



SUPPORTERS' UPDATE NO. 4

February 2013

Dear Supporter,

The Campaign is gathering momentum!

The New Year period saw increased media coverage and political attention as we stepped up our engagement. This year promises to be a turning point in bringing the Campaign to the attention of our elected representatives, national media and the communities in which our businesses and organisations operate.

We are delighted to confirm that we now have a new Campaign Manager in place. Vernon Hunte started in December and will be helping engage on both a national and local level.

This update provides the latest information about the Campaign including:

- **How to get involved in Grassroots Campaigning** - Achieving a reduced rate of VAT will be dependent on your active support in the year ahead. This update provides information about our ambitions and how you can be involved as an active supporter.
- **New online presence and social media** – Follow us on [Twitter](#) or 'Like' us on [Facebook](#) to show your support and keep up to date with the latest developments.
- **Recent media coverage** – The Campaign achieved positive national coverage in December when the *Daily Telegraph* published our open letter to the Chancellor of the Exchequer. In January Ufi Ibrahim, Chief Executive of the British Hospitality Association spoke for the Campaign on the BBC Radio 4 *You and Yours* programme.
- **Increasing Political Profile** – The Parliamentary Launch took place at the beginning of December in the House of Commons. Members of Parliament and Peers met with supporters and received a presentation from the Campaign. Questions referring to the Campaign have also been asked in the House of Lords.

Please encourage your colleagues in the sector to support the Campaign by emailing support@cuttourismvat.co.uk.

Thank you for your continuing support!

Graham Wason, Chairman

Index

Become an Active Supporter!	2
• Volunteer to meet with your local elected representatives.....	2
• Allow us to use your logo in association with the Campaign	2
• Provide us with examples of how a VAT reduction could help your business	3
• Engage with us on Twitter, Facebook and Linked-In	3
Campaign Coverage	3
Tourism sector tests case for VAT cut (Daily Telegraph)	3
Data cast doubt on Olympics tourism legacy (Financial Times)	4
Campaign for Reduced Tourism VAT makes case on Radio 4.....	5
In Parliament.....	5
Parliamentary launch for Campaign for Reduced Tourism VAT	5
Question Time – House of Lords.....	6
Early Day Motion - VAT Reduction for Hospitality Industry.....	6
UK Tourism – House of Lords Question	7

Become an Active Supporter!

The strength of any campaign is dependent upon its supporters and the contribution they can make.

In the year ahead the Campaign for Reduced Tourism VAT wants to work with as many of you as possible to present the case to your local representatives and media. The Campaign is currently mapping and prioritising which political figures and regions to focus on initially and we will begin by contacting supporters in those areas.

There are a number of ways in which you can support the Campaign:

- **Volunteer to meet with your local elected representatives**

Grassroots campaigning is at the centre of our political engagement strategy and is a priority for 2013. Politicians respond best when approached by individuals and businesses that live and operate in the same local area.

The Campaign will be able to provide advice, support and material to help you in approach your political representatives.

To let us know you are willing to engage with your MP, MSP or AM please contact vernon@cuttourismvat.co.uk.

- **Allow us to use your logo in association with the Campaign**

In the future the Campaign may like to be able to use your business name and logo in our promotional material. The use of your name and images would be strictly limited to Campaign purposes.

To provide consent on behalf of your organisation, or if you have any questions, please email vernon@cuttourismvat.co.uk.

- **Provide us with examples of how a VAT reduction could help your business**

The Campaign is putting together a library of case studies about how a reduction in VAT would help businesses in the sector. What would a reduced VAT rate mean to you and your business? How would you invest the difference? How would your customers benefit? Please let us know at vernon@cuttourismvat.co.uk.

- **Engage with us on Twitter, Facebook and Linked-In**

We have recently set-up a new social media presence for the Campaign including Twitter, Facebook and Linked-In. Supporters are encouraged to follow and engage with the Campaign online and provide messages in support of our goal.

