

**VISIT WALES/CROESO CYMRU**

**Quality Assurance**

**Self Catering Harmonised Grading Scheme**

**Impact Survey Results Report 2008**

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Note:

1. *This report will deal with results from independent operators first, followed by those from Agents. Charts, tables and graphs represent results from individual operators only as their use to show Self catering Agents responses would not be appropriate due to their low numbers.*

2. *All figures in this report are rounded to whole numbers.*

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## Independent Operators

### Introduction

In 2002 the national tourist organisations for Wales, Scotland and England were tasked by their respective governments to bring about an increase in the quality of tourist facilities across Britain and one means of doing this was via the accommodation rating schemes. At that time each country operated its own individual grading schemes but it was agreed that it would be a major benefit if domestic and overseas visitors could be feel assured that, wherever they stayed in Britain, the level of quality would be the same in each country. Consequently, in 2003 Wales Tourist Board (WTB), Visit Britain, Visit Scotland (and the AA & RAC for serviced accommodation) began a review process to harmonise the serviced, self catering and hostels schemes. It also gave these bodies the opportunity to bring the schemes up to date, based on consumer and trade research.

### Background

The self catering grading scheme was the first of the schemes to be harmonised and throughout the process, the industry in Wales was kept informed of progress via consultation with the trade body - Wales Association of Self Catering Operators (WASCO), Wales Tourism Alliance and self catering letting agents. WTB also used Special Editions of "Trade Talk" –the Wales Tourist Board's monthly newsletter as a means of communicating with owners of graded properties.

Self catering grading scheme criteria were agreed by all national tourist authorities at the end of 2004. While Visit Britain and Visit Scotland decided to roll out the harmonised scheme progressively from 2005, WTB decided that it would give its industry a two year lead-in to make any necessary adjustments to keep their Star rating because facility provision did not feature to any great extent in WTB's "old" scheme. The industry was informed that the harmonised scheme would become WTB/Visit Wales' official scheme from 1 October 2007- the beginning of its grading year, and the harmonised scheme Star ratings featured for the first time in 2008 edition guides. In the intervening time period, WTB's Quality Assessors carried out dual grading inspections on each property visited, the second being classed as an advisory to show operators on an individual level what the impact of the harmonised scheme would be likely to be on their business' Star rating and so give them the chance to take appropriate action. In summer 2007 Visit Wales anticipated that 85% of graded stock would need to make some form of investment to maintain the same rating as achieved under the non harmonised scheme.

## Methodology

An online questionnaire was sent to 1163 independent operators in grading during May 2008. Between them they have 1526 units but each operator received only one email. 15 Self Catering Agencies were also contacted. The 1526 independently operated properties are regionally spread as follows:

North Wales 495 (33%)  
Mid Wales 412 (27%)  
South West Wales 387 (25%)  
South East Wales 232 (15%)

4 weeks were given for a response and anonymity assured with data only being used in aggregate form.

A reminder was issued 10 days prior to deadline.

## Objectives of the review and topics covered

Having given this harmonised scheme time to bed in, Visit Wales now needs to know what the change has meant for operators here, whether there are issues of concern about the scheme for this sector, and if so, should Visit Wales seek changes to the scheme, whether there are issues specific to a region and finally, operators or their agents were asked to suggest any changes to help guide future scheme development. Visit Wales also wanted to know if it is the intention of the respondents to continue in the grading scheme for the foreseeable future and if not, what issues are influencing those intentions.

Respondents were invited to answer questions and give views covering 4 main issues – Grading and its benefits, Harmonisation, Sustainability & harmonisation and Future participation intentions.

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## Independent Operators

Responses received from independent operators totalled 236 (20% of contacts). 130 have 1 unit, 57 have two units, 13 have three, 16 have four and 20 have five or more units.

The base number varies throughout the report depending on the responders answering the specific question being analysed.

Breakdown of responders by area:

33% (77) North Wales	35% (83) South West Wales
20% (47) Mid Wales	12% (29) South East Wales

## **Main Findings**

### *Grading and its benefits*

Visit Wales first wanted to establish the degree to which having property graded impacted on the level of business achieved by operators, according to the Star rating the property had been given under the harmonised scheme. It then asked operators to rate grading benefits from a choice of three options - marketing opportunities, consumer awareness/use of grading or investment encouragement.

Table 1 indicates that the majority of responders -75% (178) stated that grading did benefit their business and that it is those with 5 Star properties (86% of them) who benefit the most. 16% of responders who said that they saw no material benefit from grading were 24 responders with 3 Star properties, accounting for 44% of 3 Star responders to this survey.

Table 2 analyses the same data as Table 1 by area with 69% and over in each area reporting that grading benefits their business, either greatly or to some extent.

The most important grading benefit, as indicated by Table 3, is being able to market the business through Visit Wales and other organisations that have a policy of requiring properties to be graded. Over 50% in all Star ratings say this benefits their business “a lot” and a further 28% say it benefits them “to some extent”.

Table 4 analyses grading benefits by area and this confirms that accessing graded only marketing is the main benefit across all areas, although Mid Wales responders value the use of grading made by consumers almost as much.

Access Statements, and frequency of Visit Wales inspections.

208 (88%) of responders have an Access Statement. Only 16 (4%) do not have one.

180(76%) believe frequency of grading inspection about right. 49 (21%) believe annual inspections are too frequent

Table 1 - Degree to which being graded benefits business, analysed by *Star rating*

“To what degree do you think 'grading' benefits the level of business you achieve?”

