



**TOURISM
AFTER BREXIT
2017**

**A Post-Brexit Policy Agenda
for the UK Tourism Industry**

Tourism is one of the UK's largest and most successful industries.

Tourism is one of the UK's largest and most successful industries. It is the fifth largest in terms of international visitor expenditure, the eighth largest by visitor numbers and is ranked fifth in the world in terms of international competitiveness.

The sectors that comprise the UK tourism industry together generate £130bn in revenue for the UK economy, £25bn in export earnings and employ 3.1m people.

Sector	Revenue to the UK economy
Inbound	£22.1bn
Outbound	£26.4bn
Domestic	£24.8bn
Daytrips	£53.9bn
UK airlines	£2.8bn
Total	£130bn

The UK Tourism Industry is:
206,000 businesses
9.6% of UK employment
4.9% of UK Exports
9% of UK GDP
UK's fifth largest export industry
£24.7bn in VAT and APD payments
Over 50,000 employees in every region

Since 2009, the UK Tourism Industry has:
Grown at a faster rate than most other industries
Generated additional employment at almost twice the rate of other industries
Increased export earnings by 26.5%

In 2017, the UK Tourism Industry will:
Grow by up to 8%
Generate a further £5.5bn for the UK economy
Create 100,000 additional jobs

Tourism Post Brexit

Tourism has been one of the UK's most successful industries over the past decade and, given the right policy structure, will continue to grow strongly in a Post-Brexit environment. Regardless of being outside the EU, the UK will continue to be one of the world's most desirable and visited destinations and our citizens will continue to travel to the EU and beyond.

GfK Anholt's annual survey of 20,000 consumers in 20 panel countries around the world indicates that the views of potential overseas visitors to the UK have changed little after the referendum. The study, which ranks 50 countries, shows that UK's overall brand ranking is third behind Germany and the USA, while in terms of tourism, the UK is the 5th most popular destination.

As the outcome of Brexit negotiations cannot be predicted, this document is based on two basic assumptions:

- **That agreements facilitating travel between the UK and other EU countries are largely maintained**

The UK and EU tourism industries are highly interdependent with 45.7m (76%) of trips by UK residents to other EU destinations and 23m (67%) of visitors to the UK coming from other EU destinations. Visitors from the EU contribute around £10bn to the UK economy each year while outbound tourism to the EU contributes an estimated £19bn to the UK economy.

One of the main reasons for this high level of interdependence is the harmonised Single Market. This framework of agreements, rules and regulations has encouraged tourism flows between the UK and the rest of Europe, allowing the UK tourism industry to grow to become one of the largest in the world and a key component of the UK economy. It is essential to the future UK tourism industry that such an environment is maintained.

- **That EU nationals currently living in the UK are allowed to remain when the free movement of workers from the EU ends**

Figures from People 1st, the former skills sector council for the tourism sector, show that, while EU nationals comprise only 11% of the overall tourism workforce, as the UK unemployment rate has fallen, businesses have become increasingly reliant on EU nations to fill vacancies. This problem is exacerbated in regions such as London and in individual businesses that have very high levels of EU workers. To ensure the tourism industry has a smooth transition to a post-Brexit environment, these valued workers need to be allowed to stay.

It is also presumed that the Government's new Tourism Action Plan, launched by the Prime Minister in August 2016 will continue to be the key tourism policy document. The goal of this plan is to grow and spread the benefits of tourism to the regions through the five key strands of:

- **Structure**
- **Skills**
- **Deregulation**
- **Transport**
- **Welcome**

As such, this document identifies the core policies that the Government needs to adopt to take forward each strand of the Government Tourism Action Plan in a Post-Brexit environment.

Goals for Tourism

Tourism has been one of the UK's largest and most successful industries over the last decade. With the UK exiting the European Union and re-orientating towards the rest of the world, it is important that the ongoing performance of the industry is maintained and enhanced.

In that regard, there should be four overall goals for the performance of the UK tourism industry in a post Brexit environment.

Inbound Tourism

Inbound tourism to the UK generates £25bn per annum for the UK economy, marking it the second largest source of export earnings in the Service Sector after Financial Services and the UK's fifth largest export earner overall behind Chemicals, Intermediate Manufactured Goods, Financial Services and Capital Goods.

The United Nations World Tourism Organisation (UNWTO) predicts that international tourism will continue to grow at a compound rate of 4.2% per annum with international tourist arrivals reaching 1.8 billion by 2030. The UK should target growth of at least this level so that, by 2025, tourism receipts reach £32bn per annum and by 2030 they reach £39bn per annum.

