



House of Commons
Culture, Media and Sport
Committee

Tourism

Sixth Report of Session 2014–15

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Tourism

Sixth Report of Session 2014–15

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to the report*

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The Culture, Media and Sport Committee

The Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Culture, Media and Sport and its associated public bodies.

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[Mr Ben Bradshaw MP](#) (*Labour, Exeter*)

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The following members were also a member of the committee during the parliament:

David Cairns MP (*Labour, Inverclyde*)

Dr Thérèse Coffey MP (*Conservative, Suffolk Coastal*)

Damian Collins MP (*Conservative, Folkestone and Hythe*)

Alan Keen MP (*Labour Co-operative, Feltham and Heston*)

Louise Mensch MP (*Conservative, Corby*)

Mr Adrian Sanders MP (*Liberal Democrat, Torbay*)

Mr Tom Watson MP (*Labour, West Bromwich East*)

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The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the internet at www.parliament.uk/cmscom. A list of Reports of the Committee in the present Parliament is at the back of this volume.

All the evidence relating to this Report can be found on the Committee's website.

Committee staff

The current staff of the Committee are Elizabeth Flood (Clerk), Grahame Danby (Second Clerk), Kevin Candy (Inquiry Manager), Hannah Wentworth (Senior Committee Assistant), Keely Bishop (Committee Assistant) and Jessica Bridges-Palmer (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Culture, Media and Sport Committee, House of Commons, 14 Tothill Street, London SW1P 9NB. The telephone number for general enquiries is 020 7219 6188; the Committee's email address is cmscom@parliament.uk

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Summary

The tourism sector, a massive conglomeration of diverse businesses and organisations, contributes billions of pounds to the British economy and sustains millions of jobs. Yet its central role in the economic activity and life of the country is not given sufficient recognition. Too often, Government fails to factor tourism into its wider decision-making. We heard convincing evidence that the sub-national structures for supporting tourism in England were damaged by the abolition of the Regional Development Agencies without putting in place adequate arrangements for tourism promotion.

With sufficient resources, we believe VisitEngland is well placed to move more decisively into the organisational vacuum left by the abolition of the Regional Development Agencies and the Regional Tourist Boards. It could better coordinate the disparate efforts of some 200 local Destination Management Organisations, focusing its attention on those with most promise of developing a substantial tourism base. It could be an even better source of advice and training to the many small businesses that typify much of the tourism industry. Working with the National Coastal Tourism Academy in identifying and promulgating best practice, VisitEngland could begin the process of turning round those seaside resorts that have lost their way. The Academy is funded by the Coastal Communities Fund – a source of income for which we share the Government's enthusiasm.

VisitBritain has shown marked success in attracting overseas visitors, but should remain alert to the need to leverage even more the undoubted lure of London to bring more visitors to other parts of the United Kingdom. The GREAT Campaign continues to demonstrate its originality and vitality; funding for this campaign needs to be confirmed for a longer period, if industry is to plan ahead with confidence.

It should go without saying that an important way of attracting visitors to the UK is to make it easier for them to get here: further improvements to visa processing and reductions in their costs would help. Establishing joint biometric processing centres with other European countries and encouraging the issue of longer term, cheaper multiple entry visas are two ways in which this objective could be achieved. Long before it becomes feasible to increase airport capacity in South East England, regional airports could be better promoted to encourage visitors to the UK in general and the regions in particular.

More visitors are likely to come, and more residents likely to stay, if the UK offered even better value for money to holidaymakers (not to mention business travellers and students). Reductions in VAT and Air Passenger Duty would be effective in this regard, though the Government will need to carefully study the full impact of any such change. To this end, we welcome the (albeit belated) undertaking of the Sport and Tourism Minister to engage with the Cut Tourism VAT Campaign. Where the evidence leads, and practicalities allow, VAT and Air Passenger Duty should be lowered to benefit both tourism and the wider economy.

Too many regulations are ill-fitted to the world of small businesses that characterise much of the tourism industry. We therefore welcome the undertaking given to us by the Sport and Tourism Minister to review whether more could be done to implement the proposals

by the Tourism Regulation Taskforce established by one of her predecessors, John Penrose MP. We believe that the Government should take forward with greater speed the recommendations of the Penrose report, updated as necessary.

Training arrangements and apprenticeships should be better adapted to the features that make many tourism businesses unique, such as seasonality, scale and uncertainty in customer demand. The Government should also do more to inform tourism businesses of the opportunities and funding that exist to train people, particularly young people, for the world of work.

In view of the potential benefits, not least to the tourism industry, of daylight saving time, we recommend that the Government commissions a rigorous cost-benefit analysis, including the research needed to properly inform this.

Many tourism businesses are small and struggle to have their voices heard. Nowhere is this more true than single person businesses such as tourist guiding. Not only does the work of professionally-qualified tourist guides deserve better recognition, but the insights they gain from working with tourists should be shared. Giving them a voice on the Tourism Industry Council would be a step forward. Most important of all, tourism needs a stronger voice in Government.

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1 Introduction

1. The UK's tourism industry is made up of a vibrant mix of inbound, outbound and domestic travel and tourism businesses which are integrally linked to one another, often using the same infrastructure, consumer base and regulatory framework. In 2013, there were 32.8 million visits to the UK by people living abroad; 39% of these were as part of a holiday. In the same year, UK residents paid almost twice as many—58.5 million—visits abroad.¹ However, in 17 of the UK's top 20 source markets, the UK's share of outbound tourism has decreased over the last 5 years while the gains to domestic tourism made from the “staycation” effect appear to be eroding as the UK economy recovers and the pound strengthens.² On 16 March 2015, the Tourism Alliance published the latest statistics; these show a significant fall in domestic tourism visitor numbers—to levels not seen since 2008.³ According to the British Hospitality Association, the UK has fallen to 8th in the UNWTO [United Nations World Tourism Organization] international tourism arrivals league, while France, Italy, Spain and Germany are all ahead of the UK. The single greatest challenge facing the tourism industry lies in this international competition. The World Economic Forum's Travel and Tourism (T&T) Competitiveness Report 2013 provides context:

The United Kingdom moves up by two more positions since the last edition of the Report, to reach 5th place this year. The country's T&T competitiveness is based on its excellent cultural resources (ranked 3rd), with many World Heritage cultural sites, a large number of international fairs, and strong creative industries (all ranked within the top 10). The country has probably benefitted from two important events in 2012: the Olympic Games and the Diamond Jubilee of Queen Elizabeth II. Although the outcome is not yet fully reflected in the data, the United Kingdom has leveraged the preparation of these events in terms of tourism campaigns, generating interest in visiting the country and reinforcing their already-solid ICT and air transport infrastructure (ranked 10th and 5th, respectively). The generally supportive policy environment, ranked 8th, encourages the development of the sector, while the country relies on an excellent human resources base (ranked 6th). On a less positive note, the United Kingdom continues to receive one of the poorest assessments for price competitiveness (138th), in large part because it has the 2nd highest tax rate on tickets and airport charges worldwide.⁴

2. According to the Tourism Alliance, the industry has been at the forefront of the UK's economic recovery. Since 2007, revenue from inbound tourism has increased by 31% from £16 billion to £21 billion in 2013, creating an additional 90,000 jobs for the UK economy. This trend has continued, with spending by inbound visitors up by a further three quarters of a billion pounds in 2014.⁵ On the domestic side, revenue increased 16% to £18.8 billion

¹ House of Commons Library Standard Note, *Tourism: statistics and policy*, 6 January 2015

² Tourism Alliance ([TOU0031](#))

³ Tourism Alliance, *UK Tourism Statistics 2015*, March 2015

⁴ http://www3.weforum.org/docs/WEF_TT_Competitiveness_Report_2013.pdf

⁵ Tourism Alliance, *UK Tourism Statistics 2015*, March 2015

in 2013⁶ despite the pressure on discretionary expenditure and is now 6% above the pre-recession peak.⁷ Figures published by the Tourism Alliance on 16 March 2015 indicate that revenue from domestic tourism has been falling more recently, however.⁸ The Office for National Statistics has recently calculated that almost a third of the new jobs generated in the UK over the last three years have been in tourism-related businesses. These jobs are distributed relatively evenly throughout the UK and, unlike many other industries, these jobs are spread across rural, urban and seaside communities.

3. In 2013, a report from Deloitte and Oxford Economics showed that tourism accounted for 9% of the UK's GDP and some 10% of UK employment. Bourne Leisure told us: "tourism, which is the fourth largest service industry in the UK and employs around 3.1 million people, contributed £127 billion to the economy in 2013 (nine per cent of the UK's GDP in 2013)."⁹ Hospitality and Tourism is now the 4th largest employing industry in the UK. More than 80% of people working in the sector are British.¹⁰ Tourism has also been at the forefront of tackling "problem unemployment". Whereas UK businesses have an average of 19% of their staff aged under 30, 39% of staff in tourism businesses are under 30. Similarly, while businesses in the UK typically employ only 9% of people from ethnic minorities, tourism businesses employ 14%.¹¹

4. These statistics speak for themselves; few parts of the country can be untouched by the tourism economy. On 23 July, the Committee launched an inquiry into tourism. While tourism in the devolved administrations is directly a matter for them, there is a shared interest in promoting a thriving tourist industry throughout the United Kingdom. An overarching theme of the inquiry has been to examine ways in which the UK's tourism potential can be developed for the benefit of both local economies and the country as a whole. The Committee identified a number of issues in its call for evidence:

- Encouraging tourism outside London and the few other heavily visited cities to other parts of the United Kingdom
- Consolidating and building on London's success as a tourist destination
- Reversing a long-term decline in seaside destinations
- Reducing regulatory burdens on business
- The application of taxes and fees to visitors from overseas, for example in relation to VAT, Air Passenger Duty, visa and other costs
- Visa and border arrangements
- Improving the competitiveness of hotel accommodation in comparison to other countries

⁶ Local Government Association ([TOU0030](#)), para 3

⁷ Tourism Alliance ([TOU0031](#))

⁸ Tourism Alliance, UK Tourism Statistics 2015, March 2015

⁹ Bourne Leisure Limited ([TOU0012](#)), para 4.2

¹⁰ Labour Force Survey, Office for National Statistics, 2012

¹¹ Tourism Alliance ([TOU0031](#))

- Increasing skills and training within the domestic tourism sector
- Assessing the success of campaigns such as "GREAT" Britain
- Structural arrangements for tourism promotion, including public funding for and the roles of Local Enterprise Partnerships, VisitBritain, VisitEngland and similar organisations in the rest of the UK

5. Written submissions were invited with a deadline of Monday, 29 September 2014; over 80 were received. In their submission, British Destinations told us they were “concerned at the scale and breadth of the questions, most of which we feel may be worthy of their own 3,000 word responses and some, singly or combined, even their own inquiries. This is not meant as a criticism, as we accept the need to start the process by addressing as many potential headline issues together, if any are to be addressed at all. We merely wish to make the point that if you are forced to ask a good number of by necessity short but far-reaching questions and those answering by necessity then respond with very short concise answers, don't be too surprised if what you get is some overly simplistic, seemingly contradictory views on what are very complex, often competing tourism issues; issues that whilst increasingly recognised are still not yet that commonly understood.”¹² While these concerns are clearly well-founded, a principal motivation of our inquiry was to initiate a focused dialogue and debate in a policy area that has, in our view, attracted too little attention, not least in Whitehall.

6. Over a three month period from the end of October 2014, we held five oral evidence sessions with thirty witnesses in total: they are listed at the end of the report and represent a wide cross-section of expertise in tourism. Our inquiry also prompted two visits: one to South West England and another to Chatham Historic Dockyard. The first of these visits took place over two days in January. On 12 January we held a panel discussion event with 56 stakeholders in the tourism industry at the Royal Albert Memorial Museum and Gallery in Exeter. This highly informative event was organised by the Houses of Parliament Outreach Service and it enabled us to listen to the concerns of business leaders, local representatives and members of the public, among others. On the following day we visited the Eden Project in Cornwall, where we held a meeting with the Project's Chair, Co-Founder and Executive Directors; this was followed by discussions with tourism leaders and representatives for Cornwall and the Isles of Scilly. On 23 February we visited Chatham Historic Dockyard Trust, where we met the Chairman and Chief Executive, together with Visit Kent and Medway Council. We are grateful to all the people we heard from and to those who provided written and oral evidence throughout the course of our inquiry.

