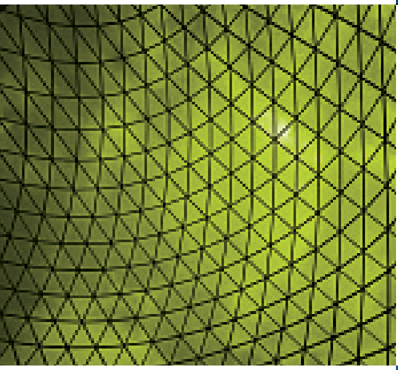
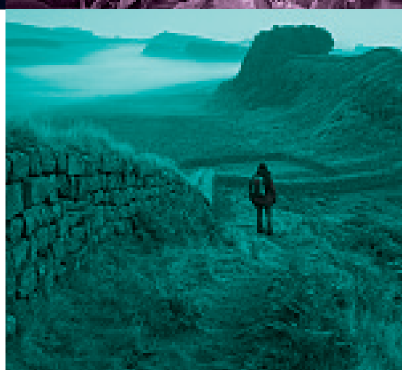
department for
culture, media
and sport

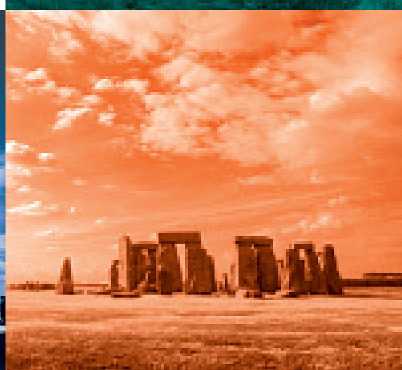
WELCOME > LEGACY

TOURISM STRATEGY FOR THE 2012 GAMES – A CONSULTATION





visit LONDON

visit Britain

improving
the quality
of life for all

Our aim is to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence, and champion the tourism, creative and leisure industries.

Contents

Foreword

By the Rt Hon. Tessa Jowell MP, Secretary of State for Culture, Media and Sport

I am very pleased to launch *Welcome ➔ Legacy* as the widest-ever consultation of the UK tourism industry.

The scope of this consultation is appropriate to its subject. The London Olympic Games and Paralympic Games of 2012 represent an enormous opportunity for the industry. It is estimated that between 50% and 75% of the economic benefits of the Games will accrue to tourism. In cash terms, that has been projected at between £1.4 and £2 billion. The wide range of those projections partly reflects the scope of a sector which reaches into most parts of our economy. Forecasting the returns of such an immense event as the Games to such a wide range of businesses and public sector bodies will never be a precise matter, especially six years in advance.

Getting the best possible projections of the benefits of hosting the Games is important. But in a way it is less important at this stage than clearly mapping our aspirations. So we in DCMS, our operational partners in this consultation, VisitBritain and Visit London, and our wider partners across the UK, will look to the top end of that range. Then look to do better. Because this consultation is all about putting ourselves in a position to welcome the world in 2012. To showcase Britain at its very best. And, in so doing, to leave a lasting legacy of a thriving, innovative tourism industry which has high quality at its core.

That explains our title. The welcome we extend to the world in 2012, and the resulting economic legacy of the Games, are not mutually exclusive, Quite the opposite – they are two sides of the same coin. If we get that welcome right, the legacy follows. But that, of course, is conditional on dramatic improvements in key productivity areas, and significant growth in the domestic tourism market which forms over 80% of our industry's total turnover.

Responses to *Welcome ➔ Legacy* will inform a comprehensive DCMS *Tourism Strategy for the 2012 Games*, which will set out clear actions and deliverables for the industry over the next six years. To get the *Strategy* right, we will not only need the full support of everyone involved in running tourism in both the private and public sectors. We will need innovative ideas that work. There are a number of new proposals in this consultation, and we look forward to receiving expert and informed comment. But we are also keen to draw on innovative thinking from a wide range of interested organisations and individuals. Everyone who responds can be confident that their comments will be considered seriously. So please get involved – and help shape our *Strategy* at this time of historic opportunity for tourism.

TESSA JOWELL

Overview and summary

This consultation will inform the DCMS *Tourism Strategy for the 2012 Games*. It follows the *Tourism 2012 Charter*, which was announced at the Prime Minister's Tourism Summit on 15 November 2005, and commits DCMS and its partners to producing a comprehensive strategy for tourism and the London Olympic Games and Paralympic Games. The *Charter* is reproduced at Annex A.

The *Strategy* will set out clear actions and deliverables for making the very most of the Games for the visitor economy. It will cover areas:

which are directly relevant to putting the UK's tourism industry in a position to successfully welcome the world in 2012; and

where DCMS, and its partner organisations including VisitBritain and Visit London, have the policy and operational levers necessary to deliver outcomes in partnership with the industry.

We seek views on the following:

Getting tourism's Games structures right:

- ensuring that tourism's national, regional and local interests are fully represented in the wider structures for preparing for the Games; and
- making sure that the sector's own 2012 marketing and other structures are fully fit for the tasks ahead.

Positioning the UK as a truly world class destination:

- ensuring that all promotion of the overseas images of the UK, England and its regions, Scotland, Wales, Northern Ireland and London fully reflects the strengths of their tourism offers;
- making the very most of new technologies as marketing and information tools, including the EnglandNet platform; and
- fully exploiting the opportunities of 2012 in business tourism.

Improving the quality of our welcome:

- significantly improving consumer certainty in the quality of tourist accommodation through the grading schemes;
- giving work on employment skills a Games focus, as a way of expanding the opportunities of local people to take up employment and contributing to the wider upskilling of the national workforce; and
- significantly improving our welcome to inbound and domestic visitors with disabilities, in the context of the Paralympic Games.

Making the links between tourism and the wider 2012 effort:

- ensuring that tourism gets the maximum benefit from the Cultural Olympiad and Torch Relay;
- making the most of Liverpool Capital of Culture 2008;
- establishing relationships with key broadcasters (in accordance with IOC and LOCOG requirements); and
- making sure that tourism's marketing and promotional work is fully joined-up with the 2012 plans of cultural, artistic, heritage and media organisations in the public and private realms, across the whole range of DCMS-sponsored sectors.

Setting ambitious and stretching targets:

- setting appropriate strategic targets which take full account of the scope of the Games opportunity, to replace the existing aim of a £100 billion industry by 2010.

This consultation is not, therefore, designed to inform a comprehensive tourism development strategy, or a "Tourism Green Paper". It concentrates on what will be needed to deliver real improvements by 2012. However, the *Strategy* will not simply be about tourism's preparations for playing its part in the hosting of the Games. The legacy for the visitor economy is equally important. But the Government and its partners believe that the improvements needed to bring the industry up to the necessary level for 2012 will, with continued commitment and innovation, form the basis of a lasting legacy of growth which will be exploited for many years to come.

The required levels of growth will be attainable only with significant productivity improvements in key areas. This is particularly true of the domestic market. All parts of this consultation should be considered in terms of their effects on the industry's performance, and in this respect proposals are particularly sought in the areas of product quality and workforce skills discussed at Section 4. Respondents should also be aware of the analysis set out in Annex B to this consultation paper.

The consultation does not address a number of issues which many sectoral voices consider to be vital for the industry's future. These include, among others, local structural issues and social inclusion through tourism. In issuing this consultation document, the Government has no intention to downplay the importance of these issues. Work towards improvement in these areas continues with a high priority in DCMS and its partner organisations. However, the Government believes that it is important that the tourism sector's work towards 2012 should be identified and prioritised separately. This work, of course, must be fully sustainable – both in terms of encouraging business improvements that last, and in its effects on wider communities and environments in accordance with the Overall Objective of the Games Delivery Programme to leave a sustainable legacy for London and the UK.

This consultation, and the *Strategy* it will inform, are not designed to supersede or to conflict with the tourism strategies relevant to the Games which are currently being prepared (or have already been published) by other public sector bodies, for example:

- the London Development Agency's *London Tourism Vision 2006-16* and *London Tourism Action Plan 2006-09*;
- the Welsh Assembly Government's *Achieving our Potential 2006-13*;
- the Scottish Executive's *Tourism Framework for Change*;
- the Local Government Association's *Getting on Track*; and
- the plans currently being prepared by the LOCOG Nations and Regions Group.

Nor is it intended to constrain the operational strategies of our partners VisitBritain and Visit London, with whom this consultation has been prepared in close co-operation.

The consultation, and the resulting *Strategy*, is and will be designed to ensure the better co-ordination of other tourism strategies. It will use the position of DCMS as the Department with primary responsibility for the Games to further the improvement of tourism in key areas. In its scope, therefore, this document reflects the realities of devolution and of regional economic development. Much of its content, especially in areas such as product quality, concerns England only. But in other areas – in particular the marketing of the whole of Britain and the setting of national targets – its scope is UK-wide.

In setting the terms of the *Tourism Strategy for the 2012 Games*, DCMS and its partners are keen to draw on innovative thinking from a wide range of interested organisations and individuals. But the *Strategy* will also draw on the established national policy framework for tourism (as set out in 2004's *Tomorrow's Tourism Today*, and since) and will seek all available opportunities to use the opportunity of the Games to refine and take forward these existing policy aims.

The questions we ask in this document reflect that dual objective. A number of them raise new and searching issues, with the aim of generating new answers. Others seek views on concrete proposals for improving our tourism product in existing areas of policy. We seek views on both types of question, where respondents feel they can add value.

The questions

1. How can the London, England and UK tourism industries increase levels of tourism during the Games themselves? Is this a reasonable challenge?
2. DCMS considers that the position of tourism in the wider 2012 organisational structures is sufficient to ensure that its interests are fully represented and acted upon. Do respondents agree?
3. How appropriate are the examples of previous Games to the new operational structures needed to co-ordinate the tourism preparations for 2012 at national, regional and local levels?
4. Are new operational arrangements, for instance a new joint unit, needed to co-ordinate the Games marketing and other activities of VisitBritain, Visit London, LOCOG and other relevant organisations? If so, what form should these take?
5. What new marketing approaches are needed in the run-up to the 2012 Games? (Responses from organisations which are in a position to work with VisitBritain, Visit London and other marketing bodies would be particularly appreciated)?
6. How can the 2012 Games contribute to the further development of London's key gateway role?
7. Aside from EnglandNet, how should new communications technologies contribute to the marketing of London, the English regions and the UK in the context of the 2012 Games?
8. How can the Games be used to increase business tourism in the UK:
   - should a joint VisitBritain/Visit London Business Tourism Unit be established, or are the present structures sufficient?
   - and how relevant is the International Convention Centre proposal to increasing London's share of business tourism?
9. Should a UK-wide percentage target be adopted for disability access, covering the whole accommodation sector rather than just the National Accessible Scheme?
10. Should any or all of the following be made conditions of participation in the accommodation quality schemes:
    - clear signposting of available accessible facilities?
    - the reservation of accessible rooms?
    - independent audits of accessible facilities?
11. Are the suggested Britain and England targets for accommodation quality scheme participation reasonable and achievable?
12. What additional practical incentives for quality scheme participation are possible?
13. Are separate targets for quality scheme participation needed for London? If so, what would be reasonable targets for 2008, 2012 and 2016? And is there scope for London-specific incentives to participation?
14. What are the possibilities for Games-themed workforce skills projects and initiatives – including effective links with the London 2012 Pre-Volunteering Programme?
15. What could best be done to improve the London/England/UK welcome in areas <u>not</u> covered by the grading schemes or workforce skills improvements, or in addressing disability?
16. What steps could be taken to improve the welcome for international and/or domestic visitors using the UK's transport network, in the context of tourism's preparations for the Games and/or the full exploitation of the legacy?
17. Do respondents have further proposals for cross–sectoral Games-related events and activities over 2008-12 which would add significantly to the appeal of the UK as a tourist destination, or to the growth of the domestic tourism market?

