



EASCO News

Monthly news from YOUR trade association

Edition 111 March 2016

Government Spurns Self-Catering on Stamp Duty

The government has rejected the industry's lobbying for an exemption to the new higher rate of stamp duty land tax. Purchasers of a property intended to be used for self-catering will now have to pay an additional 3% in stamp duty, unless the property they are buying is the only property they own, for example if living in rented accommodation.

The rejection follows significant effort by the Tourism Alliance and EASCO, and other bodies, to persuade the government that self-catering holiday homes should be in the same boat as bed-and-breakfasts, hotels, or other holiday accommodation and not in the same basket as residential properties.

The Treasury's response was this:

1.39 In the consultation, the government proposed that properties purchased for use as furnished holiday lets should be treated in the same way as all other residential properties. If the property is purchased as an additional property the higher rates will apply.

1.40 Most respondents to question 11 agreed with the proposed treatment of furnished holiday lets on the basis that the proposed treatment matched the wider rationale for the higher rates. However, a number of tourism bodies and self-

In News 111

- Stamp Duty Plea rejected
- Focus on Fire extinguishers
- EASCO AGM
- Terms and conditions
- Dog Award for Chair
- Council red tape

catering associations raised their concerns that furnished holiday lets contribute to the tourism industry and wider economy, and are in some cases treated differently elsewhere in the tax system (such as for income tax purposes). Many of those respondents requested an exemption from the higher rates for properties used as furnished holiday lets.

1.41 The government recognises the importance of the self-catering holiday accommodation sector for the UK's economy. In designing the higher rates the government has had to strike a careful balance between supporting the self-catering sector and supporting owner occupation of property; many furnished holiday let properties are suitable for use as residential properties. Therefore, the government has decided to treat furnished holiday lets in the same way as other residential properties.

There is an important lesson here for the industry. This lies in the phrase "Most respondents to question 11" (the one about self-catering). If you read the list of respondents there are just a handful of bodies and companies representing the tourism industry. When a government

department analyses responses to a consultation they often simply count the responses and how many are for or against a proposal. Whilst this is not the only thing they consider, the phrase “most respondents agreed with” is trotted out over and over again in government responses to consultations. If every member of EASCO had sent them a response to this, it is almost certain that they would have had to say that most respondents to question 11 **disagreed** with the proposed treatment of furnished holiday lets and whilst they might still have ignored our view, they might have been more likely to have reconsidered.

EASCO Contact Information

Chief Executive: Martin Sach
Email: ce@englishselfcatering.co.uk
Tel: 020 7078 7329
Post: PO Box 567, Hayes UB3 1JA

So the outcome is that someone buying a property to be let for holidays will pay 3% additional stamp duty if they already own a property, either a self-catering property or more often than not the house or flat in which they live. There are some exceptions in the case of blocks of properties or where the owner lives in one of them, and we’ll cover this in more detail when the guidance is published.

EASCO AGM

EASCO’s Annual General meeting is at 1200 on Wednesday 18th May, at the London Canal Museum, 12-13 New Wharf Road, London N1 9RT. You are not obliged to tell us in advance if you want to come to this but it really is helpful if you do! We

won’t arrange any refreshments for anyone we don’t know is coming, for a start! There is also the matter of ensuring enough space – we only have a small room at the venue.

The AGM is an opportunity to meet the EASCO Council members and consider standing for membership yourself. Members give their time freely to attend four meetings a year, mostly, but not always, in London, and meet their own travel costs. They benefit from the influence that the position brings and the opportunity to keep themselves and their businesses well-informed and to share ideas with colleagues. It’s a significant contribution to the good of the industry in which we work!

If you would like to consider standing for membership, please give the Chief Executive a ring if you have any questions.

Long-serving Chair Alistair Handyside has indicated a wish not to continue as Chair after the AGM so the new EASCO Council will need to elect a new Chair from amongst the members.

Unusual?

We have been contacted by a company whose very existence may suggest a trend, they are called Host Unusual and are a listing site for unusual holiday accommodation. They aim to list the most unusual properties in the UK so if your property is a tree house or a cave you might want to explore hostunusual.co.uk

EASCO Chair’s Dog Award

EASCO Chair Alistair Handyside and his wife Lorna have won the Gold Award in this year’s VisitEngland Awards for

Excellence in the Dog Friendly category. Congratulations to Alistair, Lorna, and Fido.

Focus on Fire Fighting

What extinguishers do you need and when to test them?

A reader asked recently what fire extinguishers a self-catering holiday home should have. As usual in the field of health and safety, it all depends.

There is no law that says “thou shalt provide fire extinguishers” at all, at least not in black and white terms. As usual in this field, the mandatory requirement is to do an adequate risk assessment and implement the actions, if any, that arise from it. If your risk assessment shows a need for fire extinguishers – and it probably will – then you must provide them. But the law gives you the task of deciding what is required – not the fire brigade, not the council – it’s you who is responsible.

So what does the law actually say here? The Regulatory Reform (Fire safety) Order 2005 says:

Where necessary (whether due to the features of the premises, the activity carried on there, any hazard present or any other relevant circumstances) in order to safeguard the safety of relevant persons, the responsible person must ensure that—

(a) the premises are, to the extent that it is appropriate, equipped with appropriate fire-fighting equipment and with fire detectors and alarms; and

(b) any non-automatic fire-fighting equipment so provided is easily accessible, simple to use and indicated by signs.

