
TourismAlliance

the voice of tourism

AUGUST 2008 NEWSLETTER

Government Forces VisitBritain into a Corner

It was inevitable that, given the Government's announcement that VisitBritain would suffer a 18% reduction in funding over the next three years, the organisation was going to have to reduce staff to be able to maintain its marketing expenditure. Nevertheless, the size of the cuts - 40% of the positions in the organisation's Head Office and 25% of the positions in Overseas Offices - has come as something of a shock for both the industry and the organisation's staff.

Yet, probably the more surprising aspect of this announcement is not the size of the cut, but its timing, coming as it does before the results of the British Tourism Framework Review are known. This review was set up by the Government with a remit to:

"Consider how VisitBritain, working with other publicly funded agencies, can best deliver against its four core strategic objectives within the context of DCMS funding for the years 2008/9 to 2010/11. The four objectives are: -

- Marketing England at home and overseas*
- Marketing Britain overseas*
- Supporting the development of national tourism policies*
- Securing the tourism benefits of the 2012 Olympic and Paralympic Games"*

As the review has not yet come to any conclusions as to how VisitBritain can best deliver against its four core strategic objectives, it seems incongruous that a decision has already been made as to how many staff are required to deliver these objectives. The logical approach would be to undertake the review, determine the best structure to deliver on it and then determine the staffing requirement. Yet life is not that easy.

VisitBritain has been forced into the early announcement for two reasons. The first is that the Government, while forcing these redundancies on the organisation, is not providing any money to pay for the restructuring. As the cost of the restructuring has to come from the existing diminishing funds, for VisitBritain to have any hope of retaining a marketing budget it must spread the cost across two financial years – which means that an announcement must be made now.

Secondly, VisitBritain must relocate to smaller premises next year and will only be able to take the staff that can be accommodated at the new location. Therefore all redundancies will have to be completed before the move is made. And of course VisitBritain has no choice but to do it just as the tourism market goes into downturn and the UK is about to receive the Olympic baton. It really has been forced into a corner.

Regards



Kurt Janson
Policy Director
Tourism Alliance

HOME OFFICE TO FURTHER TIGHTEN UK BORDERS

The Home Office Border Agency is in the process of consulting on further measures to strengthen the UK's border. This time the objective is to remove perceived weaknesses inherent in travel within the Common Travel Area (the UK, Ireland and the Channel Islands). The Home Office is proposing to

- introduce passport checks on all non-CTA nationals travelling to the UK from within the CTA
- increase the required proof of identity for CTA nationals travelling to the UK to be equivalent to that of other EU visitors.
- activate e-Borders monitoring on air routes from Ireland by 2009 and sea routes by 2010
- introduce carriers' liability charges to air and sea routes from the Republic of Ireland to the UK.

These measures have the potential to significantly impact upon tourism from Ireland, which is the UK's third most important inbound tourism market and worth just under £1bn per annum to the UK economy through increasing the cost of travel for visitors and to deterring potential visitors who will perceive the UK as an unwelcoming destination. While a tourism cost is acknowledged in the consultation, the Home Office offer the prospect that it may be possible to introduce common visas to Ireland and the UK for foreign nationals.

Submissions close on 16th October 2008 and should be sent to the Home Office at:
CTAConsultation@homeoffice.gsi.gov.uk

[Click Here](#) for a Copy of the Consultation Paper

OPEN LETTER TO MPs

As part of the ongoing process of making the Government more aware of the size and value of the tourism industry to the UK economy the Tourism Alliance has started sending a regular open letter to MPs to highlight policy issues faces by the industry. The first letter was sent out in July introducing the Alliance and highlighting the recent CMS Select Committee report on the Government's failing to take the sector seriously. Future letters will highlight the competitive barriers faced by the industry such as visa charges and Air Passenger Duty as well as opportunities that the Government has to introduce initiatives such as Olympic specific funding and Daylight Saving which would activity promote domestic and inbound tourism.

[Click Here](#) for a Copy of the First Letter to MPs

ANOTHER LICENSING CONSULTATION

DCMS is undertaking a two part consultation on amendments to the Licensing Act 2003. The first part is aimed at reducing the administrative burden and cost associated with applying for minor variations to an existing premise licence, while the second part of the consultation deals with removing the requirement for community halls to have a designated premises supervisor.

For the minor variations part of the consultation, DCMS intends to amend the Licensing Act 2003 to introduce a new process for 'minor variations' to licences or club premises certificates. 'Minor

variation' defined as any change to a licence that could impact adversely on the four licensing objectives, with the following exclusions:

- the addition of the sale or supply of alcohol to a licence;
- the sale or supply of alcohol at any time between 11pm and 7am;
- and any increase in the amount of time on any day during which alcohol may be sold or supplied.

