

Environmental Audit Committee Inquiry into Sustainable Tourism

Tourism Alliance Evidence

20 September 2019

1 Introduction

The Tourism Alliance was established in 2001 as the voice of the UK tourism industry. It comprises 55 tourism industry associations that together represent some 200,000 businesses of all sizes throughout the UK. 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. This evidence to the Environmental Audit Committee is provided in that capacity.

A list of member organisations is included as Appendix 1.

2. Background

Tourism is one of the UK's largest and best performing industries. It is made up of 200,000 inbound, outbound and domestic travel and tourism businesses which are integrally linked to one another, often utilising the same infrastructure, consumer base and regulatory framework. As well as comprising a very high level of SMEs, the UK has some of the world's largest tourism companies including the world's largest hotel company, the world's second largest entertainment company and the world's second largest international airport.

Together, these businesses make the tourism industry the UK's third largest employer, providing jobs for 3.3m people and contributing £149.5bn to the UK economy. In international terms, the UK tourism industry is the sixth largest in the world based on value, contributing £26bn per annum to the UK economy in export earnings.

New work by the Tourism Alliance shows that the revenue generated by tourism for the UK economy has increased by £18.5bn per annum since 2016. This level of growth is more than twice the average for UK industry over this period and is sufficient to generate around 300,000 additional jobs for the UK economy.

One important benefit of growth in the UK tourism industry is that this growth is relatively evenly spread around the UK rather than being concentrated in urban areas or the South East. Rather, expenditure and employment is relatively evenly spread across the country, with no region in the UK having less than 100,000 tourism-related employees. In addition,

tourism provides over £20bn per annum and almost 350,000 jobs for rural economies and £14bn per annum and 250,000 jobs for seaside destinations. The combined £34bn spend in rural and seaside destinations makes tourism the largest non-governmental mechanism for transferring wealth from urban to rural/seaside destinations.

The size of the UK tourism industry and the benefits that it generates for both the national and local economies have recently been recognised by Government through the agreement of a Tourism Sector Deal under the Government's Industrial Strategy. Part of this sector deal is a new International Business Events Action Plan aimed at bringing major conferences and events to the UK. It would make sense for the Government to align this Action Plan with the need to develop global best practice on sustainability including taking action to advance the 17 United Nations Sustainable Development Goals and implementation of global best practice standards including ISO20121.

This Tourism Deal seeks to develop the human resources and infrastructure necessary to cope with forecasts that the sector will deliver a 23% increase in inbound visitors and a 3% per annum increase in domestic tourism by 2025.

However, while the sector deal contains a number of initiatives aimed at improving sustainability, such as extending the tourism season, there is much more that can be done to help ensure that the UK tourism industry is sustainable.

3. Defining Sustainable Tourism

The most widely accepted definition of sustainable tourism is that of the World Tourism Organisation. It defines "sustainable tourism" as:

Tourism that meets the needs of present tourists and host regions while protecting and enhancing opportunity for the future.

Therefore, to be sustainable, we believe that tourism activity must comply with four key principles. These are;

- **Visitor Satisfaction**
(visitors must be satisfied with all aspects of the tourism product)
- **Industry Profitability**
(the return to the industry must allow for reinvestment and growth)
- **Community Acceptance**
(account must be taken of the community's aspirations)
- **Environmental Protection**
(the resources on which the industry is based must be protected)

It is only if all four of these principles (commonly known as "VICE") are met that tourism can be said to be sustainable. However, it must be remembered that because sustainable tourism is based on what communities consider to be acceptable, it is, in many ways, a subjective, value-based concept. This has two important consequences for the implementation of sustainable tourism strategies: namely that these strategies are spatial and temporal.

1. Spatial

What is “sustainable” in terms of tourism is destination specific as some communities are more willing, and some environments better able, to accept the impacts of tourism than others. This means that what is acceptable practice in one location may be unacceptable in another location due to either environmental considerations, community support or visitor acceptance.

As a consequence, there is no simple “one-size-fits-all” strategy to ensure that tourism is sustainable. Rather, individual strategies need to be formulated that suit particular circumstances.

2. Temporal

Determining what is “sustainable” is dynamic and relates only to conditions that occur at a particular point in time. This means that what is acceptable practice today may be unacceptable tomorrow (and vice versa) as a result of either changing knowledge or technology, or the changing preferences of visitors or host communities.

As a consequence, there is no “end state” where sustainable tourism can be said to have been achieved. Strategies need to be monitored and updated to ensure that they remain appropriate and acceptable.

Because of its spatial and temporal nature, sustainable tourism is best implemented at the destination level through the development of local sustainable tourism strategies or destination management plans. These strategies should start by determining what the destination’s resources and values are and what the community wants to achieve from tourism. From this basis, a strategy can be derived to ensure that the community’s goals are met while the resources and values the community considers to be core to its way of life and the destination’s ability to attract visitors is not compromised.

