THE OVERVIEW

ISSN 2048-4844 **FEBRUARY ISSUE 2012**

Self employed workers - are they really?
Apprenticeships - adding value to the work force
Technology in the hotel bedroom what next?

Welcome to THE OVERVIEW

Welcome to the February edition of The Overview. This month, we feature articles on accounting for self employed workers, apprenticeship schemes for hospitality and the widening gap in the hotel guest experience of IT compared to technology at home plus updates and reviews on recent events.

January has been a busy month for HOSPA Members Meetings with an accounting technical update with HOSPA Patrons, PKF(see review on p.16) plus a breakfast meeting with the HRMC featuring a session on Social Media.

From 26 February to 1 March 2012, we will be out in force at Hotelympia at ExCel London, with a speaker programme which includes sessions on topical issues ranging from PCI compliance, to the latest UK hotel industry forecasts and technological innovations supported by MICROS Fidelio and HOSPA's US-based strategic partner HFTP.

The programme includes Konstanze Auernheimer, Director of Marketing and Analysis at STR Global, who will review last year's hotel industry sales performance and trends and a session presented by Liz Hall, Head of Hospitality and Leisure Research at PwC, who will be giving a hotel industry forecast (visit http://www.hospa.org/en/events/ for full details).

We look forward to seeing you soon at one of our forthcoming events!

Debra Adams

Editor | debra.adams@hospa.org

In February's issue...

HOSPA

Hospitality Finance, Revenue and IT Professionals

BAHA Moving Forward

Editor

Debra Adams
+44 (0) 1202 842809
debra.adams@hospa.org

Editorial Board

Diana Mountain, Finance & Accounting Committee

Bryan Steele, Information Technology Committee

Warren Mandelbaum, Revenue Management Committee

Alec Jones, Taxation Committee

Membership, Subscriptions & Events

Rob Maloney, Membership Officer
rob.maloney@hospa.org

Wayne Gosden, Membership Services & Events Marketing
wayne.gosden@hospa.org

Martina Ertlmeier, Membership Services & Events Marketing Assistant
martina.ertlmeier@hospa.org

+44 (0) 1202 889430

Education Coordinator

jane.scott@hospa.org

Publisher
The Overview is published by:
Hospitality Professionals Association
Suite 6, Merley House Business Centre
Merley House Lane
Wimborne
Dorset
BH21 3AA
+44 (0) 1202 889430
www.hospa.org

Design and Production
Unstuck Design Ltd
Renshaw Barns
Upper Woodford
Salisbury
Wiltshire
SP4 6FA
hello@unstuckdesign.com
+44 (0) 1722 782873
twitter.com/unstuckdesign

Printer
Dorset Digital Print
16 Glenmore Business Park
Blackhill Rd
Holton Heath
Poole,
Dorset
BH16 6NL
+44 (0) 1202 332 044

The Overview online

You can login to the membership area on the HOSPA website and read this journal online plus archived copies in the members' area are available at:

www.hospa.org

Self-employed workers
- are they really?

At a recent HOSPA breakfast seminar, I offered a roomful of people the choice of four topics that they might be interested in hearing about.

Rather to my surprise, while each of the first three - and particularly termination payments - had a following, over half of the hands in the room shot up when we reached casual staff.

If this straw poll is anything to go by, hotel and leisure industry employers are consumed with worry about whether they are categorising a variety of workers correctly. While this includes casual staff, it can also extend to both executive and non-executive directors, directors from overseas attending UK board meetings and any other support staff not paid through the payroll.

Those in the accounting profession know that if the taxman visits and reviews an organisation's PAYE and NIC compliance, the biggest recoveries almost always come from failures to apply PAYE to individuals who the employer claims were self-employed.

Another reason why this has become an even hotter topic recently is the new HM Revenue & Customs (HMRC) penalty regime. This is more penal than anything seen before and also less flexible. As a result, employers should be taking even more trouble to ensure that they are squeaky clean.

Employed or Self-Employed?

In order to determine whether an individual is employed or self-employed, it is necessary to examine the nature of the relationship between the parties. The courts have, over the years, laid down some factors that should be taken into consideration. Not surprisingly, HMRC tends to take a reasonably bullish stance, usually assuming that where there is any doubt at all, someone is an employee. It is wise for employers to follow suit, since if they do not get things right, they will almost certainly end up footing the bill with little chance of recovery from employees.

This is particularly the case in the hotel and leisure industry where there can be high staff turnover and the likelihood that the employer will almost immediately lose contact with former employees, often because they have gone back to their home country or are travelling.

→

Some Questions

As a starting point, the following questions will give an indication of status. If the answer is 'yes' to all of them, there is a strong probability that the worker will be treated by HMRC as an employee.

- Do they have to do the work themselves?
- Can someone tell them what to do, where, when and how to do it?
- Must they work a set amount of hours?
- Can someone move them from task to task?
- Are they paid by the hour, week, or month?
- Can they get overtime pay or bonuses?
- Do they get similar benefits to employees?

However, there are some overriding situations when it is unlikely that categorisation as an employee will apply. In particular, if employers answer 'yes' to some or all of the next set of questions, there is a good chance that they do not need be taxed as employees.

- Can they hire someone to do the work or engage helpers at their own expense?
- Do they risk their own money?
- Do they provide the main items of equipment they need to do their job?
- Do they agree to do a job for a fixed price regardless of how long it may take?
- Can they decide what work to do, how and when to do it and where to provide the services?
- Do they regularly work for a number of different people?
- Do they have to correct unsatisfactory work in their own time and at their own expense?

Unfortunately, there is nothing in statute to assist you in deciding whether an individual should be treated as an employee or self-employed. This can only be decided by taking a look at all of the relevant factors.

Over the years, case law has established that there are six factors that should be examined to determine an individual's tax status:

- Control
- The contract
- Mutual obligation
- Financial risk
- Exclusivity
- Method of payment

It is worth looking at each of these in greater detail.

Control

It is reasonable to believe that those in the hospitality industry will always have considerable control over the way in which workers carry out their duties.

The key here is to establish whether or not the hirer has the right of control over the worker. In an employment situation, it is easy to see that the employer will dictate the employee's normal working hours and location and even the manner in which they carry out their activities.

These elements of control would not be as apparent in a relationship between a self-employed individual and the hiring concern. When looking at control in a self-employed situation, it is important to establish who has the right of control over how, when and where the work is done as well as the manner of carrying it out.

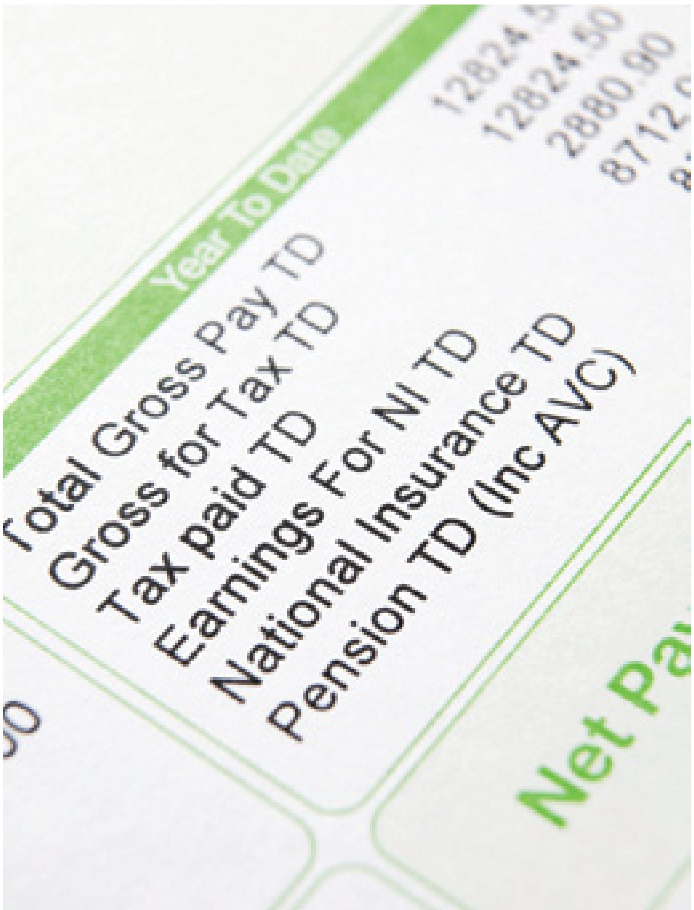
The Contract

An employment contract of service, or a self-employed contract for services, may be written, oral or even merely implied. HMRC is generally less concerned about the existence of a written contract than some of the other factors, since this may not accurately reflect the actual day to day working relationship. In practice, therefore, HMRC will tend to be more interested in establishing what actually happens than what is supposed to take place. This does not mean that the intentions of the parties have no relevance and this can sometimes be the overriding factor that tips the balance for tax purposes.

