

PREM 19/2715

Part 1

CONFIDENTIAL FILING

The Sprout Review of the  
Tourist Trade

GOVERNMENT  
MACHINERY

PREM 19/2715 May 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>13.5.83</del>		<del>15.7.85</del>					
<del>20.10.83</del>		<del>16.7.85</del>					
<del>3.11.83</del>		17.7.85					
<del>2.11.83</del>		<del>14.7.85</del>					
<del>8.11.83</del>		<del>26.7.85</del>					
<del>4.11.83</del>		30.7.85					
<del>16.11.83</del>		<del>31.7.85</del>					
<del>21.11.83</del>		15/8/85					
<del>22.11.83</del>		<del>15/10/85</del>					
<del>20.2.85</del>		<del>12.8.85</del>					
<del>11.3.85</del>		13.1.88					
<del>4.3.85</del>		<del>21.1.88</del>					
15.3.85		<del>1.6.89</del>					
<del>19.3.85</del>		8.6.89					
<del>29.3.85</del>		<del>12.6.89</del>					
<del>9.4.85</del>		16.6.89					
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<del>11.7.85</del>							
<del>11.7.85</del>							

PART 1 ends:-

SS/NT to SS/emp June 89.

PART 2 begins:-

SS/emp to SS/emp 30 6 90



## Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

Pleasure, Leisure – and Jobs. The Business of Tourism  
HMSO, 22 July 1985 [ISBN 0 11 430004 6]

Signed Wayland Date 1 October 2016

**PREM Records Team**



SECRETARY OF STATE  
FOR  
NORTHERN IRELAND

The Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1 9NF

NORTHERN IRELAND OFFICE  
WHITEHALL  
LONDON SW1A 2AZ

*CC 14*  
*NBFM*  
*ALB*  
*2/b*

June 1989

*De Nam*

TOURISM REVIEW

*at least*  
Thank you for your minute of 1 June to the Prime Minister and members of E(A) enclosing details of your planned announcement on measures to restructure the British Tourist Authority and English Tourist Board, and to end the Section 4 scheme in England.

I have noted your reference to the position in Scotland and Wales, and your recognition that there may be presentational and other difficulties in making any changes in the short-term.

The position in Northern Ireland is that we have recently completed a major and fundamental review of our policy towards the tourist industry, which because of the local situation is vastly different in character and performance from the rest of the United Kingdom. Nevertheless, the outcome of our review is somewhat similar to yours, in that we have identified the need for organisational change both in our Tourist Board and in the manner in which we presently deliver financial assistance to the industry. There is also a clear need for a much more dynamic marketing approach. As is the case in Scotland and Wales, we see the need for the continued availability of financial assistance, but this will in future be much more selective and targeted, and will seek to apply similar criteria to TK/SOFS/20490

those used in assisting the manufacturing sector in Northern Ireland. Your officials have been made aware of our thinking in these areas. It is our present intention to publish our conclusions in the form of a Ministerial statement on 29 June.

I am content with the proposals outlined in your draft announcement, and its timing does not create any difficulties for our plan here.

I am copying this letter to the Prime Minister, other E(A) colleagues, and to Sir Robin Butler.

2 -  
TK  
✓

LOUISE MACH, TOURIST TRIP

May 83







*CR*

2 MARSHAM STREET  
LONDON SW1P 3EB  
01-276 3000

My ref:

Your ref:

The Rt Hon Norman Fowler MP  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1

*NBFM*

*REC 6*

*16/6*

16 June 1989

*Dear Norman*

TOURISM REVIEW

Thank you for the copy of your letter of 1 June to the Prime Minister enclosing the draft announcement on measures to restructure the tourism bodies and end the Section 4 scheme in England.

Virginia Bottomley has already indicated to John Lee that we support and welcome the general approach proposed. I am content with the draft announcement.

I am copying my reply to members of E(A) and to Sir Robin Butler.

*Nicholas*  
*Nicholas*

NICHOLAS RIDLEY

*at Nap*

Govt Nach  
Sproat



**dti**

the department for Enterprise

*CCPG*

The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

The Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
LONDON  
SW1

**Department of  
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Your ref  
Date 12 June 1989

*NBM*  
*REG*  
*1/6*

*Norman Fowler*

In your minute of 1 June to the Prime Minister you sought the views of members of E(A) on the terms of the announcement you plan to make following your recent Tourism Review.

I have no problems with the text as currently drafted. I am, however, conscious of the potential difficulties which may arise as a result of the proposed changes being applied to England only, but share the view that there are difficulties in making any changes in Scotland and Wales in the short-term.

I am sure that all the interested Departments will need to work closely together - particularly in the weakest areas such as the traditional seaside resorts - to ensure that the needs of the industry are properly met.

I am copying this to members of E(A) and to Sir Robin Butler.

*NBM*  
*1/6*

Gov't MACH: Sprout  
Review of  
Tourism  
May 83

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AM 7.9

old  
old

✓  
CPJ



Ministry of Agriculture, Fisheries and Food  
Whitehall Place, London SW1A 2HH

From the Minister

Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

9<sup>th</sup> June 1989

NBM

RACB

a/b

Dear Norman,

with PG.

TOURISM REVIEW

I wanted to let you know that I am content with the terms of your proposed draft PQ on the outcome of the Tourism Review. It is perhaps unfortunate that at this stage you are only able to make an interim announcement since the full force of your proposed changes will only become apparent once it is known that the English Tourist Board is to be abolished and greater emphasis put where it rightly belongs on tourism promotions overseas and the development of the work of the Regional Tourist Boards. Clearly it will be important, nonetheless, to present these interim arrangements as primarily designed to sharpening up the tourism promotion effort and removing unnecessary administration rather than simply cutting costs.

I am copying to members of E(A) and to Sir Robin Butler.

Yours etc,

JOHN MacGREGOR

GONT. MACH. Sproat Review of Tourism

Ma '83.

A W

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*ccp*



*MBM*

*RAC*

*9/6*

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
London  
SW1H 9NF

9 June 1989

*Dear Secretary of State,*

*With Pg.*

TOURISM REVIEW

1. Thank you for copying to me your draft announcement on the tourism review, with your minute of 1 June to the Prime Minister.

I am content with what you propose. I would like to add that I would expect the new arrangements to create the conditions for some progressive reduction in expenditure on tourism marketing, as the industry is increasingly induced to play a greater part in this activity.

On the text itself, I have only one comment. I thought that the first sentence of paragraph 5 somewhat overstated the extent to which the thrust of the review could be implemented within existing legislation, and could be quoted against us if we were later to decide on legislation. I suggest that it might be modified to read:

"I believe that much can be done along these lines within the framework of the 1969 Act."

I am copying this letter to the Prime Minister, to members of E(A), and to Sir Robin Butler.

*Yours sincerely,*

*P. Wales*

PP JOHN MAJOR

*[Approved by the Chief Secretary and Major in his absence.]*



*cc PU*

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

9 June 1989

*Dear Chris,*

TOURISM REVIEW

The Prime Minister was grateful for your Secretary of State's minute of 1 June attaching the terms of his planned announcement. She has also seen the subsequent letters of 7 June from the Secretaries of State for Scotland and Wales.

The Prime Minister is content with the terms of the proposed statement.

She has also noted that your Secretary of State proposes that the discussion of the longer term position on tourism at E(A) should be based on his earlier paper, E(A)(89)17. The Prime Minister is content with that approach, but she would be grateful if your Secretary of State could also consider one further point in the light of his planned statement. In the context of the devolution of funding from the English Tourist Board to Regional Tourist Boards she sees advantage in restructuring the membership of the Regional Boards so that it reflects better the interests concerned, perhaps with a view to a majority of membership of the Boards and their committees coming from the private sector.

I am copying this letter to the Private Secretaries to members of E(A) and Sir Robin Butler.

*Yours,  
Paul*

PAUL GRAY

Clive Norris, Esq.  
Department of Employment

*cc*



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PRIME MINISTER

## TOURISM REVIEW

You will recall that, when you saw the paper Norman Fowler circulated to E(A) last month on tourism, you decided to defer discussion of the longer term issues raised until a quieter time (if that arrives); but meantime invited Norman Fowler to settle with colleagues the terms of his planned announcement on short-term measures.

He has now circulated a draft statement attached to his minute at Flag A. This spells out the planned restructuring of the British Tourist Authority and English Tourist Board, and the ending of Section 4 grants in England.

The Scottish and Welsh Secretaries (Flags B and C) have indicated they are content with the draft announcement. Both would however intend, if they were pressed, to indicate that they do not intend to end Section 4 assistance in Scotland and Wales. We have not yet had comments from the Chief Secretary, but I gather he thinks it difficult to insist on ending the parallel schemes in Scotland and Wales given that the Secretaries of State fund this within their block budgets.

The Cabinet Office (Flag D) suggest you can now agree Mr. Fowler's statement. So too do the Policy Unit (Flag E).

On a separate point the Policy Unit suggest you should ask Norman Fowler to use the planned devolution of funding from the English Tourist Board to Regional Tourist Boards also to re-structure the latter so that they are less dominated by local authority representatives and move to a private sector majority.

Content to agree Norman Fowler's statement, while inviting him to consider Andrew Dunlop's point about the structure of regional tourist boards in time for the longer term E(A) discussion later in the year?

*Patricia A. Parker*

PA PAUL GRAY

8 June 1989

CONFIDENTIAL

MR GRAY

P 03463

## TOURISM REVIEW

1. Mr Fowler's minute of <sup>Review PG</sup> 1 June seeks agreement to an announcement of short-term measures to streamline the British Tourist Authority and the English Tourist Board within the existing statutory framework, and to end the scheme of grant aid to tourism projects run by the English Tourist Board under section 4 of the Development of Tourism Act 1969.

2. We have no major points on what he proposes. It follows closely the paper which he circulated previously (E(A)(89)17) and is part of a longer term policy designed to transfer the lead responsibility for marketing tourism from the Government to the private sector. Both Mr Walker and Mr Rifkind have written in to say that they are content with the announcement (letters of 7 June).

3. Mr Fowler is presumably prepared to deal with any grumbling which may come from tourism interests or staff. His weak point is the inconsistency of abolishing section 4 grants for tourism investment in England but not Wales or Scotland. We understand that although the Chief Secretary shares Mr Fowler's wish to see the parallel schemes abolished, he regards it as difficult to insist on this when Mr Rifkind and Mr Walker have chosen to find the necessary resources from within their block allocations.

4. The Prime Minister may be content for you to tell Mr Fowler's office that, subject to the views of colleagues, she is content for him to make his proposed announcement.

5. More generally, I think Mr Fowler is right that the paper



already circulated to E(A) adequately covers his longer-term proposals on which decisions have not yet been reached. Given the pressure of business it will probably not be possible to come back to these proposals until after the Recess but I doubt whether this matters given that their implementation would require legislation which is not in prospect at present.

R T J WILSON  
Cabinet Office  
8 June 1989

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B

SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

**CONFIDENTIAL**

The Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

7 June 1989

Dear Norman,

**TOURISM REVIEW**

Thank you for letting me see the draft of the announcement you propose to make about this Review.

I am content. I do not propose to initiate any publicity myself but if asked will say I am confident that what you propose for the BTA will help improve the marketing of Britain abroad, and thus of Scotland. Otherwise I shall take the line which, like Peter Walker, I have of course already taken in Parliament, that the Review will not affect arrangements outside England.

I look forward to discussion in E(A) in due course but see no particular urgency in the matter.

I am sending copies of this letter to the Prime Minister, to members of E(A) and to Sir Robin Butler.

MALCOLM RIFKIND

**CONFIDENTIAL**

HPR157L5

*C. J. P.*



Y SWYDDFA GYMREIG  
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WHITEHALL LONDON SW1A 2ER  
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WELSH OFFICE  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-270 3000 (Switchboard)  
01-270 (Direct Line)

*Oddi wrth Ysgrifennydd Gwiadol Cymru*

*From The Secretary of State for Wales*

**The Rt Hon Peter Walker MBE MP**

CT/12232/89

7 June 1989

*BF*  
*[Handwritten signature]*

**TOURISM REVIEW**

Thank you for the copy of your minute of 1 June to the Prime Minister with the proposed draft announcement. I am content for this to issue as drafted. Perhaps you could let me have the precise timing in due course because I can expect some reaction from the industry in Wales.

I have also seen Malcolm Rifkind's letter of 31 May about the references to Section 4 in your E(A) paper. I appreciate this will be the subject of more detailed discussion in the forthcoming E(A) meeting, but I would endorse Malcolm's view that the references do not reflect my own perception of the future of Section 4 in Wales. Availability of this type of assistance provides fundamental underpinning for the Wales Tourist Board's five year Framework Development Strategy which I launched last year.

I am copying this letter to the Prime Minister, to Malcolm Rifkind and other members of E(A) and to Sir Robin Butler.

*[Large handwritten signature]*

The Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON SW1H 9NF

7 June 1989

TOURISM REVIEW

I have no problems with Mr Fowler's proposed statement.

The main issue is whether or not the abolition of Section 4 should be extended to Scotland and Wales.

Malcolm Rifkind and Peter Walker would resist this strongly. While I am sceptical of the case for treating Scotland and Wales differently, I don't think it is worth "dying in the ditches" at this stage to force them into line.

First, the presentational problems should not be overstated. Section 4 funding has already been suspended in England, but not in Scotland and Wales. And there hasn't been any noticeable fuss from the English tourist industry.

Second, extending abolition to Scotland and Wales wouldn't achieve any significant additional public expenditure savings. Moreover, abolishing Section 4 expenditure in England will have the knock-on effect on reducing overall public expenditure in Scotland. This is because of the way in which the formula used to work out the Scottish block vote operates.

One further point is worth flagging up. Norman Fowler's statement refers to the intention to direct substantially more funding from the English Tourist Board (ETB) to Regional Tourist Board (RTB). The report of the Tourism Review Team noted that RTBs "are dominated by their local authority members to the extent that the RTB may appear a little more than an extension of the local authority structure." (Indeed they found that some RTB Committees could have as many as 40-50 local authority representatives!)

This seems to sit oddly with the fact that local authorities provide only 15 per cent of overall RTB funding. It is hardly surprising that RTBs find it difficult to recruit new members from the private sector.

I think it is worth pressing Norman Fowler to look at ways in which the devolution of funding from the ETB to RTBs could be used not just as leverage to secure greater private sector funding, but also to achieve specifically a restructuring of the boards to better reflect the interests concerned - in practice this should mean a private sector majority.



ANDREW DUNLOP



CONFIDENTIAL



Secretary of State  
for Employment

PRIME MINISTER

TOURISM REVIEW

134  
CC/PT  
A  
E(A) (89) 17  
(attached)

Following the paper I circulated to E(A) on 19 May, you suggested that I should settle with colleagues the terms of my planned announcement on measures to restructure the British Tourist Authority and English Tourist Board and to end the Section 4 scheme in England. A draft announcement is attached.

The draft closely reflects my E(A) paper as far as the short-term measures are concerned. It does not refer to the position of the Section 4 schemes of assistance to tourism projects in Scotland and Wales. As I said in my paper, we shall be exposed to charges of inconsistency if the parallel schemes continue in Scotland and Wales, but I recognise that there may be presentational and other difficulties in making any changes there in the short-term.

Subject to any comments you or other colleagues may have by the end of next week, I propose to make my announcement by means of a written statement during the second half of June. This will allow time for me to give some advance notice of my plans to the two Boards concerned.

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Secretary of State  
for Employment

You also suggested a discussion of the longer-term position on tourism at the next meeting of E(A). I should welcome that. I think my own views on the longer-term are covered by the discussion in my paper of the recommendations of the review and the section dealing with wider implications. I do not propose to circulate a further note.

I am copying this to members of E(A) and to Sir Robin Butler.

  
N P  
1st June 1989

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CONFIDENTIAL

DRAFT ANSWER ON TOURISM REVIEW

1. I announced last July that I would be carrying out a review of those aspects of tourism policy for which I am responsible - the promotion of Britain overseas, and the promotion and development of tourism in England.
  
2. The background to this review was one of rising confidence and growing investment in the industry. Tourism is now worth some £19 Bn annually to the UK economy, and investment in England in major projects was, in the second half of 1988, valued at some £2.5 Bn. There is also a growing willingness by the industry to take part in joint activities to develop and market tourism, by such means as participation in Regional Tourist Boards and joint activities with the British Tourist Authority.
  
3. The purpose of the review was first to consider whether the present arrangements for sponsorship of the industry by my Department, through the British Tourist Authority and the English Tourist Board, remain effective and second to assess whether taxpayers' money is being spent cost-effectively. The consultants engaged for the review consulted widely with

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all sectors of the industry, Regional Tourist Boards, the ETB and BTA.

4. The review's main findings were that the present organisational structure, consisting of British Tourist Authority, the English Tourist Board and the Regional Tourist Boards in England needed to be simplified and streamlined, and made more accessible to the tourism industry and better able to respond to market opportunities. The industry should be more directly engaged in the work of the Boards and should contribute more funding where it is clearly in its interest to do so. The report concluded that Government financial support should continue, both within England and for marketing Britain overseas, but that this needed to be more sharply focussed.
  
5. I believe that changes along these lines can be substantially achieved within the framework of the 1969 Act. I will ask the British Tourist Authority to ensure that greater authority is devolved to its overseas regions. I shall expect the BTA to work even more closely with industry in overseas markets, and to move some of its operations into the private sector. The present head office structure should, as a consequence of these various changes, be slimmed down.

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6. Likewise, the English Tourist Board will be asked to devolve many of its activities and direct substantially more of its funding to the Regional Tourist Boards, targetting that support especially at regions where the potential for tourism has not yet been adequately exploited. This would enable the RTB's to increase their marketing activities and their direct involvement in encouraging the development of tourism locally. I would expect the Regional Boards to use such funds as a lever to achieve further private sector participation. Again, I shall ask the English Tourist Board to move into the private sector activities for which that is appropriate. As a consequence of these changes, I shall expect a substantial reduction in the scale of the ETB's organisation.
  
7. I shall work closely with the Chairman and members of the BTA and ETB Boards, and with RTB Chairmen, to draw up plans along these lines.
  
8. The review also suggested firmly that the scheme of financial assistance for tourism projects in England should end. I announced its suspension on January 30, pending the outcome of the review more generally. I have received a number of representations about the scheme, but I remain convinced that the future prosperity and growth of tourism no longer depends on contributions from the taxpayer in this

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form. No new offers of financial assistance will therefore be made under the scheme in England. Fees for applications held over since the suspension will be returned, and all offers of assistance already made will be honoured, subject to the conditions of offer being met.

9. This has been an important and thorough review. It has confirmed the importance of tourism. The Government remains committed to helping the industry to exploit its full potential for the creation of jobs and wealth. But, in reaffirming that support, it is clearly right to streamline the public sector bodies in ways that reflect the increasingly successful efforts of the industry.



SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

*cel/s*

**CONFIDENTIAL**

The Rt Hon Norman Fowler MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON  
SW1H 9NF

*mbm*

31 May 1989

*Phib  
2/6*

*Dear Norman*  
**E(A): TOURISM REVIEW**

Following the letter from the Prime Minister's office of 22 May you will no doubt shortly be letting colleagues see a copy of the announcement you propose to make about the way BTA and ETB operate, and about ending the Section 4 scheme in England.

Your E(A) paper did not, of course, entirely reflect our conversations about Section 4. In Scotland we have experienced none of the problems affecting England described in paragraph 6 of your paper. We have great difficulty in attracting good private sector tourism projects to Scotland and will need a Section 4 scheme for some time. I am particularly concerned not to undermine confidence in the scheme at a time when my Scottish Enterprise proposals are at such a critical stage. From my point of view therefore it will be important for your announcement to avoid creating any impression that change of the kind suggested in paragraph 14 of your E(A) paper is contemplated for Scotland.

I am sending copies of this letter to the Prime Minister, to Peter Walker and to other recipients of Paul Gray's letter.

**MALCOLM RIFKIND**

GOUT MACH: TOWNST TOWER. Man 83

60114  
675



CONFIDENTIAL



*Me Skew*

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

22 May 1989

ORIGINAL FILED ON: TRANSPORT; LET PTS

*Dear Roy,*

PLANNED MEETING OF E(A): THURSDAY 25 MAY

The Prime Minister has seen your Secretary of State's paper, E(A)(89)16 on Transport Planning in London and the paper by the Secretary of State for Employment E(A)(89)17 on the Tourism Review.

The Prime Minister doubts if it is necessary to hold a meeting of E(A) at this stage to discuss these papers. As regards Transport Planning in London she is content for the inter-departmental group to carry out the work proposed; she has stressed the importance of all concerned cooperating in ensuring that the possibilities are fully explored and that effective solutions are identified. She looks forward to seeing the promised report in September.

As regards the Secretary of State for Employment's paper on the Tourism Review, the Prime Minister suggests that he should settle with colleagues the terms of his planned announcement on short term measures, and that E(A) should discuss the longer term position on tourism, in all parts of Great Britain, at its next meeting.

I am copying this letter to the Private Secretaries of members of E(A) and Trevor Woolley (Cabinet Office).

*Yours,  
Paul*

(PAUL GRAY)

Roy Griffins, Esq.,  
Department of Transport.

CONFIDENTIAL

*Paul*



*CCBG*  
PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

21 January 1988

*nbpm.*

*Dear Jan,*

*Alison*  
*to pen*  
Thank you for your letter of 19 January enclosing a copy of the response to the Committee on Welsh Affairs Report on Tourism.

The Lord President has seen and is content with your proposals for announcing the response by written answer today.

I am copying this letter to Andy Bearpark (No 10), Alex Allen (Treasury), John Turner (Employment), David Crawley (Scotland) and Robin Masefield (Northern Ireland).

*Yours,*  
*Alison*

ALISON SMITH  
Private Secretary

Jon Shortridge Esq  
PS/Secretary of State  
Welsh Office

*copy letter y/hy  
cgs!*



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FROM THE PRIVATE SECRETARY  
TO THE SECRETARY OF STATE  
FOR WALES

*Prime Minister?*

19 January 1988

*Dear Alison*

*will request if reqd*

*mt*

... I am enclosing a copy of the response to the Committee on Welsh Affairs Report on Tourism in Wales which my Secretary of State proposes announcing in answer to a Parliamentary Question on 21 January. The draft has been agreed at official level.

/ Copies of this letter and enclosure go to Andy Bearpark (No 10), Alex Allan (Treasury), John Turner (Employment), David Crawley (Scotland) and Robin Masefield (Northern Ireland).

*Yours sincerely  
Jon Shortridge*

JON SHORTRIDGE

Alison Smith  
The Private Secretary to  
The Lord Privy Seal

EMBARGOED UNTIL 4PM THURS 21 JANUARY



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**THE GOVERNMENT'S RESPONSE  
TO THE COMMITTEE ON WELSH  
AFFAIRS REPORT ON  
TOURISM IN WALES**

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**(SESSION 1986-87)**

**January 1988**

**GOVERNMENT RESPONSE TO COMMITTEE ON WELSH AFFAIRS REPORT ON TOURISM IN WALES****INTRODUCTION**

The Government welcome the report of the Committee on Welsh Affairs into Tourism in Wales and acknowledge the lengthy and searching examination which underlies the report. They are pleased that the Committee shares their view of the importance of the tourism industry to Wales and on the need to maintain the Wales Tourist Board (WTB) as the principal agency for promoting the industry's growth and development in the Principality.

**GOVERNMENT FUNDING OF TOURISM**

Before responding to individual recommendations it seems to the Government to be important to comment in general terms on the question of resources.

Many of the Committee's recommendations would imply increased expenditure. The Committee fully recognises this and in some instances urges the provision of additional resources specifically for the purposes in question. In general, however, the Committee has not indicated what scale of increased expenditure it would favour nor offered a view on the associated benefits as it perceives them. In the Government's view such an assessment would have been helpful given the continuing need to judge competing claims upon limited public resources in relation to defined objectives and in terms of value for money.

As the Committee has noted, it is the responsibility of the Welsh Office to set out the general policy which the Board should pursue, the Board itself then being primarily responsible for establishing and pursuing an appropriate strategy that reflects that policy and which will best achieve its own defined objectives. The Government are, of course, wholly responsible for determining the total level of Exchequer resources made available to the Board. The allocation of those and other resources between different activities is a matter for mutual consideration by the Government and the Board in the context of the annual Public Expenditure Survey and the preparation of the Supply Estimates. Subject to that the Government take the view that it is for the Board to judge in detail how its resources can most effectively be deployed. This viewpoint is reflected in many of the comments made later in this response.

Reference is made in paragraph 10 of the Report to the resources made available to the Board in 1986/87. In 1987/88 the Government have made available to the WTB an additional £711,000, representing an increase of 9 per cent on the previous year's provision. Subject to Parliamentary approval of the Supply Estimates a further 9 per cent increase, £754,000, will be made available in 1988/89.

These increases have been concentrated on project assistance under Section 4 of the Development of Tourism Act 1969. This budget increased from £2.394 million in 1986/87 to £2.971 million in 1987/88, a rise of 24 per cent. This is in line with a continuing and significant trend with a further 12 per cent increase planned for next year. Since 1983/84 the net resources made available to the WTB will have increased by 90 per cent. Within this overall figure the Grant in Aid provision will have increased by over 50 per cent and the provision for Section 4 assistance will have increased from £1.004 million to £3.320 million, a rise of 230 per cent.

Resources for tourism are allocated by the Secretary of State for Wales in competition with other activities which must be funded in Wales. The allocation is on the basis of the perceived needs of the Welsh tourism industry and the contribution it can make to the achievement of the Government's economic objectives in Wales. Reflecting that, a level of assistance has been provided which in comparative terms is significantly greater than that made available to the English Tourist Board.

In evidence given to the Committee a Welsh Office Minister and Welsh Office officials noted that assistance to the tourism industry in Wales is provided from a variety of sources. Given the widespread nature of the tourism industry and the contribution which individual projects and activities can make to the achievement of objectives which go beyond tourism, this is wholly appropriate. Thus evidence made available to the Committee noted the important role of Cadw in developing tourist attractions appealing to domestic and overseas visitors, assistance provided under the Urban Programme and through Urban Development Grant, the land reclamation activities of the Welsh Development Agency which have assisted, for example, the Monmouth and Brecon Canal, Big Pit at Blaenavon and Snowdon summit, and expenditure by Mid Wales Development both directly and in grant aiding tourism-orientated projects such as Aberystwyth Harbour.

Expenditure of this kind which brings benefit to tourism continues. In 1987/88 £3 million has already been provided via Urban Development Grant, some

£510,000 under the Urban Programme and an estimated £5.5 million via the Welsh Development Agency (including Garden Festival expenditure) and £517,000 via Mid Wales Development. Cadw's total provision for 1987/88 is £9.2 million, a significant proportion of which is spent on promotion work which has a beneficial effect on tourism. The Government welcome the Committee's recognition in paragraph 41 that funding packages for large tourism projects have to be put together from several sources. In more general terms they think it is important for there to be a wide understanding of the contribution made to the development of tourism in Wales by the bodies and schemes mentioned. This contribution complements in a substantial way the central role of the Wales Tourist Board.

#### RECOMMENDATION 1

The WTB should include in its corporate policy objectives:-

"To conserve the unique way of life, culture and environment of Wales, which gives tourism in the Principality its distinctive character".

#### RESPONSE

In its written evidence to the Committee the Wales Tourist Board stated that its objectives "are to be considered against the need to sustain and promote Welsh culture, language and heritage and to protect and enhance the physical environment of Welsh communities, which are matters to which the Wales Tourist Board attaches great importance". This consideration, therefore, underlies all the Board's objectives.

#### RECOMMENDATION 2

The Welsh Office should establish a department whose sole responsibility is tourism. The Welsh Office should set the policy for the WTB, and produce a series of performance indicators by which it can monitor the effectiveness of the Board. Both the indicators and the assessment should be made public.

#### RESPONSE

With its wide range of responsibilities the Welsh Office is well placed to co-ordinate a range of programmes and activities. In relation to tourism this is

a major strength. The multi-dimensional nature of the industry means that policies relating to transport, urban regeneration, training and education and planning all impinge upon its development. The need for co-ordination of these and other activities is generally recognised. The publication 'Pleasure, Leisure and Jobs' in 1985 identified that need in relation to the responsibilities of the Whitehall Departments concerned. For the Welsh Office to create a department whose sole responsibility was tourism would be a retrograde step. In fact, sponsorship of the industry and oversight of the activities of the WTB form a significant and important area of work within the Department's Economic and Regional Policy Group and this arrangement provides a good balance between the need to give tourism a clear focus within the Office and the need for co-ordination.

In the evidence it gave to the Committee the Welsh Office highlighted its role as setting the policy for the WTB with the main responsibility for developing the strategy to achieve the objectives resting with the Board. In line with the Welsh Office's general policy for developing the Financial Management Initiative in its Non-Departmental Public Bodies the WTB has been asked to identify appropriate performance indicators and to set targets to be approved by the Welsh Office; performance against those targets will be monitored and reported. The WTB's Annual Report is seen as the appropriate vehicle for recording the key results of this exercise and will do so from 1988/89.

### RECOMMENDATION 3

The Welsh Office should co-ordinate the relationship between, and the objectives of, the various bodies involved in tourism. In conjunction with the WTB, the Welsh Office should issue policy guidelines on the marketing and development of tourism in Wales, which should be made public.

### RESPONSE

The Welsh Office establishes the framework for the activities of the WTB and of other non-departmental public bodies by means of its control of budgets and staff complements and by setting operational guidelines. Discussions are held on a continuing basis on the objectives of the Board and other bodies, and on their achievements. There are regular meetings between the Board's Chairman and the Welsh Office Minister with responsibility for tourism at which the overall objectives of the Board and any new initiatives are discussed.



Similarly there are discussions with the Chairmen and Chief Executives of the other bodies for which the Secretary of State is responsible. In addition to the normal dialogue between various parts of the Welsh Office and individual non-departmental public bodies there are also regular meetings bringing together a number of the Chief Executives at which the interfaces between their respective bodies are considered.

The Welsh Office, therefore, exercises a broad oversight of the way in which the various agencies perform their functions and steps are taken throughout the year to ensure that in respect of tourism or any other interests there is a co-ordinated approach.

The Government take the view that the sort of guidelines on marketing and tourism development that would be meaningful to the industry are best issued by the Board itself in consultation with the industry and interested parties. The Board's Marketing Plan has been produced in this way, and its Framework Development Strategy is in course of preparation.

#### RECOMMENDATION 4

At least one member of the WTB should have, or have had, local government experience, and the balance of membership should reflect the diverse nature of the industry.

#### RESPONSE

In making appointments to the Board the Secretary of State is always prepared to consider candidates with local government experience. However, members are selected for their personal qualities and not to represent particular interests. The small size of the Board is seen as one of its strengths and the present membership embraces a wide range of direct experience of activities relevant to the tourism industry in Wales.

#### RECOMMENDATION 5

When local authorities make nominations to regional councils, they should appoint officers in the interests of continuity and regular attendance.

## RESPONSE

Continuity in the work of Regional Tourism Councils is important and the Government would encourage all participants to strive to achieve that. Nevertheless, it is for local authorities to decide upon their own nominations and to make the necessary arrangements to achieve continuity and regular feedback of information.

## RECOMMENDATION 6

The WTB should set up geographic marketing areas in Wales, and the necessary funds should be made available to implement such a structure. The Board should be given the resources to strengthen local tourist associations as and when the need arises.

