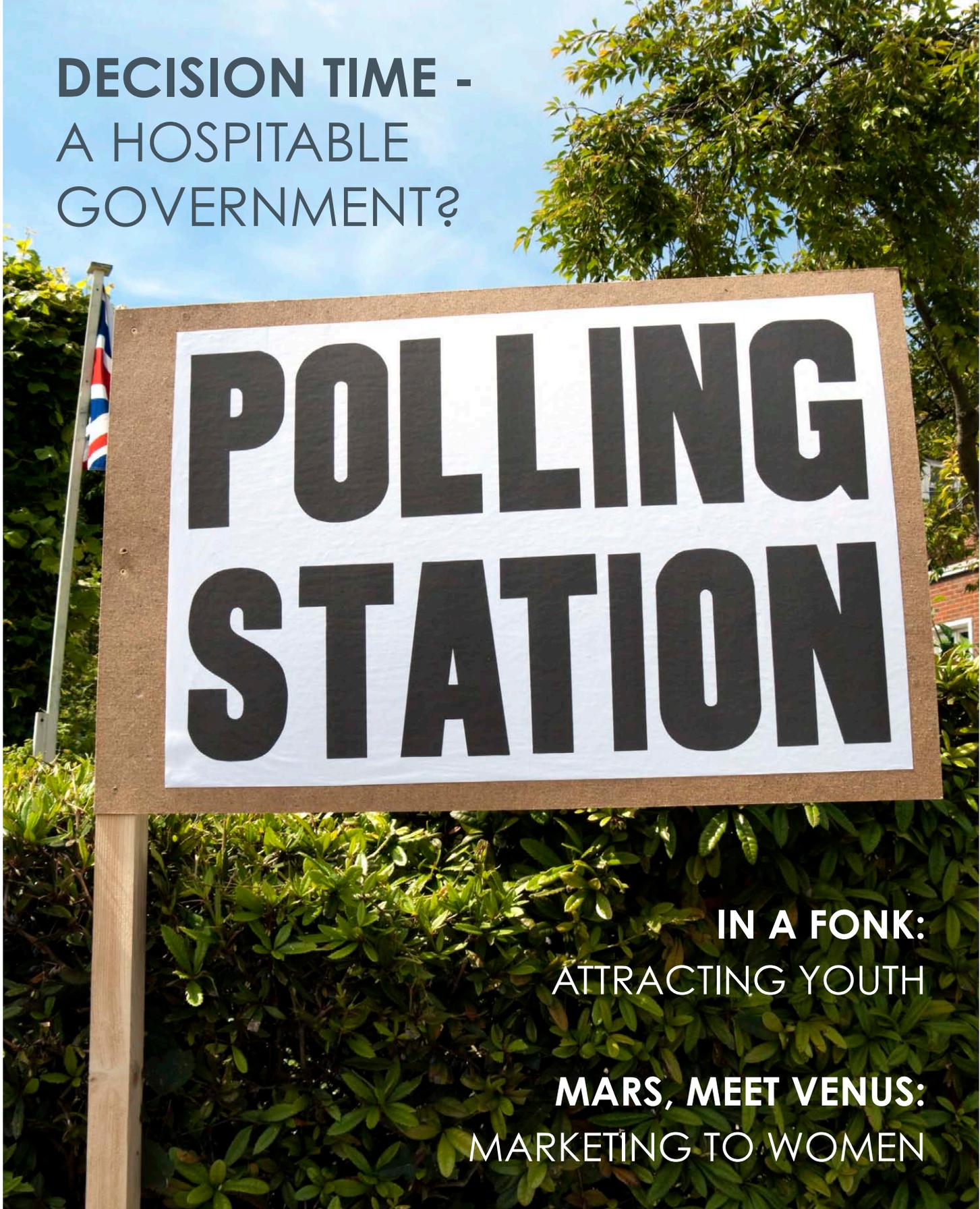


THE OVERVIEW

ISSN 2048-4844 APRIL ISSUE 2015

**DECISION TIME -
A HOSPITABLE
GOVERNMENT?**



**POLLING
STATION**

**IN A FONK:
ATTRACTING YOUTH**

**MARS, MEET VENUS:
MARKETING TO WOMEN**

Welcome to THE OVERVIEW

Dear members,

There's nothing certain in life but death and taxes, but what Benjamin Franklin failed to add on during an election year was that, for those of us living in swing seats, you can kiss goodbye to the certainty of an evening free from canvassers.

What weekly visitations from the top five candidates does offer is a deeper rummage than the average voter when it comes to policy, at least on likely actions on a local level and, what that has revealed after six months (Christmas cards were sent by all the candidates) is that no-one wants to commit too much either way.

The feeling is the same for the electorate, which has been through some trying times of late and isn't in the market for too many shocks. Later in this issue we feature a study from BDO, which builds on a survey taken for the Budget to report that, when it comes to who the business community thinks can add up and take-away, the Conservative Party has it. Whether they can also deliver hoped-for changes to encourage the entrepreneurship that drives the hospitality sector is so far a mystery.

While the politicians get on with their door-knocking, the sector has been pushing ahead, with the post-recession revival continuing in the pubs and bars sector. There has been some wavering from the hotel market, where the strength of Sterling has been putting some visitors off from staying in the capital, although the regions have continued to frolic ahead and have been throwing off the transactions to prove it.

While the hotel market outside London has also benefited from a number of hotels being removed through demolition or conversion to residential or care homes, the flood of supply triggered by the 2012 Olympics has suppressed rates in the capital.

Whether anyone feels like travelling after May 7th remains anyone's guess, but the pub sector can at least rely on a healthy income from politicians celebrating - and drowning their sorrows.



Katherine Doggrell

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Hospitality Finance, Revenue and IT Professionals

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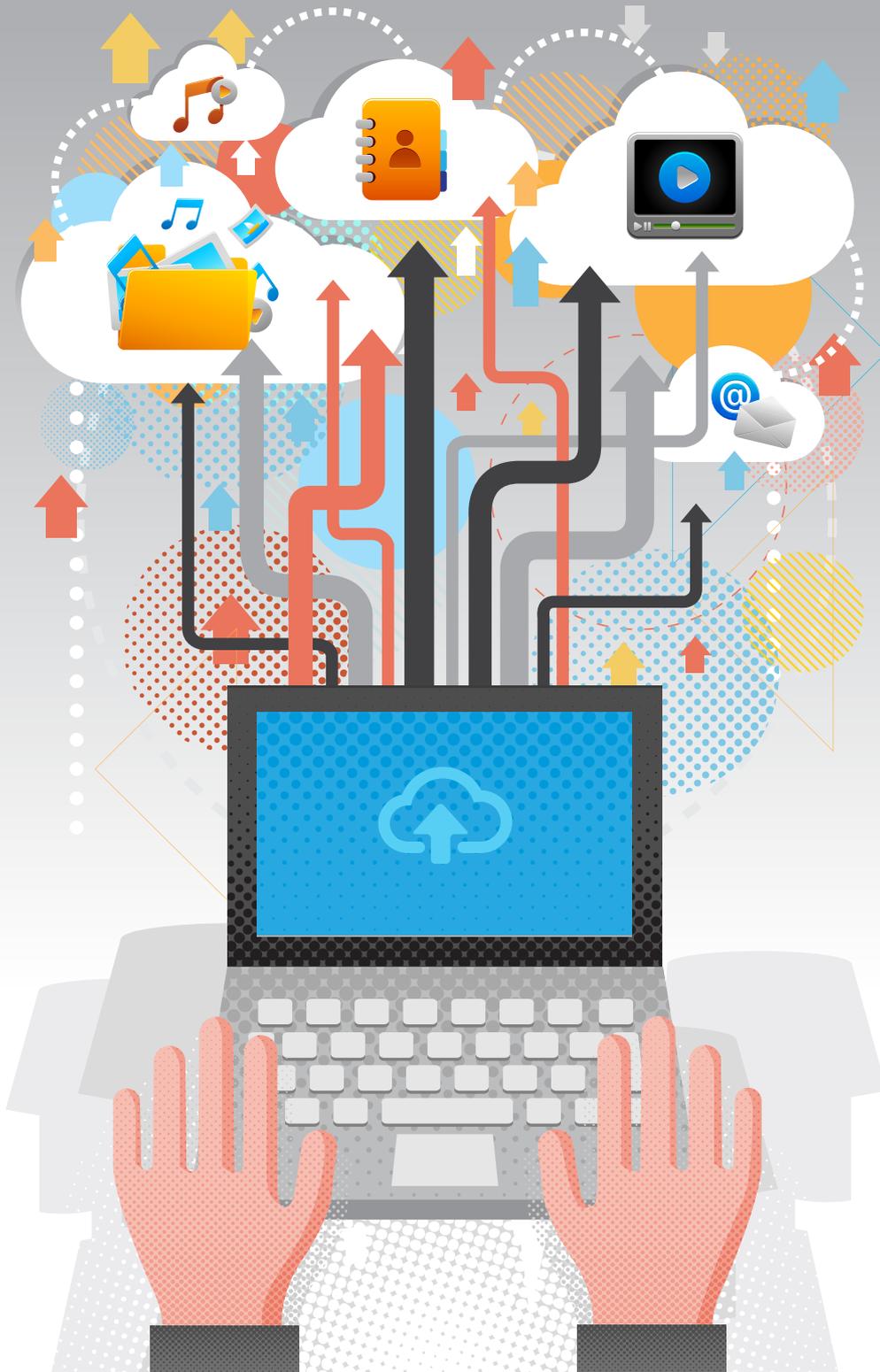
Cloud-based hospitality software for hotels, groups, apartments and pub chains