Mutual Obligation

There will inevitably always be some kind of obligation for the employer (or hirer) to pay a sum of money and for the employee (or worker) to provide the service or do the work. The main issue is whether or not the worker thinks that the hirer is obliged to offer continuous work and that the worker will always do that work.

Looked at simply, if a putative employee can choose whether to work or not and/or a supposed employer can decide whether or not to utilise their services, the likelihood is there is no mutuality of obligation. This would be a powerful indicator of self-employment.



Financial Risk

Typically, an employee will turn up for work on a regular basis and get paid a fixed amount for doing so.

Someone that is running a business on their own account will incur expenditure personally and, therefore, unless they can bring in more than they spend, run the risk of operating at a loss. Another factor that frequently comes into play is whether or not the worker can profit from sound management and organisation of a job. For example, if he or she can increase profits (or for that matter leisure time) by completing the task early, this is another good indicator of self-employment.

The principle of substitution has also been regarded by the courts as increasingly influential in making these decisions. It has become almost a given that when somebody in business can, at their own expense, send someone else along to carry out their duties, it is a definitive indicator of self-employment. Similarly, if they employ their own staff, then it is hard to believe that they could be treated as an employee.

Exclusivity

It has long been a given, certainly in the eyes of the authorities, that if an individual works for a single organisation they must be an employee. While this is certainly correct in the vast majority of cases, it is not always so.

For example, if somebody is carrying out a fixed price project that takes a long time to complete then they might still avoid being categorised as an employee even when they have been working for the same organisation for a year or two. This might be the case where a new computer system is being implemented or a refurbishment project managed.
On the other hand, it is also necessary to consider the specific engagement. All too often, employees will turn up with a letter from their accountant stating that they are self-employed and coerce their employer into paying them as such.

Even if this letter is valid it may not necessarily be appropriate for the nature of the engagement between the two parties. While someone might be self-employed in connection with certain activities that they carry out, this will not prove that they are for everything.

Method of Payment

If the worker is paid a fixed amount weekly or monthly, this would tend to suggest employment. Where the payment for a job is fixed, it is an indicator of self-employment.

Office Holders

There is a separate regime whereby any office holder is automatically taxed as an employee. This applies to both executive and non-executive directors.

Further, when any non-resident director carries out UK duties, including attendance at board meetings, the pay for these duties must be taxed here, normally on a pro rata basis and usually all expenses are treated as benefits.

Conclusion

The issue of tax status is subjective and two people looking at the same factors could easily reach different conclusions. The cynical might suggest that if one of those people is an officer of HMRC and the other an employer, they are almost bound to do so. In reality, though, the vast majority of cases are likely to be pretty clear-cut.

Therefore the best that anybody can do is to review the issues raised in this article, preferably in association with their professional advisers, as the issues can be complex in practice, and consider whether anyone who is not on the payroll should be reclassified.

Philip Fisher

Partner at PKF (UK) LLP

For further information on anything covered here, please contact Philip Fisher at philip.fisher@uk.pkf.com or 020 7065 0300.

Apprenticeships – adding value to the work place

Apprenticeships are worked-based training programmes that are designed around employers' needs and developed to improve the skills and knowledge of someone who would like to advance in their chosen career. They are paid, available at intermediate, advanced and higher levels in England and, on completion, lead to nationally recognised vocational qualifications (People 1st, NAS).

Apprenticeships are designed by Sector Skills Councils in collaboration with relevant industry representatives, whilst the National Apprenticeship Service supports, funds and coordinates the delivery of apprenticeships throughout England. The latter is also in charge of organising the annually held National Apprenticeship Week and the National Apprenticeship Awards. For the hospitality, leisure travel and tourist sector, People 1st is the Sector Skills Council and together with employers and partners, the organisation has developed three of four apprenticeship frameworks for the sector, namely Hospitality and Catering, Travel Services and Drink Dispense Services. Within these frameworks, a diverse range of job roles, such as Bookings or Reservations Administrator, Front of House Manager, Pastry Chef, Bar person etc., are available (NAS, People 1st). In addition, in 2008, People 1st established the National Skills Academy for Hospitality, a 'mark of quality' that identifies and promotes first-class training programmes that have undergone a vigorous quality assured assessment (People 1st). Moreover, the hospitality sector has its own apprenticeship awards which are organised by the Hospitality Skill Alliance in association with EDI and in partnership with several hospitality associations (HALM).

Regarding the value of apprenticeships, research shows that employers feel that apprentices are real assets to their businesses. They believe that apprenticeships produce tomorrow's skilled workers, make the business more productive and competitive, reduce staff turnover, lead to a more motivated and satisfied workforce and are more cost effective than hiring skilled staff (NAS). In return, apprentices get support during the training programme from their employer or learning provider, gain national vocational qualifications, earn some money, and have great prospects once they have finished their training programmes (People 1st). With respect to the hospitality industry, high-standard apprenticeships could also display a major benefit to the entire sector, as they have the potential to tackle the industry's skills gap and to satisfy, to some extent, the sector's demand for an additional 49,700 people in skilled roles and 246,300 extra managers by 2017 (BHA 2011, People 1st).

Looking at numbers, in the academic year 2010/11, 442,700 apprenticeships were offered compared to 279,700 in the previous year. Of these 442,700 apprentices, 175,500 were aged over 25 (compared to 49,100 in 2009/10), 138,900 were aged between 19 and 24 (compared to113,800 in 2009/10) and 128,300 were aged under 19 (compared to 116,800 in 2009/10) (Data Service 2011). Although the overall rise in apprenticeships is positive, critics argue that the significant rise of apprentices aged 25 or over should be looked at with scepticism as the increase is mostly due to the fact that large supermarkets re-branded their own staff training as apprenticeships and, therefore, do not represent real job opportunities for school leavers and young unemployed. Another issue is the reluctance of businesses to take on apprentices. A survey by BCC shows that only 20% of firms took on an apprentice in 2010/11 and even 5% less consider taking on an apprentice in 2011/12. Reasons for these low numbers are: employers claim that apprenticeships are irrelevant to their industry, apprenticeship schemes are too complex and young people lack basic literacy and numeracy skills and hence are not employable (Peacock 2011, Press Association 2011). To make apprenticeships more appealing to both, employers and young people, the government's budget for apprenticeships has increased by £222m to £1.4bn a year for 2011/12, including a £25m fund to support advanced level and higher apprenticeships and an incentive payment of up to £1,500 for small companies that take on an apprentice aged 16 – 24 (NDS 2011, Snowdon 2011).

With regard to the hospitality, leisure, travel and tourism sector, People 1st reports that the sector has one of the highest take–up rates of any apprenticeship framework and continues to increase their uptakes. For example, the registered apprenticeships within the hospitality and catering framework grew from 13,200 in 2006 to 20,900 in 2010. Despite this fact, the sector also has one of the highest drop-out rates, with only 56% apprentices completing a training programme. Other challenges facing the sector include the facts that employers do not realise the benefits of apprenticeships, that there are no well-established development routes between pre-employment training programmes and apprenticeships, that the sector requires more apprenticeships at level 3 and 4, that apprenticeships are not strongly linked to professional body membership and ongoing development and that employers experience barriers, such as high level of paperwork, lack of flexibility and funding. To address these issues, People 1st has designed an apprenticeship strategy consisting of six individual objectives by the means of which the target of increasing both the number of sector specific apprenticeships to 30,000 and the completion rate to 80% by 2020 should be achieved. The individual objectives are: ensure apprentices are effectively prepared to start an apprenticeship, raise awareness of the Asian and Oriental specialist chef routes, ensure apprenticeships are robust and reflect the needs of the sector, reduce unnecessary barriers to employers and apprentices, help retain apprentices on apprenticeship programmes and raise the demand for higher level apprenticeships.

Despite the need for more enhanced apprenticeship schemes in the hospitality industry, many household names, such as Whitbread, Hilton, IHG, Barcelo Hotels, Punch Taverns, TUI UK & Ireland, Thomas Cook and JD Wetherspoon have already employed very successful and effective apprenticeship programmes (BHA 2011). In the following section, several promising and recently announced training programmes are presented.

