Introduction

About Us

SWLEP is a partnership between the two local authorities (Swindon Borough Council and Wiltshire Council) and businesses. We play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.

This submission has been developed by SWLEP’s Rural Economy Sector Group (RESG). RESG champions the rural economy and provides a strategic overview to steer appropriate and sustainable growth in rural areas of Swindon and Wiltshire. RESG represents a wide range of rural businesses and organisations, including rural tourism, food and drink and other relevant sectors.

RESG members took part in a working session to develop this response based on their personal and organisational expertise. Those contributing include: John Mortimer, (SWLEP Vice-Chair, RESG Chair), David Andrews (Visit Wiltshire); Geraldine McKibbin (McKibbin Business Support), Marian James (Farmstay UK), Oliver Cripps (North Wessex Downs AONB), Linda Nunn (Cranborne Chase AONB), Alan Truscott (Plain Action & Vale Action LEADER Local Action Groups), Will Langer (CLA), Alison Morgan (Wiltshire Council Rural Economic Development), Angela Hays (Wiltshire Council Economic Development), Georgina Clampitt-Dix (Head Spatial Planning, Wiltshire Council), Robert Murphy (Sustainable Transport, Wiltshire Council).

Rural Tourism in Swindon and Wiltshire

Swindon & Wiltshire’s visitor economy is worth £1.53 billion a year and supports 29,000 jobs, around 8.2% of total employment.

SWLEP ESIF Strategy 2014-2020 identifies Tourism as an important industry for creating economic growth in rural areas. It identifies the following issues that need to be addressed to ensure the economic and social benefits of the visitor economy are fully realised:

- Despite being home to two UNESCO World heritage sites and having many other tourism sites of national importance, Wiltshire has a weak identity as a tourism destination.
- We have a significant shortage of rural tourism accommodation.
- Tourism is a complex sector made up primarily of small and micro-businesses that need support and guidance to achieve their potential. Many of the services and facilities on which tourism relies, are the responsibility of local authorities and public sector agencies. Consequently we must work together to create an excellent experience for visitors.
- Natural Capital approaches provide opportunities for environmental and heritage linked tourism to create jobs, whilst improving management of natural and heritage resources (in alignment with local plans).
• EU Rural Development Programme funding had been earmarked to help address these areas.

Executive Summary

1. Rural Tourism is considered a priority sector by SWLEP, which has identified key barriers and opportunities for growth (see above).
2. Food and Drink, another SWLEP priority sector, has important links with tourism and requires integrated development.
3. More should be done to promote Britain’s rural destinations and activities to international and domestic visitors, to increase the number of visits, extend their stay and extend the season. This requires focused promotion through overseas offices, together with improved resourcing to build an effective network of national and sub-national Destination Management Organisations (DMOs).
4. Funding cuts and lack of resources is a significant concern.
5. The economic contributions of our rural areas, heritage sites and Rights of Ways need greater recognition and appropriate funding to ensure they are protected and able to continue contributing.
6. Government must quickly provide clarity on rural development funding following the EU referendum. Defra needs to iron-out the stop-start nature of rural funding and establish a long term plan with better integration and coordination of funding streams.
7. Defra processes and systems should be simplified to meet the needs of small rural businesses.
8. Changes should be made to business rates and VAT levels.
9. Government should promote specific Rural Tourism policies and guidance to promote sector development
10. We have significant concerns about rural infrastructure. More action is needed to improve public transport, rural Broadband, mobile communications, accommodation and affordable housing, and energy infrastructure. The needs of local residents must be considered together with those of visitors.
11. Defra needs to provide a stronger rural voice in government to ensure that government and LEPs fully appreciate the importance of the rural economy.
12. Defra needs to work with LEPs to coordinate sharing of best practice and collaborative approaches in rural tourism.