4. Key Issues for Ensuring Sustainable Tourism

a. Community Acceptance

One of the growing issues facing some destinations is where the number of visitors has a detrimental impact on the local community. In the past, local authorities had a level of control over visitor numbers and the impacts on local residents through planning legislation. Tourism accommodation was only permitted in certain areas, meaning the impacts on residential accommodation and local communities was minimised.

While the growth of the sharing economy is undoubtedly providing a wide range of significant benefits by increasing consumer choice, expanding the UK tourism market and provided additional revenue for local businesses, as with everything, these benefits do not come without impacts to local communities.

Last year, the Tourism APPG undertook an inquiry into the sharing economy and found that local authorities and residents’ groups are increasingly concerned about the rate at which residential accommodation is being repurposed as tourism accommodation. This both reduces residential housing stock and means that residential areas are transforming into tourism areas, creating conflict between residents and visitors.

The problems identified in the Tourism APPG's report are not unique to the UK. Most other major tourism destinations in the world are facing similar issues and are seeking solutions that maximise the benefits of the sharing economy while, at the same time, minimising the impact on local communities. Most major tourism destinations are introducing statutory registration so that local authorities can gain greater control over the impacts on tourism on local communities. The legislation for statutory registration already exists in the Development of Tourism Act 1969, it simply needs the will of Government to implement it.

b. Protecting the Environment

Planning Guidance

The success of the UK tourism industry is based upon the country's historic and natural resources. It is therefore critical to the sustainable growth of the industry that these resources are maintained and protected – not just from damage caused by tourism but also from improper development and land use.

Because of the need to both protect the natural and historic environment and the need to allow appropriate tourism development in rural, seaside and historic towns, the Tourism Alliance worked with DCLG to develop The Good Practice Guide on Planning for Tourism as guidance on how to develop for the visitor economy in a sustainable manner.

However, when the NPPF was developed, the Good Practice Guide was replaced by a single page of tourism planning guidance that relates only to developments in town centres.

The resultant vacuum has resulted considerable uncertainty in the planning process, increasing both costs and delays as planning applications get bogged down in the appeals process. The lack of guidance has also resulted in inappropriate developments in many areas where maintaining the environment was important for the tourism industry.

The Tourism Alliance believes that, to provide for sustainable tourism, the Good Practice Guide should be reintroduced in order to provide direction and clarity for both Local Authorities and businesses.

Council Funding

Another significant problem associated with sustainable tourism development is the reduction in funding for local authorities.

Council funding has decreased significantly since the recession in 2007/8. As tourism development as a non-statutory function, it is an area that has borne the brunt of these cuts with a 52% decline in council expenditure from £122m in 2007/8 to £59m in 2017/18.

This massive reduction in funding is having a considerable detrimental impact on the sustainability of destinations, resulting in many local authorities seeking to impose taxes on tourists. However, tourists in the UK are already some of the most highly taxed in the world. The World Economic Forum, in their biennial analysis of the tourism competitiveness of countries around the world, rank the UK as the 5th most competitive destination overall. However, the UK ranks 135th of 136 countries in terms of price competitiveness due to having the highest level of Air Passenger Duty and one of the highest levels of VAT on accommodation, restaurants and attractions.

The Tourism Alliance calculates that visitors to UK destinations pay around £16.5bn per annum just in VAT on items such as accommodation, meals and visits to attractions. The issue is, therefore, not that visitors don't pay their way, it is that the tax they pay is not currently benefiting the destinations that they visit by being used to fund the maintenance of natural and historic assets.

The Tourism Alliance would therefore welcome a dialogue with HM Treasury as to how we can create a virtuous circle whereby some of the tax that visitors pay can be used to protect, maintain and enhance the natural and historic resources of tourism destinations.

Aviation

Climate change is probably the single most important issue facing both the country and the tourism industry. And, being an island destination, the UK tourism industry is significantly more dependent on aviation than many other major tourism destinations.

The Tourism Alliance is a firm supporter of the Sustainable Aviation Initiative. This is a coalition of UK airlines, airports, manufacturers and air navigation service providers that is dedicated to developing a route whereby the UK aviation sector can meet both its climate commitments and growing passenger demand.

This initiative has made considerable progress in that, while passenger numbers grew by more than 25% between 2010-16, emissions only increased by just over 4%. Sustainable Aviation also believes that there are considerable further untapped opportunities such as sustainable aviation fuels and airspace modernisation which could provide an even contribution to preventing climate change.

We therefore support Sustainable Aviation's call for a dedicated Office for Sustainable Aviation Fuels (OSAF) to help make the UK a world-leader in the technology, the prioritisation of airspace modernisation to end wasteful stacking and allow more fuel-efficient flights and for Government to commit to funding the Aerospace Technology Institute to help speed up innovation.

It should also be noted that the aviation industry's call for £150m to fund flagship commercial sustainable aviation fuel plants being built across the UK is insignificant compared to the £3.6bn in Air Passenger Duty that the Government gains from visitors each year.

Public Transport

Research by VisitEngland shows that only about 23% of the 120m overnight visits and 27% of 1,119m day visits undertaken every year are undertaken by public transport - Bus, Coach and Rail.