18. Is there significant scope for further cross-marketing work between tourism, the BBC and other broadcasters?
19. What form should any new strategic growth target take? Should it cover the industry's percentage rate of growth, rather than turnover? And should it run to 2012, or to a later date?
20. Should any new growth target be reset in the light of changes in the accuracy of data on the domestic market, and TSA methodology – even if this results in an apparently lower target to 2010?
21. Should new and separate targets be adopted for inbound and domestic tourism, and for productivity growth? And are such targets likely to enjoy popular understanding and support?

How to respond to this consultation

This consultation document is available on the DCMS website at www.culture.gov.uk/tourism2012.htm

Responses should be made by 17 November either by post to:

Tourism 2012 Consultation Project Team
Tourism Division
6th Floor
Department for Culture, Media & Sport
2-4 Cockspur Street
London
SW1Y 5DH

or by email to:

welcomelegacy@culture.gov.uk

Telephone enquiries should be addressed to DCMS on 020 7211 6335. Lines are open from 9.30am to 4.30pm.

Enquiries may also be made to our key partners, who will be pleased to discuss responses:

VisitBritain on 020 8846 9000
Visit London on 020 7234 5847

Enquiries or complaints about the consultation process itself should be addressed to the DCMS Consultation Co-ordinator:

Liz Sweet (020 7211 6373; liz.sweet@culture.gov.uk)

Freedom of Information

All information in responses, including personal information, may be subject to publication or disclosure under Freedom of Information legislation. If a correspondent requests confidentiality, this cannot be guaranteed and will only be possible if considered appropriate under the legislation. Any such request should explain why confidentiality is necessary. Any automatic confidentiality disclaimer generated by your IT system will not be considered as such a request unless you specifically include a request, with an explanation, in the main text of your response.

1. Tourism – the challenge of 2012

The timetable	
2006	London Olympic Games and Paralympic Games Act 2006
2008	Beijing Olympic Games and Paralympic Games Cultural Olympiad commences
2010	Vancouver Winter Olympic Games and Paralympic Games Volunteer Programme launch
2011	Tickets expected to go on sale
2012	Launch of Torch Relay – March Olympic Games – July Paralympic Games – August

The projected benefits

Projecting the economic benefits of the Games six years in advance is neither a straightforward nor a certain exercise. However, all research drawing on the experience of previous Games strongly suggests that:

- an estimated 50-75% of the net benefit of staging the Games is likely to accrue to tourism over a 7-10-year period;
- the cash benefits have been variously projected at £1.4-£2 billion;
- there is likely to be a post-2012 "Games dividend" of at least a 1.5-2% increase in visitor numbers and revenues for 2012-16;
- at this stage, predicted volumes of Games-<u>related</u> tourism (i.e. for the period of the Games themselves) are within usual levels of peak tourism demand; and
- previous Games have achieved more in terms of Games-<u>motivated</u> tourism (i.e. additional business events or tourist visits to Britain as a result of heightened awareness of the destination, and of its appeal, generated by the hosting of the 2012 Games).

Further detailed research into the size of the economic benefits to tourism is currently being undertaken, and will continue during the period of this consultation. This work will contribute to the eventual *Strategy*.

Although assessments differ at this stage as to the precise scale of the benefits, there is general agreement that if the tourism industry is to fully exploit the benefits of 2012, it must take full account of the lessons of previous Games. Accordingly, this consultation draws on the major report, *Optimising the Benefits of the 2012 Olympic and Paralympic Games*, carried out for VisitBritain in late 2005 by Ken Robinson CBE, along with other VisitBritain and Visit London research.

In terms of tourism benefits, recent Games are assessed as follows:

- the Sydney Games of 2000 generated 15% more inbound visitors in September 2000 compared to that month in 1999, saw visitor numbers for 2000 as a whole up by 11% on 1999, and generated 1.6 Olympic-motivated visitors over 1997-2004, spending US $3.5 billion;
- the Athens Games of 2004 generated a 10% increase in inbound visitors in 2005, and are expected to generate additional annual visitors of 5-7 million a year by 2009; and
- the Atlanta Games of 1996 added $5.1 billion to the Georgia economy.

Closer to home, the Manchester 2002 Commonwealth Games:

- increased the number of inbound visitors to the city from 550,000 in 2001 to 590,000 in 2002 and 740,000 in 2003;
- increased hotel occupancy by 6%, and revenue per room by 17.5%, in 2002; and
- brought £29 million into the local economy.

The 2012 Games must aim to surpass the economic benefits generated by all previous Olympic Games and Paralympic Games. All parts of Britain have relatively easy access to London by road, rail and air. Good transport links are in place from Europe. And we already possess an enormously diverse tourist product. We therefore have advantages which were not available in any comparable degree to Athens and Sydney – nor to Barcelona, Seoul or Los Angeles before them.

Tourism during the Games themselves

Tourism during the period of the Games themselves has, in the past, been relatively unimportant. Early projections predicted an additional 500,000 overseas visitors to London for the Games themselves. More recent detailed projections suggest a peak figure of an additional 290,000 people a day travelling in London – in the context of 30 million passenger movements in London on a normal day. Many of these will be UK residents, who are expected to make up 80-90% of spectators at the Olympic and Paralympic venues. It is likely that these additional visitors will add to existing perceptions of London as a busy city. The industry needs to be aware of this, and to manage its expectations.

All recent Games have demonstrated that a high proportion of tourism during the Games themselves is substitute in nature – many residents go away for the duration, and some inbound visitors will stay away. Realistically, many of the new day visitors generated in the domestic market may, unless they combine visits to the Games events with overnight stays, not add significantly to the London visitor economy. We already recognise those realities. However, we should also recognise that there is an implicit challenge here – to buck the trend of previous Games and actually increase inbound and domestic tourism during the period of the Olympic Games and Paralympic Games themselves. Comments from respondents on the credibility of that challenge would be useful.

Legacy tourism

Notwithstanding the industry's ability to meet that challenge, it is clear that comparatively much larger benefits will come from Games-motivated tourism – that is, additional visitors before and, particularly, after the Games themselves. These will flow from:

- aligning and developing the Britain brand to appeal to new and younger markets – and using the existing brand profile of London to help in this;
- building on the immense media coverage that the Games will generate;
- winning more major international events, conferences and conventions;
- attracting new partners and sponsors to the tourism sector; and
- improvements to the tourism infrastructure.

The Robinson report estimates that, with adequate investment in additional marketing, Games-related growth of 2% is a reasonable aspiration for each of the years 2012-2016. DCMS statistical projections put this at a more modest but still substantial 1.5%, with an additional 1% for 2006-2011.

This consultation seeks views on how the industry, and those who support it, should aim both to increase tourism numbers during the Games themselves, and to make the most of the more substantial benefits of the legacy.

The Olympic Games and Paralympic Games Objectives

It is essential that tourism's preparations are fully co-ordinated with those of the wider public and private sectors. That means ensuring that the tourism sector's aims and objectives are, as far as possible, aligned with those of the Olympic Board.

The Overall Objective of the Olympic and Paralympic Games Delivery Programme is "**to host an inspirational, safe and inclusive Olympic Games and Paralympic Games and leave a sustainable legacy for London and the UK**". Drawing on this, the Olympic Games and Paralympic Games Programme Objective 3 is: "to maximise the economic, social and environmental benefits of the Games for the UK".

And the Olympic sub-objectives which are relevant to tourism are:

For the Government:

3.1.1 Maximise the employment and skills benefits for the UK arising from Games-related business.

3.1.2 Maximise the wider economic benefits of the Games across the UK, including those for tourism and business promotion.

3.1.7 Promote positive images of the UK to an international audience.

3.1.8 Ensure that the UK's diverse communities are engaged with, and benefit from, the changes and opportunities arising from hosting the Games in London.

For the Mayor of London:

3.2.1 Maximise the employment and skills benefits for Londoners arising from Games-related business.

3.2.2 Maximise the wider economic benefits of the Games to London, including those for tourism and business promotion.

3.2.7 Promote London's image as a leading world city to an international audience.

3.2.8 Ensure London's diverse communities are engaged with, and benefit from, the changes and opportunities arising from hosting the Games in London.

For LOCOG:

1.4 Maximise audience size at venues.

1.5 Deliver effective media presentation and maximise global audience size.

1.6 Stage inspiring ceremonies and cultural events.

Question

1. How can the London, England and UK tourism industries increase levels of tourism during the Games themselves? Is this a reasonable challenge?

Respondents should bear the in mind the above Objectives and sub-objectives in framing their responses to this consultation.

2. Getting tourism's Games structures right

Even at this relatively early stage, there is a clear consensus within the tourism sector that, if we are to gain the maximum benefit from the 2012 Games, our structures must be right at the outset. This is not just a matter of tourism's own representative structures, and the sector's relationships with the Government. Tourism's place in the wider 2012 structures must be clear at the outset, and set at the appropriate level. And the operational structures adopted by VisitBritain and Visit London with LOCOG, regional and local delivery and support organisations, and the industry itself must be equally clear, must allow for full and effective collaboration, must encompass all relevant interests, and must be robust and flexible enough to cope with developments over the next six years. In this, the Government and its public sector partners cannot act alone: the industry itself must get fully involved in the new bodies, as well as creating its own structures.

Viewed in isolation or part, these structures and relationships can form a confusing picture. Clarity is essential at this stage, so this section explains how the structures inter-relate, and seeks comments on their adequacy to the tasks to come.

Tourism's own structures

Tourism is supported by a range of public sector organisations at national (i.e. England and Devolved Administration), regional and local levels – which collectively invest over £300 million a year in the sector across the UK.

Since 2003, VisitBritain has been responsible both for marketing Britain overseas and for marketing England to the British and in four key European markets (advised in the latter role by the England Marketing Advisory Board).

The Mayor of London has statutory responsibility for tourism in the capital, which he has devolved to the London Development Agency. The Agency has, in turn, contracted Visit London to deliver all marketing and promotional activities, and to be the voice of London tourism.

As tourism is a devolved matter, the Scottish Executive and the Welsh Assembly Government are fully responsible for the direction and funding of tourism support.

In England, the Regional Development Agencies (RDAs) are responsible for strategic support for tourism at regional level. And local authorities invest some £120 million a year in tourism support, making them the sector's largest single funder.

