



All-Party Parliamentary Group for the Visitor Economy

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Co-Chair: Steve Double MP

Date and Time: 28 February 2017, 17:00-18:30

Location: Room S, Portcullis House

Theme: Coastal Communities, third oral evidence session

Present (Parliamentarians): Steve Double MP (St Austell and Newquay), Byron Davies MP (Gower), Andrew Turner MP (Isle of Wight), Victoria Atkins MP (Louth & Horncastle), Derek Thomas MP (St Ives), Matt Warman MP (Boston and Skegness), Peter Aldous MP (Waveney), Tim Loughton MP (East Worthing & Shoreham), Sir Roger Gale MP (North Thanet), Liz Saville-Roberts MP (Dwyfor Meirionnydd)

Apologies: Co-chair Margaret Ritchie MP

Non-Parliamentarians present: Cllr Helen Matthews - East Lindsey District Councillor for Sutton on Sea, Cllr Collin Matthews - Mablethorpe & Sutton Town Councillor for Sutton on Sea South Ward, Caroline Elsom - Victoria Atkins MP, Adrian Benjamin – Mablethorpe and Sutton-on-Sea Coastal Community team, Vernon Hunte - British Hospitality Association, Nicholas Finney OBE - Independent Transport Commissioner, Assistant of Scott Mann MP

Fernanda Balata, Senior Programme Lead, Coastal Economics, New Economics Foundation

Fernanda opened the inquiry by listing the advantages of having strong coastal communities and how they could be improved. She talked about the importance of a diverse and well-connected community capable of sustaining local economies, over a mono-culture of businesses that makes an economy vulnerable to external economic shocks.

Fernanda defined a strong economy as one being able to support positive social, environmental and economic outcomes at the same time, rather than only having to respond to a set of economic outcomes that simply revolve around creating growth.

She said that there is a lack of industry diversity in coastal communities, and that many coastal economies have had a long-term dependency on a single industry. She continued by saying that there are two aspects to this challenge, which have not been properly addressed for struggling coastal economies: strengthening local supply chains by supporting anchor institutions in strong, leading industries and diversifying the local economy to prevent dependency on one or few industries.

Fernanda explained that planning local economic development should start with consideration of the assets of local people (people's attitudes, skills, knowledge, and culture) and place (heritage, physical, financial and natural resources).

With this in mind, Fernanda continued by stating how underdeveloped coastal communities are, and how, overtime, many have become less competitive and less dynamic economies. She added that

because of their geographical location, coastal communities could suffer in the future from the impact of climate change.

She said that the work of Blue New Deal has revealed a range of opportunities to foster businesses in coastal communities, by focusing on the coastal and marine environment as an asset. She said that economic decisions should not be imposed on coastal areas.

Fernanda went on to talk about how important it is to inspire visitors to visit the coast because of its diversity and affordability. She recommended that tourism bodies should prioritise the coast, and work closer with coastal communities to realise their potential. In addition, she said that investment should be directed to areas of the country whose potential is not being fulfilled, rather than well off areas, like London.

Fernanda stressed that government support should not impose ideas or give hand-outs when supporting coastal communities. Instead, policy should allow people to take control of improving their community.

Fernanda continued by talking about how a coastal industrial strategy should be aimed at developing economic sectors in which coastal areas have a comparative advantage and can strengthening local supply chains.

Fernanda then mentioned recommendations The National Infrastructure Commission should make to assess and set out a plan to deliver rapid improvement in infrastructure of coastal areas.

She also talked about how public and private finance needs to be better at supporting local projects, including new models of marine innovation such as tidal power, seaweed farming, and fishing gear innovations. She remarked that local projects need better access to finance than the big banks are able or willing to provide.

Fernanda finished by saying that government should also encourage a more diverse network of local and regional banks to channel investment into sound local businesses and that research at the New Economics Foundation has set recommendations on how this could be achieved.

Questions:

Byron Davies MP asked Fernanda what her recommendations for devolved government are. She replied that different regions face similar challenges, despite their different characteristics, so her recommendations can be applied countrywide. He added how part of the coast being an Area of Natural Beauty can offer individual challenges, such as planning issues.