	Base	=	No			Don't Know
			A great deal	A little	material benefit	
Base	236		102 43%	76 32%	38 16%	20 9%
<b>5 star</b>	56 24%		32 31%	16 21%	6 16%	2 10%
<b>4 star</b>	148 63%		67 66%	55 72%	15 40%	11 55%
<b>3 star</b>	54 23%		11 11%	12 16%	24 63%	7 35%
<b>2 star</b>	10 4%		1 1%	4 5%	5 13%	- -
<b>1 star</b>	3 1%		- -	- -	2 5%	1 5%
<b>Not yet graded</b>	2 1%		- -	2 3%	- -	- -

Table 1

Table 2 - Degree to which being graded benefits business, *by area*

To what degree do you think 'grading' benefits the level of business you achieve?

	Base	A great deal	A little	No material benefit	Don't Know	
In which area of Wales are the majority of units located?	Base	236 43%	76 32%	38 16%	20 9%	
	<b>North</b>	77 33%	32 31%	21 28%	16 42%	8 40%
	<b>Mid</b>	47 20%	21 21%	17 22%	6 16%	3 15%
	<b>South West</b>	83 35%	33 32%	29 38%	12 32%	9 45%
	<b>South East</b>	29 12%	16 16%	9 12%	4 10%	- -

Table 2

Table 3 – Rating of grading benefits analysed according to Star rating.  
 (Note: breakdowns by Star ratings add up to more than base because operators with more than one star result are counted each time)

“If you believe grading benefits your business, to what extent is this due to:”

		Base	5 star	4 star	3 star	2 star	1 star	Not yet graded
Consumer awareness and use of the scheme	Base	178	48	122	23	5	-	2
			27%	69%	13%	3%	-	1%
	A lot	56	14	36	7	1	-	-
		32%	29%	30%	30%	20%	-	-
	To some extent	77	23	58	6	2	-	1
	43%	48%	48%	26%	40%	-	50%	
	A little	36	9	21	9	2	-	1
		20%	19%	17%	39%	40%	-	50%
	Don't know	9	2	7	1	-	-	-
		5%	4%	6%	4%	-	-	-
Being able to market your property via Visit Wales, your local council and/or other marketing organisations which only feature graded properties	A lot	93	25	63	13	3	-	-
		52%	52%	52%	57%	60%	-	-
	To some extent	50	11	34	9	1	-	-
		28%	23%	28%	39%	20%	-	-
	A little	27	9	20	1	1	-	2
	15%	19%	16%	4%	20%	-	100%	
	Don't know	6	1	5	-	-	-	-
		3%	2%	4%	-	-	-	-
	No reply	2	2	-	-	-	-	-
		1%	4%	-	-	-	-	-
Owners receiving encouragement to make investments in quality as a result of the grading process	A lot	37	11	26	2	2	-	-
		21%	23%	21%	9%	40%	-	-
	To some extent	86	24	63	7	2	-	1
		48%	50%	52%	30%	40%	-	50%
	A little	44	8	28	13	1	-	-
	25%	17%	23%	57%	20%	-	-	
	Don't know	7	2	5	-	-	-	1
		4%	4%	4%	-	-	-	50%
	No reply	4	3	-	1	-	-	-
		2%	6%	-	4%	-	-	-

Table 3

Table 4 – Rating of grading benefits analysed according to area:

	Base	North	Mid	South West	South East	
Consumer awareness and use of the scheme	Base	178	53	38	62	25
			30%	21%	35%	14%
	A lot	56	10	15	21	10
		32%	19%	40%	34%	40%
	To some extent	77	28	14	23	12
	43%	53%	37%	37%	48%	
A little	36	13	5	16	2	
	20%	25%	13%	26%	8%	
Don't know	9	2	4	2	1	
	5%	4%	11%	3%	4%	
Being able to market your property via Visit Wales, your local council and/or other marketing organisations which only feature graded properties	A lot	93	24	17	36	16
		52%	45%	45%	58%	64%
	To some extent	50	16	11	15	8
		28%	30%	29%	24%	32%
	A little	27	9	9	9	-
	15%	17%	24%	15%	-	
Don't know	6	3	-	2	1	
	3%	6%	-	3%	4%	
No reply	2	1	1	-	-	
	1%	2%	3%	-	-	
Owners receiving encouragement to make investments in quality as a result of the grading process	A lot	37	9	8	15	5
		21%	17%	21%	24%	20%
	To some extent	86	31	15	26	14
		48%	59%	40%	42%	56%
	A little	44	12	10	17	5
	25%	23%	26%	27%	20%	
Don't know	7	-	3	4	-	
	4%	-	8%	7%	-	
No reply	4	1	2	-	1	
	2%	2%	5%	-	4%	

Table 4

Harmonisation

Views were sought to find out operators' opinions first on the principle of harmonisation of grading, they were asked to try to ignore their own property's grade when answering and then the survey tried to discover whether there was the same level of support when translated into operators' experience of it on their own business:

75% (146) of all respondents who have been graded under harmonised scheme thought that from the consumer's perspective, the principle of harmonised grading across Britain is a good thing. This figure fell to 46% (90) when asked following the outcome of harmonised grading on responders own business.

