



EASCO News

Monthly news from YOUR trade association

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Business Rates to be retained locally

In a surprise announcement at the Conservative Party conference in Manchester, the Chancellor, George Osborne, announced that the revenue from business rates would go directly to local authorities who would have some limited powers to raise and lower the tax.

Currently business rates are set nationally, and collected by local councils, who send most of the cash to the Treasury. The Treasury then redistributes the cash back to local authorities in accordance with a complex set of rules. Councils have no say at all in how much you pay.

Large city councils with directly elected mayors will be able to increase business rates, by levying a premium of up to 2p on the rate to pay for infrastructure, but only with the support of a Local Enterprise Partnership. All councils will be able to make cuts to business rates without limit and will therefore have to decide whether to cut them, risking a loss of income, or cut them in the hope of attracting more businesses and therefore more income.

The reform is not due to take effect until sometime later in the present decade. As so often with political announcements the devil may rest in the detail and we do not yet know, for example, whether local authorities will have the power to reduce business rates specifically on certain categories of business, for example tourism. We could even face the

spectre of some local authorities deciding to lower rates for businesses serving their local population but not for businesses in the tourism industry.

The announcement suggests that the government has set its hand against any major reform of the centuries-old tax, for example its abolition and replacement by a local sales or revenue tax.

There are clearly going to be opportunities over the next few years for EASCO to lobby for change and in particular change in the way in which business rates for holiday homes are calculated.

In EASCO News 106 Halloween Edition



Spot our seasonal allusions.....

- **VE Excellence Awards**
- **English Tourism Week 2016**
- **Are you claiming for miles?**
- **Workplace Pensions**
- **Package Travel Regulations**
- **Chinese Tourists**

VisitEngland Excellence Awards Rescheduled

VisitEngland has changed the timescales for the 2016 Excellence Awards so that the winners can be announced during English Tourism Week, which takes place from 5th to 13th March 2016.

Applications are now open and the closing date is November 30th 2015.

In another change, a new category of “dog-friendly” has been introduced. There is a substantial market in family holidays for those who do not wish to leave Fido in an expensive kennel whilst going on holiday. The entry categories relevant to self-catering are:

- Access for All Tourism Award
- Business Tourism Award
- Dog Friendly Business of the Year
- Self Catering Holiday Provider of the Year
- Sustainable Tourism Award
- Tourism Experience of the Year

There are two ways to enter the competition and it is well worth entering: only 345 businesses entered last year so your chances are not bad. You either enter through a local direct application to Glasgows, an event management company working for VE, depending on which area of the country your business is based in.



The deadline for the NEE Tourism Awards was in September and it is not yet open for applications for 2016.

Unfortunately a check by EASCO showed that in some cases the earlier deadline means that local schemes may not be ready in time. VE is currently redirecting applicants to local award schemes that are not open for applications and are still concentrating on their 2015 schemes, for which applications are now closed. EASCO has asked VE to consider how this should be resolved.

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Are you Claiming Miles Too Little?

When you use a car in connection with your business, most people know that you can claim a business expense when the awful time comes to fill in your tax return. Claiming too much can, however, incur the wrath of the tax-man, claiming too little may mean paying more tax than you should, and nobody likes to do that!

First of all the journey being claimed for must be for business as the main purpose. So if you're off to the supermarket to buy supplies for your home, and whilst you are there you buy a dustpan and brush for your holiday home, you'll need to brush up on taxation if you claim that as a business expense. It isn't, because the main purpose was your domestic shopping. But if mainly you went shopping for supplies for the holiday home and you bought a couple of small items for home as well, then you'll be safe claiming it as a business journey.

If you are working through a limited company then you need to remember that the company is a separate legal person and if it allows you to use your own car as an

employee or as a Director, then any payments that the company makes for journeys that are not genuine business journeys are income in kind and taxed accordingly! Beware!



You can either claim for car expenses on a pence per mile basis (HMRC publish rates per mile that they will accept for different types of vehicle), or on an actual cost basis. That means you have to apportion your use of the car according to how much you use it to go and weed the garden at Sea View Cottage and how much you use it to go and visit Aunt Maud.

If you regularly need to drive for your business, to visit the property, to see your solicitor about that guest's compensation claim for the house being haunted, or to buy supplies of consumables or equipment for the property, then it may be worth making sure that you're keeping good records and claiming all that you are entitled to claim.

Chinese Tourist Visits Set to Increase

During the recent visit of the Chinese President to the UK it was announced that changes are to be made to improve the notoriously difficult process by which Chinese people apply for a visa to allow them to visit the UK.

There are to be drastic reductions in the cost of the visas to begin with. Secondly there are to be a range of improvements to the

mechanics of the process so that people do not have to travel so far to make an application, with longer hours available and better online facilities and a support team at the British Embassy in Beijing to help tour operators and others with visa issues.

At the moment, not many Chinese tourists come to the UK to stay in self-catering accommodation and their visits are heavily focussed upon London and Bicester (for the shopping village). Maybe in the future this will change! It is encouraging to see more of a spirit of enterprise from the government when it comes to encouraging tourism, at least!

Don't ignore the workplace pension – new advertising campaign launches

A new national advertising campaign has been launched by The Department for Work and Pensions and The Pensions Regulator to raise awareness of automatic enrolment among small and micro employers, business advisers and employees.