[Twitter](#)

[Facebook](#)

[Linked-In](#)

Campaign Coverage

Tourism sector tests case for VAT cut (Daily Telegraph)

9 December 2012

A cut in the rate of VAT imposed on hotels and visitor attractions would generate an extra £4bn a year for the UK economy and would not change the total amount of tax paid by the tourism sector, according to the Treasury's own models.

A campaign group representing some of Britain's most powerful leisure companies, including Alton Towers-owner Merlin Entertainments and Travelodge, was given rare access to economic models used by the Treasury to see how a reduction in VAT on the tourism industry would affect the wider economy.

It is believed to be the first time a lobby group has been able to test its case using Treasury modelling.

In an open letter to the Chancellor George Osborne, tourism chiefs led by Ufi Ibrahim, chief executive of the British Hospitality Association, argue the modelling showed a 15pc VAT cut on tourism would be tax neutral for the Government and would result in an extra £4bn a year through increased visitor numbers.

A separate study by Deloitte has shown a reduction in VAT on hotels and tourist attractions, such as theme parks and museums, would create an extra 80,000 jobs in the industry.

- [Full article](#)
- [Letter to Chancellor](#)

Data cast doubt on Olympics tourism legacy (Financial Times)

1st January 2013

For many Britons, the arrival of 2013 was tinged with sadness at the passing of a magical year of Olympic sport and jubilee pageantry.

Yet for Britain's tourism industry, the new year could not come soon enough.

The latest data show that, despite hopes the Olympics would showcase the country's attractions to the world, the number of visitors has declined since the games.

After a 4 per cent drop in overseas visits in the three months to September 30 – when the Olympic and Paralympic games were held in London – there was another 4 per cent decline in October, according to the Office for National Statistics.

As a result, the UK's tourism deficit – meaning more money was spent by Britons holidaying abroad than overseas tourists in Britain – widened to £5.7bn from July to September, up from £5.3bn in the same period in 2011. Meanwhile UK-bound tourists' spending declined by 11 per cent year-on-year in October.

Tourism leaders attribute the decline to factors including high-priced accommodation and a complex visa process for non-EU visitors.

“From a tourism perspective there is a danger that we won't really see a legacy at all from the Olympics,” said Ufi Ibrahim, chief executive of the British Hospitality Association (BHA), an industry body.

Having initially hoped for a boost from the Olympics, it became clear over the summer that many overseas tourists had stayed away during the games.

The Association of Leading Visitor Attractions (Alva) – which includes tourist sites such as the Tower of London and St Paul's Cathedral – said visitor numbers were down more than 50 per cent at many attractions. “What's more significant is that this period is our equivalent of the retail sector's Christmas period,” said Bernard Donoghue, Alva's director.

Hotel occupancy rates suggest the Olympics also failed to act as an advertisement for London as a tourist destination after the games. Jeremy Hunt, the then culture secretary, said in August that the games would “turbocharge” the tourism industry on the back of “a globally enhanced reputation”.

Yet in both London and the regions, occupancy rates in September and November have been flat year-on-year, according to hotel consultants PKF.

“There hasn't been much in the way of a blip or boon in the hotel business since the Olympics,” said Robert Barnard, partner at PKF, citing the impact of high value added tax and the difficulty of securing tourist visas among the main deterrents.

Nick Varney, chief executive of Merlin Entertainment, the theme park operator, blamed the Olympics for “a huge cannibalisation effect” on his business.

To reverse the damage, the BHA is calling on the government to cut VAT on hotels and visitor attractions to levels similar to those in France and Spain – where rates are 7 and 8 per cent respectively – and to simplify the process for getting visas.

“Both in terms of international visitor arrivals and domestic tourism, there is a risk that if we don’t act quickly the numbers could stagnate or decline further,” said Ms Ibrahim.

An Ipsos Mori survey on Monday showed that leaders of Britain’s largest companies believe the Olympics boosted Britain’s global standing, but most said the games did not directly benefit their own businesses.

