



Annex 4 – Tourism

Introduction

1. Tourism is the fifth largest industry in England (and one of the largest in the UK as a whole)¹ and contributes to wealth creation and the gross domestic product. As such Government policy has huge potential implications for this industry, and it is therefore vital the evidence base that supports these policies is appropriate to the industry's needs.
2. Moreover, the tourism industry has shown itself to be highly vulnerable to external (and often unforeseen) forces, such as the crises brought about by the Foot and Mouth disease epidemic and the events of September 11. Such crises are not only occurring with increasing frequency, but it is also commonly acknowledged that future attacks of terrorism in the UK are inevitable,² and although seemingly discrete events in themselves, their cumulative effect is to create a permanent state of instability within the tourism sector. Science has a pivotal role to play in helping the Government and tourism industry to, not only appropriately respond to crises on an individual basis, but to prepare for and manage this instability as a permanent generic problem.
3. The purpose of selecting individual policy sectors within DCMS for closer examination was to find out how science operates in practice in DCMS. The tourism sector offers the opportunity to look in detail at how evidence is amassed, and brought together, to underpin policy in a sector that is of great economic importance to the UK.
4. To answer this question, OST looked for evidence of how DCMS and, where appropriate (given the volume of research and data collection activities delegated by the Department) VisitBritain, performed in each of the ten key areas identified by the Government's Cross-Cutting Review of Science and Research as being necessary to ensure high quality science and evidence-based policy within Government.³

The tourism sector

5. Tourism is one of the largest industries in the UK. It is currently worth about £75.9 billion⁴ and employs about 2.1 million people – 7% of all people in employment in Britain.⁵ It therefore accounts for a significant part of the UK's economic activity, and should have long-term growth potential.

¹ House of Commons Culture, Media and Sport Committee. *The Structure and Strategy for Supporting Tourism*, Fourth Report of Session 2002-03, Page 9.

² BBC website (http://news.bbc.co.uk/1/hi/uk_politics/3515312.stm) *London terror attack 'inevitable'* – views expressed by the Metropolitan Police Commissioner Sir John Stevens and the Home Secretary David Blunkett, 16 March 2004.

³ *Cross Cutting Review of Science and Research*, Final Report, March 2002, section C. (http://www.hm-treasury.gov.uk/media/3A7B0/science_crosscutter.pdf).

⁴ VisitBritain website (<http://www.visitbritain.org/>), 12 February 2004.

⁵ Department for Culture, Media and Sport. *Annual Report 2003*, Review Vol.1, Page 48, May 2003.

6. These headline facts, however, mask the fragmentary nature of the industry, which comprises some 127,000 businesses (98% of which are small firms with less than 50 employees), covering a wide range of activities, and frequently operating in local communities.⁶ Tourism is also vital to local communities and regional economies, and can play a major role in regeneration in inner cities, the countryside and seaside resorts.

Organisation of tourism in the UK

7. Responsibility for tourism in the UK is also highly fragmented. DCMS and the devolved administrations, in conjunction with the national tourist boards (VisitBritain, VisitScotland, etc.), have responsibility for tourism. Concordats govern the relationships between DCMS and the Scottish Executive and Welsh Assembly. In England, the Regional Development Agencies and local authorities also play an active role in promoting and developing tourism at regional and local level. Adding yet another layer of complexity to the situation is the fact that other Government departments, such as the Office of the Deputy Prime Minister (ODPM) and the Department for Environment, Food and Rural Affairs (Defra), also have significant interests in tourism.

8. DCMS's role is to champion good quality and service for tourists, from the UK and overseas. It also encourages and helps the tourism industry to improve what it has to offer for all visitors and to promote a positive image abroad. Current tourism policy is focused on improving structures, marketing, data, quality and skills. Sustainable development of tourism and increasing access to tourism are also important cross-cutting issues.⁷

9. VisitBritain was formed on 1 April 2003 to promote Britain overseas as a tourist destination and to lead and co-ordinate the domestic marketing of England. It also has a statutory duty, under the Development of Tourism Act 1969, to advise Ministers and public bodies on matters affecting tourism to Great Britain,⁸ and is currently responsible for the production of tourism surveys.

10. VisitBritain's predecessor, the English Tourism Council, had a somewhat different role: to provide strategic advice on tourism policy for Government, carry out research, promote best practice, improve standards and quality, and support the development and promotion of tourism throughout England. The English Tourism Council had no responsibility for marketing England as a destination; this role was delegated to the nine English Regional Tourist Boards (see Box 1).⁹ VisitBritain's continuing role in research, and the scope and importance of that role in the light of VisitBritain's core market function, has not yet been fully clarified. However, it is intended that VisitBritain should take on the minimum additional functions not directly related to marketing and, since April 2003, VisitBritain has attached increasingly lower priority to research (other than market research) than the English Tourism Council.

⁶ DTI website (<http://www.dti.gov.uk/rda/guide/annexg.htm>), 27 February 2004.

⁷ DCMS website (<http://www.culture.gov.uk/tourism/default.htm>), 12 February 2004.

⁸ *Funding Agreement Between the Department for Culture, Media and Sport and VisitBritain for the Period 2003-4 to 2005-06.*

⁹ House of Commons Culture, Media and Sport Committee. *The Structure and Strategy for Supporting Tourism*, Fourth Report of Session 2002-03, Page 13.

11. The net Grant-in-Aid provided by DCMS to VisitBritain to promote Britain overseas for 2003/04 was £35.5 million, with the total resource available to market English tourism to the domestic market being £14.1m (at least £3.6 million of which was deployed through Regional Development Agencies).¹⁰ In comparison, VisitScotland and the Welsh Tourist Board received grant-in-aid from their administrations of £33 million (2002/03)¹¹ and £22.1 million (2003/04)¹² respectively.

12. A variety of links exist between DCMS and VisitBritain: members of DCMS's Analytical Services Division (ASD) are in close and regular contact with VisitBritain's research staff and sit on the steering groups for the various tourism surveys, etc., and DCMS's Tourism Division (in conjunction with ASD) liaises with VisitBritain's Strategic Planning team to discuss responses to indicators, etc. DCMS staff in regional Government Offices also work with Regional Tourist Boards and others on the production and use of regional tourism data.

13. The industry is represented by the Tourism Alliance. Its membership comprises the 60 or-so lead Trade Associations and Trade Bodies within the sector.

Tourism strategy/policy

14. The Government supports the tourism industry to address market failure.¹³ The reasons behind this include:

- Economic importance – tourism represents around 4.5% of national GDP and has further long-term growth potential;
- Fragmentation of the sector – its great diversity means that it lacks the ability to think and act strategically;
- Data – there is a lack of fully comprehensive market information in a form that can be used by public and private sector organisations;
- Marketing – whilst it is not in the interests of any one company to collect data, do research and conduct marketing and promotion campaigns, the whole industry benefits from such activity. Moreover, whilst large (typically international) companies may undertake marketing campaigns, they do not typically reflect the uniqueness and individuality of England, or the UK, as a destination;
- Regeneration – it plays a major role in sustainable development and can be a driving force for regenerating towns, cities, the countryside and seaside resorts;
- Societal – tourism can help create a more inclusive society by enabling more people to enjoy the benefits of a break or a holiday;
- Infrastructure – tourism is reliant on infrastructure determined by central and local government policies in areas such as transport and planning but, at the same time, it can place burdens on that infrastructure;
- Variable demand - demand is seasonal and is subject to changes in fashion and interest; and
- Recovery – since 2001 there has also been a need for the Government to intervene to ensure the recovery of the tourism industry following the Foot and Mouth Disease crisis and events of September 11.

¹⁰ VisitBritain website (<http://www.visitbritain.org/>), 10 March 2004.

¹¹ *VisitScotland report and accounts 2002:03*.

¹² *Wales Tourist Board Operational Plan 2003/2004*.

¹³ Department for Culture, Media & Sport. *Tomorrow's Tourism – A growth industry for the new Millennium*, 26 February 1999, Page 13.

15. Current tourism policy builds upon *Tomorrow's Tourism*¹⁴, the Government's 1999 strategy for the development of tourism in England. The *Tomorrow's Tourism* strategy was intended as a statement of the broad principles governing investment and other policy decisions, and made no reference to dealing with risks or crises. However, with the benefit of hindsight and bearing in mind the events of 2001, DCMS staff acknowledge that the inclusion of some form of risk assessment may have been desirable.