¹² British Destinations ([TOU0092](#)), para 2

2 Promoting tourism

Campaigning for GREAT Britain

7. The GREAT Campaign was established by the Government in September 2011, in the run-up to the 2012 London Olympic and Paralympic Games; the aim of this campaign was to get people from around the world to visit the UK and do business here. VisitBritain told us that the Campaign is “succeeding in shifting perceptions of Britain and has measurably increased the intention to visit the UK, potentially delivering an additional £305 million spend, which corresponds to a return on investment of approximately 9:1 (2012/13–2013/2014) ... Exposure to the GREAT tactical campaign doubles the likelihood of a visit to both Scotland and Wales.” One of the key benefits of the GREAT Campaign has been the close cooperation of the Foreign and Commonwealth Office, UKTI, the British Council and VisitBritain; the chief executive of the last of these, Sally Balcombe, illustrated this by referring to the co-location of VisitBritain and the FCO “all around the world”.¹³

8. These points were echoed by Bernard Donoghue of the Association of Leading Visitor Attractions: “There were three great things about the GREAT Campaign. First, it was a great national branding exercise and it was not a tourism exercise—we need to be quite clear about what it was and was not. Secondly, it meant that tourism and the way that Britain was marketed abroad were better understood in central Government, particularly in the Cabinet Office, No. 10 and the Foreign Office. Thirdly, through that it brokered helpful relationships between things such as UKTI, the British Council, the Foreign and Commonwealth Office, and VisitBritain. It formed a sort of glue that brought all those organisations together to work effectively.”¹⁴

9. The Department for Culture, Media and Sport (DCMS) told us: “VisitBritain has reported that its GREAT activities in 2012/13 generated over £200 million of incremental expenditure from its 12 target cities alone. VisitEngland has reported total incremental economic returns of almost £380 million from its ‘Holidays at Home are GREAT’ campaigns in 2012 and 2013.”¹⁵ Despite these clear successes, no-one should be in any doubt about the level of international competition, not least for the traditionally important American tourist dollar. The Sport and Tourism Minister, Helen Grant MP, told us: “The American market is extremely important. We continue to focus on the North American market and France and Germany—not just the newer, emerging markets. That is why the continuous spending on the GREAT Campaign—marketing our country in a very good way at home and abroad to show all the different destinations we have—is very important.”¹⁶ We agree. **Funding for the GREAT Campaign should continue for a period that is sufficiently long to give certainty to the industry. While all campaigns necessarily have a limited lifetime, the GREAT Campaign shows every sign of adapting to maintain its originality and vitality.**

¹³ Q 368

¹⁴ Q 304

¹⁵ Department for Culture, Media and Sport ([TOU0061](#))

¹⁶ Q 404

Structural arrangements

Regional Development Agencies and Local Enterprise Partnerships

10. Regional Development Agencies (RDAs) were non-departmental public bodies, charged with driving economic development in their regions; in particular, they had a statutory responsibility for developing tourism.¹⁷ Following a decision by the Government in 2010, they were finally abolished in July 2012. Into the space left behind stepped Local Enterprise Partnerships (LEPs). These partnerships between local authorities and businesses decide what the priorities should be for investment in roads, buildings and facilities in the area. So far, 39 Local Enterprise Partnerships have been created. A small number of tourism projects have so far benefitted from LEP funding via Local Growth Deals.¹⁸

11. Some background to the current situation was provided to us by British Destinations:

Since the demise of the RDAs we have had no Regional tourism network in England, a network first created as a consequence of the 1969 Tourism Act and the formation of Regional Tourist Boards; boards which were subsequently dismantled by or absorbed into the RDAs. All RDAs had some form of regional tourism body until their demise, each working with the management organisations in each of the individual urban and rural destinations within their region. These local management organisations were either public sector based and led, or more often public private sector partnerships, though often by necessity administratively underpinned by the public sector. The system worked; most business that wanted to could engage at an appropriate level and via that level they could communicate locally, regionally or nationally. The structure also meant that regions could communicate and cooperate together and VisitEngland could also deliver agreed national programmes via or with the assistance of the Regional Tourist Boards and subsequently the RDA network.¹⁹

12. Ufi Ibrahim of the Tourism Alliance told us that in principle the idea of the Local Enterprise Partnerships helping to drive enterprise in their regions was a good idea: “However, what we found for tourism is that there are few Local Enterprise Partnerships that have embraced tourism and positioned it at the heart of their own economic growth strategies for those regions. I think we need to do much more collectively, not just the industry but also Government, to encourage Local Enterprise Partnerships to see tourism for the important contribution it makes to those local economies.”²⁰

13. The consequences of the structural changes have been put to us by, among others, the British Hospitality Association: “Funding by Local Authorities for Tourism has been drastically cut and in many cases removed altogether as Councils focus on their statutory

¹⁷ British Marine Federation ([TOU0042](#)), para 4.2

¹⁸ Department for Culture, Media and Sport ([TOU0061](#))

¹⁹ British Destinations ([TOU0092](#)), para 14.2

²⁰ Q 34

duties.” Bernard Donoghue of the Association of Leading Visitor Attractions spoke for many witnesses when he said:

It is a completely different landscape. Regional Development Agencies took tourism seriously in different ways. For example, in the South West, the RDA completely understood tourism and invested heavily in it, and saw that not only was tourism an important industry where you create jobs, but where you create and sustain communities. There were other Regional Development Agencies that were less apprised of tourism’s benefits. The North West was fantastically good at investing in tourism.

The net result of the abolition of Regional Development Agencies was a reduction of millions in terms of the amount of public spending going into tourism infrastructure, training and marketing. In the absence of Regional Development Agencies, it is a very unclear, uneven picture. Some Local Enterprise Partnerships understand tourism and engage and do well. Some Destination Management Organisations literally employ no staff and have no budget, whereas Visit Birmingham, for example, has a budget bigger than VisitEngland, so it is incredibly patchy and inconsistent.²¹

14. Graham Wason of the Cut Tourism VAT Campaign explained why organised tourism promotion is important: “There are some local areas that are extremely effective in marketing and developing tourism, but others where tourism has fallen off the agenda. Bear in mind that with 80% of the tourism industry made up of small and medium sized enterprises, often those businesses in local areas do not have the capacity or the ability to begin to market a whole area.”²²

15. The Sport and Tourism Minister, Helen Grant, suggested to us that the RDAs had not been “not local enough.” She added: “We are now in a position where we have 39 LEPs and they are working very well. They are new and evolving. We believe that if those LEPs can work in partnership and collaboration with local authorities, the private sector and the DMOs [Destination Management Organisations], that will be a good thing for tourism and will provide a good structure for tourism up and down the country.”²³ As the Local Government Association (among others) put to us, central government funding and influence over the visitor economy used to be “tightly controlled” through Regional Development Agencies. The LGA adds: “With the demise of regional economic structures, and a challenging fiscal climate, VisitEngland has adapted to operating in a localist world where there are a variety of sub-regional and local economic bodies working together to greater or lesser degrees to grow the visitor economy. The LGA has a very positive partnership with VisitEngland, who recognise the leadership role of councillors and the value of different approaches to destination management, often with strong private sector engagement.”²⁴ **We are concerned that, while the LEPs undergo their period of evolution, valuable ground is being lost in promoting tourism and securing all the**

²¹ Q 293; see also Q 232 and Visit Kent ([TOU0086](#))

²² Q 116

²³ Q 416

²⁴ Local Government Association ([TOU0030](#)), para 14

necessary improvements to enable destinations to regain a competitive edge. The abolition of the Regional Development Agencies without putting in place adequate arrangements for tourism promotion was a mistake.

Destination management

16. At a local level, there are Destination Management Organisations, which come in a variety of shapes and sizes; one example is Shakespeare’s England, the official Destination Management Organisation (DMO) for Stratford-on-Avon and Warwick Districts. It is a private sector led, not-for-profit organisation that has been created by local businesses and the local authorities to manage sustainable tourism growth to the area. Destination Management Organisations were envisaged as local tourist bodies which reflected local realities and would not be centrally determined. We were told by the British Hospitality Association, that some DMOs are doing well—with great leadership, a good balance between public and private sectors and a clear strategy. However, too many are “ineffectual.”²⁵

17. Legacies of the older system do continue. An example is Cumbria Tourism (originally Cumbria Tourist Board), formed over 40 years ago. Cumbria Tourism was established as one of 10 English Regional Tourist Boards in 1974 and evolved and continued under the Regional Development Agency framework. Cumbria Tourism told us it is one of approximately 20 “primary” Destination Management Organisations (DMOs) in England: “Cumbria Tourism challenges the notion that there are 200+ DMOs, most of these organisations do not perform a strategic management role for the destination they serve, and often are restricted to local information provision and the public sector subsidy of local businesses.”²⁶

18. When we visited Exeter, we were told that tourism received little attention from the LEP and that the DMOs had “imploded” due to a lack of funding. We were also told that Exmouth could not fund a tourist centre for want of available funding from the District Council (although a voluntary tourist information service exists). There were some more positive messages coming from Devon and Cornwall, though: tourism is the main focus of the Plymouth business improvement district and, in Cornwall, the LEP did at least have tourism as an integral part of its strategy. At the Eden Project, it was put to us that Cornwall had a better chance of promoting tourism with its own LEP than it had had with the former Regional Development Agency based in Exeter. The contrasting messages we received in Devon and Cornwall suggest a lack of co-ordination in tourism promotion and destination management. The Tourism Alliance “strongly believes that the sub-national tourism structure in England is effectively broken and that this will increasingly affect regional tourism economies. It will also adversely impact on the success of the Government’s Tourism Policy, which is predicated on there being a strong, effective DMO network throughout England.”²⁷

²⁵ British Hospitality Association ([TOU0043](#)), para 9.2

²⁶ Cumbria Tourism ([TOU0048](#)), para 1.2

²⁷ Tourism Alliance ([TOU0031](#)), para 4.2

19. Bernard Donoghue of the Association of Leading Visitor Attractions told us that Visit Kent is a “very good example” of the private sector and public sector working together.²⁸ That is certainly the impression we were left with after our visit to the Historic Dockyard, Chatham. Though clearly a leading Destination Management Organisation, Visit Kent told us that it could not perform on its own many of the functions delivered by VisitEngland (VE) and VisitBritain (VB) including major market research, overseas marketing (particularly long haul) and strategic support. Visit Kent gave us an outline of what it does, which should serve as an exhortation for others to follow:

We collect and contribute data to market research; we create the local conditions to allow VE and VB to do their job properly e.g. host journalists and travel trade and act as the direct conduit to and from businesses that would be impossible for national organisations. We have extensive European and domestic marketing campaigns. We help connect local networks and business in a way that helps to deliver on the strategic framework for tourism and support the national objectives while also achieving our local goals.²⁹

Business Improvement Districts

20. Business Improvement Districts (BIDs) are partnerships between local authorities and local businesses which are intended to provide additional services or improvements to a specified area. A BID must be agreed by ballot and is funded in whole or in part by a levy additional to the non-domestic rates.³⁰ The British Beer and Pub Association (BBPA) told us it has long supported the establishment of Business Improvement Districts as a partnership between local businesses and local authorities: “The night time economy BID in Nottingham was particularly successful with taxi marshals, upgrading of the fascia on empty shops, a street pastors scheme and the organisations of events like food festivals in the city centre. Other city BIDs fund street cleaning and help and advice for tourists on the street. BBPA is supportive of Tourism BIDs, but so far none have been established and the opportunity to work cross local authority seems to have stalled.”³¹

21. Councillor John Beesley, Leader of Bournemouth Borough Council, said: “We have also begun to benefit from the success of two Business Improvement Districts. We did two at the same time; I think we were the first destination in the whole country to do so. One was the town centre, as you would expect. The other one is a coastal BID, and that coastal BID is focused on tourism along the coastal part of the town. Between the two of them they are generating around £1 million of additional revenue per annum. They are both going very well.”³²

²⁸ Q 325

²⁹ Visit Kent ([TOU0086](#))

³⁰ *Business Improvement Districts*, House of Commons Library Standard Note, 6 August 2014

³¹ British Beer and Pub Association ([TOU0026](#)), para 18

³² Q 280

VisitEngland and VisitBritain

22. VisitBritain is the agency responsible for international inbound tourism and a non-departmental public body, funded by the Department for Culture, Media and Sport. It is responsible for promoting Britain worldwide and developing its visitor economy. VisitEngland is responsible for domestic (English) tourism and marketing England. It is an Advisory NDPB which sits within VisitBritain (Executive NDPB) although it has its own board, Chair and Chief Executive. VisitEngland is in receipt of grant in aid from the DCMS, along with a small allocation of GREAT funding for domestic marketing. Up to the end of the current financial year Visit England will also receive Regional Growth Funding from the Department for Business, Innovation and Skills and the Department for Communities and Local Government.³³

23. The DCMS has conducted a Triennial Review of VisitEngland and VisitBritain. The Review was set up to examine whether there is a continuing public need for all the functions performed by VisitBritain and VisitEngland and if so, to determine if they should continue to deliver them or if there is an alternative delivery model; and to look at the control and governance of each organisation to make sure they are complying with recognised governance principles and delivering their functions effectively and efficiently. The Review's findings were published on 12 March 2015. The importance of VisitBritain and VisitEngland was put to us by, among others, Ufi Ibrahim of the Tourism Alliance:

On the Visit agencies and their role, tourism affects every business. The economy affects retail. It affects construction. It affects everyone. Therefore, we feel that Government absolutely must play a role in protecting an industry that represents 10% of employment and 10% of GDP in this country. It is a major industry. There is absolutely a role there for Government to complement in terms of driving our visibility internationally. Also, tourism should not be forgotten for the role it plays in presenting the reputation, the branding, for the nation in the world, and a big role in terms of public diplomacy and our positioning internationally.

I think the fundamental necessity is to have greater funding, absolutely, for the Visit agencies, VisitBritain and VisitEngland, and greater clarity over their own roles and responsibilities as well: for example, VisitBritain concentrating on international tourism and VisitEngland perhaps concentrating more on domestic tourism, where there does appear to be a slight blurring along the lines at the moment.³⁴

24. The British Hospitality Association told us: "We would like to see VisitBritain have responsibility for all international Tourism marketing. Presently, it is shared with VisitEngland and this causes unnecessary confusion and duplication."³⁵ The Government's Triennial Review of VisitEngland and VisitBritain accepted this. **We support the Government's conclusion that there should be a clearer delineation in the roles of**

³³ Department for Culture, Media and Sport ([TOU0061](#))

³⁴ Q 45

³⁵ British Hospitality Association ([TOU0043](#)), paras 8.3-8.4

VisitBritain and VisitEngland, with the two agencies focusing respectively on international and domestic marketing and promotion.

25. It goes without saying that the range and scope of the work undertaken by VisitBritain and VisitEngland will be constrained by their budgets. Dermot King of Bourne Leisure provided some general context: “To give you the size of the problem, our marketing campaign within Bourne Leisure is in the order of £30 million. You have just heard VisitBritain’s is £8 million, so private marketing dwarfs what Government can do.”³⁶ One of the things that has been lost under the current system is VisitEngland’s ability to network effectively, both regionally and locally. Samantha Richardson of the National Coastal Tourism Academy attributed this to the removal of the (nine) RDAs. She told us that previously VisitEngland worked with the RDAs and Regional Tourist Boards and via them with local authorities. Now it has to work with over 200 DMOs, which means a weaker relationship.³⁷ During our visit to the Eden Project it was suggested to us that VisitEngland ought to prioritise its promotional work, focusing on working with a smaller number of established DMOs. While this would mean some places would lose out, it was put to us that focusing marketing campaigns where customer demand was likely to be greater would be a more effective approach.

