



EASCO News

Monthly news from YOUR trade association

Edition 107 November 2015

The Good, The Bad, and the Ugly

Autumn Statement a mixed blessing for tourism.

- Budget cuts: what budget cuts?
- 3% extra stamp duty?
- VisitEngland back to VisitBritain
- Fund for Tourism

The Chancellor's long-awaited Autumn Statement was anticipated and feared by practically everyone on the receiving end of any government cash but when the dust settled, the howls of anguish were largely cancelled or muted and there were some early Christmas presents for the tourism industry.

Amongst the forecasts of falling deficit, and rising public expenditure, there was first of all good news in that the core budgets of VisitEngland and VisitBritain were not reduced. There will be a new £40m "Discover England" fund to boost tourism in England, and a continuation of the successful "GREAT" campaign that is mainly aimed at attracting international visitors, an increase to £60m a year. Tourism Minister Tracey Crouch said that "stable tourism budgets to 2020 (flat cash), plus a £40 million Discover England fund and increased investment in GREAT, is a huge vote of confidence in the sector from a Government which is committed to its success". Of course as usual with announcements we do not know the detail and this £40m fund may not be all we hope for but in the wake of the government's

recent five-point plan for tourism it seems likely that the money will be used to encourage people to have their holidays in England.

There was also money for the development of cultural facilities, which are of course an important part of the tourism infrastructure attracting people to enjoy England rather than a foreign beach. Several major museum projects were supported including the Museum of Science and Industry in Manchester, which will receive £2.5m for a new project. However the budgets of major national museums were frozen, resulting in a real-terms squeeze.

Of course, the budget for VisitEngland remains far smaller than that of VisitScotland, which is funded by the devolved government in Edinburgh.

"OF COURSE YOU WILL UNDERSTAND THAT, AS CHANCELLOR OF THE EXCHEQUER, I AM BOUND TO SEE THAT DUE ECONOMY IS OBSERVED" POOH-BAR, W.S. GILBERT

Amongst the bright flowers were some nasty stinging nettles lurking under the leaves. The most virulent weed in the flower-bed was an announcement that there would be an

In EASCO News 107:

Mostly the news this month is political news, dominated by the Autumn Statement.

- Autumn Statement Tourism News
- Social Media in tourism research
- How the World sees the UK
- Red tape – ideas still wanted
- Tourism Industry Council
- Limited Liability Partnerships
- Rural Broadband

additional 3% stamp duty on the purchase of buy-to-let or second homes. However, all was not clear. The words of the full statement were: "Higher rates of Stamp Duty Land Tax (SDLT) will be charged on purchases of additional residential properties, such as buy to let properties and second homes, with effect from 1 April 2016." This is clear as far as residential landlords are concerned and also second homes, but business premises such as holiday homes may not be included as they are not "residential properties" – nobody resides there. EASCO understands that there will be a government consultation early in 2016 on the fine detail and we will of course be making the case that holiday accommodation should not be taxed in this way. As so often we will need to ensure that politicians do not confuse holiday homes with second homes.

The other less than colourful flower in the bed was the announcement that the separation of VisitEngland from VisitBritain won't be going ahead and that the two will be brought back together. For many years the industry argued for a completely separate VisitEngland that would focus on marketing England, and we thought that we had it, although VisitEngland is legally still a part of the British Tourist Authority. The implications of this unexpected announcement are not at all clear. VE may still function as a semi-independent body within the VisitBritain organisation but it is unlikely that opinions in Cardiff and Edinburgh will be favourable as VisitBritain will be seen as too closely linked to VisitEngland. The announcement runs contrary to the findings of the very recent Triennial Review. The effect on self-catering may be limited but it could be the case that there will be less focus on developing tourism in England if VisitEngland is not wholly independent. VisitBritain's announcement said "VisitBritain will have over-arching responsibility for setting the strategic framework and for driving growth in international leisure and business tourism, including the development of English tourism products that appeal to overseas markets. We will maintain distinct activities to develop and market English products through a dedicated

plan and with a ring-fenced budget." Which sounds as if they intend to be firmly in control.

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Tourism Minister Takes Leave

The Rt. Hon David Evennett MP is to take up the position of acting Sport, Tourism and Heritage Minister from the end of January 2016. Current Sport, Tourism and Heritage Minister Tracey Crouch, who was appointed to the position on 12 May 2015, will be taking maternity leave.