These structures interact as follows:

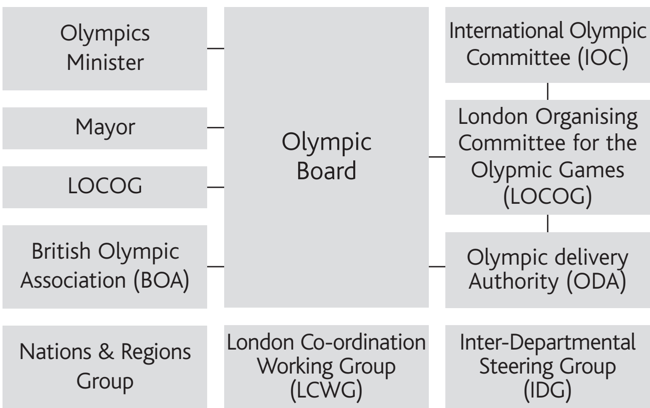
- DCMS works closely with the other nations of Britain at Ministerial and official level;
- the Devolved Governments of Wales and Scotland are represented on VisitBritain's Board either directly or through their Tourist Boards, as is Northern Ireland (all as observers);
- the RDAs work collectively on tourism development through the regular Tourism Leads meetings, and deal with DCMS, VisitBritain, and others through the Southwest RDA (SWDRA) as tourism lead. SWRDA also has observer status on VisitBritain's Board;
- VisitBritain and Visit London work closely together, and are represented on each others' Boards as observers;
- Visit London is represented on the London Business Board and the LOCOG Branding Committee;
- DCMS maintains strong links with local government; and
- tourism's involvement in the preparations for the Games is guided by the Minister's Tourism 2012 Group, which includes the Chief Executives of VisitBritain and Visit London, the Chair of SWRDA, the Chair of the Tourism Alliance, the Chief Executive of the British Hospitality Association, and a representative of LOCOG (the Group also maintains close links with the Local Government Association). It

is likely that this Group will be expanded shortly to include the essential input of Scotland, Wales and Northern Ireland.

These interests then feed into the wider 2012 structures as outlined below. Respondents should note that proposals have been made recently for changes to the above structures, particularly as they affect the marketing of England. These proposals concern important areas of tourism support and discussions will continue through the period of this consultation. They are, however, outside the scope of this consultation paper.

Tourism and the 2012 structures

The delivery structures for the Games are summarised as follows:



In addition, DCMS has recently established two further groups:

- a mini-steering group for tourism and business; and
- the 2008-12 Culture and Creativity Advisory Forum, which will work with LOCOG, the Greater London Authority (GLA), and stakeholder organisations to bring together all interests in the cultural sector in the build-up to the Games.

Tourism feeds directly into this structure through:

- DCMS directly, as the Department with lead responsibility for the Games;
- the Minister of Tourism, advised by the Tourism 2012 Group;
- the operational relationships between VisitBritain, Visit London and LOCOG;
- Visit London’s direct relationship with the Mayor’s Office;
- tourism’s representation on the Culture and Creativity Advisory Forum; and
- VisitBritain’s, the Devolved Administrations’ and the RDAs’ memberships of the Nations and Regions Group.

The Nations and Regions Group is tasked with, among other things, creating and facilitating UK-wide Games networks, joining up regional activity and initiatives, and raising and registering local interests. Its members represent groups of wider stakeholders in each region (or non-English nation) which they chair, and have a remit to engage fully with all relevant groups and interests at regional (or national) level.

Tourism’s 2012 operational structures

The previous sections set out tourism's own structures and their interaction with the wider 2012 structural arrangements. It is hoped that this will provide an informed basis for respondents to comment on other areas of this consultation. They have not been included simply for information – observations and suggestions are welcome. But it is arguable that, for the visitor economy, the operational structures adopted to market and manage the tourism aspects of preparing for the Games are as, if not more, important.

Previous Games have shown that robust and flexible arrangements for maximising the benefits for tourism should be in place at an early stage. These arrangements should:

- provide clarity in tourism-specific strategies, policies, and programmes;

- allow for quick and fruitful interaction between the activities and messages of the tourism sector, and the wider Games effort;
- align, as far as is practicable and desirable, the brand images and values of tourism, and the Organising Committee: in our case, between London (Visit London), Britain (VisitBritain), big industry players, and LOCOG;
- establish a shared vision for the Games and the tourism sector at the highest level in those organisations, allowing tourism to positively influence the wider look and feel of the Games; and
- be robust and flexible enough to deal with the challenges and demands of a project of this magnitude.

DCMS, VisitBritain and Visit London have already carried out detailed fact-finding and research on what worked in Sydney, Barcelona, Athens, Melbourne, Turin and Manchester.

VisitBritain's detailed series of interviews with SOCOG (the Sydney Organising Committee) and others in Australia in March 2006 demonstrated that much of the success of the Sydney Games in tourism terms was the result of early planning, including:

- the strong leadership role played throughout by the Australian Tourist Commission (ATC);
- effective oversight and co-ordination of the wide range of sporting, community, cultural and economic strategies and committees, initiatives, conferences and programmes which were generated at national, regional, local and sectoral levels;
- the need for real input into the Cultural Olympiad;
- a strong grip on work to attract major (non-Olympic) sporting, business and cultural events to Australia, before and after the Games;
- the establishment by the ATC of a dedicated Olympic Games Business Tourism Unit at an early stage, with the involvement of the Sydney Visitors' and Convention Bureau, and the New South Wales Government; and
- the creation of an Olympic Tourism Forum for key stakeholders as early as 1994 – six years ahead of the Games – with sub-groups tasked with issues of branding, media and publicity, access, sponsors, visitor services and information, service quality and regional dispersion.

DCMS, VisitBritain and Visit London fully intend to apply the lessons of previous Games to preparing for 2012. However, what has worked in the past may not necessarily work here. The arrangements we adopt must play to our strengths, and to the very different natures of the existing London, England and UK tourism offers.

Elements of the operational structures to be adopted are already in place:

- DCMS has been firmly established as the Department with lead responsibility for the Games;
- senior sectoral and industry representatives are already contributing to Games preparations through the Tourism 2012 Group and other fora; and
- VisitBritain and Visit London are establishing a close working relationship with LOCOG.

The options for building on this base include possible new Business Tourism or Major Events Units. Comments and suggestions from respondents would now be appreciated.

Questions

2. DCMS considers that the position of tourism in the wider 2012 organisational structures is sufficient to ensure that its interests are fully represented and acted upon. Do respondents agree?

3. How appropriate are the examples of previous Games to the new operational structures needed to co-ordinate the tourism preparations for 2012 at national, regional and local levels?

4. Are new operational arrangements, for instance a new joint unit, needed to co-ordinate the Games marketing and other activities of VisitBritain, Visit London, LOCOG and other relevant organisations? If so, what form should these take?

3. Positioning the UK as a truly world class destination

During the weeks of the 2012 Games themselves, London will be the epicentre of the world's sporting and cultural interest. As well as the Games-related visitors, there will be an expected four billion television viewers across the world. It is essential that the opportunity is taken to present the UK in the most positive way possible, and the tourism sector has a big part to play in that. This section covers that role for tourism in making the Games a perceived success, as well as how effective marketing and the management of international perceptions are vital to the full exploitation of the legacy. This includes the key roles of London organisations, the role of new technology, and the possibilities of business tourism.

International perceptions

London and the UK enjoy strong and established brand images overseas. Most of these are positive, as the record number of inbound visitors in 2005 confirms. But perceptions vary widely. VisitBritain, Visit London and others involved in overseas promotional work tailor their marketing closely to the conditions of individual territories (and to specific market segments within those territories). What works in China – for the moment, at least, playing to our traditional strengths in culture and heritage – will not work in markets which seek a more modern and contemporary message about destinations. London, of course, already enjoys widely-held overseas perceptions as a world class city, which is culturally diverse and constantly re-inventing itself. One of the primary challenges now is to ensure that other parts of Britain come to be seen in that way as well.

But whether we are marketing established heritage attractions to the affluent middle aged, or appealing to younger consumers attracted by creativity and diversity, there are a number of negative perceptions of the UK across several major and emerging markets. The most relevant of these are that we are:

- polite but unwelcoming;
- relatively expensive;
- poor at providing service; and
- provide poor value for money in accommodation, and food and drink.

Other sections of this consultation are designed to address the weaknesses of parts of the industry in product quality and other areas. But much of the industry suffers from outdated or erroneous overseas perceptions. The 2012 Games provide a big opportunity to change these for the better. Marketing work is vital in this, and the need for all agencies involved in marketing London and Britain to deliver a consistent message is discussed below. VisitBritain, Visit London and others including VisitScotland, play significant roles in promoting positive images of this country, and the Government greatly values that work.

VisitBritain is also active as a member of the newly-formed Public Diplomacy Partners Group, which contributes to the work of the Foreign and Commonwealth Office-led Public Diplomacy Board. DCMS considers that VisitBritain's work through the Board and more generally (which includes the full involvement of the British Council) has been highly successful, and this consultation makes no specific proposals in this area. Respondents should, though, be aware of these activities in considering other areas of this document.

2012 marketing

The management of overseas perceptions of London and the UK through the above channels is extremely important – both to the success of the Games and to the full exploitation of the tourism benefits. But skilled, targeted and well-resourced marketing is also vital if the brand images of the nations of Britain and London are to be reflected realistically on a global platform and fully acquire the characteristics necessary for success – those of a positive and engaging nation, at home with its rich cultural heritage but embracing change and open to new ideas, with a welcoming and world class capital city.

VisitBritain and Visit London are already developing their plans to market the Games. This work is being taken forward in full partnership with DCMS, LOCOG, the Greater London Authority (GLA) and the London Development Agency (LDA), and other key organisations within the structures outlined above. This consultation does not, therefore, dwell on the technical and other marketing challenges involved here. However, respondents should be aware of the main marketing issues under consideration six years before the start of the Games:

- LOCOG's brand development needs to reflect the strengths of the existing London and Britain brands, which in turn should remain appropriate to the wider Olympic and Paralympic brand values and imagery (and not infringe the IOC's and LOCOG's copyrights).
- It should be possible to build on the central brand without even using the word "Olympics" (along the lines of the Australian *Fun and Games* campaign).
- News coverage, promotional activities, and advertising and sponsorship deals with official IOC sponsors will allow for greater reach, and VisitBritain and Visit London will work closely with LOCOG to ensure that the Olympic Branding Strategy fits closely with the established Britain and London brands.
- Sponsorship deals must be delivered through imaginative stakeholder engagement at an early stage. This includes both major commercial sponsors and the IOC itself.
- An effective handover is essential. Sydney secured a major presence at the 1996 Atlanta Games, and this should be matched by the London/Britain presence at Beijing in 2008.
- All possible links with other sporting and cultural sectors should be exploited (this is discussed in *Making the links* below).
- The expectations of both the industry and the public should be managed. The experience of previous Games suggests that the industry should be prepared for negative perceptions of London as a destination in the run-up to the Games, changes to normal trading patterns, and for disruption caused by preparatory works to transport facilities and at the Games venues.
- Work should begin at an early stage to ensure that the momentum for tourism continues after the Olympic and Paralympic events have ended, with a post-Games strategy in place by 2010.

As has been seen, VisitBritain and Visit London have taken effective steps to take full account of the lessons of previous Games. New and innovative marketing proposals from respondents would now be welcome in these areas – especially from organisations which are in a position to work in partnership with VisitBritain and/or Visit London in the future. The run-up to the Sydney Games demonstrated the importance of effective marketing in winning over the "hearts and minds" of the domestic audience/market. Proposals for doing the same here in the run-up to the 2012 Games include a high profile national schools art competition with an Olympic theme.

London

Using its established position as one of the world's leading city destinations, the Games will allow the capital to maximise its global platform, with significant benefits for the visitor economy in London and in the regions through its gateway role.

London's key role in the tourism marketing of the Games is reflected in the extent of pre-planning which is already in place. The LDA has been responsible for the delivery of the *Mayor's Plan for Tourism* through the *Tourism Action Plan for 2003-06*. Following the successful bid, the LDA published a revised long-term *Vision* and accompanying three-year *Action Plan* in May 2006. The *London Tourism Vision 2006-16* and *London Tourism Action Plan 2006-09* have been produced by the LDA in partnership with Visit London and the GLA, and in consultation with the capital's tourism industry.