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Technology, your flexible friend

HOSPA CEO Carl Weldon reports on the new breed of nimble companies working in The Cloud

recently attended a very interesting event with a very interesting mixture of hospitality consultants from (mainly) the US and around the world (Australia). What made this event interesting was the variety of discussions around technology and the myriad products on offer.

The consultants concerned were not advisors to large multi-national corporates who would otherwise have their own resources – their customers were small to medium size businesses without the capacity to review, decide and implement major technology systems and change.

The clear message from this event was that working 'in The Cloud' or using SaaS (Software as a Service) is becoming key for a number of reasons:

- Remove hardware as an issue
- Integration between disparate or connecting systems
- Standardisation of screen layouts and operation
- Ease of use of upgrades

The above have long been listed as the obvious reasons for 'going into the Cloud' or 'above property'. But a few new aspects or areas became apparent to me listening to the discussions:

Pricing: The problem is that the industry has disparate and varying ownership. Some want to pay Capex for their new systems (to be paid for by owners in management contracts) and some prefer the original SaaS monthly cost. Vendors have now adapted to this and can vary the pricing models depending on the customers and their needs. Interestingly some IP Telephony companies blazed a trail in this area and it looks like this is becoming more widely available now which has to be good news for technology investment in the industry – I think...

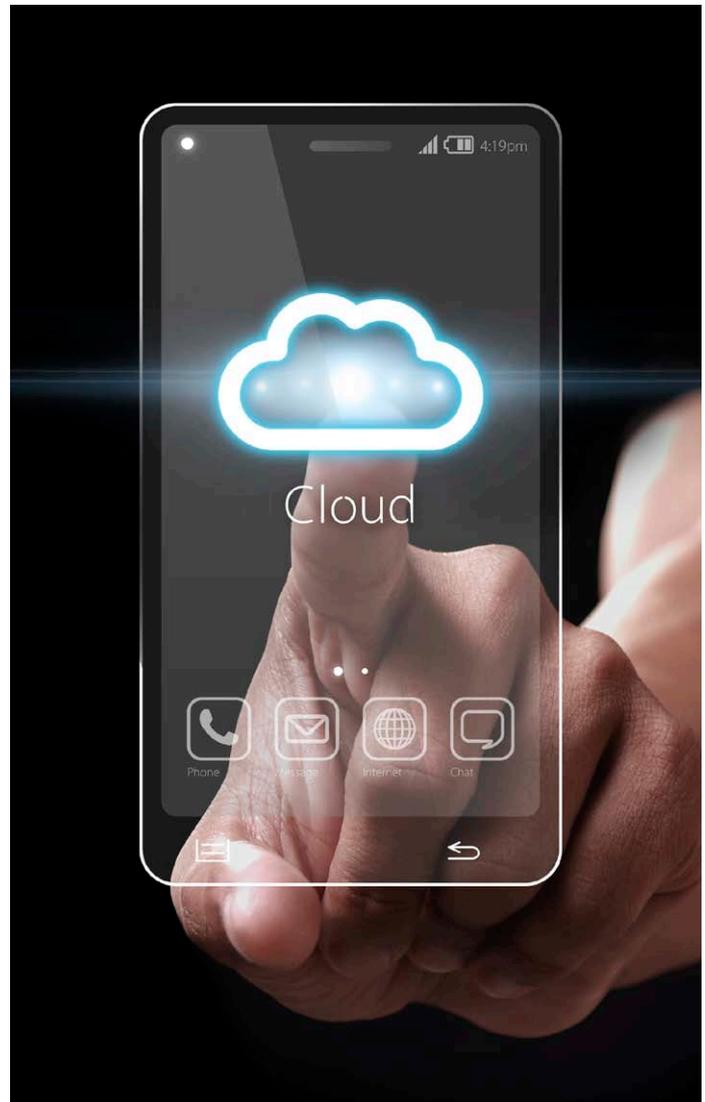
Business Intelligence (BI)/Big data at reasonable cost:

Looking at the newer recent systems developments many of them have a similar architecture and indeed a BI capability in the background due to their recent development and where the systems and data actually 'sit'. As a result there is the opportunity to have a number of these systems (say Revenue Management, PMS, EPOS and Finance) all share a similar data platform without the need for servers and expensive BI or OLAP Software. I believe that this could now mean that hospitality companies can access their own Big Data – or 'Insights through your data' at a reasonable cost.

I believe that this now starts to answer the question of 'do we invest in best-of-breed systems or an integrated suite?'. I would suggest that if there is BI to be had as a side benefit to this question then it makes this decision that much clearer. The industry 'suffers' from those businesses that manage and deal with data much better than we do (OTAs). Perhaps the way to help deal with this is coming towards us now?

The area of standards also piqued my interest in these discussions.

The finance community is currently wrestling with the new standard nine years since the last change in 2006. The new



11th Edition of the USALI (see our Events page for an excellent meeting and set of presenters on this topic on 19th May) is challenging every finance team and especially those with a management contract that says words to the effect of "the operator agrees to deliver the Accounts in accordance with the USALI". The Cloud systems enable a much quicker way to change and deploy a new Accounting System (which Vendors can pre-configure) or adapt and change the appropriate Chart of Accounts. The last USALI came out in 2006 with most companies still managing their own servers and systems – I believe the Cloud-based systems (with BI in the background of course) should make it a better update for the industry and in the future. Perhaps even more regular updates and a better, electronically-delivered USALI.

This kind of angle must surely help in areas of Standard Pricing listing (PMS, RM) – Menu information and data (Calories, Allergies) and in-room billing (PMS).

Finally – based on a quote I recently heard that "Hospitality is now adopting more generally accepted technology standards" – I do think that Cloud-based (BI/data integrated systems) can only be good for an industry that has always thought itself 'a bit different' – which has perhaps managed to slow down our technology advance - until now.

But what do you think? Please contact at us via email, Twitter, LinkedIn or even a letter, we'd love to know your thoughts.