26. ABTA told us they believe that “VisitBritain and VisitEngland perform an important and valuable service for the British tourism industry to a very high standard within the constraints of their mandates and resources. Their activities have been fundamental to the growth of tourism in the UK ... However, successful tourism development and promotion work in overseas and domestic markets requires long-term funding. While the budgets for VisitScotland (£50.3 million) and Visit Wales (estimated £20 million) have increased since the Committee’s last inquiry the combined budget for VisitBritain and VisitEngland has fallen by 47% over this period—from £55.1 million in 2007/8 to £29 million in 2014/15.”³⁸

27. Brigid Simmonds told us: “VisitEngland have a role of national tourism co-ordinator. They should be used, whether it is with that or working with LEPs or with DMOs, that is a role.”³⁹ Whether VisitEngland has sufficient resources to rise to this task is another matter. Its chief executive, James Berresford, bemoaned the lack of available funding:

I think the level of Government commitment is reflected, at the risk of sounding like a cracked record, in the Regional Growth Fund money and the domestic GREAT money. That is the extent of the funding. We have a core fund budget, but outwith that, we are unable to do a great deal more for destinations. There is an expectation that we, as the National Tourist Board for England, should do more. My core budget next year is just over £7 million. I cannot do more for destinations.⁴⁰

³⁶ Q 77

³⁷ Q 269

³⁸ ABTA ([TOU0011a](#)), paras 33-34

³⁹ Q 251

⁴⁰ Q 375

28. VisitEngland's core budget of £7 million is dwarfed by VisitScotland's annual operating budget of £58 million.⁴¹ The Sport and Tourism Minister, Helen Grant, did argue that such a comparison was not like for like, adding that the VisitScotland figure includes retail and commercial income, money from local authorities and some European money.⁴² A more like for like comparison was given to us by the British Beer and Pub Association: "Visit Scotland receives £50 million a year from the Scottish Government, Visit Wales £20 million from the Welsh Executive and Visit England only £7 million from DCMS."⁴³

29. Other sources of funding have included DEFRA's Rural Tourism Fund, aimed at attracting more people to rural areas and encouraging them to stay longer when they visit. According to DEFRA, £12 million has been invested in Visit England's marketing campaigns such as the Holidays at Home are Great. The Department has stated: "We also invested £6 million in projects under the Rural Development Programme for England to make rural destinations more attractive and accessible. This includes support for rural communities in creating local path networks and for iconic landscapes in developing sustainable tourism."⁴⁴ Kurt Janson of the Tourism Alliance also referred to the LEADER⁴⁵ programme, which also has funds for rural tourism development. He added: "The problem is there are those pots of money around the place—Coastal Communities Fund and the Regional Growth Fund—but they are not co-ordinated across Government. There is money there. If we could co-ordinate it and use it in an effective and efficient manner then we would be going somewhere."⁴⁶ The Regional Growth Fund, administered by the Department for Business, Innovation and Skills, was referred to in a number of submissions we received. Among these was the following from the British Beer and Pub Association: "Whilst the Regional Growth Fund money for tourism has been vital, it will soon finish. There is a real danger that only the largest destinations will have funds and people to promote tourism. Examples might be York, Manchester, Liverpool, Kent and Cornwall, but not Devon or Cumbria. If we are to attract tourists to visit destinations outside London then it is essential core funding is provided to Visit England to do this."⁴⁷

30. After reciting a range of funding available from different sources, the Tourism and Sport Minister, Helen Grant, said: "There is an awful lot of public money being spent—rightly in my opinion—in marketing the sector. I think we do need to do that, because the sector is made up of a very large number of SMEs that typically compete with one another; many of them do not always have the money spare for joint collaborative marketing campaigns. Because of that Government money, we are able to bring in others, so collaboration is strong and there is the wider benefit to the Government spending this money as well, which is inward investment."⁴⁸

⁴¹ VisitScotland ([TOU0067](#))

⁴² Q 406

⁴³ British Beer and Pub Association ([TOU0026](#)), para 13

⁴⁴ <https://www.gov.uk/government/policies/stimulating-economic-growth-in-rural-areas>

⁴⁵ liaison among actors in rural economic development

⁴⁶ Q 5

⁴⁷ British Beer and Pub Association ([TOU0026](#)), para 19

⁴⁸ Q 419

31. VisitBritain will continue to need adequate funding if it is to compete on the international stage to attract more visitors to the UK. The disparity between VisitEngland's funding and that of VisitScotland and also Visit Wales is pronounced. With sufficient resources, we believe VisitEngland is well placed to move more decisively into the organisational vacuum left by the abolition of the Regional Development Agencies and the Regional Tourist Boards. We also believe there is scope for the Government to better coordinate the variety of funding sources it has established.

Encouraging tourism throughout the UK

32. Nearly half of all inbound visitors to the UK visit only London, which received over 17 million visitors last year. According to UKinbound, 77% of foreign visitors said that they would be interested in visiting other parts of the UK if they had more knowledge about itineraries, destinations and transport.⁴⁹ This lack of information is in part due to failures in the structure of tourism promotion.⁵⁰ While knowledge of what is available is clearly a key consideration, some areas with great tourism offers nevertheless suffer due to shortcomings in actual transport infrastructure; Cumbria and Blackpool were two of the examples given to us.⁵¹

33. Ufi Ibrahim of the Tourism Alliance admitted: "it is fair to say that perhaps more effort needs to be placed upon understanding how London can be used to push out more visitors, beyond London, to other areas of the United Kingdom in order to share more of that wealth. Less of that seems to be happening at the moment."⁵² Sally Balcome of VisitBritain told us: "We work with lots of the regional areas such as Yorkshire, Liverpool, Birmingham and Scotland. Yes, London is very important, but there are a couple of things to say about that point. International tourism grew in the regions faster than in London last year. That point has not really been registered. London grew by 6%, Scotland by 12%, Yorkshire by 12%, and the rest of England by 6%, so we have seen good growth."⁵³ Her colleague, James Berresford of VisitEngland, injected the following cautionary note: "Regrettably, the regions of England lag behind London quite considerably and that gap is getting wider. We have seen some welcome growth, but that gap is getting wider and the rest of the England industry is largely dependent on domestic tourism."⁵⁴ He also drew attention to the Regional Growth Fund which was not about taking business from London, but growing business in the regions.⁵⁵ The Sport and Tourism Minister, Helen Grant, was upbeat about the prospects for regional tourism: "A lot is happening on regional tourism and getting visitors out of London. VB and VE market the nation and the regions—VB through the GREAT and the tactical campaigns, VE through the holidays-at-home GREAT Campaign.

⁴⁹ UKinbound ([TOU0022](#)), para 3.2

⁵⁰ See for example the views of the British Beer and Pub Association ([TOU0026](#)), paras 14-15

⁵¹ Q 250

⁵² Q 32

⁵³ Q 370

⁵⁴ Q 360

⁵⁵ Q 369

It has run three very successful campaigns where we are seeing a return on investment in the region of 20:1.”⁵⁶

34. We were encouraged to learn from Chris Gottlieb of London & Partners of a joint marketing campaign his organisation is conducting with Visit Wales. This is one way in which London’s undoubted attractions can be exploited to bring in more visitors to more parts of the UK. Chris Gottlieb also argued that the real source of competition lies beyond our shores: “We did a survey on visitlondon.com with a sample size of 7,000 people, so it was statistically robust. We found that 88% of people who came to London would have travelled internationally if they had not come to London. So the key message here is one of collaboration and partnership. London is not a competitor with the rest of the UK.”⁵⁷

35. A note of caution came from Capital Region Tourism and the Wales Chapter of the Tourism Society: “Clearly Wales, Scotland and Northern Ireland will cry ‘foul’ if the relationship between VB and VE gets any closer in terms of governance, remit or activities. Shared premises and back office services are one thing—operational integration quite another. While the remits for the home country ‘Visits’ are nominally the same we must also be mindful that England remains the key source market for all of them, so in simple terms Visit Wales is seeking to entice English visitors across Offa’s Dyke while Visit England is encouraging the same people to stay within England.”⁵⁸

36. Ultimately, it is the distinctive destinations themselves that must step up to the bar when it comes to attracting tourists; as James Berresford of VisitEngland put it: “My organisation is there but to provide a platform, information, support and guidance, not to do the job of destinations. Destinations are best placed to do the jobs themselves.”⁵⁹ Yorkshire’s successful Grand Départ for the Tour de France and Newcastle’s Great North Run (the world’s biggest half marathon) provide examples of how major events can be leveraged to encourage more visitors to more parts of the UK. And while everyone cites the London Olympic and Paralympic Games, it should not be forgotten that the Commonwealth Games more recently provided an international stage for Glasgow and the rest of Scotland.

37. We believe there is scope for further cooperation between VisitBritain and all four organisations charged with promoting different parts of the United Kingdom. It is in everyone’s interest that both domestic and international visitors gain a positive experience from everything our country has to offer tourists, be it culture, countryside, cities or sport.

⁵⁶ Q 407

⁵⁷ Q 330

⁵⁸ Written evidence submitted by Capital Region Tourism and Wales Chapter of the Tourism Society ([TOU0062](#))

⁵⁹ Q 388

3 Getting here

Visa and border arrangements

38. The majority of foreign visitors to the UK do not need a visa but, with around 1.7 million visit visas issued each year (and increasing), it is important to have a good quality visa service enabling legitimate travellers to come to the UK.⁶⁰

39. The complexity and cost of acquiring a visa to visit Britain can both have an effect on the number of incoming tourists. Kurt Janson of the Tourism Alliance told us: “We have been tracking visitor numbers from visa-requiring countries, especially the main BRIC⁶¹ countries, for the last 20 years. What it shows is that up until 2008 we were tracking at a fairly constant level for most BRIC countries. Once the requirements for biometric visas came in, our share of Russia, India and China all fell by about 40% in one year.”⁶² Biometric visas are due to be introduced for the 26 Schengen countries in May, something which concerns the Tourism Alliance since, it believes, potential tourists will not wish to visit two processing centres: one for the UK and one for the Schengen countries. The Tourism Alliance would like to see the UK sharing biometric processing centres with other European countries; these would serve as a one-stop shop for visa applicants.

40. We encourage the Government to establish joint biometric processing centres with other European countries.

41. The cost of visas is another important factor. The Tourism Alliance told us: “At the moment the Home Office loses £48 on each six month visitor visa that it issues (the cost of processing is £136 and the customer is charged £83). However, 5 year and 10 year visas are very expensive (£511 and £737 respectively) meaning that there is little incentive for leisure visitors to apply. It would make sense to lower the cost of a long-term visa to the breakeven point, thereby encouraging customers to trade-up to a 5 or 10 year visa, saving the Home Office money and providing visitors with an incentive to undertake multiple trips to the UK.”⁶³

42. Brigid Simmonds of the British Beer and Pub Association endorsed these views: “We would love to see the 10 year visitor visa extended to encourage more leisure visits. People would be encouraged to come multiple times and, if you charged £136 for a 10 year visa for reasons of leisure, that would cover the costs of Government.”⁶⁴

43. The Government should do more to make the cost of UK visas competitive, for example by moving towards the issue to bona fide tourists of more multiple entry, long term visas.

⁶⁰ VisitBritain ([TOU0055](#)), para 3.7

⁶¹ Brazil, Russia, India and China

⁶² Q 17

⁶³ Tourism Alliance ([TOU0031](#)), para 4.6

⁶⁴ Q 262

44. According to UKinbound, the technical and cost issues associated with the visa system, together with the immigration process at the Border, perpetuate a perception that the UK is not welcoming to the inbound visitor: “This has real consequences for those visitors for whom the UK is one of a number of holiday choices, and is particularly relevant to new and emerging markets. Although never imposed, the impact of the media coverage of the proposed visa bond for India in 2013 sent bookings from that market into freefall.”⁶⁵ UKinbound calls for “pro-active messaging both online and through individual contact that international visitors are welcome and wanted”, and for “further training ... to ensure that the customer experience is first-class through the entire immigration process—from application to arrival.”⁶⁶

45. ABTA has also called for improvements in the public sector side of the passenger experience, such as queues at the UK borders: “Whilst we all want a safe and secure border, long queues to enter the UK undermine our position as a global trading hub and create a poor welcome to Britain for visitors and returning citizens.”⁶⁷ ABTA told us that they welcomed the improvements made for the Olympic and Paralympic Games and “is pleased that focus has continued since.” They added: “Emphasis should also be placed on a friendly welcome by immigration officials.”⁶⁸

46. While we heard one story of an unwelcoming immigration official,⁶⁹ we did not receive evidence to suggest that this was in any way typical of a professional and sometimes hard-pressed Border Force. Indeed, the issue might be more one of staffing levels and management. As British Destinations put it to us: “Aircraft don’t for example just arrive in the UK unannounced and passenger numbers are, we assume, known before departure to the UK. We get a sense that perhaps at the more strategic level planning has been more reactive than proactive in the past, although we do also recognise that judging scale and the time lag may make it impossible to assess the level of border staff need in Heathrow next year as a consequence of a campaign in China today.”⁷⁰

47. We recommend that Border Force staffing levels are maintained at levels that can meet the demand posed by what we hope will be increasing numbers of tourists. Training of Border Force staff should always factor in the need to provide a welcoming reception to genuine tourists.