The *Vision* and *Action Plan* cover five key themes:

- *A Global City* – London will be the number one city of choice for visitors, drawing on targeted, innovative, competitive and dynamic marketing.
- *A Quality Visitor Experience* – London will deliver a top quality visitor experience from pre-arrival to post-departure, ensuring full satisfaction from all aspects of a visit to London.
- *A Sustainable and Inclusive City* – London will move towards becoming more sustainable and inclusive to all – financially, physically, socially and culturally.
- *Professionalism at every level* – London will ensure that the tourism industry is recognised as providing diverse and interesting careers of choice, which offer opportunities for progression and skills development. Visitors to London will be offered a world class quality customer experience by increasingly successful tourism businesses.
- *Industry information, support and partnership* – London will have an innovative, flexible and comprehensive industry support network, which enables the sharing of knowledge and ideas and results in a thriving and diverse range of successful tourism businesses.

But London also plays a vital role as a gateway for overseas visitors – over 50% of overseas visitors to the capital also visit other areas of Britain as part of their trips. The Games provide an opportunity to significantly enhance that role and – where possible and appropriate – to position other parts of the UK as alternative destinations to visitors who may avoid London during the Games themselves. In making the most of this gateway role, the challenges now are to:

- stimulate more visitors to London, as significant numbers of such visitors will themselves choose to visit the rest of the UK;
- ensure that the increased numbers of people coming to London in the run-up to, during, and after the Games fully benefit the other nations and regions of the UK – by increasing the proportion of visitors to the capital who travel to other parts of the country; and
- use the Games to increase levels of domestic tourism within the English regions.

The importance accorded by the Government to the 2012 Games as a lever for regional (and national) development has been consistently demonstrated by Ministerial support for the work of LOCOG's Nations and Regions Group. Working closely with DCMS, VisitBritain and other relevant bodies, each of the nine English regions, Scotland, Wales and Northern Ireland are preparing strategies for deriving maximum benefit from the Games. Tourism will be prominent in these strategies, which will be co-ordinated with the wider structural framework outlined above and fully informed by the Olympic Objectives. Specific proposals are now sought on the marketing and support of London's gateway role.

Tourism themed years

To contribute to the programme of the Cultural Olympiad (which is discussed in *Making the links* at Section 5 below), each year from 2008 to 2012 could be themed for tourism marketing purposes to showcase important aspects of the UK offer. Such themes could take advantage of already existing programmes or events, such as Liverpool's position as European Capital of Culture in 2008, and the Years of Highland Culture and Homecoming in Scotland in 2007 and 2009 respectively. Themes could be designated against a whole year or part of a year, and could be designed to highlight a range of aspects of the offer – from the traditional attractions of heritage and landscape, to more recent perceptions of the UK as young, accessible and diverse. Ideas for such themes are welcome to help ensure these work for both tourism and the wider Games cultural programme.

Questions

5. What new marketing approaches are needed in the run-up to the 2012 Games? (Responses from organisations which are in a position to work with VisitBritain, Visit London and other marketing bodies would be particularly appreciated.)

6. How can the 2012 Games contribute to the further development of London's key gateway role?

E-marketing

By 2010, 65% of trips within England will involve some internet planning, and 15-20% will involve online booking. Travel and tourism has already become the single largest category of products/services sold over the internet, and the proportion of business being transacted this way is growing quickly. It is essential that all 2012 marketing activities reflect these realities.

VisitBritain's response to the ICT revolution has been to develop a range of new e-commerce services. These include the online Flights Engine, which provides information and booking capability for over 500 airlines, and an online shop selling a wide range of travel and tourism products. These are in addition to the primary EnglandNet portal, which provides information and links to a wide range of tourism product providers. The EnglandNet site reflects the depth and breadth of our tourism offer, based on a National Tourism Product Database containing details of over 50,000 providers across Britain. Fully linked to www.visitBritain.com and www.enjoyEngland.com, it allows the customer to check real-time availability of accommodation, flights and other transport links, and transfers customers seamlessly to partners' own booking engines. EnglandNet took its first live bookings late in 2005, and is now attracting a wide range of content providers in the private and public sectors. It is envisaged that it will shortly include content from Scotland and Wales, and be re-designated as BritainNet.

The Government is fully satisfied with EnglandNet's progress, and indeed regards it as the primary tourism marketing portal for the 2012 Games. But EnglandNet does not address the whole range of new opportunities available from new communications technologies, for example in the provision of information through pod-casting and mobile telephone guides. Both VisitBritain and Visit London are advanced in their thinking on the innovative use of new technologies as marketing tools. However, additional proposals are now sought from respondents.

Question

7. Aside from EnglandNet, how should new communications technologies contribute to the marketing of London, the English regions and the UK in the context of the 2012 Games?

Business tourism

According to the Business Tourism Partnership's *Better Business Tourism in Britain*, business tourism in the UK is worth over £18 billion a year – having grown by 53% in the decade to 2004. Even without the London Games, the conference and incentive travel segments are predicted to grow at a faster rate than any other tourism sector up to 2010. All recent Games have provided substantial impetus in this sector:

- Barcelona's convention business increased by 129% in the year following the 1992 Games;
- 220 major business events were generated in Sydney between 1993 and 2000, injecting over A$978 million into the city's economy;
- even Queensland, far from the Games venues, benefited from business events that attracted 430 national and international business leaders to the city; and
- business tourist arrivals to Australia increased by 78% between 1993 and 1996, and by 17% between 1997 and 2000.

Visit London has a well established convention bureau service which already delivers over £43 million of wider economic benefit a year. The operational arrangements which will build on this are matters for Visit London, VisitBritain and their partners. However, comments are now sought on the scope of new work to maximise the benefits of business tourism.

VisitBritain will work through the Nations and Regions Group to ensure that a significant proportion of new business generated by the Games opportunity accrues to parts of Britain other than London. But the capital is undeniably central to the sector, accounting for £3.2 billion of its total worth. London is already a highly successful host city for events, but business is limited by the lack of purpose-built facilities of sufficient size. The QEII Conference Centre's main hall holds only 800. ExCel in Docklands can hold over 1,500 delegates, but is primarily an exhibition centre and lacks a purpose-built auditorium.

A London Mayoral Commission has examined the case for a new London International Convention Centre holding up to 5,000 people, which should be able to attract up to 325,000 delegate days a year. The Commission estimates that such a venue could generate £400 million a year for London's hotel, restaurant, theatre, shopping and tourism-service industries. This is matter for London's government, which has already consulted widely. But general comments are now sought on the proposal as it relates to the wider Games context discussed above.

Question

8. How can the Games be used to increase business tourism in the UK:
   - should a joint VisitBritain/Visit London Business Tourism Unit be established, or are the present structures sufficient?
   - and how relevant is the International Convention Centre proposal to increasing London's share of business tourism?

4. Improving the quality of our welcome

Better branding, improved and consistent overseas perceptions, and innovative marketing are all vital. They will get people here from overseas and stimulate the domestic market. But if what our visitors find when they are here is inadequate – not just in the quality of our core tourism product, but in the wider welcome – they may fail to return. Not only that, but any inadequacies in the tourism welcome will reflect badly on the wider success of the 2012 Games.

The factors which impact on the tourism welcome are immensely wide-ranging. They arguably cover the full panoply of the public realm, overlapping and inter-relating with vast areas of the provision of services to UK citizens. In common with the rest of this consultation, this section on the welcome concentrates on areas where DCMS and its partners can deliver real change (this includes, of course, the core DCMS role of advocating tourism's interests across Government).

Disability

It is right that this discussion of our welcome should start with disability. The 2012 Paralympic Games will be as much of a shop window for Britain as the Olympic Games, to which the IOC affords the Paralympic Games an equal status. It is essential that we are not found wanting in our welcome to people with disabilities. The worst-case scenario here would be a major scandal around the provision for Paralympic competitors and spectators. But such a negative incentive should not be necessary to improve a UK level of provision for disabled visitors which lags well behind many of our competitors (and particularly the United States).

This is not just a matter of avoiding hostile media stories in the context of the Paralympic Games. It is much more about ensuring that all visitors meet with the sort of welcome they rightly expect. It also makes good business sense. There are 45 million people with a disability across Europe. Over 10 million of those are in the UK, spending over £80 billion a year. Many do not travel because the facilities they find do not meet their needs. In meeting those needs, parts of the industry start from a low base:

- Tourism for All UK estimates that only 2% of accommodation in the UK has been assessed as being fully accessible to wheelchair visitors (this compares to an estimated 8% of hotel rooms in Spain);
- the British Hospitality Association estimates that less than 1% of 10,000 new-build hotel rooms in the period from September 2004 to December 2005 were fully wheelchair accessible;
- of a total accommodation stock of 59,837 in England, only 0.8% of providers participated in the National Accessible Scheme (NAS) in 2005 (this scheme is discussed below); and
- figures recently produced by Grant Thornton for the GLA show that there are only 165 NAS-assessed hotel rooms available to mobility-impaired guests in London, of which 23 can serve wheelchair visitors travelling alone.

The Disability Discrimination Act 1995 (DDA) requires all service providers to make reasonable steps to reduce the physical barriers that make it impossible or unreasonably difficult for a disabled person to use a service, and the subsequent 2005 Act extends legal protection to cover people who have HIV, cancer and multiple sclerosis. But the DDA operates on a complaints basis. Faced by the inconvenience of bringing a case, people who are discriminated against, or those who are simply disappointed by the options made available to them by the tourist industry, often just look elsewhere – possibly to Britain's competitors in Europe and beyond.

VisitBritain developed and manages the NAS, which covers serviced, self-catering, hostel and campus accommodation, and holiday parks in three main areas of disability – mobility, hearing impairment and visual impairment. Although there has been a great deal of interest in NAS, take-up levels have been low. Only 435 establishments offer NAS-approved facilities to customers with mobility impairment, 20 to those with hearing impairment, and 14 to those with visual impairment.

NAS will not be suitable for all providers. Many would prefer to rely on their own marketing activities. The DDA also recognises that architectural and other factors will sometimes preclude the "reasonable adjustments" which are required. However, improvements are possible – particularly through the quality grading schemes.

Compliance with the DDA is, legally, a matter for individual businesses. The Government does not consider that the provision of specially-adapted rooms should be made a condition of participation in the National Quality Accreditation Schemes (which are discussed further in the next section). The Schemes could, though, be used to address three widespread areas of industry weakness:

a) Clear signposting of accessible facilities where they exist. Other than for NAS-rated properties, the guides and other marketing material of the quality schemes do not currently do this. Customers with disabilities who do not wish to be restricted in their choices to NAS and other specialist schemes must often contact providers themselves.

b) the possible reservation of accessible accommodation for suitable users as a condition of participation in the schemes, even where providers are fully booked (this is standard practice in the United States).

c) The use of agreed (and independent) access audits.

In the wider public realm, London is already offering a lead (along with other destinations including Cheshire). The LDA is developing a comprehensive programme of business support which includes accessibility. Work is also under way to make more comprehensive and usable information available to people with disabilities through www.visitlondon.com

Questions

9. Should a UK-wide percentage target be adopted for disability access, covering the whole accommodation sector rather than just the National Accessible Scheme?

10. Should any or all of the following be made conditions of participation in the accommodation quality schemes:
    - clear signposting of available accessible facilities?
    - the reservation of accessible rooms?
    - independent audits of accessible facilities?