Firstly, the De Vere Academy of Hospitality, run by De Vere, offers from 1st February 2012 a new apprenticeship scheme that consists of a short 'Access to Apprenticeships' foundation phase to prepare the students for the sector and to assess their commitment to the industry before they can begin with their actual apprenticeship, which will last a minimum of 12 months. De Vere has collaborated with the National Apprenticeship Scheme to design an effective programme that meets the current apprenticeship standards. At present, the academy has 9 sites, with 7 more planned, and aims to train 10,000 apprentices over the next three years (Ruddick 2011).

Secondly, the new Hilton London Heathrow Airport Terminal 5 teamed up with the Academy of Culinary Arts, the Academy of Food and Wine Services and West London University to offer a total of six food and beverage apprenticeships (four kitchen and two front-of-house positions). The training programme is run by West London University, takes three years to complete and will result in an Academy of Culinary Arts Diploma Examination in Professional Cookery (Harmer 2011).

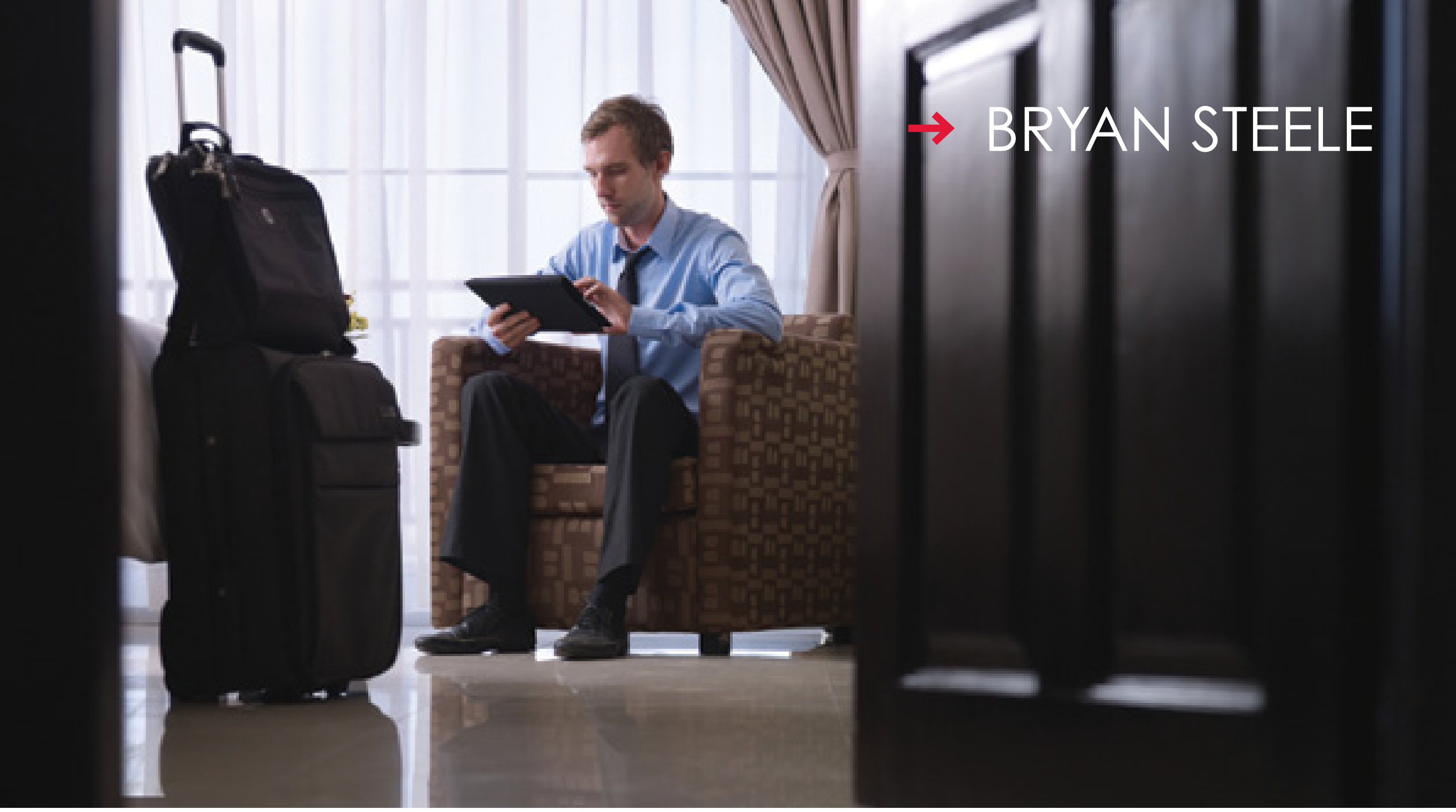
Thirdly, in early 2011, Travelodge has launched the UK's first budget hotel management apprenticeship course for school leavers. Titled "JuMP" (Junior Management Programme), the programme is supposed to be a real alterative to university, offering the candidates education, work experience, salary and the opportunity to be in a manager position by the age of 21 (Travelodge 2011).

Fourthly, Whitbread and The Prince's Trust have joined forces to create the 'Get into Hospitality' programme which encourages unemployed young people aged between 16-25 to acquire the skills and confidence in order to find a job. The participants take part in a two-week training course to get an insight into the hospitality industry and will receive a qualification in Foundation Food safety together with six-month mentoring support from the Prince's Trust following the completion of the course. Successful candidates have then the chance to start a Whitbread apprenticeship, including an NVQ qualification at level 2 (Nicholls 2011).

Overall, it can be said that the future of apprenticeships in the hospitality industry looks positive. Even though there are still a number of issues that need to be dealt with, People 1st, numerous businesses, associations and higher educational institutions are continuously working on improving training programmes in order to make them worthwhile for both, companies and young people.

HOSPA supports the development of apprenticeships in Finance, Revenue Management and IT, if you would like further details please contact Debra Adams at debra.adams@hospa.org.

Written and researched by Martina Ertlmeier, HOSPA



The widening gap between a guest's technology experience at home and in a hotel bedroom

The hotel guest room used to showcase new and exciting entertainment and automation solutions; but now, that experience frequently falls well short of the domestic one. The pace of change of both technology and guest behaviour seems to run unabated, widening the above mentioned gap relentlessly. The hotelier no longer delights but rather risks frustrating the guest. This article considers some of the major trends and how the hotelier might respond to this growing challenge. Hoteliers need to develop a holistic technology strategy that encompasses the guest room.

The last five to ten years have seen an unprecedented rate of technology change that has enabled and stimulated new behaviours which hotel guests expect hoteliers to support. Major trends include the growth of social media, the pervasive use of mobile devices, the need to provide Wi-Fi Internet access, the growth in demand for and availability of Internet bandwidth and the availability of online content.

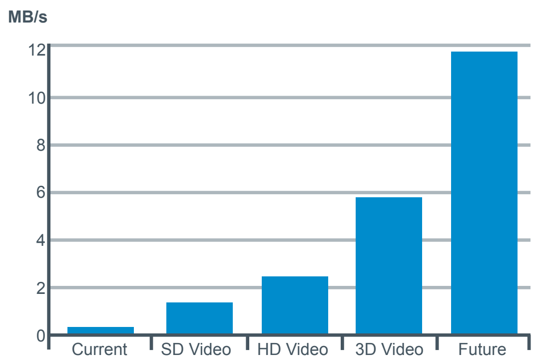
Broadcast TV remains a low cost method of distributing programming at a set time – the infrastructure already exists. However, through Personal Video Recording (PVR) technology, people are used to recording programmes in order to watch them at a more convenient time. Also, many programmes are available to stream across the Internet as an "on demand" service allowing someone to watch it not only when they want but potentially where they want, too (subject to rights restrictions). NetFlix streaming video service has been reported to account for 20% of peak Internet traffic. Amazon recently took full ownership of LoveFilm, a comparable service in the UK. This would appear to signal that Amazon recognises the future importance of streamed media and the potential for it to replace CDs, DVDs and Blu-ray discs. The recent Royal Wedding in the UK resulted in a 26% increase in Internet traffic. YouTube delivered 72 million live streams in 188 countries and 29 million on demand streams for later viewing.

The growth in social media has been phenomenal. Facebook was founded in 2004, reached 400 million members in February 2010, 500 million actively used it in July 2010 and 600 million by the year of 2010! 35 million people update their statuses at least once a day and the average user spends 55 minutes per day on Facebook and has 130 friends. This is important because it is an example of a platform that people use to share news, ideas, photos and links to content, such as music and videos. The number of hours of video uploaded to YouTube every minute has grown from 8 hours in 2007 to 48 hours in 2011. This is equivalent to over 200,000 full-length Hollywood releases every week.

