

Ref: PTH/ACG

11th July 2006

Sir Michael Lyons
Lyons Inquiry into Local Government Funding
Rooms 3/12
1 Horscguards Road
London
SW1A 2HQ

1082/db

Dear Sir Michael

LYONS INQUIRY

I am writing to you on behalf of the British Resorts and Destinations Association (BRADA) to welcome the publication of your latest paper 'National Prosperity, Local Choice and Civic Engagement – A New Partnership between Central and Local Government for the 21st Century'. The Association debated the paper during its recent Annual Conference and has directed that I should contact you again to raise a number of broad points.

The mainly local authority membership of the Association warmly welcome the general thrust of the paper and, in particular, the concept of Place Shaping. Our members are responsible for many major popular urban and rural destinations. It has been the increasing lack of ability to influence the interaction between the visitor, the local environment and local residents which has created frustration among them and, in our view, seriously undermined many popular destinations' ability to maximise the benefits of tourism and the visitor economy. We see the concept of Place Shaping as the ideal vehicle to allow all authorities the necessary flexibility to do what is needed to maximise local advantage, whether that be in sustaining tourism, or, as is more likely, in re establishing a healthy mixed economy, to include tourism.

It may be unlikely, but if, for any reason, you need to confirm what the current roles and function of local authorities are in fostering the visitor economy, or might be in the future, we would be delighted to assist. This could be done by consulting with the Association centrally, or by using our network of local professional tourism officers.

On a less positive note, we remain concerned about the proposals for a tourism tax, which, in our view, would inevitably fall mainly or solely on serviced accommodation providers, serving to depress an already heavily taxed and price sensitive sector. We agree that the visitor should contribute to the cost of hosting their visit, but a more amicable and fair approach would be to ensure that a proper proportion of the existing tax take and, in particular, business rates generated by all businesses benefiting from the visitor, was paid to, and retained by, the local authority.

We would not necessarily advocate a statutory tourism responsibility for local authorities, simply because, for some, tourism genuinely is only a minor activity, or a relatively minor activity, compared with the total economic activity of that area. That said, there does need to be a proper recognition for tourism, wherever tourism is a

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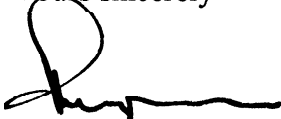
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major economic driver. Whilst Place Shaping may well give local government the moral authority to be involved, it does not necessarily address the resource issues involved.

We reject a tourism tax. We also suspect that retaining more of the existing tax taken locally may prove unpopular with Central Government, which only leaves the question of central re-allocations. The current system of Standard Spending Assessment (SSA) gives little, or no, recognition for tourism and that which it does is based on wildly inaccurate tourism and visitor data. If the future allocation for tourism are to be made purely on the basis of an SSA type system, then you should be mindful that in order to be of any benefit, the problem of the background data will need to be thoroughly addressed.

We look forward to seeing your next report. In the meantime, if there is anything the Association can do to help you develop the latest report and, in particular, to progress the concept of 'Place Shaping' then please let me know.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Hampson', with a large, stylized initial 'P'.

Peter Hampson
Director