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**SEPTEMBER 2015 NEWSLETTER**

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**Reading the Runes**

The election of Jeremy Corbyn as the new Labour leader is certainly a momentous event for the Party as there will be significant changes to Labour policy. The difficult thing is to predict exactly what the impact of these changes will have on the tourism industry.

While a Labour victory at the next election looks a very long way off, I don't think that it's quite the impossibility that some think. The Conservatives won the last election not on the basis of their policies, but because of the electorate's fear of a Labour Government run by the SNP.

There still remains a very large number of people who are disaffected by politics and experiencing real economic hardship after 7 years without a significant wage increase. This group is unlikely to diminish significantly before the next election due to further significant cuts to the public sector, decreased welfare benefits and a struggling global economy.

So what do we know about Corbyn's tourism-related policies?

At the moment it would be fair to say that detailed Labour policy was at the development stage. However, one area where he has expressed very strong views is transport. We know that he is a strong supporter of action on climate change and, as such, is opposed to aviation expansion especially in the South East. Similarly, he is opposed to HS2, wants to nationalise the Railways (which has significant implications on investment by current franchise holders) and he's not keen on expansion of the road network. All of which are problematic for generating tourism growth.

The other policy area that he has expressed strong views is employee rights and protections. So he is very much opposed to zero-hour contracts and will be pushing to make this form of employment illegal. The tourism industry therefore has to take care that casual worker contracts that are employed in the tourism industry are not swept-up in this approach.

However, one of the more intriguing areas of policy high on Jeremy Corbyn's agenda that could impact on tourism is social equity and "fairness". Since the recession started the tourism industry has been advocating the case for Government support on the basis of tourism's ability to provide jobs and growth. Now we need to add a third strand – the social benefits. We all know that tourism benefits society and the people who are able to take a break. Now we need to properly articulate this.

If we can do this successfully, tourism could be a significant component of new Labour policy.



**Kurt Janson**  
**Director, Tourism Alliance**

## MEETING WITH THE MINISTER

The Tourism Alliance recently met with the Tourism Minister, Tracey Crouch MP, to discuss the industry's concerns regarding the Comprehensive Spending Review (CSR) and how the Tourism Alliance could work with DCMS on the implementation of the Government's Five Point Plan for Tourism.

The key points from the meeting included:

- While stating that she was not able to talk about the funding proposal that DCMS put to Treasury and how this might impact on the budgets of VisitBritain and VisitEngland, the most worrying aspect of the discussion on CSR was that the Minister couldn't provide any reassurance that VisitEngland will be maintaining its marketing remit and she said that this was subject to the outcome of the CSR. This reinforced our concerns that DCMS is considering removing VisitEngland's role in domestic marketing.
- The new Inter-Ministerial Group, which has been set up to coordinate action in support of the Five Point Plan for Tourism, has met for the first time. The Group is chaired by John Whittingdale with the Cabinet Office providing the secretariat, and further information on the remit of the group and how it will co-ordinate with the Tourism Industry Council is due to be released shortly.
- There was a discussion on the need to undertake further improvements to the UK visas system to encourage visitors from growing visa-national countries during which the Tourism Alliance put forward a briefing on a range of proposals that would boost tourism and also reduce Home Office costs.

## CUTTING RED TAPE WORKSHOPS

The Department for Business Innovation & Skills and the Cabinet Office are holding a series of brainstorming workshops to identify and explore areas of regulation or its day-to-day implementation which businesses think are unnecessarily burdensome and are holding them back. These workshops are part of the Government's Cutting Red Tape Programme which aims to cut £10 billion in red tape over the course of this Parliament.

There are two workshops next week and interested organisations are invited to attend. If you'd like to join one of the events, you can register your interest and you will be sent an invitation confirming your place. **Password:** cutredtape

- Tuesday 29th September, 10am-4pm, Central London. [Register Here](#).
- Wednesday 30th September, 10am-4pm, Central London. [Register Here](#).

[Click Here](#) for more information on the Cutting Red Tape Programme

## HOSPITALITY REPORT

The British Hospitality Association has released its latest report on the value of the hospitality industry to the UK economy. Prepared by Oxford Economics, the report finds that:

- Hospitality directly contributes £57 billion to the UK economy (3.9% of UK GDP).
- It is the UK's fourth largest industry in employment terms, employing 2.9 million people, equivalent to almost 9% of the total workforce.
- It has made a substantial contribution to the UK's private sector jobs recovery, accounting for 17% of total UK net employment growth between 2010 and 2014.