Smartphones and tablet devices are popular with the consumer. These devices are typically capable of using the carrier data networks as well as connecting to a Wi-Fi network. They have been so popular that few carriers will now offer unlimited data because of the toll it has on their networks. Indeed, carriers in a number of countries have partnerships with Wi-Fi providers so that their subscribers hop off the cellular network and onto the partners W-Fi network to offload data traffic. This offers hoteliers the opportunity to allow guests to have better connectivity for their mobile devices; but at the same time, it creates a requirement for more bandwidth to the hotel.

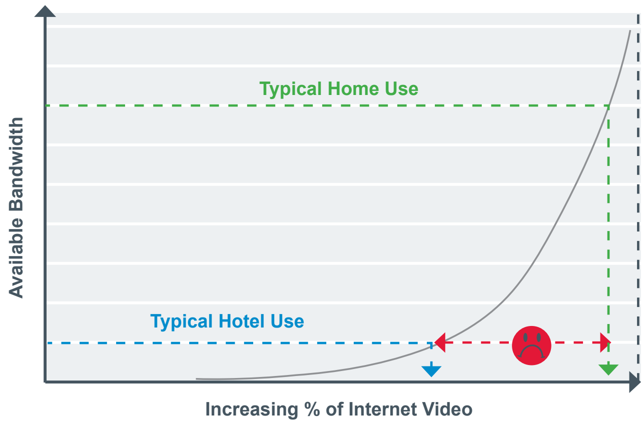
Many of the televisions, tuners, Blu-ray players and games consoles which are now being purchased have the ability to connect to the Internet via a cable or even have Wi-Fi built into them. The range of applications or widgets and the choice of content which can be accessed are improving as digital rights issues are resolved. The challenge for many hotels, including most major chains, is that they only recently completed rolling out flat screen LCD, LED or plasma TVs as a brand standard but most of these do not have the ability to connect to the Internet and owners are not likely to agree to a replacement programme any time soon. Sadly, when many hoteliers did deploy flat screen TVs, they failed to invest in the backend equipment to upgrade those to a widescreen digital quality. As a result, guests can find themselves viewing a grainy picture or a lot of short fat people, as the 4:3 image is stretched on a 16:9 format screen.

Good quality Internet bandwidth is key to being able to enjoy all of the above hardware and content. Most homes now have access to sufficient bandwidth to allow multiple devices in the home to connect wired or wirelessly and, simultaneously, to support Internet browsing, media streaming, video and voice communications and gaming. Bandwidth requirements will continue to grow as content continues to evolve from Standard Definition to High Definition, to 3D and then, perhaps, to virtual reality or very large screen formats in the future.



In the domestic setting, this bandwidth comes at a relatively modest cost, because the service is unlikely to include a good service level in the event of it failing which is reflected in the price. However, if the service fails in a hotel, the hotelier is faced with a large number of unhappy guests. Since this can result in demands for compensation and damage to reputation, hoteliers are likely to contract for Internet services which come with a good response time in the event of failure. However, this usually comes with a significant price tag.

If a guest is to be permitted to have the same domestic experience in the hotel, then this would necessitate an enormous increase in the amount of Internet bandwidth - compared to what a hotel typically purchases today. If indeed viewing habits move to watching what you want “on demand” as opposed to what’s available as it is broadcast, and even half of the guests in a 200 room hotel were to do this simultaneously, the bandwidth required might be in the order of 500MB/s. Today, many hotels have less than 10MB/s capacity and 30MB/s might well be considered to be good. What this means is that there is insufficient bandwidth in most hotels to allow guests to do what they would at home. Also, different activities require the quality of service to be managed in different ways. For video streaming, there needs to be a consistent high throughput of data to avoid the video pausing while more data buffers. For communications, such as Skype or soft phones, there needs to be low jitter if the conversation is not to break up. For gaming, there needs to be low latency otherwise, even if you shoot your opponent first, his bullet may arrive before yours and you’re dead – frustrating! All this means that the hotel has moved from offering a cutting edge experience 15-20 years ago to now inhibiting what the guest can do.



A major challenge facing hotels is the guest’s perception from the domestic market that bandwidth is cheap. However, it is not if it comes with both a guaranteed performance and service level. Furthermore, it can be argued that the offers of free Internet are now backfiring, since provision of the bandwidth required today is financially costly; yet failure to do so is also costly, but in terms of the guest experience and brand reputation.

The table summarises a number of differences between the domestic and hotel experience which apply to many hotels today:

Feature / Capability	Home	Hotel
Adequate bandwidth	✓	✗
Good support of all services: video, voice, gaming	✓	✗
Good wireless coverage – all areas	✓	✗
Support multiple devices simultaneously	✓	✗
TV/Blu-ray connected to the Internet for on demand viewing	✓	✗
Ability to access guest's own online content	✓	✗
Ability to download an application for use on the guest's own smartphone or tablet to control devices in the room	✓	✗

The most important issue that needs to be resolved is providing the necessary Internet access in terms of bandwidth and quality of service management. This would allow guests to connect their devices and access the content and services they desire. An emerging model involves offering tiered bandwidth, perhaps the lowest tier being free and supporting basic Internet browsing only and higher tiers being designed to support voice communications and media streaming and being billable. Such a model preserves the free Internet offer (with the addition of the small print re the limitations) while generating income from the more sophisticated services which can be used to fund the necessary bandwidth and service management. The latter would include quality of service management to ensure the voice, media streaming and gaming work well. It would also permit a guest to connect multiple devices while ensuring that these together operate within the constraints of the bandwidth tier that has been purchased. The need for carriers to offload data from cellular networks may also provide the hotelier with a new commercial opportunity, either in terms of a fee for supporting the carrier's subscribers or a financial contribution towards circuit costs.

The secondary issue is to address the gap between the equipment installed in the guest room and the home. Working on the premise that hotels are not going to swap out the newly purchased flat screen TVs for models that can connect to the Internet, there is an opportunity for integrators of interactive TV systems to work with hoteliers to develop applications which mimic the connected TV capability. These integrators could also be asked to develop applications which a guest could download to their smartphone or tablet to control devices in the room. This could include controlling the entertainment system, navigating and typing input into a TV Internet browser, controlling lighting settings, adjusting the room temperature and accessing a number of hotel guest services.

The cost of investment in bandwidth will vary by location and will likely be significant. Therefore, it is wise to consider this in the context of a holistic technology and services strategy. This is important for two reasons. Firstly, the required infrastructure can be used to deliver a variety of services to the guest, thereby, generating multiple revenue streams to deliver a return on the investment, while, at the same time, enhancing the guest experience. Secondly, it will mean that investment decisions are made with an understanding of how these will complement each other, thereby, reducing the risk that a system choice is made which later proves incompatible with others.

Bryan Steele is the Founder and Managing Director of Jireh-Tek Limited, an IT consultancy established in February 2006 with a strong focus on the hospitality sector. He has 19 years of international IT and business experience and was a member of the Hotel Technology Next Generation Board and continues working with the Board as an Executive Advisor. Bryan was the Director of IT and a member of the Senior Management Team from 2002 to 2006 at Thistle Hotels, a £300m company comprising 50 hotels and 10,500 rooms operating under the Thistle and Guoman brands. He had responsibility for all Information and Communication Technology.

Bryan Steele

Chair of the HOSPA IT Committee

bryan.steele@hospa.org

Revenue Management at the Ritz

The Ritz London remains at the forefront of London's competitive marketplace with IDeaS Rate Optimization Service

The Ritz London is a truly iconic establishment. Founded by the Swiss hotelier César Ritz, the hotel opened in 1906 and, since then, has maintained a truly global reputation for luxurious excellence.

However, The Ritz London is actually a relatively small hotel by the standards of many of its direct competitors in London's luxury hotel market, the vast majority of which have the significant advantage of being part of larger organisations and hospitality management groups. These competitor hotels are able to benefit from London-wide, or even international, centralised market intelligence. By comparison, The Ritz London is a privately-owned and operated hotel, with only 134 rooms, therefore, the London landmark is always innovative in order to maintain its position at the forefront of the world's best hotels.