Product quality – accommodation grading

Notwithstanding the need for dramatic improvements in standards of service offered to disabled visitors, the established grading schemes are central to improving the quality of our product. A wide range of tourist accommodation is assessed and marketed under the National Quality Accreditation Schemes (NQAS) operated by VisitBritain, the Automobile Association, VisitScotland and VisitWales. The organisations which operate the schemes agreed to adopt improved common inspection standards in May 2005. Implementation began in January 2006, with a target date for completion of 2008.

By 2008, the inbound and domestic consumer will be able to have confidence in a standard, star-rated scheme covering all parts of Britain. The challenge now is to increase the proportion of accommodation stock in the schemes, especially in England.

Precise figures for total accommodation stock across the UK are difficult to establish, but are estimated as follows (these figures are likely to underestimate total stock and therefore slightly over-state participation in NQAS; they do, however, form a reasonable base from which to inform strategic targets):

	Hotels, guest houses	Self catering and others	Estimated stock	Percentage in NQAS
England	33,489	26,348	59,837	49%
Scotland	Not separately analysed		12,083	70%
Wales	4,492	7,856	12,348	56%
Total Britain			84,268	53%

Note: these figures are as returned for 2004 by DCMS to the EU under the Eurostat scheme, and are indicative only. The Wales figure refers to 2002 as no 2004 statistics are available; the England figure has been adjusted by VisitBritain for known inconsistencies; and the Scottish figure has been estimated using VisitScotland figures.

VisitBritain has been working towards a target of 80% scheme membership in England by 2010. As can be seen, Scotland already has a much higher rate of participation. And the Welsh Assembly is planning the compulsory registration and assessment of all tourist accommodation in the Principality.

It therefore makes sense to set different targets for Britain as a whole and for England, and the following are suggested:

NQAS participation	2008	2012	2016
Britain	80%	90%	95%
England	75%	85%	95%

Respondents should bear in mind that participation in the schemes in England and Scotland is voluntary. The Government's position is that, given the agreement and implementation of common standards, the voluntary approach to participation in England remains the right approach, and that the marketing and other benefits of the schemes to individual businesses are sufficient incentives to participation.

As well as overall targets for participation in NQAS, there are a number of other important issues:

- It has been suggested that a greater degree of subsidisation for small businesses participating in NQAS could be introduced.
- DCMS is currently considering how best to support work towards improved quality scheme participation through the use of "quality assessed only" accommodation for Government travel – a meaningful proportion of the market. Each Government Department presently has its own approach to hotel use as part of wider procurement policies, though the Scottish Executive (for example) already operates an accredited-only policy.
- London raises particular issues of product quality. As the primary site of the Games, it will be in the very front of Britain's shop window, and should therefore provide the very highest quality of accommodation product at all levels. At present, although occupancy levels are high, grading scheme participation in London is below the average for England. Visit London estimates that the capital provides a total of 236,000 bed spaces across nearly 2000 establishments. At the top end, London provides some of the finest hotel accommodation in the world (and many of the major hotel chains agreed to participate in the quality schemes for the first time in 2005). However, some of the capital's hotel offer is poor. Many Games-related and Games-motivated visitors will be arriving for the first time and, without a consistent improvement in standards at all levels, their willingness to return may be coloured by poor experiences.
- VisitBritain has recently commissioned research on whether a quality assurance scheme could be developed for attractions in England, building on the existing Visitor Attractions Quality Assurance Scheme (such a scheme already exists in Scotland). It has been suggested that quality ratings could be developed for spas, business venues and destinations.

Questions

11. Are the suggested Britain and England targets for accommodation quality scheme participation reasonable and achievable?

12. What additional practical incentives for quality scheme participation are possible?

13. Are separate targets for quality scheme participation needed for London? If so, what would be reasonable targets for 2008, 2012 and 2016? And is there scope for London-specific incentives to scheme membership?

Employment skills and volunteering

There is general agreement that workforce skills are essential elements of product quality. Dramatic improvements in skills levels are, for the tourism sector, prerequisites of a successful Games in 2012. A great deal of progress has already been made in this, particularly through the work of People1st in partnership with DCMS and DfES. This section considers what further specific actions could be possible, in the context of the Government's wider skills improvement programme. This includes links to the ambitious 2012 Games volunteering programme.

The industry is starting from a low base. People1st (the Sector Skills Council for the Hospitality, Leisure, Travel, and Tourism industries) estimates that it is carrying 219,700 vacancies, with high levels of staff turnover – estimated at nearly 600,000 people a year, and costing the industry £886 million annually. The Government is now working with People1st, the RDAs, training providers and the industry towards delivering a comprehensive National Skills Strategy before the end of 2006. As part of this work, key skills gaps have been identified, including skills in management and customer service, and the shortage of qualified chefs. Links have also been made to the Government's wider skills improvement work, including the high profile *Train to Gain* scheme. We strongly recommend that those responding to this consultation document also feed in to People1st's work towards the National Skills Strategy, full details of which are available at www.people1st.co.uk

The Games provide an excellent opportunity to expand the employment opportunities of local people, to contribute to the wider upskilling of the national workforce, and to inspire disadvantaged people across several target groups – older people, lone parents, people on benefits (and particularly Incapacity Benefit) and ethnic minorities – to access opportunities in the hospitality and tourism industries. Efficient recruitment channels, possibly through Jobcentre Plus, should develop effective and quality mechanisms to bring together jobs in the tourism sector without people, and local people without jobs.

Practical proposals from respondents are welcome for using the cachet and business opportunities associated with the Games to help engage employers in maximising employment and skills development – and thereby provide greater access to employment and skills opportunities to a wider range of people in the tourism sector. As well as providing clear benefits to the quality of our tourism product and addressing the higher demand for hospitality skills in the run-up to 2012, this will help in the achievement of the Government's long-term aim of an 80% employment rate.

There are a range of opportunities open to a hospitality sector working in partnership with DCMS, DWP, DfES and People1st:

- the recently announced successful bid for the 2011 WorldSkills competition;
- Games-themed work experience programmes offering an attractive way into the sector for young people;
- foreign language training to fill expected gaps in tourism information staff and guides, and in translation and interpretation services;
- themed language training for staff in the hospitality and other service industries;

- the London-specific skills improvement opportunities being considered by the London 2012 Employment and Skills Taskforce;
- the possible use of the *Welcome Host* scheme as a basis for Games-themed work; and
- possible Games-specific accreditation programmes.

Comments on these and other possible approaches would be welcomed, as would ideas and proposals for effective links with the wider 2012 volunteering programme.

A high number of committed – but unpaid – volunteers will be needed across Britain in 2012. The 2002 Manchester Commonwealth Games demonstrated how a successful volunteer programme can have appreciable social and economic benefits – not least as an important route into the working environment. LOCOG is currently considering a London 2012 Pre-Volunteer Programme (PVP), which will be based on the model established in Manchester prior to 2002.

The Manchester PVP consisted of 30 hours of training towards an NVQ level qualification. The course included customer care, perfect host and event management, and was completed by 3,000 people (many of whom went on to secure jobs on the Games project). It was supported by major businesses including Adecco and Asda. The possible relationships to wider hospitality industry training – existing and proposed – are obvious, and the tourism industry should be fully involved in the content, branding and marketing of the London PVP at an early stage.

Question

14. What are the possibilities for Games-themed workforce skills projects and initiatives, including effective links with the London 2012 Pre-Volunteering Programme?

The wider welcome

In 2012, London and Britain will be in the biggest shop window in the world. It will be an historic opportunity to showcase London as a city, and Britain as a nation, which truly welcome the world. Getting that welcome right is not simply a matter of improving our grading schemes, our workforce skills and our facilities for disabled visitors. It involves much of the public realm. As indicated at the outset, this consultation concerns only issues which DCMS and its partners can directly address. General issues of the environment and social policy, among others, are therefore outside its scope. But there is much that the industry, and the organisations which support it in the public sector, can do to significantly improve the quality of the wider welcome.

This consultation seeks ideas and proposals which, while being innovative, are workable and achievable. Promising areas for consideration could include:

- the delivery of comprehensive visitor information;
- improvements to the physical reality of the visitor welcome at airports, and train and coach connections – especially in London;
- limited edition offers, rewards and incentives which could be given to visitors on arrival;
- improvements to the quality of the personal welcome experienced by visitors to London and other destinations (before, during and after 2012), by giving service providers such as taxi drivers the incentives and tools necessary to perform well as individual ambassadors for London and Britain (this has formed the basis of limited, though successful, initiatives in the Channel Islands); and
- new ways to continually monitor the quality of the visitor experience, with a view to ensuring visitor satisfaction from all aspects of a visit to Britain – from pre-arrival to post-departure.

New and innovative ideas are also sought on improving the welcome across the capital, particularly to domestic visitors, in ways which might widen access to the Games events. For example, imaginative use of London's open spaces to encourage camping or caravanning might be possible.

DCMS, VisitBritain and Visit London are keen to explore the widest possible range of new ideas in these areas, so this consultation is particularly open at this point (and we would particularly like to hear from organisations which could commit to joint working arrangements with our partner bodies in these areas).

Transport

The transport network is a significant element of the public realm as it affects tourism. Substantial improvements have been made to the network over recent years. Transport for London's (TfL's) five-year, £10 billion investment programme includes capacity improvements to the London Underground and the Docklands Light Railway, and other work includes the second phase of the Channel Tunnel Rail Link (opening in 2007) and improvements to King's Cross/St Pancras. The Department for Transport, TfL, the ODA and LOCOG have worked closely to identify the further improvements to the transport system which are needed specifically for the Games, including enhancements to rail services and stations. This investment will bring significant improvements for Londoners and visitors alike.

This consultation seeks views on transport issues as they directly impact on tourism. We would welcome comments from respondents on what steps could be taken to further improve the welcome for international and domestic visitors using the transport network. Comments could, for example, relate to particular stretches of road or rail which could affect domestic and inbound tourism markets, or could be related to customer services and the provision of service information.

We would also welcome ideas for making the most of the River Thames during the Games, both for transport and as a venue for celebratory events (the use of Melbourne's river during the ceremonies at the recent Commonwealth Games showed the possibilities here).

Sustainability

The importance of ensuring that all proposals arising from this consultation are fully sustainable is confirmed in the Overview section above. This is not simply a matter of the Overall Olympic Objectives. All proposals made should aim to encourage a tourism industry made up of thriving businesses which are fully sustainable in economic terms, and in their impacts on local communities.

Sustainability should therefore be built into everything arising from this consultation. But it is worth noting here that, increasingly, it makes good business sense for the industry to ensure that all its activities do not impact adversely on the environment, and on the lives of communities. Consumers are becoming much more aware of their effects on the destinations they visit, and sustainable tourism is quickly becoming more than a niche market. DCMS has worked with VisitBritain and other partner organisations on a range of sustainable tourism indicators, and has considered the possibilities of a dedicated sustainable tourism marketing scheme.

DCMS intends to build on that work by launching a review of the framework for sustainable tourism, and the sustainable tourism indicators, later in 2006. Respondents will have the opportunity to influence the future shape of sustainable tourism through that consultation process. However, relevant comments and proposals covering other areas of *this* consultation are welcome.

Questions
15. What could best be done to improve the London/England/UK welcome in areas not covered by the grading schemes or workforce skills improvements, or in addressing disability?
16. What steps could be taken to improve the welcome for international and/or domestic visitors using the UK's transport network, in the context of tourism's preparations for the Games and/or the full exploitation of the legacy?