## RECOMMENDATION 7

The WTB should amalgamate the areas shown in Figure 2 of this report to produce no less than 5 geographic marketing areas supported by their own regional offices.

## RESPONSE

The designation of marketing areas is a matter of considerable complexity. In some cases it makes sense to sell on the basis of geographic areas, while in other cases a product-based approach is more relevant. In the latter case the whole of Wales might constitute the appropriate marketing area.

The 16 areas shown in the map at Figure 2 in the Committee's Report are not marketing areas as such. Rather, they represent convenient areas chosen by the Board for the purpose of indexing properties in the Board's main promotional literature. A reduction to 5 areas is not necessarily right. The better approach is to keep the question of marketing areas under constant review and to choose those areas which are the most appropriate given the nature of the product and the state of the market at the time. The overriding consideration at all times should be to use the marketing concept best suited to the prevailing customer perception and which will induce the customer to buy the product.

The Government take the view that it is for the Board to determine the optimum number of regional offices, bearing in mind these requirements and other demands on the budget.

#### RECOMMENDATION 8

Local authorities should make far greater efforts to co-ordinate tourism development.

#### RESPONSE

The Government agree that the effective development of tourism demands an adequate measure of co-ordination between local authorities, although they recognise also that the industry is more important in some localities than in others and that in consequence the necessity for and nature of co-ordination will vary. Experience suggests that there is, in fact, growing and effective co-operation between local authorities and this is something the Government are anxious to foster.

#### RECOMMENDATION 9

The Welsh Office should ensure that the enhanced population factor in the Rate Support Grant adequately reflects the impact of day visitors on tourist areas.

#### RESPONSE

The present arrangements for assessing Grant Related Expenditure (the need to spend on local authority services) have been established and developed with the co-operation and agreement of the Welsh Local Authority Associations. That is not to say that there is total satisfaction with the system but broadly speaking there is an understanding that the scope for further improvement is marginal. The present formula for enhanced population, having been agreed with the Associations, is not in doubt and does reflect the impact of tourism on councils. However, there is general acceptance that the data on which the formula relies is both out-of-date and inadequate. There is also agreement that in practice it is extremely difficult to collect accurate and up-to-date information on tourism. A Tourism Statistics Working Party has been set up with representation from the WTB, Welsh Office and the Local Authority Associations to consider ways and means of improving the data. In

the meantime the Welsh Office and the Associations have made a number of amendments to the present formulae using the existing data base and these will be implemented in the 1988/89 Rate Support Grant Settlement.

#### RECOMMENDATION 10

The WTB should co-ordinate local marketing efforts through our proposed system of geographical marketing areas.

#### RESPONSE

The WTB is already acting to co-ordinate local marketing efforts through its joint marketing schemes which, over the past 3 years, have brought into the market place groups of operators and local authorities who had not previously engaged in any effective tourism marketing. The Board acknowledges that marketing schemes must constantly be reassessed for their effectiveness and it will be looking at the possibility that more effective marketing can be undertaken by combining schemes into larger units. This evolutionary process must be undertaken in consultation with the industry. The need for cross-border co-operation with England is also borne in mind.

#### RECOMMENDATION 11

Local authorities should include in their marketing efforts information about places which lie outside their boundaries if this serves to enhance the attraction of the area to the tourists.

#### RESPONSE

The Government endorse this recommendation. The WTB encourages the practice wherever appropriate while recognising that decisions on their own marketing activities must rest with the local authorities concerned.

#### RECOMMENDATION 12

The Wales Tourist Board should continue to exist.

## RESPONSE

As the Committee acknowledges, the Government have already announced - on 27 February 1986 - that in the interests of the effective promotion of tourism within the United Kingdom, all the statutory Tourist Boards should remain in existence.

## RECOMMENDATION 13

The Welsh Office should examine ways to place greater emphasis on tourism in the school curriculum and improve careers advice on the industry. The WTB should undertake a study into the structure of tourism education in Wales at further and higher levels.

## RESPONSE

The Government's response to the Trade and Industry Committee in 1986 referred to the policies set out in the 1985 "Better Schools" White Paper (Cmnd 9469). Subsequently these have been restated and developed in the consultation document "The National Curriculum 5-16" (Department of Education and Science and Welsh Office July 1987). The main policy objective is to improve the performance of the education service in equipping all pupils with knowledge, skills and personal qualities which they will need in adult and working life.

The Government's view is that the school curriculum should be broad, balanced and relevant and differentiated to meet differing levels of ability. The Education Reform Bill now before Parliament includes provision for a national foundation curriculum which will meet these criteria. The Government would not wish to see children specialise too early - that would not be in the interests of the children or their future employers. There is, however, in the increased role of course work within the GCSE, for example, the opportunity and the need to develop links with the local economy. The Welsh Office would expect and encourage the development of projects relevant to the tourist industry. It would look also to the tourist industry itself to work with teachers in the provision of suitable materials and opportunities. The study of modern languages, economics, business studies and geography are examples where schools can make use of good material produced by the tourist industry. The Government are concerned to develop links between the schools and industry including the tourist industry in particular; a specific tourism

dimension is being introduced in some areas into the school curriculum for 14-18 year olds in a number of the projects under the Technical and Vocational Education Initiative.

The Government's response to the Trade and Industry Committee is relevant also with regard to the recommendation concerning careers advice. Much has been done and will continue to be done to improve the advice given by the Careers Service on opportunities available in tourism as reported in the Government's annual reviews on tourism "Action for Jobs in Tourism" (1986) and "Tourism '87".

The considerable progress in the provision of relevant further and higher education is another area highlighted in the Government's response to the Trade and Industry Committee. In Wales the WTB is represented on the Welsh Joint Education Committee Services Advisory Panel, which advises the Wales Advisory Body on all applications for higher education courses. The Board has also been involved in consideration of non-advanced further education for tourism in Gwynedd and it responds to and advises colleges contemplating provision. It has, for example, recently had considerable contact with the South Glamorgan Institute of Higher Education (on which the WTB's Chief Executive serves as a Governor), the West Glamorgan Institute of Higher Education and Carmarthenshire College of Technology and Art. In conjunction with the MSC in Wales and West Glamorgan Institute of Higher Education the WTB convened two "Careers in Leisure and Tourism" Seminars in June 1987. Two significant developments in respect of higher education for tourism have been a BA course in Tourism Studies at the South Glamorgan Institute which recruited students for the first time in September 1987, and the announcement of a Chair in Tourism Studies at the University College, Swansea.

The Government is inviting the University of Wales, the Wales Advisory Body and the Welsh Joint Education Committee, in consultation with the WTB, to consider the adequacy of existing provision for tourism education at further and higher levels.

#### RECOMMENDATION 14

Resources should be provided to the WTB to secure the all-year-round opening of the Regional Tourist Information Centres. The staff of these centres

should be encouraged to obtain certification in TIC management and practice, and the WTB should ensure that they are able to do so within the Principality. The WTB should accelerate the trend towards the development of TIC sites in conjunction with the private sector, as this enables the Board to release resources for other purposes.

#### RESPONSE

The Government's general view on resources has already been set out. They believe that it is for the WTB to decide what priority it gives Regional Tourist Information Centres in the deployment of its resources.

The WTB attaches considerable importance to staff of Tourist Information Centres being appropriately trained. In conjunction with City and Guilds, and Local Authorities, the Board are planning the first Welsh City and Guilds Certificate in Tourist Information Centre Competence. This will commence in March 1988.

The Board will continue to look for opportunities to develop Tourist Information Centre sites in conjunction with the private sector. This has been done successfully at the Pont Abraham Service Station and the Sarn Service Station on the M4 and another is programmed for the Ewloe Barn Wood Service Station under construction on the A55.

#### RECOMMENDATION 15

The WTB should be allowed to market independently overseas, as the Scottish Tourist Board is currently permitted to do. The Board should have its own representatives in key overseas markets, and the necessary resources should be made available to enable this.

#### RESPONSE

The Government think it is very important for the British Tourist Authority and the WTB to collaborate effectively in the promotion of Wales overseas to supplement the impact the WTB makes upon the domestic market. The largest proportion of visitors to Wales will come from other parts of the United Kingdom, and this is a tourist market of a very considerable dimension, which needs to be developed to a far greater extent. However the Government were

anxious as a result of the comments made by the Select Committee to see that the arrangements for the overseas promotion of Wales were effective in making an impact upon the potential overseas tourist. The Secretary of State for Wales therefore had discussions with the Chairman of the WTB and subsequently with the British Tourist Authority to see whether or not the arrangements were effective. The Government are delighted to say that as a result of these discussions and negotiations, in addition to the improved arrangements that were introduced in 1983, a number of major changes have now been made so as to make the overseas promotion of Wales far more effective in the future. The British Tourist Authority has now agreed to provide £70,000 for distinctively Welsh promotions. Among the initiatives this will finance are the start up costs of a Wales Reservation Centre in the United States of America. In addition for the year 1988/89 the British Tourist Authority has agreed to provide £94,000 of access to funds in relation to contributions from within Wales of £220,000.

The British Tourist Authority has also identified a number of areas abroad in which the Government believe tourism to Wales can be more strongly promoted and arrangements have been made between the two authorities to see that the staff capability in these locations will have a detailed specialist knowledge of Wales.

In the course of the discussions on overseas promotion the Chairman of the WTB identified certain activities which could be undertaken within the United Kingdom that would complement the British Tourist Authority's operations. Within the enhancement of the Board's resources envisaged in 1988/89 the Secretary of State for Wales is providing an additional £50,000 for such activities.

#### **RECOMMENDATION 16**

The WTB should be given the funds necessary to maintain its "main-line" advertising and to promote Wales in new or expanding market segments.

#### **RESPONSE**

As indicated earlier, it is for the WTB to determine priorities in detail within the substantial overall level of resources made available by the Government.



#### RECOMMENDATION 17

The WTB should more effectively monitor trends in tourism and leisure by increasing their sample size of their statistical sources, and commissioning a regular survey on day visitors. Resources should be made available to enable them to do this.

#### RESPONSE

A Tourism Statistics Advisory Group, with representatives from all interested Government Departments and Tourist Boards and from outside bodies, has been set up to consider the scope for further improvements to sources of information on tourism and leisure and to provide a forum for discussion of related estimates and forecasts produced by Government Departments, by the Tourist Boards and the British Tourist Authority and by outside experts. One of the outcomes of this Group is the commissioning of consultants to undertake a strategic review of tourism statistics.

#### RECOMMENDATION 18

Once the Crown system of hotels and other establishments has been evaluated the Government should introduce a statutory scheme.

#### RESPONSE

As indicated in evidence to the Committee and in the Government's response in 1986 to the report on Tourism in the UK of the Trade and Industry Committee, the Government believe that effective voluntary self-regulation is a far better means of raising and maintaining standards than widespread statutory control. Good progress has been made with the introduction of the new and strengthened voluntary Crown system which indicates facilities available. In December 1987 the WTB and English Tourist Board issued a consultation document to interested parties seeking views on proposals to enhance this scheme by incorporating, from 1990, an assessment of quality. The Government and the Tourist Boards will keep the effectiveness of the scheme under review.

#### RECOMMENDATION 19

The WTB should be given the means to establish a computerised reservation system on the understanding that once its viability is assured it will be offered for sale to the commercial sector.

#### RESPONSE

The Board already operates a "hotline" accommodation reservation system. The resources necessary to computerise that system, estimated by the Board at £100,000 for 1988/89 and £20,000 in 1989/90, are such that in the Government's view the Board could accommodate this expenditure within its own priorities if it wishes. The Government believe the service should be privatised as soon as practicable.

#### RECOMMENDATION 20

Local authorities should take the opportunity now given to deal more sympathetically with requests from tourist attractions for road signing, and in particular to be realistic in terms of visitor numbers.

#### RESPONSE

Welsh Office Circular 26/86 - Traffic Signs to Tourist Attractions in Wales - allows local authorities to set their own criteria for determining the eligibility of tourist attractions for signing on their own roads. They are, therefore, free to adopt whatever visitor number criterion they feel is appropriate to their area. Where tourist attractions have a direct access to a trunk road, or if there is no nearer numbered road, the Welsh Office will follow the same criteria as adopted by the local highway authority for that area.

The WTB has indicated that it is prepared to approve financial assistance of some £12,000 a year for each County as "pump-priming" assistance for them to introduce signposting schemes. In addition, in some circumstances the Board may be prepared to offer financial assistance to private operators towards the cost of new signs.

#### RECOMMENDATION 21

The Government should place greater emphasis on the potential for new air services from Manchester airport in its bilateral negotiations with other governments. Bilateral agreements between the UK and the main tourist markets for Wales should be reviewed with the purpose of allowing scheduled flights into Cardiff-Wales airport in place of the existing charters. "Open-jaw" policies should be encouraged, by which tourists may enter through one airport and leave by another, as a means of increasing the regional dispersion of visitors.

#### RESPONSE

The Government remain committed to encouraging the maximum use of regional airports and in particular to maintaining and further developing Manchester as a hub airport. Subject to normal traffic distribution rules and local operational considerations inbound charter flights are not restricted as regards choice of airport. Scheduled services are operated in accordance with bilateral Air Services Agreements, based on the concept of reciprocity. Where such agreements are completely liberal there are no limits on the number of destinations airlines from the other country may serve. In other cases it remains essential that access to all UK airports for foreign airlines should be seen in the context of the willingness in each case of the other country concerned to grant reasonable reciprocal access to UK airlines. The right for foreign airlines to serve Cardiff-Wales Airport and other UK regional airports cannot therefore be granted automatically, but the Government will do their utmost to ensure that no unnecessary obstacles are placed in the way of bids by foreign carriers to serve such airports, and thus develop services to and from them. The Government are pleased to note that 1987 saw a significant increase in the number of North Americans arriving at Cardiff Wales Airport from Canada, and that present indications are that this growth will continue. This year is likely to see the inauguration of scheduled services between Toronto and Cardiff Wales Airport. There are no regulatory constraints which oblige passengers to arrive and leave from the same UK Airport.

#### RECOMMENDATION 22

All relevant statutory agencies, as well as the trade and County and District Authorities, should give the WTB their fullest co-operation in producing a

Tourist Development Plan for Wales, which should be subject to the Welsh Office guidelines the Committee has proposed.

#### RESPONSE

The Government endorse the recommendation that other interested parties should co-operate fully with the WTB in this activity. The Board has issued 7 sectoral policy papers. The Regional Councils, the Board's Advisory Committees and the major statutory agencies have all been involved in commenting upon them and further meetings have been held throughout Wales involving local authorities and members of the trade to obtain their views. A Draft Framework Development Strategy has also been issued for comment.

#### RECOMMENDATION 23

The restriction of "additionality" should be removed from Section 4 of the Development of Tourism Act 1969, and the WTB should set up development teams in concert with other agencies, such as Mid Wales Development, the Welsh Development Agency, and local authorities to assist in realising the full tourist potential of the local authorities' areas.

#### RESPONSE

The additionality criterion is written into the Section 4 arrangements to ensure that assistance is given only to projects which would not otherwise proceed on the scale or within the time period envisaged. In other words its purpose is to ensure that something positive results from the provision of public money. It is for this reason that the additionality criterion is applied to many Government schemes of assistance.

The issue of establishing development teams in concert with other agencies and local authorities is one for the agencies and local authorities themselves to address. The Government would, however, encourage the relevant agencies and local authorities to liaise in this way where they have a strong mutual interest and there are realistic possibilities of beneficial results.

#### RECOMMENDATION 24

The Welsh Development Agency should invest more of its resources in tourism, particularly in North and South Wales to balance the activity of Mid Wales Development.

#### RESPONSE

The Welsh Development Agency recognises the important contribution that tourism can make to the development of the Welsh economy and will continue to place emphasis on complementing the work of the WTB through its marketing, venture capital and grant aiding activities. The Agency's budget for measures such as DRIVE (Development of Rural Initiative, Venture and Enterprise), rural building grants and subsidised loans, which often support tourism or tourism-related schemes, is about 70% higher in the current financial year than the out-turn for 1986/87.

The WTB acknowledges the valuable input of the Welsh Development Agency in respect of a number of tourism developments. The extent to which the Agency uses its resources on tourism-related activities must depend on a continuing assessment of the relative priorities of the various needs of Wales.

#### RECOMMENDATION 25

The momentum for clearing derelict sites in the Valleys and Wales as a whole should be maintained, so that the WDA achieves the target it has set for itself by the end of the century.

#### RESPONSE

Since 1979 the Government have committed, at today's prices, about £130 million to the land reclamation effort in Wales; and the package of schemes announced in July 1986 was the single biggest programme of its kind ever launched in the Principality. Over £10 million has been added to the Agency's planning totals for the period up to 1989/90 to enable it to contribute to the Garden Festival at Ebbw Vale and to bring forward a wide range of schemes aimed at enhancing the environment. The Valleys Initiative launched by the Government in 1986 is, amongst other things, intended to bring about a substantial improvement in the environment of certain valley communities.

Seven selected town centres are receiving support over a 3 year period commencing 1986-87. The resources in question - £10 million in the first 2 years - are additional to the very large public sector resources being spent in the Valleys on housing, derelict land clearance and urban improvement. The WDA is also stimulating further significant contributions from the private sector.

Proposals are being formulated for longer term redevelopment of the Valleys. These will build on the Valleys Initiative and will entail intensified and co-ordinated activity on the part of the principal public agencies as well as harnessing the commitment of local communities. The proposals will be announced shortly.

#### **RECOMMENDATION 26**

**The WTB should be permitted to invest in equities.**

#### **RESPONSE**

The WTB, like the other Tourist Boards, is permitted under the Development of Tourism Act 1969 to acquire an equity stake in companies. While it is true that the present Section 4 arrangements do not give the WTB delegated authority to undertake such investment it is open to the Board to approach the Welsh Office and the Treasury should it feel that a shareholding is an appropriate form of input in any particular case.

Equity investment is not, however, seen as having great significance in relation to Section 4 support. Most WTB assistance is given to small projects and the enhanced processing and monitoring arrangements inevitably involved in equity investments would not normally be justified. As the Welsh Development Agency pointed out in evidence to the Committee, one of the problems it has identified in considering equity in tourist-related projects is a paucity of viable projects. In the light of these considerations it is not felt appropriate to delegate to the WTB the responsibility for equity investment.

#### **RECOMMENDATION 27**

**The WTB should be allowed to re-finance tourist enterprises.**

## RESPONSE

The Government consider it axiomatic that Section 4 resources should be used only in support of new investment. This does not preclude support for existing businesses - indeed, the vast bulk of Section 4 funds is so deployed - nor is there any bar on support for projects which will safeguard rather than increase employment. The Government could not agree, however, to the use of Section 4 funds to re-finance existing enterprises without any element of new investment.

## RECOMMENDATION 28

The level of Section 4 funding should be substantially increased, especially if the WTB is to take a more positive role in project development.

## RESPONSE

The level of funding is reviewed annually taking account of competing demands for Government resources. The enhanced provision planned for 1988/89 represents an increase of 230% since 1983/84 in resources available for Section 4 assistance.

## RECOMMENDATION 29

Tourism should qualify for regional development grants to give an additional boost to the industry.

## RESPONSE

As the Committee will now be aware, the Government has announced the ending of the Regional Development Grant Scheme to new applicants with effect from the end of March 1988. The new Business Development Initiatives announced by the Secretary of State for Wales as part of the Enterprise Wales (Menter Cymru) package on 13 January 1988 cover the manufacturing and the services sectors including tourism. Assistance to tourism projects will continue to be available from the WTB under Section 4 of the Development of Tourism Act 1969.

## RECOMMENDATION 30

A more comprehensive method of providing assistance to tourism should be established, and the tourism elements of the various grants, loans and equity funds available should be the responsibility of the WTB.

## RESPONSE

The Government acknowledge that assistance to tourism projects can be provided from a variety of sources. This is wholly appropriate because such projects can make a contribution towards the achievement of a variety of objectives. Thus tourism projects can, to take one example, make a significant contribution to overcoming the problems of urban decay. In that case, however, it is essential that the project in question should be assessed primarily on the basis of its impact on the urban economy and environment. It would be inappropriate for such applications to be processed by a body not having overall responsibility for urban regeneration.

This is not to say that the WTB has no role in the appraisal of such projects. The Board is established as the principal body in Wales in the field of tourism and its views are sought and fully taken into account in the evaluation of all substantial projects eligible for assistance from other sources.

In practice, where a project has been considered for multifunding it has not proved difficult to put together a package which reflects and is commensurate with the benefits the project would bring. In general, as the then Parliamentary Under Secretary of State advised the Committee, where a major project is involved the Welsh Office would take the lead. That is not always the case and in one multi-funded scheme in Anglesey the WTB was asked to take the lead in co-ordinating its own input, that from the Welsh Development Agency and, since there was a manufacturing component making the project eligible for Regional Selective Assistance, that from the Welsh Office.



# PRESS NOTICE

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Prime Minister <sup>(2)</sup>

An indication that tourism  
in this country is booming,  
and visits from overseas  
for Aug - Oct back above  
1985 levels.

ME 14/1

5/88

January 13, 1988

### OVERSEAS TRAVEL AND TOURISM - OCTOBER 1987

In October 1987, 1,430,000 overseas visitors came to the UK, 20 per cent more than in October 1986. About 370,000 came from North America, 790,000 from Western Europe and 270,000 from other areas, 54 per cent more, 7 per cent more and 29 per cent more respectively than in October 1986. UK residents made 2,420,000 visits abroad, 2 per cent less than in October 1986.

Overseas residents spent £600 million in the UK in October, 33 per cent more than in October 1986. Expenditure by UK residents travelling abroad was £745 million, 29 per cent more than a year earlier. The travel account of the balance of payments showed a deficit of £145 million for the month compared with a deficit of £127 million in the previous October.

### AUGUST-OCTOBER 1987

Provisional estimates for the three months August-October 1987, show that there were 5.3 million visits to the UK by overseas residents, increases of 15 per cent compared with the same period in 1986 and 11 per cent compared with the same period of 1985. There was a 31 per cent increase in the number of visits from North America compared with the same period for 1986, 10 per cent more visits by Western Europe residents and a 15 per cent increase in the number of visits from the rest of the world.

The number of visits abroad by UK residents was 9.7 million, 1 per cent more than in the same period of 1986. There were 74 per cent more visits to North America and 24 per cent more to the rest of the world. Visits to Western Europe were down by 4 per cent.

prepared by the Government Statistical Service



Overseas visitors spent £2,235 million here in the period August to October, 19 per cent more than a year earlier. There was a 4 per cent rise in expenditure per visit. UK residents going abroad spent £2,840 million, an increase of 17 per cent. Expenditure per visit was about 16 per cent higher than in August to October 1986.

There was a deficit on the balance of payments travel account of £605 million, compared with a deficit of £550 million in the period August to October 1986.

On a seasonally adjusted basis the number of overseas visits to the UK in the period was up by 8 per cent on the previous three months (May - July). On the equivalent basis, the number of UK residents going abroad was down by 8 per cent. There was a seasonally adjusted deficit on the travel account of £242 million compared with a deficit of £289 million in the previous three months.

#### FIRST TEN MONTHS OF 1987

In the first ten months of 1987 there were 13.9 million visits to the UK by overseas residents, 15 per cent more than in the corresponding period of 1986. The number of visits by North American residents rose by 28 per cent. The number of visits by residents of Western Europe was 14 per cent higher and numbers from the rest of the world were 5 per cent higher.

The number of visits abroad by UK residents rose by 8 per cent to 24.4 million. Visits to North America were 54 per cent up. Visits to Western Europe were 5 per cent up while visits to other areas rose by 15 per cent.

Overseas residents spent £5,501 million in the UK, a rise of 18 per cent, while UK residents spent £6,564 million abroad, an increase of 20 per cent. There was a deficit of £1,064 million on the travel account of the balance of payments compared with a deficit of £801 million in the corresponding period of 1986.

#### NOTES TO EDITORS

These figures are based on provisional results of the International Passenger Survey - a sample survey subject to sampling errors. Further information and a detailed analysis of the figures for 1986 may be obtained from Business Monitor MA6 "Overseas Travel and Tourism" which is available from HMSO. An article describing the pattern of overseas residents visits to the United Kingdom and visits abroad by UK residents in 1986 was published in the August 1987 "Employment Gazette" on 6 August. It also included other information on tourism including employment in tourism related sectors.

Non press enquiries: 01 213 7685  
From 18th January: 01 273 5507

TABLE 1 OVERSEAS VISITORS TO THE UNITED KINGDOM

	Thousands				
	Total all visits	Area of residence			other Areas
		North America	Western Europe		
1982	11,636	2,135	7,082	2,418	
1983	12,464	2,836	7,164	2,464	
1984	13,644	3,330	7,551	2,763	
1985	14,449	3,797	7,870	2,782	
1986 P	13,844	2,843	8,302	2,699	
% change 1986/1985	-4	-25	+5	-3	
	NSA	SA	Not seasonally adjusted -		
1986 P					
1st qtr	2,560	3,761	525	1,536	499
2nd qtr	3,312	3,058	672	2,017	623
3rd qtr	5,054	3,335	1,071	2,933	1,050
4th qtr	2,917	3,690	575	1,815	526
1987 P					
1st qtr	2,620	3,887	502	1,632	486
2nd qtr (R)	4,101	3,855	938	2,528	635
3rd qtr (e)	5,760	3,885	1390	3,250	1120
1986 P					
January	920	1,263	179	523	218
February	726	1,300	133	459	134
March	914	1,198	214	553	147
April	1,025	985	185	689	151
May	1,123	1,093	224	677	222
June	1,164	980	263	651	250
July	1,677	1,079	319	1,023	335
August	2,043	1,162	431	1,229	383
September	1,334	1,094	321	681	332
October	1,188	1,219	241	738	209
November	905	1,217	163	573	169
December	823	1,255	171	504	148
1987 P					
January	1,031	1,440	174	640	216
February	672	1,226	127	410	135
March	917	1,221	200	582	135
April (R)	1,337	1,310	191	978	168
May (R)	1,321	1,311	343	771	207
June (R)	1,443	1,234	404	779	260
July (e)	1,930	1,266	460	1,140	330
August (e)	2,250	1,301	520	1,320	410
September (e)	1,580	1,318	410	790	380
October (e)	1,430	1,494	370	790	270
% Change Aug 87 - Oct 87					
Aug 86 - Oct 86	+15		+31	+ 10	+15

(e) Estimate given to nearest 10,000 NA not available  
 SA Seasonally adjusted NSA not seasonally adjusted  
 R Revised P Provisional

Constituent items may not add exactly to totals because of rounding

TABLE 2 VISITS ABROAD BY UNITED KINGDOM RESIDENTS

	Thousands				
	Total all visits	Area of residence			
		North America	Western Europe	other Areas	
1982	20,611	1,299	17,625	1,687	
1983	20,994	1,023	18,229	1,743	
1984	22,072	919	19,371	1,781	
1985	21,610	914	18,944	1,752	
1986 P	25,181	1,167	22,110	1,905	
% change 1986/1985	+17	+28	+17	+9	
	NSA	SA	Not seasonally adjusted -		
1986 P					
1st qtr	3,734	6,172	159	3,020	556
2nd qtr	6,410	6,015	269	5,701	440
3rd qtr	10,026	6,480	437	9,147	442
4th qtr	5,011	6,514	301	4,242	467
1987 P					
1st qtr	4,237	7,058	254	3,400	584
2nd qtr (R)	7,447	7,009	347	6,568	532
3rd qtr (e)	10,310	6,637	680	9,100	530
1986 P					
January	1,137	1,976	69	866	202
February	1,012	2,030	48	809	155
March	1,586	2,166	42	1,345	199
April	1,623	1,736	85	1,339	199
May	2,139	2,222	71	1,948	120
June	2,647	2,057	113	2,414	120
July	2,896	2,192	114	2,680	102
August	3,777	2,156	194	3,407	176
September	3,353	2,132	129	3,060	164
October	2,475	2,191	137	2,187	151
November	1,475	2,281	104	1,169	201
December	1,062	2,042	60	886	116
1987 P					
January	1,305	2,254	120	975	209
February	1,291	2,582	53	1,086	152
March	1,642	2,222	81	1,339	222
April (R)	2,110	2,249	104	1,759	247
May (R)	2,436	2,517	130	2,164	142
June (R)	2,902	2,243	114	2,646	142
July (e)	3,030	2,282	140	2,790	100
August (e)	3,920	2,234	300	3,390	230
September (e)	3,360	2,121	240	2,920	200
October (e)	2,420	2,127	260	1,980	180
% Change Aug 87 - Oct 87					
Aug 86 - Oct 86	+1		+74	-4	+24

(e) Estimate given to nearest 10,000 SA Seasonally adjusted  
NSA not seasonally adjusted R Revised P Provisional

Constituent items may not add exactly to totals because of rounding

TABLE 3 OVERSEAS EARNINGS AND EXPENDITURE - AT CURRENT PRICES

	Thousand:					
	Overseas visitors to the UK		UK residents going abroad		Balance (£ million)	
	Earnings (£ million) current prices		Expenditure (£mill) current prices		Current prices	
1982	3,188		3,640		-452	
1983	4,003		4,090		- 87	
1984	4,614		4,663		- 49	
1985	5,442		4,871		+571	
1986 P	5,435		6,070		-635	
% change 1986/1985	-		+25			
	NSA	Seas adj	NSA	Seas adj	NSA	Seas adj
1986 P						
1st qtr	912	1,334	896	1,372	+ 16	- 38
2nd qtr	1,250	1,295	1,456	1,513	-206	-218
3rd qtr	2,055	1,368	2,539	1,632	-484	-264
4th qtr	1,218	1,438	1,179	1,553	+ 39	-115
1987 P						
1st qtr R	1,013	1,473	1,081	1,647	- 68	-174
2nd qtr R	1,503	1,549	1,818	1,861	-315	-312
3rd qtr (e)R	2,385	1,590	2,920	1,844	-535	-254
1986 P						
January	332	441	259	412	+ 73	+ 29
February	264	451	237	435	+ 27	+ 16
March	316	442	399	525	- 83	- 83
April	364	427	367	463	- 3	- 36
May	424	440	497	560	- 73	-120
June	463	428	593	490	-130	- 62
July	633	440	695	526	- 62	- 86
August	778	456	968	569	-190	-113
September	644	472	877	537	-233	- 65
October	451	419	578	504	-127	- 85
November	418	522	371	583	+ 47	- 61
December	350	497	230	466	+120	+ 31
1987 P						
January R	411	549	356	554	+ 55	- 5
February R	265	453	316	569	- 51	-116
March R	336	471	408	524	- 72	- 53
April R	416	490	485	602	- 69	-112
May R	478	497	611	673	-133	-176
June R	608	562	721	586	-113	- 24
July (e)	750	523	825	612	- 75	- 89
August (e)R	930	547	1,105	638	-175	- 91
September (e)R	705	520	990	594	-285	- 74
October (e)	600	558	745	635	-145	- 77
% Change July 87-Sept 87						
July 86-Sept 86	+19		+17			

(e) Estimate given to nearest £5 million

NSA Not seasonally adjusted

R Revised P Provisional

Constituent items may not add exactly to totals because of rounding

# PRESS NOTICE

## Department of Employment

Caxton House, Tothill Street, London SW1H 9NF

Telephones: Direct lines — Press Office 01-213 7439 (24 hour answering service)

Public Enquiries 01-213 5551 Exchange — 01-213 3000

Telex 915564 DEPEMP Press Office Facsimile — 01-213 3892

CF file pl.  
Prime Minister (2)

MEY 4/12

322/86

Wednesday December 3, 1986

### OVERSEAS TRAVEL AND TOURISM - SEPTEMBER 1986

In September 1986, 1,370,000 overseas visitors came to the UK, 6 per cent less than in September 1985. About 340,000 came from North America, 700,000 from Western Europe and 330,000 from other areas, some 19 per cent less, 3 per cent more and 7 per cent less respectively than in September 1985. UK residents made 3,170,000 visits abroad, 11 per cent more than in September 1985.

