

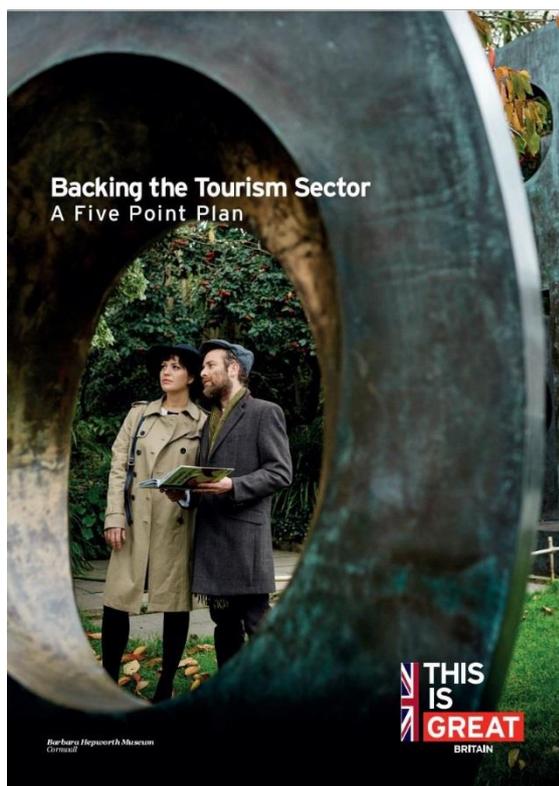


EASCO News

Monthly news from YOUR trade association

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The Government's Five-Point Plan for Tourism



Fine words and a show of commitment to tourism were the order of the day as David Cameron personally launched a new five-point plan for tourism during a visit to Cornwall in July.

EASCO members outside London will welcome the objective, *This Government is committed to further growing this industry, and spreading the benefits of its growth across the country, by*

encouraging more visitors to travel beyond the capital.

So just what is the plan, and what is new?

Firstly, the five points are these:

1. **Better co-ordination.** The most important promise within this point is that there is to be an "Inter-ministerial Group" to co-ordinate action in support of the sector. Significantly this will be chaired by John Whittingdale, Secretary of State for Culture, Media, and Sport. There have been attempts at this before but this is the first time the Chair has been a cabinet minister, which means in the hierarchy of government, that it will have more clout!

In EASCO News 103

- Five-point Plan for Tourism
- Business Rates Update
- EASCO Report Progress
- Dates to remember 2016
- Implications of the budget
- SWTA survey on the "Gove Effect"

2. **Skills and Jobs.** This point contains several less than concrete actions.

There is a promise to make business advice easier to find, and to “look at” ways to make apprenticeships work better for tourism. They will also work to attract the necessary talent to tourism by raising its profile and image.

3. **Common Sense Regulation.**

Readers may notice that we have been here before! There is a bold promise here, however, to make further reductions in the cost of red tape during this Parliament, equivalent to the £10bn reportedly saved by businesses in the last one. The actions, though, are a little less clear, they all consist of non-specific commitments to ensure regulation is proportionate, and that unnecessary regulations are removed.

4. **Transport.** There are unspecific commitments here to work to support projects that increase rail road and air capacity, and to help more visitors to travel outside London. The government will “continue to come up with new ideas” to help encourage overseas visitors to “get out and about in the UK”. They would “like to work” with the rail industry to “consider” how to go about improving the use of the railways by tourists.

5. **Welcome.** This is mainly about visas, a long-running issue where there is conflict between immigration control and security on the one hand, and making it easy for genuine tourists to obtain visas, on the other. There is to be a pilot scheme to refund the visa fee to Chinese tourists who stay at least eight days including at least four days outside London.

In summary, the new five-point plan is strong on good intentions, but rather weak on specific actions and of course there is no mention of money!

The Tourism Alliance welcomed the announcement, focussing in particular on the cross-Whitehall co-ordination point, which is something the industry has been asking for for a long time.

Kurt Janson, Tourism Alliance Director, stated, *“Tourism is a major UK success story. However, one of the problems affecting the sector is that the legislation that adversely impacts on the industry is spread across a wide range of Government Departments - Home Office for visas, Treasury for VAT and APD, DCLG for planning, BIS for regulation and DfT for access into the country and connectivity through it. Having an Inter-Ministerial Group on tourism will help co-ordinate policies across all these departments so that we can maximise growth and employment opportunities”.*

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Business Rates Update

EASCO has been working with the Valuation Office Agency for several years to improve the way in which business rates for self-catering properties are evaluated and calculated and to increase the transparency of a complex and opaque system.

To recap, the aim of the VOA is to establish a rateable value for each property, that is to say, the amount of rent that would theoretically be paid to a landlord if you, the business owner, were renting the property long-term and then using it for a short-term self-catering business. Because this theoretical situation rarely exists the VOA cannot look at the market and see what rents

are being paid. They must therefore use an alternative method known as “receipts and payments” that is complicated and has been interpreted with variation around the country by local VOA staff.

The present round of form-filling that is taking place at the moment is not an assessment of the individual rateable value of properties, rather it is an evidence-gathering exercise, designed to enable the VOA to come up with a price per bed-space for properties according to location and the grade of property. A previous EASCO News article explained this method in more detail.



EASCO has recently met with the VOA again at their London headquarters to discuss the approach that they are taking to the valuation of larger complexes, those sites where there are around 9 or more accommodation units located together. Final decisions have not yet been made and the VOA are still considering some of the issues but the essential method is likely to be the same, but concluding in a percentage of what is known as the Fair Maintainable Revenue, as the rateable value. The percentage will take account of costs. Fair Maintainable Revenue is what an averagely competent manager could be expected to achieve in the property so, in theory, where there are two similar complexes, and one is managed better than the other, achieving higher revenue, they should both pay the same business rates.

