



Holiday Home Association News

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July 4th: Milestone or Mirage?

Tourism businesses are in many cases focussed on July 4th as the date when they expect to re-open. Independence Day in the USA is also a date mentioned by the British government as a date when leisure and hospitality might begin to reopen.



A number of self-catering agencies have started taking new bookings in July. But is this a reliable date?

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In fact there has been no commitment at all to allow holiday accommodation to reopen on July 4th although there is a broad hint that this might be possible.

In the much-read 50 page strategy document published with a fanfare earlier in May, what they actually said was this:

“The Government's current planning assumption is that this step will be no earlier than 4 July. The ambition at this step is to open at least some of the remaining businesses and premises that have been required to close, including personal care (such as hairdressers and beauty salons) hospitality (such as food service providers, pubs and accommodation), public places (such as places of worship) and leisure facilities (like cinemas). They should also meet the COVID-19 Secure guidelines. “

In the self-catering industry we believe that self-catering holidays offer a relatively safe option for holidaymakers and HHA wrote to the Secretary of State for Culture Media and Sport earlier in the

month to underline that. However there is ongoing opposition from local residents in many of the UK's busiest tourist locations to a perceived threat of renewed spread of the virus brought by visitors. Whilst the accommodation itself may not be a problem the widespread movement of people around the country could create risks that the government will consider. Whilst it is now widely accepted that outdoor transmission of the virus is unusual, the current spell of very warm weather may not last, in which case indoor venues may be under pressure.

The point here for the tourist accommodation industry is that July 4th is an aspiration and not a foregone conclusion and we should not rely on being able to return to normal on that date.

Tax Tips from Trevor Jones, Stanley Tax Associates Ltd.

Capital Allowances Cash

What if there was a way to release funds from past tax paid, using a tax relief which is perfectly available on money capital expenditure you have already made? For those who have purchased or improved their properties, there may well be...

THE CASH FLOW LIFELINE

In most cases there is no time limit on how far back you can look to claim against your expenditure. This means you could have bought a property 10 years ago and still be able to claim today. Tax Relief from this historic expenditure can be carried back using the amendment window of

your tax return. In most instances, this runs for one year from the filing deadline of the return. This means personal tax returns filed in January of this year, can be amended up until January 2021. So you can claim a tax rebate on the income tax you paid at Christmas!

Limited companies must file their tax return one year after their year end, which can then be amended for a further year i.e. up to two years after the year in question ended. This cannot only deliver immediate tax savings but also a vital cash injection in the form of a rebate.

WHAT ARE CAPITAL ALLOWANCES?

Capital Allowances are a form of tax relief given on eligible items of 'plant and machinery'. They reduce your taxable profit and therefore the amount of tax you pay. They are available on embedded fixtures in commercial and some residential property.

Due to the complexities of valuing and claiming these items, most businesses are under-claiming their rightful amount of Capital Allowances.

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HSE Warning on Legionella

The Health and Safety Executive has warned property owners to be careful about legionella when reopening after a period of closure.

They point out that water system stagnation can be a breeding ground for legionella. In normal use a property may have a very low risk of infection. With a regular flow of water through the water system, there is little chance for it to flourish. If a property has been unused for some time, the little devils may have had a good time whilst you were looking at the bank statement in misery.

Before the first guests return:

- Flush all taps and systems through thoroughly, especially showers and make sure water tanks are flushed through.
- Check that if you have a hot-water storage system in use, such as an immersion tank, the water is maintained at around 60 degrees. Legionella thrives at 20 to 45 degrees centigrade and given the hot weather and sunshine we have recently enjoyed it is perfectly possible that pipes in some properties might have been well-warmed. If there is a cold-water storage tank (typically in the loft) then the amount of flushing you need to do will need to be sufficient to flush that thoroughly too.

The flushing process also needs a bit of thinking about. The Chartered Institute of Environmental Health says “Something as simple as flushing taps can generate water droplets, so plan in advance how you can do this safely. This could include running taps at low velocity or flushing shower heads into a part filled container of water, ensuring that the showerhead is submerged under the water in the container. “The droplets from the possibly-contaminated water should not be allowed to pose a hazard to you when you do this. Good ventilation and use of a protective mask are possible actions that will help.

If there is air-conditioning in your office or holiday home, they point out that “If your workplace has been closed for an extended period and has air conditioning units that have a source of water that can generate aerosol, you will need to assess the risks of legionella being present within them before restarting.

Small wall or ceiling-mounted units with closed cooling systems should not present a risk.” Few self-catering locations are likely to have this problem, but it would still be as well to run such systems for a while before guests arrive.

If you have a jacuzzi or swimming pool, and it has not been maintained, then it should be drained cleaned and disinfected before guests use it again.

Back to the Office Safety at Work

For agencies and other with office accommodation the official advice remains to work from home if possible. If that’s not possible a review of your risk assessments is going to be needed in the light of covid-19.

The concept of social distancing in workplaces is not currently mandatory in the emergency coronavirus laws – this is government advice. However, health and safety law is pretty wide-ranging and could be used to enforce social distancing in offices. What is “reasonably practicable” in your office will differ from place to place. Nobody can assess the risks for you but the things that need to be considered are;

- Spacing of desks
- Facing direction of staff
- Shared facilities such as toilets, pantry, etc

- Shared equipment such as photocopier, printer
- The surface cleaning arrangements
- Plastic screens where practical
- Outdoor areas for breaks
- Hand-washing or sanitising facilities
- Staggered hours for staff

You will also need to balance any decisions that you make with the need to comply with equality law, although this may prove rather difficult in some cases, especially where people aged 70 or over are involved. Unfortunately, covid-19 doesn't read the Equality Act in bed at night.

