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1 Introduction and Overview by the Secretary of State for Culture, Media and Sport

1.1 My vision for tourism in England is straightforward. I want to see successful businesses providing a rich variety of experiences for today's discerning leisure and business tourists, and creating real economic and social benefits for the whole country in the process. I want to see sustained and sustainable growth, with the industry and the public sector working more closely together in marketing Britain as a tourist destination at home and overseas. And – most of all – I want to see the customer at the very heart of all we do. We need to put businesses in a position to provide the very best products and services to the customer through effective and co-ordinated partnership work.

1.2 To make this vision a reality, we need a set of common objectives, delivery strategies which everyone understands, and clear allocation of responsibility.

1.3 Putting our aims into practice involves more than words; sometimes it involves difficult choices about making the best use of available resources. With our partners, DCMS has taken a good look at our tourism sector, with a view to identifying the key areas where real progress can be delivered quickly.

1.4 Following that process, we are concentrating on four key drivers:

- marketing and e-tourism;
- the quality of our products;
- the skills of our people; and
- the data on which we base our business decisions.

1.5 A fifth activity has been supported by the industry as a key task for DCMS: advocacy of the case for tourism at all levels - in the European Union, across Whitehall, and in regional and local government.

1.6 A great deal of progress has already been made in these areas. VisitBritain and others are making the most of the opportunities presented by e-tourism. The industry is well on the way to harmonising its accommodation grading standards. We have successfully launched a new Sector Skills Council for the sector. And we are addressing the need for real improvements in our sources of data.

1.7 But we need to finish the job. Delivery in these areas will be overseen by a new Tourism Review and Implementation Group (TRIG), which I expect to begin its work before the end of July 2004. TRIG includes high level representatives from the industry, from tourism's public sector and umbrella bodies, from local and regional government, and from academia. I have asked it to oversee and monitor operational work and report back to me after one year.

1.8 We have identified our key drivers. But we are well aware that they are by no means the whole story. The tourism sector encompasses the working lives of a high proportion of the population. It is a vital element of local and regional economic development. It can promote diversity and fairness by opening up access to tourism opportunities to all, and an environmental policy which protects our natural and built environments.

1.9 It also encompasses important regional issues. Rural communities rightly require a special focus – not least, because many of our rural tourism assets cross regional and local authority boundaries. And many of our coastal resorts are being regenerated as centres for fun and relaxation, and for business events. A different approach is needed in our major cities as they re-assert themselves as centres of business and culture, and London has a special role. It is not just our leading tourism draw, but a gateway to tourism for the whole country – a role which it has actively taken on following the Gateway Summit. In all these places, we need to manage tourism carefully – not just to suit places for tourists, but to ensure that we do not destroy what attracts them in the first place, and that local communities benefit.

1.10 There is a close relationship between the successful development of tourism and the strengthening of the cultural assets of the country – our heritage, the vibrancy of our communities, the natural beauty of our landscapes, our attractive public spaces, and the openness and friendliness of our people. While these assets are important to the success of all tourism in Britain, they are vital in rural areas where there is a greater reliance on the quality of the wider environment. But whatever the setting, good management of the things that make everyday life better benefits us commercially and socially by attracting satisfied visitors.

1.11 This prospectus is not designed to deal with every issue relevant to the tourism industry. Although it builds on the strategy set out in 1999's *Tomorrow's Tourism*, it is closely focussed on delivering improvements in the key areas. But, as we take forward that work, we must not lose our focus on other and wider issues, including how we can ensure that we get the best return from a successful Olympic bid. So I have also asked TRIG to consider more structural matters affecting the tourism industry – including regulation, planning, sustainability, and patterns of ownership and employment – and report back to me with firm, evidence-based proposals.

1.12 The programme set out here is – and must be – a joint one, created in full partnership by all major stakeholders in the sector. Tourism is a devolved matter, so the programme relates primarily to England. But some elements are best delivered at GB level, much as DCMS's sponsorship arrangements ensure that the whole of Great Britain benefits from VisitBritain's overseas marketing efforts.

1.13 Delivering all this will not be easy. We know that tourism is an increasingly competitive global industry. But I will finish with a challenge. If we are to keep pace with world travel forecasts, we must be aiming for an industry turnover of £100 billion as a minimum by 2010. I have a great deal of confidence in our ability to achieve that.

Tessa Jowell

Tomorrow's Tourism Today

2 Executive Summary

2.1 Tourism is already a key UK industry, with an annual turnover of £76 billion, or over 4% of GDP. 2.1 million people – over 7% of the working population – work in the sector. And the UK is 7th in the table of world tourism earners.

2.2 But the UK's tourism "balance of payments" was £15 billion in the red in 2002.

2.3 To address this, the Government is engaging all key partners in tourism:

the England Marketing Advisory Board, local authorities, the Local Government Association, London 2012, the Mayor of London, People1st, tourism's professional bodies, Regional Development Agencies, Regional Tourist Boards and other designated regional delivery partners, the Tourism Alliance, and VisitBritain.

2.4 Drawing on detailed consultation with these partners and others, this prospectus sets out five key areas which we see as vital to a tourism industry fit for the 21st Century.

