

Tourism Alliance Comments of the Government's Response to the British Tourism Framework Review

This paper provides the Tourism Alliance's comments on the Government's response to recommendations that were made in the British Tourism Framework Review. The Review was commissioned after the 2007 Comprehensive Spending Review when James Purnell, the Secretary of State at the time, decided to cut funding to VisitBritain by 18% over the three years to 2010/11. The review therefore sought to determine how VisitBritain should operate and co-ordinate with other components of the public and private sector tourism structure to maximise the benefits of tourism to the UK economy.

It should be noted that the background section of the Government's response stresses that VisitBritain was to review its operations within the bounds of the CSR settlement. Yet at the time an undertaking, it was stated that the review was not simply to post-rationalise the CSR settlement but to provide a comprehensive review of public sector tourism structure in the UK. The Tourism Alliance's initial fears that the review was being used to defuse condemnation of the funding cut, appear to have been proved correct by this revisionism.

Recommendation 1: Consolidate Britain's position in traditional international markets and invest in emerging markets, building on VisitBritain's overseas network

Government Response

"We welcome this recommendation's recognition that the physical location of VisitBritain's overseas offices must match the needs of the service offered and that it must also seek to share the fixed assets of public diplomacy partners, where the space is available and rental costs are competitive. We will monitor progress by VisitBritain in this area. We also agree entirely that, despite the global economic downturn affecting these countries, our long term strategy must prioritise the emerging markets such as Brazil, Russia, India and China. The effective and efficient co-ordination of the overseas marketing efforts of VisitEngland, Visit Scotland, Visit Wales, Visit London, the regional development agencies and some local authorities must be a leading goal of VisitBritain. We recognise that VisitBritain is working hard to develop more advanced digital platforms that will enhance its work, which is referenced in Recommendation 3."

Tourism Alliance View

VisitBritain has previously reviewed its overseas office network and sought cost-effective options including co-locating with other Government agencies. To suggest that the organisation has suddenly recognised this as part of the review is disingenuous. The Tourism Alliance's main concern however, is that assertion that the leading goal of the organisation should be the effective and efficient co-ordination of the marketing efforts of other organisations such as VisitEngland, Visit Scotland, Visit Wales, Visit London and the RDAs. First, as well as having no powers to achieve this and the other organisations being accountable to other boards, Departments and Governments (making co-ordination extremely difficult). As such, there is no reason to believe that these other organisations want VisitBritain to co-ordinating their activities or would give the organisation a mandate to do so.

Second, if the primary role of the organisation is to co-ordinate the overseas marketing of the other organisations, then this is at odds with the main benefit provided by the organisation, which is to promote

Britain as a destination and the long term strategy of prioritising marketing in emerging markets rather than the core tourism markets within which the other organisations operate.

Overall, this response indicates the muddled thinking behind the Government's handling of its tourism responsibilities. It is simply not possible to devolve responsibility for tourism to the nations and regions and then expect VisitBritain to co-ordinate activities and provide efficiency for all public expenditure on tourism.

Recommendation 2: Create product development and marketing initiatives that are actively supported by the industry and increase the value of inbound tourism spend

Government Response

The Government fully endorses this recommendation. We welcome the importance that the Report attaches to demonstrating that VisitBritain can and does deliver for the British taxpayer who is also experiencing challenging times. VisitBritain must work closely with its industry partners - to ensure that its marketing activities directly respond to their priorities and make a clear and evidenced contribution to the economic well-being of the country, and work closely with DCMS on funding issues. DCMS will also work closely with the industry to ensure that its priorities are being carefully considered in developing strategies and products.

Tourism Alliance View

That a National Tourist Board should "create product development and marketing initiatives that are actively supported by the industry and increase the value of inbound tourism spend" is a self-evident truth. The National Audit Office report on the organisation in UK 2005 has already concluded that the organisation provides a clear and evidence contribution to the UK economy. Nevertheless, we welcome the opportunity to work with the Government on new KPIs for the organisation that it will accept as evidence of performance.