David Evennett is MP for Bexleyheath and Crayford in May 2015.

Red Tape Ideas STILL wanted

The government has made it clear that they are trying to reduce red tape and their focus is on making changes that will reduce costs for industry. The department for Culture, Media, and Sport has, like other ministries, been tasked with finding ways to achieve this and they seem to be pretty desperate for good ideas that will reduce costs.

EASCO has been pushing for alcohol deregulation for some years and this remains on the agenda, as is a reduction in the red tape associated with private water supplies. The Tourism Alliance is working with DCMS on this and EASCO would like to support this work by putting forward some ideas. We've asked before, but although many of us in the industry grumble about red tape, there have been few suggestions. Do you find that regulations cause you unnecessary trouble and cost, including time wasted? If so, what are they and how do they cause you problems? Would it be realistic to ease or

repeal those regulations? Equally, are there administrative issues that waste your time such as unnecessary form-filling (especially giving information that the recipient already has).



EASCO believes that the government is serious about reducing red tape but stuck for ideas on how to actually do it. We all know that modern health and safety, irksome or not, saves a lot of lives and we don't want to go back to killing more people at work. So how could the red tape be cut? Send your ideas to EASCO.

Tourism Industry Council and Inter-Ministerial Group

The government has reformed the Tourism Industry Council, a body of various representatives of a disparate range of industry bodies. This body is supposed to discuss issues such as Apprenticeships, Deregulation and Transport, but seems likely to be largely a talking-shop. EASCO is represented through the Tourism Alliance. More significant perhaps is the formation of an inter-Ministerial group chaired by John Whittingdale, the Secretary of State at DCMS. This is potentially a much more powerful force to ensure that tourism is considered across government. When a group is chaired by a cabinet minister, government departments tend to take notice of what it says. This kind of co-ordination is needed in tourism because the issues cut across so many ministerial portfolios in several departments.

VisitEngland's Annual Report

VisitEngland published their Annual Report this month before the news that the government wants to end its independent status and put it under the control of

VisitBritain. In the Foreword, Lady Cobhan, the Chair of a Board that is now proposed to be reduced to advisory status, writes *In its Triennial Review of VisitEngland and VisitBritain, the Government gave us a new mission to grow the number of visitors outside London by managing a new Product Development Fund. The ambition of this proposal will be to transform England's great tourism assets; supporting the industry to deliver compelling products and experiences.*

The report includes a chapter called "What's next with James Beresford", the VE Chief Executive, a question that must now take on a new meaning unintended at publication.

The report highlights the wide range of activities that VE carries out to support and develop tourism in England. Most of us only see some of the work that VE does. Activities mentioned in the Annual Report include:

- **Creative England:** a three-year strategic partnership agreement to support and create economic growth through the creative industries and tourism
- **Historic England** a partnership agreement that recognises heritage as a key driver for growth with a focus on promotion of heritage assets and product development to drive up the quality of the visitor experience.
- **Arts Council England:** A three-year strategic partnership for Cultural Destinations projects
- **National Parks England** Supporting the Your National Parks' campaign
- **Providing briefings** for various government departments and quangos
- **English Tourism Week**
- A range of activity aimed to increase our share of **business tourism**
- A new Industry and Media website
- **www.visitengland.com/biz** containing a new Business Advice Hub
- A national **research programme** measuring the volume and value of tourism in England
- A new Access for All project, with EU funding

- A range of services aimed at encouraging the success and **sustainability** of tourism businesses.
- The VisitEngland **Awards for Excellence**
- The launch of **realtimetravelguide.co.uk**
- The three-year Regional Growth Fund (RGF) '**Growing Tourism Locally**' programme
- The third **Holidays at Home are GREAT** campaign
- **Ride England** Cycling campaign
- Awareness raising associated with **Rugby World Cup 2015**
- A consumer PR campaign launched to establish **England's Hall of Fame**
- Collaboration with Disney to create a Winnie-the-Pooh '**Simple Pleasures**' PR campaign.

How The World Views Britain

VisitBritain has published a fascinating report on how the world outside these islands sees us. The GfK Anholt Nation Brands Index is the source of these insights; it is a study of 20,000 consumers in 20 countries around the world. Panel members score countries on various criteria. Inevitably only an approximate tool, as there are far more than 20 countries around the world with differing perspectives, it nonetheless provides valuable market intelligence for the tourism industry in the UK.

