Written evidence submitted by the Hampshire County Council
(RUT0237)

**Executive summary**
- Local authority spending reductions are having a significant impact on rural services (e.g. transport) and infrastructure development.
- Bureaucracy and delays that have surrounded the current ESIF 2014-20 programme need to be addressed.
- Significant investment by both national and local government is required to make sustainable impact on tourism in rural areas, particularly in broadband infrastructure and marketing support.
- The County Council would welcome the opportunity to talk in detail to the Select Committee about our approach to our tourism signage policy.
- We would like to see grants and planning/developer contributions adapted, not only to fund improvements to rights of way networks, but also ongoing maintenance costs, to ensure that standards can be maintained.

**About Hampshire and the County Council**
- Hampshire is a large local authority in the South East of England, serving a population of 1.3m people.
- Hampshire is predominantly a rural county with 85% classified as rural, with 77% of its population live in urban areas.
- Tourism is worth over £3bn to the Hampshire economy (5% of the county’s economy) and employs nearly 10% of the workforce. The day visitor market, is worth £1.8billion per annum alone. Domestic overnight visitors spend over £600m, whilst overseas visitors spend some £250m.
- The New Forest National Park is almost wholly within Hampshire, as is a significant proportion of the South Downs National Park.
- Micro-businesses make up 87% of businesses in rural Hampshire, and SME’s 12%.

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

1.1 The promotion of rural destinations has suffered considerably since the abolition of Regional Development Agencies (RDAs) and Regional Tourist Boards (RTBs) in 2010. Government strategy focused on Destination Management Organisations (DMOs) replacing RTBs as partnerships between tourism businesses and local authorities. The reality has been a patchwork of fragile local authority and public/private partnership organisations that struggle to make an impact. Many of these organisations are chasing the same businesses for membership scheme participation and advertising revenues. Whilst DMOs are potentially simpler to establish and run in branded city destinations, this is not the case in rural destinations where there may be a number of complex and overlapping destination brands. Whilst some rural destinations such as Devon,
Cotswolds, New Forest, and Peak District have a recognisable destination brand that has evolved over time, many do not. This means that there are a whole host of rural destinations with significant potential for tourism that miss out because they do not have a strong enough unified voice, are overlooked and lack the resources to buy into national campaigns.

1.2 The issue is that the gap between local and national is now much wider than it was when the RTBs existed and it favours the stronger destination brands. Contrast this with France, Scotland and Wales, where there is a policy to develop and promote tourism in more remote regions. In England, it feels more like survival of the fittest.

1.3 The abolition of Visit England as an independent body focused on promoting domestic tourism and its subsequent merger into Visit Britain has reduced the level of nationally supported tourism investment. Government has focused its support on promoting inbound tourism, believing that domestic tourism just displaces spend from one part of the national economy to another. We do not support this; rural destinations are disproportionately dependent on domestic visits in comparison with major cities (60% of international visitors never leave London) and nationally we need to persuade more people to holiday at home.

1.4 Most countries that take tourism seriously recognise that effective destination marketing needs a commitment to public funding over a long-term. For example 90% of all US State tourism office budgets are comprised of public funds. Rural US States such as Iowa, Minnesota, North Dakota, Oklahoma, Colorado, Missouri, Wyoming and South Dakota, have average public funding budgets of £7.2million each. In addition, individual states also receive federal and local tourism funding. Visit England’s annual budget was £7m. Public sector resourcing of tourism at these levels ensures that new rural destinations can be developed and promoted over the long term, diversifying local economies and creating and sustaining employment.

1.5 The Government’s 8-Point Plan for England’s National Parks 2016-2020 states that 7% of overseas visitors who come to Britain on holiday visit a National Park. The plan includes ambitions to promote tourism to National Parks, including campaigns to extend the National Parks tourist season to keep tourism businesses open and viable all year round. To deliver these ambitions the Government will need to commit appropriate support and resources, and encourage collaborative working.

1.6 National Trails, including the South Downs Way and the new sections of the England Coast Path in Hampshire, are key assets for rural tourism and have great potential to contribute to the rural economy. With appropriate marketing this potential could be maximised. However Natural England grants for National Trails do not fund marketing expenditure.

1.7 Cuts in public expenditure mean that opportunities to grow rural tourism are being missed. We would recommend that the Government learns a lesson from other countries that private sector funding cannot replace public sector funding of tourism.
destination promotion, particularly in rural destinations where SMEs with limited marketing budgets dominate.

1.8 Local authorities have been subject to huge funding cuts. By April 2017 savings of £340m will have been removed from Hampshire County Council’s departmental service budgets with an additional £120m by April 2019. Pressures on funding discretionary activities such as tourism promotion are likely to continue to increase.

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

2.1 Hampshire has a significant rights of way network (4,500 km) connecting communities and providing access to the varied and special landscapes in the county, including the New Forest and South Downs National Parks, the North Wessex Downs AONB, the South Downs Way National Trail and the emerging England Coast Path.