Table 5 - Comparison of views on harmonisation from consumer viewpoint with its impact on business

Base = 194

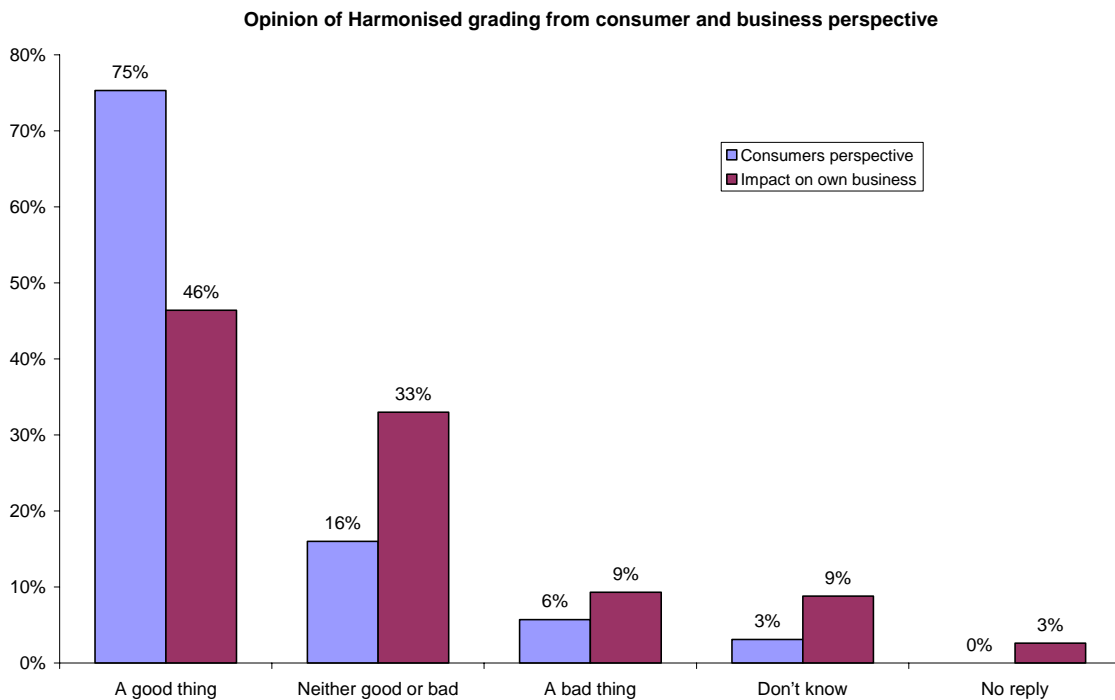


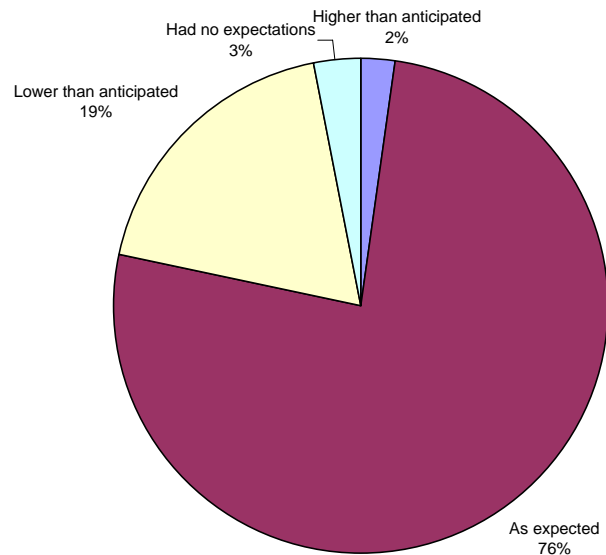
Table 5

Table 6 - Views on the idea of harmonisation and its outworking analysed by area:

From the consumers perspective, do you think that the principle of harmonised grading across Britain is:- (please try and ignore your own grade when answering)			Now that you know the outcome of harmonisation for your own business - do you think that harmonisation is				
		Base	A good thing	Neither good or bad	A bad thing	Don't know	No reply
Base		194	90 46%	64 33%	18 9%	17 9%	5 3%
North	A good thing	52 27%	31 34%	11 17%	3 17%	5 29%	2 40%
	Neither good or bad	9 5%	-	8 13%	1 6%	-	-
	A bad thing	3 1.5%	-	-	2 11%	1 6%	-
	Don't know	1 .5%	-	-	-	1 6%	-
				-	-	-	6%
Mid	A good thing	27 14%	17 19%	6 9%	2 11%	2 12%	-
	Neither good or bad	8 4%	1 1%	6 9%	1 6%	-	-
	A bad thing	2 1%	-	-	2 11%	-	-
	Don't know	3 1.5%	1 1%	-	-	2 12%	-
				-	-	-	12%
S.West	A good thing	49 25%	31 34%	14 22%	1 6%	-	3 60%
	Neither good or bad	12 6%	-	8 13%	2 11%	2 12%	-
	A bad thing	5 3%	-	2 3%	2 11%	1 6%	-
	Don't know	2 1%	-	1 2%	-	1 6%	-
				-	2%	-	6%
S. East	A good thing	18 9%	9 10%	7 11%	1 6%	1 6%	-
	Neither good or bad	2 1%	-	1 2%	-	1 6%	-
	A bad thing	1 0.5%	-	-	1 6%	-	-
			-	-	-	-	-

- Of the 146 (75%) across Wales who thought harmonisation was a good thing for the consumer, over 80% in each area continued to think it was a good thing or thought it was neither good nor bad after receiving their own grading. The majority in each region are supportive of harmonisation after implementation.