Box 1

Creation of VisitBritain

The English Tourism Council was launched on 12 July 1999 as the new strategic national body for England, providing leadership to the tourism industry.¹⁵ The role of the English Tourism Council was to provide strategic advice on tourism policy for Government, carry out research, promote best practice, improve standards and quality and support the development and promotion of tourism throughout England. The English Tourism Council did not have any responsibility for marketing England as a destination in any form; this was delegated to the nine English Regional Tourist Boards, who did have a marketing role.¹⁶

On 1 April 2003, following a Government review of the marketing needs of the English tourism industry, activities of the English Tourist Board (trading as the English Tourism Council) were merged with those of the British Tourist Authority¹⁷, and the British Tourist Authority assumed statutory responsibility for the domestic marketing of England as well as the international marketing of Britain. To reflect this enhanced remit the British Tourist Authority adopted the new trading name 'VisitBritain'.

VisitBritain's responsibilities are as follows:

- Promote Britain overseas as a tourist destination, generating additional revenue throughout Britain and throughout the year;
- Help the UK tourism industry to address international and domestic markets more effectively;
- Provide advice to Government on matters affecting tourism to Great Britain and contribute to wider Government objectives;
- Work in partnership with the devolved administrations and the national and regional authorities; and
- Oversee the development and implementation of a domestic marketing strategy for England, informed by advice from the England Marketing Advisory Board, working with private sector, regional and local government partners.¹⁸

¹⁴ Department for Culture, Media & Sport. *Tomorrow's Tourism – A growth industry for the new Millennium*, 26 February 1999.

¹⁵ Department for Culture, Media and Sport. *The Tourism Summit, 1 March 2000 – Report on the Conclusions*, Annex 4.

¹⁶ House of Commons Culture, Media and Sport Committee. *The Structure and Strategy for Supporting Tourism*, Fourth Report of Session 2002-03, Page 13.

¹⁷ The British Tourist Authority was established under the Development of Tourism Act 1969, assuming the principal responsibilities of the British Travel Association, which had until then been Britain's national tourist organisation.

¹⁸ VisitBritain. *Foreword & Annual Report 2002/2003*, Page 23.

DCMS's Performance on the Ten Key Success Criteria

1. Develops a clear, overall science and/or research strategy

Tourism strategy

16. *Tomorrow's Tourism* – the Government's strategy document for tourism – underpins all DCMS's current work relating to tourism, including its science activity. Marketing, data, quality and skills are the main areas of current focus, with sustainability and access also receiving attention. *Tomorrow's Tourism* contained 15 strategic action points, including: a blueprint for sustainable development of tourism and the development of innovative niche markets.¹⁹ Whilst the strategy contained no detailed assessment of the research or other science-based needs of the sector it specifically identified the need for the (then) new strategic body (the English Tourism Council) to do research.²⁰

17. Published in February 1999, *Tomorrow's Tourism* pre-dates the Foot and Mouth Disease outbreak and the events of September 11, and even the establishment of VisitBritain's predecessor the English Tourism Council. As early as March 2001, it was suggested that the "Government should consider updating *Tomorrow's Tourism*" in order to ensure "that it is an evolving, organic strategy, which takes account of the fast-changing pace of the global tourism industry."²¹ To address this, DCMS has recently issued *Tomorrow's Tourism Today*²² a prospectus for tourism development which sets out the responsibilities and actions of public and private sector organisations in the key areas of marketing, quality, skills and data.

Formulation of a research strategy for tourism

18. Since the creation of VisitBritain in April 2003, DCMS has taken a strategic role in the UK's research agenda for tourism, which it is addressing through the *Tourism Statistics Improvement Initiative* (discussed below). Until this time, the prime responsibility had lain with the national tourist boards and the Regional Development Agencies in England – though their sponsoring departments (DCMS and the devolved administrations) also had some input into their plans.

19. Notwithstanding the work of DCMS on the *Tourism Statistics Improvement Initiative*, VisitBritain (with some input from the Regional Development Agencies) is presently setting much of the research strategy for tourism in England. There are two discernible problems with this: VisitBritain is a marketing organisation and therefore its interests are much narrower than that of DCMS, and the Funding Agreement between DCMS and VisitBritain contains no performance indicators or other requirements relating to research or to the setting of a research strategy.

¹⁹ Department for Culture, Media & Sport. *Tomorrow's Tourism – A growth industry for the new Millennium*, 26 February 1999, Pages 3-4.

²⁰ Department for Culture, Media & Sport. *Tomorrow's Tourism – A growth industry for the new Millennium*, 26 February 1999, Page 15.

²¹ British Tourist Authority. *Report to the Ministerial Tourism Summit*, 6 March 2001.

²² Department for Culture, Media & Sport. *Tomorrow's Tourism Today*, July 2004.

20. Market Insight is VisitBritain's research advisory service; its work underpins the entire organisation's marketing activities. Market Insight's Business Plan forms the equivalent of the VisitBritain's research strategy – and hence (to a large extent) that of England and the UK too. The plan was set internally, but the organisation's priorities were identified through continuous dialogue with the tourism industry, the other national tourist boards and the Regional Development Agencies to identify gaps and priorities, and to coordinate the needs of those organisations involved in tourism. DCMS's input to the process, which was led by ASD, was focused on the collection of data required by Eurostat.²³

21. At the end of the day, however, the Market Insight Business Plan is just that – a business plan – and, whilst it identifies several broad research questions, it could not be said to fulfil the role of a research strategy for the sector as a whole. In comparison, the English Tourism Council (VisitBritain's predecessor) had more detailed plans regarding research and information needs in the tourism sector.²⁴ Research also featured in the Funding Agreement between DCMS and English Tourism Council.

22. In order to more closely align its strategy and research activities with those of its domestic and overseas marketing divisions, the activities of VisitBritain's Strategy & Insight Division – in which Market Insight currently resides – are to be reorganised and its work divided between the two marketing divisions. This will create two research teams – one in each of the marketing divisions. Whilst VisitBritain will continue to provide survey work, etc., to DCMS for the foreseeable future, its broader research capacity has now gone.

23. The decision to create VisitBritain was both a political and administrative one, and was taken as part of a wider tourism reform programme that saw the priorities for public sector resources concentrated on marketing, data, quality and skills.²⁵ In the context of this review it is notable that this decision was taken in the absence of a robust assessment of the activities that might be affected or lost by this action – a high-level Tourism Reform Policy Group addressed this later.²⁶

24. The Policy sub-group of the Tourism Reform Policy Group (whose remit included reviewing all research and policy activity undertaken by the British Tourist Authority and the English Tourism Council) devoted some time to considering research as one of the activities that might be affected by the demise of the English Tourism Council, including the possible effects on staffing and other costs. Informed by this consideration, the Tourism Reform Policy Group identified a number of policy activities which should be moved to DCMS and/or another body, in whole or part (in addition to research, these included access, sustainability, and rural tourism). In the case of research, the main activity has been the *Tourism Statistics Improvement Initiative*.

²³ Eurostat is the Statistical Office of the European Communities. Its task is to provide the European Union with high-quality statistics at European level that enable comparisons between countries and regions.

²⁴ English Tourism Council. *Tourism Information Needs: A Perspective from ETC Research*. 31 October 2001.

²⁵ Department for Culture, Media and Sport. *Moving Forward the Hartwell Agenda – A Summary Action Plan*. Hartwell action point 2

²⁶ The Tourism Reform Policy Group met between December 2002 and March 2003.

25. In relation to DCMS's increased role regarding tourism research, concern was expressed to the review about whether DCMS had sufficient resource to fulfil its new and broader remit and, given VisitBritain's focus on market research, whether this leaves a research gap that cannot be filled by either DCMS or VisitBritain. Even if resources dictate that broader research is inappropriate, it is vital that DCMS understands what could be done and the potential risks and missed benefits from lack of activity in this area, and that its Ministers consciously decide priorities for this sector.

Alternative arrangements

26. A recommendation arising from the Hartwell House Seminars (see Box 10) was that a high-level Research Forum (see Box 2) be set up.²⁷ This could have been a vehicle for identifying the research needs of tourism and for delivering a research strategy which would benefit the sector. However, the Research Forum as envisaged at Hartwell was not realised. The proposal that went to DCMS Ministers was made during work on the merging of the functions of the British Tourist Authority and the English Tourism Council, and reflected the imperative of refocusing investment on marketing. It therefore had a narrower focus – that of rationalising tourism statistics – and proposing the first phase of the *Tourism Statistics Improvement Initiative*. As explanation of this narrower focus, it is recorded that this was due in part “to diversion of resources onto the tourism reform project”.²⁸

27. In the past, DCMS has worked with academic fora on research within the tourism sector and, in the future, might usefully do so again. One such group is the Tourism and Leisure Research Network (TOLERN), an association of individuals involved in tourism, recreation and leisure research.²⁹ DCMS has recently re-established links with TOLERN (and through it the wider academic tourism sector), which will be represented on DCMS's newly created Tourism Review and Implementation Group (TRIG).^{30,31} Chaired by the Minister for Tourism, TRIG will oversee and monitor delivery in the four priority areas (marketing and e-tourism, accommodation quality, workforce skills, and data). It will also consider wider issues affecting the sector, including business structures and barriers to investment, customer expectations and planning and regulation.

