



Department  
for Culture,  
Media & Sport

**VISITOR ECONOMY ADVISORY COUNCIL**  
10:00 - 11:30, Wednesday 14th January 2026

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**Attendees**

Name	Organisation
Stephanie Peacock MP	Minister for Sport, Tourism, Civil Society and Youth (co-Chair)
Karin Sheppard	IHG Hotels and Resorts (co-Chair)
Lauren Broughton	UKInbound
Fiona Eastwood	Merlin Entertainments
Paul Flaum OBE	Bourne Leisure
Dr Sarah Green OBE	NewcastleGateshead Initiative
Andy Harmer OBE	Cruise Lines International Association
Dame Irene Hays DBE	Hays Travel
Andrew Leveson	Royal Shakespeare Company
Fiona Macconnacher	Booking.com
Kate Nicholls OBE	UKHospitality
Ken O'Toole	Manchester Airports Group
Kate Shane MBE	Blackpool Tourism Limited
Shaon Talukder	Geotourist
Pete Wade	Trainline
Patricia Yates	VisitBritain/VisitEngland

**Observers**

Name	Organisation
Nicola Hewer	DCMS

Duncan Parish	DCMS
Harriet Somers	DCMS
Liam Broom	DCMS
Becky Ryding	DCMS (Council Secretariat)

## Apologies

Name	Organisation
Joss Croft OBE	UKInbound
Sean Doyle	British Airways
Sir Loyd Grossman	Royal Parks
Mayor Richard Parker	West Midlands Combined Authority
Neil Rami	West Midlands Growth Company
Jeremy Rees	ExCel London
Julia Simpson	World Travel & Tourism Council

## Item 1: Opening remarks

- Karin Sheppard welcomed attendees to the meeting and thanked members for joining the meeting in person in London. Karin provided an outline of the agenda, noting the primary focus would be the opportunity for the Council to provide feedback on the working draft of the Visitor Economy Growth Strategy (VEGS).
- Minister Peacock addressed the Council expressing her intention to continue the commitment of Minister Bryant to publish a Visitor Economy Growth Strategy. The Minister acknowledged the sector's challenges and pledged to champion the industry across Government, particularly regarding policy levers that sit outside of DCMS. It was noted that the Minister had met with the All-Party Parliamentary Group on Hospitality and Tourism the previous day to discuss local concerns, many of which reflected the concerns of the industry.

## Item 2: State of the sector

- Karin Sheppard highlighted the current difficult trading environment, specifically citing concerns regarding the recent Budget, rising operational costs and staff costs. Karin then handed over to Kate Nicholls OBE to provide a view from a hospitality perspective and Ken O'Toole to provide a view from the aviation industry.

- Kate Nicholls OBE stated that many hospitality businesses were struggling. 2025 represented a flat trading season against a high inflation environment, with industry unable to pass on inflationary costs thereby eroding margins. Kate commented many businesses were cutting staff hours and headcount to manage costs. It was noted that many smaller level businesses were at risk of closure and predicted medium size businesses would freeze investment.
- Ken O'Toole commented that the performance of the aviation industry often correlated with the performance of the visitor economy at large. It was noted that while passenger levels at Heathrow and Manchester Airport Group were now above pre-Covid 2019 levels, the UK remained a high-cost environment due to Air Passenger Duty (APD) and business rates. Insights also suggested a lower demand in 2026, exacerbated by global airframe shortages.
- Minister Peacock acknowledged the cumulative challenges and the impact of the Budget. Members were encouraged to feed into the overnight levy consultation, closing on 18 February 2026.

### **Item 3: Economic Value of Tourism in the United Kingdom report**

- Patricia Yates provided a preview of the forthcoming VisitBritain report entitled 'Economic Value of Tourism in the UK' and provided an overview of the headline statistics including the following:
  - Economic impact: tourism is worth £147 billion annually to the UK, about 5 percent of the national economy, when including both direct and supply chain impacts. It supports 2.4 million jobs and generates £52bn in tax revenue.
  - Growth Outlook: Impact (direct and indirect) is expected to reach £161bn by 2030, driven primarily by inbound tourism.
  - Market Risks: Growth in the US market is expected to stagnate, and the UK is predicted to lose market share in Europe. Future growth is dependent on competitive Asian markets.

