



# Leadership and coordination for tourism in England through and beyond Covid-19

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## **A call to Government from the Tourism Society, May 2020**

Founded in 1977, the Tourism Society is the professional membership body for people working in all sectors of the visitor economy. The Society represents and is informed by its broad spectrum of members who are involved in running tourism businesses, managing destinations, delivering education and training and providing tourism consultancy services across the UK and worldwide. Through its communications, the Society reaches of over 23,000 people within the sector.

### **1 Introduction**

The Covid-19 pandemic has decimated the tourism sector throughout the world, with huge implications for national and local economies as well as individual businesses, jobs and wellbeing. Every government must now consider how best to support the sector through and beyond the current crisis. The immediate priority is business survival; the second will be competitiveness.

This paper considers the leadership and coordination that will be required and how this can be strengthened through improved structures, communication and strategic direction. The paper specifically addresses the situation in England, which has a different system of tourism governance than elsewhere in the UK, where this is facilitated through the devolved administrations and related bodies.

### **2 The context and the challenge**

The swift and severe impact of Covid-19 on the tourism sector has highlighted the weaknesses arising from the lack of a well-financed and clear tourism structure in England. The disparity in resources between DMOs has led to a high variation in the level of support which they can provide to their businesses. Addressing this is crucial if we are to ensure that our industry can recover swiftly and sustainably.

#### ***Building recovery through the domestic market***

The lack of visitor movement as a result of international travel restrictions and domestic lockdown has reduced tourism revenues virtually to zero. As a consequence, estimates of total jobs lost or at risk in the economy as a whole within local areas of England vary between 20% and 35%, with the highest percentages predicted in places most dependent on the visitor economy.

As lockdown is eased, there is an urgent need to enable and encourage responsible travel by a wary population, through clear information and facilitation that meets requirements for social distancing. At the same time tourism businesses and operations require help in deciding how to prepare their

premises to receive visitors once again, in ways that will comply with any necessary restrictions or identified good practice and foster visitor confidence.

Inevitably, recovery will depend on the domestic market, with international travel expected to take far longer to become re-established. This will require a significant reversal of recent tourism policy, which has focused on growing visitor volume and spending from incoming international markets.

Irrespective of Covid-19, there was already an argument for some rebalancing of attention towards domestic tourism, which accounts for 80% of tourism expenditure in the UK. Domestic tourism can occur throughout England, sustain a wide range of businesses and employment and underpin the products and services that are vital for inbound tourism. A policy to strengthen domestic tourism experiences for UK residents would also provide an opportunity to redress the highly negative tourism balance of payments (with UK spending on outbound tourism exceeding inbound by some £15 billion).

### ***Strengthening the capacity of destination management organisations***

The current situation requires a strong focus of activity at the local level, within individual destinations, in order to stimulate recovery. Urgent priorities are to:

- Identify the specific needs of destinations with varying dependency on the visitor economy
- Develop and promote differentiated experiences to attract the most appropriate segments of the domestic market
- Foster supportive relationships between local businesses, food and other service suppliers and local communities and consumers, which have become more important in the current crisis
- Ensure that local authorities value and fulfil their roles in tourism as guardians of the public realm and providers of public services enjoyed by visitors
- Develop and maintain strong links between tourism businesses, local authorities and other public bodies, for example with respect to support services, hygiene regulations and access to resources.

Local Destination Management Organisations (DMOs) have a crucial role to play in meeting the above requirements, notably in providing advice and support to local tourism businesses and enabling communication horizontally within the destination and vertically with national bodies.

In England, the existing DMOs provide only a patchy coverage and they vary significantly in their structure, activities and available resources. Many are not fully viable and operational, lack resilience and will struggle to survive the current crisis. The result is that the tourism sector and the framework of destinations suffers from a haphazard system of support which does not reflect the varying needs and potential of different areas. The need for a robust network of sub-national tourism bodies, primarily DMOs, has been recognised by many countries, some of which have policies, structures and support systems to provide for this.

### ***Providing national leadership, support and coordination***

In order to underpin recovery, deliver optimal benefits for local businesses and communities and meet national aspirations for tourism, there needs to be a system for DMOs to work effectively together and with a strong national tourism body to provide the necessary coordination and leadership.

This requirement is not fully met in England at the present time. VisitEngland, as an adjunct of VisitBritain, does not have sufficient status, mandate and resources to provide the necessary leadership and, as stated in the recent VB paper it 'is not funded for, or tasked with, domestic marketing. Its remit recently has been around product development'. Furthermore, there are significant gaps in DMO coverage; and communication and coordination structures are weak.

Government support for tourism in England has more recently been delivered through short term project funding. While this has been very successful in developing new product, it does not provide resources for the ongoing core activities that DMOs need to undertake, particularly in relation to business support and domestic marketing. It therefore fails to ensure a resilient nationwide delivery structure.

