

THE TOURISM SUMMIT, 1 MARCH 2000

REPORT ON THE CONCLUSIONS

Paper by the Department for Culture, Media and Sport

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Department for Culture, Media and Sport
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Summary

1. This report outlines the conclusions reached at the Government's first Tourism Summit, held on 1 March 2000 at the Globe Theatre in London.

Background

2. The Tourism Summit was a meeting of Government Ministers to review progress in achieving the aims of the Government's tourism strategy, *Tomorrow's Tourism*, which was published on 26 February 1999. *Tomorrow's Tourism* is the first comprehensive national tourism strategy. It sets a challenging target for the tourism industry - to match the global rate of tourism growth by 2010 - and three overriding objectives -
 - to provide the right framework for tourism to flourish;
 - to develop and spread quality; and
 - to encourage wise growth.
3. *Tomorrow's Tourism* set out 15 key action points. Annex 4 of this report summarises progress so far in these areas, including holding annual Summits to monitor progress and plan future action. The focus of the first Summit was the need for Government to operate in a joined-up way in its approach to tourism and to take account of the effects on tourism when taking policy decisions.

Summit 2000

4. Annexes 1 and 2 contain the agenda for 1 March 2000 and those taking part. The following reports were presented to the Summit and are available on the DCMS website at <http://www.culture.gov.uk> -
 - the Government report on progress by central and local government;
 - the English Tourism Council (ETC) report on progress by the tourism industry, regional tourist boards and other agencies;
 - the British Tourist Authority (BTA) report on inbound tourism;
 - the report of the Tourism Consumer Group into price transparency and complaint handling in hotels; and
 - the ETC interim report on raising the quality of English accommodation.

Introduction (Secretary of State)

5. The Secretary of State set out the economic challenge to the tourism industry (see charts 1-6). Total tourism expenditure and employment in tourism in the UK have grown steadily in recent years, to £61 billion and 1.78 million respectively in 1999. However, global growth exceeds that of the UK industry. UK expenditure on foreign holidays is rising while expenditure on domestic holidays is falling. The UK would keep its position of 5th in the world in terms of tourism receipts, let alone improve that position, only with effort. The industry would have to innovate, improve quality, service and price competitiveness to meet this challenge. Government's role was to provide the right environment for the industry to succeed.

Highlights of Government action (Janet Anderson)

6. Janet Anderson identified three main reasons why the tourism market was not reaching its full potential –
 - it contains major areas of market failure;
 - the industry is fragmented, dominated by small businesses and has often only tenuous links with the infrastructure supporting development; and
 - most importantly, quality is often poor or inconsistent, while customers are more demanding and overseas competitors are becoming more competitive.
7. *Tomorrow's Tourism* aims to tackle these problems. The first year's progress is set out in the Summit reports (para 4 above) and Annex 4, but highlights include –
 - launching the new harmonised accommodation ratings which make it much easier for customers to understand what quality and standard of accommodation they are buying in England;
 - holding a first class Careers Festival, with the industry working hand in hand with the Employment Service and the New Deal to promote the 100,000 vacancies currently existing in the hospitality sector;
 - relaunching the national tourism body for England, the English Tourism Council; and
 - reshaping the marketing of Britain overseas by the British Tourist Authority.
8. The biggest challenges for next year would be –
 - working closely with other Departments to harness the potential of tourism in support of wider Government initiatives;
 - taking forward improvements in consumer information (see para 25);
 - developing a public/private partnership ICT project to present England as an attractive and accessible tourist destination. In addition, funds under round 2 of the Invest to Save Budget would support a pilot project to help small tourism businesses to use new technology to communicate with central and local government and with each other;
 - making strong progress on seaside town regeneration;
 - developing new ideas for transport in relation to tourism and for achieving sustainable growth; and
 - responding constructively to the Prime Minister's agenda for better regulation in this area as in others.