2.5 This prospectus sets out the roles and priorities of the agencies responsible for delivery. Detailed work plans in these areas are matters for those agencies.

2.6 In marketing and e-tourism, VisitBritain is working closely with the industry in achieving its core objectives of increasing the returns on overseas marketing expenditure to 30:1, and on domestic expenditure to 14:1, by 2005/06. And ensuring that at least 62% of this additional overseas tourist revenue is spent outside London in the same timescale. The EnglandNet distribution and booking initiative should greatly improve customer access to information and services.

2.7 In quality, the industry is working to agree and implement common standards for all major accommodation grading schemes by the end of 2004/05, and significantly increase the present 43% rate of participation in such schemes by 2006.

2.8 In skills, DCMS and the wider tourism sector will support People1st in addressing skills shortages, and developing proposals for improving recruitment and retention.

2.9 And in data, an action plan is urgently being developed to take forward the agreed recommendations of the Review of Tourism Statistics report in autumn 2004.

2.10 Delivery will be monitored and overseen by a new Tourism Review and Implementation Group (TRIG) chaired by the Minister for Tourism. TRIG will also consider wider, structural issues affecting the performance of the sector.

2.11 DCMS, VisitBritain and the Tourism Alliance will work towards an annual tourism industry conference, starting in 2005 as a policy forum and as a showpiece for the GB tourism industry.

2.12 And DCMS will provide strong leadership, by working to raise the profile of tourism, and to improve the efficiency and effectiveness of funding through better co-ordination.

3 Where We Are Now – Sectoral Performance and Structural Issues

3.1 The starting point in assessing the needs of the UK tourism sector must be the available domestic and international data. DCMS and its partners fully recognise the deficiencies of the sources of business data available (a deficiency discussed in section 9 below). Even as it stands, though, it provides a base on which to assess our performance over time, and compare it to that of our competitors.

3.2 This section also (and briefly) analyses the structure of the UK tourism sector.

3.3 **Performance Headlines**

Hundreds of millions of holidays are taken, and day-trips made, in this country every year. The businesses that serve those visitors make up an industry worth around £76 billion a year - about 4.4% of UK GDP. It is estimated that 2.1 million people, or 7.4% of our working population, work in the tourism industry (of whom, 1.8 million are estimated to be employed in England).

3.4 The UK's tourism earnings in 2002 are analysed as follows (£ billion):

day trips	34.1 (but see "Data" below, paragraph 9.3)
UK residents overnight	26.7
inbound	11.7
fares to carriers	3.1
Total	75.7

3.5 We have a thriving domestic trade. The industry's earnings from UK residents were as follows in 2002 (£ billion):

day trips	34.1
overnight holidays	17.4
overnight business trips	5.6
overnight visits to friends and relatives	3.4
other overnight trips	0.4
Total	**60.8**

3.6 And 86% of England's tourism income comes from domestic visitors. Of the total of 194 million overnight stays taken in England in 2002, 135 million were made by domestic visitors.

3.7 Moreover, the UK remains one of the most popular destinations for international leisure and business travellers. According to the World Tourism Organisation, we are seventh in the table of inbound world tourism earners. The "top ten" are as follows (in $ billion):

	2001	2000
USA	72.3	82.0
Spain	32.9	31.5
France	29.6	30.7
Italy	25.9	27.5
China	17.8	16.2
Germany	17.2	17.9
UK	**15.9**	**19.5**
Austria	12.0	10.0
Canada	n/a	10.7
Greece	n/a	9.2

3.8 **The "Balance of Payments" Deficit**

But we are competing in an ever more challenging market, and have dropped two places in the above table over the last three years. Both new destinations and new markets are rapidly emerging, the latter reflecting the increasing affluence and mobility of people in Eastern Europe and Asia.

3.9 In 2002, some calculations show that we spent as much as £15 billion more on travelling abroad than we earned from overseas visitors to this country – a deficit up from £2 billion in 1990. This is not just a matter of new, low cost flight connections. It has much to do with our own increasing affluence. People want to travel and have a far greater choice of destinations.

3.10 **Tourism in the UK Economy**

We can significantly reduce that deficit by attracting more overseas visitors. Growth in our domestic trade also has the potential to reduce it, if trips are taken in GB instead of overseas. The starting point in our efforts to do so is a proper understanding of the structure of the UK tourism sector.

3.11 A good proportion of UK economic activity depends in whole or in part on visitors. A wide range of sectors exist to meet their needs, and consider themselves part of the wider tourism industry. These include accommodation and hospitality providers, holiday parks, and visitor attractions. The success of tourism also dictates the fortunes of a number of other sectors which contribute greatly to the attractiveness of England for domestic tourists, and of Britain as a destination for overseas visitors – including transport, galleries, museums, theatres, heritage

sites in public and private ownership, conference and exhibition venues, shops, pubs, clubs and restaurants. These sectors all form an integral part of our product.

