EXECUTIVE SUMMARY

The National Farm Attractions Network (NFAN) is a member run body that represents the majority of farm park operators and associated businesses throughout the UK.

We believe there are five main areas where Government policies could support rural tourism better.

1. Improve Broadband in rural areas
2. Reduce VAT for tourism businesses inline with European competitors
3. Help with mitigating the effects of the introduction of the living wage
4. Deregulate the planning system further.
5. Reform business rates to encourage growth and investment.

NFAN has 200 farm parks and rural attractions as members covering the whole of the UK. Member’s attractions range from small farm diversification initiatives with seasonal opening and a few thousand visitors, to year round farm based attractions welcoming up to half a million visitor’s pa. In total we estimate there are approximately 12m visits to NFAN members a year. There are then probably another 150-200 farm and rural attractions who are not NFAN members, so total visits to farm attractions in the UK we estimate at 20m pa.

Not only do farm attractions attract many visitors to rural areas but we also play a very important role in educating the nation’s children about rural life including where and how food is produced, animal husbandry and respecting our beautiful countryside.

Visit England’s 2015 Annual Survey of Visits to Visitor Attractions identifies Farm Attractions as the fastest growing sector. Visitor numbers increased 7% 2014-15 and 10% 2013-14

https://www.visitbritain.org/annual-survey-visits-visitor-attractions

“Farms have seen the greatest increase in visits, particularly in the last ten years, since the Foot and Mouth outbreak of 2001.”

NFAN members employ approximately 6000 people. These jobs are in the high priority rural economy and a high proportion of those are young people, again another key target for Govt policy to support. NFAN members also support many more jobs in the local rural economy including food producers and suppliers, local accommodation providers and many other local businesses.

Overall there is a lot of confidence in the industry. 2/3rd of members reported growth in visitors in 2015 with 29% seeing a 15%+ increase. Optimism for 2016 is high with 2/3rd expecting visitor numbers to increase. NFAN members invested £20m in 2015 and are planning to invest a further £17m in 2016.
NFAN does however represent a number of small attractions who attract fewer than 20000 visitors each year and they find it quite difficult to make a reasonable return on their investments and time. They are quite often found in the most remote and deprived rural areas and so help on the five main issues above is vital.

THE FIVE MAIN AREAS FOR ACTION

1. IMPROVE BROADBAND IN RURAL AREAS

Despite improvements in broadband coverage over recent years there remains a big problem with the quality and speed of broadband in some rural areas. This effects many rural tourism businesses including the ability to pay bills online, replying to enquiries effectively, marketing and also precludes them from offering wifi facilities to their customers. Many of our members have problems uploading and sending animal movement licences which can take several hours in some rural areas. Another problem is the lack of mobile phone reception which again many customers believe is a priority when visiting rural attractions.

2. REDUCE VAT FOR TOURISM BUSINESS’S IN LINE WITH OUR EUROPEAN COMPETITORS.

We believe a cut in VAT for tourism businesses to levels enjoyed across the rest of Europe is essential especially in light of the recent Brexit vote.
3. HELP WITH THE EFFECTS OF THE INTRODUCTION OF THE LIVING WAGE
The recent introduction of the National Living wage does worry many of our members. Although we think it is essential to pay our staff well for the service they provide we are concerned about the target of £9.00 per hour by the year 2020. We hope the low pay commission will when setting both the living wage and the minimum wage take into account the effect on rural business’s both of the general economic conditions in rural areas and also the effects on employment in rural areas.
We would also ask for further help in the area of employment of young people by enhancing the measures taken by the government to help with the costs of National Insurance.
The employment allowance of £3000.00 is welcomed by all businesses and supports the employment of people in rural areas. We believe this could be increased to stimulate further employment in rural areas.
We also welcome the measure taken to exclude all under 21’s from employer’s national insurance

4. DEREGULATE THE PLANNING SYSTEM FURTHER
Although there has been a number of welcome changes to the planning system further reform would be desirable. We believe there are a number of areas that require further flexibility to harness the economic potential that rural areas have to offer.
We consider the development of rural tourism in the green belt extremely restrictive and somewhat out dated. In our view there should be permitted development rights for rural tourism and education to limit the regulatory constraint on rural enterprises and would be fully in accordance with DEFRA’s Ten point plan for boosting productivity in rural areas.
We also believe that for all rural areas a specific use class for leisure, tourism and education in the countryside should be introduced. There are significant issues with applications to local planning authorities for farm diversification and on many occasions’ authorities are reluctant to designate a D2 leisure class and consequently there are proposals for imposition of a number of unnecessary planning conditions. We believe these measures would reduce considerably the regulatory constraints facing rural businesses.