HOSPA Members Meeting

Racing away with IT

Patrick Cripps, Director, Global Hotel Technology Deployment, Hilton Worldwide, reports from the most-recent HOSPA IT Community Event.



Attending the latest HOSPA IT Community event at The Royal Automobile Club on Pall Mall was a real treat for a racing fan like me. The walls are littered with paintings of historic motoring events, races, land speed records and the like. They even have the genuine British Grand Prix trophy safely locked away and a frequently-changing static car on display.

The panel was made up of;

Tim Redgate, co-founder of Redberry Digital.

Tim is a digital 'veteran' of 17 years, he has been involved in delivering content, interaction and business solutions online since the days of 56K internet. As the co-founder of Redberry he is responsible for the business strategy and commercial relationships with a strong focus on building long-term working partnerships with our clients. Tim also kindly sponsored the evening.

Tor Gisvold, Director at PwC.

Tor has extensive experience in the area of Digital Strategy and Architecture working now in PwC's Digital practice and previously having direct responsibility for all enterprise architecture in the online space, including substantial involvement in offshore development, management of technical teams, and being deputy Digital Director at News International.

Bryan Steele, Head of IT, Royal Automobile Club.

Bryan has responsibility for the IT transformation programme at the Royal Automobile Club and part of this has been the development of a Digital Strategy which will touch all aspects of the Club's operations.

Bryan opened proceedings with a brief and fascinating history of the club, did you know that the Silverstone F1 circuit was established by the Royal Automobile Club? He soon handed over to Carl Weldon who was chairing the rest of the session.

Tor Gisvold of PwC was the first speaker, he shared a great video which really brought home the fact that this new breed of consumer was coming – The Digital Natives! These are the young people of today who live their lives connected, they know nothing else as they have grown up with this technology.

The expectation is that everything is available now and online, they expect to double click to learn more when they want to and only if they want to, they will tell the world if they are happy or equally unhappy with your product or service.



I know these people well, I have one at home (well at university) and because of that, I guess I've known this was coming for some time. A few years ago when planning the family holiday I was informed that Wi-Fi was more important than the pool, distance to the beach or star rating of wherever we were going. "Son, do you want to come on holiday this year?" Response, "Is there Wi-Fi?" Times certainly are changing and we need to be ready for it.

Bryan followed with an overview of the digital strategy he has established for the Club. In an arena such as this, where it's against club rules to have your mobile out in the public spaces, how do they develop a strategy that supports process improvements, efficiencies and better customer service without encroaching on the traditional values of the club? Will current membership see technology as an intrusion yet how do you ready for the membership of tomorrow?

Tim Redgate of Redberry followed up by tackling the question about the traditional website – do you still need one? The answer is clearly yes but it can no longer just be your printed brochure online. Consumers expect interaction and clear, graphical content. They don't want to read pages of text and they will search you out from many avenues and do their homework before making a decision to buy. Tim showed some of the work Redberry has done with Marriott Hotels including their leisure offering, golf and digital Concierge app. Take up has been strong and 50% of the traffic comes from the mobile device – the mobile seems to be the PC of the future.

Tim also got us thinking about your digital strategy. It needs to be a long term programme, not something you do once and leave.



Ewa Maliczowska
Consultant, Madison Mayfair

How to market to the key decision-makers: women.

Women account for 85% of all household purchases and make 92% of holiday decisions amounting to trillions of pounds annually. Is your marketing fine-tuned to a female audience? Here's what women travellers want...

We all know it: men generally take a back seat when it comes to planning a holiday. It's women who most often make the decisions. They do much of the research, work out the cost options and lead the conversation about holidays and accommodation. And it's not just in the leisure sector where women wear the trousers. In business travel women make up almost half of all bookings.

Businesswomen lead the way

Businesswomen make up one of the fastest growing demographics in the travel industry. Hotel brands have long been mindful of the importance and influence of women guests, but today more than ever before, marketing efforts are being targeted towards women in business. Hotels are reviewing their positioning and adapting their service offering to be more attractive to female business travellers. Is yours?

In 1970, less than 1% of business travellers in the US were women. By 1979, it was 16%. Cornell University, a US hospitality industry centre of excellence, now reports almost half of all American business travellers are women.

Carolyn Pearson of networking website for professional women business travellers, MaidenVoyage.com, reckons that women make up almost half of all business travellers. And their experience on business impacts on future leisure choices. "A woman might choose a hotel for business travel and then, if she likes it, go back for a weekend stay, or book the room again with the family. When it comes to travel decisions, women are really influential." Maiden Voyage checks and certifies 'Female Friendly Hotels' so its members can be confident of a safe and discrete stay.

Venus and Mars are planets apart... or are they?

Social and cultural changes affect the hotel market in the same way they do all parts of our wider society. But traditional hotels - are arguably a little stuck in their ways and reluctant to adapt - may not have grasped that what women want today is a far cry from the 90s or even last decade. Sure, both men and women think safety and comfort are important. It's just that women travellers tend to put them higher up the list of priorities. It's these slight differences that marketing executives wrestle with when targeting the distinct female traveller 'buyer persona'. Hotels are keen to find ways of transmitting key messages to women travellers but are at pains to avoid being heavy-handed or patronising. Women don't want to be identified 'en masse' as a block that needs some kind of 'special treatment'. The answer lies in offering a nuanced service that meets women's needs. Transmitting the right message is a subtle balancing act and one at which brands are becoming more adept.

Top tips for marketing to women

As more women fill senior marketing roles within the hotel industry, brands are improving their appeal to women. The factors most influencing women's hotel booking decisions are many and various; the list below collates those currently thought important:

- *A healthy, balanced restaurant menu*
- *A friendly reception staffed day and night; plus women-operated room and customer service made up of respectful and honest communication*
- *Good property locations with excellent transport access*
- *Secure parking on the hotel footprint*
- *Illuminated wardrobes and backlit make-up mirrors*
- *Private hire and taxi firms that employ women drivers*
- *Separate floors or blocks of rooms for women (although this trend is reversing)*
- *Top of the range hair dryers, tongs and straighteners, women's toiletries*
- *Appealing interior design and furnishings with care taken over lighting and colour.*

When Hyatt hotel group conducted a major, worldwide survey of women guests in 2013, it found that they make about 80% of all travel decisions: family trips, hotel choices plus business accommodation. It was a wake-up call and prompted a series of changes and improvements to its service at more than 500 locations worldwide, including:

- *Adding a particular skin care range to its bathrooms*
- *Stocking 'everything and anything a traveller might have forgotten' including deodorants, phone chargers, toiletries and countless nail polish colours.*
- *All such items are available to be borrowed or bought at cost.*
- *A poll by hotels.com revealed that:*
- *35% of women would not trust their partner to book a 'dream holiday'*
- *69% of women who are no longer married or no longer in a relationship would not trust a future partner to book a holiday*
- *One-tenth of women said that when their partner booked a holiday it had resulted in an argument.*
- *Statistics such as these back up our common-sense knowledge that women are the real decision-makers when it comes to booking hotels. While much can be done by implementing the successful tactics that other hotels have rolled out, nothing beats real qualitative research with female guests. An ongoing programme of surveys-plus-focus-groups, perhaps incentivised by discounts or premium freebies, can reveal very useful up-to-date trends that may not have percolated through to the general market, giving your hotel a chance to take the high ground with women travellers.*



Get your FONK on

Why today's youth are a unique target market and how to engage them

Sounds Alliance Logoln recent surveys of youth aged between 18 and 35, they named 'travel' as the number one experience they desired. So how do hoteliers engage Youth in a conversation? Not surprisingly, it's with a website built to be used by mobile phones, featuring Facebook and Instagram, according to Neil Ackland, CEO and Founder of Sound Alliance.