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

1.1. We welcome the recent move by Visit England towards a product development approach. It is important to recognise that without products that are of sufficient quality (in terms of visitor satisfaction, sustainability and contribution to the rural economy), marketing efforts are likely to be less successful in the long term.
1.2. Overseas visitors spend more than domestic visitors and are good for the balance of payments, but 95% of visitors to the South West are domestic and Britain is losing market share as an international tourism destination. There are also concerns following the EU referendum that Britain may be perceived by international visitors to be unwelcoming.
1.3. The percentage of international visitors touring outside London has continued to decrease and reduced funding makes it particularly difficult for rural areas to attract these and other visitors (see 3).

1.4. Greater international promotion through overseas offices is required, strongly targeting regional and rural destinations. Quality of Welcome should be included as a key message in marketing campaigns, supported by an industry training programme.

1.5. National and international ‘good value campaigns’ are needed.

1.6. Promotional activity tends to be focused on major attractions and hotspots. Not enough is done to promote true rural tourism activities such as walking, horse-riding, bird watching, cycling etc. There is a significant latent market for these activities, development of which would help in extending the visitor season.

1.7. The regional and rural areas do not receive a fair proportion of resources, and these are too heavily weighted towards national parks, disadvantaging AONBs and unprotected rural areas.

1.8. National and local strategies need to be reviewed and coordinated, focusing on promoting rural areas, extending visitor stays and extending the season, to generate real economic benefits throughout the local economy.

1.9. Improved linkage and collaboration between sectors, attractions and businesses is vital, and will enhance our Wiltshire identity as a tourism destination.

1.10. The Food and drink sector is particularly important to tourism. Wiltshire has a broad range of producers from large, well-known names to small local artisans. Linked initiatives and funding to support supply chain development and a Wiltshire identity will yield enhanced returns for both industries.

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

2.1. Local Authority countryside departments have been hit hard by budget cuts and this must be addressed.

2.2. Britain has 120,000 miles of public Rights of Way - unique assets with the potential to make significant contribution to rural tourism - yet most are inadequately maintained, inadequately promoted, and under-utilised as a result. National government needs to support Local Authorities and LEPs to focus limited resources through collaborative campaigns with local businesses and communities to develop targeted routes, improving access, car-parking, accommodation, tourism-related business development, improving signage and information about the route, facilities and activities in the area.

2.3. Current levels of reinvestment in maintenance and development of our heritage sites does not adequately reflect their current or potential economic contribution. Better linkage between visitor income generated and reinvestment would help improve access, protect and enhance sites, improve and sustain their contribution.

2.4. There is an opportunity to pilot innovative approaches to combining community services and tourism infrastructure. For example the ‘Henge Hopper’ project used local community transport to provide connections between heritage sites in Wiltshire. Other examples of ‘visitor payback’ schemes, corporate environmental sponsorship and other innovative schemes could contribute to infrastructure funding and protection of our rural assets.
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. The closure of RDAs resulted in a loss of £65m p.a on tourism growth and development\textsuperscript{xi} and Local Authority funding of tourism has fallen by approximately 50% since 2008\textsuperscript{xii}. VisitEngland has almost disappeared and many sub-regional tourism DMOs are at risk.

3.2. Appropriate resourcing for Visit England and the sub-national DMO infrastructure is essential.

3.3. Uncertainty over EU Rural Development funding, must be clarified quickly. Government must ensure a smooth transition to national funding streams. Defra needs to iron-out the stop-start nature of rural funding and establish a long term plan (10-15 years).

3.4. Small businesses need smaller grants and simpler application processes.

3.5. The measures of success currently used to judge funding applications, such as jobs created can be difficult to apply to tourism initiatives.

3.6. Lack of revenue funding to support product development is a barrier to coordinated approaches.

3.7. All destinations need the resource to produce sustainable Destination Management Plans and undertake critical research to maximise economic growth potential.

3.8. We need better integration and coordination of different funding sources including cultural destination funds and rural funding so that all tourism-related funding is aligned with local strategic imperatives identified in LEP strategies and Destination Management Plans.