Pie Chart 7 - Expectations of 194 graded under harmonisation scheme



76 % (148) of responders stated that the grade they achieved under harmonisation was as expected.

Table 8 - the relationship between the responders' expectation and actual grade achieved.

(Note: breakdowns by Star ratings add up to more than base because operators with more than one star result are counted each time)

**Thinking about the new harmonised grading scheme - was/were the grade(s) you achieved?**  
**Grade(s) achieved (please tick all boxes that apply)**

	Base	5 star	4 star	3 star	2 star	1 star	Not yet graded
<b>Base</b>	194	44 23%	124 64%	42 22%	9 5%	3 2%	1 1%
<b>Higher than anticipated</b>	4 2%	- -	4 3%	- -	- -	- -	- -
<b>As expected</b>	148 76%	40 91%	101 82%	19 45%	2 22%	- -	1 100%
<b>Lower than anticipated</b>	36 19%	4* 9%	18 15%	21 50%	7 78%	- -	- -
<b>Had no expectations</b>	6 3%	- -	1 1%	2 5%	- -	3 100%	- -

\*see note above – their response applies to other Star ratings

Table 8

By analysing results shown in Table 8 for those with only one unit, we get the following tabled results:

Table 9 - the relationship between the responders' expectation and actual grade achieved for those with 1 unit only

**Thinking about the new harmonised grading scheme - was/were the grade(s) you achieved?**  
**Grade(s) achieved (please tick all boxes that apply)**

	Base	5 star	4 star	3 star	2 star	1 star	Not yet graded
<b>Base</b>	104	21 20%	63 61%	17 16%	3 3%	1 1%	- -
<b>Higher than anticipated</b>	3 3%	- -	3 5%	- -	- -	- -	- -
<b>As expected</b>	83 80%	20 95%	53 84%	10 59%	- -	- -	- -
<b>Lower than anticipated</b>	15 14%	1* 5%	6 10%	6 35%	3 100%	- -	- -
<b>Had no expectations</b>	3 3%	- -	1 2%	1 6%	- -	1 100%	- -

\* see explanation as for Table 8

83% of these responders achieved the grade expected or better.

Table 9

Table 10 – Overall satisfaction with grade achieved analysed by Star rating  
 (Note: breakdowns by Star ratings add up to more than base because operators with more than one star result are counted each time)

		Thinking about the grades you achieved - overall would you say that you are						Not yet graded
		Grade(s) achieved (please tick all boxes that apply)						
	Base	5 star	4 star	3 star	2 star	1 star		
Base	194	44 23%	124 64%	42 22%	9 5%	3 2%	1 1%	
<b>Very satisfied</b>	40 21%	16 36%	26 21%	- -	1 11%	- -	- -	
<b>Satisfied</b>	90 46%	20 46%	64 52%	12 29%	1 11%	- -	1 100%	
<b>Neither unhappy nor satisfied</b>	31 16%	1 2%	15 12%	14 33%	2 22%	3 100%	- -	
<b>Unhappy</b>	22 11%	6 14%	14 11%	8 19%	2 22%	- -	- -	
<b>Very unhappy</b>	11 6%	1 2%	5 4%	8 19%	3 33%	- -	- -	

Table 10

Table 11 – Overall satisfaction with harmonised grading analysed by area

**Thinking about the grades you achieved – overall would you say that you are**

	Base	In which area of Wales are the majority of units located?			
		North	Mid	South West	South East
	194	65 34%	40 21%	68 35%	21 11%
Very satisfied	40 21%	12 19%	7 18%	17 25%	4 19%
Satisfied	90 46%	31 48%	21 53%	26 38%	12 57%
Neither unhappy nor satisfied	31 16%	12 19%	7 18%	12 18%	- -
Unhappy	22 11%	6 9%	2 5%	10 15%	4 19%
Very unhappy	11 6%	4 6%	3 8%	3 4%	1 5%

Table 11

Two thirds of responders in each area are either satisfied or very satisfied with the grades their property achieved under harmonisation

Responders were also given the opportunity to give free text comments on the principle and outcome of harmonisation. 46 (20%) chose to do so.

The most frequently made criticism was about the inflexibility of the new scheme:

“We have invested a lot over the last 10 years. 3 years ago the grader said we were a good 4 Stars but now we are told we will never get higher than a 3 Star due to size of kitchen”

“Size of rooms is a stumbling block- it is common sense to realise that an old stone cottage has a definitive size and cannot be expanded to meet grading criteria.”

“I think harmonisation has meant the grading is of far less importance for owners wanting to create something more idiosyncratic (and that the web has taken over that role to some extent)”

“Standards and Quality have nothing to do with a correctly achieved Grade when 1Star point is lost because we can’t alter a house to take a washing machine in the kitchen or if private facilities are not contained within a flat-let but next to it- we lost 2 Stars on this one- very misleading to the consumer on Quality.”

“Anything that takes away from unique and particular identity is dangerous ground”

“More things in our cottages now than ever, for less grades”

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Other comments were about the cost of complying with new criteria with some having to borrow money, harmonisation being used to move the goal posts and the scheme lacking common sense, such as requirement to have \*\*\* ice boxes in fridges as most people only stay two weeks. One felt insufficient research had been done into the implications or reasoning for some changes and questioned if there was any client advantage in some of the harmonisation requirements.