5. Making the links

Tourism must make the most of the impressive range of cultural, sporting, artistic and other events planned for the run-up to, and during, the Games. As well as adding value to the wider Games effort, this will help ensure that tourism is best placed to make the most of the legacy. Plans to market these events at national, regional and local levels to both the inbound and domestic markets should be in place at an early stage, and this should be done in full partnership with LOCOG and organisations in other sectors. This is already being done at national and London levels.

It is now important that robust links between tourism and other sectors are made and maintained at regional and local levels (and London has a particularly important branding role to play here). This can be further supported by the networks put in place by the Nations and Regions Group. These links should be in place and operational well before the start of Liverpool's year as European Capital of Culture 2008 – a significant tourism marketing opportunity in its own right, as well as the effective start of the Cultural Olympiad.

Aside from the general shape of the 2012 cultural programme, and the sports events which will form parts of the Games themselves, much of the 2012 planning work across a wide range of sectors is at an early stage. But all sectors have already demonstrated high levels of commitment to making the most of the Games. This is therefore a fully appropriate time for tourism to feed into these plans.

The plans for cultural and other events around the Games as they exist so far, and the proposals of VisitBritain and Visit London for related marketing activities, are summarised below. Respondents should note that this is not intended to be a full list of events planned to contribute to the Cultural Olympiad, nor the basis for a strategy which could cut across work being done by other relevant organisations, particularly in London. It is intended only as a snapshot of ongoing work, with which tourism could profitably get involved.

The Torch Relay

It is expected that the Olympic Torch will arrive about two months before the start of the Games. The ambitious intention at this stage is that the ensuing Torch Relay will travel to every city and major town in the UK. Its arrival at each stage of its journey will be marked by a series of local festivals and events. All appropriate bodies including VisitScotland, VisitWales and the English RDAs should be fully involved in planning these events.

The importance of the Relay should not be underestimated. It has generated huge interest in the host countries before previous Games and, indeed, was widely credited as being the point at which Australian public opinion turned firmly in favour of the Games in 2000. VisitBritain has already offered to provide tourism marketing assistance at the Relay locations, and to use its contacts and expertise to help build its exposure in international markets. London staged the most successful Torch Relay to date before the Athens Games of 2004, with a finale concert in the Mall attended by 80,000 people. This was co-ordinated by the GLA and Visit London, and these organisations are likely to lead on the London leg of the 2012 Relay.

The Cultural Olympiad

The four years of the Cultural Olympiad, which begins at the closing ceremony in Beijing and ends at the closing ceremony of the London Games, are not just an opportunity to raise the profile of the Olympic Values. They will serve as a showcase for London and the rest of the UK over a much longer timeframe than the few weeks of sporting competition at the Games. The cultural events of the Olympiad will climax in 2012, when the festivals and other cultural events linked to the Torch Relay will touch all corners of the nation.

In addition to the Torch Relay, other ambitious proposals include a carnival that will take place between the Olympic Games and the Paralympic Games. This will celebrate the five continents of the world through the use of a variety of cultural traditions, and will build upon the existing world renown and reputation of the Notting Hill Carnival.

In the years before the Games, the cultural programme will be a showcase for the best of international and UK arts and culture, including a diverse range of festivals, events and artistic programmes. These will begin with the handover ceremony at the Beijing Games in 2008, and will dovetail with Liverpool's year as Capital of Culture 2008.

As the Games approach in 2012, a World Festival of Youth Culture will showcase the widest range of cultural and sporting activities by young people across the UK. The Festival will project the energy and creativity of young people as they are inspired by – and in turn inspire – the Olympic and Paralympic movements. It will focus on cutting-edge artistic and sporting endeavour, and will engage the widest possible range of young people from diverse communities. The Festival, and the other elements of the Olympiad which involve young people, will address LOCOG's key theme of inspiring the youth of the world.

Games events and training camps

As 2012 approaches, National Olympic Committees (NOCs) will establish training camps before the Games, and these are likely to generate visitor interest across Britain. It is unlikely that the locations of the camps will be decided until after 2008. However, LOCOG will produce a Pre-Games Training Guide for NOCs. This is likely to be published around the time of the Beijing Games.

During the Games themselves, the non-London Games venues are certain to generate considerable interest, both to inbound and domestic visitors:

Eton Dorney (rowing/flatwater canoeing)
Broxbourne (canoe/kayak)
Weald Country Park (mountain biking)
Manchester (football – Old Trafford)
Cardiff (football – Millennium Stadium)
Newcastle (football – St James' Park)
Glasgow (football – Hampden Park)
Birmingham (football – Villa Park)
Weymouth and Portland (sailing)

The benefits here are self-evident – especially in the regional context. Destinations which aim to host training camps should be beginning their preparations now.

Sport

The sporting programme of the Games themselves, and the opportunities it presents to the tourism industry, are discussed above. But a series of major international sports events has already been secured for the next six years (and, in this, the success of the UK Sport World Class Events Programme has been vital). These include:

In 2006: The Paralympic World Cup in Manchester; the World Rowing Championships at Dorney Lake, Eton; and the World Youth Sailing Championships at Weymouth.

In 2007: The Grand Depart of the Tour de France in London – an important element of the world's biggest annual sports event; the European Indoor Athletics Championships in Birmingham; the European Hockey Championships in Manchester; and the World Mountain Bike Championships at Fort William.

In 2008: The World Squash Championships and FINA World Swimming Championships, both in Manchester.

In 2009: The first world 20:20 cricket championships; and the World Gymnastics Championships at O2.

In 2010: The Ryder Cup in Wales, and the World Wheelchair Basketball Championships.

These events, and the established UK draws such as Wimbledon, will take on greater significance as this country becomes the centre of the world's sporting attention over 2008-12. They show an impressive national and regional spread across the UK. And

VisitBritain and Visit London are well aware of their potentials as drivers of tourism growth: VisitBritain's research has shown that inbound visitors who come to attend a sporting event stay longer than the average and spend more during their stays: £674 per visit compared to the average of £481.

DCMS and DfES are working closely with Sport England, UK Sport and sport's governing bodies to maximise the impact of the Games opportunity. This includes the staging of the first UK School Games in Glasgow next year as part of the National School Sports Strategy. VisitBritain and Visit London are working with the tourism industry to create tailored sports tourism marketing programmes, and a Visit London/GLA/LDA Major Events Unit is under discussion to help attract valuable sporting and cultural events to the capital.

Broadcasting and media

The Athens Olympic Games were watched on television by 3.9 billion people, beating Sydney's record of 3.6 billion. It is reasonable to predict that the London Games will be watched by over 4 billion. This will provide an enormous opportunity for generating interest in the UK and its culture – not only during the Games themselves but over the four years of the Cultural Olympiad.

VisitBritain and Visit London are currently preparing their communications plans for the Games, which will involve early contact with broadcast rights holders in key overseas markets. Both have already developed close working relationships with the BBC. For VisitBritain, this has included extensive and successful cross-marketing around programmes such as *Coast* and *A Picture of Britain* – both of which have been the subject of website and other marketing campaigns. Future involvement is planned with *Blue Peter*, and on forthcoming productions such as *How We Built Britain*, and discussions are continuing between Visit Britain and BBC Worldwide about joint marketing activities in India. Visit London has worked closely with the Corporation on the 2004 Torch Relay concert.

This cross-working should form the basis of a closer relationship between VisitBritain, Visit London, and the BBC. In addition, Visit London's London TV (which is shown on its website, in hotel rooms, by airlines, and in trains and taxis) remains central to marketing and digital visitor information provision in the capital.

Film, live music and theatre

As one of a number of proposals put forward as part of the 4 year Cultural Olympiad, *Film and Video Nation* is in the early stages of development and is intended to be central to the cultural celebrations surrounding the Games in 2012. We will be working closely with the British Film Institute, the Edinburgh Film Festival and other partners to help shape this initiative during the consultation period.

In theatre, an International Shakespeare Festival is planned, to include performances all over the country by UK and international companies.

In music, the Proms organisers are working with LOCOG to ensure that the 2012 concert programme reflects the aspirations of the Games, with a particular focus on new commissions by young composers. Live music of all genres will also be prominent throughout the four years of the Olympiad, in the Torch Relay, and in events and festival across the country.

There is clear marketing potential here. VisitBritain and Visit London already use film and television tie-ins as part of their marketing activities. Visit London's film marketing strategy includes joint projects with Film London, including the London Film Festival, and other showcases for London films including the Shanghai Film Festival.

Heritage

Iconic London heritage sites will form the backdrops to many of the Games events. DCMS sectoral organisations including English Heritage, Historic Royal Palaces (HRP), and CABE are exploring how they can add value in 2012 – both through their assets and as sector leaders.

HRP are developing their own Games strategy. English Heritage is assessing the archaeological potential of the Olympic site, which is likely to provide tourism marketing and media opportunities as work progresses.

Royal Parks and open spaces

The Royal Parks will host a number of events including Triathlon in Hyde Park, cycling in Regent's Park and beach volleyball in Horse Guards Parade. Using the highly successful example of Sydney, the Royal Parks are also in discussion with LOCOG about the use of giant screens in Hyde Park and other locations for live screening of the Games, and as venues for the festivals and other events planned for the Cultural Olympiad.

And we must not forget that the Games will leave behind the biggest urban park to be created in Europe since the 19th Century. The revived canals and waterways of the Lower Lea Valley, and the sporting venues of the Olympic Park itself, will create a major new tourist destination for London.

Museums

The UK's major museums are preparing their plans to make the most of the Games through special exhibitions and other activities. The National Maritime Museum, with the equestrian events on its doorstep, will be particularly prominent in this and is already in discussion with LOCOG. Visit London already works closely with the capital's museums sector on initiatives including *Museums and Galleries Month* and *Open House*. Further work with the Mayor's Office has included events such as *Cultural Revelation* and *Inside Out*.

Wider involvement of the creative industries

DCMS is ensuring that the programme of cultural events outlined above is fully aligned both with the activities of its partners in the wider public sector and with the Departmental Creative Economy Programme. As set out in Section 2, the Culture and Creativity Advisory Forum has recently been established to bring together all cultural interests in the development of the Programme, and to ensure that the Games leave an appropriate cultural legacy. Tourism will be represented on the Forum and, in this, VisitBritain will draw on the input of its Culture and Heritage Sector Club.

Questions

17. Do respondents have further proposals for cross–sectoral Games-related events and activities over 2008-12 which would add significantly to the appeal of the UK as a tourist destination, or to the growth of the domestic tourism market?

18. Is there significant scope for further cross-marketing work between tourism, the BBC and other broadcasters?

6. Ambitious and stretching targets

Some of the above sections discuss specific targets in areas like quality scheme membership. Such targets are important in focusing operational work, especially where delivery is spread across a number of different organisations. They do not, however, provide an overall context for the tourism sector's drive to fully prepare for the Games and to exploit the legacy. A new strategic target (or targets), enjoying the support of the industry and the understanding of the interested public, would provide that context.

DCMS agreed a strategic growth target with VisitBritain, the Tourism Alliance, the RDAs and the local government sector in *Tomorrow's Tourism Today* in July 2004 – a £100 billion UK tourism turnover by 2010. That target was (and remains) an ambitious one: turnover in 2004 was £74.2 billion. Meeting the £100 billion would require annual tourism growth rates in excess, not only of recent growth in the tourism sector, but of the current average rates of growth for all economic sectors.

In addition to being relevant to 2012, the new target (or targets) should:

- be relevant to wider Government objectives, and in particular to the DCMS PSA target to significantly improve the productivity of the UK tourism industry by 2008;
- be UK-wide in scope (and therefore enjoying the support and commitment of the Devolved Administrations of Scotland, Wales, and Northern Ireland); and
- relate clearly to the existing growth target, either by directly updating that target or by adopting a new one which non-specialists will clearly understand.