²⁷ Department for Culture, Media and Sport. *Moving Forward the Hartwell Agenda – A Summary Action Plan*. Improving Quality of Data and Information – Hartwell action point 5.

²⁸ Department for Culture, Media and Sport. *Government Progress Report on the Actions Agreed at the 1st, 2nd and 3rd Tourism Summits*.

²⁹ TOLERN's membership mainly comprises academics, but also includes members from the public and private sectors.

³⁰ DTI website (http://www.culture.gov.uk/cgi-bin/MsmGo.exe?grab_id=44&page_id=5701888&query=trig&hiword=trig+), 2 August 2004.

³¹ The inaugural meeting of TRIG took place on 15 September 2004.

DCMS's Research Strategy

28. In relation to tourism, DCMS's Research Strategy outlines the Department's aims in relation to data collection (and use), and has been taken forward by the *Tourism Statistics Improvement Initiative*. The exception to this is that the "existing specialist Tourism Research Liaison Group's agenda and coverage should be expanded to include non-statistical work".³² Whilst there was no elaboration as to what additional areas of work might be covered, this has, nonetheless, happened. For example, the first part of the Group's December 2003 meeting was devoted to the discussion of futures scenarios, although surveys and statistics remain the dominant areas of focus.³³

29. VisitBritain informed OST that it had been consulted by DCMS at all stages of the development of DCMS's Research Strategy and, though its input to the process had been limited, its views had been taken on board by the Department.

Box 2

The Proposal for a Research Forum

Point 5 of the Hartwell Action Plan, which related to improving the quality of data and information, suggested that a Research Forum be established:

*"Submit a paper to Ministers outlining key issues and proposed steps to make progress in short term (where possible) and longer term... likely to recommend setting up a Research Forum...possibly with a high profile chairman..."*³⁴

Although details of membership and remit, etc., were not provided, it was envisaged that one area of work that the Research Forum might take forward would be the improvement of tourism statistics:

*"Forum to produce initial report for Ministers on current state of tourism statistics, ideas about rationalising or need for extra data, costs and timescales – this will lead to further next steps."*³⁵

The Research Forum as envisaged at Hartwell was not realised. The proposal that went to DCMS Ministers was made during work on the merging of the functions of the British Tourist Authority and the English Tourism Council, and reflected the imperative of refocusing investment on marketing. It therefore had a narrower focus – that of rationalising tourism statistics – and proposing the first phase of the Tourism Statistics Improvement Initiative. As explanation of this narrower focus, it is recorded that this was due in part "to diversion of resources onto the tourism reform project".³⁶

³² Stephen Creigh-Tyte, with assistance from Gary Mundy. *A Research Strategy for DCMS 2003-2005/06*, DCMS Technical Paper No 3, Page 13, June 2003.

³³ Minutes of Research Liaison Group Meeting held on the 9 September and 8 December 2003.

³⁴ Department for Culture, Media and Sport. *Moving Forward the Hartwell Agenda – A Summary Action Plan*. Improving Quality of Data and Information – Hartwell action point 5.

³⁵ Department for Culture, Media and Sport. *Moving Forward the Hartwell Agenda – A Summary Action Plan*. Improving Quality of Data and Information – Hartwell action point 5.

³⁶ Department for Culture, Media and Sport. *Government Progress Report on the Actions Agreed at the 1st, 2nd and 3rd Tourism Summits*.

2. Horizon scans – to identify future science-related issues

Horizon scanning activities undertaken by DCMS

30. Undertaking regular and systematic examination of potential threats, opportunities and likely future developments that are at the margins of current thinking and planning improves the robustness of a department's policies and evidence base. Whilst all businesses within the tourism sector would benefit from horizon scanning, the industry is a highly fragmented and competitive one, and consequently no one takes responsibility to carry this out. There is, therefore, a role for Government to ensure that horizon scanning takes place for the entire sector.

31. Neither the Tourism Division nor ASD conduct formal 'horizon scanning' activities for the tourism sector. However, as discussed below, there are some activities conducted by the Department that could contribute to horizon scanning, but which are not sufficient in themselves. If horizon scanning is to be useful in identifying threats and opportunities that might affect the tourism industry, it has to be conducted in a systematic manner; it is not sufficient to rely on piecemeal activities.

32. ASD sits on the national tourist boards' Research Liaison Group, whose membership comprises the Heads of Research of all the national tourist boards (including Crown dependencies and Ireland). The Research Liaison Group has recently discussed the scenario planning and forecasting activities recently commissioned by VisitScotland and the Wales Tourist Board, including the Scenario Planning Club to be set up by VisitScotland. The minutes indicate, however, that the opportunity to share and learn from this discussion was limited because of "the difficulty of sharing information with potential competitors, including other UK/Ireland tourist boards".³⁷

33. ASD also attends meetings convened by the European Union and the Organisation for Economic Co-operation and Development (OECD), which relate to tourism. These provide the Department with a variety of useful information – such as on sustainable tourism.

Ministerial Tourism Summits

34. In the recent past, the Ministerial Tourism Summits (see Box 3) provided a useful forum to share intelligence about a wide range of forthcoming issues that were likely to affect the tourism sector. It is unlikely, however, that this forum will meet again. Furthermore, it is unlikely that any one body will replace the Tourism Summit directly. Discussions on this are taking place in a wider context, but it has been suggested that there is likely to be greater focus on bi/tri-lateral contacts to progress individual areas of work.

35. Whilst these smaller, more focused fora will provide DCMS with useful intelligence, they will not be able to provide the Department with the broader cross-Whitehall discussion and intelligence obtained via the Summits.

³⁷ Minutes of Research Liaison Group Meeting held on the 8 December 2003.

Box 3

The Tourism Summits

The Tourism Summits were high-profile annual meetings of Government Ministers^{38,39}, and other key players in the tourism industry, whose purpose was to review progress in taking forward the aims of the Government's tourism strategy *Tomorrow's Tourism*.

The main focus of the Summits was the implementation of *Tomorrow's Tourism*. Progress Reports indicate that headway was made by the relevant departments in progressing the *Tomorrow's Tourism* agenda – such as the regeneration of coastal resorts.

The forum also provided an opportunity for new intelligence to be exchanged (and interests identified) by Government departments and by the tourism industry on issues that would, or might, affect the tourism industry favourably or unfavourably. Examples include: the Judicial Review about the possibilities for expansion of Gatwick airport; reform of fire safety legislation; and the establishment of the new Sector Skills Development Agency.

Tourism crises

36. The tourism sector in the UK has been negatively affected over the last decade or so by a number of crises, including major accidents on the rail network, a fuel crisis, torrential rain and flooding and ongoing concerns about bovine spongiform encephalopathy (BSE).⁴⁰

37. In 2001 the UK tourism industry suffered two further serious blows – the Foot and Mouth Disease epidemic and the events of September 11. In October 2001, DCMS responded to this crisis by convening the first in a short series of seminars with the tourism industry at Hartwell House in Buckinghamshire.⁴¹ The 'Hartwell House Seminars' (see Box 10) provided a platform for the Government and the tourism industry to discuss issues of immediate concern and long-term reform.⁴² It was here that the key strands of the modernisation and reform agenda were identified to help the industry to recover from these crises and be better able to respond to future crises.

³⁸ The departments involved were: DCMS, Defra, Department for Transport, Department of Trade and Industry, Department for Education and Skills, Department for Work and Pensions, Foreign & Commonwealth Office, Home Office, ODPM, Treasury, Scottish Executive, Northern Ireland Executive.

³⁹ Summits took place on 1 March 2000, 6 March 2001, 5 March 2002 and 26 November 2002.

⁴⁰ Select Committee on Culture, Media and Sport Appendices to the Minutes of Evidence. Memorandum submitted by the University of Surrey.

⁴¹ The last one – scheduled for August 2003 – was not held.

⁴² DCMS website (http://www.culture.gov.uk/tourism/tourism_policy/tourism_industry_seminar.htm), 12 February 2004.

Preparing for future crises

38. The need for improved data for the tourism industry was initially identified by DCMS in *Tomorrow's Tourism* and was highlighted still further by crises such as BSE. The Department responded to this need by setting up the *Tourism Statistics Improvement Initiative* (see Box 4), which could aid recovery from such crises in the future. The review therefore examined the *Tourism Statistics Improvement Initiative* report for inclusion of any horizon scanning-type activities that might help DCMS prepare for future crises. The review found that, whilst the report identified no possible long-term threats to and opportunities for the industry (or suggest how this might be done), it nevertheless highlighted the need to be able to obtain relevant and timely data in response to crises (such as outbreaks of Foot and Mouth Disease or the events of September 11).