Ackland gave an interesting presentation on this subject at the No Vacancy Conference held recently. Here are some key points with percentages that might just surprise you, all gained from surveys Sound Alliance commissioned into this demographic over the past three years:

- 93.2% are using Facebook daily and a big chunk of them are using it many, many times a day.
- 76% get more of their news from Facebook than from newspapers, radio or TV.
- 93% valued experiences over possessions.
- Travel is the number one experience desired, often overlapping with music.

Ackland explained that what Sound Alliance had done over the past few years is to immerse themselves in all aspects of youth culture: "Each year we conduct one of the largest studies into youth, and we examine the trends and then apply those trends to our business and to brands that we work with," he said.

Because the Youth value experiences over possessions, they are now much more interested in travel and in sharing these experiences with their friends. Ackland said the survey information showed these young people base their identity around their experiences: "These experiences that young people are capturing and sharing through social media make up part of their identity and that's who they are," he said.

"These experiences that young people are capturing and sharing through social media make up part of their identity and that's who they are."

We've surveyed over 10,000 18 to 35-year-olds and there's a really interesting set of trends.

The two biggest fears of youth, are these:

FOMO – the Fear Of Missing Out

This drives a lot of their behaviour.

FONK – the Fear Of Not Knowing

The second one is a new one which we've called FONK – the fear of not knowing. What drives this is a need to keep up with this constant feed of information. So they are trying to catch up with this content all the time on their mobile phone – they could be on the bus driving home, anywhere, but they are always accessing this information via their phone.

And this is driving a whole chain of behaviour and it's started with young Australians but it is impacting all Australians. So when they're using a mobile phone, what are they doing?

93.2% of the people surveyed were using Facebook daily and a big chunk of them are using it many many times a day. A really interesting question we asked them was: Do you get more of your news from Facebook than from newspapers, radio or TV. When we first did the survey over 50% agreed which we felt was significant. In 2014 it jumped up to 65% and this year increased again to 76%.

It's pretty staggering what's going on there. But there's a problem – organic Facebook reach is plummeting. You may have 500 thousand facebook likes, but by the time you've posted it, no-one's seeing the post unless you pay to play. This is a problem for the industry.

Facebook Zero

There's a term being bandied around – it's called Facebook zero – essentially they're going to turn the tap off and you've built this big audience which you've invested millions of dollars and unless you pay Facebook, you're not going to be able to reach your audience.

What about other social media? Instagram is really important, Snapchat is growing year on year, Twitter no-one really cares that



much in this demographic and Google Plus – some people at Google still use it and that's pretty much it. Before you needed a car – now it's a mobile phone

So what do young people value? This is really interesting – 93% of the people we surveyed valued experiences over possessions. The theory behind this is that 10 or 15 years ago, basically the thing you needed to connect with your friends was a car. And now you just have this phone in your hands – you don't need a car any more – why do you need a car when I can contact my friends all the time?

So the value perception has shifted and now it's about capturing experiences on your phone and sharing them to your social network and that provides you with the social kudos and makes you look impressive to your friends. Travel and music are number one

Travel is the clear number one experience desired and the most cherished experience, like going overseas for a music festival. The real sweet spot is the intersection of music experiences and travel experiences.

You can see a clear trend emerging here and where to Australians look for their travel inspiration? We're finding it's from their friends so peer groups, recommendations, media through the Internet. Qantas launches site to engage this audience

An example of a company that didn't really engage with young Australians is Qantas. They knew this was their future audience and they wanted to try and engage them in a credible and relevant way and they knew they needed to that digitally and through content.

The Qantas magazine, The Australian Way, has brilliant content so our idea was really simple – let's create The Australian Way online. We decided to create a piece of content that's of value to young Australians – so AWOL (The Australian Way Online) was born in October of 2014. It's a really bold statement and it's essentially a custom content title for youth built for your mobile phone, with the sole purpose of inspiring young Australians to travel.

Sound Alliance is Australia's leading independent youth communications publisher. About 2 million Australians visit the media titles each month. For more information go to www.thesoundalliance.net

Neil Ackland presented a session at the NoVacancy 2015 conference: "Generation Now" We see and hear a lot about the impact young people are having on lifestyle – exhibit#1 use of technology – but not so much the implications on travel. Until now.

This article was reproduced with many thanks to eHotelier





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Wi-Fi battleground

GLH has become the latest company to make free Wi-Fi a key selling point with its latest brand Thistle Express.

The new budget brand will offer "super-fast unlimited free Wi-Fi for everyone".

Wi-Fi has become a key point of differentiation amongst the hotel operators, who have started to listen to the myriad studies which have concluded that guests rate free Wi-Fi above many other amenities, including, in some cases, breakfast.

Several of the global operators, including both InterContinental Hotels Group and Starwood Hotels & Resorts have started to offer free Wi-Fi to members of their loyalty programmes, irrespective of membership level. In contrast, since January, Marriott International has also started offering free Wi-Fi to Elite-level members of its loyalty programme, as long as they booked directly.

In March, Hyatt Hotels Corporation and Premier Inn both announced that they would offer Wi-Fi free to all guests, regardless of membership of a loyalty programme.

Is free, fast Wi-Fi more important to you than breakfast? Get in touch at katherine.doggrell@hospa.org

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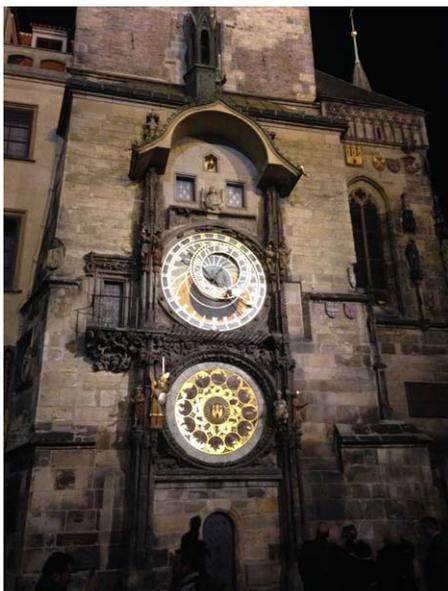
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Hilton Czechs out HOSPA

The HOSPA team goes on tour to Prague to share the benefits of HOSPA's Professional Development courses

HOSPA team Carl Weldon - CEO - Jane Pendlebury - Membership & Events and Wayne Gosden - Professional Development - were invited by James Percival (VP Finance EMEA, Hilton Worldwide) to Prague to join the Hilton EMEA Finance Conference entitled 'Making a Difference'.

They were asked to spread the word about the Professional Development that HOSPA is able to offer both finance and revenue management teams and spent two days with Hilton Financial team discussing our programme of courses and sharing the benefits of the Uniform System of Accounts for the Lodging Industry - The Eleventh Revised Edition (UALI)

Having been allocated a stand within the parallel trade show which included amongst others HOSPA, Hotstats and

Kaplan (who provide the CIMA Study Services and materials), we met with a steady team of groups who were moving between the event's many training and educational sessions.

Carl said: "We were there to tell people about HOSPA Education and Professional Development mainly for Finance but also of course Revenue Management – plus Membership. We also talked about the USALI 11th Edition and the book available via HOSPA. We met a fair few current members over the two days, many Financial Controllers including one who had not completed the BAHA course and was keen to now do so.

We received a great deal of interested feedback from the FCs and FDs that we met – especially on the ETP Course and of course the USALI Books! I am pleased to say that we were definitely lighter coming back than going in as all our brochures were taken."

If you are holding a conference within your company and think your team or delegates would benefit from a visit from

the HOSPA team then please do get in touch.

Some handy links for more information:

HOSPA Membership Sign-up: hospa.org/registration

Join HOSPA today to take advantage of a wealth of opportunities and resources, from our monthly magazine The Overview, to the latest statistics, members meetings and networking opportunities plus access to USALI articles, resources and regular updates.

