



Holiday Home Association News

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The Budget – Tourism Topics

The Chancellor's October budget contained relatively few measures of direct relevance to self-catering but there were a number of things in it of more general relevance to the tourism industry.

The idea of a reduced rate of VAT on tourism products in Northern Ireland has been rejected, predictably, if disappointingly.

There are to be concessions for high street retail property on business rates, with a High Streets Task Force, unspecified funding for strengthening community assets and historic buildings. This may be of general benefit to tourism although we are light on detail at present.

Self-catering gets a mention in a slightly negative way. The budget document states:

3.38 Business rates treatment of self-catering and holiday let accommodation

– There

is concern that some owners of properties that are not genuine businesses may seek to reduce their tax liability by falsely declaring that the property is available for let. To ensure that second properties are subject to the appropriate tax, the

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government will consult on the criteria under which self-catering and holiday lets become chargeable to business rates rather than council tax.

This is clearly something to watch and the HHA will be responding to the consultation. It is unlikely that genuine businesses will be much affected as this is clearly a suggestion that second home owners are pretending to be self-caterers for tax advantage even though they may not be seriously in business offering holiday accommodation. It may even be beneficial to genuine operators – but of course we will need to see the consultation.

Public toilets were an unusual mention in the budget. They are to be given 100% relief from business rates, and this will apply to any toilets whether publicly or privately owned, made available for public use. There will be many as-yet-unclear details in the detail of this, such as whether these facilities need to be open to the public for a minimum time and what happens when they are part of a much

larger building. Very few self-caterers will provide public toilets, but the initiative is welcome as adequate toilet provision is very important for the tourism industry more generally and, especially for older tourists, is an essential requirement for a good holiday.

The budget statement also includes this:

The government will publish a consultation in January 2019 on a Stamp Duty Land Tax surcharge of 1% for non-residents buying residential property in England and Northern Ireland.

Non-residents seems to refer to those not living in the UK rather than those not living in the property concerned, but we shall also be wanting to read the consultation on this carefully and respond if necessary.

There was good news on rural Internet connectivity with more money being allocated to full-fibre broadband roll-out in rural areas starting with primary schools but extending to other premises later.

There is some rather unexpected news about trees, again peripheral to self-catering but relevant to tourism more widely. £60m will be spent on planting millions more trees across England, including a project to plant new street and urban trees set to receive £10m, to be matched by contributions of funding and assistance from local authorities, community groups and charities. However, it has been pointed out that this will only enable around a third of the number of trees maintained by Manchester City Council to be planted throughout England!

Alongside the budget, the government published its response to a consultation

on the VAT threshold, which, it announced, is to remain £85,000 per year. Businesses with a turnover exceeding that level must register for VAT, charge VAT to their customers, and may claim back the VAT on their expenditure. However most of the expenses of running a self-catering holiday home are not subject to VAT in the first place so this means that they have to charge typically something like 10-15% more than businesses that turn over £84,000 or less. Many larger self-catering operators suffer from this unfair taxation, as they are commercially unable to charge more than their smaller competitors.

The government response recognises that this “cliff-edge” deters businesses of all sorts from expanding from £84K to £86K and beyond but the consultation responses were very varied. Essentially there are many differing opinions about how VAT should be reformed, and the threshold smoothed. Currently EU rules limit the scope for changes to the system so it would seem that the message from government on this is that the issue is parked in a siding until after Brexit. They conclude:

While the UK is bound by EU law, we are unable to either introduce a smoothing mechanism or increase the level of the threshold without a derogation from the Commission. We have also taken on board businesses’ concerns regarding added complexity following the introduction of a smoothing mechanism. However, the government will look again at the possibility of introducing a smoothing mechanism once the terms of EU exit are clear.

So, this issue will run and run. The HHA supports the “Cut Tourism VAT” campaign for lower rates on holiday accommodation and is likely to support a smoothing

mechanism that provides for a fairer and easier transition from unregistered status to full payment of VAT.