DCMS's influence of the sector

39. DCMS does not encourage VisitBritain to horizon scan. In line with current UK priorities, the Department's interests are heavily focused towards marketing and driving up standards in data collection.

40. Independently of Government, 'big business' (such as the airlines) conducts horizon scanning within the tourism sector. As with the national tourist boards, the results of this horizon scanning activity are not shared with potential competitors outside the organisation.

VisitBritain's activities

41. VisitBritain does not horizon scan, and currently does not appear to conduct long term scenario planning in the systematic way that other national tourist boards do, or are planning to do.⁴³

42. That said, VisitBritain is currently working with economic forecasters and futurologists in order to develop a more forward-looking research culture, to keep abreast of developing political, economic, social, technological and consumer trends which might impact on its marketing activities. Issues being examined include understanding and projecting forward socio-economic and demographic trends, and identifying new and emerging consumer behaviours in other fields to determine what drives them and how these may be manifested in tourism.

⁴³ Minutes of Research Liaison Group Meetings held on the 9 September and 8 December 2003.

3. Reviewing and harnessing existing research to identify gaps and opportunities for future research

43. During the course of the review, DCMS received some criticism about its focus on statistics compared to other sorts of research. In particular concern was expressed that, since the demise of the English Tourism Council, the Department should have been taking greater responsibility for other types of research – for example, on sustainable tourism.

44. When pressed about whether there were gaps in knowledge and research that were not being addressed, but that should be, Tourism Division commented that the priority afforded to research partly depended on the resources available. Moreover, though Tourism Division might be interested in doing joint studies with other Government departments, it was hindered from doing so by the levels of funding it received, and the low emphasis or priority that some other departments placed on tourism-related issues. As a result, Tourism Division said it therefore saw its main priority (in relation to joint working) as getting other Government departments to take account of DCMS's interests in their related areas of work.

Tourism statistics

45. Tourism statistics are used for a variety of purposes. These include:

- Assessment and monitoring of the scale of the industry and its contribution to the economy;
- Identification of markets and monitoring of trends as inputs to projections and to marketing investment decisions;
- Benchmarking with other businesses and against local, regional and national trends;
- Development of tourism policy and national investment and industry support decisions; and
- Advocacy for the industry, in particular in the context of decision taking about public expenditure and investment.⁴⁴

46. Within the tourism sector, DCMS has concentrated its research efforts on improving data collection. Though it has long been recognised that tourism data needs significant improvement, the degree of attention it has been given by the Department (in comparison to other areas of tourism research) has raised some criticism from stakeholders. Nevertheless, it should be acknowledged that the decision to focus on data collection was taken following the Foot and Mouth Disease crisis and events of September 11, which “threw into sharp relief the lack of hard industry and consumer data, and the difficulty of gaining an accurate and timely industry picture”.⁴⁵ Furthermore, the decision was not taken by DCMS in isolation, but was discussed with (amongst others) the industry, the national tourist authorities and other Government departments at the Hartwell House Seminars and the Tourism Summits:

⁴⁴ Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting on 29 January 2004, Page 4.

⁴⁵ English Tourism Council. *Action in 2001/02 – Report to the Tourism Summit*, 3rd Tourism Summit: 5 March 2002, Key Conclusions and Actions Points to Drive Forward the Modernising Agenda for Tourism.

“The meeting agreed that improving data remained a key issue. When Defra and DCMS had been working together to tackle the effects of the FMD crisis, they had needed precise information about how the industry was being affected...it was generally the case that figures were not available quick enough to make important decisions, despite tourism being such an important industry to the economy.”⁴⁶

47. That said, the breadth of interests represented at these fora were rather limited. It is possible that such groups – and the conclusions they reached – may have benefited from inclusion of a broader range of interests.

48. To resolve this weakness in the data, the *Tourism Statistics Improvement Initiative* (see Box 4) was embarked upon. Its aim was to “achieve significant and ongoing improvement in the suitability, availability and quality of tourism data, for all main stakeholder groups”⁴⁷ and commenced with a review of the statistics of tourism activity in the UK. Whilst the *Tourism Statistics Improvement Initiative* is considered to have been an extremely useful and important piece of work, it remains open to some degree of criticism because of the (intentionally) one-dimensional scope of the initiative.

Reviewing existing research

49. Until recently, VisitBritain maintained a comprehensive library of national and international work relating to the tourism industry, and used this resource to ascertain whether work had previously been conducted on an issue before commissioning new work, and offered this service to other organisations, including the tourism industry and Government departments. DCMS also used VisitBritain’s (now discontinued) library to inform policy development, and answer Parliamentary Questions, etc.

50. In an informal way, the Hartwell House Seminars and the Tourism Summits also provided DCMS with an opportunity (albeit limited) for identifying and prioritising research requirements within the tourism sector. However, these fora were relatively unstructured and included only a narrow range of interests. As discussed previously, such groups – and the conclusions they reached – may have benefited from inclusion of a broader range of interests, for example, other parts of the tourism industry, interest groups, local authorities and academia).

51. That said, various fora exist whereby information about tourism research is currently exchanged (e.g. the national tourist boards’ Research Liaison Group). Despite this, however, Tourism Division said it found it difficult to keep abreast of the research that various tourist bodies were doing, or had done in the past. Staff in the Division considered the ideal solution would be to set up a research database, but explained that there were insufficient resources available to do this. At present, Tourism Division was therefore trying to set up a bulletin board through the British-Irish Council that would list research (with a contact name) being conducted by the various tourism bodies so that knowledge and/or costs could be shared and duplication minimised.

⁴⁶ Department for Culture, Media and Sport. *4th Ministerial Tourism Summit 26 November 2002: Key Conclusions and Action Points*.

⁴⁷ Department for Culture, Media and Sport. *Tourism Statistics Improvement Initiative (TSII) – Phase 1: Map ‘n’ Gap Project*, Project Initiation Document (PID), Version 4 (July 2003).

52. Notably, a research database – maintained by a dedicated new statistical unit – is a key recommendation of the ‘Map and Gap’ report⁴⁸. DCMS has reported, however, that the extent to which it is able to implement this will depend on the level of Departmental resources allocated in the future.

Box 4

The Tourism Statistics Improvement Initiative (Phase 1 – ‘Map and Gap’)

Raison d’être:

“The Tourist Industry is an important sector of the UK economy – it is estimated that it generates £76bn a year and contributes 4.4% of Gross Domestic Product. However, tourism is a complex sector and for statistical purposes it is not easily defined. It is a demand-side, customer-defined activity, and it also relies heavily on other infrastructures, e.g. transport.

Deficiencies in tourism data have been apparent for many years and an earlier initiative – Joint Industry Council for Tourism Statistics (JICTOURS) – in the early 1990s made recommendations for significant improvement. However, for a variety of reasons including constraints on public expenditure and changes in the government arrangements for tourism, these recommendations were not implemented. The weaknesses, or gaps, in tourism data became more apparent during the Foot and Mouth Disease crisis, and post-September 11. These events revealed the inability for the industry to produce prompt, reliable business data that could assist in policy decision-making.

The Secretary of State met senior industry representatives at the Hartwell House seminar in October 2001 ...one specific conclusion from that meeting was the need for better tourism data”⁴⁹

The first phase of the *Tourism Statistics Improvement Initiative* comprised a ‘Map and Gap’ review to identify all major tourism data needs (existing or not) and make prioritised recommendations about how user needs could best and most feasibly be met in the future.⁵⁰ This took the form of a National Statistics Strategic Review, and was submitted to the National Statistician in March 2004 for approval. The National Statistics Review of Tourism Statistics report⁵¹ was published on 28 June 2004 and a public sector group was formed to develop an implementation plan, as required by National Statistics Quality Review procedures. This group is due to report in Autumn 2004.

⁴⁸ Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting 29 January 2004.

⁴⁹ Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting 29 January 2004, Page 18.

⁵⁰ Department for Culture, Media and Sport. *Tourism Statistics Improvement Initiative (TSII) – Phase 1: Map ‘n’ Gap Project*, Project Initiation Document (PID), Version 4 (July 2003).

⁵¹ Department for Culture, Media and Sport. *The National Statistics Review of Tourism Statistics*, 28 June 2004.

The review found that “the main established surveys cover most of the key variables required at a national and regional level”,⁵² but were not of “sufficient quality to warrant the reliance that those monitoring, allocating resources to, planning, developing, marketing and evaluating tourism need to place on them.”⁵³

The main themes of the recommendations arising from the review relate to:

- Basic monitoring for the UK, its countries and the regions of England;
- Development of panel surveys giving timely indications of short-term trends;
- Local statistics;
- Statistical requirements of, and issues affecting, tourism businesses and their associations;
- Timeliness of tourism statistics;
- Dissemination of statistics; and
- Organisational responsibility for tourism statistics.⁵⁴

⁵² Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting 29 January 2004, Page 5.