Airport capacity

48. The Airport Operators Association (AOA) told us that some 72% of inbound visitors arrive by air and account for 83% of all inbound visitors’ spending. One of the concerns of the Association is the UK’s performance in terms of aviation “connectivity”: “the frequency of services, the economic value they drive, the accessibility of destinations right across the UK, whether flights take place at convenient times and their capacity.”⁷¹ The AOA goes on

⁶⁵ UKinbound (TOU0022), para 3.5

⁶⁶ UKinbound (TOU0022), para 3.5

⁶⁷ ABTA (TOU0011), para 31

⁶⁸ ABTA (TOU0011), para 31

⁶⁹ Q 13

⁷⁰ British Destinations (TOU0092), para 10.3

⁷¹ Airport Operators Association (TOU0045)

to “urge the committee to support the arguments in favour of rapid deployment of new runway capacity and encourage all of the political parties to await the Final Report of the [Airports] Commission and then to act swiftly on its recommendations.”⁷²

49. The Airports Commission is an independent commission chaired by Sir Howard Davies and includes four other members. It examines the need for additional UK airport capacity and recommends to government how this can be met in the short, medium and long term.⁷³ The Airports Commission works with the Department for Transport. On 11 November 2014 the Commission published for consultation its assessment of proposals for additional runway capacity at Gatwick and Heathrow airports. In its interim report, published in December 2013, the commission had identified a need for one net additional runway in London and the South East and shortlisted for detailed appraisal and public consultation three proposals to deliver this capacity, two from Heathrow and one from Gatwick. These three proposals are entitled: Gatwick Airport Second Runway, Heathrow Airport Extended Northern Runway, Heathrow Airport North West Runway.

50. The Tourism Alliance told us that it does not have a position on whether the additional capacity needed should be at Heathrow or Gatwick. Ufi Ibrahim of the Alliance provided us with the following elaboration: “I hope that I can set the record straight at that point by saying that the industry’s position is that we would like to ensure that Government does follow up on the results coming out of the Howard Davies review. The bottom line for us is that we need more aviation capacity in the United Kingdom and we would hope that the results of the review will point to where that capacity should be.”⁷⁴

51. An inquiry as broadly drawn as ours cannot consider the relative merits of the cases put forward by Heathrow and Gatwick. We do believe, though, that the Government should respond quickly and decisively to the Howard Davies review once it has reached its conclusions.

52. More immediately still, use could be made of spare capacity at regional airports. VisitBritain told us: “New routes between the UK and overseas regional airports must be encouraged in order to make the best use of airport capacity to support tourism growth in the short term. This support is best targeted on the demand-side, as runway capacity exists and the DfT regional airports fund will support some of the start-up costs associated with new air routes.”⁷⁵ James Berresford of VisitEngland said: “from an international perspective, we need to sweat our regional airports much more effectively than we do. Heathrow is at about 98% capacity at the moment, but there is no other regional airport at 50% capacity. From an England perspective, we need to be using the likes of Manchester, Liverpool, Newcastle, Bristol and so on for maybe second and third-time visitors into the country.”⁷⁶

⁷² Airport Operators Association ([TOU0045](#))

⁷³ <https://www.gov.uk/government/organisations/airports-commission>

⁷⁴ Q 31

⁷⁵ VisitBritain ([TOU0055](#)), para 3.7

⁷⁶ Q 369

53. Bristol Airport told us: “A study by York Aviation for a consortium of regional airports, including Bristol, demonstrates that an APD [Air Passenger Duty] ‘holiday’ would bring forward in time development of new long-haul routes from regional airports by effectively enlarging the size of the market, boosting load factors and increasing yields.”⁷⁷ The Airport suggests: “A stronger focus on marketing regional airports as convenient gateways for inbound visitors would support this objective, with resulting benefits to the visitor economy outside London.”⁷⁸ Darren Caplan of the Airport Operators Association told us: “A cut in APD should be a cut all over the UK.”⁷⁹ We consider the case for reductions in Air Passenger Duty later in this report.

54. Making more use of regional airports would be a useful way of increasing visitor numbers in the short term. Achieving such an increase in traffic will depend on a number of factors. The Airport Operators Association reminded us: “Ultimately, it is airlines that determine which routes are flown and therefore overall connectivity and this depends on long-term route profitability. However, overall costs, political and regulatory factors play a major role in determining the attractiveness of starting and sustaining routes.”⁸⁰ Darren Caplan of the Association also referred to a Department for Transport forecast that passenger numbers would roughly double by 2050: “They were saying that airports in the South East would be full up by 2030 and airports outside the South East would start filling up from 2040, so that includes Birmingham, Bristol and East Midlands and Manchester. It is not just a South East issue on capacity. It is something that you have to look at across the board.”⁸¹

55. The Government should review what more can be done to promote regional airports, both as a means of making more use of existing capacity and in terms of encouraging more visitors to the regions.

⁷⁷ Bristol Airport ([TOU0015](#)), para 48

⁷⁸ Bristol Airport ([TOU0015](#)), para 31

⁷⁹ Q 174

⁸⁰ Airport Operators Association ([TOU0045](#))

⁸¹ Q 175

4 Tourism in the UK

Building on London's success

56. London tourism is doing particularly well—with a record 16.8 million visitors in 2013. We have already discussed that London could also have an important role as a gateway to the rest of the UK. The Mayor of London told us he is “committed to ensuring that London continues to act as a magnet for international visitors and that the whole country benefits from its status as the most visited city in the world.”⁸² Evidence from the Mayor also notes that further promotion of London would not be at the expense of the rest of the UK: “London’s competition is mainly international, not national. In fact, 88 per cent of the tourists who are attracted to London would go elsewhere in the world—not elsewhere in the UK—if they had not visited London.”⁸³

57. Despite London’s undoubted and deserved success as a tourist destination, more could be done. For example, the Mayor of London told us: “On-going consumer research indicates that London still needs to tackle perceptual challenges on welcome and value for money as well as length of stay; where currently we fall behind our near European competitors of Italy and France.”⁸⁴

58. The Mayor has devolved responsibility for tourism promotion to London & Partners, the official promotional agency for London, which is funded by the Greater London Authority and private sector partners. The tourism role of London & Partners is “to promote London to international leisure visitors and provide information to help them discover the city.”⁸⁵

59. Chris Gottlieb of London & Partners said: “There are 33 boroughs in London with different areas. Our job is to promote London holistically. We look at the experiences that are going to appeal to the audience. We very much try to approach it from what drives the audience, as opposed to individual fiefdoms within it, and we do what we think is going to generate the biggest return on investment ... we know that our leisure tourism activity delivers a 17:1 return on investment.”⁸⁶ Written evidence from the Mayor of London states: “In 2013 London & Partners generated an additional £149 million GVA⁸⁷ for the London economy from its tourism promotion, supporting the creation of 2673 jobs.”⁸⁸ Supplementary written evidence from the Mayor of London provides further details on the basis of these calculations.⁸⁹

⁸² Mayor of London ([TOU0085](#)), para 3

⁸³ Mayor of London ([TOU0085](#)), para 12

⁸⁴ Mayor of London ([TOU0085](#)), para 15

⁸⁵ Mayor of London ([TOU0085](#)), para 5

⁸⁶ Q 334

⁸⁷ Gross Value Added

⁸⁸ Mayor of London ([TOU0085](#)), para 6

⁸⁹ Mayor of London ([TOU0099](#))

60. A key focus of the work of London & Partners is the US market;⁹⁰ this is hardly surprising since more Americans visited London in 2013 than any other nationality.⁹¹ London's Deputy Mayor for Education and Culture, Munira Mirza told us: "Part of the challenge is that London & Partners have to get a return on investment immediately. Obviously, like any business, you have to think about the long term and where the future markets will grow."⁹² She went on to refer to the longer term potential of the Chinese market, currently London's 36th biggest.⁹³ "Even a 0.5% increase in the Chinese tourism market will, because of the numbers involved, have a huge impact. Part of the work we do at the Mayor's office, as well as the paid-for marketing campaigns, is fund major events such as the New Year's Eve fireworks and bid for major sporting and cultural events in order to raise our profile on the global stage. That is not about paid-for advertising, but it is about making sure that London is continually talked about as an exciting destination, because we know that the Chinese market will expand in the future and what we want to target is not necessarily just the mass numbers but the high-spending Chinese visitors. London is surprisingly good—very good—at attracting that portion of the Chinese tourism market compared with our European competitors."⁹⁴

61. Acknowledging the impact of the Olympics, Munira Mirza emphasised the importance of hosting major events, noting that there was a dedicated sports team working at City Hall with London & Partners to bid for them. One option was to bid to host the World Expo in 2025, mindful of the impact on Shanghai from hosting it in 2010.⁹⁵ Some of the largest international events are the world's fairs. Since their inception in London in 1851, over one billion people have visited a world's fair. Known in most of the world as "expos," the largest held so far was the one in Shanghai.⁹⁶ The Local Government Association also reminded us of the potential of major events for other parts of the country:

Major sporting and cultural events are already helping to re-balance the English and Welsh visitor economy. For example, England and Wales will host the 2015 Rugby World Cup, the third largest sporting event in the world after the Olympic and Paralympic Games and football world cup. The host cities are spread all over England and the Millennium Stadium in Wales, and with overseas visitors staying an average of three weeks each, there is a huge opportunity to showcase English and Welsh tourism, heritage and cultural assets, as well as tapping into the domestic fan base. The Magna Carta 800 anniversary is a further opportunity to encourage, for example, even more American tourists to visit destinations such as Lincoln and Salisbury, as well as Oxford and Canterbury.⁹⁷

⁹⁰ Q 348

⁹¹ Heathrow Airport ([TOU0073](#)), para 3.2

⁹² Q 348

⁹³ Q 348

⁹⁴ Q 348

⁹⁵ Q 351

⁹⁶ <http://www.expomuseum.com/>

⁹⁷ Local Government Association ([TOU0030](#)), para 11

62. Major cultural and sporting events have an important role to play in promoting London and the rest of the UK to the outside world, as the Grand Départ of the Tour de France from Yorkshire and the Commonwealth Games in Glasgow demonstrated. Even greater attention needs to be paid to ensuring that they leave a lasting legacy, not least in terms of the tourism economy.

Seaside destinations

63. Reversing the decline in visitors to certain coastal places in the UK is, in the words of Bernard Donoghue of the Association of Leading Visitor Attractions, “the biggest tourism challenge the UK faces.” He told us: “If a Government could find a designated sum of money to restore particularly heritage coastal communities, that would be one of the greatest things they could do. This is partly because heritage communities and coastal communities in particular are highly dependent on tourism, or at least they have been so; they are highly dependent on seasonal tourism, and they often experience high levels of unemployment right the way throughout the year”.⁹⁸ Bourne Leisure referred to the “decades of neglect and decay” that many traditional coastal resorts have suffered, characterised by ageing and transient populations and extremely high unemployment, especially among school leavers. More optimistically, Bourne Leisure told us that the traditional British seaside offer provides an (untapped) opportunity for economic growth.⁹⁹

64. In January 2015, the Government announced almost £46 million of funding for seaside towns in England and for Scotland’s coastline.¹⁰⁰ The source of this funding is the Coastal Communities Fund, created in 2012 to support the economic development of coastal communities by promoting sustainable economic growth and jobs. The recent announcements bring the total of the Coastal Communities Fund (CCF) spending to £116 million. Across the UK, it is funding 211 projects, which will create almost 12,400 jobs and provide over 6,000 training places and apprenticeships. The Fund is financed by the Government through the earmarking of the equivalent of 50% of the revenues earned from the Crown Estate’s marine activities in England and the devolved administrations.

65. According to the Tourism Alliance, the Government has committed itself to the CCF until 2016/17 and the amount committed has increased as revenue generated from the marine assets has increased. Nevertheless, the Alliance has criticised the ways in which the fund is targeted: “At the moment, there is a scatter-gun approach to the allocation of the funds with a large number of locations getting a small amount of funding. This approach is not going to resolve the regeneration problems affecting many large coastal destinations. To make the most of this Fund, we would like to see it used as part of a holistic Government programme to regenerate key coastal towns. The funding would be allocated as part of a package that includes enhanced capabilities for councils to tackle housing and social issues so that real progress can be made on regeneration.”¹⁰¹

⁹⁸ Q 323

⁹⁹ Bourne Leisure Holdings Limited (TOU0012), paras 6.2 and 6.4

¹⁰⁰ [Record funding for 36 seaside towns that will kick-start jobs and apprenticeships](#) and [Coastal Communities Fund: nearly £10m funding for Scotland’s coastline](#), HM Treasury and DCLG, 26 January 2015

¹⁰¹ Tourism Alliance (TOU0031), para 4.3

66. The Minister for Communities and Local Government, Penny Mordaunt MP, described the Coastal Communities Fund as having been “incredibly successful”: “I think the fund should remain; I think it has been terrific.”¹⁰² **We agree with the Minister that the Coastal Communities Fund should continue. However, we would welcome a review to consider whether any successor fund is needed and, if so, whether such a successor should have a more focused approach, targeting key destinations in a way that might then benefit neighbouring communities.**

67. One of the beneficiaries of the Coastal Communities Fund has been the National Coastal Tourism Academy (NCTA). The Academy is a Coastal Communities Fund project seeking to accelerate growth in the visitor economy, create jobs and establish a centre of excellence. The NCTA works with industry across all aspects of the visitor economy (hospitality, attractions, retail, transport, conference, international education, night time economy and arts & culture) as well as with Destination Management Organisations, the Local Enterprise Partnerships and academia. Established in 2013, and currently funded until December 2015, the first phase of the National Coastal Tourism Academy project focuses on using Bournemouth as a test bed to build understanding and tackle key issues facing coastal destinations.

68. In written evidence from the NCTA, the decline in some seaside destinations is acknowledged, though a study of employment by Sheffield Hallam University has found that a number of seaside destinations have grown since the start of the recession. Overall, the number of overnight seaside trips has been steady at 14.4 million [annually] for the last few years.