Environmental good practice and the harmonised scheme

The harmonised scheme at present does not incorporate environmental good practice in the assessment for a Star rating. Visit Wales sought operators' views by first asking about the importance to them of operating their business in a sustainable way:

86% (203) said that conducting business in a sustainable way was quite or very important. 13% (30) attached either no or little importance to it.

Table 12 – Rating of importance of environmentally sustainable business practices

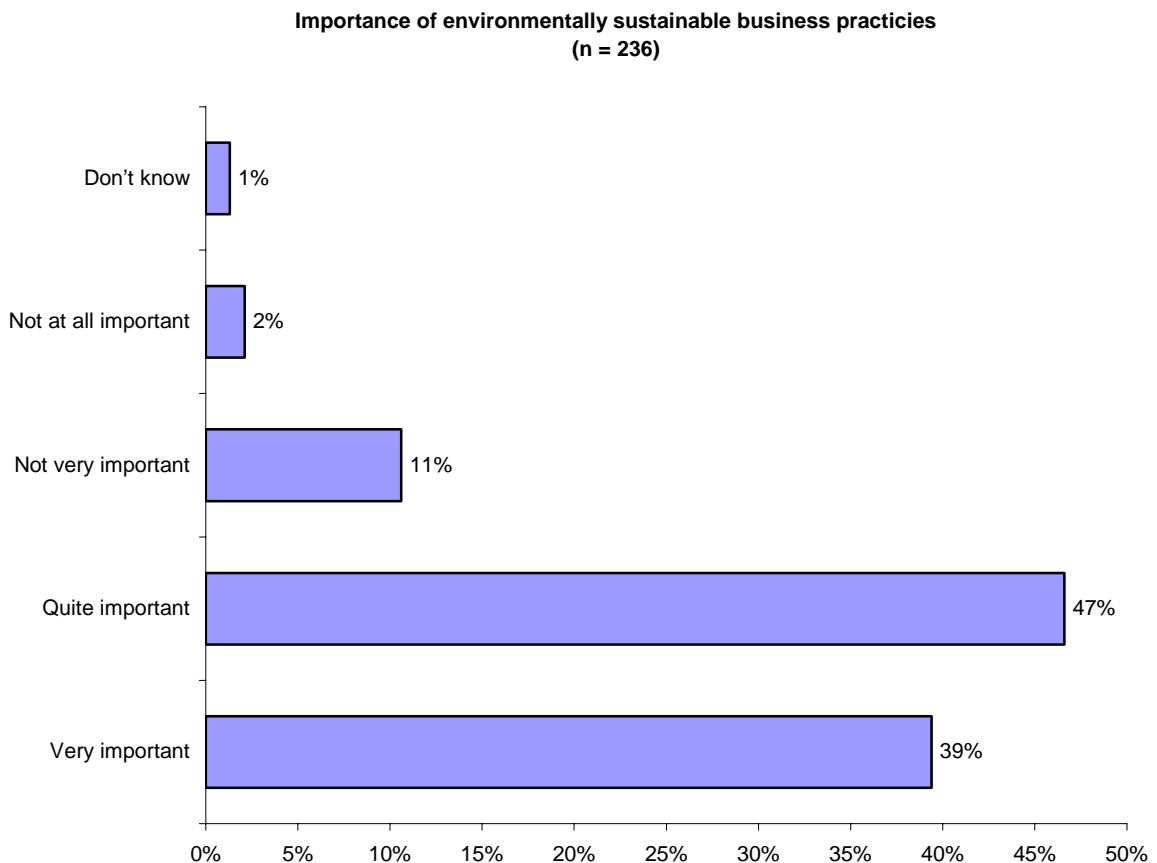


Table 12

When then asked to consider whether the harmonised scheme took enough notice of environmentally friendly practice, only 21% (50) thought that it did so, whilst 38% (89) stated that it did not. 40% (96) responded “don’t know”.

The 38% (89) were invited to say what they would like to see changed and were asked to give three suggestions each that would help make the scheme more environmentally friendly. 80 responded.

The 3 most frequently mentioned, in order of frequency were:

- Provide visitors with recycling facilities (mentioned 13 times)
- Remove the requirement at 5 Stars for Bath and Shower in main bathroom (mentioned 9 times)
- Remove the requirement for Dishwasher at 5 Stars (mentioned 8 times)

Other suggestions were:

No requirement for large freezers (6); energy saving light bulbs (5); not having to replace items in working condition or upgrade to satisfy fashion trends- encourage longevity (3); notices asking guests to switch off lights/appliances when leaving the property (2); a toilet flush that system that requires less water when used (2); allow electricity coin meters(1); not insisting on 2 towels per person (2); folders containing public transport information (2); people to bring their own bed linen and own towels (– “we are not hotels!”)(1); minimise number of electrical kitchen gadgets (1); not insisting on 140 watts or equivalent in every room e.g. a lavatory (1). Greater environmental consideration for businesses that come within an area with Area of Outstanding natural Beauty status and the implications for water and energy conservation (1); “that it should not be a requirement of 5 Stars for there to be a bath in one of the bathrooms when en suite shower rooms for all bedrooms are what a survey of my customers over the last two years has identified as a priority- visitor trends are changing”(1) ,collection of water outside in a water butt for garden use(1); points given in grading for recycling/composting and provide fruit & vegetables if they wish to purchase from us without packaging(1); allow recycled/second hand furniture and furnishings (1).

