

**Paul Maynard MP**  
**Chairman**  
**All Party Parliamentary Group on Social Tourism**  
**House of Commons**  
**London SW1Y 5DH**

6 June 2011

## Social Tourism Inquiry

### 1. Introduction

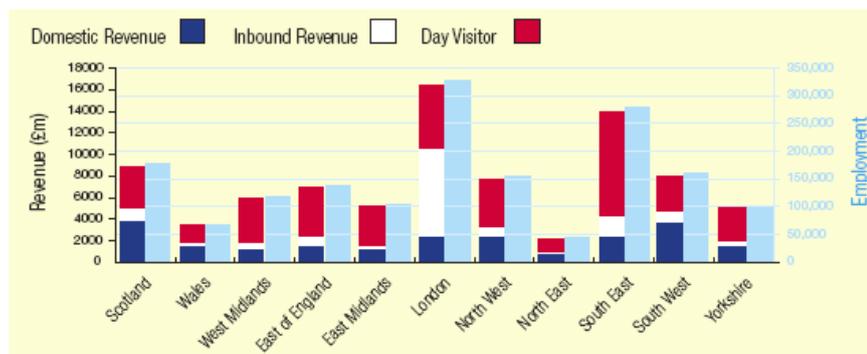
The Tourism Alliance was established in 2001 as the voice of the UK tourism industry. It now comprises 50 tourism industry trade and marketing associations that together represent some 200,000 business of all sizes throughout the UK (see Appendix 1 for membership list). The Tourism Alliance's mandate is to work with government on issues relevant to the growth and development of tourism and its contribution to the economy. It is therefore responding to this Inquiry in that capacity.

### 2. The Benefits of the Tourism Sector

Britain's tourism industry has been one of the largest and fastest growing sectors of the British economy over the past 20 years and is now worth £115bn and accounts for over 8% of the UK workforce. Importantly, the tourism industry has been identified in the Government's Growth Strategy as one of five key sectors that are best placed to rebuild and rebalance the UK economy. The tourism industry has a number of key attributes that make it particularly well suited to this purpose. Two of the most pertinent to this Inquiry are as follows;

#### a. Benefits are Spread Throughout the UK

The revenue and employment associated with tourism is relatively evenly spread throughout the UK with the majority of nations and regions having more than 100,000 Full Time Equivalents tourism jobs. Indeed, there are 134 constituencies throughout Britain where tourism accounts for over 10% of total employment.



## b. There is Spare Capacity

As the following graph shows, outside the statutory holidays, half-term breaks and the height of the summer season, there is considerable spare capacity within the tourism sector – whether this be the accommodation sector, the attractions sector or the transport sector. This means that very little investment in capital infrastructure is required in order to generate significant benefits.



## 3. The Benefits of Social Tourism

This submission focuses on “Social Tourism”, however, it is the case that the benefits derived by the community are not limited to those of economic gain or employment – but include the “Social benefits” of tourism. The Tourism Alliance is concerned that inadequate attention is given to the non economic benefits – social, cultural, environmental and other benefits. These are experienced by residents and visitors. Tourism activity has to be creatively managed to maximise these benefits and minimise any disbenefits. In order to further explain this context, we attach extracts from a summary paper on these issues (see Appendix 2).

However, behind the impressive headline numerical statistics on tourism there are a number of trends that are of considerable concern to the Tourism Alliance. The first of these is the gradual decline in domestic tourism. While the change in methodology for undertaking the UK Tourism Survey in 2005 makes long-term analysis of domestic tourism trends difficult, it is generally accepted that there has been a gradual decline in both the volume and value of domestic tourism over the last 10 years. This trend was present in the pre-2005 UKTS data (with visitor numbers decreasing from 140m to 111m and spend falling from £19.9bn to £17.5bn between 2000 and 2005) and has remained present in the data from 2006 to 2009 (with visits decreasing by 10% from 105m in April 2006 to 94m in March 2009). Expenditure since 2006 remained static at around £17bn (which equates to a 10% decrease when inflation over this period has been taken into account).

In 2009 the economic downturn and the weakness of the pound against the Euro resulted in domestic tourism visitor number increasing by 7% and revenue increasing by 4%. However, the 2010 results indicated that the 2009 figures were an anomaly as visitor numbers decreased by 5% and spend decreased by 4%.

The second issue that is of concern is that studies undertaken by the England Tourism Board (and subsequently, VisitEngland) indicate that a very high proportion on UK residents do not undertake any form of holiday. Research undertaken by the English Tourist Board in 1998 indicated that, in any one year, some 41% of the population choose not to take a holiday of longer than four nights away from home. While there were a range of reasons for the low level of holiday taking, including work commitments and infirmity, by far the most significant factor was the inability of a large number of families to afford to take holidays.

The results of this study have been supported by recent research undertaken by VisitEngland on the “staycation” phenomenon which shows that large numbers of UK residents are still not undertaking holidays due to cost.