Overseas residents spent £625 million in the UK in September 1986, 4 per cent more than in September 1985. Expenditure by UK residents travelling abroad was £850 million, 27 per cent more than a year earlier. The travel account of the balance of payments showed a deficit of £225 million for the month, compared with a deficit of £69 million in the previous September.

### THIRD QUARTER 1986

Provisional estimates for the third quarter show that there were 5.1 million visits to the UK by overseas residents, a decrease of 7 per cent compared with the corresponding period a year earlier. The number of visits from North America was 27 per cent lower. There were 3 per cent more visits by Western European residents. The number of visits from the rest of the world was 3 per cent lower than a year earlier.

The number of visits abroad by UK residents was 9.6 million, 15 per cent more than in the corresponding period a year earlier. 16 per cent more visits were made to Western Europe, 29 per cent more to North America, but 10 per cent less to the rest of the World.

prepared by the Government Statistical Service



Overseas visitors spent £1995 million here in the period, 3 per cent less than a year earlier. Expenditure per visit was 5 per cent higher. UK residents going abroad spent £2465 million (an increase of 31 per cent) reflecting a substantial (14 per cent) increase in expenditure per visit.

There was a deficit on the balance of payments travel account of £470 million, compared with a surplus of £187 million in the corresponding period a year earlier.

On a seasonally adjusted basis the number of overseas visits to the UK in the quarter was 8 per cent higher than in the previous quarter. On the same basis, and over the same period, the number of UK residents going abroad rose very slightly. There was a seasonally adjusted deficit on the travel account of £176 million compared with a deficit of £207 million in the previous quarter.

#### JANUARY-SEPTEMBER 1986

In the first nine months of 1986, there were 10.9 million visits to the UK by overseas residents, 7 per cent less than in the corresponding period of 1985. The number of visits by North American residents fell by 27 per cent. The number of visits by residents of Western Europe was 1 per cent higher, while numbers from the rest of the world fell by 2 per cent.

There was a rise of 15 per cent to 19.7 million in the number of visits abroad by UK residents. Visits to North America were 23 per cent up. Visits to Western Europe were 15 per cent up and visits to other areas were 5 per cent up.



Overseas residents spent £4162 million in the UK, a fall of 3 per cent, while UK residents spent £4809 million abroad, an increase of 24 per cent. There was a deficit of £647 million on the travel account of the balance of payments compared with a surplus of £422 million in the corresponding period of 1985.

NOTE TO EDITORS

1 These figures are based on provisional results of the International Passenger Survey - a sample survey subject to sampling errors. Further information and a detailed analysis of the figures for 1985 may be obtained from Business Monitor MA6 "Overseas Travel and Tourism" which is now available from HMSO. An article describing the pattern of overseas residents visits to the United Kingdom and visits abroad by UK residents in 1985 was published in the July "Employment Gazette". It also included other information on tourism including employment in tourism related sectors.

2 The Business Monitor MQ6 "Overseas Travel and Tourism" for the first quarter of 1986 is now available from HMSO.

Non-press enquiries: 01-215 6142

TABLE 1 OVERSEAS VISITORS TO THE UNITED KINGDOM

	Thousands				
	Total all visits	Area of residence			Not seasonally adjusted -----
		North America	Western Europe	other Areas	
1982	11,636	2,135	7,082	2,418	
1983	12,464	2,836	7,164	2,464	
1984	13,644	3,330	7,551	2,763	
1985 P	14,483	3,797	7,904	2,782	
% change 1985/1984	+6	+14	+5	+1	
	NSA	SA			
1985 P					
1st qtr	2,351	3,549	489	1,379	483
2nd qtr	3,957	3,731	1,138	2,171	649
3rd qtr	5,419	3,615	1,545	2,798	1,076
4th qtr	2,755	3,587	625	1,557	574
1986 P					
1st qtr	2,560	3,892	525	1,536	499
2nd qtr	3,319	3,128	675	2,017	627
3rd qtr (e)	5,050	3,378	1,130	2,880	1,040
1985 P					
January	824	1,182	164	451	209
February	656	1,150	134	405	117
March	872	1,217	191	523	158
April	1,207	1,186	236	798	173
May	1,282	1,267	383	674	225
June	1,467	1,278	519	697	251
July	1,823	1,166	541	976	306
August	2,145	1,252	586	1,144	415
September	1,451	1,197	418	678	355
October	1,141	1,138	290	612	239
November	804	1,133	172	457	175
December	811	1,296	163	488	160
1986 P					
January	920	1,288	179	523	218
February	726	1,313	133	459	134
March	914	1,291	214	553	147
April	1,027	997	186	689	152
May	1,125	1,105	225	677	223
June	1,166	1,026	264	651	251
July (e)	1,670	1,069	340	1,000	330
August (e)	2,010	1,186	450	1,180	380
September (e)	1,370	1,123	340	700	330
X Change Jul-Sep 86/ Jul-Sep 85	- 7		- 27	+ 3	- 3

(e) Estimate given to nearest 10,000 NA not available

SA Seasonally adjusted NSA not seasonally adjusted

R Revised P Provisional

Constituent items may not add exactly to totals because of rounding

TABLE 2 VISITS ABROAD BY UNITED KINGDOM RESIDENTS

	Thousands				
	Total all visits	Area Visited			other Areas
		North America	Western Europe		
1982	20,611	1,299	17,625	1,687	
1983	20,994	1,023	18,229	1,743	
1984	22,072	919	19,371	1,781	
1985 P	21,771	914	19,105	1,752	
% change 1985/1984	-1	-1	-1	-2	
	NSA	SA	Not seasonally adjusted -----		
1985 P					
1st Qtr	3,324	5,450	158	2,707	459
2nd Qtr	5,612	5,128	200	4,993	420
3rd Qtr	8,314	5,129	350	7,486	477
4th Qtr	4,521	6,064	206	3,919	396
1986 P					
1st Qtr	3,734	6,353	159	3,020	556
2nd Qtr	6,396	5,979	262	5,700	435
3rd Qtr (e)	9,570	6,028	450	8,690	430
1985 P					
January	1,056	1,811	75	781	200
February	883	1,723	44	715	124
March	1,384	1,916	40	1,209	135
April	1,653	1,710	57	1,400	196
May	1,661	1,688	61	1,490	109
June	2,300	1,730	82	2,103	114
July	2,293	1,684	110	2,080	103
August	3,172	1,695	138	2,864	170
September	2,849	1,750	103	2,542	204
October	2,064	1,773	94	1,841	129
November	1,435	2,167	63	1,232	140
December	1,022	2,124	49	846	127
1986 P					
January	1,137	1,968	69	866	202
February	1,012	2,092	48	809	155
March	1,586	2,293	42	1,345	199
April	1,618	1,723	83	1,338	197
May	2,136	2,226	69	1,948	119
June	2,643	2,030	110	2,414	119
July (e)	2,790	2,095	120	2,570	100
August (e)	3,610	1,961	200	3,240	170
September (e)	3,170	1,972	130	2,880	160
% Change Jul-Sep 86/ Jul-Sep 85	+ 15		+ 29	+ 16	- 10

(e) Estimate given to nearest 10,000 NA not available

SA Seasonally adjusted NSA not seasonally adjusted

R Revised P Provisional

Constituent items may not add exactly to totals because of rounding

TABLE 3 OVERSEAS EARNINGS AND EXPENDITURE - AT CURRENT PRICES

	Overseas visitors to the UK		UK residents going abroad		Balance (£ million)	
	Earnings (£million) current prices		Expenditure (£mill) current prices		Current prices	
1982	3,188		3,640		-452	
1983	4,003		4,090		- 87	
1984	4,614		4,663		- 49	
1985 P	5,451		4,877		+574	
% change 1985/1984	+18		+5			
	NSA	Seas adj	NSA	Seas adj	NSA	Seas adj
1985 P						
1st qtr	903	1,347	846	1,266	+57	+81
2nd qtr	1,331	1,375	1,153	1,140	+178	+235
3rd qtr	2,066	1,411	1,879	1,162	+187	+249
4th qtr	1,150	1,317	998	1,309	+152	+8
1986 P						
1st qtr	912	1,353	896	1,403	+16	-50
2nd qtr	1,255	1,276	1,448	1,483	-193	-207
3rd qtr (e)	1,995	1,370	2,465	1,546	-470	-176
1985 P						
January	322	423	277	423	+45	-
February	247	429	244	425	+3	+4
March	334	495	325	418	+9	+77
April	376	429	324	382	+52	+47
May	459	491	350	382	+109	+109
June	496	455	480	376	+16	+79
July	641	443	530	391	+111	+52
August	823	521	677	378	+146	+143
September	602	447	671	393	-69	+54
October	466	426	476	393	-10	+33
November	364	459	281	425	+83	+34
December	320	432	241	491	+79	-59
1986 P						
January	332	442	259	409	+73	+33
February	264	458	237	442	+27	+16
March	316	453	399	552	-83	-99
April	365	404	365	443	-	- 39
May	425	447	494	565	-69	-118
June	464	425	589	474	-125	-49
July (e)	615	437	675	506	-60	-69
August (e)	755	467	940	524	-185	-57
September (e)	625	466	850	516	-225	-50
% Change Jul-Sep 86/ Jul-Sep 85	- 3		+ 31			

(e) Estimate given to nearest £5 million

NSA Not seasonally adjusted

R Revised P Provisional



COMMITTEE OFFICE  
HOUSE OF COMMONS  
LONDON SW1A 0AA  
01-219 5469 (Direct Line) /5776/5777/5779  
01-219 3000 (Switchboard)

TRADE AND INDUSTRY COMMITTEE

17 October 1985

INFORMATION FOR THE PRESS

Tourism in the UK

In connection with the above inquiry the Committee will take oral evidence in public on Wednesday 23 October at 10.30 am from The Lord Young of Graffham, Secretary of State for Employment and Mr David Trippier MP, Parliamentary Under-Secretary of State at the Department of Employment. The meeting will take place in Committee Room 16.

Mrs S A de Ste Croix  
C M H Wookey

Clerks to the Committee

CONFIDENTIAL



QUEEN ANNE'S GATE LONDON SW1H 9AT

15 August 1985

Dear David,

NB  
L.

LIQUOR LICENSING

Thank you for your letter of 30 July.

I fully recognise the importance to tourism of the removal of the current restrictions on permitted opening hours for licensed premises, and we shall not lose sight of that in our current review. It was helpful of you to suggest that we might see copies of the representations submitted to MISC 115. My officials have been in touch with yours to take up this offer, and this will ensure that we are aware of current thinking within industry. Tourist Boards, in particular, have campaigned consistently over the years for greater flexibility of licensing hours and I have no doubt that in the coming months the pressure for reform will mount. You will be well aware, of course, that any attempt to relax the present restrictions will meet with opposition from those concerned with the problems of alcohol misuse. That is why I am awaiting the report of the OPCS review before deciding what proposals to put to colleagues.

Copies of this letter go to the recipients of yours.

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L

The Rt Hon Lord Young of Graffham

CONFIDENTIAL

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QUEEN ANNE'S GATE LONDON SW1H 9AT

15 August 1985

Dear David,

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L.

LIQUOR LICENSING

Thank you for your letter of 30 July.

I fully recognise the importance to tourism of the removal of the current restrictions on permitted opening hours for licensed premises, and we shall not lose sight of that in our current review. It was helpful of you to suggest that we might see copies of the representations submitted to MISC 115. My officials have been in touch with yours to take up this offer, and this will ensure that we are aware of current thinking within industry. Tourist Boards, in particular, have campaigned consistently over the years for greater flexibility of licensing hours and I have no doubt that in the coming months the pressure for reform will mount. You will be well aware, of course, that any attempt to relax the present restrictions will meet with opposition from those concerned with the problems of alcohol misuse. That is why I am awaiting the report of the OPCS review before deciding what proposals to put to colleagues.

Copies of this letter go to the recipients of yours.

L. Carr  
L. Carr

The Rt Hon Lord Young of Graffham

CONFIDENTIAL

Sproat-Review: Govt. Machinery

~~March~~ '83  
May.







CCND

N/S/M

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

From the Minister without Portfolio  
The Rt Hon Lord Young of Graffham

The Rt. Hon. Norman Tebbit M.P.,  
Secretary of State,  
Department of Trade & Industry,  
1 Victoria Street,  
London, S.W.1.

31st July, 1985

Dear Secretary of State

TOURISM AND LEISURE

You said in your recent minute to the Prime Minister that you hoped your Department's lead responsibility for tourism would be reflected in the new arrangements for inter-Departmental co-ordination proposed by MISC 115.

As you know, the formula I agreed with Sir Robert Armstrong, which refers to the Departments concerned keeping 'under co-ordinated and regular review' Government policies which impinge on tourism and leisure, was included in paragraph 73 of the published report. I believe that the industry sets great store by this proposal. I recognise also that sponsorship responsibility for the tourism and leisure sector rests with your Department and there would seem to be clear benefits if the continuing co-ordination role was seen to be located in the same place. I should just like to make it clear, therefore, that I would be happy if you wished to chair the group which will discharge the remit set out in our report.

I am copying this letter to the Prime Minister, other members of E(A), to the Home Secretary, the Secretary of State for Education & Science, the Secretary of State for Health and Social Security and to Sir Robert Armstrong.

Yours sincerely  
Steve Ratcliffe

Approved by Lord Young  
and signed in his absence

fr

Cont. Mach : Spreat Review of Tourist Trade ●

CONFIDENTIAL



1 MSA  
2 NASH  
AS 30/7  
AS

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

*From the Minister without Portfolio*  
The Rt Hon Lord Young of Graffham

The Rt. Hon. Leon Brittan Q.C., M.P.,  
Secretary of State for the Home  
Department,  
Home Office,  
50 Queen Anne's Gate,  
London, S.W.1.

30th July, 1985

Dear Home Secretary

LIQUOR LICENSING

You will recall that my minute of 10th July to the Prime Minister reporting the outcome of the Group on Tourism and Leisure (MISC 115) dealt with this topic and that I undertook to write to you about it.

You will, of course, have many factors to weigh before deciding what proposals to put to colleagues concerning liberalisation of English and Welsh licensing laws. I hope that one of the benefits of MISC 115's work will be to establish the importance of the tourism and leisure industries for jobs and the economy and hence to ensure that adequate account is taken of the needs of those industries when decisions are made on key policy matters affecting their development.

MISC 115, while recognising that this issue would have to be referred to in guarded terms in its report, was most keen that its importance to the tourism industry was given full weight when the Government reached its decision on the extent of the reforms to be made in England and Wales. I undertook to ensure that that was the case. The Group based its view on the substantial number of representations received in favour of liberalisation not only from the industry itself (as could be expected) but from organisations, such as the Tourist Boards, with the general well-being of the industry in view. It also took account of the number of new jobs which might arise, to which I made a reference in my minute of 10th July.

..../Cont.

CONFIDENTIAL

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Those who submitted views to the Group in favour of liberalisation argued mainly for two things: a more flexible regime for pub opening hours, and for restaurants and cafes to be permitted to serve drinks with meals at any time. Generally the proposals for greater flexibility of opening were not specific. There is probably an assumption (which I know is not necessarily justified) that any reform in England and Wales will be along Scottish lines. My officials would, of course, be ready to pass to yours copies of the representations submitted to MISC 115 on this issue if that would be helpful.

I am copying this letter to the Prime Minister and to the members of H Committee.

Your sincerely  
Styke Ratchiffe

PP

Approved by Lord Young  
and signed in his absence

CONFIDENTIAL

GOVT MALTA  
Tourism 5/83



*Mr Brittan*



PRIVY COUNCIL OFFICE  
WHITEHALL LONDON SW1A 2AT

26 July 1985

Dear Secretary of State

I attach a background note on 'Tourism and Leisure'. I hope you and other colleagues on the Economic and Social Group will be able to give it a wide circulation among your group of MPs so that they can make good use of it in presenting the Government's policies.

*Yours Sincerely  
R Lawrence*

PP

WHITELAW  
Approved by Lord Whitelaw  
and signed in his absence

The Rt Hon Leon Brittan QC MP

Tourism and the economy

1. The tourism and leisure industry already makes a very substantial contribution to the economy. Its annual turnover of more than £10 billion is comparable with the motor industry, and tourism-related industries employ some 1.2 million people. That represents one in twenty of the UK workforce and is more in total than the number employed in either banking, finance and insurance or engineering. The British Tourist Authority has forecast continuing growth in jobs in tourism at up to 50,000 a year.

2. The Government's aim is to create the climate in which tourism can continue to flourish, by removing unnecessary obstacles and promoting positive attitudes. The report recently published by the Minister without Portfolio "Pleasure, Leisure and Jobs" sets out action to remove obstacles on a wide range of fronts, and should lead to a better deal for business and visitors alike. It is part of the Government's wider strategy of removing obstacles to enterprise - set out in the recent White Paper on deregulation, "Lifting the Burden".

Attitudes

3. Attitudes are one of the keys to the success of tourism and leisure. For too long service has been equated with servile, and jobs in areas like tourism regarded as second best to 'real' jobs in manufacturing. "Pleasure, Leisure and Jobs" sets out the important contribution which tourism makes to the economy, and calls for better careers advice to ensure that young people are aware of the opportunities it offers. The Government is arranging for a review of provision for tourism in further and higher education.

Action points

4. The report sets out new measures which the Government and tourist boards are taking in 18 different areas to aid both business and visitors. Most will take effect in the 1986 tourist season:

E.G.: - encouragement to local authorities to assist tourism and leisure positively in their areas;

- a new voluntary system of Tourist Board classification for accommodation in Scotland and Wales (with hopes of agreement on a similar system for England in the near future);

- a Government review of ways to deal with coach-parking problems, both for the 1986 season and in the longer term;
- the easing of restrictions on sign-posting to tourist attractions on motorways and trunk roads, and new signs to indicate services in by-passed towns;
- consideration of new arrangements for treating museums' and galleries' revenue, providing greater incentives to extend opening hours;
- a new British Travel Centre in London which the BTA and British Rail hope to open for the 1986 season.

#### Co-ordination

5. The report also underlines the Government's commitment to effective co-ordination of policies on tourism and leisure. All Departmental policies which impinge on tourism and leisure are to be kept under regular review, and new arrangements are being introduced in England for Regional Directors of Departments with an interest in tourism to contribute to planning at regional level.



CONFIDENTIAL



Prime Minister (2)  
To note with  
approval

AT  
19/7

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

From the Minister without Portfolio  
The Rt Hon Lord Young of Graffham

Andrew Turnbull, Esq.,  
10 Downing Street,  
London, S.W.1.

19th July, 1985

Dear Andrew,

**'PLEASURE, LEISURE AND JOBS: THE BUSINESS OF TOURISM'**

I am attaching a copy of the above report which, as you know, will be published at 11 a.m. on Monday, 22nd July. Lord Young has suggested that the Prime Minister might like to have it in her weekend box.

I am sending copies of this letter to the Private Secretaries to members of E(A), MISC 115, the Home Secretary, Secretary of State for Education & Science and Sir Robert Armstrong.

Your sincerely

Stephen Ratcliffe

Stephen Ratcliffe  
Private Secretary

CONFIDENTIAL



tourism & leisure  
file please.

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

From the Minister without Portfolio  
The Rt Hon Lord Young of Graffham

Edmund Hosker, Esq.,  
Private Secretary to the Minister  
of State for Industry,  
Department of Trade & Industry,  
1 Victoria Street,  
London, S.W.1.

17th July, 1985

Now answering  
on Monday.

Dear Ed,

We discussed last week the need to arrange Written Answers in both the Commons and the Lords on 19th July announcing Lord Young's intention to publish his report on tourism and leisure on Monday, 22nd July. I am arranging for a question to be put down in the Lords and you kindly agreed to deal with the Commons.

I attach a text for both the question and answer which Lord Young has approved and I should be grateful if you would now put this matter in hand.

I am copying this letter to Andrew Turnbull (No. 10), Alison Smith (Lord Privy Seal's office), Murdo Maclean (Chief Whip's office), Tony Dyer (Lords' Whip's office) and Bernard Ingham.

Yours sincerely

Steph Ratcliffe

Stephen Ratcliffe  
Private Secretary

DRAFT ARRANGED QUESTION ON MISC 115 REPORT

DRAFT QUESTION

To ask the Secretary of State for Trade & Industry when he expects that the Group set up under the Chairmanship of the Minister without Portfolio to review obstacles to the development of tourism and leisure will report; and if the report will be published.

DRAFT REPLY

The Group's report will be published on Monday and I am arranging for copies to be placed in the library. The report outlines the major and increasing contribution which tourism and leisure are making to the economy and describes action which the Government is taking to remove impediments to the industry's further growth.



RE: ~~SI~~  
~~PO~~  
PLA

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

From the Minister without Portfolio  
The Rt Hon Lord Young of Graffham

John Mogg, Esq.,  
Private Secretary to the  
Secretary of State,  
Department of Trade & Industry,  
1 Victoria Street,  
London, S.W.1.

17th July, 1985

Dear John

Lord Young has been invited to contribute an article on tourism to the News of the World for this Sunday's edition.

I attach a draft of this article and I would welcome any comments which your Department might have by close of play tomorrow, Thursday.

I am copying this letter and enclosure to Andrew Turnbull (No. 10).

Yours ever

Leigh

Leigh Lewis  
Private Secretary

"You can't get a cab anywhere. The hotels are full. They've got all the theatre tickets and there isn't a table left in a decent restaurant South of Watford."

After only a week of the American Bar Association Conference in London you can already hear the rising chorus from the moaners:

Well, those 20,000 lawyers-delegates and their husbands and wives - for all the minor irritations their presence in Britain might cause, are in the process of pouring an estimated £30 million into our economy, thus keeping thousands of British people in jobs.

So why the fuss?

Our problem is that, as a nation, we have sometimes been none too fond of either foreigners or service. The image of the British common man is that he finds the former deceptive and the latter demeaning.

Put the two together in the form of our tourist industry and the "Little Englanders" among us have had a field day.

We aim to change all that.

For the last four months I and my colleagues from the Ministries involved with our Tourism and Leisure industry have been talking about how to improve the industry, how to remove many of the restrictions that stand in the way of its development and, above all how to change how WE think of it.

For a start how many people realise that our Tourism and Leisure industry is not just about Americans visiting London or about trips to Stratford by those many people from all over the world who find so much to admire in our heritage. It is also about your holiday at the Coast, your weekend visiting friends and relations. Your day out with the children at a Stately Home or a Wildlife or Leisure park. Your special occasion dinner in a restaurant or the sales conference at a local hotel. Even your day's quiet fishing.

How many times have you taken out the family for the day only to find it spoilt by some petty inconveniences. Shops and Museums shut, poor facilities, and driving around for ages looking for the signpost to where you want to go.

All these things, for ALL tourists, we are determined to make better. After all we too have an interest in it - as owners of museums and galleries, buildings and monuments, supporters of the arts and sports and conservers of the countryside.

And how many people realise that more than 1.2 million people work in jobs relating to tourism and leisure - that is one in twenty of the working population? It is not just the "front-line" jobs like the waiters, or the hotel receptionists or the coach drivers but it also includes all the other thousands of back up - all those who supply goods and services to hotels and restaurants - and the countless more in vital seasonal work, from gardeners to deck-chair attendants.

Why do so many people regard these dedicated, hard workers as not having 'real' jobs? Why do they still sneer at service as though it were servile? When will they wake up to the fact that the more leisure we get the more services we need.

etter be a waiter in work, than a welder out of it.

For the fact is that tourism and leisure is one of the secret successes of British Industry. £10 billion a year is spent on it - £1,4 billion of that is vital foreign earnings - more than we make incidentally from our motor industry. And the experts believe it is adding 50,000 new jobs a year.

I want people to see that these are GOOD jobs, good for them and good for the country.

This week we will publish a report based on the work which my colleagues and I have been carrying out. Coupled with last week's White Paper "Lifting the Burden" I believe it will point the way forward for this rapidly expanding industry.

It is not for the Government in any sense to interfere in the business beyond making it easier for those in it. We have been doing just that with Tourism and Leisure.

The world is changing. Our country is changing. The Tourism and Leisure industry is coming of age and with it come jobs.

There'll always be an England - a Scotland, a Wales and a Northern Ireland. But we must make this nation one which we and our visitors can all enjoy.

CONFIDENTIAL

*MARK AF 17/5 C/PS*

DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EE



The Rt Hon Lord Young of Graffham  
Minister Without Portfolio  
Cabinet Office  
70 Whitehall  
LONDON  
SW1A 2AS

R/PSO/10081/85

16 July 1985

*Dear David*

TOURISM AND LEISURE: MISC 115

Your minute of 10 July to the Prime Minister sought comments on the text of the attached draft report. I have only two minor drafting comments.

First, we would like to see the first sentence of paragraph 46 amended to read - "...by the industry, the Government will review the economic assumptions used to rank projects within the road programme to ensure that..." Such a review has not previously been announced, as the current draft text implies.

Secondly, it needs to be made clear that the review of coach parking in London is specific to the use of publicly owned land for this purpose. We, therefore, recommend the insertion of the words "in this area" after "initiatives" in the penultimate line of paragraph 43.

I understand that these two amendments have already been given to the MISC 115 secretariat, who were disposed to accept them.

I would like to make one more substantive comment on the draft report. I am disappointed that it is not more definite on the need to provide additional Customs staff where the cost of providing them would be fully met by fees. I hope that following last Thursday's Cabinet discussion, Customs will soon make a firmer statement indicating a change of policy. If the Chief Secretary thought that such a statement could be included in this report, that would be even better.

I am copying this letter to the Prime Minister, other members of E(A), to the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for Health and Social Security and to Sir Robert Armstrong.

*Nicholas Ridley*

NICHOLAS RIDLEY  
CONFIDENTIAL



Sproat Review: ~~2~~ Gant Mach. May 83.



CONFIDENTIAL

NDPM

MT

117



FROM: CHIEF SECRETARY

DATE: 15 July 1985

PRIME MINISTER

TOURISM AND LEISURE: MISC 115

I have read the report on Tourism and Leisure prepared by the Group under David Young's chairmanship. In general the Group seem to me to have produced a useful set of proposals which, by removing unnecessary obstacles, should help the industry to prosper and to become increasingly self-reliant.

2 I note that in his minute to you David says that it should be possible to accommodate the proposed changes within existing public expenditure resources. I am glad to have that undertaking which is of course consistent with my understanding of the Group's terms of reference. Given the many claims on resources and the difficult public expenditure prospect which we discussed at Cabinet recently, I do not think we could contemplate an increase in aggregate Government spending arising from tourism and leisure related activities. Should the proposals in the report lead to pressures for new expenditure by Government it must be for spending Ministers to weigh the claims against those of expenditures already in their programmes.

3 I have a number of drafting suggestions which I set out in the ... attached Annex and which my office have already given to David Young's office.

4 I am copying this minute to members of E(A) to the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for Health and Social Security and to Sir Robert Armstrong.

for PETER REES  
[Approved by the Chief Secretary]

ANNEX

## DRAFTING CHANGES TO YOUR REPORT OF MISC 115

Paragraph 22 (g), first indent - replace "clarification" with "confirmation".

(The current draft does not reflect the main text which points out that in the government's view there is no reason for the industry to be unclear as to the position in these areas).

Re-draft paragraph 39 to read as follows:

"Last year the Government made major improvements in the tax treatment of the self-catering holiday industry. A provision was included in the 1984 Finance Act to enable qualifying holiday letting businesses to claim tax reliefs associated with trading status. Subsequently, there has been some concern among operators of holiday caravan parks that they might in future be assessed for tax under Schedule A (income from exploitation of land) rather than under Case 1 of Schedule D (trading income). However, it seems likely that this concern is largely misplaced. The Government anticipates that the great majority of operators of holiday caravan parks will be trading either in the letting of caravans or in the provision of associated services such as a shop and will continue to be assessed under Case 1 of Schedule D. Where only the letting of pitches is involved the income is assessable under Schedule A. Therefore for the vast majority of operators, the Government anticipate no problems since they will be assessable under Case 1 of Schedule D."

(Paragraph 39 as originally drafted did not give the Government full credit for what it has done in this field).

Paragraph 41, last sentence - delete "proposals for" and insert "the arrangements for".

(The Government is not looking at "proposals" for acceptance in lieu - which had been available years - but new arrangements.)



10 DOWNING STREET

*From the Private Secretary*

15 July 1985

*Dear Leigh,*

TOURISM AND LEISURE: MISC 115

The Prime Minister has seen the draft Report attached to Lord Young's minute of 10 July. Subject to any comments colleagues may make, she is content that it should be published, which she now understands is scheduled for 22 July.

I am copying this letter to the members of E(A), the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for Health and Social Security and to Sir Robert Armstrong.

*Yours sincerely*

*Andrew Turnbull*

ANDREW TURNBULL

Leigh Lewis, Esq.,  
Office of the Minister without Portfolio.

*SKW*



NBPA  
 RT  
 15/7

## DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE YORK ROAD LONDON SE1 7PH

TELEPHONE 01-934 9000

FROM THE SECRETARY OF STATE

The Lord Young of Graffam  
 Minister without Portfolio  
 Cabinet Office  
 70 Whitehall

15 July 1985

*Her Lord.*

## TOURISM AND LEISURE: MISC 115

Thank you for sending me a copy of your minute of 10 July to the Prime Minister and the attached report of your Group on Tourism and Leisure.

2. In the time available I have concentrated on the section dealing with Education, Training and Recruitment which comprises paragraphs 23 - 25 of the Report. I understand that officials here were able to contribute to the discussion of this topic and to the preparation of this section of the Report, with which I am generally content.

I suggest, however, that the final sentence of paragraph 23 needs to be reconsidered since at a time of continuing financial restraint on provision for further education, it invites the criticism that the Government is willing the end without making available the means. You may not wish to omit the sentence altogether; but I understand that officials here have suggested an alternative form of words which focuses on employers' willingness to open up the opportunities available for training.

3. Copies of this letter go to the Prime Minister and the other recipients of your minute.

*Lawson.*

*Keir.*

Sproat Review: Govt. Machinery.

May 83



Prime Minister ②

To see in particular Lord Young's covering minute  
and his summary of recommendations in para 22 of the Report.  
The document will be published in glossy form, with extensive  
use of graphics.

MR ~~TORN~~BULL

TT 12/7

12 July 1985

TOURISM AND LEISURE - MISC 115

This is a workmanlike effort with no obvious political  
pitfalls. Inter alia, the Report advocates encouraging more  
international flights to regional airports; allowing museums  
to retain entrance fee income to fund Bank-Holiday opening;  
allowing more signposting of tourist attractions; reviewing  
the London coach parking problem; and introducing  
(hopefully) a nationwide system of hotel classification.

The proposed standing Ministerial Committee should only  
meet once or twice a year and ought to involve the minimum  
of bureaucracy. Lord Young has now agreed a form of words  
with Robert Armstrong to describe this in the Report.