HOSPA Education Programmes Enrolment: hospa.org/education

Enrol your teams on our flexible, self-study programmes in Finance or Revenue Management which provide the skills and knowledge needed for hospitality professionals looking to develop their careers. The courses are accredited by the Open University and Oxford Brookes respectively and have onward links and exemptions to CIMA.



Tips, Service Charges and Troncs



Most hoteliers will be familiar with the concept of a tronc arrangement. Where customers leave tips or pay a service charge, it is usual to find a tronc in place to administer the process of passing such sums onto staff.

Andy Hamman, Tax Director, BDO, explores some key compliance areas that any business with a tronc in place, should consider.

PAYE and payroll

Payments from a tronc are liable to income tax, which is deducted via Pay As You Earn (PAYE). It has become standard practice for the troncmaster to use the employer's payroll to facilitate the payment of tronc to staff and to account for the income tax to HM Revenue & Customs (HMRC). Using the employer's payroll, ensures tronc payments are considered with other house pay, so that the correct amount of income tax is deducted throughout the year.

Where troncs continue to use a standalone PAYE registration, usually tax is deducted at a flat 20% which may mean staff either overpay or underpay income tax in a year. In addition, with the obligation to report payments using HMRC's RTI system, separate tronc PAYE schemes have rapidly become a thing of the past.

Any business still using a standalone tronc PAYE scheme is advised to consider merging the operation with the house payroll.

Deductions of National Insurance Contributions (NICs) from tronc distributions?

As many hoteliers will be aware, tips and service charges remain a unique source of income for employees and where structured correctly; there is an opportunity to exempt this income from NIC for both employees and employers. However to do this, employers must not take part, either directly or indirectly in allocating the tronc funds. Some businesses choose to pay NICs on the tronc monies as they prefer to actively allocate the funds in the manner of their choosing. However this does add a 13.8% cost to the employer and a 12% reduction in the tronc and employees take home pay.

Specific criteria must be met before NICs deductions can cease, but on the assumption the tronc structure complies, savings can be achieved. Where compliance can be verified for the past, it may be possible to seek a NICs refund for up to 6 historic tax years.

A NICs efficient tronc can assist with competitiveness with other operators especially with attraction and retention of staff.

Deductions from tronc?

At the point any non-cash tips or service charges are received by a hotel, they fall under its ownership until such time that the monies are released to the troncmaster.

The business is entitled to retain up to 100% of this income if it wishes. However it is more typical that a smaller deduction of between 5% and 20% will be retained to cover the administration costs associated with the tronc (e.g. credit card charges, payroll processing etc.). Care should be taken with the structuring of these deductions, as HMRC have shown an interest from a VAT perspective.

As long as the remaining sums passed to the tronc are allocated independently by the troncmaster, then this should manage the NICs compliance risk.

Tronc audits – when was the last time you checked?

Despite having a structured tronc in place, many businesses are often surprised to find the arrangement has deviated from the original structure and in some cases, is no longer compliant with HMRC guidance. This in turn can lead to exposure to potential income tax and/or NICs liabilities, which could amount to significant sums.

It is recommended that any tronc arrangement is reviewed on a regular basis to ensure it continues to operate as expected. Typically, a review is recommended every 12 to 18 months depending on the size of the business and the amount of NICs at risk.

Seeking investment?

As economic growth continues, many operators are seeking to obtain funding and undertaking other Merger and Acquisition activity. Investors are more aware of the need to review the tronc arrangements in a business and consequently the area is increasingly of focus in tax due diligence. Alignment of policies in respect of the extent of tip distribution to staff, is also a key consideration as part of an acquisition.

In addition, businesses which are private equity backed are proactively considering the tronc operations in place, to ensure they are both compliant and efficient in readiness for a future sale or exit.

HOSPA NEWS

Over-rated?

As The Overview was going to press, Booking.com announced that it had agreed a settlement with the French, Italian and Swedish authorities over rate parity which it says will be implemented throughout Europe.

Under the new commitments, Booking.com will abandon its price, availability and booking conditions parity provisions with respect to other online travel agencies.

However, it will allow Booking.com to retain its “narrow Most Favoured Nation” clauses for prices and booking conditions which will ensure hotels offer the same rates and booking conditions on Booking.com as they do through their own direct website. Furthermore, the commitments do allow Booking.com to require a minimum allocation, or some availability, from hotels.

Darren Huston, CEO of Booking parent Priceline Group, said: “We welcome and encourage fair competition in the marketplace because competition drives innovation,



efficiencies, and most importantly, greater value for consumers.

“We believe today’s decisions represent a continued, coordinated effort to promote competition in a way that supports innovation and encourages companies like ours to continue to invest in the capacity and technical solutions that ultimately result in more customers for our partners and more tourism across Europe and abroad.”

The news has not been universally welcomed, as it will still mean hotels cannot offering discounts to customers booking on their own websites. In the UK, the CMA, which has reopened its investigation into rate parity, said that the outcome would influence its decision.

Is this the end of rate parity as we know it? Or a meaningless deal? Get in touch with your views to katherine.doggrell@hospa.org.

HOSPA

Hospitality Finance, Revenue and IT Professionals

Professional Development

We are currently enrolling for the September 2015 intake on the Financial Management and Revenue Management programmes.

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We recognise that nurturing talent and building expertise is key for the future success and growth of your organisation.

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Open University Accreditation Renewed

HOSPA is pleased to announce that the accreditation of the Financial Management education programme has been renewed with the Open University for another year following the recent annual review of the course.

This accreditation means learners studying on the Financial Management course can continue to gain credits for each stage of study with HOSPA that can be offset against higher education study with the Open University, such as a BA or BSc degree.

Stages 1 & 2 of the HOSPA Finance programme earn 30 credits at level 1 with an "equal BA/BSc" designation and Stage 3 of the HOSPA Finance programme earns 20 credits at level 2 with an "equal BA/BSc" designation.

Successful completion of the full Finance programme also provides exemptions from CIMA's Certificate in Business Accounting Paper 1 (Fundamentals of Management Accounting) and Paper 2 (Fundamentals of Financial Accounting).

Awarded in 2010 and renewed each year, this credit rating from the Open University further demonstrates that HOSPA is continuously engaged in the review and improvement of the quality of its Finance programme so that it meets the national industry standards in training Finance professionals.



Should you wish to discuss how HOSPA Professional Development can assist your organisation, then please call us on +44 (0) 1202 889 430 or email us at education@hospa.org.



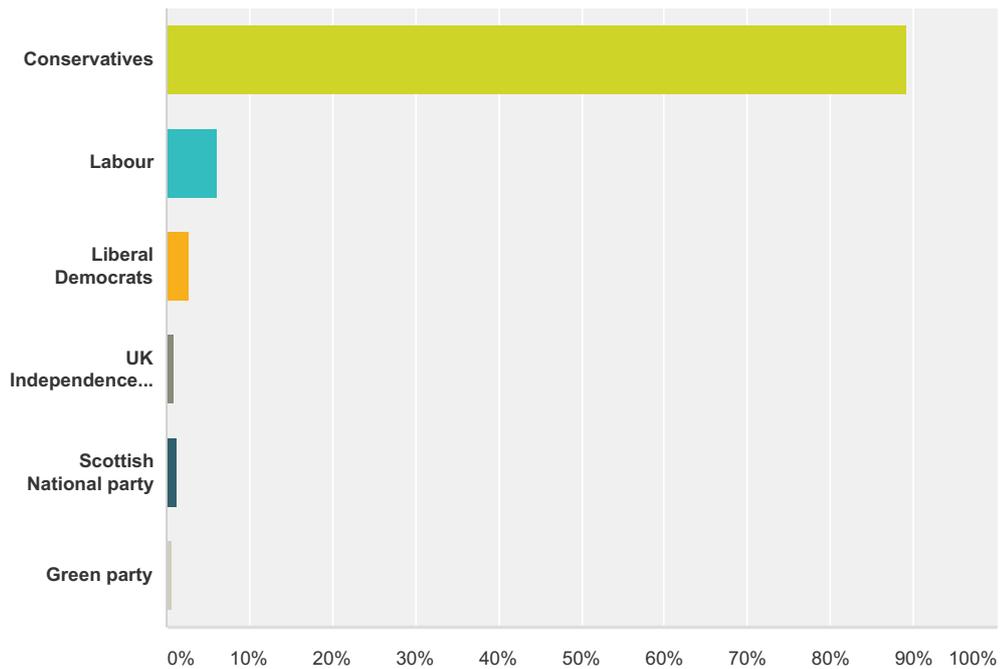
The Open University

→ BDO Budget 2015 - Take our 60 second poll



Q1 Which party do you feel has the most credible fiscal policies to support your business?