The big, colourful 'workie' character will be seen visiting people in all sorts of work environments over the coming months, asking them not to ignore him. For further information and to view the ad please go to www.workplacepensions.gov.uk

Package Travel – New Rules

The new Package Travel Regulations will become law in 2017 and the important point is that they widen the scope of what constitutes a package holiday.

Previously, if you booked a holiday including several elements, such as car hire, accommodation, and travel, this constituted a package if you booked it all as one holiday, but if you booked the accommodation, and

then separately booked the flight, and then the car hire, by following links to separate booking systems, you were not buying a package.

There are now many web-based travel agents offering self-selected packages and holiday makers are currently denied protection if the lively resort in which that holiday flat is located turns out to be a ghost town.

The new travel rules will make clearer what a 'package holiday' is, which will now include customised combinations of travel arrangements bought on the Internet, and make it clear the protections offered to traditional 'package' travellers, often chosen in a brochure and bought in a travel agent, also apply to combined flight/hotel deals found on the Internet.

For a few self-catering businesses this may have implications. If you are linked to the local golf course and offer a direct connection to book a round or two or you offer to make bookings on behalf of a guest then you may become responsible for the golf course and liable if your guest trips over a broomstick whilst walking on the course. These are called "linked travel arrangements".

English Tourism Week



The next English Tourism Week 2016 will next take place on 5-13 March, its fifth outing.

Since its inception in 2012, English Tourism Week, has grown as an umbrella campaign

providing local and national tourism organisations with a jointly-owned platform of key messages and objectives in order to communicate the value that tourism brings to the national economy through the creation of jobs and wealth and enriching the nation's quality of life.

Everyone's invited to be a part of the week and self-caterers and agencies can take the pre-season opportunity to foster goodwill from the local community. In the case of self-catering this could be an "open house" type of day, especially at larger establishments, where local residents have an opportunity to be nosy and explore your property. This may have a commercial pay-off, as some customers do use self-catering properties for holidays near to local friends or family. It will also help to tackle inaccurate negative perceptions about self-catering – some people still don't realise that a holiday cottage is a business that spells tourists and cash coming to an area.

VisitEngland has published a load of suggestions on its website and although many are completely impracticable, they do offer a range of logos, posters etc. that would be useful.

This year, events will be promoted via the consumer website visitengland.com in a special ETW events guide. Details of how to get involved are available at www.english tourismweek.co.uk

More Debate on the "Gove Effect"

Parliamentarians took part in a Westminster Hall debate at the end of October on the issue of school holidays and absences during term-time for family holidays.

The debate took place because a petition had raised 120,000 signatures calling for a more relaxed approach.

MP for Mid-Worcestershire Nigel Huddleston voiced concerns about the impact on people working in tourism. He said:

“I am concerned about the tourism sector in particular. It is no exaggeration to say that those who work in the sector are among the hardest-working people in the country, and that is never more the case than during the school holidays, and particularly the summer break.

Many of those people are small business owners running bed and breakfasts, restaurants and shops, and of course many of them will have families. It just so happens that the tourism sector’s busiest time is almost every other sector’s downtime.

Many who work in the tourism sector are therefore not able to take a family holiday during official school holiday times. They are effectively penalised simply because of their choice to work in that sector. I therefore sincerely hope that flexibility and common sense will prevail.”

A campaign group “Parents Want a Say” has been set up by parents who argue against the government’s policy from the perspective that holidays with the family have a high value for a host of social and personal reasons.

There have also been developments in the courts, with a recent case having been won by a parent who had taken his daughter out of school during term-time for a holiday. Jon Platt argued successfully that he was not guilty of an offence under Section 444 of the Education Act 1996. Section 444 (1) actually says:

If a child of compulsory school age who is a registered pupil at a school fails to attend regularly at the school, his parent is guilty of an offence.

For a prosecution to be successful, the prosecution has to prove that this offence took place. In the case of the young Miss

Platt, her attendance at school was close to 100% apart from during the family holiday and the prosecution therefore failed to convince the magistrates that she had not attended school regularly – because she had an excellent attendance rate over the course of a year.

The case draws attention to the point that it is not an offence in itself to take a child out of school for a holiday without permission from the school. If a parent does so, and refuses to pay the fine, they can only be prosecuted if the prosecution can show that regular attendance did not happen.

The South West Tourism Alliance has put forward a proposal by Malcolm Bell that suggests there should be “family enrichment weeks” for primary school children at staggered dates that would allow holidays to be taken in the shoulder of the season. The proposal is however silent on what would happen to children whose parents did not choose or could not afford to take them on holiday during those weeks.

The paper also proposes more wide-ranging and reasonable definitions of what the circumstances are in which head teachers should give permission for absence, and it supports “proposal four”, which is a policy already endorsed by EASCO:

Taking the lead from some other European Counties such as the Netherlands – active discussion should be encouraged with educationalists and school management over the “staggering of school holidays” across the regions of the Country – this would reduce the cost of holidays, reduce congestion on our transport system, often ease business burdens regarding supply chains, ease pressure on other infrastructure, such as the water and sewage systems in popular holiday destinations/areas etc.

If school is beneficial, then absence is not good, but the staggering option does not involve any extra absence.