Written evidence submitted by NFU (RUT0164)

Executive Summary

1.1 The NFU represents 47,000 farm businesses in England and Wales. In addition we have 40,000 countryside members with an interest in farming and the countryside. We welcome the opportunity to present evidence to the Committee. The NFU believes:

- **Farming and profitable farm businesses are essential for rural tourism** for the provision of tourist services and maintenance of landscapes, but also to ensure that there is a longer term rural economy outside of peak tourist seasons and that countryside is maintained within and outside rural tourist hot spots.

- **The tourist value generated by farming activity needs to be captured locally.** Rural tourist marketing activity is shaped and informed by farming activities, such as farmer’s markets and festivals; and characteristic local food. Tourism has the potential to promote a better understanding of farming and food provenance, the countryside country life and traditions.

- **There is potential to increase tourism activities on some farms.** This needs to be investigated more widely to understand the challenges and barriers, but the provision of infrastructure (broadband and Wi-Fi) and access to targeted funding and marketing support is essential. Local businesses need to be supported rather than taxed, with other funding such as tourism taxes investigated.

- **Year round tourism can be useful for supporting rural businesses and services** accommodated on farm, such as farm shops as well as to help maintain local services, but will be constrained in more remote rural climates.

- **Access to infrastructure and services is important for rural tourism, with access to broadband and Wi-Fi is critical.**

- **There is extensive footpath access to the countryside, with potential for better links to rural tourism opportunities** and for links to marketing to ensure walkers understand and enjoy the environment.

- **Planning rules need to be flexible and sufficiently positive to encourage year round tourism** and to make the most of targeted tourist events. Updated simplified planning rules for temporary uses and building conversion rules would help along with clearer advertisement rules. The planning system should also seek to deliver places for people who support tourism and the rural economy (affordable homes) and the wider rural services needed both in and out of the peak tourist season.

1.2 According to Visit England, 340m day trips were made to English countryside areas in 2014 with a total spend of £8.4bn. This accounts for 25% of all day trips made in England. In addition, 32.6m overnight holiday stays were spent in rural England in 2014, valued at £2.2bn. Overall tourism numbers are growing at 1% per year. The challenge is to ensure the value from rural
tourism is captured within local rural economies and help farmers to continue to farm and maintain the countryside. Rural tourism could also act as a catalyst to promoting a better understanding of farming and food provenance.

1.3 Evidence from the Defra Farm Business Survey suggests although 61% of all farms accommodate some type of diversified activity, only 5% host tourism accommodation or catering and only 12% sport and recreation (Defra Farm Business Survey 2014-2015). This represents an average enterprise income of £7,700 for tourism accommodation or catering and £4,600 for sport and recreation. This suggests opportunities are being lost.

1.4 Rural tourism is changing as the way people visit and use the countryside evolves. Barn conversions provide wedding venues as well as tourist accommodation and shopping. Glamping, off road biking, walking festivals and food festivals offer more opportunities as well as traditional countryside sports, which still support the wider rural economy and provide jobs.

1.5 According to 2015 Defra figures over 90% of farmers are family businesses. With farm incomes falling by almost 30% in 2015, the need for diversification is increasing, with Defra figures for 2014/15 suggesting that 61% have a diversified activity on farm. Effective business support is essential for any tourist enterprise, with an online presence essential. Funding streams also need to be tailored so farmers can access them easily.

1.6 According to the National Farmers’ Retail and Markets Association (FARMA), there are some 4,000 farm shops in the UK with turnovers ranging from £1,000 to more than £6 million per annum. Often such facilities are tourist destinations in themselves, with cafes and farm related tourist activities. Even service stations focusing on farm produce, such as the Tebay services (in Cumbria) are providing tourist destinations in their own right.

1.7 Day trips, especially at peak times such as bank holidays, remain a key time for people to visit National Parks according to NFU members. Outdoor pursuits and walking remain higher for rural tourism (15% compared to 7% for all day trips according to Visit England figures). If the Lake District succeeds in its bid for World Heritage Site status, for example, the value of this needs to be captured locally.

1.8 There are key synergies between improving services for rural communities and the development of rural tourism, for example providing broadband and mobile phone coverage. Diversified farm businesses can also provide a range of around the year services.

Marketing

2.1 The farming and local food on offer, available through farm shops and farmers markets can form a key part of the tourism marketing, from photographs of sheep on remote landscapes through to Cornish pasties and Melton Mowbray pork pies.

2.2 The most important way Government could help marketing is to ensure that there is a complete superfast broadband and mobile phone network, to allow farmers and rural businesses to host websites and mobile applications. The internet is the first port of call for would be tourists seeking to know where to visit, how to spend their time and where to stay.
2.3 The Government announced that it would look to strengthen the digital presence of the UK tourism sector in Backing the British Tourism Sector: A Five Point Plan, but this has not happened for many rural areas, so is stopping investment for example in tourist accommodation in parts of East Anglia.