Peter Aldous MP asked if Fernanda had considered how to counter the problem of recruiting staff and poor school performance in coastal communities. Fernanda commented by saying that the underlying issues (e.g. poor infrastructure, high levels of deprivation) that make recruiting teachers difficult are the same as what might prevent a business setting up there. By solving these core problems, you will address many of the challenges facing coastal communities at once.

Cllr Helen Matthews provided a synopsis of the issues facing Lincolnshire and the intention to focus the tourist offer more on the county's natural environment. Fernanda highlighted that connecting people to the coastal environment will lead to solutions that are most apt to a specific place. Cllr Colin Matthews commented that legislation from the government should recognise more carefully the challenges faced by coastal communities. He highlighted the challenges of setting up free

schools in a rural coastal area, where it is much more difficult to fulfil the legislative criteria of having 4 forms of pupils (120 children) because 180 degrees of your catchment area is ocean, a stark contrast to inland areas.

Samantha Richardson, Director, National Coastal Tourism Agency

Samantha provided some background about the National Coastal Tourism Agency (NCTA), which has the goal to better understand the nature of coastal communities and support them.

Samantha reported that when the NCTA was established, the coastal tourism industry was in decline. Now however, the domestic coastal tourism is now valued at £8bn. Samantha said 15% of international tourists will go to the coast at some point during their stay and that the coastal tourism industry employs over 200,000 people.

She then went on to talk about how seasonality affects the tourism industry in coastal communities. She said that 36% of trips take place in July and August and that this figure has not changed much since 2008. She said that the industry is still growing, but roughly at 1% per year.

Samantha then talked about perception of the coast. She said that the coast is typically perceived as old and run-down and closed in the off-peak season. She said that this perception creates problems for recruitment and retention of staff. She concluded that we could tackle negative perceptions of the coast by focusing on the wealth of activities that can be enjoyed year round.

Samantha reported that NCTA now had research on which consumers visit the coast off-season and their reasons for doing so. She said that this information could greatly assist businesses in adapting their tourist offers to attract additional visitors.

She identified some key points to improve the visitor experience in coastal areas. The NCTA's work includes best practice guides, which examine issues of recruitment and retention of staff on the coast and changing the perception of the coast. She also reported that the NCTA have developed an action plan for the coast, to create sustainable growth in coastal communities.

Finally, Samantha listed some examples of how the government could better support the coast. The first example she mentioned was expanding the Coastal Communities Fund (CCF), as the schemes rounds of funding are heavily oversubscribed with beneficial projects.

She recommended that any project funded through CCF should publish a case study about what they have achieved lessons learnt and best practice, to ensure government funds are used wisely and collective knowledge shared. She also said that there needs to be longer term, joined team approach to funding across all funding streams (Discover England Fund, CCF, DEFRA, LEPs).

She also recommended a review of skills funding and business support provision so that coastal SMEs can better access help.

Samantha concluded by saying better communication regarding support and funding is crucial for greater development of coastal communities. She said that many businesses on the coast require funding but lack the skills, expertise and resources to find and apply for such support. She also said we need to address issues that are barriers to growth for SMEs on the coast such as staffing, business rates and VAT threshold.

Questions:

Peter Aldous MP asked whether specific business improvement districts may be a way to improve investment along the coast. Samantha responded by saying that while they are a fantastic opportunity; they fail to address far wider economic issues.

Steve Double MP, highlighted that it is vital that we encourage young people to travel to the coast, so they have an affinity with the area. This would mean they are more likely to return later on in life.

Cllr Colin Matthews commented that many micro-businesses close in the winter to stay under the VAT threshold, even though business owners want to stay open. He asked Samantha if she had any suggestions for overcoming this problem. Samantha said she was aware of this issue and responded by saying that there are initiatives to stay within the VAT threshold, but many small businesses owners were unaware of this.

Peter Aldous MP observed there were many of his Conservative colleagues present and wondered if the party was making a mistake not hosting their conference in a seaside town as they had in the past.

Adam Bates, Associate Director, Coastal West Sussex Partnership

Adam said that a variety of diverse, distinctive and authentic businesses would help ensure that visitors have a great experience, but there also needs to be investments of scale, which provide compelling reasons to visit in the first place.