The Alliance also looks forward to working closely with the Government to ensure that its priorities are being carefully considered in developing strategies and products.

Recommendation 3: Further develop UK-wide tourism internet platforms and shared new media strategies to support the industry and national tourist boards

Government Response

Such action was at the forefront of the Secretary of State's mind when commissioning the Framework Review and the Government welcomes the recommendation. We are aware that VisitBritain is already taking forward important development work in this area. To maintain our international competitiveness and provide the best possible service to domestic visitors, it is vital that we maximise the potential gains from new media strategies, including shared UK-wide capabilities for industry and national tourist boards.

Tourism Alliance View

The Alliance agrees with the need to maximise the benefits to be provided by new media, especially in light of the cut in funding. However, the Government needs to understand that new media work is complementary to, not a substitute for, on-territory work. There are a large number of benefits the

VisitBritain provides and activities that it undertakes in addition to marketing such as intelligence gathering, communications with local media, building business connections and relationships with partners and implementing marketing campaigns. This work is important and cannot be done remotely through a website.

Recommendation 4: Create a new English tourism lead body, create an English tourism strategy and agree processes for partnership with, and accountability to, stakeholders and appropriate performance metrics

Government Response

The Government has made clear its support for the creation and development of Visit England separate from VisitBritain. It is an important recognition of the importance of the contribution made by domestic tourism to the UK's GDP and of sustaining that contribution. The Secretary of State has appointed Lady Cobham to the Chair of the VisitEngland Board from April and also wishes to thank Hugh Taylor, the outgoing Chairman, for the groundwork he has undertaken over recent years in preparation for this change. The future success of VisitEngland will depend significantly on its capability to form and maintain partnerships with regional development agencies and local authorities. The evolution of Partners for England (P4E) is vital to that end and the Government welcomes the group's progress so far and its future aims. The Government is confident that these arrangements will make for significantly strengthened strategic leadership and better representation of private and public sector stakeholders, and will provide a more robust and more responsive vehicle to grow and sustain the industry in the long term.

Tourism Alliance View

The Tourism Alliance applauds the Government's realisation that it made a mistake in merging BTA and ETB to form VisitBritain and that it is now rectifying this situation. However, it notes that the Government plans for the CEO of VisitBritain to remain the Chief Accounting Officer for VisitEngland. It is clearly unacceptable that the CEO of an organisation is not responsible and accountable for its finances. This situation needs to be rectified immediately.

Recommendation 5: Engage the industry in national tourism policy development and delivery (including 2012 tourism strategy) and the nation in support for the tourism industry

Recommendation 6: Urge Government to create a cross-Whitehall and cross-ministerial group to be advised by a newly created government sponsored Tourism Advisory Council, which draws together senior practitioners from industry and the public sector to engage with the government departments whose policies impact on tourism

Recommendation 7: Ensure that the visitor economy is considered in the development of public policy

Government Response (abridged)

The role of DCMS Ministers is to ensure that the economic importance of tourism is recognised in the argument and that proposals from other Government Departments are based on evidence, and that they are a necessary and proportionate response to the harm the policy is seeking to reduce. It is not the

function of the DCMS to act as a trade association or to attempt to substitute for them. It therefore remains important that trade associations continue to lobby other Departments (and the DCMS itself) from their unique perspective. It is, of course, vital that the DCMS continues to work closely with the industry and with trade associations so that it is best placed and sufficiently informed to influence policy development in other Departments. The Minister for Tourism currently meets the Tourism Alliance, comprising the many trade associations representing businesses within the tourism and hospitality sector, on a regular basis to examine the issues of main concern to its members. She also chairs a Ministerial Advisory Group, comprising public and private sector partners, to assist her in steering the delivery of the Strategy for maximising the tourism benefits of the Olympic Games; and co-chairs the Monitoring and Implementation Group for the National Skills Strategy, which again comprises public and private sector partners.

