart: Whatever that means.

John Mortimer: What you describe is something that is faced generally within the planning system. When there is an ecological issue of significance, an issue that involves a certain species of animal, for instance, or a certain plant, then that does override or very close to overrides a situation unless the developer can find ameliorative measures to overcome it. I do not think that is something unique to protected landscapes.

The issue in protected landscapes is around the judgment of what is sustainable, what is appropriate and, often, in those protected landscapes—and in terms of Wiltshire, by the way, about half of the LEP area of Wiltshire and Swindon is protected landscape, AONB and we touch the New Forest National Park—the problem within those areas is that judgment. That is because all planning policy speaks about “sustainable” and “appropriate” and “scale” and the problem comes when the view that is taken by the planning authority or the AONB consultees to the planning authority is that their view of what is appropriate and their view of scale and their view of impact—and in planning terms mostly you are talking about that visual impact, the “what does it do to change that natural view of these protected landscape areas?”—is



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different from the business' view. We want rural tourism and these areas are, in part, there to be visited, so you have to accommodate the visitor, who has to be accommodated then in a scale and in a manner that is, first, attractive to the visitor and, secondly, economic to the operator.

Simon Hart: Paul, are you ducking this question?

Cllr Bettison: No. I am quite happy to stick my head over the parapet. This is, essentially, a planning matter and it will be one of those very difficult decisions on which planning committees will deliberate long and hard. They will, just as this Committee does, evaluate all the evidence and so on and then, as politicians, make decisions. That is the hardest thing that a politician has to do, make a decision, because, at the end of the day, we are all accountable at the ballot box.

Cllr German: And the local authority is best placed to do that, not an inspector.

Cllr Bettison: Absolutely.

Q276 **Simon Hart:** Of course, not every national park planning committee is accountable at the ballot box.

Cllr Bettison: No, you are quite right, but they are infinitely preferable to the man from Bristol.

Q277 **Simon Hart:** I have one final point, related but not very closely, on the question of second homes. I suspect this probably applies to Cornwall more so than perhaps the other panellists. Do you think local authorities, national park committees, whoever it might be, are making the right judgments about planning in relation to second homes? I would add also decisions over council tax rates, with different local authorities adopting different policies. What do you think works best as far as encouraging second home owners to spend time in the various counties where they have second homes, spending money and encouraging young people there? How do you think the policymaking is going comparing that to, perhaps, some of the downsides of large-scale second ownership? I just wonder what your general view is.

Cllr German: The issue really is where there are homes that are not being used. If you have full-time residential, then those people are obviously contributing in ways to that community. If you have a holiday home that has 40 weeks occupancy per year, they are using the local facilities and they are contributing. This is just an example, but when you have someone who has invested in a property because they believe they will get a better return in bricks and mortar than in interest rates and that property is empty for the year, they have no desire to do anything with it, then that is where the issue occurs—when you have a preponderance of empty homes within your community. We need to be quite careful about our terminology, and that we are talking about empty homes rather than second homes that are utilised for many weeks of the year or, indeed, holiday homes.



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Q278 **Simon Hart:** What is the best policy in relation to those homes that may only be occupied two weeks a year? How do you square that problem?

Cllr German: A policy that gives tax breaks for small businesses is not necessarily helpful in that regard. An investment may be made into a property and then it just becomes a tax write-off for someone, for example. St Ives' Neighbourhood Plan is showing that that community believes it has enough empty properties and it wants to ensure that new development is by people who will live there. In some ways that might be a bit of a blunt tool, but certainly the area that I represent wishes to see that policy. In some of our harbours we have 85% non-permanent resident properties, and I know Rame Peninsula is in a similar position and they are just going to a referendum on their neighbourhood plan. It is a complex issue, but those local planning policies around ensuring full-time residential occupation seems to be a way of addressing it.

Q279 **Simon Hart:** Is that a condition of sale?

Cllr German: Yes.

Cllr Bettison: It is something that has troubled me over the years, personally. As Julian said, the key here is to get properties occupied for more of the year. It might be that there is a possibility of giving a tax incentive to renting the property out in the low season, so that it would make it less expensive—considerably less expensive—because one of the problems that owners of properties have in letting them out in the winter in this country is that you go to a winter tariff, which might be half of the summer tariff and it does not even cover the electricity cost of warming the place. In the summer you do not put the heating on; in the winter, the first thing somebody does who is renting it is wind the heating up. If you were able to make some sort of tax concession, that could be an idea. The critical thing is if the property can be used, then the people within that property can play a part in the community. We can all name resorts, but the trouble is that people arrive on a Friday evening and the first thing they do is go to the boot of the BMW and get all the Tesco bags out, because they bring everything with them because it is cheaper. We do not want that. We want people buying locally.

Q280 **Simon Hart:** John, do you want to add to that at all?

John Mortimer: I am sure that we have some second homes in Swindon and Wiltshire, but they have not yet become significant enough to have policy interventions, so I am going to say nothing.

Q281 **Angela Smith:** On the St Ives scheme, I totally understand why St Ives undertook the referendum and voted the way it did, but I understood that it could be challenged. Has it been accepted?

Cllr German: It has been challenged in the High Court, but it has accepted it.

Q282 **Angela Smith:** The High Court has rejected any idea of not accepting the



outcome of the referendum.

Cllr German: That is right. The policy has been accepted.

Angela Smith: The policy has been accepted by the High Court is another way of putting it.

Cllr German: Yes.

Cllr Bettison: My understanding is that the vast majority of councils give no discount now for a second home and that was not because of what we have been discussing here. It was just because it was a way of getting more money.

Q283 **Angela Smith:** Yes, but the important point about the St Ives test case—it has become a test case—is that that is now available as a tool for a whole number of areas and communities.

Cllr German: Yes, and there are other neighbourhood plans going to referendum now with that policy.

Chair: Gentleman, can I say, on behalf of the Committee, thank you very much for your attendance today and for your very useful and informative evidence? When you see our report, in due course, with our recommendations, I hope you will see some of your ideas and suggestions incorporated and you will be able to claim credit for the EFRA Committee recommendations in due course. Thank you very much for your attendance and thanks, colleagues, for being here also.