

Cornwall Revision

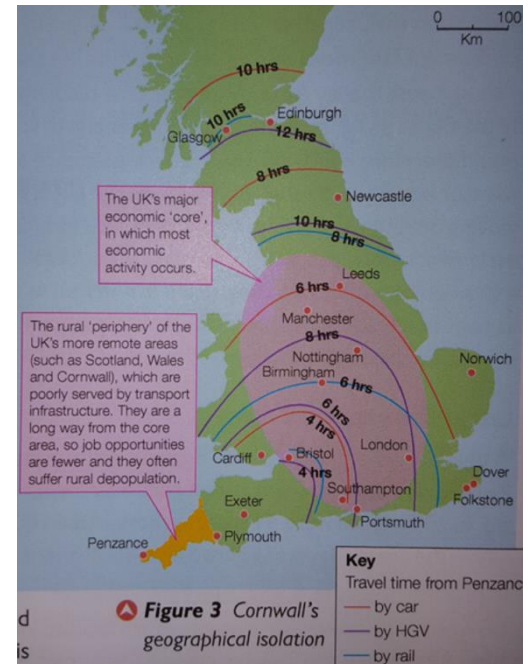
Links to the specification:

- A case study of a 'less successful' rural area settlements once dominated by primary economic activities where economic restructuring has triggered a spiral of decline.
- This has created priorities for regeneration due to significant variations in economic and social inequalities.
- A range of rebranding strategies have been used in this 'post production countryside' .
- An evaluation of the success of these strategies (some are more successful than others).
- The different stakeholders involved and the contested nature of the restructuring/rebranding.

1. Why Cornwall has declined/the need for regeneration/rebranding.

Cornwall has a population of just 540,000 and a population density of only 155 per km² making it predominantly rural. It also has an ageing population and is very isolated. There are no motorways (the nearest is the M5 in Exeter) and the rail network is slow, taking two hours to get from Penzance in the West to Plymouth on the Devon border in the East. This issue was exposed dramatically in 2014 when Dawlish train line collapsed in to the sea. Cornwall's only airport in Newquay has few flights outside the summer tourist season. This isolation creates challenges for not only attracting investment and new people to live and work in Cornwall but also for retaining the people already there.

Many young people leave for university or work elsewhere due to a lack of social opportunities and services opportunities. Cornwall has the lowest mean weekly income in the UK and according to Eurostat figures, average wages in Cornwall were £14,300 (compared to £23,300 in the UK) in 2014 making it the UK's poorest region. Up to 40% of households live on less than £10,000. The relative wealth of the area is then driven further down by the cost of living – meaning people there have less spending power than most of the rest of Europe. Cornwall's 'old economy' - traditional primary industries of fishing, farming and mining have declined due to falling farm revenues, cheaper imports from abroad, a reduction in EU subsidies, EU quotas to protect fishing stocks, depletion of tin and copper for mining and mechanisation of quarrying. Cornwall's 'New economy' varies. It's quaternary 'knowledge economy' is small whilst the main source of income today – tourism – is mainly low wage, part time and very seasonal. Some areas have also become dated and suffer from a poor reputation (Newquay has been tarnished as stag and hen party town). Cornwall's rural areas are less productive than before so we refer to it as a 'post production countryside'. Cornwall's biggest problem is how to develop a high income economy that will provide well paid jobs all year round to replace the primary sector jobs now lost and the seasonal jobs in the tourist industry. Regeneration is also harder in rural than in urban areas as rural economy faces many challenges. Incomes are lower than average in rural areas and with a much lower population density, businesses struggle to maintain sufficient customers to make a profit, meaning that private investors prefer to invest in urban than rural areas. A lack of rural investment in places such as Cornwall naturally leads to a lack of opportunity and lack of high end employment. As a result of this, many young, well qualified residents in rural areas such as Cornwall are forced to leave and find work elsewhere – causing a 'brain drain'.