Amalgamating the different factors, the USA comes out as "top rank" country followed by Germany and then the UK in third place. We are fourth for tourism. Familiarity and favourability seem to go together – the more than people know about the UK the better they like it.

The UK is highly regarded for contemporary culture, history and historic buildings, vibrant city life and urban attractions. The long-standing issue of "welcome" is regarded as a weakness with the UK ranked 11th as a welcoming tourist destination out of 50 countries and wide disparity between perceptions in different countries. Russians,

Argentinians, and Turks don't expect to be very welcome at all, whereas, perhaps surprisingly, Chinese people think we would be the third most welcoming country in the world to visit! It probably reflects our poor command of foreign languages that people in most English-speaking countries expect more of a welcome than those in the rest of the world.

The UK as a place of natural beauty is also studied. Britain's natural beauty is not much known outside the UK but it does seem that the GREAT campaign, which has focussed on the countryside in recent years, has produced some results as we are creeping slowly up the rankings in this area. The message that the UK is not just a foggy rain-soaked London seems to be getting through.

England Tourism Doing Well in 2015

Data from VisitEngland's research shows that domestic tourism is doing well this year. The figures are always a bit behind but in the year to the end of July domestic holiday nights were 8% up on last year and spending was 9% up. Rural tourism seems to be doing particularly well at the expense of seaside tourism which, although holding its own, is not quite so prosperous.

Limited Liability Partnerships

Some self-caterers may be constituted as Limited Liability Partnerships, a form of organisation that lies in between being a sole trader and a company. The government is consulting on technical changes to the accounting requirements for these partnerships aimed at reducing the amount of work and administrative burden associated with accounting.

If you are affected, please let us have any views that you want EASCO to put forward. The closing date is 21st December. The web

link for the consultation document is absurdly long so if you would like a copy please e-mail the Chief Executive and he will send it to you!

More VisitBritain Research: Social Media

A double-bill of reviews of VisitBritain research this month as we have seen another interesting report on the role that social media now plays in peoples' perceptions of holidays.

The research was conducted in overseas markets: USA, Germany, India, and South Korea, but the insights may well hold good in other markets including the domestic market.

Some of the findings were obvious, for example that smartphones were the ways people used social media whilst on holiday. The research supported other findings that friends' postings are very influential and the strength of Facebook as a platform. Across several different areas of decision making (where to go, what to do etc.) Facebook was followed by YouTube as the key influence, with Google+ coming in third. Other platforms including Twitter were significantly less influential.

The importance of the influence of friends has a message for English tourist destinations and accommodation providers: Encourage today's guests to spread the word, (and the picture) because this is the 21st Century addition to that great free advertising medium known as "word of mouth".

The use of social media whilst on holiday was also high with two-thirds saying they used it, mainly to keep in touch with friends and family. They underlined the importance of free Wi-Fi. Interestingly social media was mostly used in the holiday accommodation at the end of the day, rather than during it.

The study also looked at the type of social media content being used and there was a strong if not unexpected result that favoured

practical, useful information over things like competitions or prize draws. Itinerary suggestions and restaurant suggestions were especially well received along with visitor attraction information and dates of special events.

The research was conducted abroad but there was a good deal of consistency between countries and it is likely that the same conclusions apply within the UK. The full report is available from VisitBritain; search for Foresight Issue 142.

Rural Broadband Plan

DEFRA has initiated a 10-point plan to boost rural productivity and at the heart of this is improvement to both fast broadband and mobile communications. The EU-funded Rural Development Programme aims to improve quality of life, agricultural productivity, and the environment. Local Enterprise Partnerships have identified £18m worth of projects to improve broadband access. DEFRA is targeting the 5% of locations that are considered "hard to reach".

Some of the economic benefits claimed for these improvements are perhaps more doubtful than others but the tourism benefits are clear: Wi-Fi for guests is what guests demand and the VisitBritain research (last article) underlines the value that offers for English tourism in spreading news about English destinations via social media.

There is a Google map of broadband delivery projects (search Broadband delivery UK) showing the various projects being supported.

It has also been announced that by 2020 there will be a "Universal Service Obligation" right to broadband connectivity. However this right may not extend to the most hard-to-reach locations, which will continue to rely on satellite services.