
TourismAlliance

the voice of tourism

AUGUST 2010 NEWSLETTER

Funding Cuts Start to Impact

David Cameron, in an interview around a year ago, stated that there were numerous traits that he admired in Tony Blair when he first came into office in 1997. However, he said that one of the things that Blair had got wrong was that he had not used the momentum of his election victory to quickly and effectively undertake necessary changes. Rather than seizing the opportunity afforded by the honeymoon phase after the election, he had wasted his first 100 days of being in office. By contrast, he was determined that, when he became Prime Minister, he would not make that mistake.

Roll on a year and you have to admit, he is a man of his word. The Government certainly has not wasted any time in restructuring the public sector. While it is being pitched under the progressive and friendly sounding "Big Society" agenda of redistributing power back to be the people, the speed and scale of the restructuring is starting to look more akin to the American "shock and awe" campaign in Iraq.

It is accepted by all that a reduction in public sector expenditure is required if the UK is to recover from the weight of debt that it is under. However, the speed at which this is happening hardly allows time to determine the ramifications of one set of changes before another set are announced. The problem is that because tourism is a diverse sector, support for tourism development is disparate with many bodies involved and few having a clear understanding of the impact that changes in their area will have on the sector as a whole.

For example, although it was widely flagged before the election that the RDAs would be restructured, it was thought that this would be achieved over the term of the Parliament and that there would be an easy transition from RDAs to LEPs. It is now obvious that BIS and CLG plan to largely wind down the RDAs before the LEPs are up and running, meaning that funding for regional tourism development is ending before alternative mechanisms can be established.

Combine this with reduced funding at the local authority level and there is a very real probability that there will be a considerable reduction in regional and local tourism development over the next year with the loss of many skilled people in the sector. Meanwhile, the Secretary of State has recently announced that the Government is considering the status, role and functions of Visit England and Visit Britain, with final decisions to be made in the Autumn, as part of the Spending Review.

It is not so much that these changes are happening. It is the speed with which they are happening that raises real concerns that the end result may not be the most effective structure for tourism development in the UK.

Regards



Kurt Janson
Policy Director
Tourism Alliance

FHL RULES UPDATE

The Furnished Holiday Letting Consultation has been released. Overall, the proposals in the consultation are what the Tourism Alliance has advocated in that the rules are to be retained and that the thresholds that operators have to achieve in order to comply will only increase from 10 to 15 weeks.

However, the Government wants to ensure that the owners of second homes do not try to use the rules to reduce their income tax and are proposing that loss relief is only available between self-catering properties. They are also proposing to introduce a capital allowance disposal event in any year that an operator fails to reach the new threshold levels. There will need to be discussions with the Treasury to clarify and negotiate the details of these proposals but, overall, it seems that we are heading toward a satisfactory outcome whereby the Government complies with European law at no additional cost to the taxpayer and the self catering industry retains many of the existing benefits associated with the FHL rules.

[Click Here](#) for a copy of the consultation document

MORE REGULATION ON ALCOHOL

The Tourism Alliance has been meeting with the Home Office on further tightening on the sale of alcohol. The Government's coalition programme has a number of commitments relating to strengthening the legislation relating to the sale of alcohol and the granting and revoking licenses. While aimed at reducing anti-social behaviour associated with inner city clubs and bars, the proposed new measures have the potential to cause unintended adverse impacts on tourism businesses. Proposals that are of particular concern include;

1. Amending the application process to require applicants consider the impact of their licence application on the local area
2. Reducing the number of TENs that can be applied for each year
3. Allowing only one TEN in relation to a single location (thereby limiting numbers to 499 people)
4. Including the impact on public health as a core objective of the Licensing Act
5. Banning the below cost sale of alcohol
6. Allowing Licensing Authorities to recover the full cost of licences

The Alliance has been emphasising the need for any new licensing legislation to be targeted to solving specific problems while, at the same time, protecting the British pub, providing a simplified low cost/low requirement license for businesses with occasional alcohol sales and enabling venues such as historic houses to hold events without undue impediment.

[Click Here](#) for a copy of the consultation document

THE IMPORTANCE OF TOURISM

Two publications have recently been produced that highlight the importance of different sectors of the tourism industry. First the Business Visits and Events Partnership has produced a manifesto on the business tourism sector showing that meeting and events contribute £25bn to the UK economy

and employ some 530,000 people. The manifesto contains a series of nine measures by which local, regional and central Government can increase the contribution that this sector makes to the economy.

