Visitor Economy Background Briefing

Introduction

VisitEngland (the National Tourist Board for England – see pg. 3) has produced a background briefing for Local Enterprise Partnerships on the visitor economy in England, it’s value, importance and how support for its management and development is structured and delivered (nationally and locally).

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1 - The English Visitor Economy and the importance of tourism

The Visitor Economy in England is worth £97 billion and it is England’s third largest employer supporting 2.2 million jobs1. Unlike some sectors of the economy it can only happen in the local areas in which the tourism assets are located. Its ability to attract overseas visitors and their spending makes it a valuable export. It creates and supports employment at all skill levels and age ranges and offers a range of employment opportunities including flexible and part time. It benefits every part of the country and helps to preserve local heritage and sustain rural areas.

Tourism provides social benefits as well as economic ones. Well managed tourism can help to create better places to live, work and invest. Tourism assists in building a strong sense of place and creating an attractive environment for businesses to locate. It has the ability to enhance civic pride and the quality of life within a community, as visitor spending supports local facilities and infrastructure.

1 Deloitte (2010); “The Economic Contribution of the Visitor Economy: UK and the Nations”; London
In 2010 in England there were:

- 96.4 million domestic overnight trips, generating a total spend of £16.2 billion
- 25.5 million inbound visits, worth £14.5 billion
- 872 million tourism day trips, worth almost £40 billion

Over the next 10 years the sector is expected to grow by £50 billion; when it will be worth £225 billion and support an additional 225,000 jobs.

It is important to note that whilst the terms “Tourism” and the “Visitor Economy” are used interchangeably there is an important difference. The term tourism tends to describe the obvious tourism elements such as overnight visitors, attractions, and accommodation establishments directly. The visitor economy is a more useful term to understand the complexity of the relationship between the visitor and their expenditure and the supply chain which provides for their needs. It takes into account that not all visitors stay overnight, that leisure day visitors have different needs, that business visitors and people visiting friends and family are important. It also takes into account the wider range of businesses that benefit from visitor expenditure - the bars and restaurants, shops, petrol stations local food suppliers, laundry services and the people that service the tourism businesses.

2 - The Structure of English Tourism

When the coalition government came to power in May 2010, it was anticipated that the regional structure of economic development (and tourism) would change but it was unclear how, to what extent and to what timescale. There was also the issue of the impending Comprehensive Spending Review (CSR) to account for, with the knowledge that there would be considerable cuts in public sector spending across the board. The transition has thus been a complex issue to follow with some aspects still emerging. For the tourism sector, it represents the biggest structural change in public support for the industry since the 1969 Development of Tourism Act.

The existing mix of Regional Tourism Bodies, Destination Management Organisations (DMOs), tourism partnerships and other sub-national structures is realigning in response to the funding challenges and the new landscape of LEPs. It could be quite some time before the landscape settles with new tourism organisations forming, while others wind down or re-invent themselves.

This presents challenges for VisitEngland to shift from engaging and communicating with nine RDAs to circa 140 sub national and local tourism organisations. VisitEngland is connecting with DMOs and local tourism delivery bodies to assist them through the changes and has put mechanisms in place to support this. Please see the destination management section (pg.4) for more information.

VisitEngland has established a relationship with LEPs to highlight the role that tourism can play in growing the economy at the local level and to support them to develop their approach, a role outlined for VisitEngland in the Government White Paper ‘Local Growth’. Please see the LEPs and growth section (pg.5).

3 - Who is VisitEngland and what is their role / remit?

VisitEngland is the National Tourist Board for England, the lead body for tourism in England, trusted advisor to Government and champion of the tourism industry across the country. As a Non-Departmental Public Body
sponsored by the Department for Culture Media and Sport (DCMS). VisitEngland is influenced by the Department’s and wider governmental priorities. However, it is also guided by the industry itself, with the Strategic Framework for Tourism in England clearly outlining shared objectives as well as industry’s expectations of the National Tourist Board. Please see the section on the Government’s Tourism Policy and the Strategic Framework (pg.4).

