
TourismAlliance

the voice of tourism

JUNE 2009 NEWSLETTER

It's Culture that Creates Jobs

There has been an ongoing debate for many years as to whether the responsibility for tourism within Government should remain with DCMS or whether it should be transferred to DBERR. There are good arguments on both sides. On the one hand tourism is inextricably linked with, and dependent upon, the maintenance of the UK's cultural and historic resources. The counter argument runs that as tourism is one of the UK's largest sectors, generating £19bn pa in export earnings and employing between 1.4 and 2.1m people, it should be relocated to DBERR where it would be treated more as an industry than a cultural activity.

Another part of that argument is that while the arts and cultural components of DCMS are dependent upon Government finance, tourism is a net contributor to Government's finances with an estimated £3.5bn pa going to the Exchequer from overseas visitors alone through Air Passenger Duty and VAT payments.

So it comes as somewhat of a surprise that when DCMS announced its plans to create 5,000 to 10,000 new jobs using money from the Future Jobs Fund (a £1.1bn challenge fund where organisations compete for funding to create jobs for the young long-term unemployed and other with disadvantages in the workplace), the tourism sector hardly rates a mention rather than it being a core component of the Strategy.

The strategy, [Lifting People, Lifting Places](#) focuses on investing in culture, media and sport as a way of helping the economy recover. While many of the initiatives highlighted in the strategy are simply a rehash of existing initiatives (eg., the Seachange funding is deemed part of the initiative even though it was announced two years ago - November 2007), what the document does highlight is the Government's view that by investing in arts, culture and sport, there will automatically be an increase in tourism. The whole emphasis of the strategy is that the benefits provided by tourism are a product of the investment in Culture, Media and Sport.

It is this thinking that is behind the current initiative to develop a British City of Culture competition. The idea being that if Government investment is focused on regeneration and developing the cultural and sporting facilities of destinations, there will automatically be an increase in tourism numbers. Thus negating the need for any direct Government investment in marketing activities – something that is better handed at the local level or by the private sector.

So while we are debating which Department should be responsible for tourism, the Government seems to be debating whether it should be a responsibility at all.

Regards



**Kurt Janson
Policy Director
Tourism Alliance**

CODE ACCEPTS TOURISM ARGUMENTS

Some good news - the Home Office has released its consultation on Mandatory Conditions on the Sale of Alcohol and the revised conditions in the consultation document pretty much take account of the concerns that the Tourism Alliance has been expressing at meetings with officials. The revised conditions mean that it will still be possible for businesses to provide free or discounted alcohol sales with meals (ie., a free bottle of wine with a meal), supply unspecified amounts of alcohol to customers provided that this not an "alcohol only" or "alcohol and entry" offer (ie., business will still be allowed to sell tickets to dinner functions where waiters refill glasses on request). Also, while the draft code requires that small measures of alcohol must be made available, they do not need not be provided in small glasses (ie., 250ml wine glasses can be used to serve 125ml measures) and states that the need for age-verification software for online alcohol sales is intended to apply to alcohol-only purchases from establishments such as supermarkets and off-licenses (ie., tickets to functions and events where alcohol is included in the price will be exempt).

While this is excellent news for the vast majority of licensed businesses, it is important that all businesses read through the consultation document to ensure that there will not be any unintended consequences and that submissions are sent in supporting sensible exemptions.

Submissions on the Mandatory Code close on 5th August 2009

[Click Here](#) for a copy of the Consultation Document

FHL WORK CONTINUES

Since the announcement of the proposed repeal of the Furnished Holiday Letting Rules in the budget, the Tourism Alliance has held a meeting with the Tourism Minister to discuss the issue and she has agreed to support the industry in writing to the Treasury on the issue. The issue has also been put on the agenda for the All Party Tourism Group meeting in June and a meeting of affected Alliance members has been held to share information and help co-ordinate lobbying activity.

As a result the Tourism Alliance is currently pulling together evidence of the impact of the change on the self catering sector specifically and local communities as a whole as so that this can inform the letter from the Minister to the Treasury and be used as a basis to call for a review of the proposed changes.

If you are interested in this issue or have any evidence of impact that you can share, please contact Kurt Janson.

PPS 4 CONSULTATION

DCLG has launched a consultation on a new Planning Policy Statement 4: Planning for Prosperous Economies.

This consultation paper seeks views on combining all national planning policy on economic development in urban and rural areas and town centers into one consolidated PPS that contains a coherent set of planning policies designed to meet the current economic downturn and sustainable long-term growth.

This particular PPS will be very important to the tourism sector in two ways. First, in the need to ensure that there is the flexibility in the planning system that tourism businesses need to grow and develop. This is especially important in rural and greenbelt areas where there is a tendency for some authorities to constrain any activity that is not agriculturally based. At the same time, the PPS will need to be sufficiently robust to ensure that the natural and historic resources on which much of the industry is based are adequately protected against inappropriate development which would degrade the tourism experience.

To find an appropriate balance that will allow economic growth, while protecting resources will require concerted input in the tourism sector.