The importance of tourism growth and productivity in tourism's wider economic context is discussed at Annex B. That section also includes some explanation of the statistical and other problems associated with the existing measures of both tourism growth and productivity. These problems are directly relevant here.

Up to 2005, there were serious methodological and other problems with the UK Tourism Survey (UKTS), the key data resource for calculating the size of the domestic tourism industry which accounts for over 80% of total turnover. The re-tendering of the UKTS contract by VisitBritain is now beginning to produce robust data which the industry can trust – but this data begins only in 2005. As well as serious doubts about the validity of the data used for earlier years on which the £100 billion target was directly based, the early results appear (at time of writing) to show that the more robust methods now used will produce a significantly lower actual domestic turnover than that which was previously thought to be the case. Statisticians in DCMS and elsewhere now feel that the more robust figures for 2005 should be used as the baseline for future strategic aims, rather than the historical data used in setting the £100 billion target. It should be noted that the existing data resources for inbound tourism (particularly the International Passenger Survey) are generally accepted as accurate by the industry.

Moreover, the core statistical methodology behind the calculation of total tourism turnover has changed significantly since the £100 billion target was set. In common with the rest of Government, and with common practice across the EU, DCMS now calculates turnover using the principles of Tourism Satellite Accounting (TSA). TSA is a more accurate measure of the total contribution of individual economic sectors to the whole economy. However, its adoption led to an apparent fall in total tourism turnover of £2 billion for 2004 – which was in reality the result of improved methodology.

Similar (though less serious for these purposes) reservations are held by some in the industry about the relevance of our primary productivity measures. Although DCMS acknowledges these reservations, the Government believes that the core productivity measures reflect a widely held commonsense understanding of productivity throughout the industry, and form a sufficiently robust measure to compare like-for-like movements in the tourism, and other, economic sectors.

Questions

19. What form should any new strategic growth target take? Should it cover the industry's percentage rate of growth, rather than turnover? And should it run to 2012, or to a later date?

20. Should any new growth target be reset in the light of changes in the accuracy of data on the domestic market, and TSA methodology – even if this results in an apparently lower target to 2010?

21. Should new and separate targets be adopted for inbound and domestic tourism, and for productivity growth? And are such targets likely to enjoy popular understanding and support?

Annex A

The Tourism 2012 Charter

The 2012 London Olympic Games and Paralympic Games represent a once in a generation opportunity for London and for Britain. They offer immense opportunities for the 180,000 businesses in the tourism, hospitality, and travel industries across the country.

British tourism must be ready to welcome the world in 2012. The Government and the private sector are committing themselves to a strategic partnership to make sure that is the case, and that the Olympics deliver a lasting legacy for the industry. Much of our tourism sector is already world class. But we can still improve. We will now work together to ensure that, come 2012, the strength of our tourism offer has transformed perceptions of Britain as a place to visit. To those ends:

The **tourism, travel, and hospitality industries** commit themselves to:

- offering the highest quality product and the best value for money to all our overseas and domestic visitors, including by engaging fully with the quality grading schemes across Britain
- welcoming all our customers without discrimination, ensuring that Britain is accessible to all
- making sure that we have the right people in place, with the right skills, by working with People1st and the education sector to improve workforce skills.

The **Government, and tourism organisations at national and London levels** commit themselves to:

- ensuring that funding and other support for tourism is fully co-ordinated at national, regional, and local levels
- supporting the competitiveness of tourism businesses, and ensuring that existing and new regulation is appropriate and light touch
- taking tourism's interests fully into account in all Olympic policy decisions.

Together, the **public and private sectors** commit themselves to:

- ensuring that our marketing is effectively targeted, to provide the best possible promotion of all parts of Britain as places to visit, and comprehensive levels of destination information to consumers
- making sure that the Games benefit all parts of Britain
- working to deliver a sustainable Games which fully contribute to the long term growth of the industry
- and beginning full and wide consultation across the tourism sector in January 2006, with the aim of delivering a comprehensive Tourism 2012 Strategy.

Annex B

Growth and productivity

The 2012 London Games provide a unique opportunity for the British tourism industry, and its public sector partners, to take a major step forward on our shared growth and productivity agenda. That agenda reflects:

- tourism's importance to the global economy – one of the world's fastest growing sectors, with 4% annual average growth in the number of travellers between 1970 and 2004;
- the UK's position in that global economy – in the top 10 countries in terms of receipts and visitor numbers, and among the top five tourist source countries;
- tourism's importance to the UK economy – a sector with an annual turnover of nearly £75 billion, equivalent to 3.4% of Gross Value Added (GVA);
- its importance as an employer – over two million people, or 7% of the workforce;
- its regional and local importance, especially in areas which would otherwise be deprived;
- its role in helping create an positive image of the UK, contributing to exports and inward investment in other sectors; and
- the £300 million a year it receives in direct support from the public sector.

But the industry, and those who support it, face big challenges if our rates of growth and productivity are to keep pace with those of our competitors.

Growth

The UK industry's performance since 1998 is summarised below (in £ billion):

	1998	1999	2000	2001	2002	2003	2004
Inbound Tourists	12.7	12.5	12.8	11.3	11.7	11.9	13.0
Domestic Overnight Trips	22.8	25.6	26.1	26.1	26.7	26.5	
Leisure Day Visits	31.3	32.0	31.8	31.5	31.3	31.8	
Other	3.2	3.2	4.2	4.0	4.0	4.1	
Total	**70.0**	**73.3**	**74.9**	**72.9**	**73.7**	**74.2**	
%GDP/ % GVA	4.9	4.9	3.8	3.6	3.5	3.4 %	

GDP (pre TSA) % Gross Value Added (TSA)
PRE-TSA **TSA ESTIMATES**

(Source: DCMS Tourism Satellite Accounting. The percentage contribution to the UK economy is now expressed in GVA, rather than Gross Domestic Product.)

Long-term inbound growth has been healthy, despite the obvious effects of foot and mouth and 9/11. Indeed, the UK's growth in inbound receipts is higher than the European average, and is expected to remain so. In 2005, a record total of nearly 30 million people visited, spending a record £13 billion.

The domestic market, which represents over 80% of turnover, is of more concern. However, meaningful assessment of the domestic market is hampered by the statistical problems which are discussed in the body of this consultation. Even allowing for those, the UK Tourism Survey (UKTS) shows flat growth over recent years, and this general picture is confirmed by separate data on day visits. Total tourism visits from the last three Leisure Day Visits Surveys (LDVS) were as follows:

1996	1.167 billion
1998	1.261 billion
2002/03 (12 months)	1.078 billion

(The next LDVS will be conducted in 2006.)

So, even allowing for some shortcomings in the data, the core conclusion from the UKTS and LDVS domestic data must be considered to be broadly correct – a relatively flat domestic market.

Productivity

DCMS, our public sector partners and industry agree that dramatic productivity gains are highly desirable. The visitor economy lags behind the productivity performance of other service sectors in the UK – and is also behind key competitors (e.g. the US and France).

There is no doubt that the sector faces particular issues that can be a drag on productivity:

- the effects of regulation (e.g. planning and food safety) can be disproportionate;
- it is a labour intensive sector, with a relatively low skilled workforce and high levels of staff turnover – often well in excess of 30%;
- over 90% of businesses in the sector are SMEs, which inevitably means difficulties in achieving efficiencies of scale;
- it is a highly regional/localised industry, dependent on effective specialised support sectors (public and private); and
- demand is susceptible to external shocks.

In the past, the industry has been shielded somewhat from the full effects of its productivity weaknesses by a steady domestic market, sustained by a relatively undemanding client base. However, the domestic industry is vulnerable to:

- rising living standards, and competition from overseas destinations;
- demographic/generational changes;
- pressure on transport infrastructure;
- demand for ever higher standards of quality, service and value for money; and
- the effects of cheap international air travel.

The effects of these changes on the industry's productivity are arguably already being felt. DCMS data shows that, while the tourism and leisure sectors have matched productivity gains in the whole UK economy since 1998, productivity levels in 2003 actually fell by 2.4%:

Annual and average % productivity changes

	1999	2000	2001	2002	2003	Average 98-2003
Tourism –related and leisure	3.0%	4.3%	3.1%	3.2%	-2.4%	2.2%
Whole economy	1.6%	3.1%	1.3%	0.9%	3.9%	2.2%

(Source: DCMS Autumn Performance Report, December 2005.)

The 2003 fall has been partly blamed on a 1% fall in inbound visitors' spending for the year, and on the growing effects of more uncertain part-time working in the sector. The industry also points to the age of much UK capital stock (hotels), and the prevalence of small businesses in the sector across the UK, as brakes as productivity. Even allowing for these factors, there is a clear danger that productivity levels of the UK tourism industry are falling behind those prevalent in the wider economy. It is also clear that the industry is significantly less productive that those of our international competitors.

The challenge

Taking the above factors into account, a range of projected growth curves can be plotted. These illustrate a range of scenarios:

- flat growth;
- flat growth in the domestic market, with inbound tourism increasing by the UNWTO's projected European average of 3.1%;

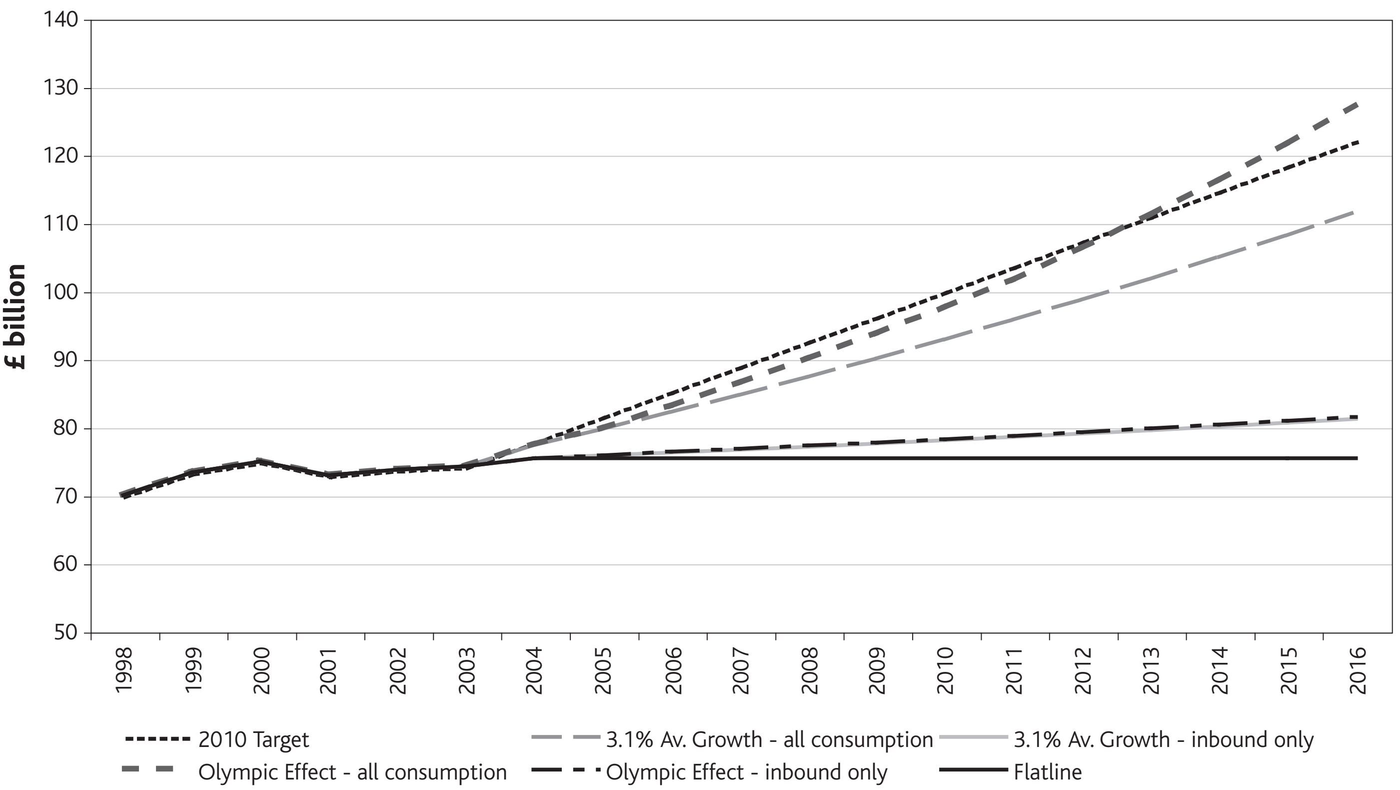
- both domestic and inbound tourism achieving that 3.1%;
- an Olympic effect (+ 1% growth 2006-11, and +1.5% 2012-16) for inbound only; and
- an Olympic effect as above, but for both domestic and inbound.

