

## **COUNTRYSIDE ALLIANCE BRIEFING NOTE: TOURISM INDUSTRY IN DEVON AND CORNWALL**

**Westminster Hall, Kevin Foster MP**

Wednesday 23 November 2023

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### **Background**

- In advance of this Westminster Hall debate focusing on tourism in the predominantly rural areas of Devon and Cornwall, the Countryside Alliance offers this briefing giving some background information and its views on promoting tourism in rural areas nationwide.
- Rural tourism in England contributes over £13 billion per year to the economy, making up a substantial part of the overall £97 billion value of tourism in England. It makes a significant contribution to the rural economy, supporting village shops and services, jobs and businesses.
- The UK is one of only four countries in Europe not to take advantage of a reduced rate of VAT which means British families or international visitors holidaying in the UK pay almost three times as much VAT compared to a German break, and twice as much as one in Italy, France, and Spain.
- At the last Budget it was announced that in the retail, hospitality and leisure sectors would receive a 50 per cent business rates discount in 2022-23, up to a maximum of £110,000. The business rates multiplier was also frozen in 2022-23.
- The Budget also cut duty rates on draught beer and cider by 5 per cent to support pubs, taking 3p off a pint.

### **Autumn Statement 2023**

- The retail, hospitality and leisure sectors received further attention in the 2023 Autumn Statement, delivered on 17 November. Relief rates for businesses in the sector were raised from 50% to 75%, again up to a maximum value of £110,000.
- In addition, business rates set to rise in April following revaluation, it was announced that there would be a new 5-year, £13.6 billion transition fund and the rates multipliers would be frozen in 2023-24 at 49.9 pence and 51.2 pence, preventing them from increasing to 52.9 pence and 54.2 pence. For small businesses losing eligibility for relief, the increase in their annual bills will be capped at £600.
- The Treasury estimates that the support package for retail, hospitality and leisure businesses will save them a total of £2.1 billion, with around 230,000 properties across the country set to benefit. It also maintains that the freezing of the business rates multipliers will be worth £9.3 billion over the next five years, whereas the support package for small businesses will be worth over £500 million over the next 3 years and protect over 80,000 small businesses losing some or all eligibility for relief.

## **Countryside Alliance position**

- The tourism and hospitality industry should work with the Government to help deliver a tourism sector that operates 365 days of the year and can attract visitors outside the traditional summer season.
- Lack of public transport is one of the biggest issues in the countryside. Better local transport links would not only encourage those who live and work in the area to use public transport, but also encourage holidaymakers to leave their car at home.
- Continuing to reduce tourism VAT would help lower prices and allow businesses to increase investment, especially in the fragile coastal communities. Research by the Cut Tourism VAT campaign has found that a cut in tourism VAT would contribute an extra £4.6 billion to HM Treasury over ten years and create 121,000 jobs.
- We welcomed the introduction in the Budget of a new lower rate on draft beer and cider, and the further measures to support tourism-related and small businesses in the recent Autumn Statement. We would encourage the government to consider further the impact of VAT on hospitality businesses, and in particular pubs.
- We are also pleased that, following consultation, the Government agreed to liberalise rules on town markets and moveable structures in outsidess areas of premises, which has the potential to improve the attractiveness of these areas and businesses to tourists.

### **For more information please contact:**

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