

12 December 2016

VisitEngland and VisitBritain

Purpose

For discussion

Summary

Penelope, Viscountess Cobham CBE, Chairman of VisitEngland Advisory Board, and Patricia Yates, Strategy and Communications Director of VisitBritain, will be attending the board to discuss the relationship between their organisations and the LGA.

Recommendation:

To note and to inform questions to be raised during the meeting.

Action

Officers to progress as directed.

Contact officer:

Rebecca Cox

Position:

Principal Policy Adviser

Phone no:

020 7187 7384

Email:

Rebecca.cox@local.gov.uk

VisitEngland and VisitBritain

Background

1. VisitEngland is the country's national tourist board and as part of VisitBritain, is a Department for Culture Media and Sport non departmental executive body. Their role is to maintain distinct activities to develop and market English tourism. The Spending Review 2015 announced that VisitEngland and VisitBritain will work more closely together. Technically, VisitEngland and VisitBritain have always been one organisation – the British Tourist Authority, but they have acted independently with separate governance and organisational structures. Until the Spending Review, Government policy was to formalise the separation.
2. The LGA has enjoyed a long standing positive partnership with VisitEngland in pursuit of our shared priority supporting places to grow the visitor economy. Lady Cobham, Chairman of VisitEngland Advisory Board, was also a Commissioner on the Independent Commission on Economic Growth and the Future of Public Services in Non-Metropolitan England, chaired by Sir John Peace. The Commission's final report, published in March 2015, recommended that responsibility for housing, transport, skills, broadband and public services should be devolved to a grass roots level in order to boost growth and tackle skills shortages in non-metropolitan areas. Lady Cobham is also a keynote speaker at the LGA's Annual Culture, Tourism and Sport Conference 22-23 February, in Bristol.
3. The visitor economy is one of this country's fastest growing economic sectors. It was worth £126.9 billion to the UK economy in 2015; is Britain's seventh largest export industry; and Britain's third largest employer. It supports almost one in ten jobs, many of them acting as first jobs for school leavers and graduates.
4. 36.1 million overseas visitors came to the UK in 2015, spending £22.1billion. Britain ranked 8th in the United Nations World Tourism Organisation's 2015 international tourists arrivals league table; and 6th in terms of tourist income. This is a slight decrease from 2014.
5. The UK's top 3 visitor markets were France, Germany and the USA, accounting for 30% of all international visits. London accounts for 54% of all inbound visitor spend, the rest of England 34%, Scotland 8% and Wales 2%.
6. Britain runs a large tourism deficit mainly because the domicile population is much more likely to holiday abroad than other countries. Currently, less than 40 per cent of our total holiday spend goes on domestic tourism, meaning this is an area for significant growth.
7. Brexit will open up new challenges and opportunities for the visitor economy. The role of councils, VisitEngland and VisitBritain will be key in helping local economies maximise the potential benefits and work to mitigate potential downsides.

Change in governance arrangements

8. At last December's Board, Members highlighted the importance of English destinations having a strong voice on the new governance arrangements. The Chair wrote to the

Secretary of State expressing concern that the governance changes might weaken the voice of English destinations in taking decisions on the direction and funding for English tourism, which could hold back growth.

9. The Tourism Minister's reply sought to reassure Members by highlighting that the VisitEngland Board will continue to meet, there will continue to be an England action plan signed-off by the Minister, the VisitEngland brand will continue and this will be funded by a ring-fenced England budget.
10. While this is helpful, members have been firm in their views that we must continue to seek further clarity on the detailed arrangements – for example, the relationship between the VisitEngland and VisitBritain Boards and reassurance that VisitEngland's decisions on English tourism are sovereign.
11. The aims of the organisation are:
 - 11.1. Market the nations and regions of Britain overseas to drive growth in international leisure and business tourism.
 - 11.2. Maintain distinct activities to develop and market English tourism.
12. The organisational priorities for VisitEngland and VisitBritain are as follows:
 - 12.1. Develop and implement a new organisation strategy.
 - 12.2. Develop and deliver the Discover England Fund.
 - 12.3. Deliver and amplify the Great OMGB marketing campaigns.
 - 12.4. Implement a coherent digital and content strategy for Britain and England.
 - 12.5. Build our commercial capacities across retail and product development.
 - 12.6. Deepen our partnership relationships.
 - 12.7. Establish a clear role and strategy in the Business Visits & Events sector.
13. VisitBritain has been re-structured to set up a new England Division to manage the Discover England Fund and lead the England Action Plan. This included the appointment of an interim England Director, Andrew Stokes, formerly Chief Executive of Marketing in Manchester.
14. In 2016/17 core Grant-in-Aid from [DCMS](#) is £19.6 million for VisitBritain and £6.9 million for VisitEngland.
15. VisitBritain / VisitEngland has been allocated £40 million for the Discover England over 3 years (2016/17-2018/19) and as a trusted partner in the GREAT campaign, £22.8 million GREAT funding for 2016/2017. VisitEngland is responsible for leading on the Discover England fund.