VisitEngland’s mission is to lead and drive forward the quality, competiveness and sustainable growth of England’s visitor economy by providing strategic direction, intelligence and coordinated marketing for the sector. Priorities for the next four years are to:

• Champion the sector and drive forward the Strategic Framework for Tourism
• Inspire visitors to choose England
• Be the official source of intelligence on tourism and the visitor economy in England
• Support local areas to grow their economies through tourism
• Be the trusted advisor to Government


4 – The relationship between the National Tourist Boards

The National Tourist Boards of England, Scotland, Wales and Northern Ireland are each responsible for growing the value of tourism in their country and work in partnership when it is mutually beneficial to do so. VisitEngland is responsible for developing and promoting England’s tourism sector and supports VisitBritain in its role to promote Britain overseas.

5 - Government Policy on Tourism

The Department for Culture, Media and Sport published the Government’s Tourism Policy in March 2011. This highlights key areas where Government can help to address challenges or maximise opportunities for growth in tourism. Reflecting the nature of the visitor economy, it engages a number of Departments in delivering the aspirations of the Policy. The Policy includes a range of aspects but of particular note:

• A clear remit for VisitEngland as the National Tourist Body.
• A focus on the development of tourism locally through modernised destination management organisations, which should be business led and increasingly private sector funded partnerships between the private and public sector. The Policy encourages these organisations to be developed and to encompass management of destinations and not just promotional activities.

VisitEngland is supporting the Government on implementation of key elements. VisitEngland is also driving forward England’s Strategic Framework for Tourism (see next section), working with the tourism industry to implement priority actions that not only grow the value of industry but support the aspirations set out in the Policy.
6 - Strategic Framework for Tourism in England 2010 – 2020

The Strategic Framework for Tourism in England, launched in March 2010, is the industry’s national tourism strategy. It illustrates how the whole sector can maximise its contribution to the economic and employment growth and quality of life in England. It describes how we can achieve 5% annual growth in the value of tourism for the next ten years. The Government’s Tourism Policy on tourism aligns with the Strategic Framework in a number of areas.

Three year action plans underpin the strategy and set out priority actions for growth that can be implemented by the industry in the next three years. Nine action plans plus the national marketing strategy were published in June 2011. These are being implemented by the public and private sector e.g. trade associations and destination organisations. The action plans can be used as a framework for sub national and local tourism plans and strategies, tailored to local priorities but contributing to the national strategic objectives and targets.

The final three action plans are currently out for consultation until 1 March – Quality, Skills, and Transport.

VisitEngland is the custodian of the Strategic Framework and is responsible for driving it forward, monitoring and reviewing it regularly and communicating partner successes with the industry.

Please see www.englandtourismframework.co.uk for further information and to access the Strategic Framework and associated action plans.

7 - Growing tourism at the local level: the importance of Destination Management

Destinations are diverse - they don’t always fit neatly into public sector administrative boundaries, for example the Peak District crosses many Local Authority and LEP boundaries; and the Cotswolds where the landscape and natural geography dictate the destination. Destinations that are well managed are more likely to sustain investment, business growth and employment without having a long term detrimental effect on the environment or host population. The best managed destinations are also likely to excel in attracting inward investment across a broader range of sectors, attract value-added jobs and new talent.

The nature of tourism and destinations is that there are numerous stakeholders with their own specific needs and priorities. Experience shows that without collaboration and co-ordination with a continued focus, places do not evolve with a common purpose. To create a successful and sustainable visitor economy in an area, all the components that make a successful destination need to be managed in an integrated and long-term way, with a clear focus on the needs of the wider economy, residents and visitors.

VisitEngland brings together Destination Management Organisations (i.e. those that meet the criteria set by Government and by VisitEngland) twice a year.

8 - National Networking

Destination Management Forum

The Destination Management Forum (DMF) brings together senior executives from England’s Destination Management Organisations in order to enable productive, collective engagement with each other and with VisitEngland, around a joint agenda of national and local tourism growth and management issues affecting their organisations. The purpose of the DMF is to:
• Manage the exchange of information on national and local issues between Destinations and between Destinations and VisitEngland. It is an informal assembly of representatives to discuss strategic issues and also provides the mechanism to connect the national and local levels at key points of the year.
• Share outcomes of different approaches in different Destinations, collaboration between Destinations and identifying activities where Destinations can achieve economies of scale by working together and with VisitEngland.
• Share experience and best practice between Destination Management Organisations to encourage more effective working.