The net result of these factors is that there has been, and remains, a significant economic decline in many traditional domestic holiday destinations – usually those associated with seaside areas.

The lack of awareness and appreciation of the problems associated with seaside destinations has led to poorly conceived policy intervention such as the 2009 Sea Change programme which allocated £45m to help regenerate a small number of seaside economies to very little effect. While this regeneration funding for coastal areas was welcomed, whether the type of project delivered was appropriate to the wider needs to coastal places is questionable as the projects that received funding tended to be “easy win” structural projects rather than those that actually helped local businesses or tackling the more difficult underlying social issues that hold back growth and development in these areas.

Given the inconsistent understanding of coastal issues, the abolition of the RDAs and the pressure on local authority finances there is an increased need for the Government to adopt more entrepreneurial approaches to the use of its assets and the range of powers it has to take forward development.

The Tourism Alliance believes that one of the options that needs to be explored in detail is the development of a social tourism programme. It is envisaged that such a programme would aim to provide holidays to British seaside locations, by way of a voucher system, for under-privileged families during the shoulder and low seasons.

Such a programme could provide a wide range of significant benefits both for the families undertaking the holidays and the destinations receiving the visitors. While the Tourism Alliance is not best placed to provide information to the Inquiry upon the personal and social benefits of providing holidays for under-privileged families, there are a series of benefits that would be derived by the destination that we would like taken into account in the findings of this Inquiry. These include;

**a. Benefits to Tourism Businesses**

The nature of the tourism industry is that it is seasonal, with the majority of the income to the business being made over a relatively short period of the year. There are a number of consequences to this. First, the price of holidays over the peak season is high as businesses have to make their annual income in a relatively short period. This makes holidays in the UK more expensive than they would otherwise be and prices a number of people out of the market.

Second, employment within the tourism sector tends to be seasonal with many people taken-on for just the summer months. This causes significant problems for businesses as there is the cost of finding suitable employees each year and providing those employees with the training and skills required to provide a high quality service to customers. As a result, the quality of service provided to customers is sometimes lower than it should be and when staff gain the necessary skills, many are laid-off at the end of the season.

This, in turn, gives staff the impression that the tourism industry is not suitable for providing a long-term career, making capable people less inclined to undertake training and enter the industry.

Yet, as mentioned previously, there is significant spare capacity in all sectors of the tourism industry outside of peak periods. A social tourism programme could very easily utilise this spare capacity at very little cost as the marginal cost of filling an empty hotel room is very low (essentially the cleaning, laundry and cost of utilities) while there is essentially no cost in filling an empty seat on a train or providing admittance to an attraction. Such available capacity exists for much of the year, especially midweek, and for transport, outside commuting times.

Therefore, providing low-cost holidays during off-peak periods can be profitable to businesses. It would also better enable these businesses to provide permanent employment and better training for staff, who, in turn, would better recognise the tourism industry as being able to provide ongoing employment and a career path.

#### **b. Benefits to Seaside Economies**

The utilisation of spare capacity in the shoulder and low seasons would also have considerable benefits to seaside economies by providing a revenue stream for local businesses. The UK Tourism Survey has shown that around 40% of visitor expenditure is accrued by businesses that are not normally considered to be part of the tourism sector – eg., clothes shops, bookshops, supermarkets, post offices and pubs. In many destinations, these local amenities are under considerable threat of closure due to falling revenue.

Developing a scheme that delivers increased numbers of visitors, who will spend their own money while staying in a location, could have a considerable impact on the future viability of local services. And the more viable these businesses become, the more readily owners will commit to undertaking investment in redeveloping their services and facilities. This would provide a much more “organic” route to the regeneration of destinations than the use of central government funds to develop landmark structures.

Instilling the notion of domestic holidays among under-privileged families also has the potential to provide longer-term benefits for destinations in that adults are more likely to take holidays with their children in places that they themselves went as children. In this way

#### **4. Summary**

The UK tourism industry is one of the biggest in the world and provides employment for over 2m people. However, despite its size, the domestic tourism industry remains, to a large extent, season in nature. This seasonality can cause a number of problems including the under-utilisation of resources (which restricts further investment), non-permanency of employment (which restricts career development, training and the level of service provided to customers) and restricts regeneration.

However, the fact that there is considerable spare capacity within the tourism sector means that there is a considerable opportunity to develop a social tourism programme to the mutual benefit of both the customer and the destination. Such a programme provides a viable means of tackling both the problems associated with social exclusion and destination regeneration at relatively modest cost.

The Tourism Alliance believes that such a programme undertaken in conjunction with the industry would provide an organic and sustainable means of regeneration that is more in keeping with current government budgetary restrictions than past programmes that have relied on landmark projects.

If you have an queries, or would like any further information on the issues raised in this submission, please do not hesitant to contact the Tourism Alliance.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'K' followed by a horizontal line.