The UK should also seek to regain the market share of the BRIC markets that it had in 2008 before the introduction of biometric visas. Achieving this goal would increase inbound revenue to the UK by a further £0.6bn per annum and ensure that the UK is a major destination for the world's major growth markets.

In addition, the Government needs to set ambitious target for the growth international tourism to the regions and support the regions in achieving these targets.

Domestic Tourism

The domestic tourism industry in England generates £66bn per annum and employs over 1.2m people. Domestic tourism growth has traditionally been slower than inbound tourism growth due to the maturity of the market and that UK population growth is slower than the global average. Nevertheless, between 2010 and 2015, overnight domestic tourism increased by 5% per annum and day-visits increased by 3% per annum. As such, a domestic tourism growth rate of 4% per annum should be feasible, although it cannot be assumed and requires policies that support investment and infrastructure

Outbound Tourism

The UK outbound tourism industry is one of the largest in the world. As well as directly contributing over £26bn per annum to the UK economy and providing employment for over 400,000 people in the UK, it's success is vital to maintaining the UK's position as one of the world's key hubs for international travel and to expanding the UK's international transport network which, in turn, facilitates trade. The goal should therefore be to grow outbound tourism at the same rate as rest of the UK tourism industry.

International Competitiveness

The World Economic Forum undertakes a biennial assessment of the international competitiveness of the tourism industry in 141 countries around the world. In 2015, the UK ranked as having the 5th most competitive tourism industry in the world (behind Spain, France, Germany and the USA) having risen from 7th position in 2011.

In leaving the EU and seeking to develop closer connections with other markets, it is important that the UK's competitive position is enhance. As such, the goal should be to further increase the UK's international competitiveness ranking to third.

Structure

Building Sustainable Destination Management Organisations (DMOs)



Domestic tourism comprises over 60% of total tourism revenue and, outside Government expenditure, represents the most important mechanism for redistributing economic activity and wealth from urban to rural and seaside areas in the UK.

If Government is to achieve the goal of spreading the benefits of tourism to the regions, then DMOs must have a viable mechanism for accessing the long-term sustainable funding required to develop and promote the high quality world-class products needed to attract visitors.

In addition, for VisitBritain to be able to maximise inbound tourism from overseas markets, it needs to have strong, viable DMO partners to engage and work with in order to develop the product needed.

Yet, since 2008, public funding for domestic tourism has decreased from £197m to just £71m due to the abolition of the RDAs, the reduction in Council funding and the merger of VisitEngland into VisitBritain. Hopes that the industry would step in and replace the reduction in public funding have proved wrong due to the free-rider effect and, due to DMOs neither having a statutory remit nor access to stable funding, has led to fragmentation and revenue chasing.

The fundamental problem is that there is no linkage between the £128bn spend in the UK by tourists each year and the DMOs designated to promotion and develop tourism. If the UK is to maximise the growth of tourism in a post-Brexit environment, then the Government needs to ensure that there is a functioning network of DMOs able to engage and work in partnership with VisitBritain and the Government on the implementation of the Tourism Action Plan.

It is therefore proposed that a Government-sponsored taskforce is established to determine an appropriate fiscal mechanism for enabling DMOs to gain the resources required to play their role in the implementation of the Tourism Action Plan.

Incorporating Tourism into a Replacement Scheme for CAP

The 365m trips made to rural destinations each year generate £18.6bn for the rural economy which, in turn, provides over 340,000 fulltime jobs. As such, tourism now generates more revenue and provides more employment for the rural economy than Agriculture.

However, the value of tourism to the rural economy remains poorly understood with funding available for tourism development through CAP being only a very small fraction of the €27.7 billion in payments received between 2014 and 2020.

It is recognised that the UK will have to develop and implement a replacement scheme for CAP from 2020 in order to support the agricultural sector and maintain the UK's historically and environmentally important rural landscape. This provides an opportunity to both reassess the incentive structures that underpin CAP payments and for payments to recognise the high, and increasing, importance of tourism to the rural economy.

What is needed is a scheme that recognises the linkages between farming, the environment and maintaining a unique landscape which attracts millions of visitors every year. Developing a more holistic approach to rural funding will not be an easy task but it is important that the role tourism in maintaining a sustainable rural economy is more fully understood and is incorporated the forthcoming discussions.