3.12 As a result, the relevant players in tourism are many and diverse, with wide variations in the natures and sizes of businesses and other bodies. They all face significant challenges. Today's international and domestic tourists expect high quality in accommodation, food and attractions. They also expect clean and safe streets, convenient transport links, and good access to information. So whether a visitor leaves a destination wanting to return, and whether that place is recommended to others, depends on the input of many providers - including those charged with providing the public infrastructure.

3.13 **Trends in Consumption**

Understanding the structure of the sector is one thing. We must also recognise that patterns of consumption are changing – both for domestic and international visitors. The industry must keep up with evolving demand.

3.14 Traditionally, tourism has been underpinned by the major annual holiday. While still important, this is not an area of significant growth for domestic or overseas visitors. The growth area in the domestic market is in day trips and short breaks, often based around cultural pursuits, heritage attractions or shopping, or themed around attractions and hobbies. For overseas visitors, we are seeing growth in business tourism, and in visiting friends and relations. There is good evidence that these types of visits very often lead to repeat trips - business visitors often return to the UK for pleasure, and overseas students return to the haunts of their youth.

3.15 **Meeting Demand**

We know that this country can provide what today's visitors are seeking:

- short breaks are a dynamic market, appealing to both domestic and international tourists;
- there is great potential for further expansion in business tourism, bringing in significant numbers of high spending tourists who sustain the upper end of the accommodation sector, and businesses in conferencing and exhibitions;
- English universities and language schools attract high numbers of overseas students;
- interest in outdoor activities such as walking and cycling is increasing significantly, and we are well placed to capitalise on this; and
- rural tourism continues to be significant, underpinning much of the economic activity of the most beautiful parts of the country.

3.16 **Productivity**

But we must recognise that, while productivity in the tourism industry has improved over recent years, evidence suggests that it remains low – not only compared with other UK service sectors, but to the tourism industries of some of our key competitors. Given the assets we possess, the income we generate from tourism is not as great as it could be. The industry recognises this. In the course of the series of Hartwell conferences held by DCMS over 2001-

03, it was generally agreed that investment in training and development is inadequate. If we are to improve the industry's ability to generate income from its assets, and increase its already substantial contribution to employment in the UK, these issues should be addressed urgently and collectively.

4 Meeting the Challenge – Ambitions for the Tourism Industry

4.1 We believe that this £76 billion a year industry has the potential for rapid growth. It can make better use of its assets to increase efficiency and profitability. If we only slightly exceed the anticipated growth rate of tourism in Europe, the UK tourism industry will be worth £100 billion by 2010.

4.2 Such growth will benefit the whole sector, creating jobs and generating wealth across the country. But growth means offering tourists of all ages and interests a quality of experience which exceeds their expectations. Word of mouth is the most important form of marketing, and we have to make sure that, wherever they come from and for whatever reasons, visitors to Britain go home eager to return.

4.3 If we are to ensure that this is the case, we need an effective partnership between the private, voluntary and public sectors.

4.4 The Government, regional bodies, local authorities, the voluntary sector, and the industry itself are committed to meeting and exceeding the rising expectations of visitors, by:

- working in closer partnership in marketing, and particularly in planning and resourcing our work to market the industry's products in a more effective and co-ordinated manner;
- ensuring continuous improvement in the quality of our tourism products;
- investing more in developing the right skills;
- helping businesses by providing more and better customer information, making it easier to access and book holidays and other services;

- improving policy and business decisions with better data;
- building tourism into national and regional economic development strategies, and making better use of scarce resources by increasing collaboration at national, regional and destination levels;
- promoting closer collaboration between the public bodies which promote tourism, culture, heritage and sport;
- giving greater recognition and support to local authorities and other local organisations in supporting tourism; and
- fully recognising and exploiting the links between tourism and the cultural and sporting life of this country, by bringing events and programmes together into unified plans.

4.5 All of the above are important – indeed, all are vital. But, drawing on the valuable discussions at the Hartwell conferences, the Government and its partners have identified the priority areas as:

- marketing and e-tourism;
- product quality;
- workforce skills;
- data; and
- advocacy of the case for supporting the tourism industry.

4.6 Clearly, these areas are not self-supporting, and the actions we are proposing cannot be progressed in isolation. Better marketing will only work if we have a quality product, which in turn requires investment in skills. Improved decision making in these and other areas is possible only if we have accurate, relevant and timely data. All action therefore needs to be linked and co-ordinated.

4.7 It should be strongly stressed that, in these and the other areas set out above, DCMS is fully committed to its role as the advocate of the tourism sector in Government. The first four key workstreams involve policy interaction with other Whitehall Departments. And DCMS will continue its advocacy role in other areas which affect the industry.

4.8 The agreed objectives, strategies and responsibilities for delivering improvements in the first four key areas are set out in sections 6-9 below. Each section includes details of the partners' agreed responsibilities and actions.

4.9 To put these responsibilities into their proper contexts, the progress of the wider Tourism Reform Programme to date is outlined in the next section.

5 The Tourism Reform Programme

5.1 The above programme is not being proposed in isolation. It forms part of the wider reform programme, which aims to build on the strengths of the tourism industry to increase its productivity and its contribution to this country's wealth, and gain greater recognition for tourism as a driver of economic growth and community benefit.