Answered: 1,082 Skipped: 13

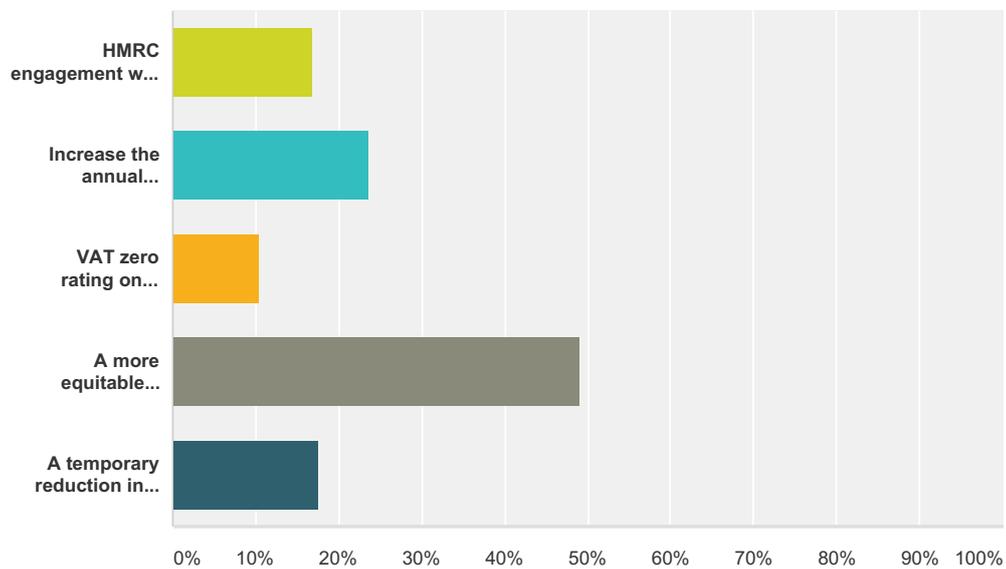


Answer Choices	Responses	Count
Conservatives	89.09%	964
Labour	6.10%	66
Liberal Democrats	2.77%	30
UK Independence party	0.92%	10
Scottish National party	1.29%	14
Green party	0.65%	7
Total Respondents: 1,082		



Q2 Which of the following policies would you most welcome in the Budget for UK business?

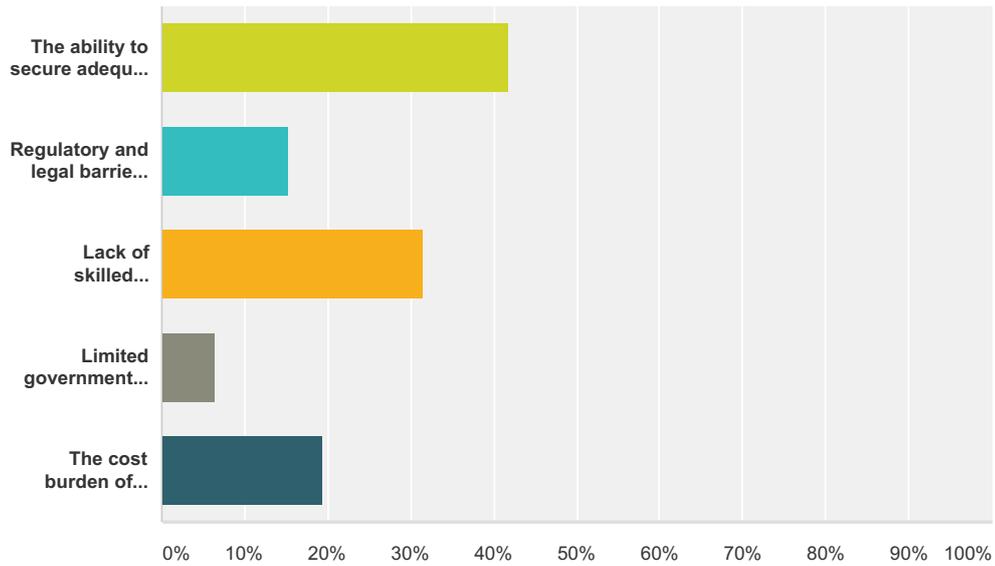
Answered: 1,082 Skipped: 13



Answer Choices	Responses
HMRC engagement with mid-sized businesses through the assignment of a client relationship manager	16.82% 182
Increase the annual investment allowance for expenditure on plant and machinery to £5 million for five years	23.66% 256
VAT zero rating on supplies that are used by exporting companies	10.54% 114
A more equitable approach for the calculation of business rates	49.08% 531
A temporary reduction in employer's national insurance payments for the manufacturing industry	17.47% 189
Total Respondents: 1,082	

Q3 From the following, what is the biggest obstacle facing businesses seeking expansion?

Answered: 1,082 Skipped: 13



Answer Choices	Responses
The ability to secure adequate financing to fund expansion	41.68% 451
Regulatory and legal barriers in respect of international sales	15.16% 164
Lack of skilled employees	31.61% 342
Limited government support for high quality apprenticeships	6.38% 69
The cost burden of business rates	19.50% 211
Total Respondents: 1,082	



→ CGA PEACH BRAND TRACKER



Pub and restaurant groups maintain post-recession revival

Leading managed pub and restaurant groups saw collective like-for-like sales edge up 1.6% in February, according to latest Coffer Peach Business Tracker figures - continuing an almost two-year trend of consistent post-recession growth.

Total sales for the month among the 30 companies in the tracker sample were up 5.8% on February 2014, reflecting the sector's investment in new openings – especially among restaurant brands outside of London.

"February marked the 23rd consecutive month of positive like-for-like sales for the sector. It is showing steady but consistent growth, which illustrates the underlying strength of the market and the public's desire to continue to go out to eat and drink," said Peter Martin, vice president of CGA Peach, the business insight consultancy that produces the Tracker, in partnership with Coffer Group, Baker Tilly and UBS.

"Casual dining brands are currently leading the sector, collectively recording a 3.4% like-for-like sales increase in February, including a 4.6% uplift for brands outside of the M25. Not only are groups opening new sites, but right across the market are now actively investing in refreshing their propositions and also being quicker to dispose of underperforming sites, so maintaining that positive sales momentum," Martin added.

"Among managed pubs, London remains the brightest spot. In February drink-led pubs and bars in the capital enjoyed a 2.7% like-for-like boost against the same period last year," he added. Trading in pubs outside the M25 was essentially flat.

Trevor Watson, director at Davis Coffey Lyons, part of the Coffer Group, said: "As the Coffer Peach tracker matures, we get to see a clearer picture of how the sector is evolving over a longer time

frame. Corporate pub and restaurant operators are growing their businesses faster outside the M25 with many more openings because site availability is better. However, as more and more companies announce ambitious expansion plans, we are seeing more intense competition for new sites throughout the country. Within the M25, trading conditions are marginally better than in outer parts of the country, although the rate of new openings is somewhat slower simply because of the lack of sites."