Business growth in rural areas is also hindered by the lack of a high quality broadband service. Access to effective, efficient and affordable broadband is essential to the successful operation of all rural businesses so that they can compete with their urban counterparts. Key to this is the creation of a Universal Service Obligation of at least 10Mbps that imposes a legal obligation on the provider.

Regenerating Coastal Communities and addressing seasonality - Establishing Coastal Enterprise Zones

Coastal destinations attract 177m visitors each year who spend £13bn in the local economy. As such, they remain a core component of the UK tourism offering and a key means for increasing regional spread.

Reports by the National Coastal Tourism Academy and by Sheffield Hallam University have found that, overall, seaside destinations are in relatively good health and continue to grow, albeit behind national averages for the wider visitor economy. However, within this, there are stark differences in their performance and some destinations that need significant support in order to re-establish themselves as vibrant, growing communities.

To address this, we propose a series of steps that the Government adopt to provide support that addresses the specific issues impacting coastal communities.

Firstly, continued commitment to, and enhancement of, the Coastal Communities Fund with greater emphasis on, and evaluation of, the long-term impact of proposed developments and a stronger commitment to addressing skills and productivity issues.

Secondly, the introduction of Coastal Enterprise Zones in order to focus efforts on regenerating these destinations. At the moment, Enterprise Zones are geographically defined areas, hosted by Local Enterprise Partnerships in which commercial and industrial businesses can receive incentives to set up or expand. These including:

- Business rate discounts of up to 100% over a five year period
- Enhanced Capital Allowances for the purchase of machinery and equipment
- Eligible to apply for the Local Infrastructure Fund
- Eligible for the Capital Grant Fund

Coastal Enterprise Zones would have a similar range of features but with the addition of enhanced planning powers for councils to allow for the removal of certain business and accommodation types, such as HMOs, that have blighted previous regeneration efforts. There also needs to be incentives for businesses to invest in off-peak growth and to encourage SMEs operating below the VAT threshold to expand as well as business support funds or time-limited tax allowances (ie., temporarily increasing the Annual Investment Allowance from £250k to £1m) and incentives to encourage investment in skills, product development and enhancing the quality of experience.

Finally, investment in infrastructure is critical as many coastal communities are geographically peripheral with unreliable rail, road, flood and telecommunications infrastructure.

Reinstating Tourism Planning Guidance

Providing for growth in the UK tourism industry, especially in rural and seaside environments, often requires a careful balance between allowing tourism businesses to expand and protecting the environment that attracts visitors from inappropriate development.

To help resolve this problem the Tourism Alliance produced *The Good Practice Guide on Planning for Tourism* for DCLG. This publication was extremely valuable for Local Authorities and tourism businesses alike in that it provided much-needed guidance on how to find the right balance between these two competing demands. The increased level of certainty it provided facilitated the planning process, speeding up the application process and reducing the number of legal challenges.

However, as part of the 2012 Taylor Review of Planning Guidance, the guide was reduced to a one page document that focused on town-centre development under the mistaken belief that this would benefit the tourism industry. To support appropriate tourism growth and investment, this guidance needs to be reinstated.

Introduction



Research by People 1st, the former Sector Skills Council for the tourism and hospitality industries, shows that, while EU nationals only comprise 11% of the total workforce, as unemployment fell from 8.1% to 5.4% between 2011 and 2015, the percentage of EU nationals being employed by the industry increased to 46%. This indicates that as fewer UK nationals become available with the skills required, the industry grew increasingly dependent upon foreign labour to fill vacancies.

Already, 38% of hospitality and tourism businesses are reporting that they have hard-to-fill vacancies and it is getting increasingly harder to fill vacancies as the labour market tightens. In addition, the existing high level of demand for staff means that 21% of businesses are reporting that the staff that they are employing lack essential skills.

This is despite the industry spending £1.2bn providing training to 1.5m staff last year and supporting over 18,000 apprentices to complete sector specific apprenticeships.

People 1st estimate that the sector will require 1.3m new staff by 2024. As such, the problem of sourcing the skilled and motivated staff required by the industry will only increase once EU nationals are no longer entitled to move to the UK to work.

This year alone, VisitBritain has forecast that inbound tourism to the UK will increase by 8%, increasing visitor numbers by almost 1.5m and inbound tourism revenue by £1.8bn. This increase in revenue will generate over 30,000 additional vacancies in the tourism industry.