[Click Here](#) for a copy of the Business Visits manifesto

The second publication is a study by the Centre for Regional Economic and Social Research at Sheffield Hallam University for BRADA and other agencies to quantify tourism related employment in seaside communities. The study finds that the tourist industry directly supports some 210,000 full time equivalent jobs averaged over the year and contributes £3.6bn per annum (GVA) to local economies.

[Click Here](#) for a copy of The Seaside Tourism Industry in England and Wales

A limited quantity of hard copies are available from Peter Hampson at BRADA and are available to Tourism Alliance members at the at cost price of £6 a copy as against the notional cover price of £20.

LIGHTER LATER CAMPAIGN

The Tourism Alliance has been working with the environmental group 10:10 on their Lighter Later campaign to have clocks in the UK put forward one hour. Their work matches the Daylight Saving agenda that we have been pursuing for some time.

The campaign was launched with a Parliamentary reception at which the latest findings from Cambridge University on the reduction in energy consumption (and therefore CO2 emissions) that can be achieved through simply shifting the clocks forward an hour.

In taking this forward, Rebecca Harris, the conservative member for Castle Point will be introducing a private members Bill into Parliament in November. The bill will seek to require the Secretary of State to conduct a cross-departmental analysis of the potential costs and benefits of advancing time by one hour for all, or part of, the year; to require the Secretary of State to take certain action in light of that analysis. For the Bill to proceed it will require there to be 100 MPs in the chamber to vote in its support when it is debated and this will be where lobbying work will be concentrated over the next few months.

[Click Here](#) for the 10:10 Lighter Later website that contains more information on the benefits of moving clocks forward and lobbying activities

[Click Here](#) for the Tourism Alliance pamphlet that supports the Lighter Later campaign

RECOGNITION FOR TOURISM ALLIANCE MEMBERS

Amongst all that is happening in the tourism sector at the moment with the abolition of the RDAs and the questions posed over changes to VisitEngland and VisitBritain in the Secretary of State's recent announcement of cuts to DCMS agencies, there has been some good news in that Tourism Alliance members have received recognition for their activities.

First, in June, BALPPA CEO, Colin Dawson, received a much overdue OBE for his services to the tourism industry in the Queen's Birthday Honours list and then Tourism Alliance members shone at the recent Trade Association Forum annual awards. At the awards, which highlight best practice, are eagerly contested by trade associations, The British Beer and Pub Association won the award for Best Annual Report, while the British Marine Federation won the award for the Best Exhibition.

However, the highlight of the evening was David Weston of the Bed and Breakfast Association winning the prestigious Sector Representation Award for his outstanding work on the Fire Safety Regulations.

TOURISM PRODUCTIVITY INCREASES

One of the Government's main criticisms of the tourism sector over the last decade has been that it suffers from low productivity. This view came from the 1998 report by the McKinsey Global Institute *Driving Productivity and Growth in the UK Economy* which concluded that the UK tourism industry had a much lower level of productivity than the tourism industries of the USA and France. Although the report was criticised as inaccurate at the time, the perception in Government that the sector needed to improve its productivity rather than complain about the lack of competitiveness with other destinations remained.

However, new work by the ONS shows that increases in the productivity of the tourism sector have outstripped the service sector and the economy as a whole over the last 10 years. As such, the tourism industry is now as productive as any other sector of the UK economy despite the competitive disadvantages that the sector faces compared to competitor destinations

[Click Here](#) for a copy of the ONS/DCMS report on productivity

THE TOURISM ALLIANCE

The Tourism Alliance is the Voice of the Tourism Industry.

Established in 2001 with the support of the Secretary of State for Culture, Media and Sport, the Tourism Alliance comprises 50 Tourism Industry Organisations that together represent some 200,000 businesses of all sizes throughout the UK.

The purpose of the Tourism Alliance is to identify and develop policies and strategies to raise standards and promote quality within the industry and work with and lobby government on all key issues relevant to the growth and development of tourism and its contribution to the economy.

Registered Office Details:
The Tourism Alliance Limited
6 Pullman Court, Great Western Road, Gloucester, GL1 3ND.
Company No: 05106422

Chairman: Ken Robinson CBE
President: Richard Lambert
Policy Director: Kurt Janson
E: kurt.janson@tourismalliance.com
T: 020 7395 8246 Fax: 020 7395 8178 M: 07964428123
W: www.tourismalliance.com
Centre Point, 103 New Oxford Street, London, WC1A 1DU