2. How Cornwall has been regenerated and rebranded and an evaluation of these attempts:

Remember that rural areas CAN be successful but need to reinvent themselves. Rural rebranding is undertaken in the **post-production countryside** to try and increase the attractiveness of places to visitors and investors as well as to improve services for locals and provide diversity in income other than the traditional employment sectors of agriculture and forestry. Cornwall is now attempting to diversify or broaden their economy away from a dependence on seasonal tourism and attract new, more knowledge based industries and less seasonal forms of tourism to post production rural areas. **Cornwall is rebranding its post-production countryside in several ways and through several specific regeneration projects. *Italics denotes evaluation:***

Note there are a lot here – pick and choose your favourites and try and get a range of different types.

- **Attracting Investment:** Prior to 2010 Cornwall qualified for **government and EU regional Aid** and investor incentives towards moving or set up costs and as it is recognised as being less economically advantaged. This was done through something known as **Objective One** funding. Essentially this is where the government/EU would **match fund** funds raised by new businesses. By 2007 Objective 1 had backed 580 projects in Cornwall with £230 million. *But since 2010 and the political decision to impose austerity and major cuts in public finances, such a funding model has been contested. This raises serious questions for Cornwall's rebranding because without public sector investment it has to rely on the private sector which is less willing to take risks investing in such an isolated area with high transport times and costs.*
- **Enterprise Zones:** Within the general umbrella of 'Regional Aid' are specific **Enterprise Zones**. Here, rather than simply trying to attract any business anywhere, Enterprise Zone incentives are focused into small areas, which can then 'branded' to attract particular companies and organisations. Investor incentives include council business tax discounts (of up to 100% for 5 years), a planning free environment and the provision of superfast broadband. Having superfast broadband is of vital importance in Cornwall as it allows businesses to overcome the barriers of space and time. By 2016 over 95% of Cornwall has access to fibre broadband (the first county to achieve this). One such example of this is **Newquay Aerohub**. Opened in 2014 it is an **Enterprise Zone** created through partnership between Cornwall Council and private sector investors with the aim of beginning the process of diversifying (broadening) Cornwall's economy away from its dependence on tourism. Its **brand** is its location and it aims to attract investment for an aviation and aerospace hub (near Newquay airport). It was hoped 700 high-value, skilled permanent jobs would be generated there in the first year **but by the end of 2015 only 450 jobs had been created and few of these were 'new jobs'. Many were simply jobs displaced from the public to the private sector as part of government privatisation e.g. Bristow helicopters took over coastguard rescue from an RAF squadron based in Cornwall . Unless NEW INDUSTRIES are attracted to locate there then the sustainability of Aerohub can be questioned.**
- **Watergate Bay, Newquay:** The **Extreme Sports Academy** at Watergate Bay targets a young adult age group. It offers courses in surfing and kite surfing, giving young people a potential future career in the tourist industry as instructors. Next door is the restaurant '**Fifteen**' owned by celebrity chef Jamie Oliver. This again trains up local young people from disadvantaged backgrounds but this time in the catering industry. Profits go back in to the scheme. **Both these businesses are examples of attempts to regenerate Cornwall through training young people who may not take a more academic pathway to make the most of the tourist industry. The sustainability of this can be questioned as they are both still tied to the tourist industry.**
- **Combined Universities in Cornwall:** To help create a 'knowledge economy' in Cornwall, University College Falmouth and Exeter Uni joined forces to create the Combined Universities in Cornwall (CUC), together with Truro college. **CUC helps its graduates set up their own businesses, or secure jobs in 'knowledge based' companies in Cornwall – trying to cut the Cornish brain drain. This is sustainable because it is diversification.**
- **Wave Hub:** This is a wave power research project 16km off Cornwall's North Coast. It essentially acts as a socket on the seabed for wave power installations to be plugged in to and send their electricity back to the mainland. It cost £42 million to build (funded in part the UK Government and EU) but will earn £76 million a year over 25 years for Cornwall's economy and create 170 jobs. **Its biggest potential is that it may help kick start a positive multiplier effect and create a new wave power industry for Cornwall which will bring more jobs and investment as well as cheaper energy. If this takes off it will be very sustainable as it will increase the number of jobs in the 'knowledge based' sector, again diversifying Cornwall away from seasonal tourism.**
- **The Eden Project:** This opened in 2001 and consists of two large conservatories known as biomes acting as an educational centre about sustainable living. It has transformed the landscape from a former china-clay quarry to a completely re-imagined environment. Although it cost £140 million, in its first ten years it generated £1.1 billion for the Cornish economy, a 7 fold return on its cost. It also attracted 13 million visitors, employed 650 people directly as well as supporting 3000 related jobs (supplying food). It used 2700 local suppliers and raised Cornwall's profile (along side Rick Stein's restaurants in Padstow). Essentially it created a massive multiplier effect (cumulative causation) and increased employment in Cornish tourist-related industries such as catering and accommodation. It also buys from local supplies, helping to keep profits in the local economy (£7 million spent a year). This makes it very sustainable. Another reason it is an effective form of rebranding is that it