We recommend the Prime Minister endorses publication.

  
PETER WARRY



CONFIDENTIAL

Prime MinisterHT  
12/7

C. W. O.

PRIME MINISTER

TOURISM AND LEISURE : MISC 115

I refer to David Young's minute to you of 10 July.

*File with MEA*

2. Given the widespread demands for more effective machinery within Government for co-ordinating policies affecting tourism and leisure, I was unhappy about paragraph 73 of the report attached to his minute and I have been pleased to note the suggested re-wording agreed between David Young and Sir Robert Armstrong.

3. I am content with this re-wording but I believe we shall come under strong - possibly irresistible - pressures to be more explicit about the new interdepartmental co-ordination arrangements, the nature and detail of which, of course, have yet to be agreed.

4. When we come to settle the new arrangements I have made clear to David that I would hope that my Department's lead sponsorship responsibility for tourism would be reflected.

5. I have no other comment on the text of the report and I agree to its publication.





CONFIDENTIAL

6. I am sending copies of this minute to the members of E(A), to the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for Health and Social Security and to Sir Robert Armstrong.

NT

NT

July 1985

Department of Trade and Industry

CONFIDENTIAL



NSD/M  
AS  
11/7

CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

*From the Minister without Portfolio*  
The Rt Hon Lord Young of Graffham

Andrew Turnbull, Esq.,  
10 Downing Street,  
London, S.W.1.

11th July, 1985

*Dear Andrew*

**TOURISM AND LEISURE: MISC 115**

As anticipated in para 8 of Lord Young's minute of 10th July to the Prime Minister, he met with Sir Robert Armstrong this afternoon to discuss what might be said in the published report on tourism concerning a permanent group of Ministers to co-ordinate Government policies in this area.

As a result of the discussion, Lord Young and Sir Robert would be content for the attached amendments to be made to the report as circulated yesterday.

I am copying this letter to the Private Secretaries to the members of E(A), and to Hugh Taylor (Home Office), Rob Smith (Department of Education & Science), Steve Godber (Department of Health & Social Security) and Richard Hatfield (Sir Robert Armstrong's office)

*Yours ever*

Leigh Lewis  
Private Secretary

CONFIDENTIAL

SUGGESTED WORDING FOR PUBLISHED  
REPORT ON TOURISM AND LEISURE

**ACTION POINTS**

(r) Delete first action point.

Replace by - "Departments concerned to keep under co-ordinated and regular review Government policies which affect tourism and leisure industry."

**IN SECTION VII ON CO-ORDINATING GOVERNMENT INTERESTS**

Paragraph 73

Third sentence: delete "This lesson will not be lost."

Substitute - "Accordingly it has been decided to arrange for the Departments concerned with tourism and tourism-related responsibilities to keep under co-ordinated and regular review the range of Government policies which impinge on tourism and leisure and any obstacles to the industry's development which may stem from those policies."

Govt Mach; Sprout Review 5/83





*CO 110*  
*W/BPM*  
*AF*  
*12/17*

PRIME MINISTER

TOURISM AND LEISURE : MISC 115

This minute and the attached report mark the completion of work by the Group on Tourism and Leisure (MISC 115), which I chaired. The Group was established in April with the following terms of reference -

"To consider, on an inter-departmental basis, the extent to which obstacles, legislative or otherwise, exist to the development and growth of the tourism and leisure sectors of the United Kingdom economy; to identify and examine those which are amenable to Government action; and to make recommendations to the Ministerial Sub-Committee on Economic Affairs (E(A))."

2 It was composed of Ministers and officials from all the Departments with an interest in the topic (Treasury, Department of Trade and Industry, Office of Arts and Libraries, Home Office, Department of the Environment, Scottish Office, Welsh Office, Northern Ireland Office, Department of Employment, Department of Transport and Ministry of Agriculture, Fisheries and Food), together with representatives of the Policy Unit and the Enterprise Unit. We met six times, starting in early May.



3 As the Group's composition indicates, Government policies touch tourism and leisure at many points and Government has many interests in what is essentially a private enterprise sector. We felt our best course was therefore to complement the more general work on removing burdens on business (in MISC 114) by identifying and proposing changes to a range of policies which either have a bearing on the tourism and leisure industry itself or affect the individual visitor directly. We also felt we should give some thought to improving Government coordination in this area. Our aim was to produce a report which could be published and would contain specific proposals for change, to be implemented by the 1986 summer season wherever possible.

4 I attach a copy of the report the Group would like to publish later this month. It records all our main conclusions in the form of points for action, in paragraph 22 in Section III, preceded by background material on the economic importance of tourism and leisure (Section II) and followed (Sections IV-VII) by a more detailed presentation of our proposals in their policy context. The overall theme is the employment potential of the sector and the consequent importance of freeing it from unnecessary constraints on its development. The published version will be professionally designed and illustrated, in keeping with the subject matter.

5 I am very pleased to say that we reached full agreement on the measures presented in the report and that we were able to meet our aim of proposing only those changes which it should be possible to accommodate within existing public expenditure resources. There are therefore only two points for me to highlight here.



6 The first concerns liquor licensing. It would clearly not have been appropriate for us to make any substantive comment in our published report about possible liberalisation, given the Home Secretary's current consideration of Scottish experience, and our only reference (paragraph 55 in Section VI) is in guarded terms. However, we received clear views from the industry and the Tourist Boards that liberalisation of licensing hours on the Scottish model (and of certain conditions, if appropriate) would be of great benefit both to business and to consumers - particularly to foreign visitors who find our licensing hours an irritating anomaly. There are also indications that there would be a positive effect on employment as a result of liberalisation; one estimate suggests that jobs for at least an extra 25,000 people might be created, in a mixture of full- and part-time jobs. The Group felt all these aspects of liberalisation should be given full weight in the Home Secretary's current deliberations and in subsequent discussion of his proposals. I will be writing to Leon Brittan accordingly.

7 The other point concerns coordination within Government. We felt there were three ways in which this could be improved, to the benefit of our own decision-making and of our relationship with the tourism and leisure industry - through interdepartmental discussions on tourism policy; through an interdepartmental forum for resolving problems over policies which impinge on tourism and leisure; and through presenting a more coordinated front to industry and local authorities at the regional level. The first of these is really an internal arrangement for DTI and the territorial Departments, to meet once a year or so to discuss common problems and the views coming forward from the Tourist Boards; as such we have not referred to it in the



report to be published. The suggested arrangement for improved regional liaison (set out in paragraph 74, at the end of the report) is uncontentious; it should build usefully on experience with the City Action Teams.

8 The new machinery for coordinating policies affecting tourism and leisure more widely would be a more significant development. There was general agreement on the desirability of establishing a permanent group to cover the kind of ground we dealt with - successfully - in MISC 115. In part, the new machinery would be in response to criticisms from many quarters (to which the Select Committee on Trade and Industry may well add its voice) about apparent lack of coordination at present. In our report as currently drafted, however, we use a rather opaque formula (in paragraphs 22(r) and 73) to refer to coordination at the national level, because of the convention that Ministerial Committees within the Cabinet Committee structure are not normally mentioned directly in public documents. But in my view - and several colleagues in MISC 115 expressed a similar concern - this is an unsatisfactory outcome. It will leave us unable to still the criticisms effectively or to tell the positive story that the industry and the Tourist Boards want to hear. I am therefore exploring further with Norman Tebbit and Sir Robert Armstrong in the next day or two the possibility of using some different formula which would stay within the conventions but still allow us to take credit for any new machinery, whether within the Cabinet Committee structure or outside, should you agree to establish it.

9 If you and E(A) colleagues agree, I should very much like to publish the attached report on Friday 19 July. This would fit well with the publication of the White Paper on





Deregulation earlier the same week, since the tourism report is dealing in a sense with a special instance of removing obstacles to development. This timing would also enable us to make use of the interest in tourism and employment generated by the CBI's report which was published yesterday. My understanding is that the report on tourism by the Select Committee on Trade and Industry is now not likely to appear until the Autumn, so that there should be no clash with what I plan for our report on tourism and leisure.

10 In order to meet the timetable for printing, I should be very grateful for any comments on the attached text by Monday evening (15 July) at the latest and if at all possible by Friday evening (12 July). I am sorry to have to ask for a response within such a short timescale. However, I believe that unless we can publish on 19 July we risk losing the benefit for the Government of creating maximum impact before the recess.

11 I am sending copies of this minute to the members of E(A), to the Home Secretary, the Secretary of State for Education and Science, the Secretary of State for Health and Social Security and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'D.Y.' with a stylized flourish.

D.Y.

10 July 1985

P L E A S U R E ,

L E I S U R E

A N D J O B S

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The Business of Tourism

FOREWORD BY THE RT HON LORD YOUNG OF GRAFFHAM, MINISTER WITHOUT  
PORTFOLIO

As the UK prospers - and we are now in our fifth year of sustained economic growth - our growing wealth will generate increasing demands for services of all kinds and the jobs which go with them.

The tourism and leisure sector is uniquely placed to benefit from that process. As this report shows, its record of success over recent years has been outstanding both in its rate of growth and in the quality of the product that it offers. We aim to encourage that progress by ensuring that all unnecessary obstacles are removed.

But there is one obstacle that the Government alone cannot remove. It is attitude. For far too long we equated service with servile. We thought that a job in the service sector was somehow less valuable than a job in manufacturing. In so doing we did our young people a grave disservice - by steering them away from jobs that are no less useful and necessary in our society. Fortunately that attitude is now changing. But there is still some way to go. By showing the importance of the tourism and leisure industry to the life of our nation, I hope this report will change attitudes still further.

## I INTRODUCTION

Tourism and leisure are ways in which people spend their free time. The definition is a broad one, including holidays, day trips, sport, going to the cinema or live entertainment, eating out. But they also involve people at work. One person's leisure is another person's employment, providing services in hotels, restaurants, theme parks, sports complexes, theatres and so on. And the definition of tourism certainly includes business travel, by individuals, or in groups for conferences and exhibitions - using the same facilities, the same means of transport, but often spreading demand beyond traditional holiday seasons.

2 It may be asked why the Government should involve itself directly in this topic, which is primarily a matter for private enterprise. Indeed, the Government believes the best way it can help any sector of business flourish is not by intervening, but by providing a general economic framework which encourages growth and at the same time removing unnecessary restrictions or burdens.

3 Yet Government has many interests in tourism and leisure. It is itself in the business, through ownership of national museums and galleries, the preservation of ancient buildings and monuments, support for the arts, sport and recreation, the conservation of the countryside. It is involved in the way people get to and around this country - airports, seaports, railways, roads, waterways. Government Departments set many of the rules which regulate the industry, such as liquor licensing, shop hours, advertising restrictions, employment legislation. Government gives grant aid to the statutory Tourist Boards, which provide

marketing and advisory services to the industry, and through the Boards to a range of tourism development projects.

4 Finally, of course, the Government has a direct concern with the industry's great potential for growth, job creation and enterprise. As patterns in society and industry change, we need to encourage the new strong points of our economy, many of them in service sectors. Across the UK few industries offer as great a scope for new employment as tourism and leisure, much of it in self-employment or small firms, involving a far wider range of skills than most other growth sectors and a broad geographical spread.

5 That is above all why the Government has taken a fresh look at whether there are obstacles it can remove in order to enable this important sector of industry to develop further and faster. Two main areas of improvement have been studied - ways in which business can be made easier for the industry itself; and ways in which people can get more out of their time off (which in turn must benefit business too). The emphasis has been on action which will start to have an effect in the 1986 tourist season.

6 The Government considers that the practical measures set out in this report will help the industry and those who work in it far more than would any massive increase in public expenditure. Private enterprise is the backbone of the industry and it has never looked for Government handouts. Together with the improvements in the organisation of the Tourist Boards announced in November 1983 and the major package of deregulation reforms for industry as a whole which were announced recently in Cmdnd 9571, the action stemming from this report will help the UK tourism and leisure industry in its own commercial

efforts to establish a strong position to meet international competition in the years ahead and to provide many more secure jobs across the country.

## II BACKGROUND

7 Tourism and leisure are one of the UK's success stories - but one which is still not fully recognised. If it were, there would certainly have been a rash of articles seeking to analyse the economic secret and apply it to other sectors, especially those which, unlike tourism, are facing declining world market shares and a reducing employment base.

8 Part of the problem is one of definition. The enterprises which go to make up the tourism and leisure industry are diverse, often small and do not always fit into conventional statistics - for example, caravan sites, zoos, industrial museums, narrow boat operators, travel agencies and gliding schools all play their part alongside international hotel chains. There is also the difficulty of saying where tourism and leisure end and where the rest of everyday life begins. Some 35% of spending by overseas visitors to the UK goes on shopping, for instance, but it would clearly be wrong to claim the whole retail sector as part of tourism.

9 The best defined area of the industry is domestic and international tourism as monitored by the Department of Trade and Industry and the statutory Tourist Boards. The following figures and charts illustrate how business in this sector of the economy has developed over the past decade,

and indicate that growth in recent years has exceeded the general rate of growth of the UK economy.

Since 1974 the annual number of overseas visitors to the UK (on holiday, on business or visiting friends and relations) has grown from 8.5 million to 13.7 million - growth of 60%.

[Chart A]

Over the same period expenditure in the UK by overseas visitors rose steadily from £900 million to over £4 billion. In terms of constant (1980) prices, however, the pattern is different, with a peak level in 1977 (the year of the Queen's Jubilee) not regained since. Nevertheless, in real terms there has been a steady upward trend again in the past two years.

[Chart B]

The UK's share of international tourism has also increased over the last decade, from 6.5% in 1972 to 7.2% in 1983 - though here again the 1977 peak (9%) is noticeable.

[Chart C]

Domestic tourism (excluding day visits in this definition) has also grown significantly, from 114 million visits in 1974 to 140 million in 1984, though with some peaks and troughs. Again, recent growth has been particularly rapid.

[Chart D]

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Letters refer to charts currently appended to Report; they will appear in the final text as part of this Section.

Earnings from domestic tourism grew over the same period from £1.8 billion in 1974 to nearly £6 billion in 1984, though in constant (1980) prices the trend is largely flat.

[Chart E]

10 In practice, of course, day visits are a major component of domestic tourism and leisure activities. Figures for them are not collected on the same basis as the previous analyses, but surveys have shown the significance of this part of the market. In just three summer months in 1982, for example, visitors made almost 600 million day trips and spent about £1½ billion. Tourism activity - and the potential for day visits - is also well illustrated by the dramatic growth over the last 20 years or so in the opening of new tourist attractions in England, from about 800 in 1960 to over 2000 in 1983. Indeed, half the tourist attractions open to the public in 1983 had opened for the first time in the previous 15 years.

11 Even on a narrow definition (excluding day trips) this is therefore an industry whose annual turnover exceeds £10 billion, comparable with the motor industry, while foreign exchange earnings from tourism at £4.1 billion (excluding fares paid to UK carriers) exceed those of banking (£3 billion).

12 International competition is as real in tourism as in any manufacturing sector - and there are far fewer barriers to trade than in most industries. The Government believes that the challenge of competition will contribute increasingly to the strength of the UK tourism industry. It is against this wider background that another important trend of the past decade should be seen. As living



standards have risen, the British have established themselves as avid overseas travellers too - so much so that their spending overseas has exceeded spending by foreign visitors to the UK in the last four years.

[Chart F]

13 From the viewpoint of business, of course, more overseas travel from the UK has direct benefits too, in increased turnover for travel agents and UK carriers. And some trends - for instance reductions in real terms in both transatlantic and more recently European air fares - will favour both incoming and outgoing tourism. As a result of Government initiatives to liberate markets, on a number of European and transatlantic routes fares have fallen, passengers have increased and new services have been set up. Between London and Amsterdam, for example, over the last year the cheapest fares available have fallen by 44% and traffic has grown by 16%; 10 new services have been introduced between the UK and the Netherlands. The cheapest fares available between London and Frankfurt have fallen by 25% over the same period and 6 new services between the UK and West Germany have been set up. North Atlantic routes have become increasingly competitive with Economy fares to New York down by about a third in real terms since 1977.

14 The competitive spur which this open international market gives to quality, value for money and consistent standards in the UK tourism and leisure industry has effects that go wider than simply seeking to provide the customer with the extra incentive to come to the UK in the first place. High quality and standards will also persuade people to stay longer in this country, to opt for a long or short UK holiday instead of - or in addition to - going abroad, to

take the family out for a day or an evening rather than staying at home. Foreign travel by the British themselves has been an important factor in improving UK standards, by raising expectations and creating new demands.

15 Above all, an internationally competitive tourism and leisure industry will be best placed to offer new employment opportunities. Because of the problems of definition referred to earlier, it has never been easy to state exactly how many people are employed directly and indirectly in tourism and leisure in this country. As well as jobs in tourist industries, jobs in other industries such as retailing and transport depend partly on spending by tourists. A DTI study has suggested that in 1983 about one million jobs depended directly and indirectly on tourism. This is comparable with the numbers employed in the construction industry, and considerably greater than, for example, employment in the production of food, drink and tobacco. Other recent studies for the British Tourist Authority (BTA) and the Confederation of British Industries (CBI), using somewhat different methods of calculation and different definitions of tourism spending have produced figures of up to 1½ million jobs dependent on tourism. Over the last ten years total employment in a number of industries primarily dependent on tourism and leisure spending has risen by 20% from 1 million in 1974 to 1.2 million in 1984 as illustrated below.

[Chart G : sectors are restaurants, pubs, nightclubs, hotels and other tourist accommodation, as well as libraries, museums and sports facilities.]

The Central Statistical Office has been asked to consider what improvements might be made to sources of information on tourism and leisure.

16 For the future the signs are bright. On the international front, when only 8% of US citizens yet have passports, when new prosperity in the Middle East and Far East brings millions more people into the market for international tourism, when liberalisation of air travel is on the increase, there is clearly much to play for. All the UK's natural advantages of history, scenery, culture, tradition remain among the most attractive features for the international traveller - but quality and good value, in accommodation, travel, and service will come into play increasingly as the factors giving one country an edge over another in competing for business. And although many people in the UK will continue to take holidays abroad, the scope at the same time for growth in holidays, weekends and day visits in this country offers good (and increasingly discriminating) business to the UK industry. Indeed it is important to remember that when day visits and other domestic leisure activities are counted in, spending by UK residents continues to be the predominant source of income for the industry.

17 It is hardly surprising, therefore, that the BTA has foreseen the continuing growth of UK employment in tourism at the rate of some 50,000 jobs a year. The Government's concern is to make that target easier to achieve - and to exceed.

### III WHAT GOVERNMENT CAN DO

18 The success story of tourism and leisure is essentially a flowering of private enterprise. Government can help it but could not and should not seek either to direct it or to take a greater stake in it. But the scale of that help is already greater than many in the industry recognise. Even excluding transport and infrastructure spending, which is undertaken for a far broader objective, central Government's involvement in tourism and leisure accounts for a very significant annual expenditure. Expenditure on support for tourism and for tourism projects, on conserving the countryside and the natural environment, maintaining the heritage and encouraging sport totalled almost £300 million in 1984/85.

19 As in all areas of public expenditure, the Government is committed to ensuring that spending under these headings is effective and efficient and provides good value for money. For example, the 1982/83 tourism review has led to efficiency savings from the rationalisation of certain BTA and ETB activities and a merger of their common services. In general the Government will continue to give full weight to the growing economic importance of this industrial sector in its own spending plans, although as it prospers the industry should have less need of special schemes of assistance.

20 But the Government believes its first priority for action should be to deal with administrative or other obstacles which may have been placed in the way of the industry's development over the years. Many such obstacles have been identified in submissions by the industry to the Minister without Portfolio. Others have been taken into

account in parallel work arising from the 'Burdens on Business' scrutiny, to which the Government has now responded in Cmnd 9571.

21 The package of measures set out here contains some items mainly of interest to the industry, some which will affect the industry's current and future workforce and others which will mainly benefit the individual visitor. They vary greatly in individual significance; some, indeed, may appear in themselves to be minor. But they have all featured in industry representations and, as the 'Burdens on Business' scrutiny showed, for small firms in particular it is the cumulative effect of minor obstacles to development that can be as damaging as any major regulatory burden. The Government will always be ready to consider proposals made by the industry and others which might increase the national economic benefit of tourism and leisure and it looks forward to a continuing dialogue about the industry's development.

22 The main measures in this package are listed below. For the most part they apply to tourism and leisure in Great Britain, though in all appropriate cases their application in Northern Ireland (which has different administrative and legislative arrangements) will be given careful consideration. The background to them and the details of what is proposed are set out in the second half of this report - Section IV on education, training and recruitment; Section V on helping business; Section VI on helping the visitor; and Section VII on coordinating Government interests.

## ACTION POINTS

### a Education, Training, Recruitment

- Improved careers advice to ensure that young people are aware of opportunities in tourism and leisure.
  
- New English Tourist Board handbook of careers in tourism and leisure now available.
  
- National Advisory Board (NAB) to review provision for tourism in further and higher education.
  
- Current review of vocational qualifications will help secure greater consistency and more rational provision for industry.

### b Arrival of Visitors

- Government examining the deployment of customs and immigration manpower at ports and airports, including consideration of manpower adjustments where operators are prepared to meet costs of additional facilities.
  
- Government to consider recommendations of forthcoming BTA report on reception of overseas visitors by end January 1986.

### c Dispersal of Visitors

- Encouragement of wider dispersal of visitors out of London, assisted by Government policy of encouraging more international flights to regional airports and by other measures at n and o in this list.

d Hotels

- Government to consider implications of forthcoming report for Tourist Boards on hotel stock in and around central London, by end January 1986.

e Hotel Classification

- A new voluntary system of Tourist Board registration and classification for accommodation in Scotland and Wales, backed by inspection. Hopes of agreement on similar system in England in the near future.

f Planning and Local Authorities

- White Paper on Deregulation sets out Government policy for simplifying and improving planning system and calls for local authorities to take a more positive attitude towards the economic and employment benefits of development.
- All local authorities encouraged to assist tourism and leisure positively in their area and to take part in and support regional tourism bodies.
- Copies of this report going to all local authorities to drive home the Government's message on the importance of tourism.

g Finance and Tax Matters

- Clarification of tax position for self-catering and caravan sites, for use of BES in hotel developments and for repair and maintenance of historic houses.
- Grants available from Agriculture Departments to farmers who develop farm tourism in less favoured areas, from October 1985.

h Coaches in London

- Government to review scope for initiatives to deal with coach parking problems for 1986 season and to recommend longer term solutions.
- Study under way by London Regional Transport into possible need for additional terminal facilities for long distance coaches, reporting to Department of Transport by end of 1985.

i Road Improvements

- Review of economic criteria for evaluating and ranking road projects, to give appropriate weight to commercial significance of tourism and leisure use, to report by early 1986.

j Traffic Signs

- Major review of all directional signs to be completed by early 1987.
- New criteria for signposting of major tourist attractions from motorways and trunk roads.
- Availability of new sign for bypassed communities.
- Local signs for tourist attractions, as evaluated in Kent and Nottinghamshire, now available to local authorities in England and Wales for 1986 season.

k Advertising Signs

- Consultation later this year on plans for standard format of directional advertising signs for tourism and leisure, which would not require individual planning permission.



- l British Rail  
- A range of improvements in customer service and more measures to preserve BR's historic heritage.
- m Museum and Galleries  
- Consultation with the national museums and galleries on possible changes to treatment of revenue from 1986, giving greater incentives for such developments as more flexible opening hours to meet market demand.
- n Tourist Information  
- Encouragement of higher standards and longer opening hours in the existing Tourist Information Centre network.  
  
- New British Travel Centre in London, which the British Tourist Authority with British Rail and other partners hope to open for the 1986 summer season.
- o Computerised Reservations  
- A joint study by the Tourist Boards and the industry of the case for a UK national computerised reservation network (linking together existing and new reservation systems) and of the way it might be established. To report to DTI by December 1985.
- p Betting Shop Restrictions  
- New Order before end of 1985 to remove restrictions on providing television and light refreshments in betting shops.
- q Safety Regulations  
- Consultation with industry on revised draft cinema safety regulations by Autumn 1985.

r Government Coordination

- Lessons of this review, in identifying and dealing with possible obstacles to the growth of the tourism and leisure sector arising from Departmental policies, being applied in Government's future dealings with the industry.
  
- New arrangements in England for Regional Directors of Government Departments with an interest in tourism to contribute to planning and problem-solving at the local or regional level, in collaboration with the ETB and Regional Tourist Boards.

#### IV EDUCATION, TRAINING AND RECRUITMENT

23 As a service industry, tourism suffers from traditional attitudes which equate "service" with "servility". It must be for all concerned, not least those responsible for education and training, to break down such attitudes and to impress on young people that courtesy, professionalism and attention to the needs of others are positively valued in today's society. For recruitment and training are at the heart of improving standards in the industry and attracting more repeat business. Because the industry has enjoyed a poor public image, it has not succeeded in recruiting its fair share of talent. Greater public understanding of the role of tourism in generating income and jobs will help, but better careers advice is also needed. The Government welcomes the handbook recently issued by the English Tourist Board (ETB), describing opportunities in tourism and leisure, and is itself drawing attention, in conjunction with the careers service and the employment service, to the high placement rates achieved by those who attend college and HCITB courses or participate in Youth Training Scheme (YTS) schemes within the industry. Such advice needs to be accompanied by encouragement to the bodies concerned to increase the number of training places available.

24 But better management education and training is also essential. Training by employers is relatively undeveloped outside the largest firms. The main task of promoting its importance must rest with responsible bodies within the industry, reinforced by the Manpower Services Commission (MSC), but the major role in preparing people for jobs in the industry will continue to belong to the education service, where there is a wide range of provision in terms of both content and levels of achievement. The further

education examining/validating bodies have already started to examine the scope for improving qualifications in this field and the current review of vocational qualifications in England and Wales being undertaken by the MSC and the Department of Education and Science should lead in due course to greater consistency and rationalisation of provision. (In Scotland the relevant non-advanced qualifications have already been restructured in consultation with employers.)

25 Courses on tourism also need to be reviewed to see that their content is relevant and up to date: specific areas which appear to need greater priority include information technology and studies related to the management of tourism attractions. There may be scope for colleges to switch resources into tourism and related studies where there is evidence of local demand by the industry, both for initial and post-experience training. The Government is asking the National Advisory Body (NAB) to consider extending its planned review of provision in England in public sector higher education for the hotel and catering industry to embrace tourism more generally. Greater attention needs to be given to developing links between education and the industry at all levels, including secondments of college staff. Both the education service and the industry should continue to seek ways of helping people of all ages acquire fluency in one or more foreign languages.

## V HELPING BUSINESS

### Planning

26 An industry which is growing fast can run into difficulties with the planning system. In a small and crowded country there is bound to be tension on occasions between the commercial plans of developers and the need to protect the environment or individual privacy. Such problems can be particularly difficult to resolve in the tourism and leisure industry, where poorly planned development can damage or destroy the attraction of what visitors originally came to see.

27 In Cmnd 9571 the Government has set out its policy for simplifying and improving the planning system generally, giving better guidance to small firms and encouraging local authorities to take a more positive attitude towards the economic and employment benefits of development, including tourism and leisure developments. At the same time, the Government has reaffirmed its commitment to those policies that help protect and enhance the urban and rural environment and the heritage which attract tourists to this country.

### Local Authorities

28 Local authorities can play a very positive role in assisting tourism in their areas. Many authorities have an active policy of promoting tourism, recognise the local economic benefits from tourism development and are increasingly seeking ways to develop the tourism potential of their areas. They provide substantial financial support for Regional Tourist Boards, and have also been involved in setting up, operating and funding a majority of tourist information centres (see paragraph 65 below). In addition,

they are major providers of a wide range of leisure facilities such as sports centres, swimming baths, parks and open spaces all of which enhance the tourist attraction of their localities.

29 The Association of District Councils has recently published detailed advice on the contribution of tourism to local economic development, which draws attention to what has already been done, and can be done, by local authorities in this field.

30 The Government welcomes the major initiatives by such towns and cities as Portsmouth, Bradford, Chester, Bristol, Halifax, Glasgow and Swansea and many others to seek new opportunities for employment and business through tourism, and joint public and private sector campaigns (for instance, those initiated by Kent and Berkshire County Councils) to promote the development and marketing of an area's tourism potential. These initiatives make a powerful contrast with the small minority of local authorities which appear to feel a prejudice against tourism and leisure and whose decisions can both impose a real financial burden on the industry and deny worthwhile employment to local people.

31 The Department of the Environment's Circular 13/79 emphasises the importance of tourism and leisure to the UK economy, and encourages local authorities to use their powers, including planning powers, to facilitate development for tourism. The Government will continue to encourage local authorities to play an active part in the English Regional Tourist Boards, the Scottish Area Tourist Boards and the Welsh Regional Tourism Councils, in which they can work with industry to further their common interest in business and employment.

32 The Secretary of State for the Environment, the Secretary of State for Scotland and the Secretary of State for Wales are sending a copy of this report to all local authorities in order to reaffirm the Government's commitment to tourism and leisure and the major role of local authorities in furthering it .

### Hotels

33 In the course of this investigation some representations have drawn attention to the possibility of a serious shortage of hotel rooms, especially in and around London. Figures available from the Tourist Boards suggest that there is no general shortage of hotel capacity across the country, though in some areas the quality of accommodation gives rise for concern and there appears to be a general need for more "budget" (two or three star) accommodation. In central London, however, occupancy rates are certainly very high and appear to be under increasing pressure.

34 It must be mainly for the Tourist Boards and the industry to analyse and respond to this problem. The Government therefore welcomes the commissioning of a consultancy report by the BTA and ETB on the adequacy of hotel stock serving London and the possibilities for new developments. The study will now be able to take into account the changes in the planning system referred to earlier. The conclusions of the study will be considered by the Departments concerned when they are available later in the year in order to identify whether any action by Government may be necessary.

### Dispersal from London

32 More generally, growing pressure on accommodation and attractions in London and the time taken for new developments to come into operation emphasises the need to encourage a wider dispersal of tourists - and foreign tourists in particular - out of the capital, while recognising for many of them that it is the point of arrival and the main single attraction.

36 The Government's airports policy, set out in the recent White Paper (Cmd 9542), has ensured that there should be sufficient capacity at the London airports to handle the expected increase in overseas visitors. At the same time, by putting increased emphasis on regional airports in international negotiations on traffic rights, the Government will help to encourage a wider dispersal of tourists. Other measures to assist dispersal from London are considered later in this report (see paragraphs 66 and 69).

### Finance and Tax Matters

37 Most finance for development in the industry comes (as would be expected) from the private sector. However, there appears to be a broad measure of continuing support in the industry for the pump-priming role of assistance to tourism projects under Section 4 of the Development of Tourism Act 1969, through the national Tourist Boards. The Government is currently reviewing the operation of Section 4 expenditure to ensure its cost-effectiveness. It also remains possible for tourism and leisure projects in the assisted areas to qualify for assistance under Section 7 of the Industrial Development Act 1982.

38 On 8 July Agriculture Ministers laid before Parliament the draft Agriculture Improvement Regulations 1985 which



include new grants for farm tourism and crafts. The Regulations, which are due to come into force on 1 October, implement a discretionary provision of the EC farm structures regulation. They provide for grants of 25% in Less Favoured Areas for a range of investments including the adaptation of farm buildings for tourist, craft or light industrial use; provision of gas, water and electricity; installation of roads, hardstandings, paths and fences; and provision or improvement of camping and caravan facilities. These measures are expected to cost up to £2 million in a full year.