After utilising the IDeaS Revenue Management System (RMS) with great success for a number of years, The Ritz London turned again to IDeaS for the next step in their continual process of growth and innovation. The hotel decided to commission IDeaS to implement the IDeaS Rate Optimization Service (ROS) for the hotel. The IDeaS ROS uses IDeaS' proprietary analytics to determine the optimal Best Available Rate (BAR) spectrum and strategy for hotels.
Ruth Jones, Executive Assistant Manager, Marketing & Development at The Ritz London, explained: "We wanted a 'health-check' to see if our current rate strategy aligned with revenue management best-practices. We were looking to see if our current tactics were optimal, or whether we needed to revise them, and, if so, how we should."
"The final motivation for the project was that, even within the context of a turbulent global economy, the London hotel market had been performing particularly well for a number of years. We were keen on making the most of all the revenue opportunities presented," Ruth added.
Determining an optimised BAR rate structure for the hotel is a natural progression of the continued partnership between IDeaS and The Ritz London to explore new tools and analytics to drive better revenue.

→

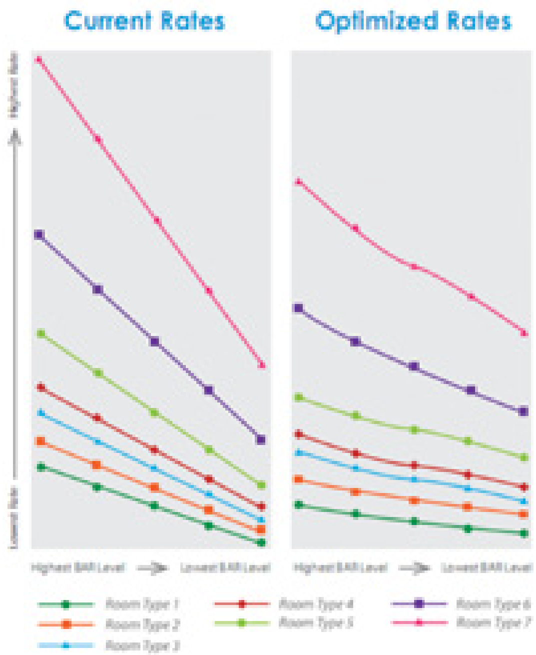


Figure 1: The optimised rates demonstrated in the graph are designed so that overall revenue (the product of the rate and the demand expected at that rate) will be maximised.

Supporting strategies with analytics

In order to conduct the ROS analysis, The Ritz London's historical revenue data was gathered and IDeaS utilised proprietary methods to analyse the hotel's demand patterns and price sensitivity by Business Segment, Room Type and Demand Period. IDeaS then recommended a new best available rate structure in order to increase overall revenue by focusing on the rate ranges with the strongest demand (see figure 1 for an example of the final recommendations). Predictive modelling of the optimised rates was then done based on price sensitivity of demand and capacity distribution. This generated an estimated revenue impact of deploying the new rate structure.

These recommendations and predictions were delivered to The Ritz London in the form of an electronic results report as well as a detailed presentation to the hotel's revenue team. Ruth stated: "We were very impressed by the process of the project overall and by all the support that we received."

"The results from the ROS analysis supported our strategies and revealed new insights into price sensitivity of our room types. As the findings were backed by IDeaS' powerful analytics, it convinced us that we were on the right track and could proceed with confidence," said Ruth.

The Ritz London has accepted all of the recommendations made by IDeaS and the hotel is using the results of the IDeaS ROS as the foundation for restructuring its rate strategy for 2012.

Designing a personalised rate spectrum

The IDeaS ROS report included a forecast of the expected revenue impact of the recommended rate changes based on the historical revenue data provided at the start of the project. The hotel is optimistic about their realisation: "Once our optimised rate strategy is put in place, we are projected to increase our overall annual revenue by 2% according to the analysis conducted," asserted Ruth. "Accordingly, we will be able to achieve a complete return on our investment shortly after employing our new rate strategy," she added.

A key recommendation from the ROS suggested that the hotel increases its number of BAR levels as well as the price differentials within the spectrum. "This will give us a smoother pricing strategy as demand increases," said Ruth, "and therefore our rates will increase in smaller differentials and at a gentler gradient, giving us more flexibility to optimise pricing based on customer demand patterns."

Ruth concluded: "As a privately owned and operated hotel, we really depend on quality vendors to assist us in maintaining our position as a prime hotel in London. We have an on-going relationship with IDeaS that is based on using their reliable solutions which always yield results – utilising the IDeaS ROS was a logical progression for us. And, just as we hoped, the results of the analysis have enhanced our overall revenue management approach and look set to significantly optimise our performance."

For more information about the IDeaS Rate Optimization Service and how your business could benefit from it, please visit www.ideas.com.

UK CHAIN HOTELS MARKET REVIEW - December 2011

London hoteliers record a 4.7% increase in profit per room in 2011

A difficult end to the year has not stopped hoteliers in London recording a second consecutive year of profitability growth, according to the latest HotStats survey of approximately 550 full-service hotels across the UK by TRI Hospitality Consulting.

The 4.7% increase in profit per room in the capital in 2011 was primarily due to a 6.1% increase in Revenue per Available Room (RevPAR), which was led by a 7.0% increase in the achieved average room rate for London hotels to £131.03 from £122.45 during the same period in 2010.

“Despite a challenging economic backdrop, London hotels have again outperformed expectations by showing profit growth in 2011. While the profit growth was more moderate than in 2010, it shows that hotels can buck the economic trends,” said Jonathan Langston, managing director of TRI Hospitality Consulting.

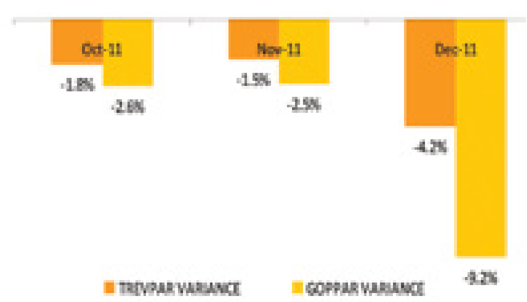
The 13.9% increase in profitability levels achieved in 2010 was always going to be a hard act to follow, but London hoteliers have managed to exceed expectations, primarily due to a strong period of operation during the second quarter of the year.

However, the annual increase for hotels in the capital was tainted by the 9.2% decline in profit per room in the city in December, which represented the third consecutive month of year-on-year profit decline for London hoteliers in 2011 and was the greatest monthly year-on-year drop in this measure for hotels in the capital since August 2009.

Furthermore, hotels in the capital have struggled to increase ancillary spends during 2011 with declines suffered in food and beverage (-5.5%) and meeting room hire revenue (-4.2%) per available room. As a result, Total Revenue per Available Room (TrevPAR) in the city increased by just 3.8% to £145.58 from £140.25 in 2010.

“Following a strong start to the year, London hotels limped to the finish line with a 4.6% decline in profitability recorded in the fourth quarter of 2011. And whilst industry commentators will continue to speculate about the forecasted performance for London hotels during 2012, it is increasingly evident that the loss of demand due to postponed and cancelled business and regular visitors to the city choosing an alternative destination, will be offset by the considerable demand created by major events in the capital throughout the year, including the Queen’s Jubilee, the Farnborough Air Show, and of course the Olympics,” said Langston.

LONDON LAST 3 MONTHS YEAR-ON-YEAR CHANGE



HotStats London Main KPIs

LONDON

	Dec '11	Dec '10	Var b/w
Occ %	73.3	76.2	-2.9
ARR	125.77	125.60	0.1%
RevPAR	92.17	95.67	-3.7%
TrevPAR	134.59	140.44	-4.2%
Payroll %	25.9	25.3	-0.6
GOP PAR	62.95	69.32	-9.2%

	YTD '11	YTD '10	Var b/w
Occ %	81.4	82.1	-0.7
ARR	131.03	122.45	7.0%
RevPAR	106.71	100.54	6.1%
TrevPAR	145.58	140.25	3.8%
Payroll %	23.9	24.2	0.3
GOP PAR	70.13	67.01	4.7%

ARR - Average Room Rate, RevPAR - Revenue per available room, TrevPAR - Total Revenue per available room, - GOP PAR Gross opertunity profit per available room.

Provincial hoteliers suffer a fourth successive year of profit decline

Whilst growth in both occupancy and average room rate contributed to a 1.5% increase in RevPAR, overall profit per room for Provincial hoteliers declined by 3.2% during 2011, according to the latest HotStats survey of approximately 550 full-service hotels across the UK.

Provincial hoteliers faced a number of challenges in 2011, which began with the country blanketed in snow and were sustained by the economic uncertainty which has shrouded the UK for much of the year.