### **Item 4: Discussion on Working Draft of Visitor Economy Growth Strategy**

- Minister Peacock introduced the Visitor Economy Growth Strategy discussion, focusing on growth, productivity, and changing perceptions of the sector.
- Duncan Parish (Deputy Director, Visitor Economy) outlined that there were five key strategic aims of the Visitor Economy Growth Strategy, as follows:
  - Place: Ensuring growth extends beyond London to towns and coastal communities.
  - Audiences: Targeting new international markets and encouraging domestic "staycations".
  - Business Support: Focusing on strengthening the visitor economy workforce to create a more productive, innovative, and resilient business environment.
  - Experience Economy: Facilitating Foreign Direct Investment (FDI) outside of London and leveraging strengths in culture and sport.
  - Social Value: Promoting regenerative tourism that benefits local communities.

- Duncan Parish explained that the working draft of the Strategy that had been shared with the Council did not go into detail on numbers and Key Performance Indicators to measure success. However, these would be included in the final Strategy.
- The Council members were invited to provide their feedback on the draft Strategy, specifically evaluating whether the identified focus areas were appropriate or if there were any omissions. The following points were noted:
  - Economic case and strategic alignment: The Council discussed the necessity of developing a robust economic case for the Strategy to ensure cross-government support. It was noted that securing buy-in from HM Treasury, Number 10, and the Department for Transport was essential for the Strategy's success. Members agreed that the sector should be framed in official narratives as a critical driver of national productivity and a significant contributor to tax revenue.
  - Experience economy and regional distribution: It was noted that international visitors are increasingly driven by specific passions, such as elite sport, screen tourism and heritage, rather than destination-led travel. It was argued that focusing on the "experience economy" provides a natural mechanism to encourage visitors to explore regional areas beyond primary hubs. While Britain's heritage remains a core strength, the Council noted the need to evolve the national "offer" to maintain a competitive global position.
  - Planning and investment: The Council identified planning reform as an omission from the current draft Strategy. Concerns were raised regarding the timelines for major infrastructure projects, with examples cited of developments taking up to eight years to clear planning hurdles. Such delays were noted as a primary deterrent to inward investment.
  - Skills, productivity and technology: Members called for a more sophisticated skills framework to transform the sector's reputation from a source of transitional employment into a viable long-term career path. The conversation highlighted the development of clearer career pathways to improve retention and the opportunity for artificial intelligence to drive productivity and facilitate rapid upskilling.
  - Devolution and regional growth: Concerns were raised by the Council regarding the potential for a "two-tier system" emerging through the devolution process. A potential risk was highlighted, that regions with Mayoral Combined Authorities and dedicated funding may accelerate at the expense of those without, potentially widening the regional growth gap. The Council also noted the tension between high-performing "honeypot" areas and the specific economic needs of coastal and town economies.
  - Local visitor economy partnerships (LVEPs) and data: The Council requested further clarification on the future of LVEPs and emphasised the opportunity to integrate creative industries, festivals, and events into these frameworks. Regarding data and targets the inclusion of a domestic target in the Strategy was welcomed, though questions remained regarding data capture

methodologies. Members also noted that current data often overlooked the significant regional and coastal impact of the cruise sector. The Council expressed an interest in inviting representatives from MHCLG to future meetings to provide updates on the visitor levy.

#### **Item 5: Reflections**

- Minister Peacock welcomed the feedback and enthusiasm from the Council. Minister Peacock agreed that the Growth Strategy could not be delivered in isolation and reiterated that she was keen to engage with colleagues across Government on a number of areas where there are both challenges and opportunities in relation to the visitor economy. In particular, the Minister noted that she was due to meet with the Minister for Schools and committed to meeting with relevant colleagues at MHCLG in relation to planning.
- The following next steps were noted:
  - Council members were invited to provide written feedback on the Strategy draft.
  - It was agreed VEAC Working Groups would be provided with the opportunity to provide feedback on the Strategy.
  - To invite Alison McGovern (MHCLG) to discuss the visitor levy consultation results for the next VEAC.