Using econometric modelling of the price elasticity of tourism, the Tourism Alliance believes that domestic tourism, including daytrips, will also increase by over 4% in 2017 as a result of the increased cost of overseas holidays caused by the fall in the value in the pound. This will generate a further 70,000 positions. It is therefore essential that there are policies in place to resolve the shortfall in skilled employees once the UK leaves the EU.

Sourcing Skilled Employees

It is clear that preventing UK tourism businesses from employing EU nationals will place a serious strain upon the UK's travel and tourism industry. This shortage in staff is likely to result in increased employment costs for businesses as they compete for increasingly fewer skilled workers and have to spend considerably more on training. This will ultimately lead to higher prices for consumers and make the UK tourism industry less competitive in the international market.

In light of the economic value of the sector and the recruitment challenges identified, tourism should be considered favourably by Government should any steps be taken to enable certain industry sectors to have preferential access to EU labour markets.

Presuming that the free movement of EU nationals to the UK is not possible, then the current migration system needs to be revised as most of the people required to fill the vacancies in the industry do not qualify for entry into the country under either TEIR 1 or TEIR 2. Short-term options such as using seasonal work permits to fill vacancies will not work as many tourism destinations such as London operate year-round and there is little seasonal impact. Also, seasonal permits will not support the sector's commitment to grow and develop skilled staff to work in the industry.

Rather, the industry needs long-term employees with a wide range of "soft skills" such as excellent customer service, culinary and language skills in order to ensure that the UK provides world-class tourism products and experiences. This means that the Government needs to adapt the immigration scheme so that these factors are taken into consideration when evaluating what constitutes a 'skilled' job in future.

Therefore, as a priority, the Government needs to urgently work with the industry to develop and implement a plan for filling staff shortages within the industry so that it can continue to grow in a post-Brexit environment.

One way to achieve this is for the Government to work with People 1st on the development of criteria that define the soft skills required by the industry and then open TIER 3 for people with those skills. This approach could be adapted so that the Migration Advisory Committee works with People 1st to monitor the tourism and hospitality industry's staffing requirements and develop quotas for allowing people into the UK fill shortages in the industry through TIER 3.

Another option for helping solve the staffing shortage in the sector is to expand the TIER 5 Youth Mobility Scheme which allows young people from some Commonwealth countries to work in the UK. This could be enlarged to include EU countries so that EU nationals could apply for a visa to work in the UK for two years before they turned 27.

A third option is to relax the rules governing the ability of overseas students in the UK to work in the industry while they are studying.

Developing A Skilled Workforce

The Government and the tourism industry are presently developing a Tourism Sector Deal under the Government's new Industrial Strategy. For this deal to be effective, improvements need to be made to the skills base of the industry in order to improve productivity within the industry. As such, it is important that hospitality and tourism is included if any priority funding is made available to any of the 15 technical route ways through the Industrial Strategy.

That funding needs to incentivise the delivery of sector programmes in full-time provision and sector apprenticeships rather than being directed to STEM sectors.

There also needs to be greater provision of careers information, advice and guidance that reflects true career opportunities in the sector. The careers strategy due in autumn 2017 needs to engage with the sector to ensure that careers information, advice and guidance is engaging and reflects the true career opportunities available.

Posted Workers Directive

The Posted Workers Directive supports the operational delivery of travel products and services by enabling travel businesses to temporarily place workers in other EU Member States without the need to register individuals in each territory for the purposes of taxation or social security. Many UK tour operators, especially SMEs and those without registered businesses in other EU countries, rely on this EU regulation to reduce red tape and simplify their operations across the EU.

The millions of UK holidaymakers within the EU each year also take comfort from the ability to seek help from an English-speaking representative in their resort. The removal or restriction of these employment rights would represent a substantial burden for UK travel companies, harming their ability to compete with European competitors and significantly increasing operating costs and complexity. The industry strongly believes that these employment rights should be retained in negotiations with the EU on a future trading relationship. If this is not possible, then another mechanism needs to be developed which will ensure that UK tourism operators continue to have to ability to effectively deliver tourism products and services to UK customers while they are overseas.

Deregulation

Introduction



The enhanced ability of the UK to control the regulations applicable to UK tourism businesses and consumers could be a valuable outcome of the UK leaving the EU and help improve the competitiveness of the domestic tourism industry.

However, whichever EU legislation the UK Government elects to retain or remove over time, it will be important to take full account of the regulatory regimes applying to UK tourism businesses with cross-border operations.