⁵³ Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting 29 January 2004, Page 5.

⁵⁴ Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting 29 January 2004, Page 5-6.

4. Commissions and manages new research

Commissioning and management of new research by DCMS

53. DCMS delegates most of its tourism-related research to VisitBritain (e.g. surveys and market research, etc.). Nevertheless, Tourism Division does commission some research itself (for example, on *Tourism Productivity* and the *Tourism Statistics Improvement Initiative*), and the Division takes advice from ASD at the commissioning, monitoring and evaluation stages of projects.

54. The *Tourism Statistics Improvement Initiative* (see Box 4) came about for a variety of reasons – including the industry’s need for better (and more timely) data to meet international obligations for tourism statistics. The first phase of the *Tourism Statistics Improvement Initiative* was conducted as part of the UK’s programme of National Statistics Reviews and was carried out at a cost of £20,000 by an external consultant (commissioned by a single tender business case), and overseen by a Steering Panel comprising relevant expertise and a project manager from Tourism Division.

Joint research with other government departments

55. DCMS’s total research budget is small (about £400,000). As a way of maximising this resource, the Department’s Research Strategy states that the “DCMS must ensure that opportunities for joint policy research [with other Government departments] are fully explored and exploited.”⁵⁵

56. As well as working closely with the Office of National Statistics on the *Tourism Statistics Improvement Initiative*, it is evident from (for example) the minutes of the Tourism Summit, etc., that DCMS does undertake tourism-related research jointly with other organisations and Government departments and/or may use the results of the research they commission (e.g. the Office for National Statistics General Household Survey).

57. However, Tourism Division took the view that there were insufficient resources available within DCMS to instigate very much joint working with other Government departments and, therefore, that the return on time spent on this activity was limited. This situation was apparently heightened by the difference in priorities between Government departments and to what use they are intending to put research.

Commissioning and management of new research by VisitBritain

58. VisitBritain’s research budget is not ring-fenced, except for a specific allocation of money that is given to the NDPB to provide data to the European Union as required under the European Statistics Directive. ASD provides guidance to VisitBritain and has oversight of the survey work conducted to produce this.

59. In order to prioritise the marketing campaigns it runs, VisitBritain interacts with the industry and other organisations that have a stake in British and English marketing. These campaigns are underpinned by market research, most of which is outsourced by competitive tender to research agencies, which have been accredited by the Market Research Society.

⁵⁵ Stephen Creigh-Tyte, with assistance from Gary Mundy. *A Research Strategy for DCMS 2003-2005/06*, DCMS Technical Paper No 3, Page 1, June 2003.

5. Ensures the quality and relevance of the work they carry out and sponsor

Quality and relevance of DCMS's tourism research

60. As can be seen from the *Tourism Statistics Improvement Initiative* (see Box 5) quality assurance is built into the research project specifications from the outset. In this case, relevance was linked back to the Government's priorities for tourism; progress was monitored and quality assured throughout the project through oversight by the Steering Panel, which was composed of both external and internal members, and the project manager, who was from Tourism Division.

Quality and relevance of tourism surveys

61. ASD sits on (and provides guidance to) the management/steering groups for the various tourism surveys that are delegated by DCMS to the national tourist boards. Membership of the management/steering groups comprises statisticians and researchers from the national tourist boards.

62. The data produced is used by a variety of organisations, including: the OECD, European Union, the national tourist boards, the tourism industry and DCMS itself. The *Tourism Statistics Improvement Initiative* recently examined the continued need, quality and relevance of these surveys.

Consistency and standards in data collection

63. In order to ensure common standards and consistency in the tourism data that is produced in the UK, DCMS has issued guidance to the national tourist boards, regional development agencies and local authorities on measuring the local impact of tourism⁵⁶, and briefing notes to supplement the European Union's guidance on the EU Tourism Statistics Directive.

64. ASD provides advice to the national tourist boards on the production of survey data. It also plays a co-ordinating role in helping the Regional Development Agencies, which are leading on the production of regional satellite accounts.

Quality and relevance of VisitBritain's Market Research

65. In terms of quality assurance, VisitBritain only uses research agencies that are accredited by the Market Research Society and use the Market Research Code of Conduct; some agencies also have an ISO 9000 accreditation, although VisitBritain does not limit itself to only using these agencies. VisitBritain has regular update meetings with its research providers, but it relies heavily on these research agencies adhering to the protocols set out by the Market Research Society.

66. VisitBritain does not peer-review its work externally, as it does not consider its interests (marketing) to fall within academic realms. It does, however, independently evaluate the effectiveness and relevance of its marketing campaigns, which are underpinned by its market research activities. This annual evaluation is a requirement of the funding agreement between DCMS and VisitBritain.

⁵⁶ Department for Culture, Media and Sport. *Measuring the Local Impact of Tourism*, Guidance Pack from the Department for Culture, Media and Sport, September 1998.

67. VisitBritain has received detailed feedback from DCMS on its research in a number of areas, and research work on National Tourist Offices, e-commerce and other issues have been actively and jointly taken forward by DCMS and VisitBritain. However, VisitBritain has commented that some clarification of the arrangements for DCMS providing feedback on research commissioned and/or conducted by VisitBritain alone may be beneficial.

Box 5

Tourism Statistics Improvement Initiative – Quality and Relevance

Quality

Quality and evaluation were specifically addressed in the Project Initiation Document for Phase 1 of the *Tourism Statistics Improvement Initiative*, which stipulated:

“QUALITY

The main products – the PID [Project Initiation Document], questionnaire, description of user needs, emerging issues paper and the report will be provided to the Project Manager and the Steering Group. Final responsibility for signing them off will rest with the Project Manager. If necessary, in doing so he will record any significant reservations of the Steering Group members, or the consultant.

EVALUATION

The review will be evaluated in three stages:

- *At the end of each stage of the review the Project Team and the Steering Group will need to consider questions such as:
 - Are the objectives being met?
 - Does the review offer value for money?
 - Has the environment changed?
 - Has the review become too risky?*
- *At the end of the review the Project Manager will produce a report assessing to what extent the review has been a success. This will need to refer to the objectives contained in the PID. It will include an assessment of how well the review was managed. It will be sent to the Steering Group in draft form. This report should help to inform future reviews and the further phases of the TSII.*
- *Sometime after the review, e.g. nine months, the Project Manager will conduct a post implementation review. This will consider how well the recommendations from the review are being taken forward.’’⁵⁷*

⁵⁷ Department for Culture, Media and Sport. *Tourism Statistics Improvement Initiative (TSII) – Phase 1: Map ‘n’ Gap Project, Project Initiation Document (PID), Version 4 (July 2003).*

Relevance

The *Tourism Statistics Improvement Initiative* came about in response to the need to improve tourism data. Specific requirements addressed by the *Tourism Statistics Improvement Initiative* include:

- National statistics;
- Compliance with EU Tourism Statistics Directive; and
- Prompt availability of quantified information at times of crisis.

The first phase of the *Tourism Statistics Improvement Initiative* concentrated on statistics of tourism activity in the UK; it did not address in any detail UK residents' tourism outside the UK, etc. Oversight and focus was maintained on this first stage by the following means:

- The review process was overseen by a Steering Group representing a wide range of tourism interests and with relevant experience;
- The project was tied into the programme of National Statistics Quality Reviews;
- ASD consulted the Office for National Statistics about their requirements;
- Project manager was from Tourism Division; and
- Reflected the requirements of the European Union's Statistics Directive.^{58,59}

⁵⁸ Department for Culture, Media and Sport. *Tourism Statistics Improvement Initiative (TSII) – Phase 1: Map 'n' Gap Project*, Project Initiation Document (PID), Version 4 (July 2003).

⁵⁹ Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting on 29 January 2004.

6. Uses research and scientific advice in formulating policy

68. Within the tourism sector, research is used to support policy-making and regulatory activities, to identify trends (and particularly areas of weakness in the industry) and to underpin marketing campaigns both domestically and overseas.

Research to support policy

69. DCMS uses the survey data produced by the national tourist organisations, and regional development agencies, etc., to meet the UK's obligations to the European Union in relation to tourism data.

70. Tourism Division and ASD discuss the implications of the trend data produced by way of the surveys commissioned by VisitBritain and the other national tourist boards, with a view to identifying areas of weakness within the industry which might justify targeted support.

Research to support regulatory activities

71. In October 2001, tourism industry leaders met representatives of national and local government at the first Hartwell House Seminar (see Box 10). The quality of tourism accommodation offered to visitors was one of the key areas identified regarding improvement. The Tourism Initiative Group, which was established at the Hartwell Seminar, proposed the Fitness for Purpose initiative (see Box 6) as a means of addressing this problem at the most fundamental level. The Group proposed that local authorities should provide a unified Fitness for Purpose inspection, based on existing statutory obligations that would complement the National Quality Assurance Standards schemes on accommodation.