The Discover England Fund

16. The Spending Review announced a three year £40 million Discover England Fund to drive inbound visits and spend and support the domestic market through delivering world class, stand-out, bookable tourism products in response to market opportunities and consumer needs.
17. Members welcomed the additional funding and the Chair wrote to Sally Balcombe to highlight the importance of councils and partners having the flexibility to further local growth priorities through the Fund.
18. In February and March, VisitBritain held a series of briefings for councils, industry and others to share further information on the Discover England Fund and to seek views on the detail of its implementation. LGA officers attended the Manchester briefing. The purpose of the Fund is to create three to four world-class itineraries / groupings of product that:
 - 18.1 Are made up of a number of bookable / consumable products.
 - 18.2 Span regions / geographical areas to deliver a joined up approach and end to end experience for the customer.
 - 18.3 Are tailored and respond to consumer needs – so could be thematic / Business Visits and Events / pricing.
 - 18.4 Work for international consumers and benefit domestic consumers
19. Bids must meet the following criteria:
 - 19.1 Collaborative – demonstrate the support of public and private partners, including the Destination Management Organisation and Local Enterprise Partnership.
 - 19.2 Integrated transport solutions – for example, pricing and passes, and technology.
 - 19.3 Match-funded (NB We understand this can be in-kind. Clearly it is unrealistic to expect significant match funding from councils given other funding pressures.)
 - 19.4 Demonstrate how products meet customer need.
 - 19.5 Demonstrate international and domestic tourism benefits
20. The funding profile is:
 - 20.1 Year 1 £6m
 - 20.2 Year 2 £12m
 - 20.3 Year 3 £22m

21. [21 projects were funded as part of the Year 1 round](#). The projects cover different areas and communities of interest across England, both urban and rural. Projects of particular interest to local government include:
- 21.1 **Cultural England from Hull to Liverpool:** Taking advantage of its 2017 status as the UK City of Culture, Hull will lead on a project that highlights the cultural offer of northern England by developing an itinerary that can be accessed by German and Dutch visitors travelling with P&O Ferries. The itinerary will develop Hull as an international gateway, test the appeal of cultural experiences in Leeds, Manchester, Liverpool and scope the introduction of a Transpennine Cultural Rover rail ticket.
 - 21.2 **Delegate engagement:** The Core Cities group, led by Marketing Liverpool, will develop and test an online booking mechanism to encourage international conference delegates to stay in England for longer. The new functionality will provide and promote a range of ideas and products that can be booked in advance as either a pre or post-conference extended break.
22. The window for expressions of interest for years 2 and 3 has recently closed. These opportunities were advertised in the monthly CTS bulletin.

Tourism Action Plan

23. On 26 August 2016, the Government published the Tourism Action Plan. This is an update to the [five-point plan](#) launched in July 2015.
24. Key points within the action plan include:
- 24.1 Making travel easier with a new GREAT tourism rail offer.
 - 24.2 Addressing the industry's seasonal nature through a flexible apprenticeship scheme that allows training to be completed over 16-18 months rather than 12, with breaks included.
 - 24.3 Changing licensing to allow B&Bs to offer a welcome drink, and modifying vehicle licensing to allow B&B owners to pick up visitors from train stations. The LGA Safer and Stronger Communities Board has been leading on both items due to the implications for public safety.
25. [Responding to the action plan](#), the LGA drew on recent research on the value of tourism. We said that while focus on supporting tourism is welcome, more can still be done by devolving powers and funding to local government.
26. By focusing on improving transport, infrastructure, skills and business support - all central to devolution deals and key to boosting tourism - combined authorities and other similar arrangements can make better, more efficient decisions to maximise tourist revenue.
27. Crucially, councils and local partners can link these policy levers to enhance the distinctiveness of destinations, including high quality attractions and skilled labour to drive England's tourist economy and unlock further growth.

Brexit

28. In his [foreword to VisitBritain's 2015-16 annual review](#), Chairman Christopher Rodrigues CBE said:

29. "Two major themes emerging from our latest market research are the need to reinforce the value message on the back of more affordable sterling, and underline our welcome. Both are being highlighted in our marketing messages and will form a central plank in our future marketing activity.

[...]

30. Last year alone, the country welcomed more than 4 million French and 3 million German visitors. In these markets, we are reinforcing our welcome messages through specific PR and social media initiatives to accompany our main #OMGB marketing campaign. We are looking to extend this to other European markets including Spain, Italy and The Netherlands. We will also continue high-profile activity in other key markets including China and the USA, where we will air TV advertising in partnership with Expedia.

31. Longer term, the Government is keen to ensure that the industry's priorities in terms of Brexit negotiations are heard and understood."

32. A survey of 500 tourism businesses by the Tourism Alliance revealed that these businesses had seen a rise in forward bookings since the referendum result. Anecdotal reactions to the weaker pound also indicate that there are currently positive impacts on tourism, and possible opportunities to be exploited, although it is unclear whether this is a long-term effect.

33. However, in the same survey, almost 30% of businesses reported that they were putting investment plans on hold until they had clarity around the UK's future relationship with Europe.

34. The Tourism Alliance also found levels of public funding for national and sub-national tourism development and promotion have diminished significantly since 2008. In total, public funding for domestic tourism has decreased by around 58% from approx. £197m to approx. £84m over this period.

35. This is a worrying trend, given the UK's deficit in domestic tourism. The current weakness of the pound, and concerns over safety in some key international destinations, may go some way to offset this. However, it is unlikely that these points will completely, or even significantly, offset the deficit.

36. Tourism Alliance will be presenting to the board immediately after VisitEngland.

Key lines of enquiry:

37. The following key lines of enquiry could be explored during the board meeting:

- 37.1. The organisations' views on Brexit and its implications for the tourist industry, and ways they and the LGA can collaborate during the transition period.
- 37.2. Plans and opportunities to rebalance the domestic market and further promote 'staycations'.
- 37.3. The response to rounds 2 and 3 of the Discover England fund, particularly in terms of response/involvement from councils.
- 37.4. Opportunities for councils and VisitBritain/VisitEngland to work together to create and market great destinations

Implications for Wales

- 38. Wales has its own destination organisation and marketing budgets.

Financial implications

- 39. None