Tourism Alliance gets message to Seaside Lords

The House of Lords has launched an enquiry on the regeneration of seaside towns and communities and the Tourism Alliance, of which HHA is an active member, has put forward a number of views on behalf of the tourism industry.

Tourism is, of course, a critical part of the economy of many seaside towns. The spending by the sea of urban residents represents a significant wealth transfer from urban to seaside areas.

The issue of broadband speeds is one of those highlighted, with ever-increasing expectations by customers of a service that's as good as their home in Birmingham.

Many seaside resorts have outdated accommodation in heritage buildings and the TA has suggested that post-Brexit VAT could be reduced or removed from work to restore or repair heritage buildings.

Transport infrastructure is also an issue for some seaside destinations and the TA has suggested that the Department for Communities ought to take a greater role in promoting rail and road improvements to coastal towns that may not be the priority of the Department for Transport. Skegness may be bracing but to get there by train from London takes almost as long as to Newcastle.

The TA has also highlighted the lack of a coherent tourism structure in England and has advocated the re-instatement of a dedicated VisitEngland organisation. The need for thorough reform of business rates is also highlighted.

The influence of this committee of Lords is hard to quantify and may be limited!

A Report from the ASSC Conference

HHA Chief Executive Martin Sach attended the Association of Scotland's Self Caterers annual conference this month on behalf of the HHA. He writes that this was an impressive event, attended by a large number of self-catering operators from Scotland, and a large number of trade stands promoting everything from holiday home experience to a more hard-to-understand car hire service.

The undoubted highlight was speaker Geoff Ramm, whose entertaining delivery captured everyone's rivetted attention. His was a fairly simple message for any customer-service business. Consider what you do for your usual customers, then consider what you would do if an A-list celebrity was planning to stay in your property and tweet to his or her tens of thousands of followers. If you would whitewash the coal, provide an additional or special welcome, or go the extra mile in some way or other, then you have identified the gap between what you currently achieve and could achieve. Whilst the practicality of some of his ideas might be open to question, his thinking on this would be good watching on YouTube and thought-provoking viewing for anyone serving customers!

VisitBritain's Annual Report

The British Tourist Authority launched its annual report this month with optimistic forecasts and figures about the value of tourism.

Sally Balcombe, the Chief Executive of the BTA, said "2017 set a record for inbound tourism to Britain with 39.2 million visits and £24.5 billion visitor spend. We're on track to break our target of 40 million inbound visitors this year - two years early. In addition, domestic holidays saw good growth last year with £70 billion spent in England by domestic visitors. "

The report says that all tourism in England was worth £91 billion in 2017 and highlights increases in numbers in all the regions of England and for 2018:

And there are encouraging signs for domestic tourism in England in the first six months of 2018. Domestic overnight trips were up by 3%, whilst expenditure has risen by 4%. Holiday trips also grew by 1% between January-June 2018, whilst VFR and business trips have both increased (4% and 9% respectively) following a period of stagnation or decline.

(Ed – VFR = Visiting Friends and Relations)

Although the BTA's domestic tourism marketing campaign for England doesn't come close to that of VisitScotland, they were active in promoting the so-called staycation effect with a campaign called "Join the World" aimed at young people, who take fewer UK holidays than a decade ago. It was primarily an online and social media campaign with a website highlighting such things as an exhausting

24 hours of non-stop activity in Leeds. Bizarrely the "how to get there" part of this website seems to assume that London is the only place from which you might start a journey to Leeds!

However, the 24 Hours in the UK campaign won 'Europe's Leading Marketing Campaign' at the World Travel Awards 2018.

The BTA has managed the Discover England Fund, which has provided grant aid to a range of projects creating bookable itineraries, encouraging visitors from abroad to explore England including less-well-known places outside London.

A Garden Tip



Not a place to store junk, but an idea gleaned from the ASSC conference exhibition! This garden post called "Magpost" can be easily installed in any garden and incorporates a magnifying glass and space beneath. The idea is to encourage children to closely examine things such as berries, leaves, insects etc that they find in the garden, so it has educational value as well as being fun for children, and maybe adults as well! It is

only around a foot high, so any gardener could sink it in the ground. It is one of those little things that could make a holiday memorable, talked and tweeted about! Many city children live in flats and their self-catering holiday is an opportunity to get much closer to nature, and this very simply low-tech device might help! It comes from Caledonia Play (www.caledoniaplay.com) who also make a range of other outdoor play equipment for commercial and domestic use.

