1. **About the Local Government Association (LGA)**

1.1. The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government.

1.2. We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems.

2. **Summary**

2.1. The visitor economy is one of this country’s fastest growing economic sectors. The critical success factors for unlocking further growth, skills, transport, digital infrastructure and business support, are all policy areas where devolution will enable better and more efficient decisions to be made for the rural visitor economy.

2.2. The Government’s tourism action plan provides helpful recognition of the importance of the tourism industry and outlines the necessary steps to ensure the benefits of tourism will be felt across the UK. In addition to this, the LGA has called for the devolution of business support funds, more local decision-making on transport and more influence over skills programmes as some of the key levers in helping tourism businesses succeed.

2.3. The Government can further enable councils to grow the rural visitor economy by giving all areas automatic rights to bus franchising powers, embedding a locally-led and fully funded planning system, committing to increasing the broadband Universal Service Obligation so that it keeps pace with business and visitor needs, and ensuring that hard to reach rural destinations do not miss out on improved broadband and mobile coverage.

2.4. The move to the full localisation of business rates at the end of this Parliament will further incentivise councils to support and attract businesses, including those of the visitor economy. However, unless all places are granted the same flexibilities as combined authority areas with Mayors, the rural visitor economy will not experience all of the potential benefits.

3. **Marketing: How well do agencies promote rural destinations across England? What more should the Government do to support this work?**

3.1. With an increasingly devolved local economic landscape, we need to focus on supporting local partnerships between industry and the public sector to promote rural destinations. Many tourism businesses work in partnership with the public sector to develop an integrated and long-term approach to attracting visitors through Destination Management Organisations (DMOs), which range from informal partnerships to a company limited by guarantee. Councils play a vital strategic leadership role, connecting tourism businesses into the wider economic landscape
and ensuring a coordinated approach to marketing rural destinations that complements, for example, international trade links.

3.2. It is also important that national marketing campaigns run by VisitBritain and VisitEngland are sufficiently joined-up with local activity so that shared messages are developed, networks exploited, duplication avoided and growth markets targeted.

3.3. In 2012, the New Anglia LEP Cultural Board identified cultural tourism as an area which could grow the economy. The ambition to make Norfolk and Suffolk a ‘must see cultural destination’ was agreed with investment from New Anglia LEP, Arts Council England, Norfolk and Suffolk County Councils and arts and tourism partners. The aim of this collaboration was to ensure that information about the exciting cultural offer is easily accessible to a wide range of local, regional and national visitors.

4. **Access: What, if any, changes are needed to give people better access to the coast and countryside?**

4.1. The quality and extensiveness of transport infrastructure is vital for visitors’ ease of movement. Buses are especially important for giving visitors better access to the coast and countryside. Over five billion bus journeys every year are made in this country, which is three times more than the total number of rail journeys. However, reductions in Government subsidies, changes to the way the English National Concessionary Transport Scheme is funded, and reductions of 40 per cent to core council funding have called into question the future of many rural services.

4.2. The current bus franchising system needs to be reformed to improve bus services for passengers, including visitors. In particular, all areas should be given automatic rights to bus franchising powers, not just Mayoral Combined Authorities. The requirement for the Secretary of State for Transport’s approval for non-Mayoral Combined Authorities for franchising is counter to the principles of devolution and a barrier to rural growth. We are calling for the requirement to be removed from the Bus Services Bill, and for bus franchising decisions to be made locally. This will give councils the levers they need to give visitors better access to the coast and countryside from transport interchanges.

4.3. Digital access when visiting the coast and countryside is just as important as physical access, yet many rural areas are lagging behind in digital connectivity. Councils strongly support the extension of access to superfast broadband through the commercial rollout and are leading the publicly funded programmes for rural areas. Access to fast and reliable broadband is a necessity for households and businesses in the UK and is a major driver behind growth, jobs and the emerging creative industries. Many councils are aiming to go beyond the Government’s national 95 per cent premises target. Despite this, there will inevitably be some, mainly rural, premises that will not be reached. As such, the Universal Service Obligation (USO) is a welcome safety net for those residents and businesses not connected.