Highlights of industry action (Alan Britten and David Quarmby)

9. Alan Britten (Chairman, ETC) and David Quarmby (Chairman, BTA) presented their progress reports (see para 4 above).
10. Alan Britten made the following points –
 - tourism is a huge contributor to economic well-being, but the UK's share of the global

market is declining;

- ETC provides the strategic leadership the fragmented industry lacks, eg through research, national networking and some funding of the 10 Regional Tourist Boards;
- ETC priorities included promoting quality, competitiveness and wise growth; and ensuring tourism plays a full part in economic development;
- the industry welcomed the Summit and was keen to contribute to Government policies, including those on small businesses, rural issues, training, e-commerce, transport and better regulation;
- ETC would welcome –
 - a strong Government message of the importance it attaches to a joined up approach to tourism;
 - a stronger cross-Whitehall group of officials to consider tourism issues; and
 - Government Departments using the Tourism Forum, through the ETC, to consult the tourism industry.

11. David Quarmby made the following points –

- inbound tourism accounts for 25% of the UK tourism economy. Europeans account for 66% of visitors and 50% of inbound spend; North Americans account for 15% of visitors and nearly 25% of spend;
- growth in visitor numbers is volatile and tourism is very price elastic. A 1% movement in relative prices faced by visitors affects tourism receipts by 1.5%.
- competitiveness is also about quality, including service, transport and the environment. These depend on Government policies. The BTA is studying the comparative strengths and weaknesses of Britain against competitor destinations;
- BTA is investing heavily in the internet to promote Britain abroad;
- BTA welcomes closer co-operation with the FCO, BTI, British Council, the Immigration Service, the devolved administrations and trade bodies; and
- Ministers on official business overseas are welcome to visit the local BTA office.

Review of collaborative work on tourism issues (chaired by Secretary of State)

Ministry of Agriculture, Fisheries and Food (Joyce Quin)

12. Joyce Quin explained that MAFF is very keen to play a useful part in the tourism process. She outlined MAFF activity in two important areas –

- under the EU Rural Development Regulation a new Rural Enterprise Scheme would provide support to diverse projects, including rural tourism. Subject to European Commission agreement, £152 million would be available in England. Allocation of funds for tourism projects would benefit from a knowledge of the regional tourism market.
- regional foods have great potential for growth (current turnover is (£3.5 billion). This could be enhanced by developing local links with tourism businesses. A pilot project was planned to explore this potential. Alan Britten and David Quarmby endorsed the

value to tourism as visitors are attracted to local specialities. The Heart of England Tourist Board planned to take forward work in this area. There was good scope for co-operation.

Department of the Environment, Transport and the Regions (Beverley Hughes)

13. Beverley Hughes said that DETR takes the needs of the tourism industry very seriously. The Department's wide policy remit has a potentially major impact on tourism - and vice versa. Current major initiatives include -
- innovative travel projects. The TravelCumbria project, involving DETR, DCMS, the BTA, Cumbria County Council and Cumbria Tourist Board, is putting together a website featuring map-based information about public transport links to hotels and tourist attractions. The project is still developing, but DETR is very interested in extending the use of IT to solve transport problems. The Transport 2000 car-free leisure project comprises a pilot scheme to reduce leisure travel by car in a tourist area (East Sussex), a model green travel plan for a leisure facility (Harewood House) and producing a good practice guide. The project is due for completion in March 2001. There is scope for closer working in these areas with ETC's Transport Task Force;
 - research findings on the role the planning system plays in supporting tourism, announced in *Tomorrow's Tourism*, are expected soon. The report will be published for wide debate before deciding on the next steps;
 - DETR, the Highways Agency and DCMS will review implementation of the 1995 guidance on signing for tourist attractions and facilities, with a view to updating the guidance;
 - promoting integrated transport, including more through-ticketing; better facilities at stations and other places for interchange; better connections and more co-ordination of services; wider availability and provision of information on timetables, route planning and fares; and a national public transport information system by the end of the year, available over the telephone and internet. The last Comprehensive Spending Review provided an extra £700 million for local transport, with total provision more than £750 million in 2000/01, rising to £1 billion in 2001/02. A 10-year transport plan will be published in the summer. It was recognised that overseas visitors are particularly dependent on public transport;
 - the Rural and Urban White Papers will be published in the summer, covering many areas of interest to tourism;
 - the Regional Development Agencies, set up in 1999, are looking at how they can boost tourism in their areas;
 - the Single Regeneration Budget is helping to regenerate key tourism areas, such as coastal towns, and encourage the tourism potential of areas in structural decline. SRB is providing £268 million to schemes, which include coastal areas, in its first five bidding rounds. DETR is also working with ETC's Resorts Task Force;
 - the Countryside Agency is looking at the case for two new national parks in the South Downs and the New Forest;
 - improving bathing water quality; too many still fail the European standards; and
 - providing British Waterways with £60 million a year to maintain and improve inland waterways and their surroundings, maximising leisure and recreational use.