The findings followed an ICM/Guardian poll last week which found that almost 80 per cent of Britons felt the £9bn spent on the games was value for money. It found 78 per cent believed the Olympics “did a valuable job in cheering up a country in hard times”, compared with 20 per cent who looked back on them as “a costly and dangerous distraction”.

Last month the ONS said that those tourists who did visit Britain during the Olympics spent more than during the corresponding period in 2011.

The Department for Culture Media and Sport said UK tourism would see long-term benefits from the games and said it was investing £55m in a campaign to promote Britain overseas. “We have always been clear that this was about building a long-term tourism legacy,” a spokesman said.

Campaign for Reduced Tourism VAT makes case on Radio 4

15 January 2013

Ufi Ibrahim, Chief Executive of the British Hospitality Association spoke as one of the supporters of the Campaign for Reduced Tourism VAT during an interview on the consumer affairs programme *You and Yours*.

The interview can be [listened to online](#).

HM Treasury made the following statement during the programme.

"It would not be possible to simply offer a blanket VAT cut for the tourism and hospitality industry, but in principle it would be possible to introduce reduced rates of VAT for some of the services within it. The main suggestions are usually reduced rates for hotels, restaurants and entrance to visitor attractions."

"Any such reduced rates would make a significant impact on revenue and as a significant portion of spending in these areas - for example restaurants - is by UK residents. Any increase in activity in these areas would largely be at the expense of other consumer spending"

In Parliament

Parliamentary launch for Campaign for Reduced Tourism VAT

4 December 2012

The Campaign for Reduced Tourism VAT was officially launched at the House of Commons earlier today.

Hosted by the All Party Parliamentary Group for Tourism, the event provided an opportunity for members of the Campaign to directly address Parliamentarians with the evidence that a reduced rate of VAT on the tourism sector would be of benefit to the economy.

The Campaign presented its report, which assessed the impact a reduced VAT rate for tourism using the Government's own economic model.

Speaking about the results Graham Wason, chairman of the Cut Tourism VAT Campaign said:

"The results are exciting and compelling. A VAT cut on visitor accommodation and attractions would have a triple whammy benefit. It would not cost the Government anything and would drive £4b of new revenue into the UK and create 80,000 jobs. This cut in VAT would benefit families and businesses all over the country."

Kurt Janson, policy director at the Tourism Alliance, said:

"A study released last week by the Office for National Statistics shows that the tourism industry accounts for 9.1% of all employment in the UK and that the tourism industry was responsible for 33% of all new jobs created between 2009 and 2011."

"This highlights the fact that tourism is one of the UK's few growth industries at the moment and has the potential to contribute significantly to both national and regional economies. Yet the UK tourism industry is at a significant competitive disadvantage to its European counterparts in that businesses pay full-rate VAT rather than the reduced-rate VAT that apply in almost all other European destinations."

The Campaign for Reduced Tourism VAT is led by the British Hospitality Association (BHA), Merlin Entertainments, Bourne Leisure and the British Association of Leisure Parks, Piers and Attractions (BALPPA).

Question Time – House of Lords

5 December 2012

Lord Lee of Trafford: My Lords, tourism turnover in the rural economy is nearly three times that of agriculture. Yesterday at Westminster, the Cut Tourism VAT campaign was launched, supported by the whole of the industry. Compared with our 20% rate, accommodation VAT is 10% in Italy, 8% in Spain and 7% in France and Germany. As a former Treasury Minister, does my noble friend appreciate that independent reports indicate that a cut in VAT on accommodation would boost Exchequer revenues, boost tourism and thus boost employment in the rural economy?

Lord De Mauley: My noble friend has rather overpromoted me. However, in answer to his question, the Government recognise the importance of tourism to rural employment. I do not think that we can go as far as he asked, but the *Rural Economy Growth Review* showed that tourism is a significant contributor to the rural economy, with potential for significant further growth. Before the Autumn Statement, the Government announced a £25 million initiative to promote rural tourism and to support rural tourism businesses.

