Suffolk County Council is the accountable body for the Heritage Coast and Wool Towns LEADER areas that cover Suffolk and North Essex. Suffolk County Council has already responded formally to this inquiry but this response is to give some additional information based on our interactions with tourism specifically through the LEADER programme.

In developing our two new LEADER areas we researched the types of projects funded in the previous programme and liaised with colleagues in Norfolk and Hertfordshire who had run the programme in the previous cycle. This research helped us to see the value of funds like LEADER and EAFRD (the Rural growth programme) towards supporting rural projects and especially good quality rural tourism projects.

When we put together our Local Development Strategy and carried out consultations with local businesses and organisations we could see that there was likely to be a good demand for tourism projects, in part because there seemed to be limited opportunities for these projects to gain funding elsewhere. In the 8 months since opening to applications, the demand has been far greater than even our consultation projected suggesting that there is a significant opportunity for growth in the sector in Suffolk and North Essex but that tourism projects are having trouble accessing finance to make projects a reality without grant funding.

Some of the key things we have seen so far in our programmes are:

- There is a high demand for grants for tourism accommodation projects, especially for projects involving accommodation like glamping pods and other types of “quirky” accommodation. This is unsurprising as there are many parts of our LEADER areas where there is currently limited accommodation which immediately limits an area from being able to capitalise on any tourism related economic growth.
- Many of our tourism accommodation applicants are farms looking to diversify to be financially sustainable.
- In many (but not all) cases, tourism accommodation projects are requesting large grants but are not creating many new jobs (a key consideration for the LEADER programme) which makes it hard for us to consider many as good investment prospects currently, however, in all cases the project applications we have received do score well on the wider benefits whether that be safeguarding of existing jobs on farms, more financially viable farm businesses or the wider benefit of tourists spending longer in areas and the associated additional spend that comes with that for the area.
• We are also seeing several “visitor centre” type projects such as food producers looking to add a visitor centre to their business to sell direct to the public and allow them to see the production process to more standard visitor centre projects at heritage attractions for example.

We have an interesting contrast with the two areas that we run in because the Heritage Coast area has a good tourist profile whereas our Wool Towns area is much less known by visitors. Despite the differences both areas show a need for support to market and promote the areas better (albeit to different degrees of need). This type of DMO work that is necessary for economic growth, especially in our areas where tourism is a key sector, unfortunately, is something that is hard to fund in a sustainable way via business subscriptions alone. However, without such support then it is hard to encourage people from the UK and abroad to visit rural areas, for longer and at all times of the year. The current LEADER programme will support tourism marketing to some degree but we have found that the eligibility criteria is such that many projects of this nature are either not eligible or part of their project is not eligible, not because the project is not worthwhile but because of “technicalities” with the various criteria. We have had two such projects in to date for our Wool Towns area which is identified in our Local Development Strategy as being in real need of having the awareness of it raised but one project had to be rejected outright as ineligible, the other has had to seek a significant sum of match funding elsewhere due to some of the project costs not being eligible under LEADER.

With many our project applications being in the tourism sector, it is interesting that the inquiry asks how “farmers and rural residents can be encouraged to diversify into tourism and grow their business.” The LEADER programme would therefore seem to be providing an answer and from our experience to date the demand seems to be getting driven because most tourism businesses are small businesses who find it hard to access finance and do not carry significant enough sums of capital to fund major investments to improve or expand their businesses. Farms, in particular, are looking to diversify due to their core businesses struggling due to low crop prices for example, access to finance is of high importance here because most small and medium size farms don’t have significant sums of their own to invest in the diversification and struggle to get sufficient funds from banks. A further point here is that there may also be a need for other business support because for farms to diversify into tourism often means a quite different approach and skillset is needed. Some farm owners may have this expertise already but many do not so if we are to focus on farms to improve their financial viability then both funding and business support is likely to be of high importance.

The inquiry asks how “the needs of visitors can be balanced with the need to preserve the environment and the character of local communities. The current LEADER scheme we
believe addresses this as project applications must address this in their application and the Local Action Group who decide on applications are made up of people who live and work in the area and have expertise in one or more of the sectors covered by the scheme. We have in our Local Action Group meetings considered the environmental aspects of projects with expertise coming from Local Action Group members who work in areas such as farming, areas of outstanding natural beauty and council officers with knowledge of planning issues for example. This local knowledge of the environment and character of areas is of real benefit in deciding which projects will have a good balance between economic growth and protecting the environment.

We believe that any successor funding programmes for rural development after Brexit must bear in mind the need for supporting tourism projects of all types as tourism is an important sector for many parts of the country and provides many benefits outside of just direct job creation. Any funding should, of course, needs some criteria attached and we would suggest that there is a need for the following to be considered:

- Tourism accommodation should be supported where it can evidence a genuine need (e.g. there is a lack of accommodation in an area, a project brings something different to an area etc.)
- Tourism projects should be able to provide robust evidence detailing the expected visitor numbers or occupancy rates because this will then drive the finances of a project in a realistic manner.
- Fund criteria should consider both direct outputs (e.g. job creation) and the wider benefits (e.g. wider economic impact on the area) in a balanced way recognising that the benefits of tourism projects can be just as beneficial to an area as the business running the project.

To conclude, we believe that there is a need for some measure of public funding to be targeted to supporting the tourism sector to thrive. Our experiences to date suggest that running such a fund through a locally led scheme akin to LEADER would be positive. Most tourism support in areas is done locally and collaboratively, whether that be through council’s economic development teams support to the sector, public funding to organisations such as Visit East Anglia/Visit Suffolk or DMO’s or privately led tourism initiatives. Therefore, it seems obvious that it is best to take advantage of the support and collaboration that happens locally and enable funding decisions to be taken locally by the people who have the local knowledge and expertise.

_August 2016_