69. The NCTA told us: “Seaside tourism in England in 2012 was valued at £4.3 billion for overnight domestic trips and £3.8 billion for tourism day trips. Although predominantly a domestic market for many seaside destinations, there are some seaside destinations that have significant international visits, for example Bournemouth, where the International Education market is valued at £212 million.”¹⁰³

70. To date, the NCTA has identified two key factors that present a barrier to growth for seaside destinations:

- Very high concentration of independently owned MSEs (Micro and Small Enterprises). This means corporate representation is typically very low, as is the number of national business and accommodation brands. This “has serious implications on the delivery of change in these destinations.”
- Reduction in public sector funding for tourism at sub-national level—many coastal towns have seen a significant reduction in public sector funding for tourism provision. Not all Local Enterprise Partnerships recognise the importance of tourism. In addition, with a high concentration of MSEs, it is not easy to

¹⁰² Qq 425-426

¹⁰³ National Coastal Tourism Academy ([TOU0037](#)), para 9

supplement funding through private sector investment. The combined effects are a reduction in promotion, services, business support, and market research.¹⁰⁴

71. Phil Evans of VisitEngland expressed support for the National Coastal Tourism Academy: “The whole concept of the National Coastal Tourism Academy was that it would provide case studies and material that could be adopted elsewhere ... The work of the National Coastal Tourism Academy is very worthwhile and I hope it continues to get support and funding.”¹⁰⁵ **We welcome the start made by the National Coastal Tourism Academy in identifying and promulgating best practice. However, an extension of its funding is needed if it is to become a truly national resource for the benefit of seaside resorts throughout England and the rest of the UK.**

72. John Dunford of Bourne Leisure argued persuasively that best practice would not include appealing to the destructive elements of the stag and hen night market: “If you go back prior to the 1970s, the British seaside was very strong economically. Package holidays came in and it declined. That led to a reduction in investment and one of the follow-on effects was the search for guests, which went into stag and hen nights. What that does is it reinforces with mums, in the research we see, that the seaside is grubby. It is not safe and it is not a place to take your family. You have to deal with all of those elements if you want to recreate a successful British seaside.”¹⁰⁶ Recreating a successful British seaside is a laudable aspiration; while coastal resorts have traditionally catered for the domestic market, there is surely scope for them to attract more guests from overseas. Students are but one example. The Leader of Bournemouth Borough Council, John Beesley, told us: “In terms of foreign language students, Bournemouth is the second largest centre for that industry in the country, second only to London. We have 29 accredited language schools and the stipulations for those are quite rigid. We attract some 40,000 foreign language students.”¹⁰⁷

73. While a focus of our inquiry has been encouraging more people to holiday in the UK, we acknowledge the contribution made to the economy by outbound tourism. Mark Tanzer of ABTA explained the benefits and opportunities:

We have no problem with people choosing to holiday within the UK, but I think there has been a view historically of outbound = bad and domestic = good and if everybody stayed at home it would be good for the economy. We commissioned research that demonstrated that the outbound sector contributes over £50 billion to the economy, not just because of money spent on travel services but all the things you buy to go on holiday and so on, and generates employment of 1.3 million. It is a very significant business in its own right within the UK.

Beyond that—and this is a broader point that I would make—there is an international market for tourism out there that we could have a very significant share of as the UK. We are good at tourism. We are good at

¹⁰⁴ National Coastal Tourism Academy ([TOU0037](#)), para 12

¹⁰⁵ Qq 384-385

¹⁰⁶ Q 81

¹⁰⁷ Q 284

organising. We have had a lot of experience of the growth of mass tourism and how you put arrangements together, how you keep people safe and how you protect them. I do not think we should just limit our view of tourism to what happens within these islands, to be honest. How do we create successful companies that are able to take their share of the huge growth in international arrivals and international tourism? Not necessarily coming to the UK, just point-to-point tourism. We could organise that. I think we want successful companies here that are able to exploit that opportunity. We should not just think about the zero sum game of where a British tourist will take his or her holiday.¹⁰⁸

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¹⁰⁸ Q 239

5 Taxes

Air Passenger Duty

74. Tourism interests have long campaigned for reductions in VAT and Air Passenger Duty, though only the campaign to cut the latter has so far engaged with success. Air Passenger Duty (APD) is a duty of Excise which is levied on the carriage, from a UK airport, of chargeable passengers on chargeable aircraft. It becomes due when a flight with chargeable passengers occurs and is payable by the operator of the aircraft. The amount due is dependent on the final destination and class of travel of the chargeable passenger. The Government's general view on APD has been that "APD is a relatively efficient and non-regressive tax, and that abolishing it would have a small impact on GDP and cause a net loss of overall tax receipts."¹⁰⁹

75. Currently, the tax is based on four geographical bands set at intervals of 2,000 miles, so that travellers flying farther pay a higher rate. In his 2014 Budget, the Chancellor announced a new two band structure from April 2015—merging the three longer range bands so that flights of over 2,000 miles would pay the same, lower, band B tax rate that applies to flights to the USA. The Fair Tax on Flying Campaign described this removal of the two highest APD bands as "a welcome first step in the reform of APD. However, even after these changes have come into effect the UK will still levy the highest passenger departure tax anywhere in the world."¹¹⁰

76. The Airport Operators Association told us: "One modest measure which the Government could take in its 2015 Budget would be to abolish APD on children, which would cost the UK Treasury a relatively small amount of money and encourage more visits to and from the UK by families."¹¹¹ Subsequently, during the course of our inquiry, the Government announced further reductions in APD, specifically in relation to children. Following the Chancellor's Autumn Statement, Air Passenger Duty for children will be removed from April 2015 for under 12s (and from April 2016 for under 16s). People who have already booked their holidays for after this date will be able to get refunds from their travel agent. The Fair Tax on Flying Campaign can claim much credit for this, even if their task is made the easier by the scope for gradual, relatively affordable, reforms. Ultimately, they would like to see APD go completely.¹¹²

77. Mark Tanzer of ABTA told us he sees APD as a "very significant drag" on both the inbound and outbound travel trade. He told us: "We would like whichever Government is in power to do a public review with a view to reducing and then ultimately eliminating Air Passenger Duty."¹¹³ Supporters of the abolition of APD invariably cite a 2013 report by PricewaterhouseCoopers, *The Economic Impact of Air Passenger Duty*, which the British Air Transport Association told us found that:

¹⁰⁹ HC Deb 9 July 2013 cc158-9W

¹¹⁰ A Fair Tax on Flying ([TOU0004](#))

¹¹¹ Airport Operators Association ([TOU0045](#))

¹¹² Q 181

¹¹³ Q 237

- Abolishing APD could boost UK GDP by 0.46 per cent in the first year, with continuing benefits to 2020.
- The GDP boost to the UK economy would amount to at least £16 billion in the first three years and result in almost 60,000 extra jobs in the UK over the longer term.
- Abolishing APD would pay for itself by increasing revenues from other sources such as income tax and VAT. This net benefit, even after allowing for the loss of APD revenue, would be almost £500 million in the first year.¹¹⁴

78. Speaking in an Opposition day debate in October 2013, the then Exchequer Secretary, David Gauke, said of APD:

The tax raises nearly £3 billion in annual revenue. Contrary to the claims of the PricewaterhouseCoopers report, which has been cited frequently, scrapping APD would not be costless; it would result in a significant loss to the Exchequer. Unless we were to give up on our fiscal goals—my hon. Friends have been absolutely right to highlight the need for us to maintain discipline on reducing the deficit—the lost revenue would therefore need to be found elsewhere, either by increasing other taxes or by further reducing our public spending.¹¹⁵

79. While taxation is ultimately a matter for HM Treasury, that does not absolve government departments from their roles in policy development in areas affecting their responsibilities. In relation to APD at least, the Department for Culture, Media and Sport acknowledges this in its Annual Report for 2013-14 where it lists “Our Achievements in 2013-14”. Among these is the 2014 Budget announcement, referred to above, that Air Passenger Duty higher band ratings are to be abolished, “thereby boosting the UK tourism sector”. The Annual Report is silent on the issue of VAT on tourism services. **We recommend that the Government analyses the impact of APD on the United Kingdom’s tourism industry and takes the findings into account when reviewing this in the future. Developments in Scotland and Wales should be monitored for their impact on England.**

VAT

80. The Campaign to Cut Tourism VAT has garnered much support throughout the industry. It is concerned that UK tourism is at a “major competitive disadvantage compared to other EU countries, because VAT is applied at the standard rate of 20%, whereas nearly all other EU member states have some reduced rate.”¹¹⁶ The Campaign “is strongly of the view that reducing VAT on visitor accommodation and attractions will increase the UK’s competitiveness with the rest of Europe, create much needed jobs and

¹¹⁴ British Air Transport Association (BATA) ([TOU0095](#)), para 12

¹¹⁵ HC Deb 23 October 2013 c 403

¹¹⁶ Campaign to Cut Tourism VAT ([TOU0018](#))

grow GDP throughout the economy at a time of great need, and at a very low risk to Exchequer income.”¹¹⁷

81. Among the advantages of cutting VAT on accommodation and admissions from 20% to 5% are, according to the Cut Tourism VAT Campaign, greater tax revenue: “The latest research shows that although there is a net fiscal loss in Year 1 of £784 million (direct VAT loss of £1.527 billion offset partially by other fiscal income of £743 million), from Year 3 there will be a fiscal surplus from reducing the rate of VAT on tourist accommodation and attractions. Over 10 years £3.9 billion at 2014 values will be raised by the Exchequer.”¹¹⁸

82. The Campaign’s evidence refers to modelling work that supports their aims: “In 2012, the impact of a reduction in tourism VAT was independently modelled by Professor Adam Blake of Bournemouth University using the Computable General Equilibrium (CGE) model owned by HMRC and used by HMT. The report compared the impact of reducing VAT on tourism with other measures aimed at boosting the economy including a 2p reduction in the standard rate of corporation tax, a 20% reduction in rates for employers’ national insurance contributions and a 1p reduction in the standard VAT rate. Professor Blake concluded that a tourism VAT reduction was ‘one of the most efficient, if not the most efficient, means of generating GDP gains at low cost to the exchequer that I have seen with the CGE model.’”¹¹⁹

83. Professor Blake himself told us that he also looked at the effect of cutting VAT on accommodation and admissions separately though this was not covered in what was essentially a report by and for the Cut Tourism VAT Campaign.¹²⁰ We cannot form a judgment on what Professor Blake termed “just one model”¹²¹ but it is clear that his work is highly important and merits proper scrutiny and challenge. **We recommend that the Government thoroughly assesses the merits of the claims of the Cut Tourism VAT Campaign by performing its own modelling work and publishes the results of this. The costs and benefits of reducing VAT on all tourism services, together and in isolation, should be assessed so the Treasury decision-making is fully and transparently informed.**

84. Interestingly, the evidence from the Campaign to Cut Tourism VAT does not mention the EC VAT Directive’s item 12a: “restaurant and catering services, it being possible to exclude the supply of (alcoholic and/or non-alcoholic) beverages.” Graham Wason of the Campaign gave the following explanation: “One reason is that the cost of applying it to restaurants and catering services in terms of the direct loss of value added tax is very significantly greater and we do not believe that is a feasible or realistic ask in the present economic climate. A second reason is that it is on accommodation and attractions that we are more internationally competitive. There are not as many people who travel internationally to go for a cheaper meal, but they do travel internationally for cheaper accommodation and cheaper attractions. The third reason is that the disparity with the rest

¹¹⁷ Campaign to Cut Tourism VAT ([TOU0018](#))

¹¹⁸ Campaign to Cut Tourism VAT ([TOU0018](#)), para 4.3.1

¹¹⁹ Campaign to Cut Tourism VAT ([TOU0018](#)), para 4.1

¹²⁰ Qq 274-275

¹²¹ Q 277

of Europe is far greater on accommodation and attractions than it is with VAT on restaurants.”¹²² Both Deirdre Wells of UKinbound and Brigid Simmonds of the British Beer and Pub Association referred to the advantages of cutting VAT on food in relation to job creation. Both acknowledged the fiscal environment that makes cuts in this area challenging.¹²³ Brigid Simmonds said: “The cost of cutting food would be greater to the Treasury but the job creation would probably be greater as a result, because you would need more people in a pub to work there if you have more customers. But on the costs in accommodation and attractions, we would not be against the accommodation because we have 40,000 rooms in pubs, but it does not perhaps create as many jobs.”¹²⁴

85. The Campaign to Cut Tourism VAT criticises the Government for choosing to “ignore” the Campaign and the benefits a VAT reduction would bring about: “DCMS has failed to give this campaign the consideration it deserves, and in doing so, has damaged its reputation with industry representatives and large tourism businesses.”¹²⁵ Graham Wason of the Campaign told us that three or four requests to meet the current Tourism Minister had been turned down on the grounds that VAT was a Treasury matter.¹²⁶

86. When we put such criticisms to the Sport and Tourism Minister, she told us: “As a direct result of my own interest in this area, and requests for us to look at it, I have agreed to have a round-table meeting with the tourism VAT group and others, and that meeting will take place on 9 March. I also know that the group has engaged fairly extensively with the Treasury. Historically, there has been a sharing of modelling and there is dialogue, but it has just not gone in the direction the Campaign wants. There is no intention whatever of not listening; I will always listen. They will have their opportunity on 9 March to raise any issues directly with me.”¹²⁷ The Minister was not optimistic about the outcome though: “my concern at the moment is that it just does not seem to be affordable: whichever way you look at it, there is still a revenue shortfall of £1.2 billion if you include accommodation and attractions, and something in the region of £7 billion if you include hospitality. That, if we followed it through, would require additional borrowing which is not part of the coalition deficit reduction strategy, so at the moment I do not think it is going to happen.”¹²⁸ **We commend the Minister’s decision to engage with the tourism industry on the subject of VAT. This should be the start of a thorough analysis of the scope for cutting VAT on a variety of tourism services, in tandem or separately. If the case for reduced VAT on at least some tourism services is as strong as the evidence we received suggests, then the Sport and Tourism Minister should bring all the influence she can to bear on HM Treasury’s policy development.**

87. **We further recommend that the Government conducts a broad, public review and consultation on tourism taxes, including VAT and APD. Where the evidence leads, and**

¹²² Q 155

¹²³ Qq 241-242

¹²⁴ Q 242

¹²⁵ Campaign to Cut Tourism VAT ([TOU0018](#)), para 1

¹²⁶ Qq 134-137

¹²⁷ Q 430

¹²⁸ Q 433

practicalities allow, these taxes should be lowered to benefit both tourism and the wider economy.

Business rates

88. While the British Beer and Pub Association is supportive of VAT reductions on accommodation (and food), it considers the system of business rates and the reliefs on offer to be of more immediate concern. The BBPA told us:

Such a property tax specifically penalises service-sector businesses such as pubs, that are one of the key tourism offers. Business rates can make up almost 10% of a pub's operational costs.