If the industry is to achieve – or even come close to – the more positive of the above growth curves, significant improvements in growth and productivity will be necessary. Better use must also be made of the UK's comparative advantages and, of course, the very most must be made of the 2012 Olympic opportunity.

In this, real progress in four areas will be crucial. The industry must:

- maintain and enhance Britain's unique offer;
- listen to its increasingly demanding domestic consumers;
- encourage a fiercely competitive industry, with strong incentives to invest, innovate and operate efficiently; and
- recognise and further develop its links with other sectors.

Tourism Consumption on UK Trips (estimates 1998-2003[1], illustrative forecasts 2004 onwards)
[[1]2000-03 estimate using results of UK Tourism Satellite Account 'First Steps' project. 1998-99 estimated pre-TSA]



Annex C

Partial Regulatory Impact Assessment (RIA)

This is an interim RIA. Its scope, and the level of detail it includes, are appropriate to:

- the nature of *Welcome ➔ Legacy* as a general and open consultation of the tourism industry; of national, regional and local government; of other cultural and economic sectors and of the wider public; and
- the non-legislative nature of the operational levers open to DCMS and its partners in achieving policy ends.

1. Title of proposal

Welcome ➔ Legacy: Tourism Strategy for the 2012 Games - A Consultation

2. Purpose and intended effect

a) Objective

The consultation has the dual objective of preparing the UK tourism sector for the challenge of hosting the 2012 Olympic Games and Paralympic Games, and of ensuring that the sector is positioned to exploit the full benefits before, during and following the Games.

To those ends, the consultation covers:

- the tourism sector's own structural arrangements for preparing for, and maximising the benefits of, the Games, and the alignment of those with wider structural arrangements for the Games;
- tourism's Games-related marketing and branding plans;
- proposed targets for membership of the tourism accommodation quality schemes (the "star" schemes);
- proposals for improving the sector's provision for visitors with disabilities; and
- the Games-related links between tourism and other cultural sectors.

It seeks innovative ideas for improvements in all of these areas, and in the general tourism welcome. The results of the consultation will inform a comprehensive *Tourism Strategy for the 2012 Games*, which will be agreed between DCMS and its partners VisitBritain and Visit London.

b) Background

Between 50% and 75% of the economic benefits of hosting the 2012 Games is expected to accrue to tourism – projected at between £1.4-£2 billion. The sectoral consensus is that the industry is not yet positioned to fully exploit those benefits, especially in the key areas of:

- quality of product (accommodation and wider elements of the welcome);
- workforce skills; and
- co-ordination of marketing.

DCMS committed to producing a comprehensive *Strategy* for tourism's engagement with the Games at the Prime Minister's Tourism Summit meeting on 15 November 2005.

c) Rationale for Government intervention

The delivery of improvements in the areas set out in (b) above, and in other areas relevant to growth and productivity, is not a matter of tourism-specific legislation (although tourism, in common with other economic sectors, is subject to a wide range of statutory UK and EU legislation and regulation). The Development of Tourism Act 1969 – the last major piece of tourism legislation – covers the establishment and operation of the British Tourist Authority and the English Tourist Board (now, respectively, VisitBritain and the England Marketing Advisory Board). The tourism support work carried out by these two organisations, and by the wider public sector including the Regional Development Agencies (RDAs) and local authorities, is not subject to tourism-specific statutory regulation.

Public sector intervention in tourism at national level is intended to achieve what the industry itself cannot, including:

- national branding and marketing work, in both overseas and domestic markets;
- objective national quality assessment;
- statistical work (much of which is required by the EU); and
- the co-ordination of wider Government initiatives in the education and skills sectors, for the benefit of tourism.

This consultation is designed to inform the *Strategy* in improving and better co-ordinating this work in a 2012 Games context.

3. Consultation

a) Within Government

The scope and content of this consultation have been discussed at length with:

- central Government Departments with interests in its outcomes;
- the RDAs;
- the Local Government Association;
- the London Organising Committee for the Olympic Games (LOCOG); and
- the Devolved Administrations.

b) Public consultation

Scope and content have been discussed with the representative bodies included on the Minister's Tourism 2012 Group, which advises on tourism's Games preparations and includes the Tourism Alliance (TA) and the British Hospitality Association (BHA).

The consultation document is being circulated widely by post and is available on the DCMS website. Comments, ideas and proposals for the *Strategy* are sought from:

- industry representative bodies;
- individual businesses, both directly and as identified by private sector partners including the TA and BHA;
- consumer groups; and
- interested members of the public.

4. Options

The three main policy options considered in producing this consultation were as follows:

Do nothing – i.e. leave tourism's preparations for the Games in the hands of the industry itself, with no specific public sector engagement at national level (although existing tourism support functions would continue). This option was dismissed at an early stage. The industry consensus is that tourism's engagement with the Games needs to be co-ordinated through new structures, and that work on product quality and other areas should be scoped and taken forward in a Games context.

A Tourism "Green Paper" – i.e. a wide-ranging strategic approach, not restricted to areas which are relevant to preparing for the Games or exploiting the legacy. This option would address the concerns of some in the sector in areas such as sustainability/climate change and social inclusion. However, such a wide-ranging approach would lead to a loss of focus on 2012 aims.

A consultation/Strategy which concentrates on the areas where DCMS and its partners have operational/policy levers on outcomes – this is the approach adopted. A focused approach in areas where DCMS and its partners can achieve real change is considered to be the best way in which the tourism sector can both assist in making the Games a success, and benefit most from the legacy. Non-2012 tourism work continues in DCMS with a high priority.

5. Costs and benefits

At this stage, little meaningful analysis of the costs and benefits of the general and specific proposals included in this consultation is possible, even in those operational areas where firm proposals are made (particularly in the area of product quality). The wider costs and benefits of new tourism structures, of improvements in branding/perceptions of the UK overseas, and of the more open questions included, are impossible to quantify at this stage (especially as the projections of tourism's likely economic benefits from the Games vary so widely at this early stage in the preparations).

a) Sectors and groups affected

This consultation potentially affects the whole of the tourism sector. In the public sector:

- VisitBritain and the Tourist Boards of Scotland, Wales and Northern Ireland – the marketing and other arrangements of which may be realigned as a result of the Strategy;
- the RDAs, which have been responsible for supporting tourism in their regions since 2003; and
- local authorities, which collectively invest some £120 million a year in tourism.

In the private sector, over 180,000 individual businesses in the hospitality, attractions and travel industries – especially in terms of the impact of new policies on product quality and on disabled access.

b) Benefits

As noted above, the benefits of any structural/organisational, and marketing/branding policies arising from this consultation are unquantifiable at this stage – but DCMS and its partner organisations expect them to be substantial.

Likewise, the benefits of the more operational proposals made – including increased participation in the accommodation product quality schemes – cannot be quantified until targets and actions have been agreed for the purposes of the *Strategy*. VisitBritain and the other grading organisations are confident that the benefits to individual businesses participating in the scheme are significant, including access to wider marketing work including the EnglandNet internet portal, and to a wide pool of inbound and domestic customers who rely on the schemes to access quality-assessed tourism product. And in better catering for visitors with disabilities, the industry will gain access to a bigger share of the £80 billion spent annually by the UK's 10 million people with disabilities (and to the 45 million across Europe). Fuller analyses of the benefits of any new policies arising from this consultation will be included in the full RIA which will accompany the *Strategy*.

c) Costs

In similar fashion, the costs of any structural/organisational, and marketing/branding, changes arising from this consultation cannot be quantified at this stage. In more operational areas, meaningful analyses of new policies should also await the results of the consultation. Calculations at this stage are likely to be misleading. For example, the costs to business of increasing participation in the product quality schemes from the present 53% across Britain to 95% by 2016 (as suggested as a viable target in the consultation), could be projected as follows:

Total accommodation stock	84,268
53% currently in schemes	44,662
95% target	80,054
Additional businesses in schemes	35,392

@ average fees of £150 per year equals
£5.31 million per year from 2016

But such a simplistic calculation takes no account of the likely upward curve of new participation, and disregards the complexities (and different fee levels) of the several different quality schemes covering hotels, guest houses, campsites, self-catering and other forms of visitor accommodation. Proper analysis should also await greater clarity in the results of the Welsh Assembly Government's proposals to make participation in the quality schemes compulsory for all visitor accommodation businesses in Wales.

Meaningful projections of costs therefore depend on the results of the consultation, and will be included in the full RIA.

d) Social impacts

Depending on the results of this consultation, any resulting policies adopted in the *Strategy* will affect specific groups in the wider society – particularly people with disabilities, and possibly deprived social groups in terms of access to the tourism product. It is expected that the results of the consultation will also affect levels of skills provision in the hospitality industry, alongside wider Government work on improving workforce skills. A full assessment of social impacts will be included in the full RIA.

6. Small firms impact test

The sort of operational changes discussed above are likely to impact disproportionately on small firms, which in the tourism industry form a higher than average proportion of total businesses. In the main relevant operational area included in the consultation – accommodation product quality – the proposals made are informed by the extensive industry consultation conducted by the Quality Review Group (QRG) between 2003 and 2005. The QRG was commissioned by VisitBritain to research, propose, and implement improvements to the quality grading schemes, and to harmonise them across Britain.

The Small Business Service (SBS) has been fully involved in tourism policy discussions over recent years, including as members of the Minister's Tourism Review and Implementation Group to 2005. The SBS will now be fully consulted in the process of producing the *Strategy*.

7. Competition assessment

Similar comments apply to the possible effects on competition. Participation in the product quality schemes arguably has significant effects on firms' competitive positions. Analyses will be included in the full RIA.

8. Enforcement, sanctions and monitoring

Any arrangements for enforcing and monitoring the concrete proposals and/or deliverables which are included in the *Tourism Strategy for the 2012 Games* depend entirely on the proposals made in response to, or arising from, the consultation. They will therefore be set out in the full RIA which will accompany the *Strategy*.

The consultation itself will be monitored by the DCMS project team, with input from the Minister's Tourism 2012 Group.

department for
culture, media
and sport

2-4 Cockspur Street
London SW1Y 5DH
www.culture.gov.uk