Remainder of comments were not constructive.

Others (9) however made comment such as:

“Giving higher grades the more you put into a cottage (video players, CD players etc) leads to a grading approach based on consumerism often detrimental to green criteria”;

“Link to Green Dragon”

“Grading is about quality. Give a separate green badge for environmentally friendly properties”

“For those of us who live a long way from our properties, it is difficult to manage things like recycling so a grade should not depend on environmental practice”

*Other changes to the harmonised scheme*

When asked whether there were aspects of the harmonised scheme other than those relating to sustainability that they would like to see changed, 30% (72) said they would welcome some changes and again were invited to make suggestions. However, 34% (79) did not want any changes, whilst a majority of 36% (85) responded “don’t know”.

Comments made by the 30% (72) covered assessor consistency and attitudes, use of discretion by accepting property in Wales for what it is, scrap outdated views on decor, conduct unannounced spot checks and take note of customer comments as well as views on criteria:

“Assessors should not impose their own personal tastes; discretion by the assessor when dealing with things that cannot be changed; take account of the fact that listed buildings cannot always make alterations to improve facilities; “Size of rooms is a stumbling block - it is common sense to realise that an old stone cottage has a definitive size and cannot be expanded to meet grading criteria”; percentages achieved published with the grading; small businesses not treated the same as large businesses - take account of how operators are investing in the business; more notice taken of the setting and ambience of the property; “requirement for top bunks to have own light is silly and impractical and nobody wants it anyway” ; scrap outdated views on décor e.g. valances – they only collect dust; spot checks - no notice given; more notice taken of customers comments.” “Requirement for towels at 4 Star is not in anyone’s interest - many customers happy to bring their own especially if they get a reduction in the price.” “Reduction in requirement for freezer capacity at 5 Stars – who goes on holiday for a week and buys a freezer full of food?”

Future Intentions

Finally, Visit Wales sought to gauge the overall mood of the responders by asking about their intentions on staying or leaving the Visit Wales grading scheme over the next 2 years and if they said that they intended to leave, to explain why.

Table 13 – Future intentions regarding continued participation in Visit Wales grading.

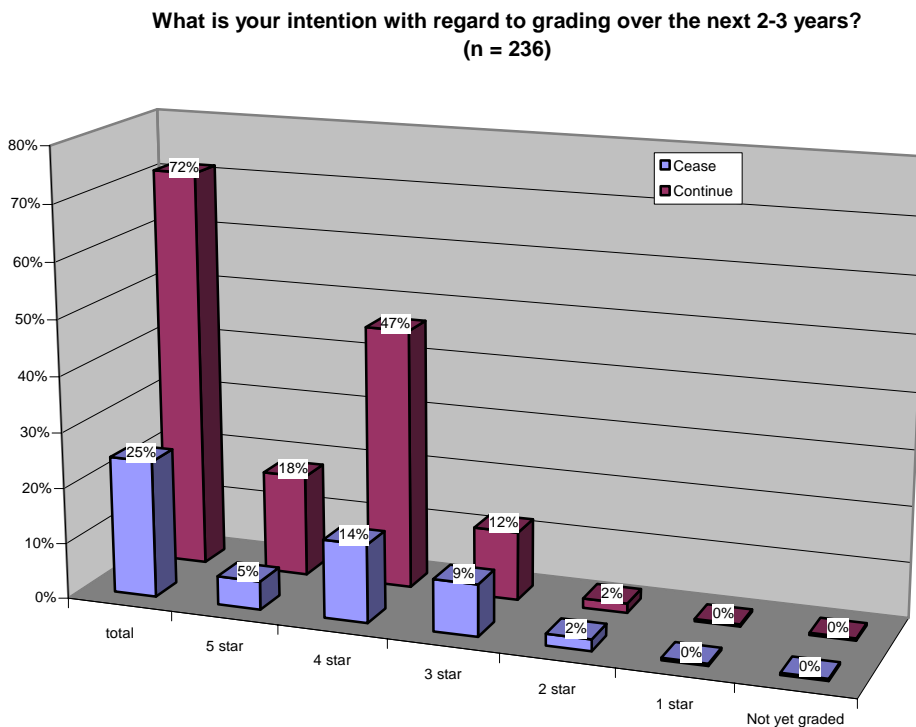


Table 13

72% (169) indicate that they plan to remain in grading.

However, the most frequently given reason in the comments section accompanying this question for continuing with grading is to comply with the “grading only” policy for marketing in publications, TIC promotion and accessing Visit Wales website. This policy was mentioned by 20 of the 122 who chose to comment.

2 others are continuing because grant conditions require them to join the scheme.

Others give more positive reasons for continuing, such as:

“It’s a good way for potential customers to know what standards they will get”

“I value the advice of graders” and “Visitors seem to appreciate that this scheme is dependable, and especially now that they can see properties on the web, it gives them a better idea of what quality to expect”.

Reasons given by some of the 25% (58) who do not intend to continue include dissatisfaction with VW website- lack of enquiries and bookings, lack of grant support for small business, cost of grading, no bookings resulting from grading, inconsistent approach or attitude of assessors, the possibility to advertise on own or other websites without being graded, and no feedback from guests that grading was an important factor in choosing where to stay. A few others are selling their business or transferring to long term lets.