5.2 A number of the far-reaching reforms to the ways in which the tourism sector is supported came into effect by April 2003:

- VisitBritain was established as the national lead tourism marketing organisation, promoting Great Britain overseas, and England to the domestic market;
- the Tourism Alliance was established as a collective voice for the sector (the Welsh Tourism Alliance and the Scottish Tourism Forum are performing similar roles in Wales and Scotland);
- the England Marketing Advisory Board was established to advise VisitBritain in its role in leading and co-ordinating the marketing of England domestically;
- Regional Development Agencies (RDAs) in England were given the strategic lead for tourism in the regions, and have been tasked with ensuring that the appropriate delivery structures are in place;
- it was agreed that delivery in the regions is to be achieved through Regional Tourist Boards and other designated partners, within RDAs' wider regional strategies; and
- the Mayor of London was given statutory responsibility for developing London's gateway role under the Greater London Act 1999, and for working with regions and national bodies to promote tourism across the UK.

5.3 There are other important elements to the reform programme:

- local authorities continue to perform vital functions in supporting the tourism industry – not least, because of their statutory duties, and their wider responsibilities for local infrastructure, economic development and sense of place. Local authorities are well placed to perform the essential function of co-ordinating all aspects of tourism at local level, working in partnership with businesses and other interests, including RDAs and their delivery partners;
- the new Sector Skills Council for Hospitality, Leisure, Travel and Tourism (People1st) was launched in May 2004;
- the implementation of the Licensing Act 2003 is reforming the alcohol and entertainment licensing laws of England and Wales, with the encouragement of modern tourism and hospitality industries as a key aim;
- the National Lottery has brought about major improvements to the quality of our cultural infrastructure and helped deliver a wealth of new attractions across the country such as Tate Modern, the Eden Project and The Deep;
- a number of major themed promotions have been developed, including Sea Britain 2005;
- we are seeing a renewed emphasis on our cities as centres of sport and culture, exemplified by the successes of Manchester in hosting the 2002 Commonwealth Games, and Liverpool in securing the nomination as European Capital of Culture in 2008; and
- London's bid to host the 2012 Olympic Games is spotlighting the world-class visitor attractions of the capital, and stimulating further improvements in the visitor infrastructure.

5.4 We have also clarified the respective responsibilities of the Devolved Administrations and Tourist Boards, and VisitBritain. As tourism is a devolved responsibility, close collaboration is essential with the industries, tourist boards and administrations of Northern Ireland, Scotland and Wales if the full economic benefits of the reform programme are to be realised across the UK.

5.5 VisitBritain's role is to promote Great Britain overseas as a tourist destination, generating revenue throughout Britain and throughout the year. VisitBritain is formally accountable to the UK Parliament and answerable to the Scottish Parliament and the Welsh Assembly. But VisitBritain also leads on marketing England to the British, advised and assisted by the England Marketing Advisory Board and in consultation with the Mayor of London. So, while many of the initiatives considered in this prospectus apply to England only, VisitBritain will help to apply them across Great Britain – where this is appropriate – in close collaboration with its devolved partners.

6 Marketing and E-tourism

Marketing British Tourism VISIT BRITAIN

6.1 Effective and fully co-coordinated marketing is vital if we are to achieve our objectives for the sector. For some years, the Government has invested about £50 million annually in marketing through VisitBritain. The establishment of a strong and effective marketing body was, as we have seen, a key aim of the wider Tourism Reform Programme.

6.2 Britain remains a leading destination for international tourists, and we can make it even more popular. We can appeal both to our existing markets, and to new ones emerging around the globe. Our traditional assets, including our heritage, culture, and countryside, remain strong. But increasingly they are being supplemented by a new awareness of the attractions of our thriving modern culture, and of our place at the cutting edge of many creative activities. Hobby and pastime packages, sports and activities, and film and television tie-ins, are growth areas, and London's position as both major world city and UK gateway remains strong.

6.3 The English domestic market is also changing. Low-cost airlines now offer affordable and convenient breaks in European cities. The domestic market in the off season will increasingly be dominated by the active middle-aged and seniors, who will be more sophisticated and demanding in their tastes and requirements.

6.4 And the means by which customers access information, and plan and book their visits, have changed fundamentally. Tourism is one of the most significant sectors to be affected by the internet. Not all parts of the industry have reacted effectively to these changes, and many thousands of small and medium sized enterprises face particular challenges.

6.5 VisitBritain and others have developed a greater understanding of these changes in demand, and are responding with increasingly sophisticated marketing at home and overseas. It is also actively working towards the right balance between short-term tactical marketing approaches, and longer-term brand building.

6.6 **Marketing Great Britain Overseas**

To meet the overseas marketing targets it has agreed with DCMS (see "Responsibilities, Actions and Objectives" below), VisitBritain has restructured its overseas work to ensure that it achieves the maximum impact in marketing Great Britain overseas, and particularly in emerging markets. Overseas operations have been re-organised into a number of regional hubs, which provide both greater expertise and focus. VisitBritain has already expanded into several key emerging markets. In China and South Korea, the emphasis is on the development of effective and compelling content for websites and broadband; in Poland and Russia, the focus is on maintaining and promoting new websites, and on building media and trade awareness. Further market development is under way in other Accession States, and in Malaysia and Thailand.