[Click Here](#) for a copy of the Consultation Document

SURVEY HIGHLIGHTS PLIGHT OF PUBS

People 1st has released its yearly survey of employment in the tourism and hospitality sector. The report, apart from the usual information on the number and turnover of staff, provides a timely insight into the impact of the economic downturn on the sector. While the good news is that sector still employs some two million people (1 in 14 of all UK jobs) and that there has been increased employment in the restaurant and gambling sectors, it also shows that there have been some very worrying declines in employment in a number of sectors.

For example, the plight of the pub sector is put into stark focus with the finding that there are 64,100 fewer people working in the sector than in 2007 – a decrease of 19%. Put alongside a 23% decline in the number of bar staff and a 35% decline in the number of publicans and it's easy to see that the Government needs to take urgent action to arrest the decline in the pub sector.

The survey also shows a 30% decline in employees in the number of travel consultants over the last three years (although some of this can be attributed to an increased use of the internet for bookings), a 27% decrease in the number of people working in the conference and exhibitions sector over the past five years, and a decrease of 13% in the number of people working in hotels over the same period.

[Click Here](#) for a copy of the Executive Summary of the report

EUROPEAN TOURISM SUPPORT

Although the UK is experiencing a decline in inbound tourism of around 12% at present, it is not the only European country in this position as passenger numbers and occupancy rates are down by an average of around 10% across Europe as a whole. To cope with the downturn, different European Governments continue to introduce a range of measures to support their tourism sectors. Some of the latest measures include;

Greece

- Reducing the taxes paid by tourism businesses to local authorities
- Increasing the allocation of social tourism "tickets"
- Eliminating all airport taxes in all regional airports

France

- Reducing VAT in restaurants (excluding alcohol purchases) from 19.6% to 5.5% from 1 July 2009

Netherlands

- Scrapping air passenger ticket tax from 1 July 2009

By way of contrast, the UK Government has confirmed that Air Passenger Duty will rise by up to 112% over the next two years.

BRIEF SHOWS MUSEUMS –TOURISM LINK

The National Museum Directors' Conference has issued a briefing that focuses on the economic link between museums and tourism. The brief quotes research for the Anholt-GMI Nation Brands Index which shows that cultural activities are a key component of a UK holiday for overseas visitors with almost 80% of tourists visiting a museum or gallery while in the country and satisfaction scores with the experience exceeding 6 out of 7.

This high level of visitation results in £350m being spent by overseas visitors in museums and galleries, while domestic visitors generate a further £245m in expenditure. As a result of the high level of benefit to museums and galleries from tourism, the National Museum Directors' Conference is calling on the Government to reduce visa charges for overseas visitors, invest in the public realm and transport infrastructure that supports museums and to integrate museums and tourism policy development within DCMS.

[Click Here](#) for a copy of the NMDC report of Museums and Tourism

MINIMUM WAGE TO EXCLUDE TIPS

After consulting on the treatment of tips and service charges at the beginning of the year, the Government has decided that it will proceed with the development of legislation that prevents businesses using discretionary payment such as tips and service charges as part of the minimum wage. It is planned to introduce legislation to ban this practice on 1st October 2009 as part of the annual minimum wage review. However, the Department agreed not to extend the ban to include non-discretionary payments such as cover charges, which it says should directly relate to the provision of items such as bread and olives.

The Government has also expressed concern that there is confusion on behalf of both businesses and customers as to what constitutes discretionary payments and how these payments should be handled by businesses. It has therefore decided that it will give further consideration to the development of good practice guidance for businesses and introduce a logo scheme to highlight businesses that conform to this good practice. It will therefore be taking forward this idea with interested groups.

[Click Here](#) for a copy of Government response to the consultation

TA COMMENTS ON GOVT TOURISM RESPONSE

With the separation of Visit England from VisitBritain on 1 April 2009, one of the core recommendations of the British Tourism Frame Review has been implemented. While there are other positive recommendations that are being implemented such the establishment of the Tourism Advisory Council and the Cross Whitehall Ministers Group, the Tourism Alliance is concerned that a number of the core recommendations contained in the report regarding issues such as how to maximise the benefits of the Olympics, setting Government-agreed indicators for measuring the success of the national bodies have been either rejected or are not being taken forward while fundamental misunderstandings of the sector that the review had hoped to resolve (such as public expenditure on tourism and the importance of adequate funds to compete in the international marketplace) remain.

[Click Here](#) for a copy of the Tourism Alliance's Comments on the Government Response

THE TOURISM ALLIANCE

The Tourism Alliance is the Voice of the Tourism Industry.

Established in 2001 with the support of the Secretary of State for Culture, Media and Sport, the Tourism Alliance comprises 50 Tourism Industry Organisations that together represent some 200,000 businesses of all sizes throughout the UK.

The purpose of the Tourism Alliance is to identify and develop policies and strategies to raise standards and promote quality within the industry and work with and lobby government on all key issues relevant to the growth and development of tourism and its contribution to the economy.

Registered Office Details:
The Tourism Alliance Limited
6 Pullman Court, Great Western Road, Gloucester, GL1 3ND.
Company No: 05106422

Chairman: Bob Cotton OBE
President: Richard Lambert
Policy Director: Kurt Janson
E: kurt.janson@tourismalliance.com
T: 020 7395 8246 Fax: 020 7395 8178 M: 07964428123
W: www.tourismalliance.com
Centre Point, 103 New Oxford Street, London, WC1A 1DU