3.9. Business rates and tax levels are prohibitive to small and emergent businesses. We need to re-evaluate the tax and rates system and introduce a national tax/business rates relief scheme for small rural tourism businesses.

3.10. The Value Added Tax (VAT) rate of 20% for tourism related activities impacts rural tourism negatively and is uncompetitive when compared with near neighbours in the European Union. Government should consider reducing the rate for tourism to 5%, in line with some EU competitors. We believe increased turnover would subsequently generate increased VAT revenues for the UK treasury. Consideration could be given to applying the reduced rate to businesses below certain turnover limits and then applying a progressive scale. Such a measure would encourage business growth. 20% VAT, and the turnover limits applied to it, discourages many small rural businesses from growing. A progressive tax rate would overcome this difficulty.

3.11. We need to be able to re-invest more of the income generated from heritage and countryside assets to ensure they are protected and continue to contribute effectively.

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

4.3. The NPPF\textsuperscript{xiii} states a presumption in favour of sustainable development (excluding National Parks and AONBs). Wiltshire’s Core Strategy\textsuperscript{xiv} recognises the need for more leisure accommodation and supports tourism development in rural areas provided applications meet certain criteria and do not adversely affect the landscape. It actively
seeks to maintain existing bed-space by resisting change to non-tourism uses. Wiltshire’s AONBs exercise a positive approach towards appropriate development.

4.4. Rural businesses, especially in protected areas, are disproportionately disadvantaged by restrictions on mobile communications infrastructure. We would welcome more government information and funding to develop and rollout appropriate technologies.

4.5. The adequate supply of affordable housing for local residents is important to provide for those employed in rural tourism, and other sectors, particularly the linked agriculture and food industry. Rural areas have a tendency for youth outward migration and ageing populations, which is often higher in protected landscapes, partly as a result of higher housing costs and planning restrictions. Rural tourism employs relatively high numbers of younger people, so can help counter this migration. National Planning policy and guidance (as well as infrastructure development - see also 5.5), that specifically supports rural tourism development and affordable housing for local people will be helpful both to the industry and the demographics of rural communities.

4.6. Government should promote specific Rural Tourism policies and guidance to promote sector development.

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?

5.3. Greatest benefit for our rural economies and communities will be achieved by considering the needs of local residents together with those of visitors.

5.4. Transport:

5.4.1. Public transport is a major problem in rural areas and cuts are counter-productive to all sectors of the economy including tourism and local people. It is also damaging our environment and natural capital assets which the tourism depends upon, since it leads to more cars on the roads, congestion and parking problems; all of which deter visitors. We need a joined-up transport policy at national and local level. An efficient, adequately funded public transport system is essential to realise the economic potential of rural tourism as well wider economic, social and environmental benefits.

5.4.2. We need an appropriate mix of ‘carrots’, (e.g. cheaper fares, higher frequency, better facilities), and ‘sticks’ (e.g. appropriate parking charges) to help achieve behavioural change and ensure that transport measures (e.g. rural buses) can be sustainable in the long-term.

5.4.3. Novel local transport models have been explored, such as the Henge-Hopper in Wiltshire, but most have not proved economically sustainable. Government should coordinate national activity to share best practice and new models for local transport.

5.4.4. Academic research on transport sometimes seems out of touch and needs to be better connected with local communities and practical realities on the ground.

5.5. Accommodation (see also 4.3)

5.5.1. SWLEP ESIF Strategy 2014-2020 identifies a significant shortage of rural tourism accommodation. We are concerned at the uncertainty over EU RDP funding which we had ear-marked to begin addressing this.

5.5.2. The supply of affordable housing for local residents and workers needs to be addressed.
5.6. Training and skills:
5.6.1. More investment in marketing, skills and infrastructure for rural tourism is essential.
5.6.2. It is important to provide a ‘welcome’ for visitors across the rural economy. The rural offer includes local producers, the service sector and community assets as well as accommodation and activity providers. Furthermore, rural businesses may be involved in multiple activities such as farming, food processing, tourism and leisure.

