



TOURISM ADVISORY COUNCIL (TAC)

TERMS OF REFERENCE

1. This paper sets out the broad terms of reference for the Tourism Advisory Council.
2. The Tourism Advisory Council (TAC) is being established in response to Action Point 6 of the British Tourism Framework Review which recommended the creation of a Government-Sponsored Tourism Advisory Council that draws together senior practitioners primarily from the industry to engage with the government departments whose policies impact on tourism. The focus of the TAC will be to work alongside the Cross-Government Ministerial Group on Tourism to promote cross-government, cross-national understanding of the needs and requirements of the tourism industry both in dealing with the immediate challenges posed by the global economic downturn and the longer term opportunities on offer from the 2012 Games legacy benefits and other sporting events. The TAC will provide expert advice to enable Ministers to develop appropriate strategy.
3. Improving the channels of communication through which Government and Industry communicate will be a central theme of this Group.

Rationale

4. On 8 January the Prime Minister attended a Tourism Summit in Liverpool at which he presented to tourism industry leaders his determination to form a more effective partnership with the sector in order to maximise the tourism opportunities over the next decade and to support the industry through the global economic downturn and better position it following recovery. He stressed that this need better public sector engagement at local, regional and national levels.
5. Tourism is our fifth largest industry, directly and indirectly supporting 2.7 million jobs (8.4 per cent of UK employment) in around 200,000 businesses. It makes a direct contribution of £86 billion to the UK economy and a recent Deloitte's study found that directly and indirectly, the contribution is in fact £114 billion or 8.2 per cent of UK GDP. Tourism covers both the core industries of the hospitality and leisure sectors, and the demand side activities associated with them, which have wide

economic and social impacts and much of which links to the nation's cultural as well as natural assets. DCMS' programmes aim to enhance the productivity and growth of the industries and link to productivity driven priorities in the relevant areas of marketing (including e-tourism), quality, skills, business tourism and data, while also ensuring engagement with social, cultural and environmental implications at home and abroad.

6. Despite the global economic downturn, Liverpool's tenure as the UK's European Capital of Culture 2008 has generated an £800m boost to the regional economy. The city welcomed 3.5 million first time visitors in 2008 - 25% of all its tourists - generating £176m alone in new tourism spend.
7. Nationally, however, the position is disturbing. For example, inbound visits to the UK in 2008 were down 2% on the previous year and domestic overnight trips were down 5%.
8. The weakness of the pound against the Euro and the US Dollar is an opportunity for the industry to exploit, and VisitBritain is diverting £6.5 million from other work to fund a "Value for Money" campaign internationally. However despite the favourable exchange rates the industry is feeling the effect of the downturn and we need to recognise that employment levels within the industry are in some jeopardy.
9. Government generally has the capability to impact significantly on the industry's economic well-being in both positive and negative terms. Employment, taxation, skills and small business support initiatives can offer real benefits to the industry at this challenging time. But equally, new regulatory burdens and policy costs can be particularly damaging at this time.

Scope

10. The focus of the TAC will be to promote cross-government, cross-national understanding of the needs and requirements of the tourism industry. The TAC will also provide expert advice to enable Ministers to develop appropriate strategy. It will:
 - a. consider and prioritise the top five issues affecting tourism, as identified by the industry, to better inform our policy approaches;
 - b. advise on what issues may require more attention at national and regional level to enable and benefit the industry;
 - c. monitor the impact of Government policy on the key issues; and
 - d. improve the channels of communication through which Government and Industry communicate.
11. This work will be aligned to the Government's wider approach to tourism highlighted in the tourism strategy 'Winning: A tourism strategy for 2012

and beyond' and the recommendations of the British Tourism Framework Review.

12. It will also take an integrated approach that looks at social and environmental concerns, as well as the economic context, taking into account issues of accessibility and sustainability.
13. The working group will assess the scope for more "joined up" action – both horizontally and vertically across policy areas, and regions and destinations, consistent with the key principles of the 2012 Tourism strategy and the British Tourism Framework Review
14. The **Cross-Government Ministerial Group on Tourism** comprised of Ministers from Government Departments which impact on tourism and established to form a more effective partnership with the tourism industry, will further strengthen the TAC's work. The TAC will work alongside the Cross-Government Ministerial Group on Tourism to maximise opportunities for sharing of knowledge, learning, expertise and experience.

MEMBERSHIP AND WORKING ARRANGEMENTS

15. The TAC will primarily comprise senior practitioners from the tourism and hospitality industry.
16. At this stage, the Group will convene three to four times a year.
17. The informal working group will be chaired by the Minister for Tourism and will be serviced by the DCMS officials.

Outcomes

18. Some possible outcomes are:
 - Better co-ordination and communication at national and regional level of policies that impact on tourism;
 - Better understanding of the issues affecting tourism;
 - Improved focus on areas where a stronger alignment of policies and resources at national, regional and local levels could make a difference to outcomes in tourism;
 - Highlighting policy barriers to national agencies delivering integrated approaches on the ground and what needs to be done to overcome them.