- Under a baseline scenario, the hospitality industry is forecast to create 388,000 new jobs by 2020, to reach a total of 3.31 million jobs.
- The hospitality industry's total contribution to the UK economy (direct, indirect and induced impacts) is estimated to be £143 billion (equivalent to 10% of GDP).

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

## MUSIC TOURISM REPORT

UK Music, the umbrella organisation for the commercial music industry, has produced a new report outlining music tourism's contribution to the UK economy. Also with analysis from Oxford Economics, the report reveals a substantial increase in the popularity of attending live concerts and festivals over recent years. The key findings are:

- Music tourism contributes £3.1 billion to the UK economy through direct and indirect visitor spend.
- Between 2011-2014, the number of tourists attending music events in the UK increased by 34% (from 7.1 million to 9.5 million).
- There has been a 39% increase in the number of overseas music tourists visiting the UK between 2011-2014 (546,000 in 2014).
- Music tourism sustains 38,238 full time jobs.

The report also details the volume and value of music tourism for each region of the UK.

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

## APD DEVOLUTION SUBMISSION

The Tourism Alliance has sent a submission to the Treasury in response to their discussion paper on options to mitigate the impacts of Air Passenger Duty (APD) devolution on England's regional airports. With the Scottish Parliament set to half the rate of APD for passengers using its airports, the Tourism Alliance has called on the Government to take urgent measures to ensure that there is a level playing field in the UK market. We ask that any reduction in APD in Scotland needs to be immediately replicated across the UK so that no region is at a competitive disadvantage.

As the UK is now ranked as the least competitive tourism destination in the world for aviation tax due to APD, we have also called for a review of the impact of APD on the UK tourism industry and the wider economy, with a view to significantly reducing or abolishing APD altogether in the life of this Parliament.

[Click Here](#) for a copy of the Tourism Alliance's submission

## HOLIDAYS MATTER CONFERENCE

This year's Holidays Matter Conference is taking place at World Travel Market on Thursday 5th November 2015 from 10am to 4pm. Coordinated by the Family Holiday Association, Holidays Matter is a movement committed to ensuring that everyone has the opportunity to benefit from breaks away from home. In 2014 members of the Holidays Matter network helped over 150,000 people across the UK benefit from short breaks or day trips worth over £5 million.

Around one third of the population cannot afford an annual holiday and still more miss out because the challenges of daily life are too great. Yet research continually shows that the benefits of a simple break or day trip can be profound. Alongside this, the UK tourism industry, employs over 3 million people and is a lifeline for communities across the UK who depend on it for jobs and long-term economic viability. These issues go hand in hand and cannot be ignored.

The Holidays Matter Conference will provide the opportunity to learn and share ideas with industry partners, charities, tourism bodies and researchers all committed to helping more people get a break.

[Click Here](#) to register for the Conference

## MERCHANT ACQUIRERS CONSULTATION

HMRC has launched a consultation on its plans to introduce new powers to collect data from merchant acquirers – businesses that process credit and debit card transactions. This data will be used to help HMRC identify traders that are receiving income but are not registered for tax, as well as those who are registered but under-declare their income to HMRC.

This could particularly impact on businesses in the tourism sector as the new powers will be specifically targeting intermediaries that operate booking or reservation services and will also apply to advertising platforms such as Airbnb.

The consultation closes on 14th October 2015 and anyone with any comments should contact me at [kurt.janson@tourismalliance.com](mailto:kurt.janson@tourismalliance.com)

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

## 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 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.

Registered Office Details:  
The Tourism Alliance Limited  
3 Gainsford St  
London SE1 2NE  
Company No: 05106422

Chairman: Bernard Donoghue  
President: Sir David Michels  
Policy Director: Kurt Janson  
E: [kurt.janson@tourismalliance.com](mailto:kurt.janson@tourismalliance.com)  
T: 020 3117 0664 M: 07964 428123  
W: [www.tourismalliance.com](http://www.tourismalliance.com)