

12 December 2016

## **Tourism Alliance**

### **Purpose**

For discussion

### **Summary**

Kurt Janson, Director of Tourism Alliance (TA), will be presenting to the Board on TA's work, with a particular emphasis on their research into the possible impact of Brexit on the tourism sector.

### **Recommendation**

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

### **Action**

Officers to progress as directed.

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## **Tourism Alliance**

### **Background**

1. The Tourism Alliance seeks to establish and maintain a favourable operating environment for all businesses involved in the delivery of tourism, particularly in England. Their main purpose is to lobby government, both in the UK and in Brussels, on the key strategic issues facing the industry.
2. Their Members comprise leading trade association and destination management organisations within the sector. Together, they represent over 200 000 businesses. The TA also sits on the government's Tourism Council, which advises on tourism issues and opportunities.
3. In 2015, the TA published a document that identified 6 areas where government, including councils, could work with the tourism industry to deliver growth and employment:
  - 3.1. Increasing government revenue.
  - 3.2. Enhancing business competitiveness.
  - 3.3. Boosting export earnings.
  - 3.4. Driving regional growth.
  - 3.5. Supporting the rural economy.
  - 3.6. Rebuilding seaside destinations.
4. The LGA has non-voting membership of the TA's Board. This role is currently filled by Councillor Colin Organ.

### **Brexit**

5. The TA has been actively considering the possible impact of the EU referendum result on the UK tourism industry. They have published the results of a survey of 500 tourism business on 25 July 2016.
6. The survey 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.
7. 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.
8. 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.

9. 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.

**Key lines of enquiry:**

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

- 10.1. Sustaining the immediate increase in demand for UK visits.
- 10.2. Any associated risks with the increased demand, particularly in terms of the existing recruitment shortage.
- 10.3. Any opportunities or challenges to creating an improved regulatory landscape for tourism related organisations.
- 10.4. The significance, if any, of losing access to European Funds.
- 10.5. Any areas of the tourism economy that may be at particular risk, or well-placed to benefit – such as rural tourism, or seaside destinations.

**Implications for Wales**

11. As for England.

**Financial implications**

12. None.