6.7 **Marketing England**

It has often been said anecdotally that it is much easier to book a two-week holiday in the Mediterranean than a two-day break in the English countryside. Under the reform programme, VisitBritain is charged with marketing England domestically, and has agreed a challenging but realistic target with DCMS (again, see below). The programme also established the England Marketing Advisory Board (EMAB), with England-specific focus and expertise, to advise VisitBritain. Both measures were much needed.

6.8 EMAB is responsible for overseeing the creation, development, promotion and implementation of a marketing strategy for England. It has advised VisitBritain closely on tackling its domestic remit, and has helped shape VisitBritain's ambitious domestic marketing strategy to increase English tourism. The strategy - *enjoy England* - was published in autumn 2003 following extensive public and private sector consultation.

6.9 One vital component of that domestic marketing is EnglandNet, which will enable even the smallest businesses to present their products via the electronic media in an attractive and co-ordinated context. EnglandNet has the potential to transform the relationship between tourism businesses and their customers by allowing user-friendly, 24-hour access to quality-assured tourism products and services, and to on-line booking capability.

6.10 **Co-ordination**

Much of the reform agenda has been about ensuring that, as well as being dynamic and customer-focused, the national marketing effort is properly co-ordinated.

6.11 The industry itself, and others in the public sector, invest heavily in tourism marketing. Public bodies in the heritage and culture sectors spend many millions promoting their assets, and much of that effort is aimed at tourists. We need to use all of this money more effectively to create coherent, co-ordinated programmes which avoid duplication or conflicting messages, and which maximise return for marketing spend. We believe that, here above all, collaboration between the different parts of Britain; between national, regional and local tourism organisations; and between the public, private and voluntary sectors, can yield quick benefits.

6.12 VisitBritain has already changed its approach to align itself with the reform programme, seeking to involve its public and private sector partners at every stage in formulating its marketing strategies. That work must continue, and a fully co-ordinated approach should be adopted by all organisations involved in marketing our product at national, regional and local levels.

6.13 **Marketing – Responsibilities, Actions & Objectives**

To achieve the objectives discussed above, the partners' key responsibilities and actions are:

In marketing Britain overseas:

DCMS will:

- fund VisitBritain's overseas marketing activities;
- encourage all publicly-funded bodies involved in marketing to overseas visitors to align their plans with national and regional strategies;
- work with other Government Departments and others to secure Approved Destination Status from China; and
- consult the Devolved Administrations on VisitBritain's key performance targets.

VisitBritain will:

- develop a co-ordinated and customer-focused strategy for marketing Britain abroad, against the following key targets agreed with DCMS:
  - to achieve a return on investment on the promotion of Britain overseas of 30:1 by 2005/6; and
  - to ensure that by 2005/6, at least 62% of the additional overseas tourism revenue generated by VisitBritain is spent outside London.
- fully involve VisitScotland, the Wales Tourist Board, Visit London and the English regions in this strategy, to ensure the commitment of all bodies promoting the countries and regions of Britain; and
- work in partnership with the private sector, ensuring that the strategy meets the needs of the full range of tourism businesses.

The **Tourism Alliance** will:

- harness the commitment of its members in developing marketing strategies; and
- actively encourage its members to consider contributing to the formulation and funding of joint programmes and campaigns.

In marketing England domestically:

DCMS will continue to fund VisitBritain's activity in marketing England.

The **England Marketing Advisory Board** will advise VisitBritain on:

- leading and co-ordinating the domestic marketing of England all levels; and
- creating and implementing a strategic marketing plan for England, and working closely with other public bodies and private industry in implementing it.

VisitBritain will:

- support the implementation of the England strategy, against its agreed objective of achieving a return on investment on the promotion of England domestically of 14:1 by 2005/6;
- prepare plans for identifying and addressing knowledge gaps, and for establishing a robust foundation of market insight for England; and
- develop branding architecture for England for use at local, regional and national levels, and sponsor and support the EnglandNet project.

Regional Development Agencies will:

- develop regional marketing strategies where appropriate, which take full account of regional perspectives, priorities and strengths; and
- support the development of EnglandNet.

Regional Delivery Partners will:

- ensure that their own marketing programmes are co-ordinated with EMAB's national strategy, and with wider regional economic strategies; and
- provide support for marketing and quality promotion at regional level.

The **Local Government Association** will encourage local authorities to:

- devote adequate resources to their discretionary tourism marketing activities, and co-ordinate those activities with regional and national strategies;
- pool marketing resources where appropriate; and
- support a modern network of Tourist Information Centres.

7 Quality

7.1 Improving the quality of our product – not just of accommodation, but of all tourist services - is vital if we are to achieve the levels of growth we are aiming at. Industry evidence and common sense strongly suggest that improvements in the quality of service and design lead directly to higher productivity and profit. We are therefore aiming to:

- improve the signalling of quality to customers;
- reward those who invest in improvement; and
- identify and act on the barriers to investment in improving quality.