DCMS estimate that the changes will reduce the cost for businesses (excluding fees) from an average of £385 per application to an average of £338 (a 12% reduction).

The second part of the consultation seeks to remove the requirement for community premises to have:

- a) a designated premises supervisor
- b) personal licence holders selling alcohol

Submissions on the consultation can be sent to licensingconsultation@culture.gov.uk or posted to:

Nigel Wakelin
Licensing Team
Sport and Leisure Directorate
2-4 Cockspur Street
London SW1Y 5DH

The closing date for responses is 1 September 2008.

[Click Here](#) for a Copy of the Consultation Document

SELECT COMMITTEE REPORT

Tourism Businesses are being warned by the Home Office that the new Points Based Scheme for Immigration is being introduced for Tier 5 (Temporary Workers) in November. After November, if businesses want to recruit workers from outside the EU, or renew a period of employment for a current Work Permit holder, they will have to first apply to the UK Border Agency for a sponsor licence.

Following successful registration, anybody you wish to employ via these routes must hold a valid Certificate of Sponsorship (CoS) provided by you. This will be used as the basis of their application to enter the UK or remain for a further period of time once their existing leave has ended.

While the introduction of Tier 5 is not until November, businesses are being urged to apply for registration now so that there is not a last minute rush and a delay in processing which could affect businesses recruitment plans.

[Click Here](#) for Information on Applying for Registration

[Click Here](#) for Information on the PBS

COASTAL ACCESS REPORT CONFIRMS TOURISM CONCERNS

The Joint Lords and Commons Committee has published its Report of the Draft Marine Bill which concentrated on the coastal access provisions of the Bill. The Committee emphasised many of the points that the tourism Industry has been making over the last nine months - that while there are economic, health and social benefits from more people enjoying and visiting the coast, the proposals do not strike a fair balance between the rights of the public and those of private landowners.

Specifically, the Committee recommended that:

- Government should give landowners and occupiers the right to have an independent, third-party appeal process
- Natural England should have the power to offer compensation to owners and occupiers who can demonstrate financial loss as a result of the proposals.
- Parks and gardens should be exempted from the proposals despite Natural England's wish to have the flexibility to include parks and gardens as part of the coastal route.
- Government should clarify responsibility for long-term maintenance before the Bill is introduced
- That the £50m allocated to create coastal access around England was not enough.

Not quite so welcome for some businesses was the Committee's view that where local geography and environmental circumstances allow, the opportunity should be taken to improve access for other users such as horse riders and cyclists.

The Government has until the end of October to respond to the recommendations. The Alliance will be following up to try to ensure that the recommendations are incorporated into the Marine Bill.

[Click Here](#) for a Copy of the Report

NEW DDA TAX GUIDANCE

The Disability Discrimination Act has had a considerable impact on tourism businesses since its introduction in 2004 as businesses have complied with the requirement to take all reasonable steps to allow disabled visitors to access the same products and services as other visitors.

Customs and Revenue has now issued new guidance as to the tax treatment of expenditure that hotel operators undertake in complying with the Act. This guidance reflects the changes that were introduced on 1 April this year on the treatment of DDA related improvements made to properties.

The tax relief on disability-related expenditure on the structure of buildings only applies to industrial, agricultural buildings and "qualifying hotels". Unfortunately for many B&B and Guesthouse operators, the Revenue and Customs definition of a "qualifying hotel is (among other things) open for at least four months, has a minimum of 10 letting rooms and serves meals. So most SMEs are unable to take advantage of the relief.

[Click Here](#) for a Copy of the Guidance

AVIATION PAYS ITS WAY

New research from the Department for Transport indicates that since Air Passenger Duty was doubled in 2007, passengers from the UK have been paying the full environmental cost of their travel. The research, which updates a similar assessment in 2006, shows that using a central case

scenario of a tonne of CO2 costing £24.70 and radiative forcing (ie., the impact of aviation emissions being released high in the atmosphere) having multiplier effect of 1.9, the £1.9bn per annum currently being paid by passengers is greater than the £1.8bn environmental cost associated with air travel from the UK.

Air Passenger Duty was first introduced in 1994 and has been continually claimed by Government as being an environmental tax. Even last year the Prime Minister restated that it was an “economic instrument to ensure aviation plays its part in meeting the challenge of climate change.” However, the problem with this approach is that it is recognised by Government that it is not a cost-effective means of lowering emissions and that the funds generated do not get used on projects that would off-set the environmental impact of aviation. Rather they disappear into consolidated revenue meaning that there is little net environmental benefit.

Now faced with the prospect that passengers are paying the full environmental cost of their travel, the Government is trying to change the goalposts to allow for further increases by stating that although the duty “is structured so as to send environmental signals, neither APD nor AVGAS should be seen as an environmental charge designed solely to capture the environmental cost of aviation”.

[Click Here](#) for a Copy of the Report

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.

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