72. In terms of evidence to support the need for the initiative, however, DCMS's policy recommendations paper stated:

“Detailed and consistent data that confirm the extent of the legislative breaches/problems that is [sic] was envisaged that Fitness for Purpose should address are not available. Data across the industry are not robust and the full extent of accommodation stock is not known. Therefore the full extent of the ratio between good and bad businesses cannot be known. Levels of complaint cannot be taken as scientific measures of problems, as for instance, people may complain direct to the operator, or simply not go back. Local authority enforcement statistics exist, but they cannot be taken as indicators of the extent of problems.

However, most of our consultees agree that they have seen extensive evidence of poorly run businesses. The British Hospitality Association say that bad businesses that are brought to their attention are often unsafe.”⁶⁰

73. The English Tourism Council analysed customer complaints received by the ten Regional Tourist Boards between 3 April 2000 and 31 March 2001.⁶¹ It reported that:

⁶⁰ Department for Culture, Media and Sport. *Fitness for Purpose Policy Recommendations Paper*, July 2002, Pages 16-17.

⁶¹ A total of 5,114 complaints were received. Of these, 6.7 % related to health and safety, 25% to cleanliness, 18.4% to the state of the facilities, 23.4% to service, 6.5 to misrepresentation and 5.4% about food.

“It is therefore clear that the most significant proportion of complaints in the period related to quality issues. While only 6.7% relate to health and safety issues, that should not in anyway underpin [sic] the importance of those complaints as many of them were potentially life-threatening. In addition, 6.5% fell within the area of misrepresentation which may therefore have fallen within the remit of Trading Standards. Therefore, in all, potentially 13.2% of complaints received by Regional Tourist Boards in the period 3 April 2000 to 31 March 2001 were about matters that Fitness for Purpose is intended to address.”⁶²

74. Other research conducted by DCMS and the Local Government Association in preparation for the policy paper is described as including: “accompanying environmental health officers from Sutton Borough Council on food hygiene and environmental health inspections; examination of documents such as the Restaurant Association members handbook; Sutton Borough Council’s internal enforcement policy literature; the English Tourism Council’s Pink Booklet; Food Standards Agency and Health and Safety Executive public information leaflets and/or codes of practice for respectively food hygiene and health and safety inspections; the draft Regulatory Reform Order for fire; among other information made available to us”.⁶³

75. The *Fitness for Purpose* interdepartmental working group consulted across central Government and the tourism and hospitality industry to form its proposals, and drew on the expertise of tourism and public protection specialists.

Use of research advice from external experts

76. *Tourism Satellite Accounts* are compiled by a number of OECD countries as a way of measuring the economic importance of tourism. A *Tourism Satellite Account* is a set of data tables based around analyses of data on both expenditure by tourists, and on business sectors that serve tourists; it provides an enhanced set of statistics which are more accurate than the results of individual surveys alone.⁶⁴ ASD told the review that it was particularly interested in the potential of *Tourism Satellite Accounts* to be used for modelling and analysis purposes.

77. DCMS is taking the lead on compiling a *Tourism Satellite Account* for the UK. To date it has conducted a Feasibility Study (in 1998) and is currently leading on the coordination of projects for the UK, Ireland, English Regions and Crown Dependencies which will compile *Tourism Satellite Account* tables as far as possible using the data available, and highlight what further data would be needed to compile a comprehensive *Tourism Satellite Account*. In consultation with the Office for National Statistics, DCMS has established a *Tourism Satellite Account* Advisory Group in order to advise and promote coordination and consistency between the projects (see Box 7).⁶⁵

78. DCMS has also commissioned research on tourism productivity (see Box 8), and will be using the conclusions to inform advice to, and engagement with, the tourism industry.

⁶² Department for Culture, Media and Sport. *Fitness for Purpose Policy Recommendations Paper*, July 2002, Page 36.

⁶³ Department for Culture, Media and Sport. *Fitness for Purpose Policy Recommendations Paper*, July 2002, Page 36.

⁶⁴ DCMS website (http://www.culture.gov.uk/global/research/statistics_frameworks_and_guidance/default.htm#3), 18 March 2004.

⁶⁵ DCMS website (http://www.culture.gov.uk/global/research/statistics_frameworks_and_guidance/default.htm#3), 18 March 2004.

Breadth of advice sought by DCMS

79. DCMS informs all its decisions relating to research issues with advice from the national tourist boards and, in particular, VisitBritain. However, whilst there are good relationships between the Department and VisitBritain, it has been suggested that DCMS could possibly make further use of VisitBritain's knowledge of consultants and academics working in the tourism field.

80. DCMS also has good relationships with other Government departments with an interest in tourism – for example, the Office of National Statistics is used by the Department both as a source of statistical expertise and a source of statistical data.

81. As sources of knowledge and/or expertise, the Department consults reasonably well with the tourism industry (though the industry's diverse nature means that it is difficult to represent the breadth of interests involved) and consumer groups, but less well (and less systematically) with academia. For example, whilst academic representation was included on the *Tourism Satellite Account* Advisory Group and the Steering Panel for the *Tourism Statistics Improvement Initiative*, no academic experts were involved in the formulation of *Fitness for Purpose* policy, the Tourism Reform Policy Group included no academic membership, and the priorities for tourism identified at the Hartwell House Seminars were explicitly set by the industry alone.

VisitBritain's use of research

82. VisitBritain develops marketing campaigns rather than 'policy' per se. It consults the tourism industry, other national tourist boards and the Regional Development Agencies to identify priorities for market research and to coordinate the marketing needs of those organisations.

Box 6

Fitness for Purpose

Fitness for Purpose is one of the key strands of the modernising agenda for tourism. The *Fitness for Purpose* initiative promotes better inspection and regulation of tourist accommodation as a way of tackling poor safety and trading standards and ensuring that minimum legal requirements are met. Subjective quality issues – such as cleanliness and levels of service – are dealt with separately as part of the National Quality Accommodations Standards schemes, which grades English tourist accommodation.

Fitness for Purpose is targeted at hotels, guesthouses and Bed and Breakfasts (and the restaurants within them) which are failing to meet minimum legal requirements on health and safety, food hygiene, trading standards and fire safety, in order to help them improve. It aims to give those businesses the support they need to raise standards in those areas, while also taking a lighter regulatory enforcement touch to well-run businesses that are already complying with the necessary regulations.

The five key recommendations for change are: making standards clear, better education, co-ordination of inspection, business self-assessment, and better consumer protection. The recommendations have been implemented in several stages: the first phase ran from August 2002 to January 2003 and laid the foundations for the pilot work. *Fitness for Purpose* was piloted in six local authorities⁶⁶ between January and December 2003, and the results evaluated. A *Fitness for Purpose* Working Group will now consider how to take the project forward to the next stage and roll it out to more local authorities.^{67,68,69}

The second Hartwell House Seminar, held on 31 July 2002, endorsed the *Fitness for Purpose* policy paper, which outlined research, proposals and recommendations relating to the scheme.

⁶⁶ Blackpool Borough Council, Bournemouth Borough Council, Camden London Borough, Canterbury City Council, Greenwich London Borough and West Sussex County Council.

⁶⁷ Department for Culture, Media and Sport and Local Government Association. *Fitness for Purpose – Driving up standards in service tourism accommodation*, Position Statement, February 2003.

⁶⁸ Department for Culture, Media and Sport. *Fitness for Purpose Policy Recommendations Paper*, July 2002.

⁶⁹ DCMS website (http://www.culture.gov.uk/tourism/tourism_policy/quality_tourism.htm), 7 October 2004.

Box 7

UK Advisory Group on Tourism Satellite Accounts⁷⁰

Organisations Represented on the Group

- DCMS
- VisitBritain
- VisitScotland
- Scottish Executive
- Wales Tourist Board
- Welsh Assembly
- HM Treasury
- Academic representation
- Department of Enterprise, Trade & Industry (NI)
- Office for National Statistics
- Northern Ireland Tourist Board
- Republic of Ireland representation
- World Tourism Organisation representation
- North West Regional Development Agency representing Regional Development Agencies

Terms of Reference

To help co-ordinate a strategic focus to the development of Tourism Satellite Accounts by:

- bringing together a broad spectrum of different UK and external stakeholders in *Tourism Satellite Accounts*, including those who provide data, those who compile data, those who use data, those with public policy responsibilities, those who represent National Statistics
- identifying synergies across projects
- providing advice to maximise work efforts in these projects and to minimise duplication
- acting mainly as a virtual group, with occasional physical meetings where appropriate
- encouraging the exchange of information, knowledge, expertise
- promoting consistency in approaches and methodology
- promoting conformance with international standards
- recommending development of supporting tourism statistics systems.