Paul Newman, head of leisure and hospitality at Baker Tilly, added: "The eating and drinking out industry has continued its positive run well into the New Year. Impressively, total sales have uplifted significantly by 5.8% from last year, driven by new site openings and an improved demand environment. The sector's capacity for job creation and tax generation singles it out as one of the shining lights that is driving the UK's economic growth prospects.

Jarrold Castle, leisure analyst at UBS Investment Research, said: "Like-for-like growth for February at 1.6% was in line with January, but a deceleration compared to December's 2.8% and November's 3.4% rates. This leaves the 12-month moving average growth rate at 2.2%. The 12-month moving average inside the M25 is now 3.2%, while outside it is 1.9%."

The Coffer Peach Tracker industry sales monitor for the UK pub and restaurant sector collects and analyses monthly performance data from 28 operating groups, and is recognised as the established industry benchmark.

Business deflation helps hike hotel figures

Preliminary data for February 2015

UK Regional hotels

Rooms department	2015	2014	% Change
Average daily room rate per occupied room	£57.43	£52.99	8.4%
Average daily room occupancy	71.8%	69.8%	2.7%
Average daily rooms yield per available room	£42.22	£37.02	11.4%
Approximate number of rooms per day	74,650	73,700	

London hotels

Rooms department	2015	2014	% Change
Average daily room rate per occupied room	£110.37	£107.46	2.7%
Average daily room occupancy	78.5%	78.3%	0.2%
Average daily rooms yield per available room	£86.68	£84.21	2.9%
Approximate number of rooms per day	28,300	28,050	

As UK business costs entered deflation for the first time since 2009, hotels were among a number of businesses that have benefited from increased consumer confidence in February, according to preliminary figures released by business advisory and accountancy firm, BDO LLP.

Falling business costs and increased wage growth for consumers, allowed for a more care-free financial outlook; with romantic Valentine's Day getaways and Six Nations fans helping to boost bookings and profit to record a stronger February than in 2014. The previous month's figures – January 2015 – were the strongest since 2010.

Compared with February last year, regional hotels saw an 8.4% rise in average room rate to £57.43, while occupancy increased by 2.7% to 71.8%. Rooms yield was also up an impressive 11.4% to £41.22.

Similarly, hotels in London saw growth in rooms yield – up 2.9% to £86.68. This was the result of a high average room rate (£110.37 – up 2.7%) on the back of strong demand. Figures are also likely to be elevated from the Global Law Summit 2015 which took place in the capital in late February.

Robert Barnard, Partner at BDO, said: "Despite being the shortest calendar month, healthy domestic tourism together with cost deflation, have propelled February hotel figures to give the sector

Final data for January 2015

UK Regional hotels

Rooms department	2015	2014	% Change
Average daily room rate per occupied room	£56.42	£52.29	7.9%
Average daily room occupancy	59.7%	57.1%	4.6%
Average daily rooms yield per available room	£33.69	£29.86	12.8%
Approximate number of rooms per day	95,650		

London hotels

Rooms department	2015	2014	% Change
Average daily room rate per occupied room	£119.58	£115.74	3.3%
Average daily room occupancy	70.5%	69.1%	2%
Average daily rooms yield per available room	£84.30	£80.02	5.4%
Approximate number of rooms per day	37,450		



an incredibly strong start to the year.

"The UK's continued investment in key sporting events in particular, despite the economic downturn, has proved a winning formula for tourism and subsequently the hotel industry, which we saw once again with the Six Nations Championship.

"As we emerge strong from the recession and consumers have more cash in their pockets, we expect even further domestic tourism, as well as increased overseas travellers numbers, will help the industry continue to thrive."



UK Provinces continue to overshadow

Hotels in the UK Provinces continued to post positive year-on-year movements across all key performance indicators in February, with the largest increase recorded in gross operating profit per available room (GOPPAR). Once again, this growth out-shined London's results which showed a general decline with average room rate (ARR) being the only exception, according to the latest data from HotStats.

The North East was among the best performing regions and contributed to the positive bottom-line performance of the Provinces by registering a 20.7% increase in GOPPAR. A combined surge in occupancy of 2.6 percentage points and 5.6% in ARR resulted in an uplift in revenue per available room (RevPAR) of an impressive 9.3% to £53.28. With non-rooms revenues also climbing, total revenue per available room (TRevPAR) rose by 6.4% to £93.74, compared to the same period last year.

This increase in revenue performance was further enhanced by effective payroll management and efficient operating cost control, with departmental operating profit per available room (DOPPAR) surging by 9.6% to £49.13. Although overheads per available room rose by 2.7%, profit conversion went up to 22.0% from 19.4% delivering this impressive GOPPAR growth.

RevPAR rises, profits drop in Heathrow hotels

In February, Heathrow hotels demonstrated once again that RevPAR alone can be a misleading indicator of hotel health with

a rise of 1.5%, as TRevPAR and GOPPAR levels fell by 0.5% and 0.6% respectively, according to the latest data from HotStats.

A surge in demand of 0.9 percentage points with a 0.3% increase in ARR delivered the RevPAR growth. In addition, travel agency commission per occupied room reduced by 4.3% to £4.72. However, a general decrease in non-rooms revenue per available room from food (-6.0%) and beverage (-0.2%) led TRevPAR levels to decline to £82.84 (-0.5%). While hoteliers managed to marginally lessen payroll costs, a 1.0% increase in overheads per available room further impacted the GOPPAR decline of 0.6% to £24.55, representing a gross profit conversion of 29.6% for the month.

Manchester performs

Manchester hotels recorded a strong February with TRevPAR and GOPPAR levels rising by 12.9% and 30.3% respectively, according to the latest data from HotStats.

With both occupancy (+4.7 percentage points to 81.6%) and ARR (+9.4% to £82.58) increasing, hotels in the warehouse city experienced a RevPAR growth of 16.0%. An overall positive performance was recorded in ancillary departments and TRevPAR went up by 12.9% to £112.17. Efficient cost control and payroll declining by 1.8 percentage points further fuelled this revenue gain, and as a result DOPPAR increased by 17.8% to £63.32. Despite overheads per available room climbing by 4.7%, GOPPAR shot up by 30.3% to £35.81 in February.

The month of February 2015

	Jan'15	Jan'14	Var b/w		
NORTH EAST	Occ %	55.3	50.7	4.6	▲
	ARR	63.97	60.44	5.8%	▲
	RevPAR	35.36	30.63	15.4%	▲
	TRevPAR	67.64	61.46	10.1%	▲
	Payroll %	38.0	40.2	2.2	▲
	GOP PAR	10.52	6.95	51.3%	▲
HEATHROW	Occ %	60.6	63.6	-3.0	▼
	ARR	105.25	103.14	2.1%	▲
	RevPAR	63.74	65.54	-2.7%	▼
	TRevPAR	89.10	90.74	-1.8%	▼
	Payroll %	29.6	27.4	-2.2	▼
	GOP PAR	29.80	33.85	-12.0%	▼
MANCHESTER	Occ %	53.7	49.5	4.2	▲
	ARR	68.99	71.68	-3.8%	▼
	RevPAR	37.02	35.45	4.4%	▲
	TRevPAR	59.72	56.93	4.9%	▲
	Payroll %	36.0	36.7	0.6	▲
	GOP PAR	8.85	7.36	20.2%	▲

