



EASCO News

Monthly news from YOUR trade association

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Business Rates: Revaluations showing big increases

A national land tax was introduced in 1692 and has been the subject of controversy ever since. Since 1990 the present system of business rates has been in force and it has been the subject of much criticism. Business rates are levies on the rateable value of a business property, that is to say the rent that ought to be paid for a property of that description to a hypothetical landlord. It is the job of the Valuation Office Agency to determine what the rateable value of a property should be and there is a revaluation every five years. Reports reaching EASCO suggest that the 2017 revaluation is resulting in large increases in rateable value for some properties.

In November's EASCO News:

- Business Rates
- EASCO to work on new standard
- A cautionary tale of fraud
- Consultation on gas safety checks
- Autumn Statement

EASCO has held discussions with the Valuation Office Agency over several years with the aim of encouraging transparency and a simpler, fairer way of arriving at a valuation. These discussions have led to a number of promises, some of which have not been implemented. In particular, the method being used is as yet unpublished so it is not possible to replicate the calculations that the VOA should have made, independently.

The fundamental issue is that it is not possible to assess the rateable value of a self-catering holiday home accurately when there is no rental market for this type of property. The method that the VOA uses can never achieve more than an approximation of the rateable value and because it produces analysis based on the receipts and payments of a large number of properties, their conclusions are seldom customised to the exact location of the property. This results in anomalies and unfair valuations.

EASCO is meeting the VOA once again in December and will aim to see greater transparency implemented in the system.

If you would like to read the full detail of how the VOA works their method is available from:

www.englishselfcatering.co.uk/voamannual

The government has retained the moratorium on business rates so those properties with a rateable value of £12,000 or less will pay no business rates at all. Businesses occupying a single property with a Rateable Value between £12,000 and £15,000 will be given tapered relief. Businesses occupying properties with a Rateable Value of between £15,000 and £51,000 will be eligible for the small business multiplier (the ratio of rateable value to actual rates paid) for each such property. Only businesses with a rateable value of over £51,000 will now pay the higher rate. This will go some way towards mitigating the effects of the revaluation for many self-caterers.

In the longer term the EASCO Council recognises that much more fundamental reform of the business property taxation system is needed and EASCO will campaign for the replacement of business rates by a system based on property value or turnover, working with other bodies that are active in this area. There is no single national campaign for the abolition of business rates and their replacement with a better system of taxation, although the range of organisations arguing that the business rates system is unfit for purpose is huge.

The EASCO Report

The report on the economic impact of self-catering is regularly being downloaded from the EASCO website and has been well-received by the industry. The EASCO Council is considering

commissioning further research to give an insight into the value of secondary spending, for instance when guests in a holiday home spend money in local restaurants, shops, and attractions, or buy ice cream from the kiosk on the sea-front. Subject to the cost of the research being acceptable, the EASCO Council would like to see more work done on this as we know the economic benefit to the local area does not just come from the direct spending on accommodation.

To remind you, members can download the report without formality from the members' section of the website. If you have forgotten your password for this, there is a "lost password" facility available that will enable you to create a new one. Members can also purchase a printed copy at the discounted price of £3.95 via the member area of the website.

EASCO to work on new standard for self catering

EASCO is to work with an external consultant on the development of a new industry standard, described as "a commitment by self-catering operators to perform their duties in a particular manner".

The reason behind this is the rapid rise of alternative ways of finding and booking self-catering holidays, that are largely unregulated and without quality standards. The standard will be public expression of the industry's commitment to best practice that will provide reassurance to customers booking with members of EASCO.

The commitments will relate to the quality of the product, and there will be

supporting guidance for operators on how to ensure they are met.

A working group will draw up the standard with the aim of publication in March 2017.

Gas Safety Checks to be more flexible: Consultation

The Health and Safety Executive is consulting on proposals to make the periodicity of gas safety checks more flexible, on similar lines to the MOT test familiar to the owners of less-than-brand-new cars.

At present the test has to be done within 12 months of the last test, and, as owners usually cannot fix the test for the exact anniversary of the previous year's inspection, they may have to arrange it for around 11 months after the previous test just for convenience. This means that in effect tests that are required annually are often being done every 11 months.

Under the proposals now being consulted =about, if the test is carried out between 10 and 12 months after the previous test, it will be deemed to have been carried out a full 12 months from the previous test so the owner will be able to wait up to 14 months before having the test done again.

This increased flexibility can only benefit self-catering operators so EASCO will be supporting the move in responding to the consultation.

Quality Star-Grading Scheme out to Tender

The British Tourist Authority has invited tenders for the renewal of the National Quality Assurance Scheme, the star-grading scheme by which many self-catering properties are assessed and graded following a personal inspection.

Companies have until January to propose bids for running the self-financing service. Although star ratings may play a lesser role in the age of online reviews, they remain the only objective, impartial assessment method that is based on a physical inspection.

Autumn Statement – Not much News for Tourism

There was little news for tourism in the Autumn Statement. Perhaps of most interest was a further push towards improving rural broadband and future 5G connectivity. A further £1bn is to be invested in infrastructure and additional rate relief is being provided for installations that provide the infrastructure.

A Cautionary Tale of Fraud

This tale is based on a true story that affected a self-caterer in England, but all the details have been changed and the story embellished.

Mr and Mrs Green run a self-catering business in the south of England. They have a couple of cottages and a holiday

flat. One day, they received an enquiry through a leading online review website about booking a week's holiday and there were several emails about the details between the customer, Miss Fellforit, and Mrs Green.

Mrs Green pencilled in the Fellforit family and contacted her customer about paying a deposit. "But I have already paid the deposit" said Miss Fellforit. "But I have not received it" said Mrs Green.

What had happened is a salutary tale. Miss Fellforit had received an e-mail, claiming to be from Mrs Green, asking for the deposit and giving bank details for a bank transfer to be made, and Miss Fellforit had duly paid her deposit, which amounted to some hundreds of pounds. In fact, it was realised rather too late that the e-mail apparently coming from Mrs. Green hadn't come from her at all and a third party had sent it with the details of a bank account that didn't belong to Mrs. Green.

We do not know how the fraudster found out that Miss Fellforit was in e-mail conversation with Mrs Green. It might have been connected with the review website which had put the two in touch or it might have been the result of some clever trick on the part of the fraudster.

There are a few points arising from this sorry tale:

- An email claiming to come from someone you know might not be from that person. It is as easy as pie to fake a "from" e-mail address in an e-mail.
- The names and e-mail addresses of your customers should be protected so that fraudsters cannot get their hands on them and use them to trick people, as happened here. We don't know what happened in this incident

but perhaps someone unscrupulous had access to Mrs Green's computer or e-mail account, or guessed at her less-than-bullet-proof password. If someone guessed your password, they could read all your e-mail and put together a nice list of your customers and then set out to trick them into parting with money.

- Someone might just possibly have intercepted Wi-Fi at Mr and Mrs Green's office. A relatively rare thing, maybe, but if the Wi-Fi password is your dog's name then you make it easy for someone in a parked car outside to intercept your communications.
- Email is not a secure way to communicate. Your bank account number and sort code are not secret since they can only be used to pay in, but the case illustrates the point that e-mail might be intercepted.

As we don't really know what happened in this true story, we cannot draw definite conclusions from it, but basic precautions are:

- Use secure passwords, not your goldfish's name
- Your customer details are confidential and should not be accessible by anyone who does not have a good reason

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