Tourism overview

Cornwall has a tourism product which is reliant on its natural and heritage capital; this reputation is interpreted through physical cultural assets.

In 2013 the total value of tourism to the Cornwall and Isles of Scilly economy was £990m (9.9% of total GVA), employing 36,000 people (in the region of 15% of the workforce), supported by 4.2m visitors – 335,000 of which were from overseas.

The DMO has continued to successfully market Cornwall in partnership with major projects such as the World Heritage Site status for Cornwall and west Devon. It is important for tourism businesses – across DMOs – to recognise that research and administration are important elements that support the marketing capability that they want.

The Leader/Local Action Groups across Cornwall recognise the interconnectivity of the tourism sector with other opportunities: including culture & food and drink. It important that capital projects continue to find funding streams to support their sustainability in the long term.

Cllr German mentioned the role of World Heritage Status in his oral evidence. The project evaluation in 2014 [http://www.cornish-mining.org.uk/sites/default/files/WHS_DTE_Project_Evaluation_Report.pdf](http://www.cornish-mining.org.uk/sites/default/files/WHS_DTE_Project_Evaluation_Report.pdf) indicates how investment in facilities and interpretation has supported not only the enjoyment of the WHS setting; but also has provided a stimulus for a range of Cornish branded supporting businesses – including the arts, food & drink and media.

As noted in the emerging Strategic Economic Plan for Cornwall and the Isles of Scilly: ‘The character and achievements of some outstanding businesses are known around the world. These include established businesses in tourism, engineering and food. Outstanding businesses are also in evidence in emerging sectors. The 2016 Tech Nation Report concluded that Cornwall’s digital community was the second-fastest growing nationally (in terms of turnover).’

Cornwall would put the case that the partnership between the DMO, the Council, the LEP and the World Heritage team is strong and consistent; focused on attracting visitors which can form an important opportunity for appropriate inward investment.

Infrastructure

The WHS has represented modest investment for significant return.

Cornwall Council is placing a major focus on capital projects which will have their own multiplier beyond their individual value. Cornwall Council has/is investing £4.5m in Tate St.Ives, up to £1.5m in King Edward Mine, £3m in the Hall for Cornwall and £6m in Kresen Kernow. All of these lever in match funding and are catalysts for other projects ranging from town centre viability in St.Ives, to workspace at King Edward Mine, to community outreach with the Hall for Cornwall to town centre regeneration and renewal (Redruth) with Kresen Kernow helping to deliver 300 jobs and housing/employment regeneration.
To support continuing revenue funding of community based cultural or arts organisations it would be good to see a regionally (i.e. Kernow/Cornwall) based endowment fund with Trust-based investment objectives being formed, supported by private-sector contributions (perhaps similar to BID companies in towns), legacies, fund-raising, which could develop a match-fund and project delivery capacity to substitute for reductions in public investment in the long term.

Such approaches would allow for the broader experience of tourists within Cornwall (as well as supporting community cohesion) throughout the seasons and reflect an opportunity (as alluded to by Cllr German in the oral session) to drive the consequences of higher spending cultural tourists. Cornwall Council has produced a second white paper for Culture [http://www.cornwall.gov.uk/media/20869269/white-paper-for-culture-2016_web_aug2016.pdf](http://www.cornwall.gov.uk/media/20869269/white-paper-for-culture-2016_web_aug2016.pdf) which expands on these themes and the intention and impact of cultural investment.

**Coast path and sustainable connections**

Members of the Committee were particularly interested in the role of the South West Coast Path. This is 630 miles of trail through the four counties of Cornwall, Devon, Somerset and Dorset. Visitor and spend induced figures for each of the counties are available here [http://www.southwestcoastpath.org.uk/research/](http://www.southwestcoastpath.org.uk/research/) and reflect the ability to track the data back to 2010. Of particular importance to Cornwall (in comparison with other counties) is the volume of coastal spend.

MPs were also interested to hear about how Growth Fund money is supporting Bodmin as a cycling accessible town. The South West Research Company and Cornwall Council examined the economic and health impacts of a long existing trail (the Camel Trail) in a 2016 user survey. Some of the main findings included:

- 424,000 users during 2016, including 185,000 visitors
- 283,000 cyclists, including 150,000 hired on the trail
- 113,000 walkers (including with dogs), 8000 horse riders & 4000 commuters.
- Generation of £13m of business turnover every year and support for 260 jobs.