2.2 Although the County Council continues to seek external funding through new operational methods and partnerships (e.g. with National Parks, district councils, local councils), it is generally secured via grants and developer contributions (s106/CiL). However, this type of funding is typically directed to new infrastructure and capital investments (e.g. cycle routes, paths between towns or transport hubs and key facilities) and cannot be used to maintain the network (or the enhancements once created), which is instead reliant on local authority funding and working practices.

2.3 It is the duty to maintain the surface of the highway that incurs the largest annual maintenance cost for the Council, specifically the annual cutting of natural vegetation. This is also the single largest cause for complaints from users of the rights of way network.

2.4 Hampshire County Council has been highly effective in prioritising maintenance spend and working with communities and volunteers to focus on network priorities (e.g. promoted routes; locally important routes; links from communities and local business etc.). However as budgets come under pressure our ability to provide a network that will embrace and reap the benefits of tourism is increasingly under threat.

2.5 It is recommended that the Government reviews how grants and planning/developer contributions could be adapted, not only to fund improvements to rights of way networks, but also ongoing maintenance costs, to ensure that standards can be maintained. It is also recommended that greater partnership working is encouraged to ensure that as visitor numbers increase, high quality routes and experiences can continue to be provided. This should include a mechanism to ensure that businesses that are dependent on the rights of way network can in some way support its management.

3. 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?
3.1 At the time of writing, we are aware that the Government has made a commitment to continuing to back EU-funded projects signed before this year's Autumn Statement, and that agricultural funding now provided by the EU will also continue until 2020. However, considerable uncertainty remains which will hinder business investment decisions, and could negatively impact rural tourism in Hampshire as rural areas benefit disproportionately from ESIF.

3.2 We would also hope that the bureaucracy and delays that have surrounded the current ESIF 2014-20 programme can be addressed. Replacing the RDAs with LEPs and centralising the management of the programme within DCLG, DEFRA and BIS has led to significant delays in administering funding programmes. This is a result of lack of resources, skills and knowledge within Departments and has frustratingly meant that few projects have been awarded funds. This has had a subsequent impact on business investment.

3.3 Project funding support such as EAFRD, Regional Growth Fund, redundant building grants and grants for physical improvements and expansion have successfully supported tourism businesses when bank support has been less available or reliable. This has encouraged growth and the raising of standards in rural areas. However, these initiatives have not helped fund promotion and marketing activity, and put the success of initial capital investment at risk. There has tended to be a focus on using public funds to support innovation rather than tried and tested approaches. This threatens long term sustainability.

3.4 The fragility of many DMOs in rural areas is also a factor in providing a supportive framework of marketing and business support activity. These were helpful services provided by Regional Tourist Boards and Business Link and have not been effectively replaced by new LEP business support services.

3.5 Business Improvement Districts (BIDs) should not be seen as the panacea for replacing public sector funding. BIDs can often compete with existing tourism organisations in promoting destinations due to a misalignment of BID priorities. BIDs cannot overlap, so there will be many occasions where an existing BID trumps the opportunity for a wider potential tourism focused BID. BIDs are expensive and high risk to develop, and there can be significant resistance from businesses.

4. 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?

4.1 Appropriate and sensitive development in special areas should be encouraged as they create jobs and add to the local economy in areas that would otherwise offer no opportunities for local people. The countryside should not be preserved in aspic, but neither should development be at the expense of it. Strong robust conservation policies and clear guidance in the local plan can and should encourage positive development and deter unwelcome proposals. Particular issues include the use of appropriate local
materials and local design style to protect the character of an area. Policies should not be used as a means of stopping all development as has been the case in some rural areas.

4.2 There needs to be an increasing supply of good quality visitor accommodation in rural destinations. Planning remains a barrier to rural visitor accommodation development. However, this is improving, particularly where local planning authorities have commissioned research to fully understand the opportunities for visitor accommodation development in their area. There is often strong resistance from development management officers and planning committees to new-build development and accommodation developments of any scale in the countryside, particularly in National Parks, AONBs, Green Belt areas, and other designated landscapes, with stringent interpretation of the guidance on what development can be considered in such locations.

4.3 There is a need for a more positive and better informed approach to the formulation of planning policies for visitor accommodation development in England, and a more supportive development management approach. Development management teams need to work more constructively with rural accommodation businesses and land owners to achieve viable visitor accommodation projects that meet the needs of the market and the business, while protecting the landscape in which they are located.

4.4 Local Planning Authorities are regularly under-resourced and struggle to deal efficiently with planning applications. Some consistency and continuity in the planning system would be welcomed. It was unhelpful that the Good Practice Guide on Planning for Tourism was deleted by DCLG in its 2013 Review of Technical Planning Practice Guidance as this creates an advice vacuum.