DEFRA – “Towards a one nation economy a 10 point plan for boosting productivity in rural areas August 2015” recommended “better regulation and improved planning for rural businesses” – in this context reviewing the planning and regulatory constraints facing rural businesses and measures that could be taken to address them.
There are a number of areas that require further flexibility to harness the Economic “Environmental and Social potential” that rural areas have to offer;-

Development of rural tourism and indeed education in statutory designated land areas including Green Belt, Areas of Outstanding National Beauty (AONB) and National Parks is extremely restrictive as outlined in the National Planning Policy Framework (NPPF 2012) there should be a more flexible approach taken in these areas to have greater cohesion between the economic and environmental priorities
of specific restrictive landscape areas, in order to boost the economic potential and particularly that of job creation.

Whilst Permitted Development Rights (PDR) for Rural Tourism and Education within the countryside have been greatly improved within the General Permitted Development Order (GPDO 2015), this improved flexibility has not, as yet been fully endorsed within local planning authorities “development plan” documentation including that of the Core Strategy, and local plan policies some of which predate 2012, there are in England less than 40% adopted Local Plans in accordance with the NPPF.

We believe that there should be a specific designated Use Class for Leisure, Tourism and Education in the countryside. Local planning authorities are reluctant to designate a Use Class “D2 Leisure” in respect of farm diversification applications that encompass leisure, tourism and education and consequently the local authority planning endeavour to impose a number of unnecessary and unreasonable planning conditions. A subdivision of the D2 Use Class as indeed is applied to B1 – (subdivision for offices and light industry) to give greater flexibility and avoid restrictive and unreasonable planning conditions, and indeed in some cases the imposition of S106 planning obligation legal agreements. This would improve greatly conditions for rural business growth.

Within the DCLG/DEFRA rural planning review call for evidence (January 2016) there was reference to the flexibility given in the GPDO (2015) Class R whereby Permitted Development Rights (PDR) can be given to secure the change of use of an agricultural building to a D2 Leisure Use, there is not the same flexibility in respect of a planning application for change of use of land and a new building for rural tourism, leisure and education.

S. REFORM BUSINESS RATES TO ENCOURAGE GROWTH AND INVESTMENT.

It essential that business rates are fair and equitable and should not penalise successful businesses who continue to reinvest in their business.

If at all possible small business relief should be extended so as more rural business is taken out of paying business rates altogether.

Although welcome the decentralising of business rates by 2020 to local councils their needs to be checks and balances to make sure rural businesses are not penalised by some more affluent councils cutting business rates whereas poorer Rural councils may feel unable to do so.

The principle government documents issued in 2016 relating to business rates include:-

- Business rates delivering more frequent revaluations – March 2016
- House of commons briefing paper Business Rates for 2017 revaluation

It is essential that business rates are fair and equitable and should not penalise successful businesses who continue to re-invest in their business.
The issue surrounding the assessment of rateable value for rural businesses that contribute to the £17 billion a year to the English economy include;

- The valuation methodology in assessing the rateable value of the business in accordance with the Local Government Finance Act 1988 (LGFA 1988) there is a requirement for clarity in relation to the valuation assessment for small and medium enterprises (SME’s) compared to the larger rural tourism businesses.
- There is a requirement for greater clarity in relation to a government and industry agreed “Guidance Note” on the assessment of the rateable value for rural tourism businesses as indeed already exists for Hotels, and Petrol Filing Stations and others.
- Small Business Rates Relief
  The proposal for small business rates relief (SBRR) threshold to be increased to £12,000 for 100% relief from April 2017 is welcomed. However it is also noted that the proposal to increase the “multiplier” to 55 pence in the pound” for 2017/2018 is noted which effectively means that a fall in rateable value may not mean lower rates bill for the rural tourism business. Furthermore greater clarity is required in relation to the Transition relief.
- Whilst we welcome the decentralising of business rates by 2020 to local authorities in respect of the self assessment option, and amended approach to determining appeals against valuations, greater clarity is certainly required in the following areas:-
  o There needs to be checks and balances to make sure rural tourism businesses are not penalised by some more affluent councils cutting business rates where as poorer rural councils may feel unable to do so
  o The practical definition of a “small tourism business” and greater clarity on the valuation methodology to assess the rateable value in the self assessment option, which refers back to the proposed industry/VOA guidance note.
  o Material changes in circumstances (MCC’s) – Physical changes to an area or property or to the way a property is used during the period of the rating list, which may have an impact on the rateable value of the property.
    Whilst it is accepted that the business operator (rate payer) would accept more responsibility in valuing their property in respect of MCC’s during the period of the rating list it is questionable as to how this would be received and interpreted by the local council “non-domestic rates” department (NDR), and whether intervention would be required by the VOA.
  o The reformed package designated to modernise the approach to resolving business rates appeals (Check, Challenge, Appeal – August 2016) is welcomed however the experience and knowledge of local authority officers in the NDR departments is a requirement to ensure that this approach gives greater flexibility to a more modernised appeals system. It is accepted
that under a self assessment system that the VOA role would change to that of undertaking compliance work as opposed to maintaining the valuation list, however the publishing of rental information by the VOA to assist rural tourism businesses in their self assessment would be of paramount importance.

*September 2016*