4.4. A 10Mbps minimum download speed is a step in the right direction, but in the longer term this should increase in line with national average speeds. Over the next five years, commercial rollouts in our towns and cities (such as Virgin Media’s Project Lightning) will almost certainly see
national average download speeds rise sharply. By 2020, it is likely that over 60 per cent of residents will be able to access services of 300Mbps and faster, with over 95 per cent of premises being able to access at least 30Mbps. Minimum standards must keep pace with national average speeds and the expectations of households, especially at peak times.

4.5. It is also imperative that the USO has specific obligations on upload speed. Fast and reliable upload speed is a growing requirement for rural tourism businesses which utilise cloud services, video conferencing and send large data files. However, average upload speeds for rural connections which have download speeds between 2Mbps and 10Mbps, are poor (0.5Mbps) and have remained static since 2012.¹ The USO specification should obligate suppliers to provide consistent upload speeds at a minimum of 2Mbps with the aim of doubling that figure over the next 10 years.

4.6. Reliable mobile coverage is just as important to a visitor economy as broadband access. After the failure of the Mobile Infrastructure Project, the Government has left the role of extending mobile coverage nationwide solely to the commercial market through a range of contractual coverage obligations. All four Mobile Network Operators (MNOs) signed up to provide voice coverage to 90 per cent of the UK’s landmass, and Telefonica (O2) obligated to provide 98 per cent of the UK population with 4g coverage by 2017. Assessing the quality of mobile coverage is difficult, so questions remain on how Ofcom and Government will best hold these providers to account. Mobile coverage data held by Ofcom, which will be used to assess whether MNOs have met their obligations, is often not reflective of the situation in many rural areas. Finally, the fulfilment of these obligations will still leave 2 per cent of the population not able to access mobile coverage, and a solution needs to be found for them.

5. **Funding and fiscal policies: How can public funding be best targeted to get new rural tourist businesses off the ground and keep them going? Are changes needed to tax levels and business rates?**

5.1. Councils have a key role to play in economic growth and enabling small businesses to flourish. Through their business support offer, councils are helping businesses to leverage opportunities such as the use of digital technologies, understand and exploit target markets and respond to changes in legislation.

5.2. However, councils’ ability to target public funding at local business need is hampered by the fragmentation of business support funds across Government departments. LGA research found that for small businesses, there are around 40 separate pots of Government funding aimed at supporting business growth. This means that small business owners often face significant challenges applying for the fund or, at worst, not accessing the funding to which they are entitled. Devolving business support funds would enable councils to lead a more stable and coordinated approach to business support, helping the longer-term development of tourism businesses.²

5.3. An effective but proportionate regulatory offer is also critical in enabling new and small rural tourist business to thrive, while sustaining the high standards that promote consumer confidence. The LGA’s Rewiring Licensing set out a vision for licensing simplification and Cornwall Council
has tested how these principles might apply to the hospitality industry. The council found that up to 45 per cent of licensing applications relating to caravan holiday parks were returned due to errors and introduced a number of changes, including a single point of contact for businesses, which have improved the process.

5.4. The Government has announced that by 2020, 100 per cent of business rates revenue will be localised to English local government. Councils can already grant business rates discounts at their own expense, but this reform will come with the flexibility to reduce the multiplier. There will be proposed powers for combined authority mayors to increase the business rate multiplier, subject to the agreement of the Local Enterprise Partnership, with additional revenue earmarked for new infrastructure projects. The changes will further incentivise councils to support and attract businesses, including those of the visitor economy.

5.5. In order to maximise the benefits to the rural visitor economy, we would like to see the Government grant the power to increase business rates to all areas, and not just to those with directly elected mayors. It is also important for the new system to be implemented in a way which balances rewarding councils for growing their local economies but avoids areas less able to generate business rates income suffering as a result. This is particularly the case for rural places which are reliant on the seasonal visitor economy.