39 Last year the Government responded to the concern felt by the self-catering industry about the reassessment of some proprietors on a less advantageous tax basis. A provision was included in the 1984 Finance Act to enable qualifying holiday letting businesses to claim tax reliefs associated with trading status. Subsequently, there has been some concern among caravan site operators that those who let pitches but do not provide furnished accommodation will in future be assessed for the tax under Schedule A (income from the exploitation of land) rather than under Case 1 of Schedule D (trading income). This would involve the loss of a number of tax benefits. The Government anticipates that the great majority of operators of caravan sites will be assessed, for tax purposes, as trading, but Schedule A may be the appropriate basis for some.

40 Concern has been expressed by the hotel industry about changes in the Business Expansion Scheme (BES) which were introduced in the 1985 Budget in order to exclude property development companies. However, where a company proposes both to build and to operate a hotel there is in fact no change in the qualifying conditions for BES relief. The

Government feels, therefore, that any concern on this point is misplaced.

41 The owners of historic houses, through the Historic Houses Association (HHA), have argued recently for an extension of income tax relief to offset the cost of repairs and maintenance. The Government does not believe it would be appropriate to allow repair and maintenance to be tax deductible in general, but it is important for owners to note that if historic houses are operated as businesses these items could be considered as a normal running expense. In addition, the Government is reviewing proposals for accepting works of art in lieu of capital transfer tax.

#### Coaches in London

42 Tour operators, foreign visitors and residents are facing increasing inconvenience as a result of the rapid growth on the number of touring coaches arriving in London. This growth coincides with a substantial increase in the amount of commuter coach traffic and in the number of round London sight-seeing tours. The Government is well aware of the problem and the Department of Transport has undertaken a number of studies in a search for solutions, but it is clear that further alleviation of the difficulties is needed if bad feeling on the part of tourists and residents, and a loss of valuable business, are to be avoided.

43 The Government recognises the role of tourist coaches in London's economy and acknowledges the importance of the work being carried out by the responsible authorities to identify the scope for more on and off street parking facilities for coaches. For its part, the Government accepts that there is an urgent need to consider whether opportunities exist for making use of publicly owned land,

outside local authority control, for coach parking, whether short- or long-term, in connection with tourism and leisure. The Government therefore proposes urgently to review the scope for initiatives both in the short-term (that is, for the 1986 season) and in the longer-term.

44 The lack of adequate terminal facilities for long distance coaches is also a matter of concern. The Department of Transport has therefore asked London Regional Transport to carry out a study into the need for additional such facilities and to report by the end of this year.

#### Road Improvements

45 Road improvement schemes benefit all travellers and often a major project designed chiefly to help heavy industrial traffic (eg the completion of the M3 or the improvement of the A9 - a main route to the north of Scotland) is of equal benefit in speeding leisure traffic. In addition the Department of Transport has in its current programme a range of major improvements to roads with particularly heavy holiday use, notably the A303/A30 route to the West Country and the A11 and A47 in East Anglia; the Scottish Development Department has begun a major improvement of the A82 along Loch Lomond side; and in North Wales the A55 coast road is being improved. In England and Wales over half the 245 historic towns on trunk roads already have by-passes and many more are planned. However, the tourism industry still claims that it is less well placed to secure priority for road improvements than other industrial sectors, not least because those who benefit immediately and directly (ie the drivers and passengers) are private individuals rather than companies or employees. Yet the economic development of many areas of the country is as

dependent on ease of access by visitors as on heavier traffic.

46 In the light of the concerns expressed by the industry, a current review of the economic assumptions used to rank projects within the road programme will aim to ensure that the growing commercial importance of leisure traffic is given appropriate weight. The results of the review will be considered early in 1986.

#### Signposts and Advertising Signs

47 Although road traffic signs are mainly for the benefit of the individual motorist, they are a subject about which the tourism and leisure industry itself has always been most critical. The industry's concern is that visitors should be able to find their locality and subsequently their establishment easily and from far enough away to ensure a broad catchment. For the Government and the highway authorities, however, there are wider concerns encompassing road safety, traffic management and the quality of the environment. A country covered with signposts would lose much of its current appeal to visitors.

48 While recognising the need to maintain a balance of interests, the Government now consider that past policy guidance on traffic signs for tourist attractions may have been too restrictive and that further developments, beyond those agreed by the 1979 Joint Working Party, would be in order. In April a major new review of directional signs was announced, to be carried out by the Department of Transport together with the Scottish and Welsh Offices. Although the full review will not be completed until early 1987, the Government believes there is scope for the following improvements in the meantime. On trunk roads and, where

appropriate, on motorways, the Department of Transport and Welsh Office will consider proposals to sign at appropriate points - and at the cost of the owners - any tourist attractions which have more than, say, 150,000 visitors per year, mainly from outside the area, subject to securing the agreement of highway authorities to a similar procedure in respect of continuation signposting on local roads. More detailed criteria are being drawn up for consultation with the industry in the near future. In addition, new white on brown signs indicating services in bypassed towns are now available and can include a brief description of the tourist attractions (eg "Ancient Cathedral City"). An experiment in the use of new local signs to tourist attractions (also white on brown) is under way in Kent and Nottinghamshire, using the symbols illustrated in the inside cover to this report. Although the formal evaluation of these experiments will not be completed until the end of this year, the Department of Transport and Welsh Office would be happy to extend permission for the erection of further white on brown signs to any other county councils which wished to participate in the experiment. There should be no difficulty in giving full scale authorisation in time for councils to erect new signs in 1986.

49 In Scotland there has been close collaboration between the Scottish Tourist Board (STB) and the Scottish Development Department on a range of signing initiatives, stemming from a 1982 STB Working Party on signposting. In 1983 a new system of signposting for by-passed communities was introduced and other initiatives, including the signing of tourist attractions, are under way.

50 There is separate control of advertising signs, through the planning system. Here too there has been pressure from

the industry for a less restrictive approach by local authorities to reasonable applications for signs advertising accommodation and attractions. The Department of the Environment has already launched a wide-ranging review of advertisement regulations in England and Wales, with representatives of industry and other bodies, in which the interests of the tourism and leisure sector will be included. This is expected to report by November of this year. A similar revision of Scottish advertisement regulations, which have recently been updated, will be undertaken later.

51 In addition, the Government is considering the feasibility of proposing a set of standard directional advertisement signs which could be granted "deemed consent", meaning that they would not normally require individual planning permission. They would be sited near the highway but off highway land and would thus need the prior permission of the landowner. Such arrangements would need to take due account of the effect on traffic safety and the environment. Proposals will be brought forward for discussion with the industry and other interests later this year.

#### Other Areas of Regulation

52 Cmnd 9571, in addition to dealing with planning, sets out the Government's proposals for removing or reducing the regulations set by a range of Departments. Many of these are of direct interest to the tourism and leisure sector - for instance, building regulations, employment legislation, or the definition of self-employment by the Inland Revenue and DHSS.

53 Also included are fire regulations, which have always been particularly relevant to the tourism and leisure industry. Here the main development is the consultation to be undertaken by the Home Departments on a new approach to regulation, based on a general statutory duty. In the hotel sector in particular there is now general recognition that the investment in greater fire protection required over the last decade or so has been greatly to the benefit of both the industry and its customers. The Government would not wish to see any reduction in requirements in this area and indeed it is likely that there will be pressure for similar standards to be introduced in hotels elsewhere in the European Community.

54 However, in some other aspects of leisure activity, safety regulations may need to be updated. For example, at present cinema safety regulations require certain minimum numbers of staff to be present at performances. The regulations are designed to ensure the safety of the public who use cinemas and this factor must of course be given its full weight. The Government is, however, aware of the view of the cinema industry that the present regulation on staffing is unduly onerous and expensive, and will have this view very much in mind when it consults the industry and other interested bodies in the near future on a revised set of draft regulations.

## VI HELPING THE VISITOR

### Opening Hours

55 Restrictions on opening hours are an obvious source of irritation to visitors, who want to make their own decisions about their free time. Shopping is an important leisure activity; the Government intends to implement the recommendations of the Auld Report by introducing legislation in the next session of Parliament to liberalise shop hours in Great Britain, to the benefit of all shop users. Licensing hours of pubs can also cause confusion and resentment, especially among visitors from abroad, as can the restrictions on serving drinks with meals in restaurants. The Government is currently considering whether to propose changes in licensing hours in England in the light of experience since 1976 in Scotland. While other factors have to be weighed, the clear support for liberalisation from the tourism industry and the BTA and ETB will obviously be an important consideration in the decision to be reached. In Northern Ireland the Government is reviewing the Northern Ireland liquor licensing legislation and will take account of local circumstances as well as trends in Great Britain.

56 Criticism is also expressed of the fact that national museums and galleries are generally closed on Bank Holidays and Sunday mornings, when many people want to visit them. Opening times are matters for the trustee boards of the museums and galleries. They would however face a real cost in additional days of opening, which the extra takings from shops, refreshments etc would only partially cover even if the changes were confined to the main holiday season. Quite separately the Government has been considering whether these major tourist attractions, together with the Royal Palaces



to which similar considerations apply, should be able to retain more of their general income and be given greater incentives to earn more. Amongst other things, this would open the way to covering some of the cost of additional opening days. The Government is consulting the national museums and galleries on possible changes in the treatment of their revenue, with a view to introducing new arrangements with greater incentives in 1986.

#### Betting and Gambling

57 The Government does not believe a case has been made for any significant relaxation of the laws relating to betting and gambling. It accepts, however, that a number of regulations on this sector of the leisure industry represent an unjustifiable restriction on the right of individuals to enjoy their free time as they wish. The Government has issued a consultation paper proposing that television and light refreshments could be made available in betting shops to allow punters to bet in reasonable comfort. The intention is to make a new Order before the end of the year.

#### British Rail

58 Railways and tourists are important to each other. Tourists and day trippers make extensive use of trains; British Rail estimate that between 10 and 15 per cent of all overseas visitors, some 1.5 million people per annum, travel by rail at some time during their stay. That business provides a substantial boost to British Rail's income, but domestic leisure travel is even more important to them, accounting for some 40 per cent of total passenger receipts.

59 Foreign tourists who travel by train have their views of the country significantly influenced by the standards of service they receive. Better service for all travellers can

thus have a major benefit to the UK's international competitiveness as a tourist destination, as well as improving British Rail's commercial prospects. The following important improvements in service standards are in hand.

- an extensive programme of station refurbishment (including major improvements at Liverpool Street and Victoria);
- a drive to improve customer care and staff attitudes to travellers;
- better availability of information for passengers both on trains and at stations;
- computerised seat reservation systems;
- better facilities for disabled travellers;
- more frequent cleaning of both trains and stations;
- improved train services, including the Gatwick express, a variety of new rolling stock and a number of electrification projects, notably on the East Coast Main Line;
- devolved management for certain areas (eg Cornwall) leading to improved marketing and timetabling of services;
- greater involvement of the private sector in the supply of support services, notably catering.

- in addition, BR has taken the initiative in establishing a Railway Heritage Trust which is concerned with the preservation and best use of the system's immense historic heritage. Some of the properties will have tourist potential, and the Tourist Boards are among the many local and regional bodies with whom the Trust is forming close links. BR itself is seeking additional opportunities for community programme schemes for the cleaning and restoration of property.

#### Arrival of Visitors

60 By definition, the reception of overseas visitors at ports and airports can set the tone for each visitor. First impressions are especially important and unnecessary difficulties or delays can be particularly frustrating to business travellers and tourists alike. Yet customs and immigration officials have to deal with the realities of a world in which drugs and terrorism exist alongside innocent tourists. As so often, there is a balance to be struck - and for the United Kingdom the balance is more difficult than for most EC countries which have land frontiers.

61 Although improvements were achieved by deploying more staff in 1984, the Government has considered whether still more can be done to reduce delays at ports and airports, in addition to ensuring that existing customs and immigration staff are deployed flexibly so as to minimise delays at peak times. It is looking at ways of giving higher priority to manpower adjustments where the costs of providing extra facilities are fully met by commercial operators.

62 More generally, the Government welcomes the initiative of the BTA in establishing a working party to examine with

industry all problems arising with the reception of overseas visitors. The working party is expected to report in the autumn and its recommendations to Government will be considered sympathetically.

#### Hotel Classification

63 Like much of the industry, the Government believes it would be wrong to introduce a statutory system of hotel classification in Great Britain. However, it has encouraged the Tourist Boards to work with the industry and interested bodies to examine ways to strengthen the Boards' existing voluntary schemes.

64 The Government is therefore pleased to note the agreement recently reached between the Tourist Boards and the hotel industry in Scotland and Wales for a new voluntary system of classification, using standard symbols and backed by inspection. It is hoped that a similar scheme will also be agreed in England in the near future, thus providing a truly national system. This will give domestic and foreign visitors alike a far better assurance of both quality and value for money, without the need for Government regulation.

#### Tourist Information

65 There is an obvious need for visitors to have available a ready source of reliable information on places they visit. The Tourist Boards, with the local authorities, have established a network of over 700 Tourist Information Centres (TICs) across the country to meet this requirement. The Government believes the Centres have an important role, and it is encouraging the Tourist Boards to ensure that the general level of quality of service in TICs is brought up to current best practice and to consider how opening times

(eg on Sundays and Bank Holidays) might be extended to meet visitor demand, where necessary by encouraging local authorities to seek more financial support from local industry.

66 The Government considers, however, that there is still more scope for the TIC concept to be used to achieve a wider dispersal of visitors beyond the London area. It therefore welcomes the agreement in principle reached between the BTA, British Rail and other partners for the establishment of a new British Travel Centre in central London, using BR's existing centre in Lower Regent Street. The new Centre, which it is hoped will be open for the 1986 summer season, will supplement the information centres at Victoria, in Cockspur Street (Scottish Tourist Board) and in Piccadilly (Wales Tourist Board) and will offer visitors a wide range of information, booking and travel services, with the accent on destinations outside London.

#### Computerised Reservations

67 Information technology has opened up new ways of providing visitors with rapid and up-to-date information, with entertainment and with booking and payment services. The UK has been in the forefront of these developments, notably through the use of viewdata techniques, but the main commercial thrust has been directed at the market for travel abroad from the UK.

68 In announcing the outcome of the DTI Tourism Review in November 1983, the Government said that consultants had been commissioned to examine how viewdata technology could be used to enable commercial enterprises of all sizes to computerise their booking systems and receive reservations from home and abroad in a common format. That report has

now been completed. It concentrates mainly on the technical feasibility of linking together existing and new computerised reservations systems in a UK network and on the possible cost and organisational implications.

69 The Government has no wish to use public money to distort competitive patterns in the industry or to provide services which should properly be the business of commercial operators. However, in the light of progress in other countries towards the establishment of national computerised reservations networks as part of a strategy for increased international competition for tourists, it believes the consultants' conclusions deserve careful consideration. It therefore welcomes the establishment by the BTA and the Tourist Boards of a working group, involving industry representatives, to study the consultants' conclusions and advise on the case for a national network and the way it might be organised and financed. The group will report to DTI by December 1985.

70 This study will be able to take account of recent related developments in accommodation classification systems (paragraph 64) and in tourist information in London (paragraph 66), as well as of the Government's wider concern for a more effective dispersal of visitors beyond the London area.

## VII COORDINATING GOVERNMENT INTERESTS

71 Because tourism and leisure cover such a wide range of economic, educational and cultural activities the number of Government Departments and agencies whose policies touch on the industry and the visitor is inevitably large. The

breadth of interests is illustrated by the topics covered in the previous two sections of this report. Any review of Government's impact on tourism and leisure therefore has to cut across a number of Departmental boundaries. By the same token, however, it would make no sense to try to direct all those topics - from signposts to betting and gaming regulations - from one place in Government. They are aspects of wider policies for which individual Departments are responsible.

72 At the same time, DTI retains overall responsibility for tourism policy, as well as sponsorship responsibility for major sectors of the industry (notably hotels) and for the BTA and ETB. This leads naturally to extensive bilateral contacts between DTI and other Departments, both on tourism policy as such (primarily with the Scottish and Welsh Offices, which have tourism policy responsibilities in Scotland and Wales respectively) and on other Departmental policies which affect tourism and leisure.

73 Both in this report and elsewhere, the Government has made it clear that it attaches the greatest importance to tourism and leisure and to their role in the economy. The discussions between Departments which led to this report have illustrated the value of a broad review in ensuring that the significance of this sector is fully reflected in individual Government policies. This lesson will not be lost.

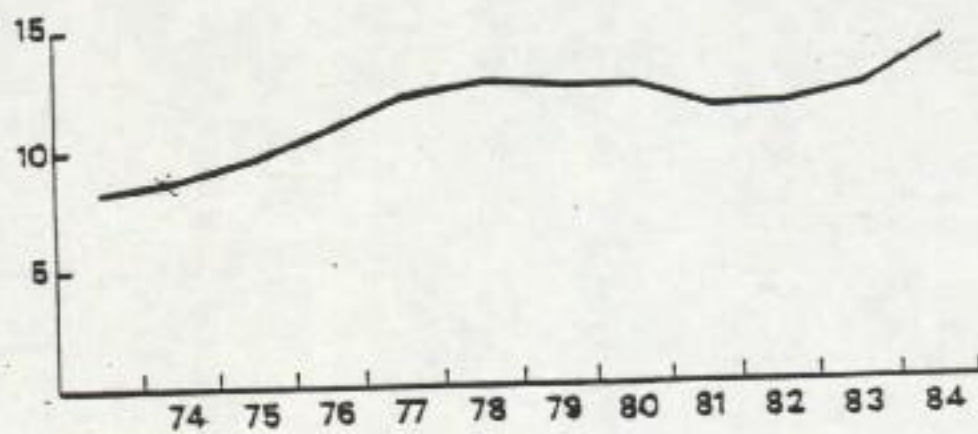
74 The Government also wishes to ensure that coordination is effective at the regional level. DTI Regional Directors are therefore being asked to coordinate meetings over the next few months at which they and their fellow Regional Directors in other relevant Departments will review with the ETB, the Regional Tourist Boards (including local authority

representatives) and other regional interests the role of tourism in the regional economy and the ways in which Government policies may affect it. They will be asked also to propose longer term arrangements for maintaining local liaison on matters affecting tourism and leisure in their region.



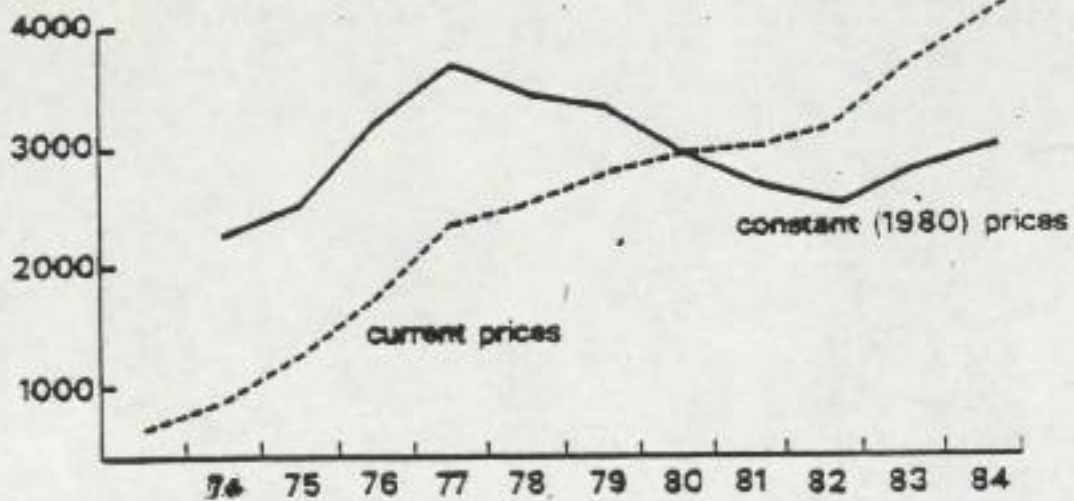
CHART A

NUMBER OF VISITS BY OVERSEAS VISITORS TO THE UK (millions)



SOURCE: International Passenger Survey

## EARNINGS FROM INWARD TOURISM (in £ millions)



SOURCE: International Passenger Survey

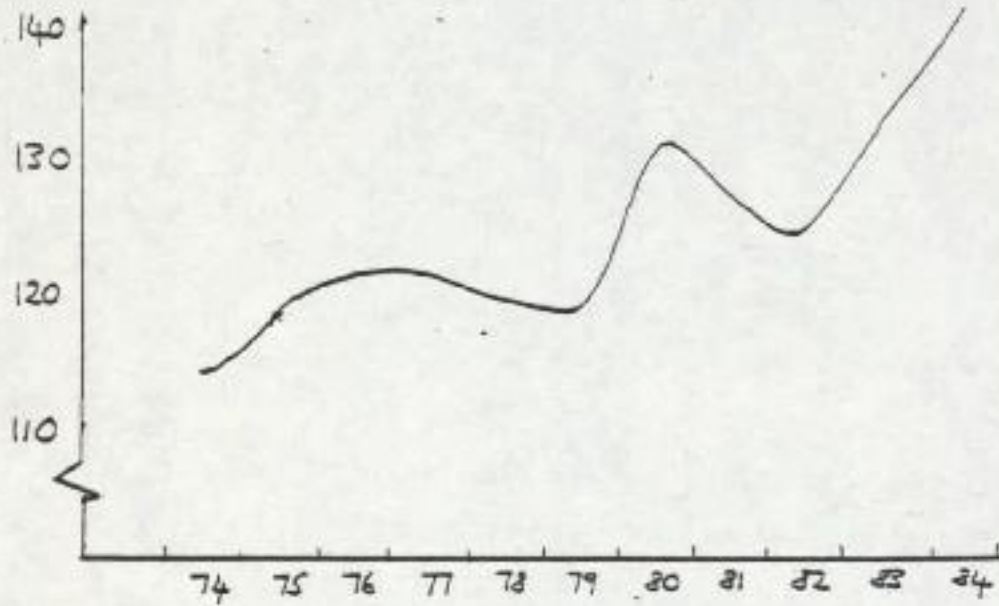
## UK Tourism as a Proportion of "World" Tourism

Year	Total international tourism*	UK international tourism	UK share of market
	('000)	('000)	%
1972	111,561	7,255	6.5
1977	127,728	11,490	9.0
1981	170,346	11,453	6.7
1982	174,195	11,637	6.7
1983	173,629	12,499	7.2

Source: OECD

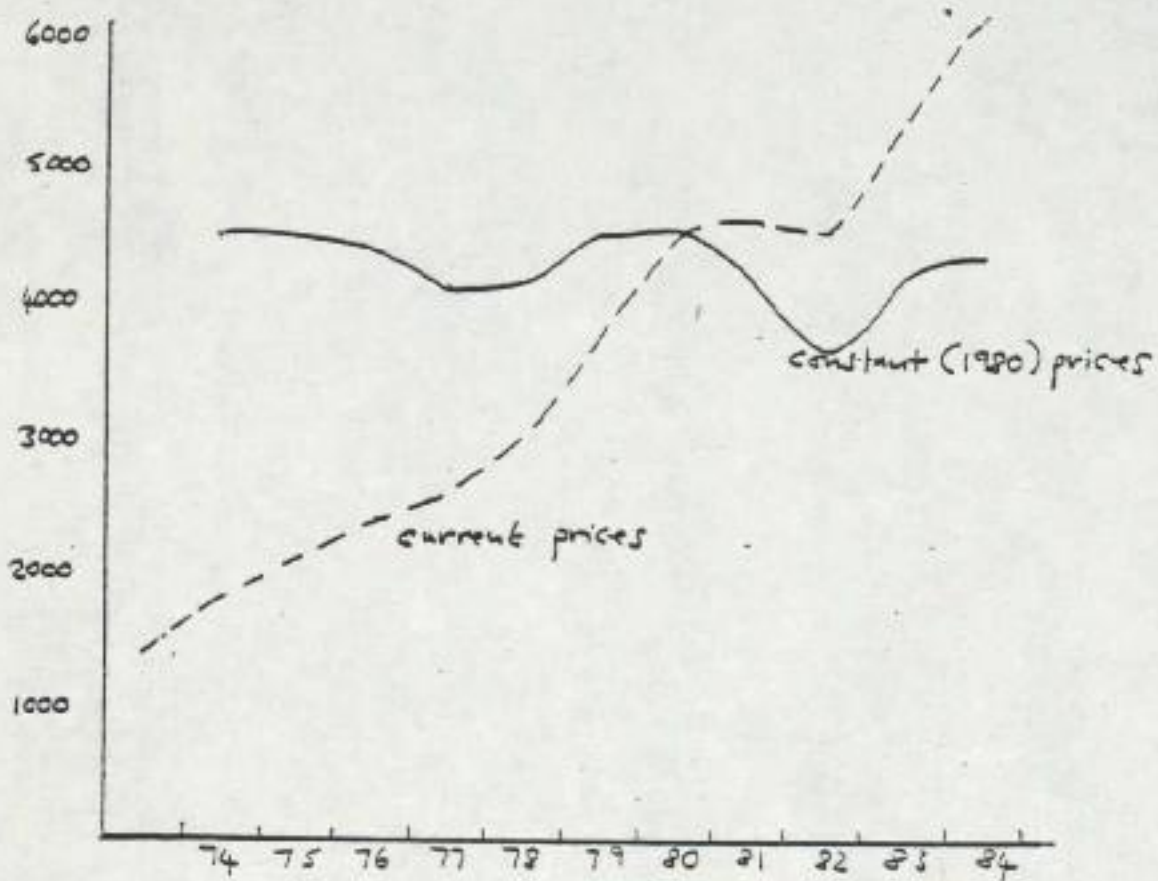
\* Total International Tourism figures refer only to the number of arrivals at the frontiers of the following countries: Australia, Canada, Greece, Iceland, Ireland, Italy, Japan, Portugal, Spain, United Kingdom, United States, Yugoslavia.

DOMESTIC TOURISM: NUMBER OF VISITS (millions)  
EXCLUDING DAY TRIPS



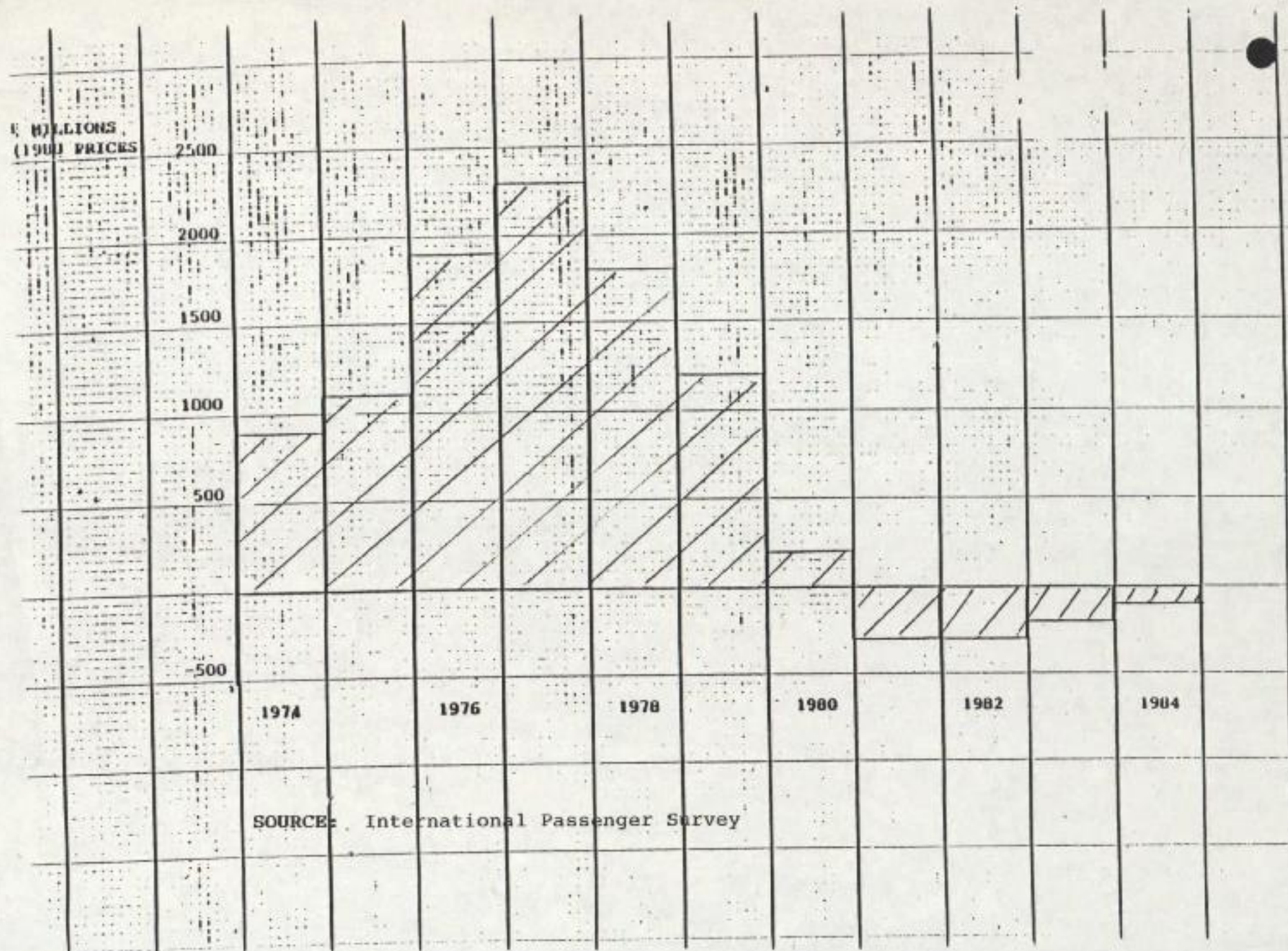
SOURCE: British Home Tourism Survey

SPENDING BY DOMESTIC TOURISTS (in £ millions)



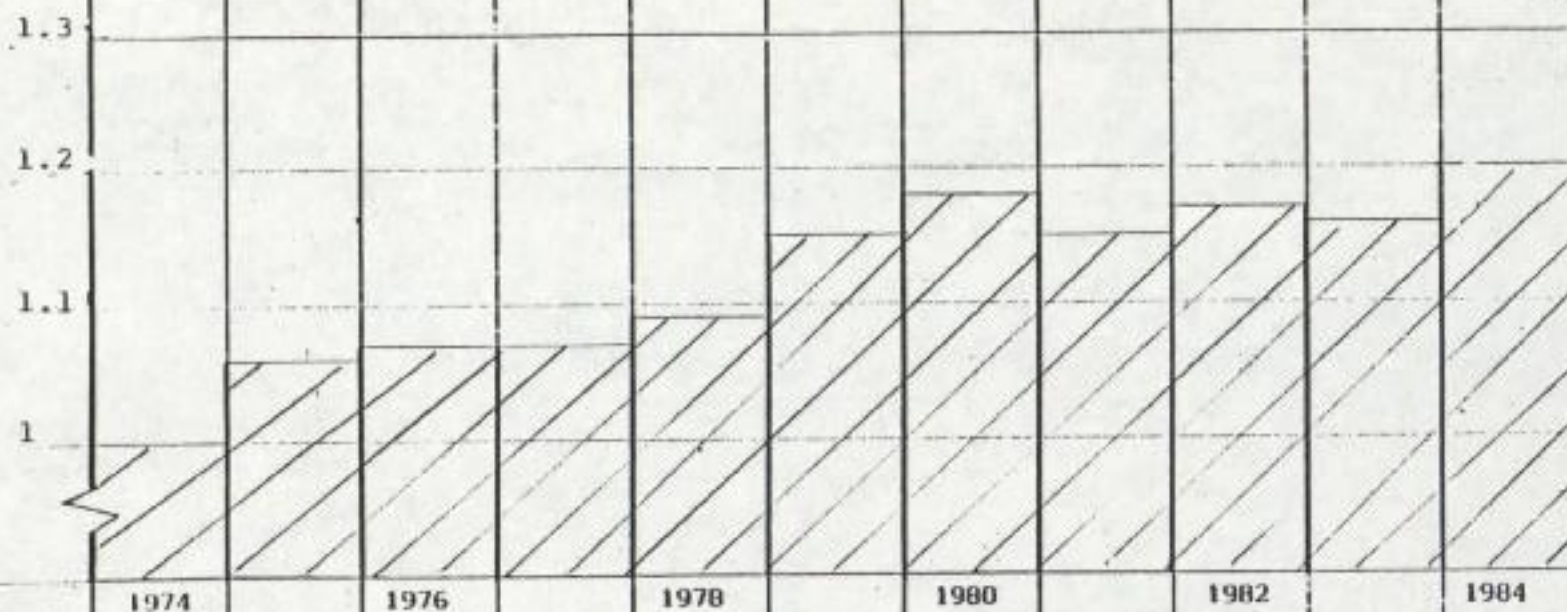
SOURCE: British Home Tourism Survey

**BALANCE OF EXPENDITURE BETWEEN OVERSEAS VISITORS TO THE UNITED KINGDOM (+)  
AND UK VISITORS OVERSEAS (-)**



SOURCE: International Passenger Survey

EMPLOYMENT RELATED TO TOURISM AND LEISURE (millions)



SOURCE: Department of Employment. Figures include restaurants, pubs, nightclubs, hotels and other tourist accommodation, as well as libraries, museums and sports facilities.

blind copy: Robin Butler

OK  
To postscript I doubt  
less in - priority to G.P.M.  
AT 18/6

File  
Cena



DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB  
01-212 3434

The Rt Hon Lord Young of Graffham  
Minister Without Portfolio  
Cabinet Office  
70 Whitehall  
London  
SW1A 2AS

My ref:

Your ref:

17 June 1985

See Janis X REF

LEISURE PARKS IN UK

I had a genuine pleasure yesterday when I visited Alton Towers as John Broom's quest to see how he and his company have built up that leisure facility. You probably know him better than I do, but I have to say I found his whole approach very refreshing. Above all, he does not want any handouts from public funds!