Further Furlough

It has been announced that the furlough scheme is to be extended. The scheme now lasts until the end of October, but with changes coming.

Until the end of July the scheme remains that employees are paid either 80% or 100% of normal salary by employers, who can claim back 80% from the government including National Insurance and pension contributions. (Maximum per month is £2,500)

From August onwards the employer will have to contribute to the costs. The percentage paid by the government will be 70% in September, 60% in October with monthly caps also reduced.

From July 1st, there will be flexibility for part-time furlough arrangements in which an employee, who, for example, normally works 37 hours a week, could work, say, 15 hours a week. The remaining 22 hours that are spent at home or on the beach will be furloughed hours and supported by

the government. Any sort of flexible working arrangements would seem likely to be acceptable, as long as they last for at least a week.

You will need a confirmed written agreement with the employee as to the flexible arrangements. After 30th June, it will not be possible to furlough a person who has not previously been furloughed.

Detailed guidance will be published in mid-June on the complexities of flexible furloughing.

Second grant for the self-employed

But no concession for FHL income

There will be a second grant for self-employed people under the self-employment scheme. Applications for the first grant close on 13th July and for the second grant will open in August.

The second grant will be for 70% of average profits from self-employment over three months, paid as a lump sum. However, despite lobbying on this there has been no concession on the problem that Furnished Holiday Letting income is ignored in the calculations as it is deemed to be income from property rather than from self-employment.

Tourism Society Calls for Restructure of Tourism Support in England

The Tourism Society has published a report urging the government to restructure and reinforce the support structure for tourism in England.

Making the point that domestic tourism will be the first to be revived after the covid crisis, the Society says that “In recent years there has been no clearly identifiable tourism strategy for England.”

First priority for action is to give VisitEngland a reinforced and refocussed role, working on guidance and promotion of the domestic market. They note that currently “VisitEngland, as an adjunct of VisitBritain, does not have sufficient status, mandate and resources to provide the necessary leadership and, as stated in the recent VB paper it ‘is not funded for, or tasked with, domestic marketing. Its remit recently has been around product development”

Secondly, they advocate a reinforcement and restructure of destination marketing organisations. With government support for core funding a planned system of DMOs would enable them to leverage other support.

They want to see a co-ordination network for the DMOs and other bodies and in the longer term a new tourism strategy for England.

Whether this sensible paper will actually have a readership of more than one in the government remains to be seen, but we can but hope!

Ministerial Task Forces

The government has established some ministerial task forces that are supposed to be about restarting the economy in various areas. One of these is called the Visitor Economy Working Group. It has also now been restyled as the Cultural Renewal Task Force. In fact the name

seems to change every few days so it may be different when you receive this. The members are all people whose experience is more in the boardroom than the self-catering bedroom. Whether these do anything useful remains to be seen!

DCMS Committee Enquiry

The Parliamentary DCMS Committee has called for evidence on “Impact of Covid-19 on DCMS sectors”, which means tourism. There is a deadline of June 19th.

HHA will send in evidence to the committee but needs members’ help. In particular we know that agencies have been hit by the double-blow of vanished income and increased customer service workload.

It is always better to have figures than opinions. We’d like to know if any agencies or operators have gone into liquidation, and any cases where circumstances have made it impossible to obtain any government support. We’d like to know anything you can tell us about the long-term impact of the current crisis. We’d like to hear of any factual stories that we can potentially include in evidence but please note they are asking for evidence not opinion!

The MPs have already asked the government to do more to support the tourism industry.

Please send contributions to ce@holidayhomeassociation.org.uk

British Tourism and Travel Show

Another event has bitten the dust – this year’s show is cancelled.

New Chairs at the BTA

The Department for Digital, Culture, Media and Sport (DCMS) has appointed new Chairs for the British Tourist Authority (VisitBritain/VisitEngland) and the VisitEngland Advisory Board for three years, from 1 June 2020 to 31 May 2023.

The Rt Hon Sir Patrick McLoughlin CH has now replaced Steve Ridgway CBE as Chair of the British Tourist Authority.

Nick de Bois is the new Chair of the VisitEngland Advisory Board, replacing Fiona Pollard as interim Chair following the end of Denis Wormwell's term at the end of March.

London Looks Ahead

A new London Transition Board, co-chaired by Communities Secretary Robert Jenrick and London Mayor Sadiq Khan, will co-ordinate London's response as it emerges from lockdown and safely reopens the economy. There is also a London Recovery Board.

Separately London and Partners, which runs VisitLondon, has announced the intention to set up a London Consumer Recovery Alliance, which will enlist all sorts of businesses in trying to regain the public’s confidence to enjoy the capital. The focus will be on local visits to local things, initially, as the capital is heavily

dependent on public transport, the use of which is currently discouraged.

Discretionary Fund Guidance

The Department for Business Energy and Industrial Strategy has published new “FAQ” guidance for local authorities about the new Discretionary Fund. The fund aims to fill gaps in funding support.

Question 42 deals with self-catering properties, and reads:

42. Can Local Authorities include self-catering properties (within strict criteria for occupancy) in their funds?

Yes – it is up to Local Authorities to determine what kind of businesses they wish to support through this scheme.

Local councils have a wide range of discretion to determine criteria and make decisions on all applications and local authorities will be handling applications in their own different ways.

You cannot apply to this fund if you have had a cash grant from another government scheme.

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