Increasing the level of public transport travel can play a vital role in delivering sustainable tourism both in the UK and from the UK to overseas. A coach carrying 50 passengers can replace up to 28 cars on the road, with significant reductions in carbon dioxide and nitrogen dioxide emissions, as well as reductions in congestion which can be of particular benefit to popular tourist sites and airports.

National and local Government should work with stakeholders to promote mass transit options such as bus and coach travel and work with operators to make public transport a more attractive and seamless experience in order to ensure that bus and coach travel forms an integral part of any plans to further promote sustainable tourism. This includes providing

information on all available options to visitors via tour operators, airlines and other agencies engaged in bringing tourists into the country. At the local level, pressures on local authority budgets have resulted in bus subsidies being dramatically reduced, resulting in less profitable services being ended. This results in fewer options for visitors to use sustainable transport methods, particularly in rural areas. We believe that Government should review its funding support.

It should also be a requirement that adequate coach access, parking, pick up and drop off points are provided for as part of the planning process for developments which are likely to generate significant visitor numbers. Coaches should also have access to the same priority measures that other mass transit vehicles have, such as bus lanes and bus stops, unless there is a specific reason not to do so.

There should also be a review of the DfT and network rail policy of undertaking major rail repairs on weekend and public holidays. While there are fewer passengers during these periods, the tourism customers are travelling much longer distances than business commuters meaning that displacing this travel onto the roads has a much greater environmental impact. And, finally, there should be an emphasis incentivising travel cards and associated promotion, plus investment in new technology such as contactless payment.

c. Industry Profitability

As noted above, visitors to the UK are among the most highly taxed in the world. If the UK tourism industry is to maintain its international competitiveness as the UK pivots away from Europe due to Brexit, then the Government needs to address this issue.

However, it is important to note that there are a range of other issues that restrict the industry's international competitiveness. One of the most important of these is access to employees with the skills needed to provide high levels of customer service. Research by People 1st concludes that the tourism and hospitality sector will need to recruit 1.3m new staff by 2024. Compounding this recruitment issue are demographic changes that mean that by 2022, there will be 700,000 fewer 16-24 year olds in the UK. For a sector where 44% of employees are under 30, this will have a significant impact on the ability of the sector to find new employees from within the UK.

We therefore need an immigration policy that recognises the soft customer service skills required by the industry and provides a mechanism to allow people to enter the country to fill the vacancies in the industry. One suggested route would be the extension of the youth mobility Scheme to EU countries and an amendment to the scheme so that people entering the country through the scheme were able to stay for up to four years.

Another issue that needs to be addressed in order for the UK tourism industry to be sustainable is the UK visa offering which lags behind many other countries. Since the introduction of biometric visas in 2008, the UK's market share of major international growth markets such as Chinese and Indian has fallen by 42%. Part of the reason for this is a lack of competitiveness - a UK short stay visa costs £95, compared to around £50 for a Schengen visa which allows visitors access to 26 countries.

There are a range of simple measures that the Government can take to resolve this including increasing the number of visa waiver countries that can use epassport gates, lowering the cost of 2 year and 5 year visitor visas and providing the family of overseas students with visa that match the length of the student's study visa (ie., if a student has a visa to study in the

UK for 3 years, then the student's family should be provided with 3 year tourist visa so that they can visit).

The UK tourism industry is committed to ensuring that the UK maintains its position at the one of the world's most popular destinations. We can only achieve this if we generate growth that is sustainable in terms of the customer, local communities, the environment and businesses themselves.

The Tourism Alliance is committed to encouraging sustainable growth and working with Government to help achieve this aim. As such, we would be very keen to give oral evidence to the Environmental Audit Committee on this subject.



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Appendix One

Tourism Alliance Membership

ABTA - The Travel Association

Airport Operators Association

AIPO

ALVA

ANTOR

Association of Group Travel Organisers

ASAP

ATHE

BACTA

Bed & Breakfast Association

British Beer & Pub Association

British Destinations

British Educational Travel Association

British Holiday & Home Parks Association

British Marine Federation

Business Visits & Events Partnership

Camping & Caravanning Club

Caravan and Motorhome Club

Churches Visitor and Tourism Association

Coach Tourism Association

Confederation of Passenger Transport

Country Land and Business Association

Cumbria Tourism

English UK

European Holiday Home Association

European Tour Operators Association

Family Holiday Association

Go New Forest

Group Travel Business Forum

Heritage Railway Association

Heritage Alliance

Historic Houses

Holiday Home Association

Institute of Tourist Guiding

Liverpool City Region LEP

Marketing Manchester

National Caravan Council

National Coastal Tourism Academy

National Trust

Outdoor Industries Association

Professional Self Caterers Association

Premier Cottages

Resort Development Organisation

South West Tourism Alliance

The Tourism Society

Tourism For All

Tourism Management Institute

Tourism South East

UKHospitality

UKInbound

Visit Brighton

Visit Cornwall

Visit Greenwich

Visit Kent

Visit Wiltshire

Welcome to Yorkshire

Observers

Local Government Association

VisitBritain

VisitEngland