The reason I am writing to you is that you may know that John Broom wishes to develop the old Battersea Power Station, a listed building, for a leisure and family park in London. I have now had the benefit of seeing his plans for this and of talking through some of the current obstacles to this development and some of the other necessary moves that need to be undertaken if this is to succeed and at the same time not to create a totally unacceptable traffic problem in the Battersea area and beyond.

It occurs to me that you would find it beneficial to talk to John Broom when we have finished our current deliberations<sup>(MASC)</sup>. He was very anxious to know if we were doing anything, and I told him that you and I and a few others would try to remove obstacles and he is therefore very interested in what we are seeking to do. Of course, he knows none of the detail of what we are doing but just that we are trying to see our way to remove obstacles, as must be the brief for every Minister.



I would very much appreciate having the opportunity to talk about John Broom's ideas and to tell you what I am trying to do behind the scenes to remove a few obstacles.

I should therefore be very grateful if you could give me ten minutes at some time when convenient in the next two or three weeks, so that I can brief you as I am quite sure you are going to receive an invitation from John Broom fairly shortly.

The gardens at Alton Towers are magnificent and the pleasure park marvellous for families as a whole. You would certainly enjoy a good part of the visit. John will be happy to pick you up and sack, and he hopes the P.M. too. I am keeping others in touch.

Yours  
Lynne

MRS LYNNE CHALKER

Townson



NDPM  
AT  
18/4

~~CCD~~

Treasury Chambers, Parliament Street, SW1P 3AG

17 April 1985

J E Roberts Esq  
Cabinet Office Secretariat  
70 Whitehall  
London SW1

Dear John

**TOURISM AND LEISURE**

In his letter of 15 March to Leigh Lewis, Andrew Turnbull asked me to let you know who would be the Treasury representatives on the Tourism and Leisure Group. The Chief Secretary will be the Treasury's formal representative at Ministerial level. Mr R A L Lord his Special Adviser and Mr T U Burgner, Under Secretary for the Industry, Agriculture, Employment Public Expenditure Group will represent the Treasury at meetings.

I am copying this letter to the Private Secretaries to the Prime Minister, the Minister without Portfolio, the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales, Environment, Employment, Transport and Northern Ireland, the Minister of Agriculture, The Chancellor of the Duchy of Lancaster and Sir Robert Armstrong.

Yours sincerely  
Richard Broadbent

R J BROADBENT

Govt Mach

May 8

Spinal



18 APR 1951

18 APR 1951

11



OFFICE OF ARTS AND LIBRARIES  
Great George Street  
London SW1P 3AL  
Telephone 01-233 8610

*From the Minister for the Arts*

Leigh Lewis Esq  
Private Secretary to  
The Rt Hon Lord Young of Graffham  
Minister without Portfolio  
Cabinet Office  
70 Whitehall  
London SW1A 2AS

W  
147.

9 April 1985

*Dear Leigh*

Following Andrew Turnbull's letter of 15 March I am writing to inform you that Lord Gowrie, Minister for the Arts and Rodney Stone, Assistant Secretary will be our representatives on the Tourism and Leisure Group.

I am copying this letter to the Private Secretaries to the Prime Minister, the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales, the Environment, Trade and Industry, Transport, Employment and Northern Ireland, the Minister for Agriculture, and Sir Robert Armstrong and to John Roberts (Cabinet Office).

*Yours,  
Paul*

PAUL THOMAS  
Private Secretary

ONT memo: Rayner May 83

NO APR 1983

11 12 1983

CCJL



DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET 5422  
TELEPHONE DIRECT LINE 01-215  
SWITCHBOARD 01-215 7877

JU228

Secretary of State for Trade and Industry

29 March 1985

J E Roberts Esq  
Cabinet Office  
Secretariat  
70 Whitehall  
London SW1A 2AS

WOM  
29/3

*Dear Roberts,*

TOURISM AND LEISURE

In his letter to Leigh Lewis of 15 March Andrew Turnbull asked me to inform you who would be the Ministerial and official representatives from this Department on the Group to be chaired by Lord Young. It has been agreed that Mr Lamont will be the Ministerial representative and that Mr J F J Jardine, the Under-Secretary who heads our Inward Investment, Tourism and Services Industries Division, based in Kingsgate House, should be the official.

I am copying this letter to the Private Secretaries to the Prime Minister, the Minister without Portfolio, the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales, the Environment, Employment, Transport and Northern Ireland, the Minister of Agriculture, the Chancellor of the Duchy of Lancaster and Sir Robert Armstrong.

*Yours Sincerely,  
A. Lansley*

ANDREW LANSLEY  
Private Secretary

SOFT Mach

May 1983

SPROT

29 MAR 1985





CONFIDENTIAL



DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

Leigh Lewis Esq  
Private Secretary to  
The Rt Hon Lord Young of Graffham  
Minister without Portfolio  
Cabinet Office  
70 Whitehall  
LONDON SW1A 2AS

18 March 1985

PS

2/4

*Dear Leigh*

My Secretary of State has seen Lord Young's minute to the Prime Minister proposing an interdepartmental group on tourism and leisure and Andrew Turnbull's letter to you of 15 March.

We are of course willing to participate in the work of such a group and will be represented by Mrs Chalker and Mr Tony Baker.

I am copying this letter to the Private Secretaries to the Prime Minister, the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales, the Environment, Trade and Industry, Employment and Northern Ireland, the Minister for Agriculture, the Chancellor of the Duchy of Lancaster and Sir Robert Armstrong and to John Roberts (Cabinet Office).

*Yours sincerely,*

*Henry Derwent*

H C S DERWENT  
Private Secretary

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CONFIDENTIAL

CGJR



NBPM  
20/3.

PRIME MINISTER

TOURISM AND LESIURE

I have read with interest David Young's minute to you of 26 February in which he proposes the setting up of a group of Ministers and officials to examine ways and means of encouraging the faster growth of the tourism and leisure sectors of the UK economy.

2. Despite the many difficulties with which it has been faced during the past 15 years the Tourist Industry in Northern Ireland has proved exceptionally resilient and has maintained a commendable level of activity. Visitor numbers have steadily increased since the mid-1970's - last year we had 930,000 visitors generating an estimated £85 million of tourism revenue - and I believe that the industry has potential to make an increasingly significant contribution to the Northern Ireland economy.

3. David's proposal is timely in relation to our interests in the development of tourism in the Province in that the Department of Economic Development and the Northern Ireland Tourist Board have recently issued a Discussion Paper on the future of Northern Ireland tourism. I hope that the responses to this Document will provide some ideas and suggestions which would be of interest to the proposed Working Group.

4. I am content with the broad terms of reference suggested for the inter-departmental group and with the proposal that Northern Ireland should normally be represented on the group at official level. Day to day interest in the group will fall to Rhodes Boyson here who covers tourism among other responsibilities.

I am/....

CONFIDENTIAL

CONFIDENTIAL

5. I am copying this minute to Leon Brittan, Nigel Lawson, George Younger, Nicholas Edwards, Patrick Jenkin, Norman Tebbit, Tom King, Michael Jopling, Nicholas Ridley, Grey Gowrie, Sir Robert Armstrong and to John Redwood (Policy Unit).

*DH.*

D H

March 1985

GOVT. MACH: Special review of  
Tourist trade May 83.

20 MAR 1983

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FILE

RAMATIC



10 DOWNING STREET

19 March, 1985

*From the Private Secretary*

TOURISM AND LEISURE

Andrew Turnbull wrote to you on 15 March about the establishment and terms of reference of a group to review the steps the Government might take to encourage the faster growth of tourism and leisure activities. His letter recorded the Prime Minister's view that she doubted the advantage of any public announcement of the establishment of the group.

Lord Young has subsequently discussed this point further with the Prime Minister. The Prime Minister's particular concern is that establishment of the group should not give rise to expectations that further Government funds will be made available for the tourism and leisure sector. The main purpose of the proposed group must be to find ways in which existing funds can be used more effectively. Provided this is clearly understood by all concerned, the Prime Minister is content that there be a low-key announcement of the group's establishment.

I am sending a copy of this letter to Hugh Taylor (Home Office), Rachel Lomax (HM Treasury), John Graham (Scottish Office), Colin Jones (Welsh Office), John Ballard (Department of the Environment), Callum McCarthy (Department of Trade and Industry), David Normington (Department of Employment), Richard Allan (Department of Transport), Jim Daniell (Northern Ireland Office), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food), Paul Thomas (Chancellor of the Duchy of Lancaster's Office) and to Sir Robert Armstrong (Cabinet Office).

(C D Powell)

L Lewis, Esq.,  
Office of the Minister without Portfolio

CONFIDENTIAL

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## 10 DOWNING STREET

15 March, 1985

*From the Private Secretary*Tourism and Leisure

The Prime Minister has considered Lord Young's minute of 26 February, in which he proposed the establishment of a group under his chairmanship to review the steps the Government might take to encourage the faster growth of tourism and leisure activities. She has also seen the Chief Secretary's minute of 11 March.

The Prime Minister agrees that it would be desirable to establish a group to undertake this task and considers that it should have the following terms of reference:

"To consider, on an interdepartmental basis, the extent to which obstacles, legislative or otherwise, exist to the development and growth of the tourism and leisure sectors of the UK economy; to identify and examine those which are amenable to Government action; and to make recommendations to the Ministerial Sub-Committee on Economic Affairs (E(A))."

She doubts the advantage of any public announcement of the establishment of the group.

Apart from Lord Young, the Prime Minister agrees that the Minister for the Arts and the Minister of State for Industry (Mr. Lamont) should be members of the Group, together with their supporting officials. Junior Ministers and officials should also be nominated to take part in the work of the Group from the Home Office, the Treasury, the Departments of the Environment, Employment, Transport, Scotland, Wales and Northern Ireland and the Ministry of Agriculture, Fisheries and Food. Members of the Policy Unit and the Enterprise Unit should also take part in the work. In order to facilitate the establishment of the Group, I should be grateful if you and the other recipients of this letter could arrange to let Mr. J. E. Roberts in the Cabinet Office know who their respective Ministerial and official representatives on the Group will be.

I am copying this letter to the Private Secretaries to the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Wales, the Environment,

84

CONFIDENTIAL

-2-

Trade and Industry, Employment, Transport and Northern Ireland, the Minister of Agriculture, the Chancellor of the Duchy of Lancaster and Sir Robert Armstrong and to Mr. J. E. Roberts (Cabinet Office).

ANDREW TURNBULL

Leigh Lewis, Esq.,  
Office of the Minister Without Portfolio

CONFIDENTIAL

KSK

Ref. A085/757

MR TURNBULL

Yes mt

Prime Minister:  
 had Young's proposal as  
 flagged A; the Chief Secretary's  
 minute at B. Agree to establishment  
 of a group as proposed but  
 NOT a public announcement of  
 its existence.

Tourism and Leisure

We undertook to let you have advice on the Minister without <sup>13/3</sup> Portfolio's minute of 26 February proposing the establishment of a Group under his chairmanship concerned with tourism and leisure.

2. Although we have some misgivings about the overlap between this new Group and the existing Groups on deregulation and small firms, we understand that the Secretary of State for Trade and Industry, the lead Minister for tourism, is content with the proposal. The Prime Minister will therefore presumably wish to let it proceed. The Department of Trade and Industry have suggested an expansion of the terms of reference which would make them more logical and would not cause difficulties for the Enterprise Unit. A draft private secretary letter approving the establishment of the Group on the basis of these revised terms of reference is attached.



R P HATFIELD

13 March 1985



GOVT. MACHINERY: Sproat Review  
of Tourist Trade: May 1983

CCSR.

Y SWYDDFA GYMREIG  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel: 01-233 3000 (Switsfwrdd)  
01-233 7172 (Llinell Union)



WELSH OFFICE  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel: 01-233 3000 (Switchboard)  
01-233 7172 (Direct Line)

*Oddi wrth y Gweinidog Gwladol*

*From The Minister of State*

CT/7172/85

13 March 1985

W 13/3.

*Dear David,*

TOURISM AND LEISURE

I was interested to see your minute of 26 February to the Prime Minister.

I would be very ready to take part and for the Welsh Office to be represented throughout the Group's work. Your letter mentions the work on tourism which the Select Committee on Trade and Industry is undertaking. The Welsh Select Committee is also starting on an enquiry into tourism in Wales. So the work of the Group you propose will be particularly relevant.

I am sending copies to the Prime Minister, Leon Brittan, Nigel Lawson, George Younger, Patrick Jenkin, Norman Tebbit, Tom King, Michael Jopling, Nicholas Ridley, Douglas Hurd, Grey Gowrie, Sir Robert Armstrong and to John Redwood (Policy Unit).

*Yours ever,  
John.*

JOHN STRADLING THOMAS

Lord Young  
Minister Without Portfolio  
70 Whitehall  
LONDON

GOVT MACH; Sproat Review  
Tourist Trade: May 83.





2 MARSHAM STREET  
LONDON SW1P 3EB  
01-212 3434

My ref:

Your ref:

11 March 1985

*Grant*  
*Cabinet*

*Dear Leigh*

My Secretary of State has seen a copy of Lord Young's minute to the Prime Minister of 26 February proposing an interdepartmental group to examine obstacles to the development of the tourism and leisure industries.

He fully supports this proposal. He is also content with the draft terms of reference and has asked Mr Macfarlane and Mr John Plowman to represent his Department. A large number of DOE policies impact on these industries and they will therefore have a substantial contribution to make to the group's work.

I am sending copies of this letter to the Private Secretaries to the Prime Minister, Home Secretary, Chancellor of the Exchequer, Secretaries of State for Scotland, Wales, Trade and Industry, Employment, Transport and Northern Ireland, Minister of Agriculture, Chancellor of the Duchy of Lancaster, Richard Hatfield and John Redwood.

*Yours ever*  
*A H Davis*

A H DAVIS  
Private Secretary

Leigh Lewis Esq

Govt machinery; Sproat; May 1983



12 MAY 1983

A CSR

FROM: CHIEF SECRETARY  
DATE 11 March 1985

PRIME MINISTER

**TOURISM AND LEISURE**

I have seen David Young's proposal to chair a new group to look at obstacles to the growth of tourism and leisure. There is some risk that this would duplicate some of the work done by David's group on deregulation. And I am not altogether clear why there needs to be a separate group for tourism and leisure and whether the extra work from such a group would be justified by its benefits.

I interpret the proposed terms of reference as excluding an examination of public expenditure support for tourism. This is already being examined by officials under Treasury chairmanship in the context of the joint Treasury/DTI private sector industrial support programmes. This review will be reporting on a similar time scale to that of David Young's proposed group. A report from the official review could be made available to the ministerial group if this were considered appropriate.

While I would not necessarily wish to oppose the establishment of the group, I do believe that it should not be announced publicly. It is difficult to see what assistance such an announcement could be to DTI in handling the report of the Select Committee which is not due until the autumn - long after the group would have completed its work. It will be the results of the group which would be of any benefit and not knowledge of its existence. Moreover to draw attention to it could only add to the pressures for more public spending and is unlikely to aid a rational look at the problem.

CONFIDENTIAL

I am copying this minute to David Young, Leon Brittan,  
George Younger, Nicholas Edwards, Patrick Jenkin, Norman Tebbit,  
Tom King, Michael Jopling, Nicholas Ridley, Douglas Hurd,  
Grey Gowrie, Sir Robert Armstrong, and to John Redwood (Policy Unit)



PETER REES

CONFIDENTIAL  
LONDON

CONFIDENTIAL

GOVT. MACHINERY: Sproat Review of  
Tourist Trade: May 1983.

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LONDON



LJF B

B/F with RTA response  
AT 26/2

PRIME MINISTER

## TOURISM AND LEISURE

As you know, I have been discussing with Norman Tebbit and Norman Lamont whether I might have a role in focussing the attention of a number of Departments on the enterprise aspects of tourism in this country and on the steps we might take to encourage its faster growth.

Subject to your views, we have now concluded that the best way forward might be for me to chair a group of Ministers and officials from the wide range of Departments with a direct or indirect interest in tourism and leisure - a linkage we think it important to emphasise. We have drawn up the attached suggested terms of reference and membership, which would enable the group to deal in particular with any Departmental policies which seem to stand in the way of the development of these important sectors. To some extent these issues may arise also in my group on deregulation, but we believe a separate and broader review in the context of tourism and leisure will be justified.

I think the group should aim to begin work before Easter and to report to E(A) in June or July. The setting up of the group, which I believe we should announce publicly, should also be of some assistance to DTI, who are likely to have to respond in the early Autumn to the report on tourism in the UK which will result from the current investigation by the Select Committee on Trade and Industry.

I am sending copies of this minute to Leon Brittan, Nigel Lawson, George Younger, Nicholas Edwards, Patrick Jenkin, Norman Tebbit, Tom King, Michael Jopling, Nicholas Ridley, Douglas Hurd, Grey Gowrie, Sir Robert Armstrong and to John Redwood (Policy Unit).

A handwritten signature in dark ink, appearing to be 'D.Y.', written in a cursive style.

D.Y.

26 February 1985

## TOURISM AND LEISURE GROUP

### DRAFT TERMS OF REFERENCE

To identify and examine legislative and other obstacles, especially those of an inter-departmental nature, to development and growth in the tourism and leisure sectors of the UK economy; and to make recommendations to the Ministerial Sub-Committee on Economic Affairs E(A).

### POSSIBLE MEMBERSHIP

In the Chair: Minister without Portfolio

plus  
officials ( Minister for the Arts (Lord Gowrie)  
( Minister of State for Industry (Mr Lamont)  
( plus Junior Ministers from Departments of  
( Employment, Environment, Home Office,  
( Transport, and Treasury

At official level (Ministers attending ad hoc)

Scottish Office  
Welsh Office  
Northern Ireland Office  
MAFF  
Policy Unit  
Enterprise Unit

## Tourism

3.33 pm

**The Minister of State, Department of Trade and Industry (Mr. Norman Lamont):** With permission, Mr. Speaker, I should like to make a statement about the Government's review of tourism policy, instituted in July last year by the then Under-Secretary of State for Trade. I am grateful to all those who contributed, including right hon. and hon. Members.

Tourism is undoubtedly one of our most important industries. In 1982 its turnover, at some £8.5 billion, almost matched that of the motor industry and it employed around 1 million people. The Government recognise the great economic and employment potential of tourism and are determined to encourage the industry's development.

The review, which was concerned primarily with the activities of the British tourist authority and the English tourist board, and with the relationships among all the tourist boards, produced many proposals for improving tourism generally. Details of some, and of how they will be pursued, are in a paper which I have placed in the Vote Office. They include improving hotel standards, new training initiatives, proposals for computerised reservations systems, signposting policy, revitalising the traditional resorts and dealing with the tourism needs of London. The review has also pointed to other tourism issues which are the responsibility of other Departments. I intend to invite them to consider further action.

The Government's main instrument for encouraging tourism is the statutory tourist boards. In recognition of the widely accepted view that the boards need to improve their own co-ordination, the Government have decided that new organisational arrangements are required. I am therefore inviting the British tourist authority to transfer wherever possible its remaining United Kingdom activities to the national boards, so that it may concentrate on its prime responsibility: to promote Britain overseas. I am asking the BTA and the ETB to seek shared accommodation, to merge certain common services, and in consultation with the Scottish tourist board and the Wales tourist board to eliminate duplication in their publication programmes. The review has shown that a revised approach is also needed to planning the BTA's overseas promotions so that full account is taken of the requirements of England, Scotland and Wales in the main marketing programme. My right hon. Friend the Secretary of State for Wales has announced separately improvements agreed with the BTA for the promotion of Wales overseas. None of those important changes requires legislation. However, the Minister of State, Scottish Office, last week introduced in another place a Bill containing proposals for limited overseas promotion by the STB, which will require some amendment to the 1969 Development of Tourism Act.

Sir Henry Marking, the present BTA chairman, has agreed to leave his post at the end of March 1984, some five months before the end of his appointment, to permit a new chairman to begin carrying through the changes at the BTA as soon as possible. I should like to record the Government's sincere appreciation of Sir Henry's tireless and valuable work as a promoter of tourism. As the successor to Sir Henry at the BTA, my right hon. Friend is appointing Mr. Duncan Bluck, currently chairman of

Cathay Pacific Airways and of the Hong Kong tourist association, with effect from April next for a period of three years.

The Government believe that rationalisation of the BTA and ETB activities could best occur under a single chairman. My right hon. Friend therefore intends to ask Mr. Bluck to serve also as chairman of the ETB when Mr. Michael Montague finishes his current term there. Mr. Bluck will examine possibilities for further collaboration and the possibility of a merger of the two bodies. Mr. Montague, who has also done much valuable work at the ETB, will play an important role for the rest of his term in helping to bring the two boards closer together. I have asked him additionally to report to me urgently on how the non-statutory regional tourist boards might take on additional responsibilities, particularly in marketing. The important role of the regional boards in English tourism has been emphasised by this review.

I place great importance on attracting private finance to tourism and I am therefore pleased to be able to inform the House that the English tourist board has been instrumental in setting up a new equity fund for tourism, financed by the private sector but with access to advice from the boards. Full details will be announced at a later date. In the meantime, however, I plan to maintain grants for section 4 expenditure in England at about the current level over the four years to 1986-87, giving a total of some £35 million for the period.

These moves towards closer co-ordination, clearer objectives and better use of resources by the boards should benefit tourism, but the review confirmed that the main task of realising tourism's potential for growth must rest with the industry itself.

**Mr. Bryan Gould (Dagenham):** I welcome the fact that this statement has been made. Many of us had feared that, with the departure from the Government of Mr. Iain Sproat, the review which he initiated might have been quietly buried in the Department. However, we believe that the statement misses much that really matters to the tourist industry. We welcome the hon. Gentleman's support for the principle of continued public spending, but there is little point in spending directly on tourism when, at the same time, public spending on the services that are crucial to tourism—railways, roads and other forms of communication, for example—is being cut back. Will the hon. Gentleman speak to his friends in the Treasury about this point.

Last year, for the first time in 16 or 17 years, far from earning foreign exchange through tourism we fell into deficit on it. That was certainly the result of an over-valued exchange rate. The over-valued pound that damaged manufacturing industry has also hurt the tourist industry.

Is the hon. Gentleman aware that that is the central finding of the programmes analysis review conducted by his own civil servants some years ago? Is the hon. Gentleman aware of that review, and does he intend to publish its findings?

The hon. Gentleman has announced measures for rationalisation. We welcome anything which will save money and make the services more efficient, but can the hon. Gentleman explain the precise relationship between the British tourist authority and the Scottish and Wales tourist boards? Will not those boards be left out in the cold with an ill-defined role, particularly in terms of promoting

**Mr. Andrew MacKay:** Did my right hon. Friend read with pleasure and partisan delight today's announcement that Mr. Tony Benn will be throwing his hat into the ring for the Labour nomination at Chesterfield?

**Mr. Biffen:** As my answers have been somewhat elliptical up to now, I must tell my hon. Friend that there is no ministerial responsibility for that matter.

**Q9 Mr. Barron** asked the Prime Minister if she will list her official engagements for Tuesday 22 November.

**Mr. Biffen:** I have been asked to reply.

I refer the hon. Gentleman to the reply that I gave some moments ago.

**Mr. Barron:** When the right hon. Gentleman next sees the Prime Minister, will he ask her to consider, with the Secretary of State for Energy, whether, in view of the traumatic period through which it is passing, the British coal mining industry should be subsidised to the same level as British agriculture?

**Mr. Biffen:** The hon. Gentleman is right to infer that there is a considerable Government investment programme in the coal industry, which is testimony to our commitment to coal as part of the range of fuels available to our national economy.

**Mr. Dykes:** Further to the earlier exchange, will my right hon. Friend also discuss with the Secretary of State for Northern Ireland the tragically negative move by the Official Unionist party in leaving the Assembly? However horrific the incident may have been, it would be wrong for the Official Unionists to undermine the Assembly by staying away. Are they thinking again, and is it possible that they will return?

**Mr. Biffen:** Whatever one's views about the membership of the Assembly for which the Government and the House voted, in view of the current circumstances of the Province and the immediate reaction to the deaths on Sunday, there is as much of a role for reticence as there is for offering advice to the Official Unionist party.

British tourism overseas? Can the hon. Gentleman elaborate on the precise relationship that they will enjoy with the newly merged BTA and ETB?

Will the hon. Gentleman assure the House, with reference to the paper in the Vote Office, that it is not the purpose of the rationalisation to centre tourist resources in London? He should bear in mind that in the interests of London's hard-pressed facilities and of the economic needs of the regions, it remains vital to spread our tourist effort throughout the country.

We welcome the news that private equity finance is to be made available, but when is the detail of the scheme likely to be made public? In view of the importance of the tourist industry, do the Government have any plans for an early debate?

**Mr. Lamont:** I agree entirely with the hon. Gentleman that exchange rates have a profound influence on tourist flows. That is precisely why we should be sceptical about the effect of public spending on tourism—I agree with the hon. Gentleman.

The hon. Gentleman is also right to say that Government activities in many Departments influence tourism. That is one of the points brought out in the paper that I have placed in the Library. He can take it that I, as sponsor of the industry, make representations all the time to other Departments in Whitehall about the effect of Government policy on tourism.

As regards the relationship between the BTA and the Wales tourist board and the Scottish tourist board, the Minister of State, Welsh Office, announced some changes in staff at the BTA and at the Wales tourist board to create better liaison in the marketing of Wales, and the same applies to Scotland.

In addition, as the hon. Gentleman knows, those tourist authorities will do a limited promotion. The hon. Gentleman said that we should not place too much emphasis on London. He must recognise that a large proportion of the tourists who come to this country come to London, and a large number of tourists who go to other parts of the United Kingdom come to London first.

On the hon. Gentleman's last point, the details of the equity fund are for the fund to announce. I expect that there might be an announcement in January. A debate is a matter for my right hon. Friend the Leader of the House.

**Sir Paul Bryan (Boothferry):** Is the Minister aware that Mr. Duncan Bluck, in addition to having a broad and successful business background, played a large part in building up one of the world's most successful airlines? We are extremely lucky to obtain his services.

**Mr. Lamont:** I am grateful to my hon. Friend. I have no doubt that in Mr. Bluck we have a first class business man who will make an excellent sponsor for the tourist industry.

**Mr. George Foulkes (Carrick, Cumnock and Doon Valley):** Will not the promotion of tourism for Scotland be a dog's breakfast? Is it not amazing that the Government are introducing a Bill to give limited powers to the Scottish tourist board—I think that the Minister described them as "very limited powers"—for promotion overseas? Would it not be better to give the Scottish tourist board complete autonomy to promote tourism to Scotland overseas?

**Mr. Lamont:** It would not be a good idea to have complete freedom in that sense. It is important that the

promotion of tourism overseas to this country should be co-ordinated. It makes no sense for the different parts of the country to be in competition with each other, wasting large sums of public money. The function of the British tourist authority is to co-ordinate the marketing of the distinctive parts of the United Kingdom.

**Mr. Nicholas Soames (Crawley):** Leaving the ethnic arguments aside for the moment, may I congratulate my hon. Friend on this welcome and wide initiative? Is he aware that these plans will greatly increase the opportunities for training schemes for young people in an excellent and growing industry where the future is very encouraging?

**Mr. Lamont:** I am grateful to my hon. Friend. One of the most important points about the tourist industry is not just that it has a great capacity for growth, but that it also has a great capacity for growth in employment. It is extremely important that there should be improvements in training to encourage young people to enter the tourist and leisure industries. I welcome the fact that the English tourist board will be publishing a booklet for young people detailing some of the opportunities that exist. The English tourist board calculates that about 250,000 extra jobs could be created in tourism up to 1990.

**Mr. Dennis Skinner (Bolsover):** They all go overseas for their holidays.

**Mr. Paddy Ashdown (Yeovil):** While I welcome the publication of this review, does the Minister recognise that some of us are a little confused about what he is trying to do? He is giving some autonomy to the various regional boards but there is a similarity of facility and there will be one chairman for the BTA and the ETB. Does the Minister not agree that this may cause some conflict of interest?

In the light of the importance that the Minister rightly places upon the tourist industry within the British economy, does he not recognise that there is a need for some parity of access to the fiscal legislation as between the tourist industry and British industry in general? In relation to the specific proposals that the Minister has placed in the Vote Office—

**Mr. Skinner:** Declare your interest.

**Mr. Ashdown:**—do they recognise the importance of the small hotel and guest house? Will some Government assistance be provided towards, for instance, rate relief and the provision of low interest loans for the small hotels and guest houses which needs Government legislation?