"The hangover from 'The Big Freeze' in December 2010 and the fresh snowfall in February 2011 meant that Provincial hoteliers failed to get started this year. And with the timing of the Royal Wedding and the Easter break there was little chance for them to create any sort of momentum," said **Langston.**

As a result of a 0.7 percentage point increase in room occupancy, to 69.6%, and a 0.6% increase in achieved average room rate, Provincial hoteliers were once again able to achieve an increase in RevPAR levels in 2011. But for the second consecutive year, the growth in achieved average room rate was primarily due to increases in the Best Available Rate (+2.8%), leisure (+0.2%) and group (+2.6%) segments, with further declines suffered in the corporate (-0.3%) and conference (-1.7%) segments, highlighting the challenges which remain in the commercial sector.

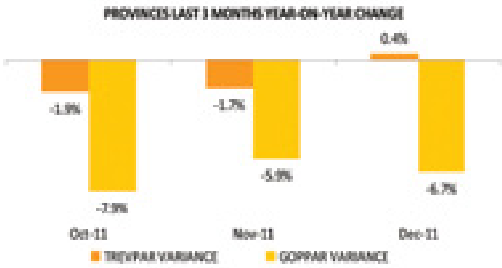
The unique HotStats survey by TRI Hospitality Consulting revealed the growth in RevPAR shields a static TrevPAR performance reflecting declines in ancillary departments over the last 12 months, such as leisure (-2.3%) and meeting room hire revenue (-5.6%) per available room.

TrevPAR has remained flat at £90.35, compared with £90.13 in 2010.

As a consequence, during the same period, increasing costs have hampered profitability levels at hotels in the Provincial UK, exemplified by a 0.3 percentage point increase in payroll levels to 32.2% of total revenue. Further cost increases for the year were suffered in property and maintenance (+3.8%) and sales and marketing direct expenses, which increased by 6.9% to £3.10 from £2.90 per available room during the same period in 2010.

"Despite the overall decline in headline performance levels across the Provinces, there continues to be some good news in primary locations such as Manchester, Brighton and Edinburgh, which all finished the year with positive results. Whilst Provincial hoteliers will continue to face challenges, it is hoped that 2012 will provide the opportunity to recover some lost ground," added **Langston.**

PROVINCES LAST 3 MONTHS YEAR-ON-YEAR CHANGE



HotStats Provinces Main KPIs

PROVINCES

	Dec '11	Dec '10	Var b/w	
Occ %	57.4	56.4	1.0	▲
ARR	65.33	66.94	-2.4%	▼
RevPAR	37.48	37.77	-0.8%	▼
TrevPAR	88.02	87.70	0.4%	▲
Payroll %	31.7	31.8	0.1	▲
GOP PAR	24.34	26.10	-6.7%	▼

	YTD '11	YTD '10	Var b/w	
Occ %	69.6	68.9	0.7	▲
ARR	68.40	68.01	0.6%	▲
RevPAR	47.61	46.88	1.5%	▲
TrevPAR	90.35	90.13	0.2%	▲
Payroll %	32.2	31.9	-0.3	▼
GOP PAR	26.85	27.73	-3.2%	▼

→

HOTSTATS Briefing Data

UK Chain Hotels - Performance report Currency: £ Sterling

The month of December 2011

TOTAL UK

	Dec '11	Dec '10	Var b/w
Occ %	63.1	63.6	-0.5
ARR	90.68	92.46	-1.9%
RevPAR	57.25	58.80	-2.7%
TrevPAR	104.85	106.86	-1.9%
Payroll %	29.0	28.7	-0.3
GOP PAR	38.29	41.80	-8.4%

LONDON

	Dec '11	Dec '10	Var b/w
Occ %	73.3	76.2	-2.9
ARR	125.77	125.60	0.1%
RevPAR	92.17	95.67	-3.7%
TrevPAR	134.59	140.44	-4.2%
Payroll %	25.9	25.3	-0.6
GOP PAR	62.95	69.32	-9.2%

PROVINCES

	Dec '11	Dec '10	Var b/w
Occ %	57.4	56.4	1.0
ARR	65.33	66.94	-2.4%
RevPAR	37.48	37.77	-0.8%
TrevPAR	88.02	87.70	0.4%
Payroll %	31.7	31.8	0.1
GOP PAR	24.34	26.10	-6.7%

The calendar year to December 2011

TOTAL UK

	YTD '11	YTD '10	Var b/w
Occ %	73.8	73.6	0.2
ARR	93.08	89.69	3.8%
RevPAR	68.72	66.04	4.1%
TrevPAR	110.08	108.03	1.9%
Payroll %	28.3	28.3	0.0
GOP PAR	42.31	41.76	1.3%

LONDON

	YTD '11	YTD '10	Var b/w
Occ %	81.4	82.1	-0.7
ARR	131.03	122.45	7.0%
RevPAR	106.71	100.54	6.1%
TrevPAR	145.58	140.25	3.8%
Payroll %	23.9	24.2	0.3
GOP PAR	70.13	67.01	4.7%

PROVINCES

	YTD '11	YTD '10	Var b/w
Occ %	69.6	68.9	0.7
ARR	68.40	68.01	0.6%
RevPAR	47.61	46.88	1.5%
TrevPAR	90.35	90.13	0.2%
Payroll %	32.2	31.9	-0.3
GOP PAR	26.85	27.73	-3.2%

The twelve months to December 2011

TOTAL UK

	Rolling '11	Rolling '10	Var b/w
Occ %	73.8	73.6	0.2
ARR	93.08	89.69	3.8%
RevPAR	68.72	66.04	4.1%
TrevPAR	110.08	108.03	1.9%
Payroll %	28.3	28.3	0.0
GOP PAR	42.31	41.76	1.3%

LONDON

	Rolling '11	Rolling '10	Var b/w
Occ %	81.4	82.1	-0.7
ARR	131.03	122.45	7.0%
RevPAR	106.71	100.54	6.1%
TrevPAR	145.58	140.25	3.8%
Payroll %	23.9	24.2	0.3
GOP PAR	70.13	67.01	4.7%

PROVINCES

	Rolling '11	Rolling '10	Var b/w
Occ %	69.6	68.9	0.7
ARR	68.40	68.01	0.6%
RevPAR	47.61	46.88	1.5%
TrevPAR	90.35	90.13	0.2%
Payroll %	32.2	31.9	-0.3
GOP PAR	26.85	27.73	-3.2%

TRI Hospitality Consulting

David Bailey - Deputy Managing Director | T 0207 892 2202 | E david.bailey@trihc.com

Ben Livingstone - Managing Consultant | T 0207 892 2205 | E ben.livingstone@trihc.com

HOTSTATS

Mark Dickens - Managing Director | T 0207 892 2207 | E mark.dickens@hotstats.com

David Stephens - Operations Manager | T 0207 486 2217 | E david.stephens@hotstats.com

Review of recent HOSPA Members' Meetings

HOSPA/PKF Breakfast Seminar –

Financial Reporting and Taxation Update – held in January 2012

We are very grateful to PKF for hosting this breakfast seminar once again on behalf of HOSPA, providing informative, lively presentations and home-baked pastries! You will find the complete slides online but this is a quick summary of the topics about which financial controllers and consultants need to be aware.

Industry update for the full year 2011, Robert Barnard, Partner, PKF

London achieved rates of £140.09 at an occupancy of 82.8%, influenced by the weak pound combined with demand generated from Farnborough, the Royal Wedding and the Champions League. If we were to ignore Fridays and Sundays and the months of January and February, London would have traded at 100% occupancy during a recession! However, the regions suffered enormously, particularly in the MICE sector, and the year end results were a RevPar of £42.51 at 70.2%. Come to the next seminar to see how 2012 will turn out…

Financial reporting – some good news! from Rob Frost, PKF Audit Manager

Back in May 2011, it seemed likely that we would have to prepare the first set of comparative data under the new **FRSME** rules for small and medium sized entities for accounting periods starting on or after 1 July 2012. However, following consultation, the UK ASB has been forced to rethink and modified rules are not likely to take effect until 1 January 2015.

FRSME was originally intended to be applicable based on the concept of public accountability. This would have been particularly onerous on small, publicly accountable bodies and this basis has now been scrapped. The original proposals would not have allowed revaluation of fixed assets, capitalisation of development or borrowing costs and there would have been conflicts with CA2006. For example, a Profit and Loss Account would have to be renamed as a Statement of Comprehensive Income under **FRSME**, and a Balance Sheet would have to be called a Statement of Financial Position. Even though these terms will still be used in the guide, all entities will be required to apply Companies Act formats and thereby comply with "local laws".

There will still be three tiers of reporting for entities: full **IFRS, FRSME** (to be known as "The FRS") and the existing FRSSE for "small companies" as defined under the CA2006. **FRSSE** will not be updated by the ASB so there will be a natural drift towards **IFRS** or The FRS. Companies can "trade up" by opting to go for higher disclosure, but they cannot trade down; i.e. subsidiaries of entities falling under the large or medium definitions which are not individually so defined may choose to report under the higher category, but with reduced disclosures.