7.2 This needs concerted action at all levels - locally to improve standards and to eliminate poor quality products, and nationally to implement improvements to grading and other schemes and to ensure that good quality is effectively communicated to customers.

7.3 There has recently been real progress in this area. At local level, the Fitness for Purpose scheme can not only deliver real safety and other improvements at the more basic accommodation level, but can create a new commitment to quality among businesses. Evaluation of the six Fitness for Purpose pilots has shown that both businesses and local authorities believe it to have been a success.

7.4 Nationally, Alan Britten (the former Chairman of the English Tourism Council) was engaged by VisitBritain to report on the possibility of establishing common accommodation standards across Britain. His report, published in May 2004, included in-principle agreement to the adoption of common standards from VisitBritain, VisitScotland, the Wales Tourist Board, the AA, and the RAC.

7.5 Given the progress already made in this area, our targets are now:

- to significantly increase participation in grading schemes in England from the present 43% of accommodation; and
- to bring about a measurable increase in consumer understanding, usage and approval of the grading schemes by 2007, through better and more popular presentation.

7.6 Implementation work on this is discussed below.

7.7 The agreed roles and responsibilities recognise that accommodation and tourism attractions are not the whole of the product. Local authorities and other local bodies perform vital roles in improving the quality of the tourism experience. Public spaces and facilities are important to visitors, and we have to get these right as well. Many public facilities are operated by local authorities, which also provide information to customers and have statutory duties to inspect premises. We recognise that product quality is not simply a matter of accommodation grading, and that wider consideration is needed – including transport and other infrastructure. To that end, DCMS will ensure that barriers to investment in quality improvement are considered by TRIG.

7.8 **Quality – Responsibilities, Actions & Objectives**

DCMS will:

- continue to provide funds for the administration of England's quality schemes, to be reviewed in the light of the recommendations of the current review of National Quality Assurance Schemes;
- promote the Fitness for Purpose scheme, within existing financial constraints; and
- advocate the encouragement of a tourism 'improvement culture' within Whitehall, and provide high level support for the adoption of standards of quality sufficient to satisfy the increasingly demanding requirements of visitors.

VisitBritain will:

- continue to work with VisitScotland, the Wales Tourist Board, the AA, and the RAC towards the agreement and implementation of common standards for accommodation grading across Great Britain;
- complete its review of the management of the schemes in England, then work with its partners to take forward these reviews in the light of recommendations approved by Ministers;

- encourage visitor attractions to raise the quality of their products, and to consider using the Visitor Attraction Quality Assurance Scheme (VAQAS) where appropriate. This should include the provision of promotional opportunities in campaigns and other material.

Regional Development Agencies will:

- promote continuing quality improvement across all tourism businesses; and
- make product quality a key consideration in investment decisions.

Regional Delivery Partners will:

- continue to fund Unicorn Ltd pending the implementation of recommendations from the review of National Quality Assurance Schemes;
- incentivise members to join the NQAS;
- support the implementation of EnglandNet, using it as a lever to help drive up quality, in partnership with local destinations and businesses.

The **Local Government Association** will:

- support the improvement of quality standards by working to increase industry membership of the NQAS where relevant;
- support the Stepping Stones scheme;
- encourage local authorities to operate an 'inspected only' policy; and
- with individual local authorities and DCMS, take forward the Fitness for Purpose initiative to ensure that minimum legal requirements are met in hotels, guest accommodation, and bed and breakfast establishments.

The **Tourism Alliance** will:

- encourage high quality standards and continuous improvement across the industry through its member organisations; and
- support the Fitness for Purpose scheme, where introduced.

8 Skills

8.1 Tourism has always offered opportunities to new entrants to the employment market, whatever their qualifications. It also offers real challenges and opportunities to highly skilled and qualified people in a range of functions. However, the perception of our sector as a low wage/ low expectation career option remains.

8.2 This is a real problem. In important industry areas, sustained improvement in quality can only realistically be attained with a comparable improvement in workforce skills. If the industry is to deliver a truly high quality product, it must become the career of choice for more of our brightest and most ambitious people. If that is to happen, high quality training and development strategies are needed, covering the entire range of activities from "hands on" skills to management, and addressing the needs of both the industry and individuals.

8.3 Improving workforce skills has significant benefits. As well as improving the image of the sector and encouraging high quality candidates to consider careers in tourism, it can reduce staff turnover and improve productivity through the adoption of better working methods.

8.4 The new Sector Skills Council for Hospitality, Leisure, Travel and Tourism – People1st – was launched in May 2004. It will have a key role in delivering the above benefits. But others need to engage constructively in the work. People1st seeks to work closely with the industry, the Government, and the Further and Higher Education sectors, at all levels. DCMS will actively support it in doing so.

8.5 **Skills – Responsibilities, Actions and Objectives**

People1st will:

- identify and report on skills shortages affecting the industry, including regional variations in skills supply, by April 2005;
- (subsequently) develop proposals for building on existing expertise and best practice in improving training, recruitment and retention; and
- ensure that wider Government initiatives in skills and training are made fully available to the tourism industry.

DCMS will:

- actively support People1st in the above work; and
- continue to promote the industry's Best Practice Forum and the Profit through Productivity initiative.