Adam suggested that business diversity could be encouraged by better use of funding streams, such as CCF, which could address seasonality, distinctiveness, authenticity and quality challenges. He went on to mention that other forms of funding, such as that from non-departmental public bodies like the Arts Council, could deliver investment to help build reasons to visit the coast off-peak.

Adam emphasised how we should try and counter the myth that the coast is closed at off-peak times of year. Scheduling rail engineering work so that people can still reach the coast in the winter would be one way to do this.

Adam then listed examples of investments that have created reasons to visit the coast. He said that many of these examples are successful because of governmental assistance in overcoming obstacles, not just governmental funding.

Questions:

Tim Loughton MP said there should be a focus on the hinterland and that policy should reflect a larger area, not just the coastal strip. Secondly, he said that new industries, such as the creation of a wine trail and the development of off-shore wind farms were attracting new tourists. He recommended that there needs to be a holistic approach when attracting visitors to an area, not just thinking of a small piece of coastline individually. Adam replied by saying it was a very fair comment and he completely agrees with it.

Steve Double MP questioned whether enough was being made about the quality of living by the sea can offer. He highlighted a business based in Newquay (within his constituency) which sold the idea you could surf in your lunch break. This illustrates how you can sell a coastal location to attract new businesses to the coast. Adam replied by saying that it is dependent on the area of coast, as some places are easier to start up new businesses than others, by having better broadband for instance.

Cllr Helen Matthews again brought up the issue of funding, this time in the context of intelligently extending the visitor season, by hosting a festival in the second week of September for instance.

Samantha Richardson said that acquiring funding can be very difficult and they often see it going to the same groups and businesses as they have the resources and expertise to apply successfully. Groups who do not have this experience do struggle to get funding.

Cllr Adrian Benjamin asked, in relation to the Hendry Review, what could be done to utilise coastal lagoons and other coastal areas to produce energy. Fernanda Balata had no comment to the question, but Steve Double MP thought that as the technology progresses, it will become clearer whether tidal power on our coasts is a good idea.

Chris Baron, Resort Director of Butlin's Skegness

Chris highlighted the difficulty of acquiring initial funding for projects on the coast, but also said that people on the coast are doing things to help themselves, not necessarily relying on government for help.

Chris introduced Butlin's Skegness as a major local employer and its involvement in the community. He said that during peak season, Butlin's Skegness employ a team of around 1350 people and even in the off-season, they employ approximately 850 people. He said that Butlin's has been successful because it can create themed holidays year round.

Chris went on to talk about the issues that Skegness faces, such as a lack of young people. He said that the individuals with drive tend to move away to larger cities, causing recruitment problems back home.

Chris talked about business diversity in Skegness. Like Adam, he also said how challenging it is to attract new businesses to the area and retain current businesses.

Chris listed strategies to improve the Visitor Economy, putting a particular emphasis on improving education. He said that apprenticeships should be more accessible, perhaps part subsidised by the government and offered all year round.

He then talked about advertising strategies to improve the Visitor Economy, including better broadband and mobile coverage and less emphasis on printed media.

Chris is sceptical about the Coastal Community Fund (CCF) because the funding is done in short bursts and fails to address the wider issues that coastal communities face. Chris said that a more sensible option would be to reduce Tourism VAT would provide a level playing field for businesses in a highly price-sensitive international market.

Chris concluded that action should be taken now, while the industry is doing well, instead of waiting until when the industry starts to suffer in a downturn.

Questions:

Andrew Turner MP asked the group whether there was a case for larger government departments with a broader remit so that government can take a more holistic look at how to tackle issues in society.

Cllr Colin Matthews wanted Chris to qualify what he meant by caravans. Chris clarified he was talking about static, not touring caravans.

Cllr Colin Matthews talked about his experience of business rates and how current legislation was hampering his ability to operate properly. Steve Double MP responded by saying that the industry should wait until the budget announcement to see how the Chancellor responds to the recent media focus on business rates. Samantha Richardson commented that business rates are sometimes seen as a postcode lottery.

Steve Double MP said that perceptions of tourism industry needs to change. It should be seen as an industry where individuals can rise up through the ranks on merit and earn decent money.

Steve Double MP then thanked everyone for attending and ended the session.

The secretariat reminded everyone that Hospitality and Business Day is on the 10 October 2017 in Parliament, which entails meeting your local member and talking about the hospitality industry.