Others report in this section that they lost 5 Stars because they did not have a bath as well as shower, losing business because of 3 Star rating but requirements for 4 Stars impractical (size of kitchen issue),

Table 14 – Future intention by Star rating achieved, on continued participation in Visit Wales grading

(Note: breakdowns by Star ratings add up to more than base because operators with more than one star result are counted each time)

**In order to help us plan for the future, we would like to gauge your intentions with regard to grading over the next 2 to 3 years. Which of the following best describes your intentions?**

	Base	Grade(s) achieved (please tick all boxes that apply)					Not yet graded
		5 star	4 star	3 star	2 star	1 star	
Base	236	56 24%	148 63%	54 23%	10 4%	3 1%	2 1%
<b>As a business I am thinking of remaining within the Visit Wales grading scheme for the foreseeable future.</b>	169 72%	43 77%	110 74%	29 54%	4 40%	1 33%	1 50%
<b>I am considering ceasing my participation in the grading scheme.</b>	58 25%	12 21%	33 22%	22 41%	5 50%	1 33%	1 50%
No reply	9 4%	1 2%	5 3%	3 6%	1 10%	1 33%	- -

Table 14

### Self Catering Harmonised Grading Scheme Impact Review – Agencies

Due to the small number of agencies participating in the survey, the use of graphics to depict results would not be appropriate in this instance.

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15 Self catering letting agents currently submit their properties for bi-ennial grading. Between them, they have 2432 properties to let in Wales.

#### Responses received, representation and grading range:

7 Agents completed the survey.

Between them, the 7 Agents represent 1464 units of self catering accommodation (60% of graded agency properties and 37% of all graded self catering in Wales).

All 7 have properties with ratings between 3 and 5 Stars, with 4 of these also having 2 Star properties and 1 of the 4 also letting 1 Star properties. 3 of the same 4 Agents also have properties that are still waiting for a grading visit.

#### *Areas represented*

The majority – 5- have all their units located in South West Wales, the other 2 have their units in both Mid and South East Wales only but no agent with properties in North Wales responded to the questionnaire. There are 7 North Wales Agencies with a total of 968 properties between them (40% of total in agency grading). No agent represents properties across all areas of Wales.

#### *Unit number representation by area*

The 5 Agents in South West Wales represent 939 of the 1464 (64%)  
Of these, one Agent has 500 units and the next largest has 260 with the third largest having 100.

The 2 Agents for Mid and South East Wales have 525 units between them in an almost equal split.

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## **Main Findings**

### **Grading and its benefits**

Before asking about harmonisation, views were sought on the degree to which having units graded benefits the level of business achieved.

4 Agents representing 604 agency properties in this survey (41%) answered “a great deal”, 1 thought “a little”, 1 saw no material benefit with 1 agent answering “Do not know”. The 1 Agent who did not know whether being graded benefits his business, represents 500 units in SW Wales. The other, who saw no material benefit in it, has 260 units, also in SW Wales.

The 4 agents that answered “a great deal” were then asked to rate three grading benefits -

The 2 South West Wales agents said that the most important benefit was that it was the encouragement for owners to invest in the quality of their product, followed by being able to market the property via Visit Wales/local authorities that only feature graded properties and thirdly, consumer awareness and use of the scheme. The 2 Agents (525 units) for Mid and SE Wales both said that the greatest grading benefit was the access to marketing, with owner encouragement to invest in quality being of “little” benefit.

All 7 Agents felt that the frequency with which Visit Wales inspects agency let properties was right, which as previously stated, is once every two years. Under an agreement with Visit Wales, the agent visits in the interim year to ensure that standards and quality are being maintained. Visit Wales grades non agency self catering properties annually.

3 Agents report that all their properties have a disability Access Statement (1010 properties in total) with the other 4 Agents saying that some of their properties have one. These 4 Agents have 454 properties between them and cover all areas of this survey.

### **Harmonisation**

All 7 Agents agreed that having a harmonised grading scheme was good in principle with all saying it was a good thing – but their replies differed when asked how it had affected their own business. In practice, only 2 still thought that harmonisation was a good thing; 4 had no strong views and 1 Agent said it was a bad thing.

5 were satisfied with the lead in time given for their owners to make any necessary adjustments. 2 answered that they did not know but only one explained why – the agent bought the agency just before the harmonised scheme came into effect.

When asked to consider their owners' grading results overall under the new scheme, none said that they were higher than anticipated, 5 Agents said they were as they had expected them to be with 2 Agents saying they were lower than anticipated. One of these two agents has the largest number of units of all the 7 taking part in this survey, with 500 units and all of them are in South West Wales. Nevertheless, in reply to his/her level of satisfaction with the grading results he/she was satisfied, as were 3 other Agents. 2 others did not have strong feelings either way but 1 Agent was very unhappy and so it is not surprising that in reply to the final question to see if agents intended to remain in grading for the foreseeable future, he/she said "I am considering ceasing my participation in the grading scheme". All other 6 Agents said they intended to remain in grading.

#### *Environmental good practice and the harmonised scheme*

When asked on the importance attached to conducting business in a sustainable way, 1 agent with 250 properties thought it very important while 3 thought it quite important. 3 Agents said it was "not very important".

When all were then asked whether the harmonised scheme took sufficient notice of environmentally friendly practice, the Agent who had answered "very important" to the previous question together with the 3 that had said "quite important" previously, answered no here.