Regional Development Agencies will:

- support People1st and encourage businesses in their regions to contribute towards it through regional skills networks where appropriate;
- take full account of skills development in their corporate plans; and
- work with the Best Practice Forum to raise the productivity of businesses in their regions where appropriate.

The **Local Government Association** will:

- work with businesses and others in supporting People1st; and
- encourage individual local authorities to support the improvement of the image of tourism as a career.

The **Tourism Alliance** will:

- encourage its members to play a full part in supporting the work of People1st, and to participate in Profit through Productivity and other good practice initiatives; and
- support industry initiatives to raise the image of tourism as a career.

9 Data

9.1 All organisations in our sector need robust and up to date market intelligence, research and other data - businesses to plan investment, and all levels of government to make the right policy decisions. Reliable data is vital to the planning of new development and fundamental to the efficient targeting of marketing.

9.2 The quality of the tourism data available is patchy, and urgently needs to be improved. This was clear before DCMS initiated work on improving tourism data which led to the publication of the Review of Tourism Statistics report in June 2004. The report covered each of the main UK tourism surveys, and recommended:

- extensive improvements to the UK Tourism Survey (UKTS) and the Leisure Day Visits Survey;
- changes to the International Passenger Survey, the UK Occupancy Survey, and the Survey of Visitors to Visitor Attractions, to make them more compatible with other sources of tourism data;
- a greater commitment to the development of Tourism Satellite Accounting (this can give a clearer and more accurate picture of the contribution of tourism to the wider economy. Indeed, if it is successfully adopted, some of the top line figures quoted above are likely to be subject to revision); and
- the establishment of a dedicated Tourism Statistics Unit.

9.3 There is little doubt that changes are urgently needed. Falling response rates, complicated by some changes in the methodology used, have affected the credibility of our data sources (for example, the figure for day trip revenue used in paragraph 3.5 has recently been revised downwards - to some £31 billion - by a more recent survey which, it is claimed by some, was affected by falling response rate). DCMS has begun to address this as follows:

- by establishing an implementation group to urgently consider how best to take forward the Review of Tourism Statistics recommendations in the light of current funding constraints (the group will meet in late July 2004, and has been asked to draw up a detailed action plan in the autumn); and
- by taking forward pilot work on Tourism Satellite Accounting with the University of Cardiff, as part of work arising from the British-Irish Council (the pilot report is due to be published by early autumn, ahead of the Council's Guernsey Summit in November 2004).

9.4 The above work will inform TRIG's consideration of the data issue.

9.5 **Data – Responsibilities, Actions and Objectives**

DCMS will:

- work in partnership with the Devolved Administrations, VisitBritain and key stakeholders throughout the industry to implement the Review of Tourism Statistics report, leading on the drawing up of an implementation timetable and action plan in autumn 2004; and
- continue to take a leading role in the Tourism Satellite Accounting pilot projects.

VisitBritain will:

- in parallel to the implementation of the Review of Tourism Statistics report, work with DCMS, the National Tourist Boards, and the English regions to improve the quality of domestic tourism data within its current remit (for example, the UKTS);
- work closely with DCMS and others on the implementation of the Review of Tourism Statistics report; and
- collect and analyse market-related data to support its marketing aims.

Regional Development Agencies will:

- ensure that data is collected to evaluate the impact of tourism in their regions;
- seek to ensure a consistent approach to data collection across regions;
- consider jointly funding national surveys, especially when pooling resources is cost-efficient and likely to help achieve compatibility of data across regions and with national results; and
- emphasise the importance of a good evidence base to local authorities and the private sector, in line with national and regional standards, when allocating funds for projects or campaigns.

The **Local Government Association** will:

- encourage local authorities to evaluate the local impact of tourism (in conjuction with the British Resorts Association and other bodies, if appropriate);
- adopt appropriate and (where possible) comparable data collection methods, and pool resources where appropriate; and
- make clear to local authorities the need to encourage businesses to respond promptly and fully to requests for data for national and regional surveys.

The **Tourism Alliance** will:

- encourage its members to contribute to making a significant and sustained improvement to the quality, usefulness and availability of tourism data;
- work with other partners in making the provision of data as easy as possible for business;
- encourage its members to share data (if necessary, on an anonymous basis) with a view to improving the industry's overall performance; and
- urge its members to respond promptly and fully to requests for data for national, regional and local surveys.

10 Monitoring Delivery – the Tourism Review and Implementation Group

10.1 Progress against delivery in the above key areas will be co-ordinated by the Tourism Review and Implementation Group (TRIG). Part of TRIG's operational role was previously announced by the Secretary of State under the working title "Tourism Quality and Skills Executive".

10.2 Chaired by the Minister for Tourism, and with a secretariat provided by DCMS, TRIG will include representatives of local government, VisitBritain, the Tourism Alliance, Regional Development Agencies, Regional Tourist Boards, People1st, the tourism academic sector, and leading industry figures. It will monitor and co-ordinate progress in the four key areas set out above, as well as considering wider issues affecting the sector.

