
TourismAlliance

the voice of tourism

AUGUST 2015 NEWSLETTER

Is VisitEngland Turning into ETC?

I once interviewed Chris Smith, the former Secretary of State for Culture, Media and Sport about his time in office and he said that the worst mistake he'd made on tourism was in 1999, when the decision was made to remove the English Tourist Board's marketing remit.

At the time, Government's view was that there was no net benefit to the UK from national domestic tourism marketing. So the English Tourist Board was transformed into the English Tourism Council (ETC), with a new remit to support the development of domestic tourism businesses.

This lasted four years until the Government acknowledged that this policy had failed. To rectify the situation, ETC was merged into VisitBritain and its domestic tourism marketing remit restored.

Twelve years later, on the face of it, it looks as though the Triennial Review and the Government's response to the Select Committee Inquiry will finally be returning everything to the pre-1999 situation where VisitBritain and VisitEngland are autonomous organisations with clearly defined roles in, respectively, overseas marketing and domestic marketing.

However, by either design or neglect, the Government may be turning VisitEngland into the English Tourism Council once again.

Although the Triennial Review makes it clear that VisitEngland should retain its marketing function, both the Government's response to the Select Committee Inquiry and the Government's new Five Point Plan for Tourism only discuss VisitEngland's remit in terms of "product development" and "industry support".

This does not bode well when considered in the context of the current Comprehensive Spending Review (CSR). DCMS's funding for tourism has decreased 44% over the last five years so that now VisitEngland's budget is just £7m. And as it is well known that the Government is looking to remove at least £12bn from Departmental budgets as part of the CSR process, the DCMS budget will obviously be under severe pressure.

One of the ways in which costs could be cut would be to reduce VisitEngland's remit to providing industry support and administering the new Challenge funds that are starting to dominate tourism funding, first through the RGF, then through the Northern, South West and Great Britain Tourism Funds and, possibly, in future through the new Challenge Fund proposed in the Triennial Review.

This would effectively turn VisitEngland into the English Tourism Council – something that Lord Smith would probably have some advice on.

Regards



Kurt Janson
Policy Director, Tourism Alliance

The Tourism Alliance has been invited to join the HMRC's Small and Medium Enterprise overview forum (SMEof). The forum brings together representatives from the SME community to advise HMRC on their plans and the impact on small businesses. Specifically, the forum will work with HMRC as they develop plans for the Autumn Spending Review and the subsequent delivery of initiatives.

Being a member of the forum provides the opportunity for the tourism industry to influence delivery of HMRC's new strategy for small businesses, provide feedback on policy initiatives and hear firsthand about new developments affecting SMEs.

In addition to the main group, HMRC has asked the Tourism Alliance to be on a working group which will focus on specific issues. The first of these is to discuss the 'Making Tax Easier' plan to replace tax returns with digital accounts. In the context of every taxpayer having an online tax account, the working group will look at the current use of digital tools amongst SMEs, barriers to use, incentives to encourage greater use and opportunities that digital tools open up such as the opportunity to "pay as you go".

[Click Here](#) for a copy of HMRC's plan, *Making tax easier: The end of the tax return*

NEW REPORT FROM PEOPLE 1ST

People 1st has just launched a report on the skills and productivity of the UK hospitality and tourism sector. It explores challenges relating to the growing workforce needs of the industry and makes recommendations to increase productivity.

The good news is that the report shows that the GVA of the hospitality and tourism sector has increased by 24% since 2009; over twice the growth of GVA in the UK economy (11%). Less positive is that the productivity of hospitality and tourism (£46.5bn) remains low compared to other large sectors of the UK economy such as construction and manufacturing. However, this comparison is slightly misleading as tourism and hospitality sectors have much higher staff to turnover ratios than other sectors of the economy as they are service businesses.

High staff turnover and skill shortages are identified as two key factors in the low productivity of the sector. The report also warns that any curbs introduced on immigration would have a devastating effect on employment and productivity in the sector. To help mitigate challenges, People 1st recommends: a greater focus on staff retention to help tackle recruitment and improve skill levels; recruitment from more diverse labour pools such as older people; and greater promotion of career opportunities.

[Click Here](#) for a copy of the report, *The skills and productivity question*

PREMISES FOR CIVIL MARRIAGES AND PARTNERSHIPS

The Tourism Alliance has been working with HM Passport Office on new guidance for the approval of premises for civil marriages and civil partnerships. HM Passport Office is responsible for civil registration services in England and Wales through the General Register Office.

Previously there have been issues with historic premises being declined a venue licence because they contained religious iconography such as a stained glass window or a tapestry. We have been able to clarify the guidance so that having religious imagery no longer prevents historic premises from securing a licence. The guidance (Section 3.8) now confirms that “the approval of premises should not be refused solely on the grounds that they may contain stained glass windows or other religious imagery as part of the fabric of the building. Premises with religious imagery or iconography would comply with the regulations provided that they are not being used as part of a civil marriage ceremony or during the registration of a civil partnership.”

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

LATEST TOURISM SATELLITE ACCOUNT

The Office for National Statistics (ONS) has released their latest Tourism Satellite Account publication. While the publication is for the 2012 year, it offers considerable valuable information and reinforces the significant contribution of tourism to the UK economy.

The main figures show that:

- Tourism Direct Gross Value Added was worth £57.3 billion in 2012, which represents a 6.3% increase when compared to 2011.
- The cumulative increase in Tourism GVA between 2008 and 2012 (+16%) was the third highest of any industry in the UK – better than Finance, Agriculture, Retail, Manufacturing or Construction.
- Using a 'nowcast' technique, ONS estimates that Tourism GVA has increased a further £2.3bn to £59.6bn in 2014.
- They estimate that the increase in tourism GVA between 2008 and 2014 (20.6%) to be the fifth highest of any sector of the UK economy over this period.

[Click Here](#) for a copy of the 2012 Tourism Satellite Account

CONSULTATION ON APPRENTICESHIPS LEVY

In the Summer Budget, the Government announced that, in order to develop the UK's skills base and drive productivity, it would introduce a levy on large employers to help fund three million new apprenticeships. This consultation is the first step in establishing this levy, with more detail on the levy rate and scope being provided later in the year.

The idea behind this initiative is that employers will pay the levy through HMRC who will lodge it into a special online “voucher account” where companies will be able to see their levy contribution and access digital vouchers that they can use to purchase apprenticeship training. As such, it is designed as a way of forcing companies to undertake training and apprenticeships rather than trying to incentivise them with grants.

The levy will only apply to “larger employers” with the Government intending that the size of employers is calculated in relation to the total number of employees. As such, part of the consultation asks for views on how the size of companies should be calculated.

While it is not proposed that small businesses be levied, the consultation asks whether these businesses should have access to a proportion of the apprenticeship funding.

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

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 55 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, to maximise its contribution to the economy.

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