The newly agreed Sector Deal for Tourism has rightly identified the importance of 'place' and destination management, yet the proposed funding of just five 'tourism zones' in the UK, selected through competition, is an example of an approach that supports fragmentation and imbalance, whereas the need is for a comprehensive support system.

### ***Working towards a more sustainable future for tourism in England***

As the country moves through and beyond the pandemic it will be important to ensure that there is a clear direction for the redevelopment of tourism that brings the key players together. This will be essential, first to sustain the process of recovery and secondly to ensure a sustainable and competitive visitor economy at local levels throughout the country. In recent years there has been no clearly identifiable tourism strategy for England. Policy has been manifested through focussing on certain specific topics and the delivery of initiatives and programmes which, although welcome, have not provided a vision or pathway for the sector as a whole.

## **3 Priorities for action**

In order to ensure the necessary leadership and coordination for tourism in England, Government should take the following action to clarify roles and strengthen structures and communication. Two stages of action are envisaged.

### ***Short term action***

During the next four to six months all efforts must be focused on helping the tourism sector to operate within and recover from the effects of the pandemic. While no radical change in structures is recommended at this time, to avoid any deflection from this priority, action should be taken to strengthen the effectiveness of existing bodies and delivery functions.

#### **1. Reinforce and reorientate the leadership role of VisitEngland**

The status and mandate of VisitEngland, as the body to provide strategic direction and leadership for the sustainable development of tourism in England, should be reinforced. Its priorities and actions should be reorientated towards securing recovery through development, guidance and promotion aimed at the domestic market, while preparing the ground for the future return of international tourism. Without such leadership the visitor economy will be threatened with widespread sub-optimal performance, through fragmentation and wasteful reinvention of wheels at local levels.

#### **2. Strengthen the resilience and capacity of DMOs**

The vital role of DMOs in providing advice and support to and between tourism businesses and securing links to local planning, development and management services should be recognised and underpinned. Financial resources should be provided by government for their core functions, which should be used to leverage support from local authorities, the private sector and other bodies. This will focus effort, minimise duplication and maximise synergies between key players at local level. Where advantageous, DMOs should be encouraged to merge or work together to provide greater economies of scale.

### **3. Establish a functioning network for coordination**

A formalised functioning network between the DMOs should be established and led by VisitEngland, based on regular meetings, networked communications and the use of common applications and pooled services.

It should encourage and enable two-way communication between the national and local levels and inform the development and delivery of mutually agreed action. It should also mandate and enable cooperation between the DMOs. This will also ensure maximum synergy, through clearly established priorities, sharing of best practice and market intelligence.

#### ***Medium term action***

Action within the next year to eighteen months should build on the above to provide a more sustainable future and a resilient and effective structure for tourism in England.

### **4. Develop a clear tourism strategy for England**

A realistic but inspirational tourism strategy should be prepared which identifies opportunities, needs and priorities and provides a direction and roadmap for sector players to follow. At its heart must be a clear vision of how tourism should be developed to the benefit of the economic, social and cultural life of England and its natural and cultural heritage, clearly identifying and evaluating the target markets and understanding the actions required to realise those markets. The strategy must have a clear spatial dimension, recognising the different opportunities that exist in different parts of the country and setting out the strategic, multi-regional and thematic initiatives to realise those opportunities. Building on the current industrial strategy, this should reflect the changed circumstances of 2020 while also considering wider policy concerns before the crisis, including sustainability goals, digitalisation, geographic levelling-up and other issues for tourism planning and management.

### **5. Review and consolidate delivery structures**

The existing coverage, funding and functions of DMOs across England should be reviewed with the aim of providing a more comprehensive and resilient structure, which is capable of delivering the tourism strategy. Future structures should be flexible to local needs and circumstances and they might include a regional as well as a local dimension. Principles for DMOs should include the provision of management and development as well as marketing functions. DMOs should engage with and be supported by tourism businesses and local authorities, while retaining agility and independence.

## **4 Our call to government**

In summary, at this time of crisis for the tourism sector, with far reaching consequences for the wider economy, the Tourism Society calls on Government to take much needed action to strengthen the leadership and coordination of tourism in England.

Reflecting on the need to refocus attention onto the domestic market and to provide support for local destinations and businesses across the country, we have identified five priorities for action. The immediate need is to reinforce the leadership role of VisitEngland, strengthen the capacity of local destination management organisations and establish a fully functioning network to provide effective vertical and horizontal coordination, communication and support.

In the medium term, a new strategy for tourism is needed, to provide a vision and direction for the development and management of the sector, with a review of delivery structures to strengthen their ongoing resilience and effectiveness.

We believe that these actions are essential, not only to help the sector through the current crisis but also to secure the sustainable development of tourism in the future, with the economic, social and cultural benefits that it can bring to all parts of England.

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The Tourism Society is the professional membership body for people working in all sectors of the tourism and travel industry, in the UK and overseas.

Since 1977, we have been providing tourism professionals with a forum to debate and exchange views, expertise and opinion through meetings and conferences.

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