The difficulties of valuing these larger complexes are greater than for smaller businesses because there are fewer of them

so it is more difficult to analyse a sample and deduce from it what the F.M.R. is. Essentially it is a judgement call made by the valuers at the VOA.

Where we have made progress here is that it is now accepted that there will be a standardised approach throughout England without local variations in method, and the grid of values will be published.

Whilst nobody likes paying taxes, and it is extremely difficult to come up with a fair way of arriving at a rateable value when there is no market in rented property, the changes that we have worked to achieve will at least make for a more open, easily understood system.

In their election manifesto, the Conservative Party said: *We will conduct a major review into business rates by the end of 2015 to ensure that from 2017 they properly reflect the structure of our modern economy and provide clearer billing, better information sharing and a more efficient appeal system.* We don't yet know whether this review really will be a fundamental review of a centuries-old tax. If there is such a review, we will be taking the opportunities to seek a better way to raise taxes from self-catering accommodation!

Progress on The EASCO Report

The University of Greenwich has been working hard on collecting data from a variety of sources as the first major stage of the research project commissioned by EASCO into the state of the self-catering holiday home market in England and its economic benefits.

Agencies who are member of EASCO and the bookings company SuperControl have together contributed nearly 205,000 anonymised booking records to the University's database, and as EASCO News went to press there had been 558 responses to the survey of self-catering property

owners. The next week or so are about the last chance to make a contribution to this. If you can help, and have not done so, please add to the project:

- Individual business owners please go to www.englishselfcatering.co.uk/survey and complete the questionnaire online.
- Agencies please e-mail ewa@englishselfcatering.co.uk as soon as possible and let Ewa (Researcher at the University) know that you're willing to help. In some cases providing the data is very easy depending on the IT system being used.



You can also ask other self-catering owners to complete the survey via your social media – ask them to go to www.englishselfcatering.co.uk/scstudy

We are now getting nearer to the analysis stage when some interesting results are bound to come out of the work.

South West Tourism Alliance Studies the “Gove Effect”

At a meeting in Cornwall on Friday 17th July Prime Minister David Cameron stated that there was no chance he will review the legislation regarding the ban on taking children on holiday during term time unless there is strong evidence on how it is affecting businesses.

The South West Tourism Alliance and the Tourism Society WestCountry are urgently seeking to gain your opinion on the impact of the Government's move to ban taking children on holiday during term time on tourism businesses, the so-called Gove Effect.

They have promised to publish the outcome of this survey once the data has been collated.

They would appreciate it is members in the west country could complete a short survey which should take no more than 5-10 minutes. They will only present aggregated, non-personally identifiable data in any resulting reports. Should you have any queries about this survey please email tswcgoveeffectsurvey@gmail.com.

The so-called Gove effect is a controversial issue. On the one hand, children's education is of great importance in many ways that need little explanation here. If education is valuable, it should not be missed. On the other hand, businesses suffer from having only a short summer period during which families can take holidays, and families suffer because prices inevitably go up during that short summer period. Some families are unable to take their holiday during the summer season because of work-related constraints, including many in the tourism industry itself. Campaigners cite the value of family holidays in social terms and the wider educational benefits.

In several European countries different regions have different dates for school holiday periods so that the peak demand for holidays is spread out more evenly, without the disruption caused when neighbouring schools take holidays on different dates.

Budget 2015 – What does it mean for self catering?

There was a additional budget on 8th July and this contained a few points of interest for tourism.

The reduction in welfare spending is going to mean that some families feel the pinch and this could affect the lower end of the market in places. However the increase in the minimum wage will put more money into some peoples' pockets, so there may be another side to the coin.

The forecasts in the budget are that the economy will be growing in the next year, and unemployment falling, but there are further cuts in public spending expected later in the year and we do not yet know where the axe will fall or what impact that will have.



The government has promised to publish, by April 2016, a “business tax roadmap” setting out how businesses will be taxed for the rest of this Parliament. We do not know if business rates will be covered.

Good news for those near the sea is that the Coastal Communities Fund is here to stay and is funded until 2021.

The Chancellor had a few things to say about transport. There is to be a payment card system similar to London’s Oyster Card for cities across the north of England, which might make car-free holidays more attractive in the northern cities and perhaps rural areas too. There is also funding for various road and rail infrastructure works.

Agencies will be interested to note that there is proposed to be legislation that will give HMRC the power to acquire data from online business intermediaries and electronic payment providers to help identify businesses that are trading but not declaring or paying tax. This is one that we’ll be watching as it could mean that holiday letting agencies will be obliged to declare to HMRC just how much

income Mrs Higginbottom gets from Sea View Cottage.

I know everybody’s income and what everybody earns and I carefully compare it to the income tax returns – W.S. Gilbert

There are various proposals to devolve powers to certain big cities, and also to Cornwall, potentially resulting in a whole range of local variations in all sorts of areas.

Following on from the budget the government has also published a “Productivity Plan” that aims to boost the economy in the long-term by tackling issues that result in low productivity in the UK. Some points arise from this for rural tourism.

There is a big push on superfast broadband services. Alongside this mobile phone masts will be permitted that are higher than now with the aim of improving rural coverage.

They want to review the current threshold for agricultural buildings to convert to residential, to so that more new homes are built in rural areas

Once again there is a promise to cut red tape – a promise that we have seen many times in recent years but which always proves easier to announce than to do.

Dates To Remember

If you make use of social media to keep up interest in your business you will be familiar with the difficulty of thinking up new ideas to use. VisitEngland has published a helpful list of anniversaries in 2016 that may be hooks on which to hang some social media work . Some applications let you plan postings in advance.

<https://www.visitengland.com/biz/advice-and-support/travel-trade/anniversaries-2016>