Three new FRS (financial reporting standards) will replace the existing FRS 1-30 as follows, based on previous FREDs (financial reporting exposure drafts):

• FRS 100 (FRED46) Application of Financial Reporting Requirements (ie. how to choose between full IFRS, The FRS or FRSSE)

• FRS 101 (FRED47) Reduced Disclosure Framework (ie. less onerous and less costly)

• FRS 102 (FRED48) "The FRS" application in UK & Republic of Ireland

The FRS suite of reports will include a Statement of Comprehensive Income and Expenditure (SOCIE), a Statement of Financial Position (SOFP), a cash flow statement (divided into three categories) and notes which must include disclosure of estimated uncertainties included or judgements made.

• Property, plant and equipment may be revalued; residual value should be current disposal value

• Intangibles including goodwill must have a finite life of five years unless there is an alternative reliable estimate. A five year maximum applies to any new additions

• Development costs may be capitalised, subject to certain criteria

• Investment properties must be recorded at Fair Value, adjustments being charged to the P&L

• Impairment loss is deducted first from any surplus/goodwill and then other assets pro-rata

• Foreign exchange gains/losses should be separately recognised on the face of the accounts

• Leases – there is a move to mirror the changes in UK GAAP, ie. all operating or finance leases to be treated as assets and liabilities on the balance sheet

Business combinations

Will be accounted for under the Fair Value rules, as there is always deemed to be an "acquirer" (there is very little scope for merger accounting). This will impact on, for example, distributable reserves from investment properties or performance-related bonuses, and may have implications for banking covenants and audits.

Corporation Tax issues: Capital Allowances (CAs), James Welch, Head of Tax at PKF

Since the abolition of Hotel Building Allowances, companies must make the most of their CAs for plant and machinery and the Short Life Asset (SLA) regime. As CAs are falling from 20% to 18% for most pooled assets (and from 10% to 8% for integral features) using the SLA regime is even more beneficial in terms of cash flow. It takes 12 years to recover 90% of the cost of an asset written down at 18% p.a. on a reducing basis, whereas the full cost of a SLA may be recovered within 8 years, as a balancing allowance may be claimed if the asset is scrapped within 8 years.

New rules are being introduced for capital allowances on second hand property. From April 2012, a buyer will be limited to two choices: file a S198 joint election with the vendor (for the allocation of CAs) or apply to a tribunal for a just apportionment valuation. From April 2014, the rules will be tightened up further: if the vendor has ignored CAs, the purchaser will not be able to claim any.

Employment Tax and Rewards, Philip Fisher, Partner, PKF

Exploring the myth of £30k payments being free from NIC/PAYE, Philip confirmed that redundancy payments are free but beware of lump sum payments and remember that contractual payments are always taxable/NICable. Specialist advice should be taken.

HMRC are taking a particular interest in potential underpayments of PAYE/NIC from casual staff and those claiming to be self-employed, including non-executive and overseas directors and interns being paid below the NMW. Do not accept a letter from an accountant, but ask for an individual's full name, address, national insurance number and, if in doubt, put them on the payroll to avoid penalties on unpaid PAYE/NIC.

VAT, Nick Warner, Partner, PKF

The sale of a hotel as a transfer of a going concern is not subject to VAT or SDLT (stamp duty), but a recent case in the European courts has highlighted the risk of confusing a trade with a property-leasing business, whereby the sale of an asset would attract both levies. Nick went on to talk about wedding packages and a prospective change in policy where room hire may form part of a (standard-rated) package instead of being income exempt from VAT. This change would only be applicable if the business has not filed an Option to Tax. (This election was introduced in 1989 and lasts for 20 years, although a business may continue to comply and make a retrospective election for on-going periods). Gym membership income may also cause complications where a member is barred from accessing a gym after defaulting on payments and any subsequent income is deemed as compensation, thereby outside the scope of VAT.

In spite of the new penalty regime introduced by HMRC last year, 70% of penalties have been overturned on review or appeal. To ensure that you can support a "reasonable care" defence, make sure you write down your procedures, identifying risks and controls.

Finally, please support the BHA in lobbying for a reduced rate of VAT in the hospitality industry!

Written by
Diana Mountain

Chairman of the HOSPA Finance Committee

HRMC Breakfast Seminar –

Benchmarking Social Media – held in January 2012

On a crisp morning at Canary Wharf, over 40 members arrived at the exquisite DeVere Canary Wharf venue for the HRMC breakfast seminar on 'Benchmarking Social Media'.

After coffees and croissants, the attendees broke off into 4 groups for 20 minute sessions with the following sponsors and presenters:

- **Guestline**
- **BrandGain**
- **TrustYou**
- **ReviewPro**

These sessions were very well received with attendees 'buzzing' with new ideas and information as they swapped rooms for their next presentation.

We would like to extend our thanks to the HRMC Committee for organising this excellent and informative event, as well as the presenters and sponsors listed above. Finally, we would like to thank De Vere Venues for hosting this meeting in their fantastic venue.

HOSPA Members debate the key issues

Written by Wayne Gosden,
HOSPA Membership Services & Events Marketing

Why don't you come along and join us for the second HRMC Breakfast Seminar -

Benchmarking Social Media on Thursday, 22nd March 2012 in London.

To book you place today, please contact Wayne Gosden on 01202 889430 or wayne.gosden@hospa.org

Members' **News**

Celebrate Success! Let HOSPA know if you win an award, move to a new post, retire or do something to help the industry at info@hospa.org

HOSPA President

Robert Barclay Cook joins the De Vere Group as Chief Executive, De Vere Village

De Vere Group announced on 12 January 2012 that Robert Barclay Cook, formerly Chief Executive of the Malmaison and Hotel du Vin brands, would be joining the Group on 16 January 2012 as Chief Executive of De Vere Village and as a member of the Group Executive Board.

Robert, aged 45, has been in the UK hotel industry for 24 years. He was Managing Director of De Vere Hotels during 2007-08, and was also closely involved in the development of several De Vere Village concepts.

His appointment coincided with the departure of Gary Davis who joined De Vere Village as Chief Executive in January 2007 and who has played an important role in repositioning Village Hotels.

Andrew Coppel, Group Chief Executive, commented:

"It is excellent news that Robert is joining our team. He is highly respected within the UK hospitality industry. Given his wealth of operational experience, he will add significant value to De Vere Village in particular and to the Group more generally."

HOSPA membership survey 2011

This is the second of a series of articles presenting the results from the HOSPA Membership Survey 2011.

In a previous article, published in the January edition of The Overview, we gave you some summary comments from the HOSPA Membership as to the future of hospitality finance. Here we look at some brief opinions as to the future of RM and IT.

The future of Revenue Management

• RM will be `part and parcel of how we run our business'. We need to understand much more about the competition and the need for flexibility in pricing and, hence.

• There will be less direct contact with tour operators and travel agents and more direct selling.

• We need to move towards more total RM – not just focusing on rooms- with a `global philosophy' that looks at all revenue streams, segmentation and controls.

• Therefore, we need to develop more expertise in forecasting, both short-term and strategic, with a positive impact on performance. This will demand more analysis, but will be supported by systems that will become more sophisticated and centralised, most transactions being online.

• There was a suggestion that GMs should run the operation whilst RMs, FCs and S&Ms `get the business'. Thus, there needs to be far more involvement between RMs, FCs and S&M.

• There is a constant need for more training and development to ensure that RMs have the necessary skills.

The future of Information Technology

• IT is now the `central cog' in the hotel, being a general tool for all hotel functions.

• However, technology needs to evolve and become more streamlined with better interconnectivity, more wireless, more web-based and cloud computing and increased speed and efficiency. Further, there are still issues in rural areas.

• There is likely to be more outsourcing/centralisation which enhances compliance (tax etc), ensuring specialised requirements, but reducing staffing levels.

• There will be more demand from customers, with guest expectations of `instant service' for all areas, including check-in and check-out, with systems personalised to the individual customer. They will expect more on-line transactions, including social media, and are likely to use more personal IT, such as smart phones, both in advance and at the hotel.

• Information requirements from management will increase, and procurement will become even more systems-based. Hence, systems drive success and, so, investment must continue.

Future articles will present some statistical results and analysis of the profile of the HOSPA membership, including salary and benefits data.

Written by Cathy Burgess, Oxford School of Hospitality Management, Oxford Brookes University and member of the HOSPA Education Committee.