**Mr. Lamont:** Almost everyone who has looked at the relationship between the different boards has agreed that there is a great overlap between the BTA and the ETB. Different people have different ideas of what the functions ought to be. We believe that having a common chairman will remove much of that overlap. I have said today that we think that the BTA should be confined to the external promotion of this country and the ETB confined to marketing England in England. The hon. Gentleman mentioned the fiscal equality of treatment between manufacturing and service industries. It is a principle to which I subscribe. It arises in the review of regional policy, but the cost of ensuring complete equality of treatment is large and it has to borne by the Exchequer. The English tourist board well understands the needs of small hotels. It is part of its function in its marketing effort. It is within the power of district authorities to make

[Mr. Lamont]

available special loans for complying with Government regulations, such as fire regulations. I cannot promise rate relief for the hotel industry. It would impose enormous burdens on other ratepayers.

**Mr. John Spence (Ryedale):** May I draw my hon. Friend's attention to a substantial and important point in relation to tourism in my constituency? The tourist board has calculated that it has an income of about £12 million a year, which is a substantial contribution to the economy of the constituency. There has been substantial private and public investment in tourist facilities in the constituency.

One section of the review deals with signposting. As part of the constituency lies within the national park, we are plainly interested to see that any advertising on trunk and country roads should be artistic and tasteful.

Is the Minister aware that I have been able to get no sense from the Government Departments responsible for planning decisions? There are several Government Departments and public bodies involved, including the Department of Transport, the police, the Department of Trade and Industry, the tourist board and the planning authority. It is important to bring them together to reach a cohesive decision. Could my hon. Friend—

**Mr. Speaker:** Order. I am very sorry to stop the hon. Member there, but that is long enough.

**Mr. Lamont:** I shall certainly take up the point mentioned by my hon. Friend with my right hon. Friend the Secretary of State for Transport. Signposting for tourist facilities is a matter of long-standing grievance and controversy. My hon. Friend may know—it is in the paper in the Vote Office—that there is to be an experiment in the signposting of tourist attractions in two local authority areas—Kent and Nottingham. I shall certainly pursue the points he mentions.

**Mr. Stan Crowther (Rotherham):** Will the Minister accept that there will be a warm welcome for his assurance that the regional tourist boards in England will be strengthened? These boards, especially in Yorkshire, have done excellent work on limited budgets. If the Government are to take the regional promotion of tourism seriously, would it not be sensible to drop this silly idea of building a new London airport at Stansted and devote these resources to the development of the regional airports?

**Mr. Lamont:** I shall certainly consider what the hon. Gentleman said about the proposed airport. Regional boards have an important role to play. Who else can market individual parts of the country if not the regional boards? I agree that the Yorkshire tourist board is one of the very best.

Several Hon. Members rose—

**Mr. Speaker:** Order. I have to protect the business of the House. We have an important Bill to discuss after the statement. I shall call the hon. Members who have been standing in their places, but will they please ask brief questions?

**Mr. Robin Maxwell-Hyslop (Tiverton):** On what basis will funds be allocated between statutory regional boards, such as those for Scotland and Wales, and non-statutory

ones such as the south-west tourist board which tends to get far less resources than the population and unemployment in the area justify?

**Mr. Lamont:** I have not proposed any changes to the funding of non-statutory boards. That is a matter for the ETB. That issue will be considered in the review of non-statutory boards to which I have referred. I note what my hon. Friend says about the imbalance between non-statutory boards and, for example, the Welsh or Scottish boards. Strictly speaking, however, the latter should be compared with the English tourist board rather than with the regional boards.

**Mr. Robert C. Brown (Newcastle upon Tyne, North):** Why does the Minister, like many of his colleagues, insist on putting such weight on encouraging tourism in London? Does he not understand that the capital city generates its own enthusiasm among tourists? Does he agree that the £8.5 billion turnover is enormous and that it would be much better to encourage tourism in areas such as Northumbria? Is he aware that the Northumbria tourist authority badly needs money to encourage tourists to visit that wonderful area where we have magnificent rivers, hills, mountains and lakes and the finest beaches in the country?

**Mr. Lamont:** I sympathise with and understand the hon. Gentleman. I do not intend to put all the resources into London. However, the industry told us that many of the tourists who come to Britain come to London. If we undersell London we undersell the rest of the country as a tourist attraction.

**Mr. Alan Howarth (Stratford-on-Avon):** I welcome the attention that my hon. Friend is giving this important area of policy. May I have his assurance that his announcement today represents a re-evaluation by the Government and a recognition of the major contribution that tourism makes to our economy? May I have his fuller explanation as to how the arrangements that he has proposed will lead to what is desperately needed—improved co-ordination between the various authorities and relevant public bodies and more effective promotion of Britain abroad as a tourist attraction?

**Mr. Lamont:** I hoped that I had made it clear that we intend that the BTA should withdraw from its activities in domestic tourism and transfer them to the national boards. That is a clear dividing line between the national boards and the BTA. It is easy to say that, but implementing it involves overlap. There will be argument about what the overlap should be. Because of that argument, we have decided that the best way to resolve the problem is to have a chairman who is common to the ETB and the BTA. I confirm that we recognise the fundamental importance of tourism to our economy, especially in terms of employment.

**Mr. Tam Dalyell (Linlithgow):** May we have an assurance that, with his colleagues in the Scottish Office and the Treasury, the Minister will reflect on the mounting demands being put on the overstretched resources of the Historic Buildings Council in England and Scotland? If much of our tourist heritage is to be preserved, ought not that matter to be considered in some depth with the understanding that, for every £100,000 that is given to those bodies, a great deal of employment is potentially created? Could that matter be considered seriously?

**Mr. Lamont:** I am grateful to the hon. Gentleman for that suggestion. I shall discuss it with the Department of the Environment.

**Mr. Patrick Cormack** (Staffordshire, South): Does my hon. Friend agree that there is great substance in what the hon. Member for Linlithgow (Mr. Dalyell) said? Will he tell the Chancellor that, if tourism is to flourish into the 21st century, he should consider removing VAT from repairs to buildings? Will my hon. Friend be more adventurous about signposts? Does he agree that the illustrative signposts on French motorways are helpful without being offensive?

**Mr. Lamont:** I have considerable sympathy with my hon. Friend's point about signposts. Many interests are involved in that long-running argument. At least we have an experiment going. It is not intended that the experiment should be the end of the matter. I note what my hon. Friend said about VAT on repairs on historic buildings. He knows that that is a matter for the Chancellor. I shall take it up with my right hon. Friend.

**Mr. Dick Douglas** (Dunfermline, West): Is the Minister aware that we have considerable sympathy with him in his dilemma, which seems to be how to attract people to the United Kingdom via London and then to get them out of London into other areas? If we are to do that, will the Minister have regard to the facilities that are available in regional airports such as Prestwick? Should we not make it more convenient for people coming across the Atlantic to land at Prestwick? Although the Scots might argue, as an ethnic minority, that we should have complete autonomy, is the Minister aware that his proposed structure does not even provide constructive conflict? Does he agree that it gives an authority to the ETB through the joint chairmanship of that body and the BTA which completely submerges the rights of Scotland and Wales? Does he agree that there are real dangers in that approach?

**Mr. Lamont:** We are giving Scotland much more than it has been given by previous Governments. I should have thought that the hon. Gentleman would have acknowledged that I, as the Minister responsible for the English tourist board, can be regarded as generous to the Scottish tourist board.

**Mr. Douglas:** The hon. Gentleman is a Shetlander.

**Mr. Lamont:** As we have conceded it some ability to promote Scotland as a separate and distinctive entity. It has not had that before. I made only a passing reference to London in my statement because it is mentioned in the paper which is in the Vote Office. We cannot get away from London's importance as a gateway to other tourist destinations.

**Mr. John Butterfill** (Bournemouth, West): Is my hon. Friend aware of the important part that town halls have played in the development of tourism in Britain? Does he understand the anxieties that are felt in my constituency about the fact that, with Government support, a new conference centre is being built in Birmingham at a cost of £90 million, yet Bournemouth faces the possibility of penalty for building its own centre which costs less than one fifth of that in Birmingham? Will my hon. Friend join me in making representations in support of Bournemouth's application?

Does my hon. Friend recognise the importance of holiday flat lets to British tourism? Is he aware of the great anxiety about the current taxation treatment of proprietors of such flats? Does he agree that they should be treated under case 1 of schedule D and not under case 6 as is being proposed by the Inland Revenue?

**Mr. Lamont:** I am well aware of my hon. Friend's point about the taxation of income from holiday flat lets. That matter is under review. It has been discussed with the Treasury and many representations from the tourist industry about it have been received. I am pleased to acknowledge that Bournemouth is an extremely important tourist centre. I note my hon. Friend's point about competition for business tourism. It is an extremely important part of the tourist industry. Subsidised competition will have to be watched.

**Mr. David Penhaligon** (Truro): Will the Minister assure us that money allocated to each board, whether it represents a nation, a region or an area, will be closely related to the size of the tourist industry in the area it serves?

**Mr. Lamont:** That is a logical statement. We shall try to follow it.

**Mr. Penhaligon:** You have never done so before.

**Mr. James Couchman** (Gillingham): When reviewing facilities for tourists in London and the rest of England, will my hon. Friend bear in mind the English tourist board's anxiety about the British pub and the legislation that affects that worthy institution? Will he press his right hon. and learned Friend the Home Secretary to undertake a reform of the licensing laws after fresh consultations with leaders of the licensed trades and bearing in mind the recommendations of the Errol committee which sat some 12 years ago?

**Mr. Lamont:** I shall certainly bear that point in mind. One of the consistent themes throughout the review of tourism was the sense of limitation imposed by the licensing laws. Several proposals for gradual or partial change have been made, such as flexible licensing hours, allowing children to go into places where alcohol is sold and allowing alcohol to be sold with food. We intend to consider such changes.

**Mr. John Maxton** (Glasgow, Cathcart): Is the Minister aware that there will be considerable concern in Scotland that the joining of the English tourist board and the British tourist authority into one organisation will mean that abroad they will be treated as synonymous? Is it not essential that the Secretary of State for Scotland makes a statement as soon as possible, preferably this afternoon, on the structure and financing of the Scottish tourist board, and whether it will be an autonomous body?

**Mr. Lamont:** There is a Bill going through Parliament—

**Mr. Maxton:** It is in the other place.

**Mr. Lamont:** Yes, but those Bills normally come here eventually. The hon. Gentleman will have a chance to be on the Committee on that Bill. The British tourist authority and the English tourist board are not being merged, but that matter should be studied.

**Mr. Tony Speller** (Devon, North): Will my hon. Friend accept that tourism and hospitality are our most



[*Mr. Tony Speller*]

successful and labour-intensive industry at present, and that on the education side there are two jobs for every graduate in catering management? Will my hon. Friend do all he can to assist the growth of places in education in the catering world?

**Mr. Lamont:** I wholeheartedly agree with my hon. Friend. The industry offers good employment prospects. It is extremely important that the training in our colleges should be on the scale and of the type required by the industry. The Department of Education and Science acknowledges that. That has been communicated to the National Advisory Body. The NAB has acknowledged it, although it has yet to make its decision on funding, and recommendations to Ministers. My hon. Friend is absolutely right.

**Mr. Ken Eastham (Manchester, Blackley):** In attempting to concentrate the Minister's mind on the regions, I make particular reference to the Greater Manchester area, where metropolitan authority, which is trying to finish attractions such as the new aerospace museum. It is believed that there will be 200,000 visitors in the first year of opening. The development of the central Manchester station, which covers about 26 acres is now at an advanced stage. Millions of pounds are being spent on the development, but there is a grave shortage of hotel and bedroom accommodation. We are told that two applications for two large hotel developments are awaiting approval by the Department of the Environment. Will the Minister use all his good offices to encourage an early decision on those much-needed hotels?

**Mr. Lamont:** Yes, I shall do that.

**Mr. John Townend (Bridlington):** I welcome my hon. Friend's much-needed reforms, but I remind him that the Yorkshire and Humberside area receives fewer tourist funds from Government sources than Wales, although the population and the potential are greater. There will be great disappointment that my hon. Friend's changes do not appear to correct that imbalance. Will my hon. Friend consider that matter again?

**Mr. Lamont:** My hon. Friend's constituency and area of the country benefit from the efforts of the English tourist board, and those of the regional tourist board. I was near my hon. Friend's constituency last week at a function organised by the Yorkshire and Humberside development association. I know that it is a flourishing body, promoting many good projects. It is unique in the support received from the tourist trade. That is a good way in which to finance such regional bodies.

**Mr. Skinner:** Does the Minister agree that it is delightfully ironic that hosts of Tory Members representing seaside resorts in Britain are worried about the state of tourism in their constituencies, and elsewhere, when, given half a chance, most of them spend their holidays in the Common Market? Will the Minister also tell us—he has failed to do so up to now—exactly when this quango, or series of quangoes, will be placed into the jigsaw that he has described? Will that increase or decrease public expenditure?

**Mr. Lamont:** We are not expecting an increase in public expenditure on tourism. I gave details of the amounts under section 4 assistance—£35 million over

the four years. I expect total support for the boards not to be altered as a result of the statement. I do not know where the hon. Gentleman gets his information about where my hon. Friends take their holidays. He does not tell us where he takes his. Perhaps it is outside the EC, in the Caribbean.

**Mr. Michael Colvin (Romsey and Waterside):** Is my hon. Friend aware that not only the House but the tourist industry will welcome the appointment of Mr. Duncan Bluck? Besides leading Cathay Pacific to another record trading result in extremely difficult times for civil aviation, he has been an extremely successful chairman of the Hong Kong tourist association. If he can do for our tourist industry what he has done for the Hong Kong tourist industry, he will have been an inspired choice.

**Mr. Lamont:** I am grateful to my hon. Friend.

**Mr. Keith Raffan (Delyn):** I welcome my hon. Friend's statement, but the BTA will now concentrate its efforts on overseas promotion. Does my hon. Friend accept that Wales has had far from a fair share of that promotion in the past, much less than Scotland, let alone England? Will he give a more detailed assurance that we will now be given a very real chance of increasing our lamentably low 3 per cent. share of the overseas visitors market? Last week's appointment of one lonely overseas marketing director to work with the Wales tourist board is far from enough.

**Mr. Lamont:** The Wales tourist board is the responsibility of my right hon. Friend the Secretary of State for Wales. He will be able to give my hon. Friend more details about it. With regard to the BTA's efforts for Wales, I am satisfied that the changes in staff and organisation that were announced by the Minister of State, Welsh Office, will lead to an improvement for Wales.

**Mr. Nicholas Fairbairn (Perth and Kinross):** Does the Minister appreciate that those of us north of the border will view with great suspicion the amalgamation of the English tourist board and the British tourist authority, as the Arts Council of Great Britain is essentially the Arts Council of England? Will my hon. Friend take an example from Scotland and use the funds available to promote the injection of private funds into tourism, of which the recently privatised Gleneagles hotel is a magnificent example? If my hon. Friend has any difficulties in England about the licensing laws, all that he need do is introduce the licensing laws of Scotland.

**Mr. Lamont:** That might be a good development. At this stage the BTA and the ETB are not being amalgamated. My hon. and learned Friend referred to the need to get more private capital into tourism. That is precisely what the ETB has been trying to do. It has been trying to use the limited Government money that has been made available to get more money from the private sector. The equity fund to which I referred shows that it has been successful in that.

**Sir Anthony Meyer (Clwyd, North-West):** Is my hon. Friend aware that people in Wales will be satisfied that the Wales tourist board is not to be abolished, as originally rumoured? None the less, it badly needs strengthening. Is my hon. Friend further aware that there is general support throughout the House for spreading more evenly between the manufacturing and service industries, including tourism, the benefits of favourable tax treatment?

**Mr. Lamont:** I note what my hon. Friend says. He will have heard my reply to a previous question on that matter.

**Mr. David Gilroy Bevan** (Birmingham, Yardley): As chairman of the Conservative Back Bench tourist committee, I welcome my hon. Friend's statement. May I thank my hon. Friend particularly for the restructuring of the boards, the intended unification of the chair and the importance that he places on the take-up of employment within that most important industry? Will my hon. Friend therefore see that the employment figures, in all their breadth, come from one unified source? My hon. Friend referred to the importance of commercial tourism, and my hon. Friend the Member for Bournemouth, West (Mr. Butterfill) referred to an important initiative in the Birmingham area, near my constituency. Will my hon. Friend stress that importance by issuing at least six-monthly figures of the increased numbers employed, the increased turnover and the increase in conference and commercial tourism?

**Mr. Lamont:** My hon. Friend has asked before about calculating the numbers employed in tourism. It is a difficult subject because it is difficult to define the tourist industry as such, but I shall discuss with Ministers in the Department of Employment whether we can do something to satisfy my hon. Friend.

My hon. Friend also asked about business tourism. Many of the matters that are referred to in the paper that I have placed in the Vote Office, such as computerised reservation systems and hotel standards, are relevant to business tourism, which is an important part of this expanding market.

**Mr. Robert Hicks** (Cornwall, South-East): Is my hon. Friend aware that his decision to streamline the work of the two principal tourism structures under a common chairman will be most welcomed by those involved in the tourist industry? Can he elaborate a little on what he sees the future role on the non-statutory regional boards to be? Those involved with the implementation of tourism throughout the country deal most with regional boards' personnel.

**Mr. Lamont:** We believe that a common chairman for the two organisations will remove the overlap and will result in more effective promotion. With regard to the non-statutory boards, I have asked the ETB to consider this. I have it in mind that they should play a bigger part in the marketing effort and in the marketing of individual regions of the United Kingdom and perhaps do some of the work that is presently done by the ETB. That would mean that the ETB might have to support them. I have asked the chairman of the ETB to report to me urgently on this matter.

**Mr. Roger Gale** (Thanet, North): I do not feel a need to do any special pleading on behalf of north-east Kent, which has been attracting foreign tourists since the time of Boadicea, and the best is still the best. I welcome my hon. Friend's statement about the provision of section 4 grants, but may I ask him yet again to ensure that these grants are used as a pump-priming exercise for the provision of new facilities, not for the topping up of a shortfall of capital?

**Mr. Lamont:** Yes, that is extremely important. The money should be used where private sector finance is not available. It should be used for projects that are thought

to be unusual or those that improve the product. There is no point in the taxpayer financing tourist developments that could perfectly easily be financed by the banks or the markets. I wholly agree with my hon. Friend.

**Mr. John Watson** (Skipton and Ripon): Despite all that has been said, I do not completely understand what will happen about the responsibility for overseas promotion. I understood my hon. Friend to say that the Scottish tourist board and the Wales tourist board would have responsibility for overseas promotion but that henceforth the English tourist board would not have responsibility for overseas promotion. Does this mean that the British tourist authority will confine its promotional activities to the English tourist industry; does it mean that some duplication will continue; or does it mean that the English tourist industry will be in the hands of a relatively poor relation?

**Mr. Lamont:** The English tourist board has never done promotion overseas. The overlap has been that the BTA has to some extent become involved in domestic tourism. The BTA is being asked to withdraw from that and to concentrate exclusively on the external promotion of the United Kingdom. The BTA is in a position different from the arrangements announced for Scotland because my right hon. Friend the Secretary of State for Scotland has said that, in accordance with the Scottish Conservative manifesto, there would be some promotion independently for Scotland. I can assure my hon. Friend, however, that that is a limited effort and will be done in collaboration with the BTA. That independent promotion in Scotland, limited though it is, cannot take place without the BTA being involved and without my right hon. Friend the Secretary of State for Scotland giving his approval.

There is not complete symmetry between the ETB and the Scottish tourist board. The overlap that we have sought to remove was between the BTA and the ETB, with the BTA getting back into England. It is like a discussion on the Trinity—it is so complicated. Whatever the degree of overlap, the answer is to have a common chairman for the BTA and the ETB, whatever the differing views about the role of those two organisations.

**Mr. Conal Gregory** (York): In view of the growth in foreign currency earnings from overseas visitors in my part of York, the north-east and nationally which amounts to about £500 million a year from taxation, will my hon. Friend consider ways to maintain Britain's tourism appeal through reinvestment in amenities, conservation and resort development? Will he discuss with my right hon. Friend the Chancellor of the Exchequer the continued tax discrimination against the hotel industry in comparison with manufacturing industry?

**Mr. Lamont:** I have said in response to earlier questions that I shall discuss that with my right hon. Friend the Chancellor of the Exchequer. The other points that my hon. Friend has made about improving the product are extremely important and a number of them are covered in the paper in the Vote Office. The English tourist board will be seeking to take those points further.

**Mr. David Harris** (St. Ives): I welcome my hon. Friend's emphasis on private finance, but will he try to ensure that the tourist industry gets a larger slice of the European regional development fund infrastructure grants, particularly in regions such as the south-west, which depend on tourism?

**Mr. Lamont:** Yes, of course I will do that, but we can only get access to the ERDF for tourism in assisted areas. In that sense it is different from the way in which we spend our own Government money on the promotion of tourism.

**Mr. Harry Greenway (Ealing, North):** Is my hon. Friend aware that the popularity with overseas tourists of the changing of the guard ceremony at Buckingham palace is so great that my constituency's schoolchildren cannot get to see it although some of them have been trying to do so for about 10 years? This is not helped by the fact that in some weeks the ceremony takes place only two or three times. Will he try to do something to ensure that the ceremony takes place every day, with proper access for our own people as well as for overseas visitors?

**Sir Kenneth Lewis (Stamford and Spalding):** What about a matinee?

**Mr. Lamont:** I knew that my responsibilities extended far and wide, not only to British Leyland and the British Steel Corporation but to the changing of the guard. I shall certainly follow up my hon. Friend's question.

**Mr. Andrew Faulds (Warley, East) rose—**

**Mr. Speaker:** Order. I shall call the hon. Member for Warley, East (Mr. Faulds), but I did say that I would call only those hon. Members who had been attempting to catch my eye.

**Mr. Faulds:** I am grateful to you, Mr. Speaker. Will the hon. Gentleman ensure that in the reorganisation that he has announced greater appreciation is made of the value to British tourism of the great range of industrial and archaeological heritage throughout Britain, which would bring benefit to an area such as the west midlands which is not normally thought of as a tourist area?

**Mr. Lamont:** The hon. Gentleman is absolutely right. The success of tourist attractions such as the iron bridge near Telford shows that. There is enormous scope in some of our old industrial areas for redeveloping factories and industrial sites as tourist attractions. It is happening to a considerable extent in certain areas of the country but there is much more scope for it.

**Mr. Donald Dewar (Glasgow, Garscadden):** Does the Minister realise that it is not good enough to restrict the Scottish tourist board to what he has described as a small

and limited role? If that is all the Tourism (Overseas Promotion) (Scotland) Bill amounts to, it will be a sad anti-climax. The Minister has been careful to stress that limited role. Will he give an example of what exactly the Scottish tourist board will be allowed to do? Will he explain what is wrong with competition between the Scottish tourist board and those in other parts of the United Kingdom. After all, there will be competition within the British tourist authority for resources for overseas promotion. I cannot see what is wrong—I ask the Minister to tell me—with a determined Scottish effort with an adequate Scottish budget to establish a Scottish presence in the overseas tourism market.

**Mr. Lamont:** I should have thought the hon. Gentleman would think that I had been generous in acknowledging that there is scope for an independent Scottish effort, and that Scotland is a different country with a different tourist product. He should direct his question about the independent effort of the Scottish tourist board to my right hon. Friend the Secretary of State for Scotland. I agree that there is scope for competition, but we must be careful not to have too much duplication and waste, because we have had that in the past. Moreover, the hon. Gentleman should not forget that the whole question of different tourist boards was looked at by consultants, who reached the conclusion that there was a considerable overlap and that some money was not being wisely spent.

### Statutory Instruments, &c.

**Mr. Speaker:** By leave of the House, I shall put together the questions on the three motions relating to statutory instruments.

*Ordered,* That the draft Farm Structure (Payments to Outgoers) (Extension of Duration) Scheme 1983 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Eligibility for Release on Licence Order 1983 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Consumer Credit (Increase of Monetary Limits) Order 1983 be referred to a Standing Committee on Statutory Instruments, &c. — [*Mr. Donald Thompson.*]

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*From the Minister of State for Industry*

Norman Lamont MP

*Dr  
22/11*

Charles Marshall Esq  
Private Secretary to the Lord Privy Seal  
and Leader of the House of Commons  
Privy Council Office  
Whitehall  
LONDON  
SW1A 2AZ

*21* November 1983

*Dear Charles*

TOURISM STATEMENT

Further to our brief word this morning, I am sending you a copy of the statement Mr Lamont intends to make tomorrow, together with the supporting paper which he will be laying in the library of the House.

I am copying this letter and enclosures to Andrew Turnbull, Murdo Maclean and Bernard Ingham.

*yours,*

*John Alty*

JOHN ALTY  
Private Secretary

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## STATEMENT

### REVIEW OF TOURISM POLICY

With permission, Mr Speaker I should like to make a statement about the Government's review of tourism policy, instituted in July of last year by the then Parliamentary Under Secretary of State for Trade.

I am grateful to all those who contributed, including Rt Honourable and Honourable Members of this House.

Tourism is undoubtedly one of our most important industries. In 1982 its turnover, at some £8½ billion, almost matched that of the UK motor industry and it employed around one million people across the country. The Government recognise the great economic and employment potential of tourism and are determined to encourage the industry's development.

The review, which was concerned primarily with the activities of the British Tourist Authority and the English Tourist Board, and with the relationships between all the tourist boards, also produced many proposals for improving UK tourism generally. Details of some, and of how they will be pursued, are in a paper which I have placed in the Vote Office. They include improving hotel standards, new training initiatives, proposals for computerised reservations systems, signposting policy, revitalising the traditional resorts and dealing with the tourism needs of London. The review has also pointed to other tourism issues which are the responsibility of other Departments. I intend to invite them to consider further action.

The Government's main instrument for encouraging tourism is the statutory tourist boards. In recognition of the widely accepted view that the boards need to improve their own coordination, the Government have decided that new organisational arrangements are required.

I am therefore inviting the British Tourist Authority to transfer wherever possible its remaining UK activities to the national boards, so that it may concentrate on its prime responsibility: to promote Britain overseas. I am asking the BTA and the ETB to seek shared accommodation, to merge certain common services, and in consultation with the Scottish Tourist Board and the Wales Tourist Board, to eliminate duplication in their publication programmes. The review has shown that a revised approach is also needed to planning the BTA's overseas promotions so that full account is taken of the requirements of England, Scotland and Wales in the main marketing programme. My Rt Honourable Friend the Secretary of State for Wales is announcing separately improvements agreed with the BTA for the promotion of Wales overseas.

None of these important changes requires legislation. However, the Minister of State at the Scottish Office last week introduced in another place a Bill containing proposals for limited overseas promotion by the STB, which will require some amendment to the 1969 Development of Tourism Act.

Sir Henry Marking, the present BTA Chairman, has agreed to leave his post at the end of March 1984, some five months before the end of his appointment, to permit a new Chairman to begin carrying through these

changes at the BTA as soon as possible. I should like to record the Government's sincere appreciation of Sir Henry's tireless and valuable work as a promoter of tourism. As the successor to Sir Henry at the BTA, my Rt Honourable Friend is appointing Mr Duncan Bluck, currently Chairman of Cathay Pacific Airways and of the Hong Kong Tourist Association, with effect from April next for a period of three years.

The Government believe rationalisation of the BTA and ETB activities could best occur under a single Chairman. My Rt Honourable Friend therefore intends to ask Mr Bluck to serve also as Chairman of the ETB, when Mr Michael Montague finishes his current term there. Mr Bluck will examine possibilities for further collaboration and the possibility of a merger of the two bodies.

Mr Montague, who has also done much valuable work at the ETB, will play an important role for the rest of his term in helping to bring the two boards closer together. I have asked him additionally to report to me urgently on how the non-statutory regional tourist boards might take on additional responsibilities, particularly in marketing. The important role of the regional boards in English tourism has been emphasised by this review.

I place great importance on attracting private finance to tourism and I am therefore pleased to be able to inform the House that the English Tourist Board has been instrumental in setting up a new equity fund for tourism, financed by the private sector but with access to advice from the Boards. Full details will be announced at a later date. In the meantime, however, I plan to maintain grants for Section 4

expenditure in England at about the current level over the four years to 1986/87 giving a total of some £35 million for the period.

These moves towards closer coordination, clearer objectives and better use of resources by the boards should be to the benefit of the tourism industry. But the review confirmed that the main task of realising tourism's potential for growth must rest with the industry itself.



# CONFIDENTIAL

## REVIEW OF TOURISM POLICY : PROPOSALS FOR IMPROVING UK TOURISM

The Government's main role in support of tourism is to provide the institutional framework and to create a favourable general economic climate for the tourist industry's development. Within the institutional framework it is the job of the tourist boards to work together and to coordinate and foster an industry which by its nature is fragmented and diverse. The statement made today on the Government's conclusions from the review of tourism policy deals mainly with how the framework itself can be improved. In addition, however, in the course of the review many ideas were put forward for improving what this country can offer to domestic or overseas tourists, in order to meet new market requirements. Some of these ideas are being taken up by the Boards and by other organisations, as outlined below.

2 It was widely argued during the review that previous policies had led to underselling London overseas. The Government agree this approach was wrong. London is Britain's biggest single tourist attraction and its success is vital not only for Londoners but also for the rest of Britain. Overseas visitors who come first to London afterwards spread out to other parts of the country. Both the BTA and the ETB are therefore being asked to pay particular attention to the promotion of London in future.

3 Concern has been expressed about the plight of many of the traditional resorts which have failed to invest in the modern facilities necessary to attract today's customers and to compete with the standards of resorts overseas. The English Tourist Board has therefore agreed to encourage

resorts (both seaside and inland) to come forward with imaginative and comprehensive development proposals and to market them effectively. Further details of this initiative will be announced by the Board in due course.

4 Similarly, the ETB will be working with the Civic Trust, the Department of the Environment and other bodies, to identify how various forms of assistance could be brought together in a concentrated manner to give new life to run-down urban areas which may have tourism potential. Much work is already under way to bring tourism back to our inner cities, in such places as Liverpool, Manchester and Glasgow. The ETB's work should give these efforts in England an added emphasis, with improved co-ordination of social and tourism aims.

5 With the agreement of the Secretary of State for Transport, British Rail, the Civic Trust and the ETB are also looking at ways of developing the tourism potential of some of our historic railway stations, making them attractive places in their own right for tourists and residents to use and visit. These possible developments would be in addition to BR's current plans for optimum commercial utilisation of a far wider range of stations. The Secretaries of State for Scotland and Wales will be examining with their Tourist Boards the potential for similar initiatives.

6 Another matter raised during the review was the adequacy of signposting of tourist attractions and facilities in England. With the agreement of the Secretary of State for Transport, experimental tourism signposting schemes are being planned by Kent and Nottinghamshire County Councils. The ETB has also been asked in consultation with the Regional

Tourist Boards, to make proposals to improve the signposting on major roads of tourist facilities off the main routes. These moves will supplement other initiatives to improve tourism signposting throughout the United Kingdom.

7 Many representations were made during the review on the standards and quality of service in hotels, where any departure from the very high standards set by most establishments can be both damaging to our international reputation and discouraging to domestic tourism. The Government consider that compulsory registration of hotels, as favoured by some who gave evidence, could involve undesirable bureaucracy and expense. However, the ETB has been asked, in consultation with the other Tourist Boards and interested bodies, to examine ways of strengthening its voluntary registration scheme to make it a more effective weapon against inadequate standards and to report its conclusions as soon as possible.

8 Many new jobs are likely to be created in tourism and it is important that young people know about these and are properly trained. The ETB is to prepare a comprehensive careers guidance handbook. It is also intending to discuss with lecturers and educational and professional bodies the opportunities and need for more training courses, which will provide people with the skills needed for work in tourism.