Members' Roles

All members will:

- act as a conduit for their own institution's contributions
- cascade advice and recommendations back to their own institutions.

⁷⁰ DCMS website (http://www.culture.gov.uk/global/research/statistics_frameworks_and_guidance/tour_sate_acc.htm), 18 March 2004.

Box 8

Tourism Productivity

The Christel de Haan Tourism Travel and Research Institute at the University of Birmingham was asked by DCMS to analyse labour productivity in the tourism sector in the context of the five productivity drivers proposed by the Treasury⁷¹: innovation and technological progress, competition, skills, investment and enterprise.

The research brief was to:

- establish whether the five drivers are appropriate to analysing productivity in the tourism sector;
- identifying other relevant drivers;
- review the methods for calculating tourism productivity; and
- assess regional variations, and the wider economic effects of changes in tourism productivity.

The Institute surveyed a range of tourism-related businesses of all sizes, and constructed a Computable General Equilibrium model to assess the potential impacts of changes in productivity.

In January 2004, the Institute reported to DCMS, and its conclusions are summarised as follows:

- significant innovation gains are possible in the bars, transport and recreational services sectors;
- the tourism sector is already highly competitive – the impact of low-cost airlines, and the possibility of selective subsidies, should be considered;
- there are skills shortages in the tourism sector, and a lack of adequately-defined career patterns – even a 1% efficiency gain here would produce significant effects on overall output; and
- infrastructure investments would produce significant gains.

These findings have added insights to the Treasury drivers, and DCMS will be using the conclusions to inform advice to, and engagement with, the industry.

Further work between DCMS and the Institute is now in progress on the impact of taxation on the tourism sector.

⁷¹ HM Treasury website (http://www.hm-treasury.gov.uk/consultations_and_legislation/productivity_indicators/consult_productivity_indicators_index.cfm). *Productivity in the UK5: Benchmarking UK Productivity Performance – A Consultation on Productivity Indicators*, 26 May 2004.

7. Publishes results and debates their findings and implications openly

Publications of research findings by DCMS

83. DCMS makes available its tourism research findings via its website; findings are usually presented as part of a wider report or policy document (as in the case of the *Fitness for Purpose* policy recommendations paper). The Department may withhold some information which is of a confidential, private, or commercially sensitive nature, etc.

Dissemination and debate of research findings by DCMS

84. DCMS has, or attends, a number of fora at which it openly discusses the progress and results from research that the Department and/or the UK's national tourist boards have commissioned.

85. The *Tourism Statistics Improvement Initiative* (see Box 9) is an example of where, as well as openly discussing the findings from the *Tourism Statistics Improvement Initiative* in the Steering Panel, DCMS has provided regular updates to interested consortia on progress, e.g. the Research Liaison Group and UK Tourism Survey Management Group⁷² (although membership is often comprised of the same organisations). DCMS also consulted widely on the findings including: the tourism industry, national, regional and local government, academia, researchers, consultants, and statisticians.⁷³ Following approval by the National Statistician, The National Statistics Review of Tourism Statistics report was published in full on DCMS's website⁷⁴.

86. In accordance with the Freedom of Information Act 2000, DCMS expects that VisitBritain publish most of its data, except where there are instances and issues of commercial confidentiality and sensitivity. Trends tend to be published in hard copy and in annual reports, while other information is published on its websites.

87. Information about tourism in Britain aimed at the public is available at www.visitbritain.com, information aimed at businesses that work in the tourism industry can be found at www.tourismtrade.org.uk, and a third website www.staruk.org.uk provides information on UK tourism statistics and research. DCMS's website (<http://www.culture.gov.uk/default.htm>) contains direct links to the 'visitbritain' and 'staruk' websites.

88. Trend data produced by VisitBritain is regularly discussed with the other national tourist boards and with ASD. At a strategic level, the implications of the trend data are discussed with Tourism Division.

⁷² 2003 Minutes for the Research Liaison Group and UK Tourism Survey Management Group.

⁷³ Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting on 29 January 2004, Page 21.

⁷⁴ Department for Culture, Media and Sport. *The National Statistics Review of Tourism Statistics*, 28 June 2004, (http://www.culture.gov.uk/global/publications/archive_2004/Review_Tourism_Statistics.htm).

Tourism Statistics Improvement Initiative – Communication of Findings

The Project Initiation Document for Phase 1 of the *Tourism Statistics Improvement Initiative* outlined DCMS's intentions regarding the publication and debate of the project's findings.

The membership of the project's Steering Group was wider than that required by the National Statistics Quality Review. This was "to reflect wide range of major users: central and regional government, NDPBs and private sector. Also, the academic member has a good knowledge of local government."⁷⁵

In addition, as well as making the consultation questionnaire available on DCMS's website and publishing the final report on the National Statistics and DCMS websites, the Department committed itself to engaging its stakeholders not already part of the project's Steering Group:

“COMMUNICATION

Focus Groups

We propose to hold 2-3 focus groups with some key stakeholders in order to allow wider discussion of important areas, to better inform the consultant's report and to help maximise stakeholder buy-in...

Proposed Groups

- ***Regional stakeholders:*** invite all RDAs, RTBs and RCCs
- ***Industry:*** invite key trade associations and NDPBs etc., plus some private sector businesses (various sizes)
- ***Academics:*** consider if useful, both in terms of input to and awareness of, review and potential help in future research...

STAKEHOLDER MANAGEMENT

A separate stakeholder management document will be produced, in conjunction with the Steering Group."⁷⁶

⁷⁵ Department for Culture, Media and Sport. *Tourism Statistics Improvement Initiative (TSII) – Phase 1: Map 'n' Gap Project*, Project Initiation Document (PID), Version 4 (July 2003).

⁷⁶ Department for Culture, Media and Sport. *Tourism Statistics Improvement Initiative (TSII) – Phase 1: Map 'n' Gap Project*, Project Initiation Document (PID), Version 4 (July 2003).

In the event, the consultation process appears to have been slightly different to that originally envisaged. It nevertheless included:

- Publication of the Project Initiation Document on DCMS's website;
- Open invitation, via questionnaire on the website, to contribute information and views;
- Specific invitation to a large number of experts and organisations to respond to this invitation;
- Interviews with a number of experts and representatives of relevant organisations;
- Account taken of a number of previous reviews;
- Invitation to all those who had contributed information or views to comment on a working paper outlining emerging issues;
- Consultation with a number of producers of tourism statistics; and
- Consideration of emerging findings working papers and draft report by the Steering Group.⁷⁷

The breadth of interests represented also remained quite wide, including: the tourism industry, national, regional and local government, academia, researchers, consultants and statisticians.

⁷⁷ Denis Allnutt. *Tourism Statistics Improvement Initiative – Report of a Review of Tourism Statistics*, Presented to Steering Group Meeting on 29 January 2004, Page 21.

8. Shares, transfers and manages knowledge

Sharing, transferring and managing knowledge with other government departments

89. Tourism Division has, in the past, used fora such as the Ministerial Tourism Summit (discussed in Section 1) to share tourism-related knowledge in amongst interested Government departments. However, current uncertainty over this forum's continued existence is a concern in relation to the impact that this may have on knowledge transfer within the sector.

90. Both Tourism Division and ASD engage with other Government departments with an interest in tourism. Examples of this include the work they do with the Office of National Statistics, and the recent *Review of Planning Policy Guidance Note 21 on Tourism*.⁷⁸

91. DCMS reported (based on the recollection of an ex-member of Tourism Division) that the findings from a study on *Planning for Leisure and Tourism* had been fed into the ODPM's consultation paper on the *Review of Planning Policy Guidance Note 21 on Tourism (PPG 21)*, and that ODPM had consulted DCMS on the draft consultation document. In terms of its own use, DCMS staff said that they had found the *Planning for Leisure and Tourism* study useful as a source for future thinking in terms of what should be included in the ensuing ODPM consultation document for the Good Practice Guidance, and the responses to the consultation document (which had been copied to it by ODPM) helpful in giving it a feel for what the tourism industry and other interested bodies have said about the proposals. However, staff in Tourism Division explained that it was unlikely that DCMS itself would make use of the *Planning for Leisure and Tourism* study, as the Department considered this to be of primary use to planning officers and local councillors in highlighting to them the benefits of tourism, and for improving understanding between planners and developers. This position is somewhat curious as the *Planning for Leisure and Tourism* study had wider relevance than this.

92. ODPM have used the consultation responses, along with the *Planning for Leisure and Tourism* study, to help inform the research specification that will underpin the subsequent Good Practice Guidance; DCMS was represented on the steering group for this research project.