2.4 There is also a huge potential for marketing to promote safe and enjoyable use of the countryside, for example to encourage dog walkers to use leads or highlight the dangers of campfires or trespassing.

2.5 Ensuring such issues are communicated positively whether by Government or otherwise is vital to encouraging tourists to maximise the number of repeat visits with least impact on the environment.

2.6 Key national campaigns also need resources to be promoted locally. It is essential that there is an appropriate body on the ground, which can ensure the farming community knows what is available and how they can best get involved.

2.7 The NFU last year produced a Pocket guide to the Iconic British Hills and Uplands Increasingly such guidance needs also to be online to be affordable to produce.

2.8 The NFU has been actively involved in supporting www.farmstay.co.uk the only cooperative farming marketing brand/farm member based tourism marketing body, which now has to compete against organisations such as Airbnb. We would therefore ask the Committee to consider how those marketing organisations which perform a wider rural tourism role that benefits farmers and rural businesses can be best supported.

Access

3.1 Farmers care for around three-quarters of the British countryside and maintain, in in areas of open countryside, over 200,000km of public footpaths. Greater awareness is needed of the importance of the legally defined rights of way network, so the public can enjoy the countryside in a safe and responsible way.

3.2 Where decisions are being made to create a new footpath, or alter the designation of a pre-existing one, it is important this occurs in a streamlined fashion, considering the views of farmers and all affected stakeholders.

3.3 Roads and footpaths within rural Yorkshire were upgraded to accommodate the Tour de Yorkshire, so such events can act as a catalyst for wider infrastructure improvement that also benefits farmers and local communities.

3.4 Farmers maintain an environment that attracts 340 million day trips in this country and it is important that assistance remains to enable farmers to undertake this vital work. The NFU wants the public to enjoy the countryside, however it is important that it is communicated that farmland is a working environment.

3.5 The NFU have worked with partners to produce signage (for example the dog walker’s code for walking through fields with livestock). However the ability to develop online apps that provide
up to date advice will become more essential, especially for more extreme sports and activities. For example people often access weather information before travelling, but cannot do so once on a remote mountainside.

Funding and fiscal policies

3.6 The NFU would like to see more farmers realising the potential that rural tourism can offer. Successful diversification in the past may have been undertaken predominantly by those farming businesses that are profitable in their primary business (i.e. food production). To provide businesses with the investment capital that moving into tourism requires.

3.7 Farming incomes have reduced due to falling prices and changes to funding schemes. More farm businesses will be looking for opportunities to diversify and keep their farming enterprises profitable. Examples of these include the dairy sector, businesses affected by the Cumbria floods or those that have come out of Countryside Stewardship to apply for new Stewardship schemes. These businesses should not have to stop farming in order to diversify. We would like to suggest the following improvements:

- A tourism levy or pay back scheme to be spent on tourism infrastructure, marketing and to benefit the local community. The tourist revenue from areas where a proportion of the land is maintained by beef and sheep production is estimated around £1.49 billion.

- Until August 2006 Former Agricultural Premises Relief was a mechanism to remove liability for an agricultural business when diversifying into non-agricultural activities. A reintroduction of a similar scheme would be most beneficial – especially during the early years to allow the best possible opportunity for a successful start-up. Alternatively, a period of exemption to the current Business Rates system to provide relief to the new business phase would be encouraged.

- The Cut Tourism VAT campaign has in recent years called for a reduction of VAT to 5% for tourism activities to encourage an increase in visitor numbers and overnight stays.

- Employment legislation can be a barrier and this is already impacting on farm businesses. National Living Wage rises, increased holiday pay following recent court judgements and pension auto-enrolment can have a cumulative impact, when taken with tax measures as a whole, and is increasing the cost pressure on small businesses.

- NFU members have told us targeted funding support is also needed to keep small businesses growing and become more sustainable and successful.

- We would ask the Committee to investigate how the administration of rural tourism grants could be improved to make them easier to apply for and fit for purpose. Current barriers to growth include:
  - Active farmers can be told they are ineligible for some funding.
  - The levels of bureaucracy and processing time are unnecessarily high, relative to the size of funding. The NFU has been provided with evidence that in North Devon, in 2016, 170 enquiries
to the Local Action Group (LAG) resulted in only 3 contracted projects, with costs associated with application process in some cases outweighing the size of the grant on offer.

- The current appraisal system for LEADER funding requires every quote to have a 26 point check, with one application in particular requiring 40 quotes for a £7,000 grant.

Planning and regulations

4.1 The NFU believe the licencing regime should allow for training and appropriate health and safety to be maintained without adding unnecessary bureaucracy.

4.2 In response to the Rural Planning Review Call for Evidence in February 2016, the NFU proposed a review of how the planning system can be improved to halt the decline of farming in National Parks and Areas of Outstanding Natural Beauty and other protected landscapes. It also proposed a review of how dealing with farm planning applications can be improved, and speeded-up, from pre-application, through processing to the need for legal agreements.