5.7. ICT:
5.7.1. High quality Broadband and mobile communications are essential, yet rural businesses are those most disadvantaged by lack of provision. Government should do more to roll-out high quality Broadband and mobile communications for rural businesses including raising awareness of alternative technologies such as satellite and microwave broadband.

5.8. Energy Infrastructure
5.8.1. Government should do more to encourage sustainable energy infrastructure and reduce carbo-emissions by rural tourism providers, incentivising the use of sustainable building materials and renewable energy sources.
5.8.2. Eco-destinations development should be encouraged and promoted as a growing sector with significant potential for the rural economy.

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?

6.3. We recognise that the natural and built environments provide a vital contribution to our economy and society at local and national level. Natural capital must be appropriately managed and protected to ensure it continues to contribute to the economy, as well as for its intrinsic value.
6.4. We would welcome further government support to encourage Natural Capital approaches, which safeguard our natural and heritage assets whilst optimising their economic and social benefits.
6.5. Tourism strategies should take account of local landscape and character. The tourism offer needs to be the whole living, working landscape story. Resources to provide information and interpretation are critical to enable visitors to better understand and appreciate the living landscape which they are helping to maintain. One of the reasons why tourism works well in National Parks is because they have resources to provide knowledgeable teams of staff and rangers and the farmers and other businesses are part of the tourism offer. Better resourcing in other rural areas would provide good returns to the rural economy. More resources for countryside management and tourism services, information and interpretation are needed.
6.6. There is a risk that over-marketing ‘honey pot’ sites puts pressure on their intrinsic qualities and restricts benefits to the rural economy. More effort must be made to encourage visitors to move into the wider area.

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?

7.3. Government must quickly provide clarity on rural development funding following the EU referendum.
7.4. EU Rural Development programmes have been beset with complex and bureaucratic systems and processes, managed by a thinly stretched and highly risk adverse department. As part of the Brexit process, Defra processes and systems need to be simplified and streamlined to meet the needs of small rural businesses.
7.5. Rural programmes such as LEADER need more local control and less central direction.
7.6. We need a stronger Rural Voice in government. Defra needs to do more to champion rural issues and the contribution of the rural economy across other government departments. We need greater liaison and cooperation between Defra and DCMS and other departments.
7.7. ‘Rural Proofing’ is now rarely mentioned but a workable cross-departmental rural-proofing system needs to be re-invigorated.
7.8. Rural areas need to determine their own rural tourism strategies at local level for the benefit of visitors, residents, the rural economy and the landscapes/countryside on which this depends.
7.9. SWLEP would welcome future Defra support for integrated food and drink/Rural Tourism initiatives.
7.10. Defra should establish a Rural Tourism Exchange Group (based on the success of its LEADER Exchange Group) to improve communications between the department and industry.
7.11. Defra needs to highlight Return on Investment and the value of the Natural Capital approach for economic and environmental benefits.
7.12. National government should do more to ensure that LEPs fully recognise the contribution of the rural economy. SWLEP’s Rural Economy Sector group is in the process of developing a Rural Economic Plan, aiming to identify the significant contribution that rural areas make, barriers to growth and needs for development.
7.13. LEPs should have formal responsibility for rural tourism.
7.14. Defra needs to work with LEPs to coordinate sharing of best practice in rural tourism including case studies and encouraging collaborative approaches between businesses and related sectors.
7.15. DEFRA should ensure that funding for rural tourism is aligned with Destination Management Plans & LEP strategies, does not duplicate other local initiatives, is evaluated in-line with accepted visitor economy evaluation methodologies.

References
i http://www.visitwiltshire.co.uk/dbimgs/Economic%20Impact%20Study%202015.pdf
iii Wiltshire and Swindon Visitors Accommodation Futures (June 2014),