As recommended in the review, the Minister for Tourism is also forming a Tourism Advisory Council ("TAC"), which will primarily comprise leaders from industry itself. This informed and experienced group will better position her for vital discussions with her Ministerial colleagues in other Government Departments.

At the National Tourism Summit held in Liverpool on 8 January, Ministers asked the tourism industry to provide a list of the key areas where they would like the Government to examine support for the industry. VisitBritain, on behalf of the industry, has now submitted their "Top 5 Asks" and DCMS has begun an analysis of these. The Minister hopes that the TAC will begin its work in April by considering and prioritising the areas for support identified by the industry.

The Minister also intends to form a cross-Whitehall Ministerial Group, which will meet after the first TAC meeting, and will have two main purposes. Firstly, it will examine policies which it might be beneficial to industry for Government to either stop or delay during the period of economic downturn. Secondly, it will highlight actions which Government should be doing to support the industry through challenging times.

The Minister will continue her meetings with VisitBritain and the Tourism Alliance; and the Ministerial Advisory Group for the 2012 Strategy and the Monitoring and Implementation Group for the National Skills Strategy will continue to inform Government policy.

Tourism Alliance View

The Alliance welcomes the acknowledgement that DCMS's role is to be the champion for tourism across Government and that the Cross Whitehall Ministers group will be re-established as this is essential to ensuring that the needs of the tourism sector are taken into account when legislation and policy is developed by other departments. Despite the assertion that Department signs off on all new policies developed by other Departments, there remains an ongoing problem of policy being announced by other Departments which is unknown to DCMS officials or Ministers. It is hoped that this group can rectify this situation and reduce the need for the industry having to commit resources to lobbying against poor policy.

The Group also provides the prospect that important cross Government strategies for the sector such as the "Welcome to Britain" strategy can be fully developed and implemented.

The Alliance also welcomes the establishment of the TAC and the commitment to use the Tourism Alliance as the main mechanism for inputting industry views into the policy process. The Alliance does, however, ask that it has a position on the TAC to ensure that the is coherent policy advise being provided by both groups. The Alliance is, however, surprised that the Government has asked the industry to provide a list of the "Top 5 Asks" and then sets up an industry group (TAC) to assess the "Top 5 Asks".

Recommendation 8: Redefine the role of VisitBritain and agree new ways for it to work with its stakeholders and develop metrics to demonstrate its performance and value

Government Response

The Government fully supports this recommendation. The country needs a VisitBritain that is fit for the 21st Century and one that recognises the new role, independent status and function of Visit England. The VisitBritain Board has already embraced this new direction with the Government's full support. We believe that these changes need to go forward at pace. Britain's national tourism agency will need to provide a core marketing capability for its strategic partners, including industry, the national tourism organizations in England, Scotland and Wales, Visit London and the RDAs, in addressing global markets. As recommended, this should include the establishment of shared platforms, including a more effective and efficient overseas network, digital marketing and associated e-commerce. It also needs to take a leading role in the co-ordination of industry research. VisitBritain will remain an important source of advice for Ministers to inform policy development and the formulation of strategy.

Tourism Alliance View

The Tourism Alliance welcomes the development of new metrics by which VisitBritain will be assessed. These metric must relate to the organisations core role of growing the value of tourism to the UK and have to be accepted by Government.

Recommendation 9: Secure agreement on future public and private sector funding and the resources needed to deliver the 2012 Games' tourism legacy

Government Response

Paragraphs 4 – 7 set out the framework within which the Review was initiated and conducted. The Government does recognise and understand the desire within VisitBritain to do its utmost to maximise the opportunity presented by the Games themselves. The Government wholly agrees that “there is a potential legacy of a visitor industry that provides a welcome experience second to none; with good value and good quality accommodation embracing sustainable practices, ample facilities for visitors with disabilities, and a skilled workforce providing the first-class service that the modern visitor expects and demands.” But it does not agree with suggestions that this opportunity is being squandered.