These 4 were then given the chance a free text response on what they would like to see changed in the harmonised scheme to make it more environmentally friendly. 3 of the 4 took this opportunity. These 3 between them represent 564 units across Mid and South Wales:

- "If owners do not wish to have a tumble dryer (one item from a list for 5 Stars so does not *have* to be provided) or microwave (required at 1 Star) for environmental reasons, which should be respected and noted. Recycling facilities in all properties awarded points. Properties could be graded on the efficiency of the heating system, insulation etc"
- "Take note of owners who choose not to have a tumble dryer or microwave and do not down grade but put a codicil saying why not present."
- "Additional marks for bikes provided. Additional marks for good recycling facilities."

The 3 Agents who gave the above comments did not however contribute to the next question on what *other* aspects of the harmonised scheme they would like to see changed

### Other changes to the harmonised scheme

4 Agents (who made no comment on Sustainability issues above) said:

- “Do away with the need to have a bath and shower for 5 Stars - as long as it is marketed correctly, this should be left to customers’ choice”. Another just said “Shower and bath being required at 5 Stars”. (300 properties between these two agents)
- “Do owners care about the environment? Most would say no as they just want to pay the bills and mortgage. As an agent I would like to encourage sustainability but the current financial climate dictates.”
- The third agent, referring to an aspect of the scoring methodology called “sectional consistency” (a mechanism intended to ensure that the final Star rating fairly reflects the general overall quality of the property) would like to see “allowance for one area to achieve a lower grade when one other area or more achieves the grade desired (e.g. where a property is scoring 5\* in one area, 4\* in most and 3\* in one this should be allowed to level out at a 4\*)

### Future Intentions

While it is disappointing that no North Wales Agency has taken part in this survey so as to give a whole Wales picture, 6 of the 7 Agents who participated intend to remain in grading for the foreseeable future.

The one who intends to leave gives the following reason:

- “The grading scheme is totally inflexible and common sense no longer plays a part. Too many properties punished severely for a minor discrepancy. This has meant that owners have become very disillusioned with the whole process and it has undermined our business as it now looks as though a lot of properties are of a poor standard when in fact they may just be missing a lamp above a bed etc. This is how daft the grading scheme has become”.

This agent has 100 properties.

## Summary

### On Grading and harmonisation

Even though the response rate from independents (20%) and agents (47%) was not as good as hoped for, it is nevertheless encouraging that the majority of those who have participated report:

- Having the property graded is a business benefit and the main benefit is being able to access marketing opportunities only available to those in grading (53%);
- The harmonised scheme is endorsed as a good thing for the consumer and that operators are intending to remain in the grading scheme (72%);
- They also believe that Visit Wales gave the industry adequate time to make adjustments (76%) and they are also happy with the frequency of inspections; Most have prepared a disability Access Statement (88%);
- The grades achieved under the harmonised scheme were as anticipated or higher (78%) and overall, they are satisfied or very satisfied (67%);
- Views are consistent throughout Wales with no particular issue arising in any one region.

### On Environmental good practice

- This issue is very or quite important to the vast majority (86%) but between agents and independents over 800 businesses believe that harmonised scheme is not taking enough notice of environmental good practice.
- The three main issues that need addressing are: the requirement for bath and shower in main bathroom as a 5 Star qualifier, dishwasher for 5 Stars and that recycling facilities should be introduced as a basic requirement. These comments are all made by independent operators.

### On *Other* changes to the harmonised scheme

- 2 Agents (300 properties) mention the bath and shower for 5 Stars here
- The overall theme of Independent operators (72 -30%) comments relate to assessors needing to use their discretion and give dispensations when its obvious that room size does not allow for certain requirements. Bath and shower for 5 Stars is particularly mentioned here.

On *Other* changes to the harmonised scheme (cont)

- Remove the requirement for large freezer at 5 Stars.
- However, a higher number of people answering on *this* section said that either there was no aspect of the scheme that they would like see change or answered that they did not know. Together these represent 70% (164) of independent responders *not* actively seeking scheme changes.

On Future Intentions

- The majority of responders (72% - 169 independents and 6 out of 7 agents) intend to remain in the grading scheme for the foreseeable future. 20 independent operators said in this section that they are staying in grading solely to access marketing benefits available only because of the “graded only” policy, otherwise, they would leave the scheme.
- Those intending to leave -58 (25%) independents- cite a variety of reasons but only 5 operators said it was because of downgrading under the harmonised scheme. Other reasons given cannot be attributed directly to the change to the harmonised scheme. 1 agent with 100 properties points to assessors’ approach for his/her decision.

Recommendation for discussion with stakeholders in Wales

As it is generally accepted that harmonisation is a process, not an event Visit Wales will:

- Seek to review with Visit Britain and Visit Scotland, the requirement to have both a bath and shower in the main bathroom for 5 Stars in light of responses received, although the pan Britain consumer research done in 2004 to assist the harmonisation process reported that both bath and shower are expected.
- Seek to review the requirement at 5 Stars for a Dishwasher in light of comments received, and because the 2004 consumer survey said that it was not seen as critical requirement as many people eat out.
- Seek to review the freezer capacity required at 5 Stars, - the consumer survey found that freezer just needed to be “one third of the size of the fridge with no need for large chest freezer”.
- Seek to introduce into the harmonised scheme, a Sustainability Best Practice so as to incorporate the suggestions made by survey responders and where environmental good practice is found to be at odds with current criteria, to consider reviewing the requirement for those particular criteria with Visit Britain and Visit Scotland.