5.6. Building upon business rates retention, we are making the case for moving from functional devolution to fiscal devolution. If we are to provide a truly new approach to delivering local public services, working in partnership with various parts of the public sector under local government coordination, then we also need a new and more flexible approach to the funding of the services. The principles underpinning the localisation of business rates could spur on further devolution of taxation, including those related to the visitor economy.

6. Planning and regulation: What, if any, changes are needed to planning and other regulations covering rural areas of special character, such as National Parks, to encourage sustainable tourism?

6.1. Heritage and natural landscape makes a significant contribution to the economy, helping to attract visitors and businesses to places, providing jobs and opportunities to acquire skills, and driving rural development.

6.2. The planning system is a key tool that can support councils to maximise the growth potential of special character rural areas through sustainable tourism. Across the country communities are backing new development, and councils are approving almost nine in 10 planning applications. It is through the planning system that the historic and natural environment is protected, enhanced and improved in a way that balances local economic, social and environmental needs and ambitions. Inevitably this can mean difficult conversations about balancing, for example, local need for new housing and growth, with preserving the heritage and landscape upon which tourism relies.

6.3. The LGA has long argued for a locally-led planning system that gives residents and businesses a strong voice in decisions through their elected councillors and was supportive of the introduction of the National Planning Policy Framework (NPPF) in 2012. However, councils’ ability to
shape places and encourage sustainable tourism has been hampered by successive planning reforms since then which have centralised decision making and reduced local influence. Most recently, the LGA expressed concern at provisions in the 2016 Housing and Planning Act to give the Secretary of State more powers to intervene if Local Plans are not effectively delivered. The LGA argued that an approach that seeks to understand what the blockages are, and to resolve them, would be more beneficial in the long-term than the imposition of a plan on local areas.

6.4. Rather than further changes to encourage sustainable tourism, the system needs a period of stability for reforms to take effect. The LGA has also called for the Government to introduce a framework to evaluate the operation and impact of the NPPF and local plans in terms of outcomes over a longer term. In the absence of such a framework, there is a danger that there continues to be an overreliance on what can more easily be measured in the short-term or a reliance on anecdotal evidence.

6.5. Crucially, planning services also need to be properly resourced through the introduction of locally-set planning fees. Tax payers are subsidising 30 per cent of the estimated annual cost of processing planning applications in England because nationally set planning fees do not cover the full costs. Properly resourced planning teams will also be able to take opportunities for enabling further growth and supporting sustainable tourism.

6.6. It is too early to understand the implications of the 2016 Housing and Planning Act on sustainable tourism in areas of special character, but it will be essential that statutory consultees such as Historic England and the Environment Agency provide accessible and targeted advice to local government that can inform local decisions relating to sustainable tourism.

6.7. In Western-super-Mare, North Somerset Council is working with Wayne Hemingway and Arts Council England to build on the legacy of Banksy’s Dismaland by looking at imaginative ways for a council-led arts and culture project to make an impact in a regional, seaside setting.

7. **Infrastructure and skills: What measures are needed to ensure transport, housing and other infrastructure meets visitor needs? How can the sector ensure there are enough people with the right skills to support customers and businesses?**

7.1. In December 2015, the LGA commissioned RCS to analyse the added value devolution could bring to visitor economy-led growth in England. The research found that the visitor economy contributes £121.1 billion to UK GDP (7.1 per cent) and is predicted to grow 2.9 per cent over the next decade.iii

7.2. In order to unlock this growth potential, RCS concluded that the argument for devolution is ‘straightforward and evidence based’. The ‘overwhelming weight of the international evidence’ points to a number of factors which drive national visitor economy competitiveness – transport, skills, business support and broadband. These are all policy areas where local government has argued for a more locally led approach.

7.3. For example, to deliver transport improvements for visitors, local leaders
need to be able to influence the whole system of transport. Yet in any one area there could be a plethora of agencies working to different objectives leading to inefficient local investment. Agencies such as Highways England need greater flexibility to make decisions that align with local priorities, including better connecting visitor attractions. Some councils are already experimenting with a ‘Total Transport’ approach to public transport services that integrates services run by different bodies to better meet passenger needs and ensure the survival of essential rural routes.