In 2007, we considered that, in the light of the world class attractions in store in this country over at least the next decade, our continuing investment in VisitBritain (over £130 million between 2008 and 2011) was currently sufficient to achieve the essential aim of delivering a permanent legacy from the Olympic Games. In the current climate there will be continuing pressure to remain within budget.

As indicated above, we believe that public investment at national, regional and local levels in excess of £2 billion for the period 2008 - 2011 is an appropriate and reasonable investment in support for the tourism and hospitality industry. The 2012 Olympic and Paralympic Games do represent an opportunity to change the industry for ever in a way that helps us achieve a permanent legacy. We already have a world class tourism industry that can match the best in the world and we believe that current levels of investment are sufficient for Britain to re-define world class and set new standards that will put us ahead of our closest rivals internationally.

Tourism Alliance View

The Tourism Alliance agrees that providing services and facilities that are high quality, sustainable, good value and staffed by highly skilled and welcoming staff is very important. However, this is important regardless of the Olympics and needs to be provided to the 30m overseas visitors who come to the UK every year not just the 300,000 who come to the Olympics.

The opportunity afforded by the Olympics and the tourism legacy that can be gained from it is dependent on realising the potential to capitalise on the media opportunity to increase awareness and stimulate more visits. The ability of the UK to fully grasp this opportunity relies on additional dedicated resources being allocated to achieve this. Asking VisitBritain to reallocate resources to undertake this task simply means that one set of marketing activities will be sacrificed to fund another set, which reduces the return from present markets and programmes, undermining market penetration and regular, ongoing business. That the Government fails to grasp this strongly indicates that it will squander the opportunity afforded by the Games.

The Alliance also believes that it is entirely disingenuous of the Government to state that £2bn of public money is to be spent on tourism between 2008 and 2011 when much of this funding is related to local authorities' maintenance of their local tourism infrastructure while the Government Department responsible for funding the domestic and international marketing of England and Britain will only spend £130m during this period – less than it did 10 years ago.

Recommendation 10: Create inspiring new marketing campaigns, based on a value message, and press Government for creative policy responses which would support the industry through the credit crunch and recession

Government Response

On 8 January at the National Tourism Summit in Liverpool, the Government expressed its agreement to and support for such initiatives. Britain does have exceptional and high quality tourism products and visiting this country has never offered such excellent value for money. The VisitBritain "Value for Money" Campaign, which will particularly target the USA and Eurozone countries, has the Government's full support. Our current affordability is an opportunity that must be exploited. We also firmly believe that Liverpool's performance in 2008 as the European Capital of Culture proves that it is possible, with imagination, commitment and creativity, to buck the global trends. At Liverpool, the Government emphasised that the forthcoming decade of sport, involving an array of major world championships and events, represented an important opportunity to showcase our nations, regions, cities and towns for the world's media. Similarly, the Government has set up a working group to examine the feasibility of establishing a regular British City of Culture around the country that could match Liverpool's achievement.

Tourism Alliance View

The Tourism Alliance agrees that the present weakness of the pound presents an opportunity to avoid the worst of the economic downturn and that Liverpool does indeed show what can be done with "imagination, commitment and creativity to buck the global trends". However, it should also be noted that there is a significant difference between noting an opportunity and capitalising upon it. To do this requires the commitment of resources. Liverpool's success as a European City of Culture was based upon a £4.5bn Objective One regeneration programme and the allocation of around £120m to stage the event.

While the creation of British City of Culture is a good initiative to explore and the investment in the cultural and historic resources on which much of the UK tourism industry is based is welcome, this is not a substitute for domestic and international marketing. The global tourism market is highly competitive and adequate resources need to be allocated to winning customers. After all, what is the point of having one of the best tourism products in the world if no one knows about it?