Where possible, the UK Government must seek to avoid harming the competitiveness of the UK tourism industry by ensuring that regulation benefiting the consumer and facilitating the travel of people between the EU and the UK is retained, include participation in the European Health Insurance Card (EHIC) scheme. It is equally important that legislation developed by the UK post-Brexit is compatible with EU legislation in order to facilitate cross-border travel.

Amending the Package Travel Regulations

Last year the EU issued a new Package Travel Directive that must be implemented by the UK through a revision of Package Travel Regulations (PTRs) before 1 April 2018 – a year before the UK leaves the EU. This Directive provides considerable benefits for customers undertaking travel between the UK and the EU such as ensuring repatriation if their tour operator fails and providing legal recourse for customers in their home country.

As such, the revised PTRs will remain important for people travelling between the UK and the EU after Brexit. However, the regulations have long been problematic for the domestic tourism industry as they make it difficult for small, local businesses to work together to develop value-added products (ie., products that combine just accommodation and a service other than transport).

Leaving the EU means that the UK Government is in the position to resolve this problem by making the provision of transport a requirement of any domestic travel package. That is, it would still apply to business conducting tours but not businesses where the visitor is undertaking the journey themselves and simply buying a value-added product such as a weekend at a B&B that includes a meal at a local pub or tickets to a local attraction.

The simple solution is to insert a sunset clause in the new regulations that states that their application to domestic tourism products that do not include transport will cease when the UK leaves the EU. This has two significant benefits – first, it means that the Government does not have to go back and amend legislation that it has only just implemented, which would require a further consultation and more parliamentary time. And second, it would provide domestic tourism businesses with certainty so that they can work together and be ready to launch new products when the clause is triggered.

A further benefit to be derived from amending the PTRs is that if small tourism businesses are encouraged to work together to provide value-added products, this will encourage them to join their local DMO so that they can meet and work with other local businesses, thereby improving the viability of DMOs. It also provides greater opportunities for DMOs to develop and promote new tourism products, thereby supporting the Government goal of spreading tourism to the regions and developing more products for VisitBritain to market overseas.

The Tourism Alliance estimates that this simple change could boost domestic tourism revenue by up to £3.6bn per annum.

Reducing Red Tape

The approach of successive Governments to reducing the level of regulatory burden faced by the tourism industry has been poor. The industry has expended considerable effort in undertaking reviews such as the Penrose Report and responding to initiatives such as the Red Tape challenge. Yet, despite this, very few regulations have been removed and the number that have has proved small compared to the number of new regulations introduced.

The ongoing problem of regulatory burden has been exposed by the arrival of sharing economy businesses that operate on the margins of regulatory compliance and, in so doing, have been able to gain significant competitive advantages over existing businesses. This problem has been exacerbated through cuts to Local Authority funding which have considerably reduced their ability to enforce compliance.

What is required is a review of accommodation-related regulation to determine whether it remains appropriate and what could be done to reduce regulatory burden.

In addition, the Government needs to speed-up the implement of current deregulation initiatives such as the introduction Community and Ancillary Seller Notice (CANs) for the sale of small amounts of alcohol by B&Bs and guesthouses and the removal of taxi licensing requirements for accommodation businesses and attractions wanting to pick-up customers.

Reviewing Tourism-Related Taxation

The World Economic Forum, while ranking the UK as the 5th most competitive destination overall, ranks it 140th out of 141 countries in terms of price competitiveness, mainly due to visitors facing very high levels of taxation.

To help ensure that the industry maximises its competitiveness once the UK leaves to the EU, the Government needs to work with the industry in conducting a sector-wide review tourism-related taxation with the purpose of constructing a tax regime for the sector that is both fair and stimulates growth.

This review would address the following issues:

- Reducing VAT rates for accommodation, restaurant meals and attractions to make sure that UK remains competitive with its European counterparts.
- Reforming the Tour Operators Margin Scheme so as to reintroduce a B2B opt-out.
- Reviewing the taxation of historic houses to incentivise their maintenance.
- Reviewing tax incentives for investment and product development in the sector
- Providing incentives for hosting overseas buyers of conference services, where events are designed to create and support inward investment and export trade led opportunities.

Air Passenger Duty – APD

While the Scottish Government is committed to reducing APD by 50% from 2018, the main priority for the UK should be the abolition of APD for all domestic and international journeys departing UK airports as soon as practicable. This is a tax which penalises not only UK citizens, but also those coming to the UK on holiday or to do business, thus undermining the UK's ability to grow.