Department for Education and Employment (Tessa Jowell)

14. Tessa Jowell announced plans under the New Deal to tackle skill shortages in the hospitality industry, which would otherwise be a brake on growth. The Employment Service would expand its successful partnership with the British Hospitality Association (BHA) to customise New Deal provision to match the needs of the hospitality sector, challenge negative perceptions about the industry and support the second Hospitality Careers Festival in October 2000. New Deal programmes would extend to wider target groups and a major advertising campaign was planned. Bob Cotton (BHA) welcomed the customised gateway approach, but raised the disincentive to recruitment caused by the tax position of staff accommodation commonly provided in the industry. The Secretary of State and Tessa Jowell undertook to explore this with colleagues.
15. Other DfEE initiatives which will have positive impacts on the tourism industry include -
 - the Learning and Skill Council will develop greater coherence in the delivery of post-16 learning and training for the tourism industry when established in April 2001, particularly through the network of 47 local Councils; and
 - supporting the National Training Organisations in hospitality and tourism to meet industry needs, including the Hospitality Training Foundation's business training initiative. The NEC Skills Show in July would showcase the industry's skills needs.

Foreign and Commonwealth Office (Patricia Scotland)

16. Patricia Scotland spoke of -
 - the work of overseas visa sections and continuing efforts to streamline procedures and make them as welcoming and user-friendly as possible; and
 - excellent close working through Panel 2000 with the BTA, the British Council and other bodies in promoting the UK abroad, including the use of one-stop shops. These bodies are also co-operating in the information kiosk project to develop a single channel of information about the UK to persons abroad. Patricia Hewitt (DTI) expressed interest in the kiosk project to provide investment information.

Home Office (Mike O'Brien)

17. Mike O'Brien reported, inter alia, on several plans for legislative reform that would improve the operating environment for tourism -
 - a White Paper would be published shortly with proposals to modernise, streamline and simplify the law on liquor licensing and public entertainment licensing (including the "two-in-a-bar rule"), to allow more consumer choice while providing greater powers to prevent anti-social behaviour. 24-hour opening would be possible if wanted, but only if acceptable to local communities. Overseas visitors would welcome greater flexibility;
 - the outcome of consultations to deregulate Sunday Dancing and to relax the rules on restaurant opening hours would soon be announced;
 - the review of gambling legislation would commence after Easter, to report in 2001. This would consider the benefits of improving competitiveness, while continuing to exclude the criminal element. Meanwhile the scope to deregulate casinos would be reviewed;

- the Immigration Service is working with the BTA to ease entry procedures for genuine visitors, such as introducing group clearance arrangements. They would consider the need for welcome training for immigration officials;
- fire safety legislation affecting hotels and restaurants would be considered for streamlining and increasing effectiveness;
- the UK's ethnic and cultural diversity is an asset with considerable tourism potential;
- views were welcome on the need for further reform of shopping hours. Janet Anderson pointed out that shopping centres are becoming tourist attractions in their own right.

Department of Trade and Industry (Patricia Hewitt)

18. Patricia Hewitt recognised the important contribution of tourism businesses and outlined DTI initiatives to support small businesses, which make up a substantial part of the tourism sector -

- the new Small Business Service will be customer focused and attuned to the needs of small businesses, including micro-businesses. The SBS will be a voice for small business at the heart of Government; will simplify and improve the quality and coherence of Government support for small businesses; and will help small firms deal with regulation and ensure small firms' interests are properly considered in future regulation. The SBS will make a presentation to the Tourism Forum on 18 April;
- all tourism businesses now have easy access to practical advice on e-commerce from the new network of 100 advice centres set up under the Information Society Initiative. The second ISI/InterForum e-commerce awards have been launched and will be marketed to the tourism industry;
- the Industry Forum Adaptation Scheme would fund up to 10 sectors to develop projects to share good industry practice. DTI is working with the BHA to apply the scheme to the needs of the tourism industry.

HM Treasury (Stephen Timms)

19. Stephen Timms was also present at the Summit to hear what the key issues were for the industry, but did not comment in advance of the Chancellor's Budget Statement.