4.5 We do also feel that greater support needed for farmers in negotiating the planning system should be introduced to support diversification to tourism initiatives.

4.6 Tourism signage has long been a national issue. Our view, as one of the first Highways Authorities to develop a tourism signage policy, is that being able to retain strong local management of signage that responds to local needs and requirements is a significant benefit. We would welcome the chance to talk in detail to the Select Committee about the approach the County Council has taken in this area.

5. 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?

5.1 One of the principal issues for many years has been the lack of broadband provision in rural areas. Although there have been numerous Government backed initiatives to address this issue, there has been limited traction.

5.2 Hampshire faces the daunting prospect of having to upgrade those who live in the final 3-4% in rural areas, where traditional fixed line methods can quickly become
prohibitively expensive. These often isolated communities are regularly the types of places that rural tourism can thrive.

5.3 Whilst broadband deficiencies in rural areas are widely discussed as both businesses and residents make their voices heard, the extremely poor mobile infrastructure is too readily ignored. This is unfortunate as mobile access for the visitor is becoming increasingly critical. This means that for many visitors they will not be able to access information on visitor attraction opening times; train and bus timetables and live feeds; mapping solutions; social media, etc. There has been a huge shift from traditional marketing and visitor information solutions with mobile use for travel and holidays rapidly becoming the norm. We should not expect our visitors to have to find a coffee shop, fast food outlet, pub etc to request wi-fi access.

5.4 The failure of the Government Mobile Infrastructure Project and the reliance of a binding agreement on the mobile operators to invest £5bn by 2017 puts faith in the industry to plug significant gaps. But this commitment will only increase full coverage from 69% to 85% of areas.

5.5 Public transport in rural areas is a key concern; if bus services are available they are often infrequent and unsuitable to support visitors to an area. Cuts to local authority budgets have resulted in significant reductions in funding for bus subsidies which will particularly affect rural services that are often the services that private operators cannot run profitably. Greater commitment is needed to support public transport in rural areas, including sustainable tourism strategies to make rural areas more accessible without the use of a car. There are some good examples in Hampshire of seasonal bus services to tourist destinations in rural areas (e.g. the Explore Test Valley free rail link bus to a number of attractions in rural Test Valley; the Marwell zoo bus from Eastleigh Station) however these networks are only supported during the summer period, limiting the potential for tourism at other times of the year.

5.6 ‘Brexit’ has resulted in considerable debate around how EU workers will be affected. Unless some form of access to working in the UK is retained, there will need to be focus on replacing the lost work force.

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

6.1 Much of Hampshire’s rural tourism ‘offer’ is high quality and appeals to the luxury market – London in particular – for day trips, short breaks and long holidays. It is important that this quality is retained for investment to grow and for our target markets to continue to be attractive.

6.2 A principal concern is the impact of cuts to local authority budgets on dealing with waste and tackling fly-tipping. Many incidences of fly-tipping are where footpaths and bridleways link with the road network or in countryside site car-parks.
6.3 There were 8,419 reported incidents of fly-tipping in the Hampshire County Council area in 2014-15. In line with national trends, the highway is the most common location for fly-tipping in Hampshire (42.9% of reported incidents), council land is ranked second (29.1%) and the rights of way network third (9.8%) Whilst fly-tipping most often involves a single item black bag or a smaller car boot sized load, rural areas of Hampshire are more likely to see larger loads.

6.4 It’s pleasing to see more signs threatening drivers with prosecution on the motorway network if they are caught on CCTV littering. We would advocate increased pressure on the Road Haulage Association to campaign to stop lorry drivers littering all roads. This is a particular issue in Hampshire when lorries leave the motorway network and continue their journeys using rural roads, which may have been promoted by GPS as an alternative route.

6.5 We are starting to see investment and growth in the Test Valley and East Hampshire, particularly in food and drink tourism and high quality catered and self-catering accommodation. These areas have pretty villages, market towns and very attractive countryside and spare capacity for both day and staying visitors. We would welcome policies that enable Hampshire to develop and sustain rural tourism in less advantageous parts of the county. Low volume, high spend visitors can play an important role in sustaining rural pubs, village shops and local events, and providing employment in these areas which could quite easily become dormitory villages for the region’s urban centres.

7. **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?**

7.1 To support rural tourism, DEFRA need to be in a position to argue the case for tourism development and the potential for growth, particularly in discussion with other Departments. 80% of tourism businesses are SMEs and they often need help to develop and grow, particularly in the countryside. English tourism has the potential to be greater than the ‘traditional’ destinations of London, Oxford, Stratford, and York. There are many rural tourism growth opportunities to exploit with the right support. We encourage Government to recognise that rural tourism needs public sector funding support, often more than urban destinations.

7.2 There could be a greater role for LEPs in supporting rural tourism, but given their focus on a limited range of priorities (unlike the RDAs), they would need to be properly resourced to take this on.

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