Other countries are reducing or removing their aviation taxes having realised they hinder rather than enhance their economies, and this is leading to a boom in air transport and tourism. Removing APD in the UK will lead to increased frequencies on existing routes, and the introduction of new routes to the world's fastest growing economies, all of which will be vital in a post-Brexit environment.

Transport

Introduction



Travel is the essence of tourism, with 1.65bn domestic trips and 101m international trips being undertaken in the UK each year. If goals of increasing tourism by 4% per annum when the UK leaves the EU are to be achieved, then UK tourism industry needs there to be both a strong transport industry and significant investment in UK transport infrastructure.

Aviation Strategy

The Government is shortly to consult on its new Aviation Strategy. In doing so, Brexit provides two main opportunities to strengthen the UK's aviation infrastructure so that it better supports the Government's Tourism Action Plan - ensuring that capacity constraints into our national hub and other South East airports are alleviated to cater for demand, and to make regional airports a more attractive proposition for both international and domestic visitors.

Subject to parliamentary approval, additional capacity at Heathrow will allow domestic and international carriers to either expand their services to, from and within the UK, or enter the marketplace altogether. An expanded Heathrow can be used to reinstate and expand those regional domestic services that have been discontinued over the past two decades and to increase its ability to connect inbound visitors with onward regional destinations. Away from Heathrow, one of the main objectives of the new strategy must be to set out a policy framework that will alleviate capacity constraints at other South East airports.

The UK's exit from the EU also presents the ability boost regional domestic services by abolishing APD on domestic travel, resolving the problem of double taxation on domestic routes whereby APD is levied on both legs of the journey. Although our preference would be for this to be encompassed into an overall policy of removing the burden of APD across all routes – domestic, European and international.

Related to this is the urgent need for the Government to modernise the UK's airspace. While airspace redesign can present major challenges for airports, and good community engagement will be a vital part of the process, airspace modernisation is urgently required to ensure capacity can keep pace with demand. Without it, delays faced by passengers are likely to soar to 4 million minutes by 2030.

Improved surface access connectivity between airports and tourists' final destinations, both through improved infrastructure and services, and more integrated transport solutions such as through-ticketing, are also required. Improvements to transport links at airports also substantially boost their catchment areas. By enabling more passengers to travel to an airport, airports attract a greater number of airlines which, in turn, can boost tourism growth by offering more destinations and higher frequencies.

Regional Air Connectivity Fund

There is the opportunity to further develop both regional and international connectivity using the Regional Air Connectivity Fund which is designed to kick-start routes to regional airports. While very important, the use of this fund is hampered by very strict EU State Aid rules which means that its current use is limited to providing funds for route development to small airports that have less than 5m passengers per annum. Leaving the EU provides the opportunity for this fund to be used in a more strategic way to develop new international routes into the main regional airports, provided that it does not dilute and undermine fair competition between airlines.

There is also significant opportunity for Government to boost tourism by linking together the Regional Connectivity Fund with the Discover England Fund and the GREAT Campaign. This can be done through an integrated programme whereby products developed through the Discover England Fund are sold in markets accessed by routes started by the Regional Connectivity Fund and are promoted in those markets through the GREAT campaign..

Customs Union

In the event the UK leaves the Customs Union, it is important that any imposed border checks or levies are kept to an absolute minimum, and preferably that a comprehensive free trade agreement be struck with the EU in the shortest possible timeframe. It is also important that there is a boost to current electronic trading arrangements, which facilitate smooth trading across borders. In terms of immediate priorities, the UK Government must ensure that, as a minimum, transitional arrangements are agreed so that UK businesses do not face prohibitive tariffs when exporting or importing goods in any period between the UK exiting the EU and the signing of a future trading agreement.

Maintaining Transport Infrastructure

Increasing the ability of visitors to access areas outside London requires that transport infrastructure development programmes take full account of the needs of the tourism industry rather than concentrating on just increasing provision for commuter and business travel. This requires a fundamental shift in transport modelling to incorporate leisure use in long-term infrastructure planning.

This also means the adoption of best-practice solutions when reviewing maintenance and construction schedules so that work to the road and rail networks is not continually scheduled for weekends and holidays when tourism demand is at its highest, and ensuring that priority is given to road maintenance in rural and seaside areas reliant on tourism when damage is caused by storm or flood events.

Improving Public Transport

Currently only just over 20% of people use public transport to undertake tourism-related travel in the UK, meaning that much more needs to be done to promote and support the use of rail and coach services.