There are many different models that can be used to manage destinations. The Government’s Tourism Policy places the emphasis strongly on Destination Management Organisations (DMOs) and sets out criteria for governance. DMOs must be partnerships between the public and private sector, including newly-formed Local Enterprise Partnerships where they exist. This partnership should be representative of the local tourism and visitor economy stakeholders.

Building on this, VisitEngland has set criteria for what makes a Destination Management Organisation. They must demonstrate how they meet the following criteria – or show how they are working towards it - in order to attend the DMF:

1. Meet the Government’s Tourism Policy criteria on governance (or working towards it) – as highlighted above.
2. Have a published destination management plan or be in the process of developing one. The plan should be a shared statement of intent between public and private partners and include the priorities for growing, developing and managing the destination, identifying clear actions and the roles and responsibilities of stakeholders.
3. Committed and actively working to deliver the Strategic Framework and national marketing strategy.
4. Organisations should have a status and remit locally to manage tourism. The organisation should be recognised and acknowledged by the LEP (where one exists).

The DMF’s Chairman is Amanda Cottrell OBE (VisitEngland Board member and Chairman of Visit Kent). The Vice Chairman is Martin Peters (Chief Executive Leicester Shire Promotions).

DMOs are keen to build relationships with their LEPs and share experiences and best practice in this area at the Destination Management Forum.

The Forum met for the first time in Coventry on the 14th July. It has since met in Bristol on 20th October 2011. The next meeting is 29th February 2012 in Liverpool.

Visitor Economy Forum

The Visitor Economy Forum was held for the first time on 1 December 2011. It is the must-attend, thought-provoking and inspirational industry event bringing together England’s visitor economy stakeholders. It provides the industry with the opportunity to:

• Debate the big issues affecting growth with industry leaders.
• Discuss future plans to drive forward the growth of the visitor economy.
• Hear new ideas and innovative practice from across the visitor economy and stimulate thinking on how this can be applied.
- Network with a wide range of visitor economy stakeholders.
- Hear from VisitEngland on latest developments, industry growth and Strategic Framework implementation.

The Visitor Economy Forum is open to anyone who would like to attend including:

- Senior industry representatives from the public and private sector.
- Organisations representing the breadth and depth of the visitor economy (e.g. attractions, accommodation, services, Tourist Information Centres, infrastructure and transport).
- All levels of delivery - national, sub national and local e.g. Government and national agencies; Local Enterprise Partnerships; Destination Management Organisations and Local Authorities.
- Organisations prioritising growth and interested in implementing actions in the Strategic Framework for Tourism.

This year’s Visitor Economy Forum will take place on the 5th December and further information will be available shortly.

Please access this link for more information and papers relating to VisitEngland’s industry and stakeholder engagement structures: [http://www.visitengland.org/about/IndustryStakeholderEngagement/index.aspx](http://www.visitengland.org/about/IndustryStakeholderEngagement/index.aspx)

9 - LEP Collaboration is key for growth

Tourism has been highlighted in a number of LEP proposals as a key opportunity for economic and employment growth. Tourism and sustainable economic growth are, in many parts of the country, inexorably linked. Improvements that create wealth and better places to live and work will inevitably create better places to visit. It is for this reason that LEPs will be influential in the future direction of tourism locally.

LEPs are likely to play an important role in the success or failure of tourism locally through their work encouraging and reducing barriers to inward investment, developing infrastructure projects, up-skilling the local population and in creating positive planning policies. It is important that the LEP should not see tourism just as activity revolving around image and promotional activities. Tourism should be developed as part of the local economic development plan. To help achieve this, DMOs can provide expert insight into the local market and offer expert strategic support whilst delivering operational management of the visitor economy. It is a shared responsibility which can ensure that the potential for tourism’s contribution to wealth creation and employment is maximised.

Further Information

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