**Business taxation**

In the oral evidence session, Cllr German alluded to the value that is generated from VAT in the form of around £600m of taxation to the Exchequer.

One issue that is consistently cited as a barrier to growth is the current VAT threshold (currently £83,000). C&IoS’s business base is composed primarily of micro, small and medium sized enterprises. There are approximately 21,105 VAT registered businesses across the LEP area. However, when incorporating all registered enterprises, including those that fall beneath the VAT registration level, there are approximately 65,000 businesses in C&IoS. These SMEs and micro businesses are key drivers for local economic growth as they make up approximately 99.8% of the total number of enterprises across the LEP area. This leaves 44,000 businesses operating below the VAT threshold.
Reason’s for operating below the VAT threshold vary, but often the decision to stay below the threshold is due to the fact that the level of growth required to maintain the income levels of the business owners is too great in the first years and therefore represents a risk to the business owners. Once the VAT threshold is reached many businesses at least temporarily close (with the resulting impact on employment).

Of the estimated 65,000 businesses; there are in the region of 30,000 that have a Rateable Value (as of January 2017). Almost 24,000 of these have an RV up to the Small Business Rate Relief threshold of £12,000. These include significant numbers of businesses that contribute to the tourism infrastructure of Cornwall: self catering accommodation, pubs and campsites. These are businesses that probably don’t have the capacity to grow; unlike cultural or diversification opportunities on larger premises.

Around 13% of Cornwall businesses are tourist focused: that is accommodation/self catering and transport/travel related.

Infrastructure

One area that particularly interested MPs on the Committee was Broadband coverage and functionality.

An economic impact evaluation of Superfast Cornwall (2015) is to be found here:


Superfast represents the largest single investment of the ERDF Convergence programme of £53m and this has been increased with BT as a partner.

As a result, the impact illustrates that almost half of connected businesses have generated new sales; with two thirds of these leading to higher growth potential (in terms of turnover) and job creation.

Increased productivity has led to the delivery of over 3,700 additional jobs and a further £131m of GVA.

The evaluation also illustrates some business specific case studies in Annex H.

The relationship between tourism and the environment

Cornwall Council’s adopted Local Plan http://www.cornwall.gov.uk/media/22936789/adopted-local-plan-strategic-policies-2016.pdf seeks to support housing growth through a strong economic strategy to 2030. It recognises that to achieve this and preserve and expand the environment as an economic driver there needs to be environmental growth. The Environmental Growth Strategy http://www.cornwall.gov.uk/media/22831603/environmental-growth-strategy_web.pdf seeks to do just that. Cllr German mentioned this strategy in his oral evidence.

The strategy is (in part) about ensuring current and additional environmental infrastructure to support a growing population and changing demographic: to support health and wellbeing. It is
also about ensuring that the setting, inspiration and raw materials for business evolution are protected and enhanced.

Cornwall has high levels of obesity and high levels of prescribing for anti-depressants as part of a wider mental health challenge.

Obesity tends to be concentrated around the more urbanised and ex-industrial areas if Camborne, Pool & Redruth and St.Austell and the Clay areas. 5% of the population of Cornwall have a severe mental health problem; yet they account for almost one fifth of suicides.

http://www.coastproject.co.uk/environmentalgrowth (click on ‘read more’) from the Cornwall Sustainable Tourism Project gives examples of how community organisations are promoting environmental growth, but the videos also give examples of what businesses are doing which also promotes their own sustainability and growth.

28% of Cornwall is an Area of Outstanding Natural Beauty. In addition, the whole of the Isles of Scilly is covered by this designation. Just two examples of business growth through the management and protection of the environment include the award winning Bosinver Farm near St Austell. http://www.bosinver.co.uk/about-us/who-we-are and Cotna Eco Retreats who won in the Cornwall Sustainability Awards 2016.

Cornwall Sustainability Award winners are highlighted here

http://www.cornwallsustainabilityawards.org/teagle-wins-2016-sustainability-awards/ with previous winners here http://www.cornwallsustainabilityawards.org/previous_winners/

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