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# **Tourism**Alliance

**the voice of tourism**

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## SEPTEMBER 2010 NEWSLETTER

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### Improving Competitiveness?

It's surprising to think that the coalition programme is only four months old as so much has happened since the new Government was elected and considerable further changes are imminent following the announcement of the Comprehensive Spending Review settlement next month and the production of the new Tourism Strategy before the end of the year. With all this change underway, it's worth stepping back and looking at the Government's commitment on Tourism contained in the Coalition Agreement. This pledge was that the Government

*will take steps to improve the competitiveness of the UK tourism industry, recognising the important part it plays in our national economy.*

This pledge was reinforced in the Prime Minister's recent speech where he confirmed that tourism was an important part of the Government's plans to rebalance the UK economy.

So far, so good. However, initiatives that have been undertaken to fulfil this commitment are somewhat few and far between at the moment (one potential exception being the current consultation on re-establishing the Furnished Holiday Rules). In terms of inbound tourism, most of the announcements have actually been detrimental to the competitiveness of the UK tourism industry in the international market – visa charges have been increased, the increase in Air Passenger Duty proposed by the previous Government has been confirmed as going ahead on 1<sup>st</sup> November 2010 and VAT will increase on 4<sup>th</sup> January 2011. Together these moves will increase the average cost of visiting the UK by between £25-£30. This is not a huge amount – roughly 4% of the average cost of coming to the UK – although econometric modelling of tourism to the UK suggests that, all other factors being equal, it will cause a £800m decrease in revenue than the UK would otherwise receive.

The main problem is that, knowing that there will be significant cuts or potentially 25-30% to the expenditure of VisitBritain and VisitEngland and that, with the abolition of the RDAs there will be severe cutbacks to public sector investment in regional tourism even if a transition arrangement is put in place. This means there are becoming fewer and fewer mechanisms available to the Government fulfil the commitment to improve the industry's competitiveness. About the only significant tools available are to either reduce regulatory burden or initiatives such as Daylight Saving or providing an additional holiday in order to encourage people to undertake more tourism activity.

The trick for the Government will be to fashion a tourism strategy that contains enough of these or other as yet unannounced measures to make a significant impact on the competitiveness of the industry.

Regards



**Kurt Janson**  
**Policy Director**  
**Tourism Alliance**

## LOCAL GOVERNMENT FINANCE FORMULA GRANT

The Department for Communities, Local Government and the Environment is currently consulting on a range of proposed amendments to the Local Government Finance Formula Grant Distribution. This is the complex series of formula that are used to redistribute funding between councils and currently use the Day Visitor Survey data in the formulas used to determine the allocation of funds to manage tourism demands and to maintain highways.

With the old Day Visitor Surveys being deemed to be no longer fit for purpose, DCLG is proposing to use substitute data from the International Passenger Survey. The net result being that this would cause the reallocation of around £60m from areas with high levels of domestic tourism to areas to a much smaller number of areas with high levels of overseas visitors.

The Alliance has therefore organised a meeting with DCLG officials to seek a resolution to this issue. This resolution would be to retain the use of the current formula for one more year until the data from VisitEngland's new Day Visitor Survey is available in 2012.

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

## TRANSITIONAL ARRANGEMENTS NEED

With the current winding-down of the Regional Development Agencies, the Tourism Alliance has been active in trying to ensure that the Government is aware of the risks of tourism development programmes being ended and expertise being lost to the sector before the new Local Enterprise partnership structure is established and operational.

The Alliance has formally written to the Minister expressing industry concerns and requesting that transitional arrangements are established to mitigate against as much of the impact as possible and has followed this up with a number of discussions with the Tourism Minister and in evidence to the Business, Innovation and Skills Select Committee which is currently undertaking an inquiry into the establishment of LEPs.

Unless, suitable arrangements are made, efforts to improve the quality of the English tourism offering and meet the Government's new targets of increasing domestic tourism expenditure and maximising the potential benefits of the 2012 Olympics and the "decade of sport" could be placed in jeopardy.

[Click Here](#) for a copy of the Tourism Alliance's evidence to the BIS Select Committee

## LIGHTER LATER CAMPAIGN UPDATE

The Lighter Later campaign to trial daylight saving has received a further boost with major sports bodies lending their support. The Football Association, England and Wales Cricket Board and Lawn Tennis Association have all come out saying that having an extra hour of daylight in the evenings would boost both attendances at sporting events and participation in sporting activities with consequential benefits to public health.

Rebecca Harris MP has introduced a Private Members Bill on daylight saving which will have its second reading on 3<sup>rd</sup> December. All efforts are being made to ensure that there are 100 MP in the house for the reading so that the Bill can progress.

[Click Here](#) for the 10:10 Lighter Later website that contains more information on the benefits of moving clocks forward and lobbying activities

[Click Here](#) for the Tourism Alliance pamphlet that supports the Lighter Later campaign

#### **PARTY ON THE PIER: BTW 2011**

The 5<sup>th</sup> British Tourism Week will take place from 14<sup>th</sup> - 20<sup>th</sup> March in 2011 with the aim of raising awareness of the importance of tourism with government (national and local), consumers and those who work in the industry. The theme for the 2011 British Tourism Week is "Party on the Pier", which will be a celebration of Britain's piers and heritage, encouraging residents and tourists to visit and highlighting the importance of maintaining our piers, restoring those that are in need of help; each individual participating venue will gain valuable local, regional and national exposure.

A pre-launch event for the 2011 British Tourism Week is going to be held in London on Wednesday 20<sup>th</sup> October 2010 to coincide with the British Tourism Development Committee meeting.

[Click Here](#) for more information on BTW 2011

#### **JOINT ALCOHOL SUBMISSION**

The Tourism Alliance has joined with a range of Industry partners in a pan-industry submission to the Home Office on the proposed further restrictions on the sale of alcohol. It is generally felt within the tourism and hospitality sector that while certain measures are required to prevent the sale of heavily discounted alcohol, especially to minors, the measures that are being pursued by the Home Office are out of proportion to the scale of the problem and are blunt in their nature as they will adversely impact upon all businesses that sell alcohol rather than targeting specific problems.

Instead of further restrictions, there needs to be a deeper review of the Licensing Act focusing on what it actually designed to achieve and then determining the best mechanisms for realising these aims. The current approach simply adds to the regulatory burden of a vast range of businesses (eg., self-catering cottages, hire boats, holiday parks, B&Bs, attractions, local and rural pubs, restaurants, hotels and guesthouses) which sell alcohol (in many cases in very small quantities) and yet cause no enforcement or social problems.

[Click Here](#) for a copy of the Joint Submission

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.

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