Early Day Motion - VAT Reduction for Hospitality Industry

8 January 2013

Margaret Ritchie MP, Social Democratic and Labour Party:

That this House recognises that local restaurants and pubs are facing very challenging conditions in the current economy and are being put under further pressure by the rise of large supermarkets; notes that these businesses lie at the heart of their local communities, economically and socially; further notes that 13 EU Member States, including the Republic of Ireland, have introduced a reduced rate of VAT within their tourism and hospitality sectors for hotels, restaurants and pubs and that such measures have had a positive impact; calls on the Chancellor of the Exchequer to introduce similar sector-specific VAT reduction measures to help businesses in the UK; and further recognises that such a move would encourage growth in the wider economy, support job creation and generate investment in local businesses.

UK Tourism – House of Lords Question

30 January 2013

To ask Her Majesty's Government what assessment they have made of the prospects for United Kingdom tourism in 2013.

Lord Lee of Trafford: I beg leave to ask the Question standing in my name on the Order Paper and, in doing so, declare an interest as the chairman of the Association of Leading Visitor Attractions.

Lord Gardiner of Kimble: My Lords, tourism is the fifth biggest industry and worth £115 billion per year. In many parts of Britain, it is the leading economic sector. It has great potential to grow: VisitBritain reports that the volume of international tourism will grow by 3% this year, with a spend of £9 billion. Domestic tourism accounts for 80% of the market, and VisitEngland predicts a £500 million additional spend over four years. The Government are working with tourism organisations to secure these objectives.

Lord Lee of Trafford: I know that my noble friend is very conscious of tourism's importance, but are the Government? On 31 December, the Prime Minister sent a three-page letter to all parliamentarians on the Olympics legacy. Unbelievably, there was not one word on tourism. Is my noble friend aware that tourism created one-third of all new UK employment in the two years to the end of 2011 and now accounts for 9% of all employment? Two months ago, the Intercontinental London Westminster opened, just by St James's Park tube station. Of its 170 permanent staff, only 68-or 40%-were from the United Kingdom. There were 13 each from Italy and Spain, 11 from Lithuania, 10 from France, eight from Poland and 47 who were from 30 other countries. It is a veritable United Nations. Just what are the Government doing to encourage our young people to embrace career opportunities in tourism and hospitality?

Lord Gardiner of Kimble: My Lords, first, I am very conscious that I am replying to a former Minister for Tourism. I assure your Lordships that the Government are taking tourism and its potential extremely seriously. The Prime Minister is leading from the front on this issue; indeed, the Secretary of State and the Minister for Sports and Tourism are fully engaged in promoting it. The Government are investing £137 million over four years via the GREAT campaign, which is delivered through VisitBritain and in partnership with the private sector. Through that investment, we hope that almost 60,000 new job opportunities will be created. Those will of course include job opportunities for the young, while the success story of apprenticeships is very strong.

Follow-up questions from other Peers can be accessed at:

<http://www.publications.parliament.uk/pa/ld201213/ldhansrd/text/130130-0001.htm#13013053000250>

New Campaign Manager appointed

21 December 2012

The Campaign for Reduced Tourism VAT, which now has the support of around 400 hotel and tourism businesses, has appointed a new dedicated campaign manager.

Vernon Hunte, a public affairs professional, spent over two years in the office of Keith Vaz MP, chairman of the Home Affairs Committee, as well as three years as public affairs manager of the Institution of Civil Engineers.

For the past year he has worked on campaigns led by GK Political and Hy Consulting, including a campaign for a fair NHS tariff on behalf of the Shelford Group of Hospitals, comprising the largest academic medical centres and large teaching hospitals in England and Wales.

His appointment comes as Portland PR, which has helped to run the campaign for the past year, draws to the end of its contract.

Campaign Supporters' can contact Vernon Hunte by email at vernon@cuttourismvat.co.uk