The extension of the Small Business Rate Relief scheme which reduces business rates for premises with a rateable value of under £12,000 has been hugely helpful for pubs, as has the £1,000 reduction for two years for all retail premises with a rateable value under £50,000. The BBPA is calling for a cap in business rate rises and believes Small Business Rate Relief should be redefined to cover all premises under £18,000. The relief itself only runs until April 2015 and it is vital that this is extended at least until the end of the current valuation period (2017). There is also a need to reform Rural Rate Relief. Most pubs eligible for Rural Rate Relief already receive Small Business Rate Relief and one cannot be added to another. In addition the definition of Rural Rate Relief which only covers the last pub left in the village is often disputed by local authorities who, for example, claim that the village is only a hamlet. Often pubs in rural locations provide essential local services from shops to post offices to wi-fi hubs. They are a focus for rural tourism and need more support.¹²⁹

89. According to the Local Government Association: “Letting councils retain 100 per cent of business rates growth without a corresponding cut in revenue support grant will further incentivise councils to grow local economies. Councils and local partners would have greater flexibility to prioritise investment decisions to strengthen local growth sectors, including the visitor economy.”¹³⁰ Bernard Donoghue of the Association of Leading Visitor Attractions told us that local authorities, particularly in coastal and seaside areas, need to be allowed to keep a greater proportion of business rates tax, “so that they can reinvest it back into the public realm and their tourism marketing.”¹³¹ In the Autumn Statement 2014, the Chancellor announced a full review of the structure of business rates. **We urge whichever Government is in office after the General Election to take full account of the needs of the tourism industry when reviewing business rates.**

¹²⁹ British Beer and Pub Association ([TOU0026](#)), paras 25-26

¹³⁰ Local Government Association ([TOU0030](#)), para 7

¹³¹ Q 323

6 Regulation and competition

Reducing regulatory burdens on business

90. Regulation can sometimes be the bane of business, particularly the small businesses that characterise much of the tourism industry. However, regulations are not necessarily bad in themselves: it is clearly important to maintain high standards of food hygiene and fire safety, for example. During our discussions with Cornish tourism interests at the Eden Project we even heard a suggestion that regulation was sometimes used as a scapegoat by less successful businesses. At the same time, the tourism businesses we talked to in Exeter cited a number of examples of regulations that seemed to serve little purpose other than to hinder the industry: small bed and breakfast businesses being unable to serve wine to their guests was mentioned in this context.

91. UKinbound provided us with the following broad context for the regulatory issues facing tourism businesses:

For our SME members, compliance with the raft of legislation imposed by Government can be a considerable challenge. Whilst many attempts have been made by Government to address this, either through individual initiatives for small businesses or the wider red-tape challenge, the delivery of real change has been disappointing. The regulatory demands and the variety of business support schemes are bewildering to many of our members and Government should do more to make it as easy as possible for businesses to be compliant, in order for them to flourish.¹³²

92. The chief executive of VisitEngland, James Berresford, described red tape and regulation as a “constant bugbear of small businesses”. He added: “I am sure that 70% of all tourism in this country is made up of micro-business, not even SME. Therefore, the array of legislation, much of which comes from Europe, can be bewildering. My view is that small businesses in particular need a degree of hand-holding. With the demise of groups such as Business Link and the fact that local authorities have to cut back, there are fewer people to advise businesses through this very tricky and delicate issue.”¹³³ He also referred to work on business advice which is being undertaken by the Tourism Industry Council, launched by Helen Grant, Minister for Sport and Tourism; the Minister chairs the Council with Nick Boles, Minister for Skills and Equalities and Simon Vincent, President of EMEA for Hilton Worldwide. This Council will be focusing on improving skills, training and qualifications within the domestic tourism sector.¹³⁴

93. James Berresford also acknowledged the role of online business advice: “I am a firm believer in providing good online services. We are working with BIS at the moment to try to ensure that the information supplied by them is relevant to micro-businesses.”¹³⁵

¹³² UKinbound ([TOU0022](#)), para 3.4

¹³³ Q 397

¹³⁴ Department for Culture, Media and Sport ([TOU0061](#))

¹³⁵ Q 397

VisitEngland should ensure that comprehensible and relevant information is provided to tourism businesses, not only online but in public libraries too.

94. In its submission to our inquiry, the Tourism Alliance referred to a Ministerial Taskforce on Deregulation established by John Penrose MP in 2011, and chaired by Alan Parker, until recently the President and Chairman of the British Hospitality Association. The Taskforce's 44 page report was published in January 2012 and highlighted over 60 amendments that would help tourism businesses. The Alliance commented: "However, the outcome has been disappointing with only a few regulations being amended to date. One of the main reasons for the slow progress is that the vast majority of the legislation that impacts on the industry is outside DCMS's responsibility, which reduces the ability of their officials to deliver 'tourism-friendly' outcomes."¹³⁶

95. One of the Penrose Taskforce members, Brigid Simmonds of the British Beer and Pub Association, described progress in some cases as "glacial".¹³⁷ In oral evidence, she provided several examples, one of which is a direct responsibility of DCMS: "One that is specifically for DCMS is around gaming machines. You have to pay £50 for something that is a natural entitlement, which is to have two machines in your pub. You have to pay another £50 every time the licensee changes. DCMS asked us about a year ago whether that regulation should go. I can see absolutely no reason why that regulation should still be there. Nothing has happened."¹³⁸

96. ABTA's submission to our inquiry also referred to another area of regulation identified in the Penrose report: "ABTA is calling for a review of the 2007 decision to regulate the sale of simple, low risk travel insurance products."¹³⁹ Mark Tanzer of ABTA gave us the following background:

We would like to see the regulation of travel insurance sales removed. It was brought in by the last Government and it was regulated as a financial service product, which meant that travel agents were no longer able to sell it unless they went through an appointed representative route. The result is fewer people are travelling with travel insurance. We did our own research that said that 25% of people under 25 are travelling without any insurance at all. We are currently doing a campaign with the Foreign Office to alert people and encourage people to take out travel insurance for skiing, given the costs of injuries and so forth.

There is an example there of how the Foreign Office is saying one thing and then Treasury is saying, "You need to do it through regulated means". We have not ever had any sign of consumer detriment through the sale of travel insurance and the travel agent is often the best person to give the right advice

¹³⁶ Tourism Alliance ([TOU0031](#)), para 4.4

¹³⁷ Q 246

¹³⁸ Q 246

¹³⁹ ABTA ([TOU0011](#)), para 26

because they know who is travelling and exactly what the details are at the time of purchase.”¹⁴⁰

97. Kurt Janson of the Tourism Alliance gave as an example the Package Travel Directive which he told us prevented small businesses working together; for example, he said that a small bed and breakfast business could not offer a package deal with a nearby pub: “if you had a B&B you could not say, ‘£100 for staying at my place and a meal at the local pub’.”¹⁴¹ UKinbound is clearly sympathetic to points such as this: “Developing new and innovative itineraries and packages is a key concern for our members and an important opportunity in developing the tourism offer ... The Government should continue to lobby to ensure that the Package Travel Directive should only cover those activities which include an international travel element.”¹⁴²

98. The Package Travel Directive also featured in ABTA’s submission:

Although improvements have been delivered through recent reforms to the Air Travel Organiser’s Licensing (ATOL) scheme of consumer protection, ONS and Civil Aviation Authority (CAA) statistics show an estimated 40% of UK holidaymakers still travel outside the scope of the existing regulation. ABTA believes that all consumers booking a holiday are entitled to be protected in the event of insolvency. We urge the Government to ensure that the revision of the Package Travel Directive (PTD), and subsequent regulatory changes in the UK, deliver a consumer protection regime providing clarity and consistency for consumers and businesses alike.”¹⁴³

99. One further example of regulatory burden brought to our attention also relates to VAT. UKinbound told us: “As with so many businesses the impact of EU legislation is felt keenly by our members. In particular, the potential impact of the ECJ ruling on the Tour Operators Margin Scheme (TOMS) is of considerable concern. We welcome the HMRC’s position that no change to the UK regime will take place until there has been an EU-wide review of TOMS and we will work proactively with HMRC to ensure that any changes to a future scheme will be in the interest of UK tour operators.”¹⁴⁴ TOMS is a special scheme for businesses that buy-in and re-sell travel, accommodation and certain other services as a principal or undisclosed agent (that is, acting in their own name). The TOMS is a simplification measure. In many cases it enables VAT to be accounted for on travel supplies without businesses having to register and account for tax in each Member State where the services and goods are enjoyed.¹⁴⁵ Kurt Janson of the Tourism Alliance explained: “The problem at the moment is that the European Court of Justice has decided that business-to-business or wholesaling of tourism products should be included in the

¹⁴⁰ Q 246

¹⁴¹ Q 55

¹⁴² UKinbound ([TOU0022](#)), para 3.4

¹⁴³ ABTA ([TOU0011](#)), paras 24-25

¹⁴⁴ UKinbound ([TOU0022](#)), para 3.4

¹⁴⁵ <https://www.gov.uk/government/publications/vat-notice-7095-tour-operators-margin-scheme/vat-notice-7095-tour-operators-margin-scheme>

TOMS scheme, which would make them totally uncompetitive and see our wholesale tourism industry relocate overseas”.¹⁴⁶

100. We asked the Tourism and Sport Minister, Helen Grant, about the pace of progress in implementing the deregulation agenda contained in the Penrose report. In reply, she acknowledged that the taskforce had done a very good job:

I know that half the recommendations have been looked at and implemented, particularly in relation to planning and visas and also entertainment licences. That is positive, but not every one of the remaining recommendations could be implemented or acted on, usually either because it was not in our remit or there was no longer a need for it.

[...]

However, I would like to have a look at this again. I would like to think that there is more that I can do. I have therefore agreed to write to Alan Parker and other taskforce members to ask them to have another look at this and at what more we can do. I will take that forward.¹⁴⁷

101. Too many regulations are ill-fitted to the world of small businesses that characterise much of the tourism industry. The Government should take forward with greater speed the recommendations of the Penrose report, updated as necessary.

102. Furthermore, the Government needs to remain vigilant in relation to European legislation that could impact on the tourism industry, and to fully factor in the industry’s needs during negotiations with our European partners.

Daylight saving

103. The Daylight Saving Bill 2010-12 was presented by Rebecca Harris MP on 30 June 2010. It would have required the Government to conduct a cross-departmental analysis of the potential costs and benefits of advancing time by one hour for all, or part of, the year. If this analysis found that a clock change would benefit the UK, the Bill would have required that the Government initiate a trial clock change to determine the full implications. Despite very substantial cross-party support, the Bill failed to complete its passage through Parliament before the end of the Session, and did not progress beyond its Commons Report Stage. An indication of the Government’s current position has been given by Jo Swinson, the Parliamentary Under-Secretary, Department for Business, Innovation and Skills, in a written answer to a parliamentary question in September 2013: “The Government have no plans to change the current arrangement and retain British Summer Time throughout the year. Currently, the UK is on Greenwich mean time in the winter and is one hour ahead of Greenwich mean time in the summer (British summer time).”¹⁴⁸

¹⁴⁶ Q 49

¹⁴⁷ Q 435

¹⁴⁸ HC Deb 13 September 2013 cc 876-877W

104. Giving evidence to us, Kurt Janson alluded to the Tourism Alliance’s campaigning activities for daylight saving, “going to double summer time, which would have basically no cost.”¹⁴⁹ He went on to add that such a measure would generate between £2.5 billion and £3.5 billion in additional revenue, annually, to the tourism industry—equating to between 60,000 and 80,000 new jobs.¹⁵⁰ In over 80 written submissions to our inquiry we found only two—brief—references to daylight saving time. Whether this reflects the view of the Minister for Communities and Local Government that daylight saving is not a “silver bullet”,¹⁵¹ whether it reflects more pressing priorities in the industry, or whether it represents widespread resignation over government inactivity we cannot unequivocally say.

105. In summer 2012, a report prepared for the Department for Business, Innovation and Skills examined “the scope, quality and robustness of available evidence that could be used to assess or monitor the potential effects of a policy to move the clock forward the year round in the United Kingdom.” The overall conclusion was that more research was needed to inform a formal forecast of the costs and benefits of moving to single/double summer time.¹⁵²

106. In view of the potential benefits, not least to the tourism industry, of daylight saving time, we recommend that the Government commissions a rigorous cost-benefit analysis, including the research needed to properly inform this.

Competitive hotel accommodation

VAT

107. We have already discussed some of the arguments in favour of reducing VAT on accommodation. From the evidence we received this represents a resounding solution supported by the industry as a means of making hotel accommodation more competitive. Bourne Leisure told us:

Every European country with a significant tourist sector chooses to apply a lower rate of VAT to tourist services (as they are allowed to do under EU law) except the UK. So, whereas an hotelier in Spain, Italy, Greece, France or Germany can charge from 7% to 10% VAT, the UK hotelier must charge 20%.

We simply can’t compete at that rate of differential, except perhaps in the London bubble, and that has led to the missed opportunity that exists today. With a competitive VAT rate, more of our seaside and other tourist

¹⁴⁹ Q 46

¹⁵⁰ Qq 53-54

¹⁵¹ Q 441

¹⁵² David Simmonds Consultancy, *Review of the scope, quality and robustness of available evidence regarding putting the clocks forward by one hour, the year round, in the UK*, July 2012

destinations could be powerful drivers of job creation and economic growth.¹⁵³

108. If VAT on major hotel chains is an impediment to competitiveness, this is surely even more the case for smaller businesses. Graham Wason of the Cut Tourism VAT Campaign said: “Bear in mind accommodation includes camping sites and self-catering like my business as well as hotels. The average VAT rate on visitor accommodation in Europe is 10.8%, so it is half what it is in the United Kingdom.”¹⁵⁴

Accommodation rating

109. Evidence from VisitEngland at least suggests a further way in which the competitiveness of accommodation could be improved: by modernising the existing accommodation grading scheme.¹⁵⁵ Unlike many overseas competitors, England maintains a voluntary, unsubsidised, accommodation grading scheme. VisitEngland told us they are seeking to modernise the delivery and management of the accommodation grading scheme and to extend the value of the advice and support given to businesses in the course of assessments. James Berresford of VisitEngland told us: “The current scheme has its roots in the early 1970s, when accommodation needed to be improved wholesale across this country and across Scotland and Wales. The scheme was brought in to encourage business improvement at the time. We have moved on since then: with the likes of Twitter and social media and so on, people are making their decisions about where they go through other means. My view is that we need to work with the 24,000 businesses ... We are losing members from that scheme for obvious reasons: they feel that there are other routes to market. However, those 24,000 businesses still want access to the sort of business advice and business support that an inspection can bring.”¹⁵⁶

110. The benefits of the accommodation grading scheme will be maximised if it is used, at least in part, as a vehicle for providing business advice to tourist accommodation.