7.4. The national approach to commissioning mainstream and re-engagement employment and skills funding, worth £10.5 billion (2016/2017), is scattered across 20 national schemes. This means there is a missed opportunity to gear public funds to local economic need, including the visitor economy. Councils need to align funding at the local level to maximise reduced budget and local managers of national agencies need to have the freedom to act locally. This would include discussions on co-location and devolved funding stream, which in turn would lead to a skilled workforce that better matches the needs of tourism businesses.

7.5. The LGA supports the Government’s commitment to create three million new Apprenticeships by 2020 and we are working with the Government to ensure the reforms are well designed before April 2017. As part of fulfilling this target, all public bodies, including local authorities with over 250 staff, will have to ensure that at least 2.3 percent of their staff (based on headcount) are apprentices. This will cost councils £400 million per year. We are working with the Government to ensure the new system takes into account local areas’ and employers’ needs.

7.6. In order to maximise value for money from the superfast broadband rollout, all future public funding should be devolved to councils via an expanded Local Growth Fund. This will enable councils to pursue local approaches to broadband delivery and allow for more flexible and efficient responses to remaining local challenges in rural destinations.

7.7. Crucially, councils and local partners can link these policy levers to enhancing the distinctiveness of destinations. The Greater Manchester, Liverpool City Region and Cornwall devolution deals all make the case for new powers which closely map the visitor economy growth factors that emerge from the international evidence. Staffordshire County Council used the City Deal process as a springboard to increase overnight stays through hosting major sporting events. Hosting Ironman Staffordshire 70.3 and the UK Corporate Games attracted 16,000 visitors and achieved an economic impact of £5.4 million. As more rural places agree devolution proposals and deals, we are likely to see more opportunities for the rural visitor economy.

8. **Local environment and character: How can national and local policies get the right balance between growing tourism and enhancing the local environment and character?**

8.1. The visitor economy allows councils and partners to showcase the local environment and character of places. Councils care for and enhance the assets that make a place authentic. For example, Nottinghamshire has put its local produce, traditions, food and drink at the heart of its plans to attract visitors through its Love Local campaign. This includes the Nottingham Real Ale Trail, promoting market towns and the Wellow
Maypole Festival which brings to life traditional English celebrations.

8.2. We have made the case for a locally-led planning system, and for the critical success factors for boosting tourism - transport, skills, broadband and business support - to be devolved to places. The policy challenges highlighted show that top-down solutions do not work. Devolution will enable councils and local partners to lead infrastructure and services that increase tourism in their localities, while achieving a locally appropriate balance with the environment and character.

9. **Defra role: What more should the Department for Environment, Food and Rural Affairs do to ensure government departments (including Departments for Communities and Local Government, Business, Innovation and Skills, Culture Media and Sport and HM Treasury) support rural tourism?**

9.1. The LGA encourages government departments, and the relevant national agencies, to:

- Protect local EU regeneration funding, worth £5 billion in England (2014-2020), with many infrastructure projects set to benefit the rural visitor economy.

- Keep up the momentum for agreeing ambitious, locally led devolution proposals so that tourism businesses and visitors across England can benefit from devolution.

- Through VisitEngland, maximise opportunities for the Discover England Fund to align to devolution deals and proposals, where this makes sense locally.

- Ensure that English destinations have a strong voice in the new national governance arrangements for tourism.

- Continue to recognise that the visitor economy is one of this country’s strongest performing economic sectors and commit to working with councils to overcome barriers to further growth. In particular, a more joined-up and devolved approach to local transport networks, digital infrastructure, skills and business support.

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1 Ofcom - UK Home broadband performance: The performance of fixed-line broadband delivered to UK residential consumers
2 http://www.local.gov.uk/devolution
3 http://www.local.gov.uk/documents/10180/7632544/12.1-English+Devolution_10WEB.pdf/1b478f6f-3d20-4b2c-ae67-44003d54443a
4 http://www.local.gov.uk/devolution-deals