Ken Robinson  
Chairman

**Chairman:** Ken Robinson CBE  
**Policy Director:** Kurt Janson  
**Telephone:** 0207 395 8246  
**Fax:** 0207 3958178  
**Email:** [kurt.janson@tourismalliance.com](mailto:kurt.janson@tourismalliance.com)  
**Web:** [www.tourismalliance.com](http://www.tourismalliance.com)

## **Appendix 1: Tourism Alliance Membership**

### **Members**

Association for Tourism in Higher Education  
ABTA – The Travel Association  
Association of Leading Visitor Attractions  
Bed and Breakfast Association  
British Association of Leisure Parks, Piers & Attractions  
British Beer & Pub Association  
British Educational Travel Association  
British Hospitality Association  
British Holiday & Home Parks Association  
British Marine Federation  
British Resorts and Destinations Association  
Business In Sport and Leisure  
Business Visits and Events Partnership  
Camping and Caravanning Club  
Confederation of British Industry  
Confederation of Passenger Transport UK  
Country Land and Business Association  
Cumbria Tourism  
Destination Performance UK  
East of England Tourism  
English Association of Self Catering Operators  
English UK  
European Tour Operators Association  
Events Industry Alliance  
Guild of Registered Tourist Guides  
Heart of England Tourist Board  
Heritage Railway Association  
Historic Houses Association  
Historic Royal Palaces  
Holiday Centres Association  
Hoseasons  
Merseyside Partnership  
National Caravan Council  
National Trust  
New Forest Tourism  
Outdoor Industries Association  
Resort Development Association  
South West Tourism  
The Caravan Club  
Tourism for All  
Tourism Management Institute  
Tourism Network North East  
Tourism Society  
Tourism South East  
UKinbound  
Visit Cornwall  
Visit Kent  
Visit London  
Visitor Attractions Forum  
Welcome to Yorkshire

### Associate Members

Local Government Association  
SouthWest RDA (representing the RDAs in England)  
VisitBritain  
VisitEngland

## Appendix 2: Social Benefits of Tourism

### Extract from Tourism Alliance paper for the Enquiry into Social Tourism

#### 1. Introduction

Tourism Alliance policy and strategy work has traditionally been focussed on the economic aspects of tourism and related issues such as employment, regulation, taxation and grant-in-aid funding. Similarly, the success tourism is measured in economic terms - numbers of visits, length of stay and spend. These factors demonstrate the value of tourism as an industry that generates economic growth and creates jobs. It also demonstrates to Government that public sector funding of tourism is an investment which provides a very high return.

However, the Tourism Alliance has a wider view, encompassing all the benefits and management requirements of tourism. Also, with the envisaged cuts in public expenditure after the election, the existing and potential social and cultural benefits should be explained to help tourism achieve a broader level of support across a range of Government departments, in turn encouraging public sector investment and a beneficial regulatory and fiscal framework.

#### 2. Purpose of a Social Benefits Paper

It was agreed that a social benefits paper should be to describe and where possible quantify the various social and cultural benefits that are derived through people undertaking tourism activity.

These benefits would be divided into two separate components;

1. The benefits that are derived by people who undertake tourism
2. The benefits that are gained by communities that host tourism

At the same time, it was agreed that a social benefits paper should not include the related concepts of socially responsible tourism or sustainable tourism. While these are important issues that are worthy of other separate papers, it was agreed that they were outside the scope of this particular work, which should be clear and focused.

It was also agreed that the paper had to acknowledge the disbenefits of tourism, such as the pressures on the natural and historic environment, so as not to be deemed to be biased. In acknowledging the disbenefits, the paper should state how the benefits could be maximised while, as the same time, the disbenefits could be managed and minimised.

One concept that was considered important in the paper was that of "Social Capital". This being the generation of community spirit that can be achieved through the galvanisation of communities around tourism-related and tourism-supported projects and activities. If a community builds social capital, this can be used to inspire and generate other community benefits unrelated to tourism. For example, if a community holds a tourism related festival and this is successful, it can prompt the implementation of other community development projects unrelated to tourism that can improve the lives of locals.

Consideration was then given to the draft list of benefits which include;

#### Community Related Benefits

- The maintenance and improvement of the public realm including the development of infrastructure, facilities, and improvements to cleanliness, safety and amenity value
- Protection of community assets, and preservation and protection of the natural and built environment

- Contribution to maintaining and enhancing cultural and heritage assets
- Continuity of local traditions, festivals, cultural events, crafts
- The appreciation of local food and drink including local markets.
- Creating and sustaining employment maintains viable communities, providing a stability to community life
- Contribution to the viability of local services and facilities that are essential for host communities – eg., pubs, local shops, post offices.
- The stimulation of local and civic pride, enhancing the sense of community and creating “social capital”

#### **Visitor Related Benefits**

- The enhancement of physical and psychological health
- A catalyst for change, fresh ideas, new opportunities in a changing world
- An awareness and appreciation of other people and cultures
- The improvement of “quality of life”
- Improved knowledge
- The encouragement to learn new skills, languages, etc
- Reduction in anti-social behaviour