PKF (UK) LLP

Automatic Enrolment – Update

The Department for Work & Pensions have recently made a long awaited announcement of revised staging dates for when companies with fewer than 250 employees will have to comply with employer funded workplace pension obligations under 'Automatic Enrolment'.

All qualifying employees will still need to be enrolled into a suitable pension arrangement, it is just a matter of the timing that has changed. The revised staging dates have delayed the implementation date by between 1 and 15 months, depending on the size of the employer. The new dates will be a welcome relief to many smaller employers by providing extra time for these businesses to consider the additional administrative and financial burdens that will be placed on them by the proposed pension regulations. However, for businesses with more than 250 employees, there has been no change to their staging dates and, like all businesses, they should be formulating a well thought out approach to this significant change to UK pension provision sooner rather than later. The DWP have advised that full details of the exact enrolment dates will be released shortly, however the dates shown below should provide a good indication of which dates will now apply.

Automatic Enrolment – Staging Dates

Detailed below are the dates on which Automatic Enrolment must be introduced by employers. The dates are ordered in terms of the PATE size of the employer and are based on our understanding of the current proposals, which could well be subject to change.

The Pensions Regulator will write to all employers 12 months before their staging date so that they know when to automatically enrol their eligible employees. Three months before the employer's staging date, the Pension Regulator will write again to remind them of the new duties and the need to register.

Employers with more than one PAYE will start their duties for all their PAYEs at the same time, on the staging date of their largest PAYE.

Stuart Collins

Partner
PKF (UK) LLP & Member of the HOSPA Finance Committee

Employer (by PAYE size)	Staging Dates
120,000 or more	1 October 2012
50,000 – 119,999	1 November 2012
30,000 – 49,999	1 January 2013
20,000 – 29,999	1 February 2013
10,000 – 19,999	1 March 2013
6,000 – 9,999	1 April 2013
4,100- 5,999	1 May 2013
4,000 – 4,099	1 June 2013
3,000 – 3,999	1 July 2013
2,000 – 2,999	1 August 2013
1,250-1,999	1 September 2013
800 – 1,249	1 October 2013
500 - 799	1 November 2013
350 - 499	1 January 2014
250 - 349	1 February 2014
50 - 249	1 April 2014 - 1 April 2015
30 - 49	1 August 2015 - 1 October 2015
Less than 30	1 January 2016 - 1 April 2017
Employers without PAYE schemes	1 April 2017
New Employers – April 2012 – March 2013	1 May 2017
New Employers - April 2013 – March 2014	1 July 2017
New Employers - April 2014 – March 2015	1 August 2017
New Employers - April 2015 to December 2015	1 October 2017
New Employers - January 2016 to September 2016	1 November 2017
New Employers - October 2016 to June 2017	1 January 2018
New Employers - July 2017 to September 2017	1 February 2018
New Employers - from October 2017	Immediate Duty

Members' **Events**

Forthcoming events

Feb 22	**HOSPA Members' Meeting presented by PKF** - London 'Avoid expensive pitfalls in owner-managed relationships' presented by Robert Barnard of PKF.
Feb 26 – Mar 01	**HOSPA Technology Hub @ Hotelympia**
Mar 22	**Revenue Management Community Breakfast Seminar** - London: Benchmarking Social Media (2)
Apr 26	**HOSPA Patrons' Meeting**
May 24	**HOSPA Taxation Forum** - London
Jun 21	**Hospitality Revenue Management Community Meeting** - London
Jul 12	**HOSPA Members' Quiz Night**

Come & **join us!**

hotelympia
café • restaurant • pub • bar
hotel • contract catering
26 Feb - 01 Mar 2012
ExCeL London

HOSPA is delighted to be able to offer members a range of masterclasses during Hotelympia. Why not come along and join us in the HOSPA networking lounge and drop in on one or more of our masterclasses:

Sunday, 26th February 2012
1-1.45 pm

Careers in Hospitality Finance, IT and Revenue Management
Taking a look at what you can achieve in a career in the commercial departments of the Hospitality Industry. Understand how and what to study while working in the industry and find out more about some of the topics that are currently challenging the industry – and what resources there are to help you. With Carl Weldon – Chief Executive of HOSPA.

Monday, 27th February 2012
1.30-2pm

IT and PCI Compliance
Shrink to Fit: 5 Ways to Reduce Your PCI Compliance Requirements
Implementing the Payment Card Industry (PCI) Data Security Standards (DSS) can be costly and time consuming at best. Come listen to an experienced Qualified Security Assessor (QSA) who specialises in hospitality industry compliance and will detail 5 easy ways to significantly reduce the scope, impact and budget associated with PCI compliance. With Richard Hollis, Lead QSA, Orthus Information Risk Management.

Tuesday, 28th February 2012
3-3.45 pm

IT Guest Technology
Where next for Guest Tech?
A review of guest technologies available now and perhaps in the future and what this means for hoteliers and their IT management. With Bryan Steele, Managing Director of Jireh-Tek and Chairman of HOSPA IT Committee.

Wednesday, 29th February 2012   2-2.45 p

Industry Data Overview with STR Global
'Strong headwinds – 2011 was a good year, but uncertainty ahead'
A review and analysis of last year's sales performance and trends for the Hotel Industry. With Konstanze Auernheimer, Director of Marketing & Analysis - STR Global.

Thursday, 1st March 2012
12-12.45pm

Hotel Industry Forecast for the Future. The next two Years forward for the Hotel industry?
A review of the latest PWC detailed forecast for the next two years for the UK Hotel industry with Liz Hall, Head of Hospitality & Leisure Research at PwC.

Territory Sales Manager – UK & Ireland

Easy (Ez) Revenue Management Solutions is a world-wide provider of state-of-the-art SaaS Solutions & Services in the area of Hospitality Revenue & Yield Management.
EasyRMS have developed a true ASP / Web SaaS solution which is now implemented in over 900 hotels world-wide …. With a combination of direct and representative offices / business partners in Europe, Southern Europe, North America, South America, Asia Pacific, South Africa & The Middle East, the Sales function is an ever critical role in the continual expansion of the company on a global basis.
In order to face the increased success and high growth of the company, Easy (Ez) Revenue Management Solutions are now looking to hire a Territory Sales Manager – UK & Ireland.
This position will be based in our London office in Victoria.

Skills Required

The ideal candidate will ideally have a Revenue Management background working in hotels. Any sales experience, in addition, will be an advantage.

Conditions

- Based in the EasyRMS London HQ.
- Package: fully negotiable, dependent on experience
- Commencement – Q1 2012

Contact

To be considered for this unique opportunity to join a dynamic and high growth organisation during this exciting phase of our development, please contact Mike Gadbury, Vice President, Strategic Sales – EMEA at mgadbury@easyrms.com with the following details:-

- Full CV
- Photograph
- Details of current position and salary package

(Ez) Revenue Management Solutions Ltd,
7th Floor, Dashwood House, 69, Old Broad Street, London, United Kingdom. EC2M 1QS.
Tel: +44 (0) 20 7495 0773 Fax: +44 (0) 20 7495 7725 www.EasyRMS.com Email: hdq@EasyRMS.com

HOSPA Sponsors & Patrons

Gold Sponsors include

Agilysys
Best Western Hotels
Fourth Hospitality
Global Blue
IDeaS – A SAS Company
KPMG

Aston Scott
Atos Origin – formerly Shere
BDO
CHESS Partnership
CHR Hospitality
CTB Accounts
EasyRMS
FM Recruitment
Guestline
HFTP
Kerry Robert Associates
Keystep
MICROS-Fidelio
Orthus
PAR Springer-Miller
PKF
PricewaterhouseCoopers
Rate Tiger
Rieo Communications
Softbrands, an Infor Affiliate
STR Global
Symon - Digital Signage
The Ritz Hotel, London
Touchstone NAV
TRI Hospitality Consulting
Venners
Xn Hotel Systems Ltd
Zen Consulting

HOSPA Partners

HFTP (Hospitality Finance and Technology Professionals)
Hotel Marketing Association
Hotel Technology Next Generation
Smart Report

HOSPA Education Partners

Open University
Oxford Brookes University
Cornell University
HFTP

HOSPA welcomes the following industry leading companies as Founding Sponsors of our relaunch as HOSPA as an Association for Finance, Revenue Management and IT Professionals. These companies have enabled the development of the HOSPA brand, new members' website and other facilities.

Atos Origin, Beacon Purchasing, Global Blue, BT Openzone, Daisy, Amex, Fourth Hospitality, Watson Farley Williams.

Sponsor of the HOSPA Calendar