10.3 It is expected that TRIG will make detailed recommendations to the Secretary of State in a report after one year. Its terms of reference are as follows:

1. To consider barriers to investment and performance in the tourism industry, including (*inter alia* as appropriate):
   - size of businesses, and proprietors' expectations;
   - capital investment patterns;
   - planning issues; and
   - regulation.
2. To guide and monitor the implementation of the tourism reform work programme set out in the DCMS tourism prospectus, with particular regard to:

   a) the implementation of the Britain Quality Review Report, and its agreed framework for standardising the accommodation grading systems used by VisitBritain, the RAC, and the AA in England, and by VisitScotland and the Wales Tourist Board;

   b) the establishment of an "Entry Level" grading standard, bridging the gap between accommodation covered by the Fitness for Purpose scheme, and that meeting new standards set out in (a), building on the general quality recommendations of the DCMS tourism prospectus; and

   c) the work of People1st in identifying skills gaps in the tourism industry, and in proposing measures to improve recruitment and retention.

3. To consider the issues of quality and skills in the wider contexts of consumer expectations, industry norms, and the realities of consumer experiences; and to make recommendations on further measures for industry-wide improvement.
4. In the light of its considerations of 1-3 above, to make recommendations on the encouragement of a culture of improvement and achievement across the tourism industry.
5. To report to the Secretary of State for CMS after a period of one year from the appointment of the Group.

11 Championing Tourism Across Government and the Olympic Games Bid

11.1 DCMS is committed to improving its sponsorship of the tourism sector. It aims to further improve its understanding of the workings of the industry, and of the impact of policy decisions, legislation and regulation on its performance. DCMS also intends to continue, and to refine, its role as an effective advocate for tourism in Whitehall, and to raise the sector's wider profile.

11.2 In particular, DCMS will seek to advance the wider interests of tourism in its work with other Government Departments on:

- planning and land use, and issues of urban and rural regeneration, in work with the Office of the Deputy Prime Minister and DEFRA;
- transport and related infrastructure, in work with the Department of Transport and others;
- issues of health and physical activity, in work with the Department of Health and others; and
- fiscal issues affecting the sector, in work with HM Treasury and others.

11.3 **DCMS** will also:

- review the Department's sponsorship role, with a view to producing proposals before the autumn of 2004;
- work co-operatively with the Scottish Executive, the Welsh Assembly, and the Northern Ireland Office to encourage a common approach to policy and delivery where appropriate;
- maintain co-operative links with the Greater London Authority to ensure that the unique role of the capital in UK tourism is fully recognised;

- work with the Regional Development Agencies to ensure that they have the opportunity to influence the development of national tourism policy; and
- support and encourage local authorities in tourism promotion work at local level, and in their wider work in improving the quality of local environments.

11.4 **Annual Tourism Conference**

DCMS is working with the Tourism Alliance and VisitBritain on plans for a joint national tourism conference. This would bring together businesses from across the sector; local, regional and national government; and others from the public and voluntary sectors. Detailed discussions on practicalities will begin shortly.

11.5 **The London 2012 Bid**

A successful 2012 bid would provide immense opportunities for tourism development across the UK. Agreed responsibilities and actions are as follows:

The **London Development Agency** (LDA) will review tourism support requirements (for example, visitor centres and liaison facilities).

The **LDA**, **VisitBritain** and **VisitLondon** will:

- consider the accommodation requirements of the games (for example, the case for an inspected 'Home Stay' scheme similar to that successfully introduced for the Sydney Olympics);
- plan for the anticipated increase in tourist activities in the years running up to the games (linked to the Cultural Olympiad over 2009-2012); and
- plan Olympic-themed marketing activities within the overarching brand architecture of VisitBritain, Visit London, and London 2012, ensuring that these add value to existing and planned marketing activities.

Regional Development Agencies will:

- (with regional partners) review the tourism opportunities arising from Olympic activities outside London (for example, sailing at coastal locations, football at grounds outside the capital, and dispersed training camps for national squads).

12 Partner Organisations and Consultation

12.1 This prospectus sets out the responsibilities and actions of DCMS and its key partners:

VisitBritain

the **England Marketing Advisory Board**

the **Tourism Alliance**

the **South West Regional Development Agency** (as tourism lead region on

behalf of all the Regional Development Agencies)

the **Local Government Association Tourism Executive**.

12.2 It also reflects detailed submissions from:

the Association of British Travel Agents

the Association of Greater Manchester Authorities

the Association of Leading Visitor Attractions

the Association for Tourism in Higher Education

the British Holiday and Home Parks Association

the British Hospitality Association

the British Incoming Tour Operators Association

the British Resorts Association

Business in Sport and Leisure

the Business Tourism Partnership

the Country Land and Business Association

the Countryside Agency

Cumbria Tourist Board

East of England Tourist Board

Edinburgh City Council

the English Historic Towns Forum

Philippa Hughes

Lancaster City Council

the Mayor of London

the National Trust

Regional Tourist Boards (collective)

the Scottish Executive (incorporating comments from VisitScotland)

Tourism South East

the Tourism Management Institute

the Tourism Society

the Wales Tourism Alliance

the Welsh Assembly Government (incorporating comments from the Wales Tourist Board)