helped developed Cornish tourism as a year-round sector and gave tourists somewhere to go on a rainy day. It also encouraged wider investment by the South West Regional Development Agency to help regenerate St Austell town centre. ***On a more critical note, 79% of visitors still arrive between Easter and October so it is yet to break free from the shackles of the seasonal tourist trade which causes Cornwall so many problems. This affects the sustainability of jobs and in 2013 7-mjobs had to be cut because visitor numbers dropped below the 1 million mark for the first time since opening. If Cornwall's industries are dependent upon tourists coming then it is vulnerable to the negative multiplier (cumulative causation). And with tickets at £23.50, some people argue it is too expensive. These job losses are a real blow to the local economy as the Eden Project is an important employer and driver in Cornwall. Finally, while St Austell (the nearest town) has clearly benefitted, one project on its own is not enough to bring more rural people out of poverty and there is still significant deprivation in the area. Four out of 20 neighbourhoods in the St Austell district were in the lowest 20% nationally in the 2015 IMD.***

- **Heritage branding:** Cornwall has played on its industrial mining heritage 18th/19th centuries to attract tourists away from simply beach destinations and also out of season. The main area is the Penwith Heritage coast, just north of Lands End which has now been **rebranded as Poldark country after the TV series. How sustainable this is is questionable as it still relies on tourism.**
- **'Foodie' restaurants:** Rural seaside resorts such as Padstow (Rick Stein) and Watergate Bay near Newquay (Jamie Oliver) have helped to rebrand the Cornish coast as a '**Destination Tourism**' location. This is where the decision is made to visit an area for a short period based on a single attraction. A positive multiplier effect ensues with other nearby places receiving visitors on the back of this. **But again the sustainability of this can be questioned as restaurants are much quitter out of the main tourist season.**
- **Farm diversification:** Many farm shops now sell 'Cornish' products such as Cornish Yarg cheese, hand made ice cream and award winning beers.
- **Micro breweries** such as the Padstow Brewing Company are also creating new industries in the countryside that do not rely so heavily on tourism.

3. Stakeholders

- **The EU:** Offering objective one funding since 1999. Raising levels of economic development is seen as good for Europe as a whole as it increases trade and spending.
- **Local Government:** Since 2010 Cornwall Council has had no start up funding top offer potential business. However it does offer reductions on business taxes in its enterprise zones such as **Newquay Aerohub.**
- **Environmental stakeholders:** Cornwall's biggest asset is its scenery and environment. The National Trust, Royal Horticultural Society and English Heritage all own large areas of land so must be on board for any developments.
- **Local Businesses:** The biggest industries in Cornwall are tourism food and farming. They want to see greater economic expansion.
- **Stakeholders in People** – Combined Universities in Cornwall want to attract more young people to the area and prevent the 'Cornish brain drain'
- **Local people:** Cornwall has the lowest mean weekly income in the UK and according to Eurostat figures, average wages in Cornwall were £14,300 (compared to £23,300 in the UK) in 2014 making it the UK's poorest region. Up to 40% of households live on less than £10,000. The relative wealth of the area is then driven further down by the cost of living – meaning people there have less spending power than most of the rest of Europe

The contested nature of regeneration in Cornwall

It is worth noting that not all regeneration projects successfully win over the local people. They are 'contested' and can lead to conflict. Regional plans for a waste incinerator as part of local economic expansion in St Dennis in Central Cornwall caused protests but Cornwall council decided to build it anyway. From the council's perspective, the incinerator was solving a waste and energy issue but other local stakeholders such as Steve Gilbert the former MP for the area think it was the wrong decision for St Dennis and Cornwall. Despite being in Cornwall's poorest area it only created 7 jobs and now poses a serious health risk to local people. A contested project.