So you only have to provide fire extinguishers *where necessary* and you might choose to do something different, for example install an automatic sprinkler system instead. The same applies to detector and alarms. It is up to you to make the judgement as to whether to provide a fully automatic system that fills the entire house with foam the moment

someone lights a match, or whether to provide a bucket of water.

But in order to meet your general obligations under the Order and other health and safety legislation you’re going to have to provide sufficient fire-fighting equipment and in a self-catering holiday home this normally means extinguishers. If you only provide a bucket of water or sand, then it is going to be super-hard to defend yourself in court if the worst happens. Counsel for the prosecution would be bound to say in a very sneering voice that something more was necessary and that your bucket wasn’t appropriate to the risk, and he’d

probably be right.



There are several types of extinguisher:

- **Water.** Needs no explanation but put water on a burning chip-pan and the results will be spectacular and you'll soon have the whole house burned to cinders. Not for kitchens, or electrics!
- **Dry Powder.** Probably ideal for most self-catering houses and flats. You can use powder on most fires although again it is not ideal for chip pan fires as it can spread the fire rather than put it out.
- **Aqueous film-forming foam (AFFF).** Foam extinguishers are used for burning liquids such as petrol or diesel but not for chip pans so in self-catering these won't often be suitable. You might need one if you have a shed full of petrol garden machinery.
- **Carbon Dioxide.** The CO2 extinguisher is great for electrical fires but again this type is seldom going to be the right choice in a typical self-catering house.
- **Fire Blanket.** This is pretty much a "must" in a kitchen as this is the most effective way to deal with a chip pan or frying pan fire. They don't cost much, need almost no maintenance, and you'll have a hard job explaining to His Honour why you didn't bother to provide one.
- **Bucket.** Yes this does have a place, sometimes. Buckets of sand are crude but would be useful for putting out a fire in a dustbin, for example.

How many? Well you should think about how big the place is, what fire hazards there are, how many people will be there, whether smoking (permitted or illicit) is foreseeable, and what the cooking arrangements are. This will be part of the risk assessment. One is hardly ever going to be enough. They should be positioned to be accessible – it is no good having an

extinguisher in a place where the occupants could not reach it if a fire started in the most probable location.

What about signs? Well although the Order refers to signs they are probably not necessary in a self-catering holiday home if the extinguisher itself is very visible. If the extinguisher is in any way hidden then a sign would of course be necessary – your guests are not familiar with the property.

So, what about maintenance? Of course there has to be some. The law says that

Where necessary the responsible person must ensure that the premises and any facilities, equipment and devices provided in respect of the premises ...are subject to a suitable system of maintenance and are maintained in an efficient state, in efficient working order and in good repair.

That's as far as the law goes but there is a British Standard, BS 5306, which sets out some more detail. British Standards are not law. However, thinking about your appearance in the dock before His Honour, they are a widely-accepted yardstick of good practice and if you decide not to adhere to them that smarmy prosecution barrister is going to have a field day at your expense.

The British Standard is a complicated document and costs an amazing amount of money to buy but the salient points are these:

- **Annual testing by a competent person.** Usually this will be a maintenance company. It is unlikely that you can do this yourself.
- **Frequent visual inspection.** In a holiday home situation there is always a possibility that a guest has interfered

with an extinguisher or indeed used it to put out a fire (maybe not in the property) and not said anything, or maybe it has even been stolen.

EASCO suggests that whoever services your property between guests should check the extinguishers and make a simple record of that check to confirm that they don't appear damaged or to have broken seals or to have been used. The owner or manager should inspect them more thoroughly on a regular basis; the British Standard says monthly. Again a record of this is highly desirable so that it can be produced at your trial and waved at the Judge.

As is so often the case there is a judgement to be made about extinguishers and what is right for your property depends on the detail of the property. But extinguishers and their maintenance are not very expensive so it is always going to be sensible to err on the side of too many rather than too few.

Red Local Tape

As part of the Government's Cutting Red Tape Campaign, the Cabinet Office has launched a review of barriers to business growth imposed by Local Authorities. Basically, they want to identify and remove unnecessary regulatory barriers to growth and associated costs placed on businesses by local authorities in their administration or enforcement of legislation.

It has often been said (and grumbled about) that it is the enforcement of regulation rather than the actual law that causes issues. This has been said often in the case of fire precautions.

Do you have any examples that affect self-catering? Please pass to the Chief Executive as soon as possible – the review closes before the end of April and we will share any examples with the Tourism Alliance if received soon enough – by 14th April.

Terms and Conditions

The government has published a "call for evidence" about terms and conditions. They are looking at doing more to address the problem of lengthy terms and conditions that consumers have not the time nor inclination to read, or that are far too complex for the average person to understand. It looks as if some ideas are being considered as compulsory:

- Grouping topics together
- Making key points prominent
- Administrative fines levied by consumer protection agencies or courts for failure to comply in order to boost enforcement – consumers have remedies but they are cumbersome and don't adequately encourage competition.

EASCO will respond in April to this call for evidence but it would be helpful to have some members' views. To what extent do you rely on detailed terms and conditions? Would it be possible to simplify them and if so how would that affect you? Do you have issues with customers who did not read the conditions?

Record Number of MPs at English Tourism Week Launch

A record number of MPs attended the launch of the annual promotion in the Palace of Westminster, highlighting the importance of tourism.