The Government needs to maximise the UK's transport assets by making them more travel trade friendly - particularly to groups. There are already initiatives underway to simplify and improve the ticketing system for rail travel but much more can be done to provide products that would boost tourism-related travel and support regional economies including UK versions of the Britrail pass, national tourism rail cards and the integration of rail and bus networks and timetables. Also, more information needs to be provided in other languages and ticket pricing structures should be examined to find ways whereby tourism travel can be encouraged through the utilisation of last-minute spare capacity on off-peak services.

National and local government can also assist the development of coach tourism by ensuring that seaside resorts, tourist attractions, towns and cities meet the requirements of the Equality Act 2010 and provide dedicated fully-accessible pick-up and set-down points in the heart of these locations, accompanied by the provision of safe coach parking locations. By promoting and adopting CPT's coach friendly award scheme, destinations will encourage the elderly and mobility impaired to be more active, which is good for the overall health and well-being for this section of the population, and encourage coaches to visit more locations.

Longer-term action is required to address overall traffic congestion and the resultant poor air quality. As well as incentives to develop coach travel due to the economic, environmental benefits associated with its ability to reduce congestion and pollution on roads, the development of electric powered coaches and providing priority measures for buses and coaches to have free flow access at the most congested locations are priorities.

Welcome

Introduction



The UN World Travel Organisation predicts that global tourism demand will increase by 58% by 2030, with almost half that demand coming from BRIC countries. This presents considerable opportunities for the UK. However, in pursuing these opportunities, it is important to remember that over two thirds of the tourism flow in and out of the UK is with EU countries and is likely to remain so for the foreseeable future. Therefore, considerable effort needs to be directed to ensuring that people traveling to and from the EU continue to do so as freely as possible.

With leaving the EU, there is also an increased need to ensure that overseas visitors recognise that the UK welcomes overseas visitors and trade. The Great Campaign is well supported by the UK tourism industry and should be enhanced to both address issues of perception and to boost trade tourism from new markets. Similarly, funding for VisitBritain should be enhanced to provide increased opportunities for both strategic and tactical marketing of the UK as a tourism destination.

Immigration Control

The continuation of visa-free travel is essential to the UK inbound and outbound industries. Even without requiring EU nationals to apply for a visa to come to the UK, it will simply not be possible for Border Force to process a further 24m visitors per year through the existing non-EU immigration channels. Similarly, if the EU imposes its recently announced ESTA scheme on UK nationals and the UK introduced a reciprocal scheme on EU nationals, this could make existing KPIs for processing UK and EU nationals unachievable and have a considerable detrimental impact on the UK tourism industry.

As such, the Home Office needs to consult with the tourism industry as soon as possible on how it intends to process EU visitors post-Brexit so that there is a smooth transition to a system that does not adversely impact on the UK tourism industry or the experience of people entering or leaving the UK.

Visas

While there has been an improvement in the UK's visa offering over the last five years, the fact remains that, since biometric visa were introduced in 2008, the UK's share of outbound tourism from China, Russia and India has decreased by 30%.

Therefore, the Home Office needs to work with the tourism industry to develop a co-ordinated and coherent programme of measures in order for the UK to remain a destination of choice for travellers from the main global growth markets such as China and India after the UK leaves the EU.

One of the key measures in this programme is for the Government to make the current low-cost, two-year multi-entry visa trial offering to Chinese nationals permanent and then immediately fulfil its commitment to introduce a low cost, 10 year, multi-entry visa for this market.

Other measures include:

- Extending the low-cost two-year visa to the Indian market.
- Including visitor visas in trade deal negotiations
- Creating a "special events" visa (e.g. a 30 day conference visa) in order to provide a more dedicated welcome, supported by easier and better value online application process for event attendees.

Student Strategy

The UK is internationally recognised for the quality of its education system and as one of the premier countries in which to gain a qualification. Globally, the UK is the second most popular higher education destination (after the USA) with one in five students in the UK an international student. This makes the UK the destination with the highest international student body share in the world.

The sector comprises three main components;

- 438,015 international students (non EU) enrolled on UK higher education courses: estimated worth £10.8 billion
- 535,485 attending ELT courses: estimated worth £1.2 billion
- overseas pupils attending ISC schools: estimated worth £846 million.