¹⁵³ Bourne Leisure Limited ([TOU0012](#)), paras 5.2-5.3

¹⁵⁴ Q 149

¹⁵⁵ VisitEngland ([TOU0057](#)), para 3.7.1

¹⁵⁶ Q 399

7 Skills and training

Training for tourism

111. “Trailblazers” are groups of employers who have come together to be some of the first to design new apprenticeship standards and assessments (supported and approved by the Government).¹⁵⁷ The British Hospitality Association argued that the tourism sector provided a huge opportunity for young people to start their careers, but “we want future Government funding and support for apprenticeships more tailored to the needs of the SME sector which has struggled to cope with some of the complexity of the first Trailblazer schemes.” Its chief executive, Ufi Ibrahim, noted that the tourism industry was omitted from the first round of Trailblazers, which she considered “shocking considering the volume of opportunities that we are embracing in terms of apprenticeships”. She spoke of the role played by the Tourism Industry Council in bringing the Minister of Skills and the Minister of Tourism closer together, adding that she hoped that the Tourism Industry Council would continue in its role, and even develop it to bring other departments into the discussions on how best to support tourism for the future: “We need a greater representation of Ministers across that table beyond the next election.”¹⁵⁸

112. A focus of the submission we received from Travelodge was on the company’s views on how to tackle the skills shortage in the tourism industry:

Travelodge believes that UK government needs to tackle the perception that A levels followed by a three year residential course is the only route to a good career.

Our own Junior Management Programme (JuMP) is a proven alternative to going to university, where the average graduate leaves with a debt of over £44,000.

On this programme school leavers can continue their education and gain practical, vocational learning in hotel management, retail, operations, marketing and customer service, equipping them with the skills to become a Travelodge hotel manager. On top of this they receive a salary.¹⁵⁹

113. For Bourne Leisure, Dermot King said: “Unlike others in the industry, we do not have a great need for Government to spend on initiatives and training. We think the premium or the benefit or the value that we bring as a business to our estates is in the training.”¹⁶⁰ While major companies like Travelodge, Intercontinental Hotel Group¹⁶¹ and Bourne Leisure¹⁶² clearly have the resources to put in place training programmes, the same cannot

¹⁵⁷ The Future of Apprenticeships in England: Guidance for Developers of Apprenticeship Standards and related Assessment Plans, HM Government, October 2014

¹⁵⁸ Q 62

¹⁵⁹ Travelodge ([TOU0020](#))

¹⁶⁰ Q 85

¹⁶¹ Intercontinental Hotel Group (IHG) ([TOU0089](#))

¹⁶² Bourne Leisure Limited ([TOU0012](#))

be said for many of the smaller businesses in the tourism and hospitality trades. The British Beer and Pub Association told us: “There is a real concern about plans to ask employers to part-fund apprenticeship schemes. For the majority of pubs who are independent small businesses, providing some of the funding will be too high a cost to justify employing an apprentice. The apprenticeship funding is complicated and hugely difficult for small businesses to understand or take advantage of. There is a danger of a one size fits all approach to hospitality.”¹⁶³ Amid concerns over the lack of awareness of the opportunities that exist, UKinbound told us: “The industry would welcome clearer guidance on the support which Government provides for apprenticeships, work placements, and greater engagement with the education sector on delivering quality courses.”¹⁶⁴ The National Coastal Tourism Academy suggested to us that “the main barriers to participation in training and skills programmes by businesses (particularly MSEs that employ less than 10 people) is lack of time, insufficient staff to allow commitment, and lack of flexibility resulting in the inability to commit to fixed times in advance.”¹⁶⁵

114. There is a need for training arrangements and apprenticeships to better recognise some of the features that make many tourism businesses unique. These features include seasonality, scale and uncertainty in customer demand.

115. The Government should also do more to inform tourism businesses of the opportunities and funding that exist to train people, particularly young people, for the world of work.

Tourist guides

116. To many people—perhaps too many people—the term “professional guide” merely means someone who guides for a living. The Association of Professional Tourist Guides (APTG) represents self-employed qualified London Blue Badge Tourist Guides. The Association’s written evidence begins with an overview of the blue badge qualification and the significance of APTG membership: “The Blue Badge is the highest qualification in the tourist guiding profession in the UK.” It costs £5,300 to do the London course. Regional courses cost £3,000 on average. Income for regional guides does not always cover the cost of doing the relevant course, which results in a shortage of qualified guides in some regions. The APTG adds: “We would welcome financial support to training providers or students being made available in the regions.”¹⁶⁶ The APTG goes on: “We believe the experience of visitors is enhanced by our guiding. Many sites of interest to tourists recognise this and apart from their own staff, will only allow Blue Badge Tourist Guides to guide on their premises.” Blue Badge guides also have public liability insurance. The APTG evidence also refers to some of the risks associated with engaging unqualified guides: “The level of training required to receive a Blue Badge and the continuous support of professional associations such as APTG ensures that Blue Badge Tourist Guides are able to

¹⁶³ British Beer and Pub Association ([TOU0026](#)), para 29

¹⁶⁴ UKinbound ([TOU0022](#)), para 3.7

¹⁶⁵ National Coastal Tourism Academy ([TOU0037](#)), para 25

¹⁶⁶ Association of Professional Tourist Guides ([TOU0028](#))

provide a consistently high quality service to visitors ... This risks being undermined by unqualified guides.”¹⁶⁷

117. Themis Halvantzis-Stringer of the APTG acknowledged that “some unqualified guides are very good”¹⁶⁸ but her promotion of those with professionally recognised qualifications found a supporter in Bernard Donoghue of the Association of Leading Visitor Attractions: “The attractions run by our members have more than a million visitors per year; that is anything from Warner Brothers to the National Trust, national museums and galleries, the Royal Collection and Historic Royal Palaces. They all invariably use qualified guides, because not to do so has an impact on the visitor experience of the attraction.”¹⁶⁹ Such an endorsement lends weight to what appears to us to be a modest request put to us by Themis Halvantzis-Stringer: “The only thing we want is approval and acceptance of the Institute of Tourist Guiding as our awarding body and promotion of the term ‘professional tourist guide’.”¹⁷⁰ She also said: “The Institute of Tourist Guiding is the Government-approved body for awarding the qualification for tourist guide in the UK, and it has not been recognised or invited to participate in the tourism council. That is a big problem. People who are facing tourists every day are not being consulted.”¹⁷¹

118. We do not believe the work of professional tourist guides has the widespread recognition it deserves. We believe they should be represented on the Tourism Industry Council, where they would be in a better position both to promote their profession and to share the insights regular contact with tourists provide them with.

¹⁶⁷ Association of Professional Tourist Guides ([TOU0028](#))

¹⁶⁸ Q 314

¹⁶⁹ Q 313

¹⁷⁰ Q 311

¹⁷¹ Q 296

8 Tourism matters

119. Tourism is not just about tourists; it is much more than that. It is about infrastructure, transport and place. It is about employment and economic growth. As one of our witnesses, Anthony Climpson, put it: “My residents are someone else’s visitors. Someone else’s residents are my visitors.” John Dunford of Bourne Leisure asked rhetorically whether tourism is important: “We think it is important. It is 9% of the GDP and 9.6% of employment, yet we sit within a sector that is DCMS. It does not even mention tourism in the name. Is that right? I know culture, media and sport are very sexy but we would like to think that tourism could be a real growth engine for the UK.”¹⁷² He told us: “We accept that the Government has choices. There are lots of things that Government needs to do but, again, we would like to think that tourism could be a real growth engine and, with some real focus, could deliver growth for the UK. In our heads, that means it should be taken more seriously and probably have a leader who has real clout in the Government. Currently, we are not seeing that.”¹⁷³ His colleague, Dermot King, talked of his frustration that tourism does not appear to be high enough on the agenda or have “the same degree of clout around the Government table”. He added: “I suppose I am suggesting tourism should come out of DCMS. In other countries, it has its own portfolio and tourism to the UK is pretty important.”¹⁷⁴ The relevance of tourism is rehearsed at length in the Government’s tourism policy, published in March 2011¹⁷⁵—though that policy did not merit a mention in the submission to our inquiry by the DCMS.

120. Brigid Simmonds of the British Beer and Pub Association and Deirdre Wells of UKinbound were both supportive of tourism remaining within the remit of the DCMS, not least because of the interaction with sport, heritage and culture.¹⁷⁶ Brigid Simmonds said: “I am in favour of DCMS. I think, like all Government Departments, it has seen cutbacks in terms of civil servants, but I think they understand our industry.”¹⁷⁷ Mark Tanzer of ABTA added: “We are quite happy with tourism sitting where it does at the moment provided that the linkages, as has been said, are there. Sometimes the interests of different Departments are moving in different directions, so your immigration policy may be saying one thing and your tourism wants in a visa policy will be saying something else and I think it is terribly important that those dialogues happen in a structured way. If I look at the way other countries organise their tourism business at a governmental level, they tend to have much more cohesive bodies, I would say, for directing tourism than we currently have in the UK. Maybe the tourism council will help to change that, but historically it has been a question of all sorts of bilateral discussions with Departments rather than one discussion about how you build a successful tourism business.”¹⁷⁸

¹⁷² Q 74

¹⁷³ Q 74

¹⁷⁴ Q 107

¹⁷⁵ *Government Tourism Policy*, DCMS, March 2011

¹⁷⁶ Qq 226-227

¹⁷⁷ Q 226

¹⁷⁸ Q 227

121. Brigid Simmonds put it well when she told us: “It is easy for tourism and tourism policy to be something that is nice to have but not essential to Government. It is absolutely essential that we think in all of these things—whether it be visas or transport—about the tourist industry, the importance it has to the British economy and how we can have that at the forefront of all our minds when any Government makes any decision about anything.”¹⁷⁹ Bernard Donoghue of the Association of Leading Visitor Attractions described tourism as the “glue” that makes sense of the Department for Culture, Media and Sport.¹⁸⁰ **We believe tourism should have a more visible profile in, and be more vigorously promoted by, its sponsoring Department.**

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¹⁷⁹ Q 254

¹⁸⁰ Q 292

Conclusions and recommendations

1. Funding for the GREAT Campaign should continue for a period that is sufficiently long to give certainty to the industry. While all campaigns necessarily have a limited lifetime, the GREAT Campaign shows every sign of adapting to maintain its originality and vitality. (Paragraph 9)
2. We are concerned that, while the LEPs undergo their period of evolution, valuable ground is being lost in promoting tourism and securing all the necessary improvements to enable destinations to regain a competitive edge. The abolition of the Regional Development Agencies without putting in place adequate arrangements for tourism promotion was a mistake. (Paragraph 15)
3. We support the Government's conclusion that there should be a clearer delineation in the roles of VisitBritain and VisitEngland, with the two agencies focusing respectively on international and domestic marketing and promotion. (Paragraph 24)
4. VisitBritain will continue to need adequate funding if it is to compete on the international stage to attract more visitors to the UK. The disparity between VisitEngland's funding and that of VisitScotland and also Visit Wales is pronounced. With sufficient resources, we believe VisitEngland is well placed to move more decisively into the organisational vacuum left by the abolition of the Regional Development Agencies and the Regional Tourist Boards. We also believe there is scope for the Government to better coordinate the variety of funding sources it has established. (Paragraph 31)
5. We believe there is scope for further cooperation between VisitBritain and all four organisations charged with promoting different parts of the United Kingdom. It is in everyone's interest that both domestic and international visitors gain a positive experience from everything our country has to offer tourists, be it culture, countryside, cities or sport. (Paragraph 37)
6. We encourage the Government to establish joint biometric processing centres with other European countries. (Paragraph 40)
7. The Government should do more to make the cost of UK visas competitive, for example by moving towards the issue to bona fide tourists of more multiple entry, long term visas. (Paragraph 43)
8. We recommend that Border Force staffing levels are maintained at levels that can meet the demand posed by what we hope will be increasing numbers of tourists. Training of Border Force staff should always factor in the need to provide a welcoming reception to genuine tourists. (Paragraph 47)
9. An inquiry as broadly drawn as ours cannot consider the relative merits of the cases put forward by Heathrow and Gatwick. We do believe, though, that the Government should respond quickly and decisively to the Howard Davies review once it has reached its conclusions. (Paragraph 51)