The Calendar year to February 2015

	YTD'15	YTD'14	Var b/w		
NORTH EAST	Occ %	55.3	50.7	4.6	▲
	ARR	63.97	60.44	5.8%	▲
	RevPAR	35.36	30.63	15.4%	▲
	TRevPAR	67.64	61.46	10.1%	▲
	Payroll %	38.0	40.2	2.2	▲
	GOP PAR	10.52	6.95	51.3%	▲
HEATHROW	Occ %	60.6	63.6	-3.0	▼
	ARR	105.25	103.14	2.1%	▲
	RevPAR	63.74	65.54	-2.7%	▼
	TRevPAR	89.10	90.74	-1.8%	▼
	Payroll %	29.6	27.4	-2.2	▼
	GOP PAR	29.80	33.85	-12.0%	▼
MANCHESTER	Occ %	53.7	49.5	4.2	▲
	ARR	68.99	71.68	-3.8%	▼
	RevPAR	37.02	35.45	4.4%	▲
	TRevPAR	59.72	56.93	4.9%	▲
	Payroll %	36.0	36.7	0.6	▲
	GOP PAR	8.85	7.36	20.2%	▲

The twelve months to February 2015

	Rolling'15	Rolling'14	Var b/w		
NORTH EAST	Occ %	68.7	65.6	3.0	▲
	ARR	62.29	59.38	4.9%	▲
	RevPAR	42.79	38.98	9.8%	▲
	TRevPAR	84.29	79.30	6.3%	▲
	Payroll %	32.3	33.0	0.7	▲
	GOP PAR	22.05	19.78	11.5%	▲
HEATHROW	Occ %	74.5	76.2	-1.7	▼
	ARR	109.27	99.96	9.3%	▲
	RevPAR	81.38	76.18	6.8%	▲
	TRevPAR	116.38	110.76	5.1%	▲
	Payroll %	23.7	24.4	0.7	▲
	GOP PAR	51.96	47.80	8.7%	▲
MANCHESTER	Occ %	72.7	71.0	1.7	▲
	ARR	76.65	70.33	9.0%	▲
	RevPAR	55.75	49.96	11.6%	▲
	TRevPAR	87.08	80.39	8.3%	▲
	Payroll %	27.6	28.5	0.9	▲
	GOP PAR	29.43	26.09	12.8%	▲

Average Room Rate (ARR) - Is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.

Room Revpar (RevPAR) - Is the total bedroom revenue for the period divided by the total available rooms during the period.

Total Revpar (TRevPAR) - Is the combined total of all revenues divided by the total available rooms during the period.

Payroll % - Is the payroll for all hotels in the sample as a percentage of total revenue.

GOPPAR - Is the Total Gross Operating Profit for the period divided by the total available rooms during the period.

For more information please:

call +44 (0) 20 7892 2222
 email enquiries@hotstats.com
 visit www.hotstats.com
 or follow us on Twitter and LinkedIn

Members' Events **Forthcoming events**

19 May

Uniform System of Accounts Meeting

Time: 6pm Start

Location: Jumeirah Carlton Tower

The new edition of the Uniform System of Accounts (USALI) was issued late last year.

The principal purpose of the USALI remains to establish a uniform responsibility accounting system for the lodging industry which enables internal and external users to compare the performance of the businesses within the sector.

We are delighted to have Richard Harrington, Regional Director of Finance from Langham Hotels, David Nicolson, Vice President Finance - Europe from Jumeirah and Roberto Amodei, Area Finance Director from Hyatt on this panel where they will discuss:

- how they went about implementing the new edition,
- lessons learned and
- discussing issues that have arisen out of adoption of the new edition

To register, please contact jenny.rose@hospa.org

10 June

Cost Control for F&B Operations

Cost Control for F&B Operations is designed for all those involved with the management of food and beverage operations, from head chefs to food and beverage controllers. No prior knowledge of finance and accounting is required.

What is this course about?

This one day course has the purpose of assisting businesses with the effective management and control of food costs, staffing costs and menu pricing; all of which have a direct impact on profitability. Taking a practical approach, the course is highly interactive and uses a series of worked examples, case studies and discussions.

Divided into seven key topic areas, the course covers:

- Best practice in purchasing and stock control
- Menu planning, standard costing and gross profit management
- Impact of sales mix
- Wage and salary scheduling control
- KPI's for food and beverage control

- Break-even analysis for F&B outlets
- Action plans for profit improvement

What does it cost?

This one-day course is priced at £250 + VAT per delegate and includes lunch and course notes, plus 14 days access to the online classroom.

How do I register?

To register your place at this event, please email wayne.gosden@hospa.org or call the Professional Development team on +44 (0)1202 889430.



HOSPSPACE 2015

26th November

Sofitel London Heathrow

HOSPSPACE is a one-day annual conference and exhibition hosted by HOSPA which is the UK's leading educational organisation for Professionals involved in Financial Management, Revenue Management and IT within the hospitality industry.

HOSPSPACE 2015 will enable UK and international delegates to get an informed and cutting-edge view from an international line-up of inspirational experts – all icons in their own field – about the latest key financial, revenue and IT management issues and developments; as well as the commercial aspects that connect these together to maximise profitability and create value.

Highlights will be a line-up of top hospitality industry experts for the Leaders Panel, a top-level Finance Panel discussion; a thought-provoking Hospitality IT Debate; and a highly informative Revenue Management Debate. In addition, delegates will be able to benefit from HOSPSPACE's popular, highly topical programme of hospitality industry specific educational workshops – all led by top specialists in their subjects.

As in past years, HOSPSPACE will be supported by a growing and increasingly influential exhibition of hospitality technology solutions – providing delegates with a 'one stop shop' to view and interact with the latest and 'best in class' technologies – covering all eventualities for any hospitality business, whether they be start-up, established independent, or multi chain-owned, operations.

For further information, please visit www.hospace.net.

HOSPA Members' Meetings

11 May

Location: Manchester (Venue TBC)

Speaking:

"Overall Hotel Industry Update with a special focus on Manchester. Including latest results for Europe, The UK and its regions - plus market trends and pipelines." -Julian Perez Fernandez, STR Global

"Sharing economy: Hype or permanent change in tourism?" - Severine Obertelli - Head of Sales and Marketing, Europe - Maxxton

"Does technology Improve or hinder the Guest Experience?" - Andrew Evans – Managing Director, Keystep

"Pensions Freedoms- what exactly they are and how providers and employers are coping with the demand and the implications for 'Financial Education' in the workplace." - Russell Davison – Managing Director – DAM Good Pensions

To register for this event please contact Jenny Rose; jenny.rose@hospa.org

9 July

HOSPA Annual Quiz Night

Location: Browns, Covent Garden, London

The quiz will be held in The Judge's Court. This magnificent room, steeped in history, was formerly the main courtroom of Westminster County Court where debtors and bankrupts were tried. The focal point of the room is the original judge's bench and it was from here that convicted defendants were sent down to the detention cells that now serve as the wine cellars. For more information on this event please contact Jenny Rose; jenny.rose@hospa.org

17 Sep

HOSPA Regional Quiz Night 2015 - Glasgow

Come and join us back in Glasgow for our annual regional Quiz Night! Further details and booking will be released in due course. Please save the date in your diary or contact Jenny Rose; jenny.rose@hospa.org

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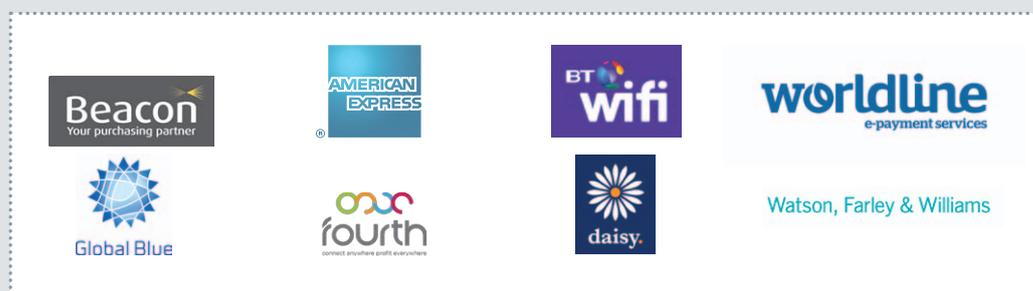
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