Apart from the direct economic benefits, foreign students also play a significant role in the UK's soft power and provide the UK with the ability to gain highly skilled employees. Universities UK estimate that over 80% of former international HE students plan to develop professional links with the UK

It is argued that most students (certainly all those on Tier 4 visas) technically fit the international definition of a migrant (i.e. those staying for more than 12 months). However, this has allowed students to become unwittingly caught up in the debate about immigration, even though a 2016 Com Res survey found that over 75% of UK residents do not consider students to be migrants. There is a growing body of political opinion which supports this view, as evidenced in the very recent vote in the House of Lords to remove them from net migration statistics. English UK and other sectoral representative bodies continue to lobby alongside other educational sector bodies in the education sector for students to be taken out of the net migration target.


Many non-EU students do not need to come on Tier 4 visas, preferring to come on Short Term Study visas for courses up to 6 or 11 months, especially English Language learners. More significantly, almost 50% of the 530,000 students studying at English UK member centres in 2015 were from the EU. We hope that nothing will be allowed to stand in the way of encouraging that mobility to continue. The current EU migration rules have also helped centres employ staff with the right qualifications and / or language skills at short notice.

We would therefore like the government to develop and implement a student tourism strategy that encourages overseas students to come to the UK and for the best of these students to stay in the UK and contribute to the UK's economic growth.

Events Strategy

Britain's Events Industry is worth over £41 billion to the economy through direct visitor spend. The Government's new Events Strategy, aimed at growing the value and volume of international events held in Britain, has been welcomed for the Business Tourism sector and the benefits from a co-ordinated cross-Government approach to bidding and staging events and conferences in the UK is already becoming apparent.

With the introduction of the Industrial Strategy and the development of sector deals, it is important that the Events Strategy is integrated into the all sector deals so that synergies are gained between the growth of core sectors vital for the growth of the UK economy and businesses travel which will enhance the UK's position as a world leader in these industries.



Summary of Key Measures

- Establish a taskforce to determine an appropriate fiscal mechanism for enabling DMOs to gain the resources required to play their role in the implementation of the Tourism Action Plan.
- Develop and implement a replacement scheme for CAP from 2020 that recognises the linkages between farming, the environment and maintaining a unique landscape which attracts millions of visitors every year.
- Introduce Coastal Enterprise Zones in order to focus efforts on regenerating coastal destinations.
- Reinstate the Good Planning Guide for Tourism to support appropriate tourism growth and investment.
- Work with the industry to develop and implement a plan for filling staff shortages within the industry so that it can continue to grow in a post-Brexit environment.
- Include hospitality and tourism in any priority funding for training and provide careers information, advice and guidance that reflects true career opportunities in the sector.
- Insert a sunset clause in the new Package Travel Regulations that states that their application to domestic tourism products that do not include transport will cease when the UK leaves the EU.
- Review tourism-related regulation to determine whether it remains appropriate and what could be done to reduce regulatory burden.
- Conduct a sector-wide review of tourism-related taxation with the purpose of constructing a tax regime for the sector that is both fair and stimulates growth.
- Commit to the abolition of APD for all domestic and international journeys departing UK airports as soon as practicable.
- Develop an Aviation Strategy that addresses regional connectivity and capacity, the development of an enlarged domestic aviation network and modernises UK airspace.
- Expand the Regional Air Connectivity fund to connect it to the Discover England Fund and the GREAT campaign to boost tourism.
- Ensure that UK businesses do not face prohibitive tariffs when exporting or importing goods in any period between the UK exiting the EU and the signing of a future trading agreement.
- Ensure transport infrastructure development programmes take full account of the needs of the tourism industry.
- Maximise the UK's transport assets by making them more travel trade friendly and assist the development of coach tourism.
- Consult with the tourism industry as soon as possible on how it intends to process EU visitors post-Brexit so that there is a smooth transition to a system that does not adversely impact on the UK tourism industry or the experience of people entering or leaving the UK.
- Work with the tourism industry to develop a co-ordinated and coherent programme of measures in order for the UK to remain a destination of choice for travellers from the main global growth markets such as China and India.
- Develop and implement a student tourism strategy that encourages overseas students to come to the UK and for the best of these students to stay in the UK and contribute to the UK's economic growth.
- Ensure that the Events Strategy is integrated into the all sector deals.

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The Tourism Alliance is the Voice of the Tourism Industry, comprising 55 Tourism Industry Organisations that together represent some 200,000 businesses of all sizes throughout the UK.

The purpose of the Tourism Alliance is to identify and develop policies and strategies to raise standards and promote quality within the industry and work with and lobby government on all key issues relevant to the growth and development of tourism in order to maximise its contribution to the economy.

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