10. The Government should review what more can be done to promote regional airports, both as a means of making more use of existing capacity and in terms of encouraging more visitors to the regions. (Paragraph 55)
11. Major cultural and sporting events have an important role to play in promoting London and the rest of the UK to the outside world, as the Grand Départ of the Tour de France from Yorkshire and the Commonwealth Games in Glasgow demonstrated. Even greater attention needs to be paid to ensuring that they leave a lasting legacy, not least in terms of the tourism economy. (Paragraph 62)
12. We agree with the Minister that the Coastal Communities Fund should continue. However, we would welcome a review to consider whether any successor fund is needed and, if so, whether such a successor should have a more focused approach, targeting key destinations in a way that might then benefit neighbouring communities. (Paragraph 66)
13. We welcome the start made by the National Coastal Tourism Academy in identifying and promulgating best practice. However, an extension of its funding is needed if it is to become a truly national resource for the benefit of seaside resorts throughout England and the rest of the UK. (Paragraph 71)
14. We recommend that the Government analyses the impact of APD on the United Kingdom's tourism industry and takes the findings into account when reviewing this in the future. Developments in Scotland and Wales should be monitored for their impact on England. (Paragraph 79)
15. We recommend that the Government thoroughly assesses the merits of the claims of the Cut Tourism VAT Campaign by performing its own modelling work and publishes the results of this. The costs and benefits of reducing VAT on all tourism services, together and in isolation, should be assessed so the Treasury decision-making is fully and transparently informed. (Paragraph 83)
16. We commend the Minister's decision to engage with the tourism industry on the subject of VAT. This should be the start of a thorough analysis of the scope for cutting VAT on a variety of tourism services, in tandem or separately. If the case for reduced VAT on at least some tourism services is as strong as the evidence we received suggests, then the Sport and Tourism Minister should bring all the influence she can to bear on HM Treasury's policy development. (Paragraph 86)
17. We further recommend that the Government conducts a broad, public review and consultation on tourism taxes, including VAT and APD. Where the evidence leads, and practicalities allow, these taxes should be lowered to benefit both tourism and the wider economy. (Paragraph 87)
18. We urge whichever Government is in office after the General Election to take full account of the needs of the tourism industry when reviewing business rates. (Paragraph 89)

19. VisitEngland should ensure that comprehensible and relevant information is provided to tourism businesses, not only online but in public libraries too. (Paragraph 93)
20. Too many regulations are ill-fitted to the world of small businesses that characterise much of the tourism industry. The Government should take forward with greater speed the recommendations of the Penrose report, updated as necessary. (Paragraph 101)
21. Furthermore, the Government needs to remain vigilant in relation to European legislation that could impact on the tourism industry, and to fully factor in the industry's needs during negotiations with our European partners. (Paragraph 102)
22. In view of the potential benefits, not least to the tourism industry, of daylight saving time, we recommend that the Government commissions a rigorous cost-benefit analysis, including the research needed to properly inform this. (Paragraph 106)
23. The benefits of the accommodation grading scheme will be maximised if it is used, at least in part, as a vehicle for providing business advice to tourist accommodation. (Paragraph 110)
24. There is a need for training arrangements and apprenticeships to better recognise some of the features that make many tourism businesses unique. These features include seasonality, scale and uncertainty in customer demand. (Paragraph 114)
25. The Government should also do more to inform tourism businesses of the opportunities and funding that exist to train people, particularly young people, for the world of work. (Paragraph 115)
26. We do not believe the work of professional tourist guides has the widespread recognition it deserves. We believe they should be represented on the Tourism Industry Council, where they would be in a better position both to promote their profession and to share the insights regular contact with tourists provide them with. (Paragraph 118)
27. We believe tourism should have a more visible profile in, and be more vigorously promoted by, its sponsoring Department. (Paragraph 121)

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Formal Minutes

Tuesday 17 March 2015

Members present:

Mr John Whittingdale, in the Chair

Mr Ben Bradshaw
Angie Bray
Conor Burns
Tracey Crouch
Philip Davies

Paul Farrelly
Steve Rotheram
Jim Sheridan
Mr Gerry Sutcliffe

Draft Report (*Tourism*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 14 read and agreed to.

Paragraph 15 read.

Amendment proposed, to leave out from “The abolition of” to the end of the sentence.—(*Philip Davies*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 2
Angie Bray
Philip Davies

Noes, 7
Mr Ben Bradshaw
Conor Burns
Tracey Crouch
Paul Farrelly
Steve Rotheram
Jim Sheridan
Mr Gerry Sutcliffe

Amendment disagreed to.

Paragraph 15 agreed to.

Paragraphs 16 to 105 read and agreed to.

Paragraph 106 read.

Amendment proposed, to leave out Paragraph 106.—(*Philip Davies*.)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 4
Conor Burns
Philip Davies
Jim Sheridan
Mr Gerry Sutcliffe

Noes, 5
Mr Ben Bradshaw
Angie Bray
Tracey Crouch
Paul Farrelly
Steve Rotheram

Amendment disagreed to.

Paragraph 106 agreed to.

Paragraphs 107 to 121 read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Sixth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned]

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Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the Committee's inquiry page at www.parliament.uk/cmscom.

Tuesday 28 October 2014

Question number

Ufi Ibrahim, Chairman, The Tourism Alliance, and **Kurt Janson**, Director, The Tourism Alliance

[Q1-68](#)

John Dunford, CEO, Bourne Leisure Holdings Ltd, **Dermot King**, Managing Director, Butlin's, and **Jackie Martin**, Director of Sales & Marketing, Butlin's

[Q69-111](#)

Tuesday 25 November 2014

Graham Wason, Chairman, Cut Tourism VAT Campaign, **David Bridgford**, Director, Cut Tourism VAT Campaign, and **Paul Kelly**, Chief Executive, British Association of Leisure Parks, Piers and Attractions

[Q112-160](#)

Nathan Stower, Chief Executive, British Air Transport Association (and representing the Fair Tax on Flying Campaign), **Sian Foster**, General Manager of Government and External Relations, Virgin Atlantic, and **Darren Caplan**, Chief Executive, Airport Operators Association

[Q161-218](#)

Tuesday 6 January 2015

Mark Tanzer, Chief Executive, ABTA, **Deirdre Wells**, Chief Executive Officer UKinbound, and **Brigid Simmonds**, Chief Executive, British Beer & Pub Association

[Q219-266](#)

Councillor John Beesley, Leader of Bournemouth Borough Council, **Samantha Richardson**, Academy Director, National Coastal Tourism Academy, and **Professor Adam Blake**, Bournemouth University School of Tourism

[Q267-288](#)

Tuesday 27 January 2015

Anthony Climpson, Destination Manager, New Forest Destination Partnership, **Bernard Donoghue**, Director, Association of Leading Visitor Attractions, **Themis Halvantzi-Stringer**, Association of Professional Tourist Guides, and **Jason Grist**, Area Manager UK, Booking.com

[Q289-327](#)

Munira Mirza, Deputy Mayor of London for Education and Culture, **Chris Gottlieb**, Chief Commercial Officer, London & Partners, **Councillor David Burbage**, Deputy Leader, Culture, Tourism and Sport Board, Local Government Association

[Q328-357](#)

Tuesday 3 February 2015

Sally Balcombe, Chief Executive, VisitBritain, **Patricia Yates**, Strategy and Communications Director, VisitBritain, **James Berresford**, Chief Executive, VisitEngland, and **Phil Evans**, Head of Policy and Analysis, VisitEngland

[Q358-401](#)

Mrs Helen Grant MP, Parliamentary Under Secretary of State for Sport and Tourism, and **Penny Mordaunt MP**, Parliamentary Under Secretary of State for Communities and Local Government,

[Q402-442](#)

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Published written evidence

The following written evidence was received and can be viewed on the Committee's inquiry web page at www.parliament.uk/cmscom. INQ numbers are generated by the evidence processing system and so may not be complete.

- 1 A Fair Tax On Flying ([TOU0004](#)) ([TOU0097](#))
- 2 ABTA - The Travel Association ([TOU0011](#))
- 3 Airport Operators Association ([TOU0045](#))
- 4 Arts Council England ([TOU0093](#))
- 5 Association of Independent Museums ([TOU0072](#))
- 6 Association of Leading Visitor Attractions ([TOU0065](#))
- 7 Association of Professional Tourist Guides ([TOU0028](#))
- 8 BALPPA ([TOU0054](#))
- 9 Bath Tourism Plus ([TOU0046](#))
- 10 Best Western Hotels ([TOU0084](#))
- 11 Bicester Village ([TOU0080](#))
- 12 Booking.com ([TOU0078](#))
- 13 Bourne Leisure Limited ([TOU0012](#))
- 14 Bournemouth Borough Council ([TOU0066](#))
- 15 Bristol Airport ([TOU0015](#))
- 16 British Academy/Honor Frost Foundation ([TOU0056](#))
- 17 British Air Transport Association (BATA) ([TOU0095](#))
- 18 British Beer & Pub Association ([TOU0026](#))
- 19 British Destinations ([TOU0092](#))
- 20 British Hospitality Association ([TOU0043](#))
- 21 British Marine Federation ([TOU0042](#))
- 22 British Vehicle Rental And Leasing Association ([TOU0039](#))
- 23 Campaign To Cut Tourism VAT ([TOU0018](#))
- 24 Capital Region Tourism and Wales Chapter of the Tourism Society ([TOU0062](#))
- 25 Cathedral And Church Buildings Division, Archbishops' Council, Church Of England ([TOU0024](#))
- 26 City Of London Corporation ([TOU0079](#))
- 27 CLA ([TOU0044](#))
- 28 Cosmos Holidays Ltd ([TOU0021](#))
- 29 Creative England ([TOU0058](#))
- 30 Cumbria Tourism ([TOU0048](#))
- 31 David Curtis-Brignell ([TOU0009](#))
- 32 Department For Culture, Media and Sport ([TOU0061](#))
- 33 Department Of Enterprise, Trade And Investment (Northern Ireland) ([TOU0074](#))
- 34 East Riding Cultural Partnership ([TOU0016](#))
- 35 English Heritage ([TOU0076](#))
- 36 Expedia ([TOU0096](#))
- 37 Family Holiday Association ([TOU0019](#))
- 38 Gatwick Airport Limited ([TOU0027](#))

- 39 Great Grimsby Ice Factory Trust ([TOU0005](#))
- 40 Guildford Borough Council ([TOU0006](#))
- 41 Heathrow Airport ([TOU0073](#))
- 42 Institute Of Tourist Guiding ([TOU0034](#))
- 43 Intercontinental Hotels Group (IHG) ([TOU0089](#))
- 44 Jan Williams ([TOU0032](#))
- 45 Liverpool City Region Local Enterprise Partnership, and Visitor Economy Board, with support of the Liverpool City Region Combined Authority ([TOU0025](#))
- 46 Local Authority World Heritage Forum ([TOU0033](#))
- 47 Local Government Association ([TOU0030](#)) ([TOU0098](#))
- 48 Manchester Airports Group ([TOU0041](#))
- 49 Marketing Manchester ([TOU0053](#))
- 50 Mayor of London ([TOU0085](#)) ([TOU0099](#))
- 51 National Coastal Tourism Academy ([TOU0037](#))
- 52 National Museum Directors' Council ([TOU0071](#))
- 53 National Parks England ([TOU0064](#))
- 54 New Forest Destination Partnership and others ([TOU0081](#))
- 55 New West End Company ([TOU0068](#))
- 56 Northern Tourism Alliance ([TOU0082](#))
- 57 Shakespeare Birthplace Trust ([TOU0051](#))
- 58 Shakespeare's England ([TOU0017](#))
- 59 Shearings Holidays ([TOU0013](#))
- 60 South Lakeland District Council ([TOU0036](#))
- 61 Southampton Airport ([TOU0010](#))
- 62 Sport and Recreation Alliance ([TOU0094](#))
- 63 The British Film Commission ([TOU0070](#))
- 64 The Caravan Club ([TOU0052](#))
- 65 The Churches Conservation Trust ([TOU0008](#))
- 66 The Guild of Registered Tourist Guides ([TOU0040](#))
- 67 The Historic Houses Association ([TOU0049](#))
- 68 The Ramblers and The British Mountaineering Council ([TOU0047](#))
- 69 Thomas Cook Group Plc ([TOU0023](#))
- 70 Timewalk Project ([TOU0077](#))
- 71 Tourism Alliance ([TOU0031](#))
- 72 Travelodge ([TOU0020](#))
- 73 Ukinbound ([TOU0022](#))
- 74 VAT Club Jacques Borel Ltd ([TOU0069](#))
- 75 Virgin Atlantic Airways ([TOU0038](#))
- 76 Visit Kent ([TOU0086](#))
- 77 Visit Surrey ([TOU0014](#))
- 78 VisitBritain ([TOU0055](#))
- 79 VisitEngland ([TOU0057](#))
- 80 VisitScotland ([TOU0067](#))
- 81 Walkers are Welcome Towns Network UK ([TOU0035](#))

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List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/cmscom

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2012-2013

First Report	The Gambling Act 2005: A bet worth taking?	HC 421
Second Report	Racism in football	HC 89
Third Report	Library Closures	HC 587
Fourth Report	Football Governance Follow-Up	HC 509
Fifth Report	Scrutiny of the Draft Public Bodies (Merger of the Gambling Commission and the National Lottery Commission) Order 2013	HC 1104
Sixth Report	Pre-legislative scrutiny of the draft Gambling (Licensing and Advertising) Bill	HC 905

Session 2013-2014

First Special Report	Football Governance Follow-Up: Government Response to the Committee's Fourth Report of Session 2012-13	HC 156
First Report	Scrutiny of the draft Public Bodies (Abolition of the Registrar of Public Lending Right) Order 2013	HC 506
Second Report	Scrutiny of the draft Public Bodies (Merger of the Gambling Commission and National Lottery Commission) Order 2013	HC 256
Second Special Report	Scrutiny of the draft Public Bodies (Merger of the Gambling Commission and National Lottery Commission) Order 2013: Government Response to the Committee's Second Report of Session 2013-14	HC 646
Third Report	Supporting the creative economy	HC 674
Fourth Report	Nuisance Calls	HC 636
Third Special Report	Supporting the Creative Economy: Government Response to the Committee's Third Report of Session 2013-14	HC 945
Fifth Report	Pre-appointment hearing with the Government's preferred candidate for the Chairman of Ofcom	HC 933
Sixth Report	Online safety	HC 729
Fourth Special Report	Nuisance calls: Government Response to the Committee's Fourth Report of Session 2013-14	HC 1211

Session 2014-2015

First Special Report	Online safety: Responses to the Committee's Sixth Report of Session 2013-14	HC 517
First Report	Women and Sport	HC 513
Second Report	Pre-appointment hearing for the Government's preferred candidate for Chair of the BBC Trust	HC 637
Second Special Report	Women and Sport: Government Response to the Committee's First Report of Session 2014-15	HC 740
Third Report	Work of Arts Council England	HC 279
Fourth Report	Future of the BBC	HC 315
Fifth Report	Society Lotteries	HC 615

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