Sharing, transferring and managing knowledge with industry

93. DCMS helped make the *Planning for Leisure and Tourism* study more widely available to interested parties by including a link to it on DCMS's website. DCMS also used the Hartwell House Seminars to draw attention to ODPM's consultation and strongly urged the tourism industry to contribute to the consultation process.⁷⁹

94. Since the crises of 2001, DCMS has actively sought to engage the tourism industry. It has, for instance, established the Hartwell House Seminars (discussed in Section 1), and includes some industry representation on its various committees and panels.

⁷⁸ ODPM website (http://www.odpm.go.uk/stellent/groups/odpm_planning/documents/page/odpm_plan_609225-01.hcsp), 18 February 2004.

⁷⁹ Minutes of Tourism Seminar (Hartwell 3) – 26 February 2003.

Sharing, transferring and managing knowledge with tourism bodies

95. ASD sits on the national tourist boards' Research Liaison Group, whose membership includes Ireland and the Channel Islands. The Group meets two or three times a year and is a good way – provided there are no conflicts of interest – for DCMS and the tourist boards to discuss the results and progress of research projects, as well as to identify projects on which they might wish to collaborate. DCMS is an active proponent of the Group, and it was at the Department's behest that VisitBritain encouraged the Channel Islands to become of member.

96. ASD has produced a set of frameworks and guidance on the production of tourism data (e.g. about the European Union's tourism statistics requirements) for local and regional tourism bodies that can be accessed from DCMS's website.

Sharing, transferring and managing knowledge more widely

97. It has suggested that DCMS could do more to develop links and synergies between VisitBritain and its other NDPBs, and with other Government departments, such as the Department of Transport.

The global context

98. ASD also attends meetings convened by the European Union and the OECD, which relate to tourism, which provide the Department with a variety of useful information.

9. Has implemented Guidelines 2000 and the Code of Practice for Scientific Advisory Committees

Identification of issues on which DCMS needs scientific advice

99. As discussed in Section 2, there is a lack of horizon scanning being conducted within the tourism sector. Although the need for horizon scanning is set into sharp relief by the instability brought about by crises, DCMS (and tourism sector as a whole) also need to be able to anticipate possible external crises that could affect tourism in the future, and to identify consumer demands and investment opportunities.

Obtaining scientific advice

100. Neither ASD or Tourism Division have any scientific or research advisory committees.

101. DCMS informs all its decisions relating to research issues with advice from the national tourist boards and, in particular, VisitBritain. DCMS also has good relationships with other Government departments with an interest in tourism.

102. The Department consults reasonably well with the tourism industry (though the industry's diverse nature means that it is difficult to represent the breadth of interests involved) and consumer groups, but less well with academia as a source of knowledge or expertise, and is often reliant on personal contacts.

103. VisitBritain has no research or scientific advisory committees. VisitBritain does, however, discuss the results of its tourism survey work with the other national tourist boards and DCMS.

Publication of scientific advice and relevant papers

104. As discussed in Section 7, DCMS and VisitBritain make available tourism research findings and tourism-related advice, which is not of a confidential, private or commercially sensitive nature, etc., via their websites.

10. Uses, maintains and develops scientific expertise (including both capacity and capability-building)

Use, maintenance and development of scientific expertise within DCMS

105. Within ASD, statisticians have been appointed, and this has strengthened the group's statistical, analytical and data handling skills. Tourism Division, in common with other parts of DCMS, relies on the expertise and experience of its sponsored bodies in using research data – in this case VisitBritain, which works in collaboration with ASD.

Use, maintenance and development of scientific expertise within VisitBritain

106. The creation of VisitBritain has had a significant impact on the stability and institutional knowledge within the 'new organisation' and (to a limited extent) DCMS. The merger of the English Tourism Council and British Tourist Authority resulted in the loss of about 60 members of staff who were experienced in tourism-related issues – particularly in relation to research – and new people were brought in to VisitBritain whose expertise lay in marketing. The merger also led to DCMS assuming responsibility for several new policy functions. To help prevent the loss of capability in these areas, several short-term secondments between VisitBritain and DCMS took place.

107. Training courses offered by the Market Research Society and other organisations are used by VisitBritain to maintain its marketing capability and researchers' skills. VisitBritain's researchers are also seconded to VisitBritain's to maintain awareness and understanding of users' needs in applying the research that they provide. Whilst DCMS has encouraged VisitBritain to obtain the Investors in People standard, it has otherwise had no input on the development of VisitBritain's research or other staff.

108. DCMS has a good relationship with VisitBritain, and is aware of its research expertise. For example, DCMS has nominated staff from VisitBritain to sit on the advisory groups of other Government departments, for example the Office of National Statistics Tourism, Travel and Transport Working Group.

Use, maintenance and development of academic scientific and/or research expertise

109. As discussed in Section 6 and elsewhere, DCMS has not always included academic expertise in its various consultative fora as often as it might, nor made good use of existing academic research networks in the tourism area, and the Department could usefully consider areas of policy in which the inclusion of academic expertise might be beneficial. The review noted that TOLERN is to be represented on the newly-established TRIG.

Hartwell House Seminars⁸⁰

Following the first successful industry seminar at Hartwell House in Buckinghamshire during October 2001 to discuss both immediate concerns and long-term reform, the Secretary of State has held ‘Hartwell’ seminars at regular intervals. These, in addition to twice-yearly Tourism Forums, act as a platform for continuous dialogue between Government and the industry.

“Progress Through Hartwell

Hartwell 1

Ministers hosted the first 24-hour seminar for industry leaders at Hartwell House in Buckinghamshire on 10 and 11 October 2001, to discuss the long-term strategic development of the industry, against the background of the Foot and Mouth outbreaks, and the events of 11 September 2001. During the seminar, the following long-term priorities for the industry were agreed upon:

- *Creation of a voice for tourism which reflects the diversity of its core industries - a new ‘Tourism Alliance’;*
- *Development of stronger, more co-ordinated arrangements for marketing England to the domestic with strong private sector involvement, embracing regional and local government spending;*
- *Strengthened regional arrangements and sub-regional brands;*
- *Development of a ‘fitness for purpose’ approach to better regulation of hotels and restaurants;*
- *Adopting a fresh approach to training and skills in the industry, through creation of a major new skills body;*
- *Bringing together sources of public sector data on tourism performance and trends to create a partnership with the private sector;*
- *Building on EnglandNet and other e-tourism initiatives to create a strong network of tourist information services and to encourage the take up by small and micro-businesses of electronic means of communication and booking.’⁸¹*

⁸⁰ DCMS website (http://www.culture.gov.uk/tourism/tourism_policy/tourism_industry_seminar.htm), 12 March 2004.

⁸¹ DCMS website (http://www.culture.gov.uk/tourism/tourism_policy/tourism_industry_seminar.htm), *Progress Through Hartwell*, 12 March 2004.

Hartwell 2

At the second seminar in the Hartwell series, held at DCMS on 31 July 2002, Ministers welcomed the creation of the Tourism Alliance, and Digby Jones as its first Chair. This seminar focused on those priorities identified during the first seminar, and discussions centred on the reinstatement of a domestic marketing function for England tourism following an announcement by the Secretary of State on 13 May 2002:

- *progress towards the establishment of a Sector Skills Council for tourism;*
- *improvements to research & data and Government's focus on e-tourism; and*
- *improvements to quality, through the development of a 'Fitness for Purpose' approach to the regulation of hotels and restaurants.*

Hartwell 3

At the third seminar, held at DCMS on 26 February 2003, discussions focused on reforms to tourism support announced on 31 October 2002, and well underway at the time of the seminar. The discussion centred on the involvement of industry in national tourism strategy through the development of partnerships at many levels. There was broad and strong support both for the reform agenda and for the rapid progress already made under the joint leadership of David Quarmby, Alan Britten, Mary Lynch and Tom Wright. The Secretary of State announced DCMS's commitment to producing a new Tourism Prospectus in time for the next Hartwell seminar, to take place in Autumn 2003. This prospectus will outline where tourism responsibilities will sit in the future, and underline Government priorities for the tourism industry.

The Hartwell seminars provide a valuable platform for open discussion, and have informed Governments' Reform agenda.

Domestic Marketing:

- *DCMS are re-establishing a marketing function for England tourism;*
- *Training and Skills: Government is strongly backing the establishment of a Sector Skills Council for Tourism;*
- *E-tourism: maximising the potential of e-tourism is one of VisitBritain's key objectives;*
- *A Single Voice: the industry is benefiting as much as Government from having a primary contact point;*
- *Data and Quality: DCMS is currently initiating reviews on both Data and Quality.*⁸²

⁸² DCMS website (http://www.culture.gov.uk/tourism/tourism_policy/tourism_industry_seminar.htm), *Progress Through Hartwell*, 12 March 2004.