9 In order to respond to the many comments made about the potential advantages of applying computer technology to reservation systems and the dangers of separate and incompatible developments, the Department of Trade and Industry is commissioning consultants to work with the Tourist Boards and with private sector interests, to examine how viewdata technology could

be used to enable commercial enterprises of all sizes to computerise their booking systems and receive reservations from home and abroad in a common format. It is not the Government's intention that a comprehensive reservation system should be run by the tourist Boards themselves, though through their information networks and advisory services they would clearly have an important role in helping to bring about a coordinated approach to implement the study's findings.

10 In the course of the review, a very large number of suggestions were put forward for ways in which the nation's tourism effort could be improved. Some of them have been incorporated in the conclusions already announced. Others would fall to the trade itself to implement. Others fall to the responsibility of Government Departments not directly concerned with tourism, which will be considering them further. They include such topics as Sunday trading; tax incentives; licensing laws; the opening hours of museums and major attractions, particularly on Sundays and holidays; and the impression given to overseas visitors at our major sea and airports.

Department of Trade and Industry

22 November 1983

NBPW  
15/11  
CC NO



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*Oddi wrth Ysgrifennydd Gwladol Cymru*

The Rt Hon Nicholas Edwards MP

*From The Secretary of State for Wales*

14 November 1983

PROMOTION OF WALES OVERSEAS

When I wrote to you on 7 November I promised to let you see a final draft of my planned statement on arrangements for the promotion of Wales overseas.

I have now completed discussions with the BTA and the WTB and reached agreement on new arrangements. I plan to use the attached as the basis for a written answer to a Parliamentary Question, on the same day as Norman Lamont makes his more general statement on tourism.

The new arrangements will allow for fuller and more productive co-operation between the BTA and the WTB in promoting Wales abroad. I shall, of course, be keeping a close eye on activities to see how far the hoped for improvements materialise and whether any further changes are needed.

Henry Marking has raised the question of the BTA budget. He is naturally concerned that the present initiative will raise expectations about an amount to be done by the BTA for Wales which will not be possible within the BTA's budget. I hope, however, good sense will prevail on both sides and will be arranging for detailed discussions with Sir Henry and the Board on how best to overcome any difficulties.

I am sending a copy of this letter to the Prime Minister, all members of E(A) Committee, Leon Brittan, John Biffen, John Wakeham, Grey Gowrie and Sir Robert Armstrong.

The Rt Hon Norman Tebbit MP  
Secretary of State for Trade and Industry  
Department of Trade and Industry  
1-19 Victoria Street  
LONDON  
SW1H 0ET

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TRAPP MINISTERIAL STATEMENT ON OVERSEAS PROMOTION

I have been considering the way in which the Wales Tourist Board works with the British Tourist Authority in the promotion of Wales as a tourist destination as part of my continuing review of tourism policy in Wales following the publication of the Board's strategy document earlier this year. Following meetings with the two bodies, I am pleased to announce new arrangements which have been agreed for strengthening Welsh involvement in the BTA's marketing programme.

The Wales Tourist Board will be appointing a Director of Overseas Marketing who will work in close cooperation with the British Tourist Authority. The Director's primary responsibilities will be to coordinate activities in Wales aimed at developing tourist facilities to make them attractive to the overseas market and to identify, in collaboration with the British Tourist Authority, attractions and amenities which could be most productively promoted abroad.

The British Tourist Authority will be nominating an executive to act as Wales Liaison Officer.

The Wales Tourist Board and the British Tourist Authority jointly will be drawing up and reviewing annually a strategic overseas marketing plan for Wales which will form the basis of the BTA's annual marketing plan as it relates to Wales.

Arrangements will be made jointly by the Wales Tourist Board and the British Tourist Authority to encourage the support of the trade and of authorities with tourist interests for the promotion of Wales overseas and to involve them in the development of Welsh tourist facilities in order further to attract overseas visitors and in the formulation of specific market proposals.

These arrangements are a constructive step forward in reconciling the needs to promote Britain abroad as an entity while giving due weight to the importance of Wales as a tourist area and the importance to Wales of tourism.

Govt Mach,  
May '83  
Turnout Trade



*CAO*  
*NBPM AT 10/11*

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Norman Tebbit MP  
 Secretary of State for Trade and Industry,  
 Department of Trade and Industry  
 1 Victoria Street  
 LONDON  
 SW1H 0ET

9 November 1983

*Dear Secretary of State*

REVIEW OF TOURISM POLICY

Thank you for your letter of 3 November to the Chancellor reporting the outcome of your review of tourism policy; and also for the copies of your proposed Statement to the House and the paper for the Library.

I am glad to know that a determined effort is now to be made to eliminate the blurring of responsibilities, as you describe it, which has occurred between the four tourist organisations. You are right to point out the need for rationalisation and the avoidance of over-lap. Your proposals should strengthen their top management and improve their performance.

I also welcome the fact that the English Tourist Board has been able to set up a new equity fund for tourism, financed from the private sector. Tourism projects should be attractive to private investors, and I hope that, in time, the fund and the other plans that you have described will provide more effective support for the industry with less reliance on public funds.

I am sending copies of this letter to the recipients of your own.

*Yours sincerely*  
*Peter Rees*

PETER REES

*(Approved by the Chief Secretary)*



Gov. TRACY  
Review of Transit  
Trade May 83.

1883





SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Norman Tebbit MP  
Secretary of State for Trade and Industry  
Department of Trade and Industry  
1-19 Victoria Street  
LONDON  
SW1H 0ET

8 November 1983

*Dear Norman,*

REVIEW OF TOURISM POLICY

Thank you for copying to me your letter of 3 November to Nigel Lawson enclosing a draft of the Statement to be made by Norman Lamont on the outcome of your Department's review of tourism policy, and of the related paper to be deposited in the Library of the House.

I am generally content with the both drafts in so far as they touch on Scottish interests. I comment below, however, on timing and on two particular points arising from the draft statement on which I wish to clarify the Scottish position.

On the timing of the statement, you will recall that Hamish Gray suggested, in his letter of 11 August to Cecil Parkinson, that the announcements on your tourism review and on the introduction of our legislation extending STB's powers should be closely coordinated. Subject to 'L' Committee clearance on 16 November, Hamish expects to introduce the Tourism (Overseas Promotion)(Scotland) Bill into the House of Lords on Thursday 17 November (with publication on the following day). My officials are in close touch with yours about this to ensure that the reference in Norman's statement to the introduction of Scottish legislation is amended to take account of any changes in this timetable which may be necessary.

The draft statement mentions the possibility of a full-scale merger of BTA and ETB in the longer term. While I recognise the practical benefits of a limited merger of ETB/BTA "common services" (accommodation, research etc), I must repeat concern expressed by my Department previously at any proposal fully to merge the two organisations. I believe that a full-scale merger would "anglicise" the BTA and would severely reduce the Authority's credibility in Scotland. Moreover, while our legislative proposals assume and emphasise a continuing lead role for BTA in overseas promotion on Scotland's behalf,

any move which identified BTA with the English product would generate demands for wholly independent Scottish powers (and commensurate resources) for overseas promotion. I am not against the case for merger of BTA and ETE being considered by the new BTA/ETE Chairman, as proposed, but I must make clear my opposition in principle to any such amalgamation.

My final point relates to the future of tourism grants made by the national tourist boards under the Development of Tourism Act 1969. The draft statement implies (though it does not state explicitly) that the new equity fund for tourism might in the longer term substitute for tourism grants under the 1969 Act. I believe it is far too early to assume that the new fund will ever replace the 1969 Act grants across the whole range of tourism projects; and I would certainly want to see solid evidence that the need for section 4 grants was declining before I would consider any reduction in provision for tourism grants in Scotland.

I am copying this letter to the recipients of yours.

Yours we,  
George



10 DOWNING STREET

Prime Minister

Mr Tebbit proposes

(i) divesting British Tourist Authority of domestic activities and making it an overseas promotion body

(ii) getting chairman of BTAA to double up as chairman of English Tourist Board.

Agree? Yes  No

Mr Tebbit has in mind a Mr Duncan Black of Swire as the joint chairman. The formal clearances are in hand. formal proposal will then be put to you. (Appts. filing)

I rather like it.

Walter Colclough would 4/11  
Walter to be considered not

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FILE

RW  
B/c: Mr OWEN

10 DOWNING STREET

*From the Private Secretary*

7 November, 1983

REVIEW OF TOURISM POLICY

The Prime Minister has seen your Secretary of State's letter to the Chancellor on the Review of Tourism Policy. She is content with the proposal to reconstruct the roles of BTA and ETB and with the proposal that the Chairman of BTA should also double-up as Chairman of ETB.

I am sending a copy of this letter to the Private Secretaries to Members of E (A), and to Hugh Taylor (Home Office), David Heyhoe (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office), Mary Brown (Lord Gowrie's Office) and Richard Hatfield (Cabinet Office).

(A. Turnbull)

C. McCarthy, Esq.,  
Department of Trade and Industry

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*Oddi wrth Ysgiflannnydd Gwladol Cymru*



NBPM  
AT 2/11

✓ NO

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*From The Secretary of State for Wales*

THE RT HON NICHOLAS EDWARDS MP

7 November 1983

*Dear Secretary of State,*

REVIEW OF TOURISM POLICY

Thank you for sending to me a copy of your letter of 3 November to Nigel Lawson with a draft of an oral statement and a paper for the Library about the review of tourism policy.

I am broadly content with what you propose, subject to 2 points. First, I would be concerned if any merger between the BTA and the ETB were to have an adverse affect on the service provided by the BTA to Wales or was thought to have the effect of turning the BTA into an ETB. While therefore I can see it makes good sense that the new joint Chairman of the BTA and the ETB should look at the possibility of a merger I would welcome it if, in giving the Chairman his remit, you were to invite him particularly to look at the relationships between any merged body and Wales.

Second, and more generally, I do wonder whether the draft statement and paper quite gets the emphasis right on the extent to which the review and its conclusions distinguished between national and English tourism policy. While of course the review looked at national policies and was carried out in co-operation with tourism interests in Wales and Scotland as well as in England, the outcome is much more specific and detailed in respect of future policies and structures in England alone.

Perhaps the drafting could be looked at again to emphasise both the way in which the review has proceeded and its emphasis on structures and on policies affecting England. This will make it easier for me to set any announcement in context of the strategy review within Wales which the WTG and I have been carrying out in recent years and announced earlier this year. For my part I hope

/to be making

The Rt Hon Norman Tebbit MP  
Secretary of State for Trade and Industry

Govt Mach  
May 83, the  
Review of the  
Tourist Trade



to be making further announcements affecting the WTB - one of which indeed is referred to in your draft. I hope that I will have reached agreement on its terms to permit an announcement by me on the same day as Norman Lamont issues his more general statement. So perhaps the last sentence of the fifth paragraph of the statement could be amended on the lines that:

"The Secretary of State for Wales is announcing separately improvements agreed with the BTA for the promotion of Wales overseas".

I will be in touch with you and colleagues when a final draft of this statement is available.

I am sending copies of this letter to recipients of yours.

Yours sincerely  
JHR

Approved by the  
Secretary of State  
and signed in his  
absence



JH 4

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cc NO  
TF

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Secretary of State for Trade and Industry

3 November 1983

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
London . SW1

Pri

D. Nigel.

#### REVIEW OF TOURISM POLICY

... I attach a copy of a draft oral statement recording the conclusions of the Department's review of tourism policy, together with a short paper to be placed in the Library of the House.

2 This review was initiated in July 1982 by Iain Sproat, when he was Parliamentary Under Secretary of State at the Department of Trade. The review was largely completed before the Dissolution, but the conclusions were at that stage still under discussion. Since taking over responsibility for tourism after the Election, Norman Lamont has thoroughly reviewed the issues, in consultation with Scottish and Welsh colleagues, and Parliamentary announcement of the conclusions can now be made. The review has been much discussed and long awaited by the industry, the Tourist Boards and Members with tourism interests and I think it is important, therefore, that a Parliamentary statement should be made as soon as possible.

3 Apart from a reference to the proposal (which George Younger has already put before H Committee in line with the commitment in our Scottish manifesto) to give the Scottish Tourist Board new powers to carry out a certain amount of overseas promotion in its own right, the statement contains no proposals for legislative change, though it leaves open the possibility for further changes in a year or two.

4 The main proposals are aimed at improving the present institutional structure in order to remove duplication and overlap between the British Tourist Authority and the English Tourist Board. The need for such rationalisation was widely supported during the review. I believe this would be best achieved by appointing a joint Chairman for both the BTA and the ETB: Our intention is that Sir Henry Marking (currently Chairman of the BTA) should retire some five or six months early and that the new BTA Chairman should assume additionally the post





Walter Goldsmith mentioned this proposal

of Chairman of the ETB when Mr Montague's present term there ends early in 1985. Norman Lamont has already discussed this idea with Scottish and Welsh colleagues and I will be seeking the agreement of the Prime Minister to this appointment in the usual way.

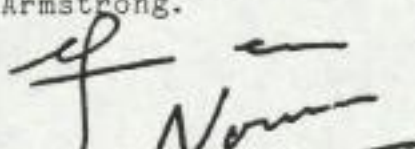
5 There are no proposals in the review statement for any increase in the financial provision for tourism by my Department (£34.2 million in 1984/85, rising to £35.6 million in 1985/86 and to £36.6 million in 1986/87), though if the rationalisation between the BTA and the ETB yields further savings in grant-aid, I will wish to consider whether some further reordering of the priorities within the overall provision would be appropriate, as happened in the arrangements for the 1983/84 Tourist Board budgets. I envisage that a result of the changes we should be able to get far better value from the £46 million we spend directly on tourism through the four Boards created by the 1969 Act.

6 The review has also indicated that there is scope for making better use of resources on a wider basis by closer co-operation between my Department, other Departments whose expenditure or policies can impinge on tourism and the Tourist Boards themselves. In particular, I think we will need to develop further with DoE the consultation arrangements which have now been set up in relation to tourism projects which are being considered for Urban Development Grant or ERDF infrastructure aid.

7 Generally, one of the central findings of the review is a confirmation of the major importance of tourism in our economy, particularly as a source of employment, and I hope that colleagues will take full account of this in formulating their own policies, drawing upon advice both from my Department and from the Boards (in particular the ETB in relation to activities in England). We should all do what we can to avoid measures which are likely to have an inhibiting effect on the most welcome growth potential of this important sector. Indeed, there are a number of points on which I expect to get in touch with you, Leon Brittan, Patrick Jenkin and Grey Gowrie in the coming weeks, as a result of points raised during the review.

8 I very much hope that the statement can be made by Norman Lamont during the week 14-18 November and am therefore asking for any comments you and other colleagues may have by Monday 7 November. I will of course be in contact with business managers about the precise date and timing of the statement later.

9 I am sending copies of this letter to the Prime Minister, to all Members of E(A), to Leon Brittan, John Biffen, John Wakeham, Grey Gowrie and Sir Robert Armstrong.

  
NORMAN TEBBIT

DRAFT STATEMENT

With permission, Mr Speaker I should like to make a statement about the Government's review of tourism policy, instituted in July of last year by the then Parliamentary Under Secretary of State for Trade. I am grateful to all those who contributed, including Rt Honourable and Honourable Members of this House.

Tourism is undoubtedly one of our most important industries. In 1982 its turnover, at some £8½ billion, almost matched that of the UK motor industry and it employed around one million people across the country. The Government recognise the great economic and employment potential of tourism and are determined to encourage the industry's development.

The review produced many proposals for improving UK tourism. Details of some, and of how they will be pursued, I have today given in a paper which I have placed in the library. They include the tourism needs of London, sign-posting policy, revitalising the traditional resorts, redeveloping major railway stations and run-down urban areas, improving hotel standards, new training initiatives and studying computerised reservation systems. The review has also pointed to other tourism issues which are the responsibility of other Departments. I intend to invite them to consider further action.

The Government's main instrument for encouraging tourism is the statutory tourist boards. In recognition of the widely accepted view that the boards need to improve their own coordination, and in order to eliminate / <sup>the</sup> blurring of responsibilities which has occurred between the boards, the Government have decided that new organisational arrangements are required.

I am therefore inviting the British Tourist Authority to transfer wherever possible its remaining UK activities to the national boards, so that it may concentrate on its prime responsibility: to promote Britain overseas. I am asking the BTA and the ETB to seek shared accommodation, to merge certain common services, and in consultation with the Scottish Tourist Board and the Wales Tourist Board, to eliminate duplication in their publication programme. The review has shown that a revised approach is also needed to planning the BTA's overseas promotions so that full account is taken of the requirements of England, Scotland and Wales in the main marketing programme. My Rt Honourable Friend the Secretary of State for Wales expects to announce shortly improvements agreed with the BTA for the promotion of Wales overseas.

None of these important changes requires legislation. However, My Rt Honourable Friend the Secretary of State for Scotland is announcing today proposals for limited overseas promotion by the STB, which will require some amendment to the 1969 Development of Tourism Act.

Sir Henry Marking, the present BTA Chairman, has agreed to leave his post at the end of March 1984, some five months before the

end of his appointment to permit a new Chairman to begin carrying through these changes at the BTA as soon as possible. My Rt Honourable Friend wishes to place on record the Government's appreciation for all Sir Henry's work for tourism. My Rt Honourable Friend has appointed Mr X, currently (x), to be the new BTA Chairman with effect from April next for a period of three years.

The Government believe rationalisation of the BTA and ETB activities could best occur under a single Chairman. When the current appointment of Mr Michael Montague as ETB Chairman ends in February 1985, My Rt Honourable Friend intends to ask Mr X to serve also as Chairman of the ETB. He will be asked to examine possibilities for further collaboration and the possibility of a merger of the two bodies. For the rest of his term at the ETB, Mr Montague will play an important role in helping to bring the two boards closer together and I have asked him to report to me urgently on how the non-statutory regional tourist boards might take on additional responsibilities, particularly in marketing. The important role of the regional boards in English tourism has been emphasised by this review.

I place great importance on attracting private finance to tourism and I am therefore pleased to be able to inform the House that the English Tourist Board has been instrumental in setting up a new equity fund for tourism, financed by the private sector but with access to advice from the Boards. In the meantime, however, I plan to maintain grants for Section 4 expenditure in England at about the current level over the four years to 1986/87 giving a total of some £35 million for the period.

These moves towards closer coordination, clearer objectives and better use of resources by the boards should be to the benefit of the tourism industry. But the review confirmed that the main task of realising tourism's potential for growth must rest with the industry itself.

DRAFT PAPER FOR LIBRARY

REVIEW OF TOURISM POLICY

The Government's main role in support of tourism is to provide the institutional framework and to create a favourable general economic climate for the tourist industry's development. Within the institutional framework it is the job of the tourist boards to work together and to coordinate and foster an industry which by its nature is fragmented and diverse. The statement made today on the Government's conclusions from the review of tourism policy deals mainly with how the framework itself can be improved. In addition, however, in the course of the review many ideas were put forward for improving what this country can offer to domestic or overseas tourists, in order to meet new market requirements. Some of these ideas are being taken up by the Boards and by other organisations, as outlined below.

2 It was highly argued during the review that previous policies had led to underselling London overseas. The Government agree this approach was wrong. London is Britain's biggest single tourist attraction and its success is vital not only for Londoners, but also for the rest of Britain. Overseas visitors who come first to London, afterwards spread out to other parts of the country. Both the BTA and the ETB are therefore being asked to pay particular attention to the promotion of London in future.

3 Concern has been expressed about the plight of many of the traditional resorts which have failed to invest in the modern facilities necessary to

attract today's customers and to compete with the standards of resorts overseas. The English Tourist Board has therefore agreed to encourage resorts (both seaside and inland) to come forward with imaginative and comprehensive development proposals and to market them effectively. Further details of this initiative will be announced by the Board in due course.

4 Similarly, the ETB will be working with the Civic Trust, the Department of the Environment and other bodies, to identify how various forms of assistance could be brought together in a concentrated manner to give new life to run-down urban areas which may have tourism potential. Much work is already under way to bring tourism back to our inner cities, in such places as Liverpool, Manchester and Glasgow. The ETB's work should give these efforts an added emphasis, with improved co-ordination of social and tourism aims.

5 With the agreement of the Secretary of State for Transport, British Rail, the Civic Trust and the ETB are also looking at the possibility of imaginative redevelopment of some of our historic railway stations, making them attractive places in their own right for tourists and residents to use and visit. These possible developments would be in addition to the Department of Transport's and BR's current plans for optimum commercial utilisation of a far wider range of stations. The Secretaries of State for Scotland and Wales will be examining the potential for a similar initiative with their Tourist Boards.

6 Another matter raised during the review was the adequacy of signposting of tourist attractions and facilities in England. With the agreement of the Secretary of State for Transport, an experimental tourism

signposting scheme is being planned by Kent County Council. Another area is to be selected for an experiment in the light of advice received from the ETB. The ETB has also been asked in consultation with the Regional Tourist Boards, to make proposals to improve the signposting on major roads of tourist facilities off the main routes. These moves will supplement other initiatives to improve tourism signposting throughout the United Kingdom.

7 Many representations were made during the review on the standards and quality of service in hotels, where any departure from the very high standards set by most establishments can be both damaging to our international reputation and discouraging to domestic tourism. The Government consider that compulsory registration of hotels, as favoured by some who gave evidence, would involve undesirable bureaucracy and expense. However, the ETB has been asked, in consultation with the other Tourist Boards and interested bodies, to examine ways of strengthening its voluntary registration scheme to make it a more effective weapon against inadequate standards and to report its conclusions early next year.

8 Many new jobs are likely to be created in tourism and it is important that young people know about these and are properly trained. The ETB is to prepare a comprehensive careers guidance handbook. It is also intending to discuss with lecturers and educational and professional bodies the opportunities and need for more training courses, which will provide people with the skills needed for work in tourism.

9 In order to respond to the many comments made about the potential advantages of applying computer technology to reservation systems and the dangers of separate and incompatible developments, the Department of Trade



and Industry is commissioning consultants to work with the Tourist Boards and with private sector interests, to examine how viewdata technology could be used to enable commercial enterprises of all sizes to computerise their booking systems and receive reservations from home and abroad in a common format. It is not the Government's intention that a comprehensive reservation system should be run by the tourist Boards themselves, though through their information networks and advisory services they would clearly have an important role in helping to bring about a coordinated approach to implement the study's findings.

10 In the course of the review, a very large number of suggestions were put forward for ways in which the nation's tourism effort could be improved. Some of them have been incorporated in the conclusions already announced. Others would fall to the trade itself to implement. Others fall to the responsibility of Government Departments not directly concerned with tourism, which will be considering them further. They include such topics as Sunday trading; tax incentives; licensing laws; the opening hours of museums and major attractions, particularly on Sundays and holidays; and the impression given to overseas visitors at our major sea and airports.

Coast Machinery The Sprat Review  
May 1983

- 3 NOV 1983



LORD PRIVY SEAL'S CASE

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For Information or Comments, if any:

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Mr Flesher ✓ ←

Mr Maclean

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SWITCHBOARD 01-215 7877

*From the Minister of State for Industry*

Norman Lamont MP

Charles Marshall Esq  
Private Secretary to  
Mr Biffen  
Lord Privy Seal and  
Leader of the House of Commons  
68 Whitehall  
London SW1



20 October 1983

*Dear Charles*

TOURISM REVIEW STATEMENT

We spoke on Wednesday of this week about Mr Lamont's intention to make a statement to the House about the conclusions arising from this Department's review of tourism policy.

The review was initiated in July 1982 by Mr Iain Sproat, the then, Parliamentary Under Secretary of State for Trade but no conclusions were reached before the election. Mr Lamont subsequently took over responsibility for tourism and has since been reviewing the issues. Mr Lamont would like to make the statement as soon after Parliament re-assembles as possible and we have pencilled in November 3 as a possible date. I should appreciate it if you could bear this in mind.

The review is now in its final stages and a set of conclusions will be ready very shortly. I should be happy to speak to you further if you wish to have more information.

*Yours Sincerely*  
*Stuart Gill*

STUART GILL  
Assistant Private Secretary



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*From the Secretary of State*

PRIVATE AND CONFIDENTIAL

Robin Butler Esq  
Principal Private Secretary  
to the Prime Minister  
10 Downing Street  
London  
SW1

13 May 1983

*Dear Robin,*

... This is the Report to the Prime Minister I  
mentioned to you.

*John,*  
*Arthur*

LORD COCKFIELD

PRIVATE AND CONFIDENTIAL



PRIME MINISTER

1. Mr. Scholar - to see  
2. Pl. file

THE SPROAT REVIEW OF THE TOURIST TRADE

1 I feel you should know what the position is in case the matter is raised in the course of the Election Campaign.

2 Iain Sproat has put an immense amount of work into this review. Unfortunately, the work was far from complete when the Election was announced. No report had been produced: the recommendations had not been adequately considered in the Department and had not previously been shown to me: and obviously there had been no collective consideration by colleagues.

3 Some of the proposals were dramatic. The three I would mention specifically are:-

- 1 Sir Henry Marking's appointment to be terminated and the number of Tourist Boards reduced to three by the abolition of the English Tourist Board;
- 2 There should be a £10 million worldwide advertising scheme "at no cost to public funds"; and
- 3 There should be a £1,000 million tourist development programme, again "at no cost to public funds".

4 I am extremely sceptical of some of these proposals, a scepticism shared by the Chief Secretary, with whom I have briefly discussed the matter. But apart from this, the proposals are sufficiently important to require full consideration and collective agreement by colleagues.



5 In a last minute attempt to pre-empt the Election, Iain Sproat produced on the Wednesday immediately before the announcement of the Election the draft of an extremely long and complex statement he wished to make in the House the following week. By then of course the Election had been announced. Quite apart from the impossibility of securing collective agreement to the proposals in time, the proposals themselves were the kind of new initiatives which would not be pursued during an Election Campaign.

6 Both Sir Anthony Rawlinson and I tried very hard indeed to see whether there was any conceivable way progress could be made. But the more we went into the matter, the more evident it became that the proposals were too far reaching, they had been too little considered, and consultation had been far too inadequate for an immediate announcement to be made. Iain has been most reluctant to accept this decision. He has maintained that the proposals had been agreed at Departmental level and that all that was required was rubber-stamping by Cabinet. Neither the Chancellor nor the Chief Secretary, both of whom I have consulted, knew anything about the matter at all. The Chief Secretary in particular has expressed precisely the same views as I have. The "consultations" with the Treasury were at official level only, Ministers were never informed and indeed their position had been specifically reserved. I have not thought it worthwhile investigating the extent of the other "consultations".

7 One must have some sympathy with Iain Sproat who sees his efforts - temporarily at any rate - frustrated by the Election. But this is the kind of misfortune one has to learn to take in one's stride. Unfortunately, Iain's natural disposition may not reconcile him to this. I draw the matter to your attention because of the risk of deliberate leakage during the Election Campaign carrying with it the innuendo that his colleagues have obstructed an imaginative initiative. There is regrettably



plenty of precedent for saying this. Lobbying in fact has already started with letters to you from Andrew Neil and Walter Goldsmith, both of whom are members of one of the Tourist Boards. It is unusual for members of a public body to lobby the Prime Minister in this way. The misleading and tendentious nature of the letters may well be a foretaste of what is to come. Thus Goldsmith asks you to "ensure that there is no further delay in the announcement". The truth of the matter is that he had written his letter before Sproat had even told me of his proposals.

8 I shall continue to watch the matter. If leakage does occur, we shall need to take action.

Department of Trade  
1 Victoria Street  
London, SW1H 0ET

*A.C.*  
LORD COCKFIELD

15 May 1983



PRIME MINISTER

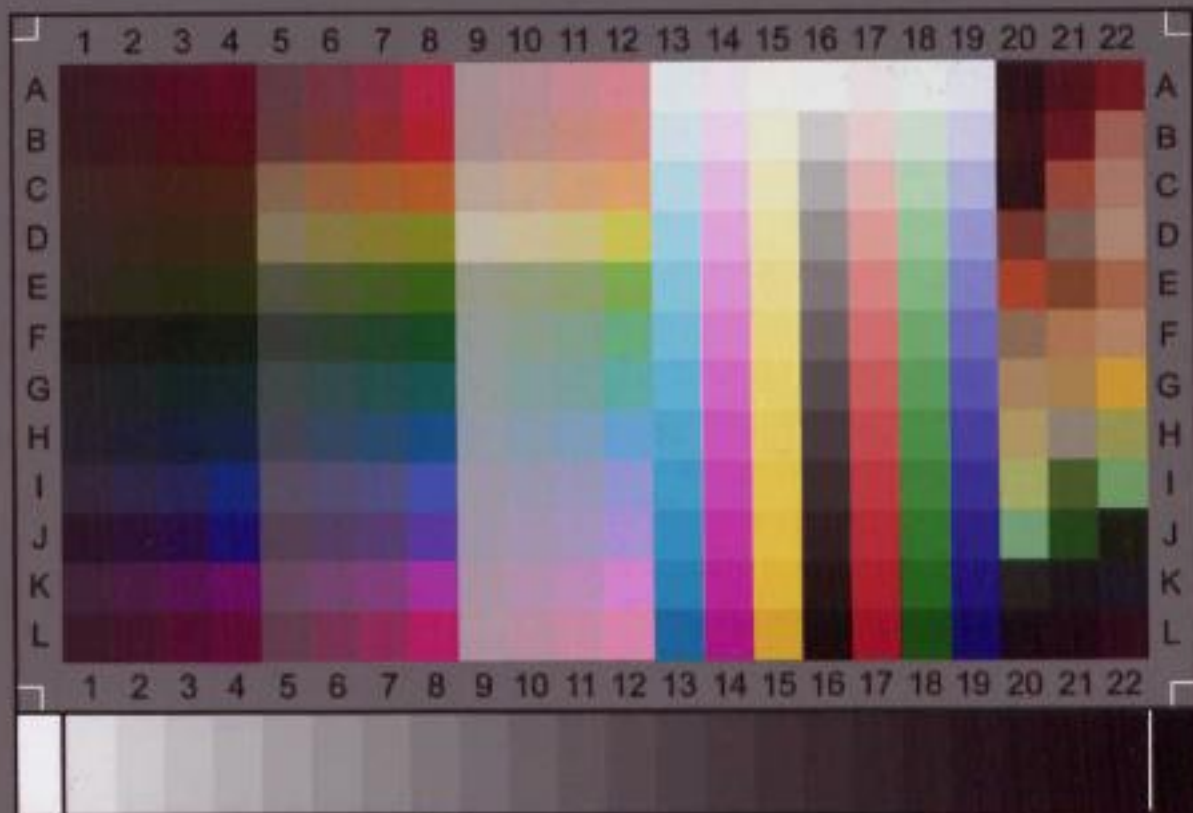
Lord Cockfield telephoned me this afternoon, before sending you the attached memorandum about the difference he has had with Iain Sproat about the latter's review of tourism.

His chief worry now is that Iain Sproat will either start putting out some of his ideas on his own initiative during the Election Campaign and force his colleagues to disown them or else criticise his colleagues in public.

Would it be a good idea for Ian Gow to have a word with Iain Sproat on your behalf, on the lines that you have heard of the episode and understand his disappointment; but that, however unfortunate it is not to be in a position to use the results of his tourism review in the Election, it would be far more damaging to show any sign of disunity among colleagues?

E. E. R. BUTLER

13 May 1983



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