By the Pensions Regulator...

Automatic Enrolment – how do workplace pensions work?



More than 1.2 million employers have now successfully met their automatic enrolment duties and put nearly 10 million staff into a workplace pension.

Workplace saving is now the social norm with 84% of staff now saving, and automatic enrolment has reached steady state with around 100,000 new businesses a year putting staff straight into a pension.

However, automatic enrolment has ongoing tasks which must be completed to ensure employers continue to comply with the law, and staff continue to receive the pensions they are entitled to.

Ongoing duties include monitoring the age and earnings of staff, keeping records, managing requests to leave or join a pension scheme and maintaining pensions contributions. More information about ongoing duties can be found [here](#).

Every three years, employers must also complete re-enrolment which means enrolling all eligible staff who are not currently members of a workplace pension, into a scheme. They must then complete a re-declaration of compliance.

Last April, the minimum pensions contributions increased from 3% total contribution to 5% and next April it will increase again to 8%. This is a straight forward task for employers, but they should ensure the correct amount is being paid into the pension scheme. We have been monitoring compliance with the increase in April through PAYE data provided by HMRC, and indications are that it is very high.

As published in our recent [Automatic Enrolment Commentary and Analysis report](#), compliance with the law is high. Our research shows the vast majority of employers are aware of and understand their ongoing duties, find them easier than expected and are confident they can complete them. Most employers spend less than two hours a month on their ongoing tasks and one third use a business adviser.

However, there are a small minority who fail to meet their ongoing duties and we will take action, including issuing financial penalties.

There are a number of ways we can detect non compliance. This includes monitoring contributions to ensure employers are continuing to make the

correct payments, alerts from pension schemes, reports from whistleblowers and compliance validation checks.

Between April last year and April this year we carried out nearly 2,000 compliance validation exercises, or 'spot checks' nationwide. Employers were identified through data and intelligence analysis and

scheduled for either desk-based investigation or an inspection in person. Employers targeted included those we believed may be non-compliant and those where our data suggested full compliance.

Where we found an employer was non compliant, our case teams took a positive approach and worked to help them. In many cases, employers welcomed the opportunity to show how they had complied and ask questions to ensure they were carrying out their duties correctly.

We know that most employers want to do the right thing for their staff and we are here to help, but we will take action where an employer is non compliant to ensure staff receive the pensions they are due and the culture of workplace saving remains strong.

Useful links for employers

AE guide for employers:

www.tpr.gov.uk/employers

Ongoing duties guidance:

www.tpr.gov.uk/ongoing

Declaration of compliance:

www.tpr.gov.uk/declaration

HHA Contacts:

ce@holidayhomeassociation.org.uk

Tel: 020 7078 7329

Legal helpline: 0113 2580033

PO Box 567 Hayes UB3 9EW

Fire Door Safety Awareness Week

We're a little late on this topic as the week was at the end of September, but of course it is never too late to be aware of fire safety issues.



The term "fire door" is ill-defined but essentially it means a door that offers better resistance to fire than most doors.

A fire door will:

- Be close fitting
- Have intumescent seals, i.e. smoke seals to stop smoke from leaking through around the doors
- Provide some resistance to the spread of fire – if shut, of course! Many fire doors offer 30 minutes resistance – time to escape death.

A fire door does not have to be ugly and unsightly, there are many designs on the market. It does need to be solid enough to take time to burn through, so a hollow door made from a softwood frame and hardboard or thin plywood isn't really going to give much protection at all.

Whether you need fire-resisting doors or not is determined by your risk assessment. They should obviously be considered very carefully in all cases. Some doors are certified by third parties as meeting stringent standards, whilst others are merely self-certified by manufacturers.

www.firedoorsafetyweek.co.uk