Local Government Association (Sir Ron Watson)

20. Sir Ron Watson contributed to the discussions on matters of particular relevance to local government, such as improving public transport, licensing law reform and the role of RDAs.

Better regulation (Lord Haskins and Teresa Graham)

21. Lord Haskins, Chairman of the Better Regulation Task Force, outlined the background to the Task Force's study of regulation affecting hotels and restaurants. The overall approach to regulation recommended by the BRTF is to -

- improve the quality of the statistical evidence of problems (eg cases of food poisoning);
- find the right balance between regulation and freedom;
- think small - ie less rather than more;

- use more effective ways to consult industry and provide sufficient time to do so;
 - listen to small businesses as well as trade associations; and
 - get all small businesses onto the internet.
22. Teresa Graham, deputy chair of the BRTF, reported the key emerging findings of the hotel and restaurant study, which she leads –
- overall burden of regulation is large; over 70 guidance documents address regulation affecting the sector. Information is not easily accessible to small or new businesses (even enforcers struggle to cope). There is a risk of selective non-compliance;
 - premises regulations (especially planning, building controls, licensing) have high impact on this sector. Better co-ordination is needed, to improve certainty. Welcome DETR research on planning and hope to see new PPG on leisure and tourism;
 - businesses in listed buildings face special problems. Look forward to English Heritage report on streamlining consent process. Also potential conflict with Disability Discrimination Act's access requirements;
 - the Food Standards Agency review of labelling requirements should look at GM food labelling in restaurants;
 - fire safety is a big issue. Welcome Fire Safety Board's review. Also welcome White Paper on liquor licensing;
 - employment law has a big impact, particularly because of high proportion of part-time and seasonal workers. Need for better consultation, communication and implementation. Get guidance right the first time;
 - Departments should take a sectoral approach to key economic sectors such as tourism. Could be a role for DCMS in co-ordinating guidance for this sector.
23. The Secretary of State noted the welter of regulation to review. The BRTF report would be published in May and all Departments would want to consider it and how to improve co-ordination in this area. The Task Force was asked to make a presentation to the Tourism Forum on 18 April.

Tourism Consumer Group (Janet Anderson and Bob Cotton)

24. Bob Cotton introduced the report of the Tourism Consumer Group, which was chaired by the former Chief Executive of the British Hospitality Association and included representatives of the Consumers' Association, DCMS, DTI, OFTEL and the National Council of Hotel Associations. The Group had looked at five consumer issues in hotels (telephone charges, single person supplements, complaint handling, cancellation charges and modernising the 1977 Price Display Order) and made recommendations on four of them.
25. Ministers discussed the report and decided to accept most of its conclusions. In particular they agreed to consult about options for modernising the Tourism (Sleeping Accommodation Price Display) Order 1977; and to bring the Group's findings to the attention of the devolved administrations. The full Government response to the report is at Annex 5.

Quality improvement in accommodation (Janet Anderson and Alan Britten)

26. Alan Britten introduced the ETC's interim report on raising the quality of English accommodation. His main points were –

- there is too much sub-standard accommodation in England, which damages English tourism. The industry wants rid of this poor accommodation;
- a statutory option would be the last resort - and would need clarification;
- ETC, AA and RAC have done well to increase scheme uptake (up 12%). They want to encourage take up by promoting preferential policies (eg advertising only scheme properties). They aim to squeeze out poor accommodation by making the schemes so well accepted by consumers that all establishments wish to join.

27. Ministers discussed the progress made and were greatly encouraged by the ETC report. They noted that they were still ready to consider statutory measures if the voluntary approach did not result in an improvement in the quality of accommodation. However, they decided that some progress had been made, that the ETC should do the further work proposed in their report and they would review progress again in a year's time.

Conclusions (Secretary of State)

28. The Secretary of State summed up the enormous amount of work underway or planned by colleagues to support tourism (summarised at Annex 3). It was a very positive set of conclusions. To keep up the momentum -
- DCMS would circulate action points and a draft report of the Summit outcomes;
 - the Secretary of State would deliver this report to the Tourism Forum on 18 April and it would be published;
 - the cross-Whitehall network of officials with tourism responsibilities would be strengthened to embed joint working on policies affecting tourism; and
 - Ministers would return in a year's time to review progress and to see what further action to take.