4.3 We have an NFU member in Shropshire, who has spent over a year seeking to get permission for one holiday unit in the AONB, to help replace the funding gap resulting from having to leave high tier stewardship and enter into a new agreement. The local authority sought to refuse permission and then suggested moving the accommodation to a number of impractical and uneconomic locations before finally granting a temporary permission that is too onerous to be implemented. That decision that is now being appealed.

4.4 To assist rural tourism the NFU also recommends a review of permitted development rights for temporary uses of land and farm building as well as positive local plan policy to promote pragmatic use of planning rules. Where the licencing regime already employs strict criteria this should not be duplicated by the planning system.

4.5 The NFU strongly believes that local planning authorities should not seek to charge Community Infrastructure Levy on farm buildings and operations requiring planning permission as these impacts upon the ability of farm businesses to meet regulations and run sustainable businesses. Tourism taxes should instead be investigated.

Infrastructure and skills

5.1 Government funding has to be targeted at enabling broadband and mobile phone coverage of rural areas if rural tourism is to thrive. The NFU evidence received to date is that lack of broadband and Wi-Fi is the biggest barrier to rural tourism.

5.2 The NFU has called upon the Government to keep its commitment to making the UK the best connected country in the world, by ensuring that there is the necessary targeted funding and positive regulatory framework to support the accelerated roll out of universal superfast broadband and a reliable mobile phone network. The NFU Spotlight on Farm Broadband and Mobile Networks document launched on 10th May sets out ten key ways to achieve this.

5.3 This report also contains details of the NFU Farm Digital Communications Survey carried out in summer 2015, to which 850 NFU members responded. Only 4% of members surveyed had access to superfast broadband download speeds and 4% had no broadband connection
Developing a diversified enterprise aimed at tourism can be challenging for farmers traditionally skilled in the business of food production. Skills needed to do this could include market research, promotion, sales skills, web development and social media training. These will all be needed alongside business and leadership management training.

The NFU through the AgriSkills forum has previously outlined that business management and leadership skills are crucial to taking agricultural businesses forward and improving performance to achieve a professional and efficient workforce. This training and development will enable employers to develop their workforce, increase productivity through motivating people to achieve things together and responding to changing priorities. We need to see this type of training and development embedded into the industry to realise the transition from agriculture to a diversified business. Entrepreneurialism can be learned and could be part of all agricultural courses.

Apprenticeships are an important and integral part of any skills framework, but they are only one part of the overall picture and could restrict other areas of training and skills development, such as vocational and academic routes into the agricultural industry. Government has now required that apprenticeships must be a minimum of 12 months, whilst tourism work can be seasonal.

The NFU would ask the Committee to consider how farmers can be rewarded for maintaining the landscape that tourism depends on, both within and outside National Parks and Areas of Outstanding Natural Beauty. Farmers often maintain the areas of public access and for sports often without any financial benefit, so we need to explore new and novel ways of capturing the finance generated by tourism.

Tourism indirectly depends on rural skills being maintained such as building walls, which are valued for their landscape contribution. This helps maintain rural skills and jobs.

The National Parks Eight Point Plan appeared to be published without wider public consultation or recognition of the farmer’s role in maintaining valued landscapes. The NFU recommends this document should be reviewed. For example 10 million trips were made to the Peak District in 2010, with 3.5 million overnight trips and half of visitor spend on sports activities - either ‘soft’ (walking, cycling) or ‘hard’ (climbing, paragliding, adventure sports). Walkers have access to one third of Peak District Active in the Outdoors’ 2010-2020. These sports rely on the landscapes farmers maintain.

There needs to be a clear link between tourism and planning for rural communities and other regulatory systems. Environmental regulatory systems are applied more rigorously within designated landscapes, whilst the actual variety of farming activities that can be undertaken can be more restrictive, for example due to the topography, climate, vegetation and soil types.

Whilst domestic and international visitors can often find such landscapes the most attractive to visit, they can be the most environmentally constraining and most difficult to provide the
facilities that visitors want or need. The Barn at Beal is a good example of how facilities can be provided for tourists on route to the Isle of Lindisfarne in a manner that is sustainable.

Defra role

6.1 Farming should be central to Defra policy to increase food self-sufficiency as well as to ensure England maintains a vibrant countryside, and to make the most of rural tourism. We are concerned that this is not happening. More focus is needed on holistic rural policies that do not exclude farmers and growers, or impose unnecessary burdens upon them. More consultation is needed to ensure farmers and growers can actually have more of a say in rural policy formulation. Defra also has an opportunity to influence fiscal policies and ensure funding is improved.

6.3 The Rural Proofing measures introduced following the Lord Cameron Review are also not yet being delivered in a transparent way. Key issues such as the provision of broadband and Wi-Fi are not being given the attention and funding required.

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