Professional Association of Self-Caterers UK

NEWSLETTER

13 August 2024 Issue 224

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COMMENTARY

The team at PASC UK have spent the last week working flat out on the threat of FHL Abolition. Today we have released a new paper, available to all readers of the Newsletter on what FHL abolition looks like this time around and the transitional relief achieved from the last round of lobbying.

A reminder for Members, there is a webinar with Francis Clark on FHL Abolition, and what it might mean for you, this Thursday at 1030. Details below.

We are working closely with the ASSC (Association of Scotland's Self-Caterers) on FHL abolition, which means that the two largest associations supporting our sector are combining resources. Full details on that, and how you can take the first steps in supporting the lobbying can be found below.

Last week we also had a good meeting with Jack Sargeant MS, The Minister responsible for Tourism and his Officials in Wales. We were joined by 5 PASC UK Members covering all aspects of the sector in Wales.

It has always been clear that it is not in his remit to agree to a review of the 182-day threshold, that lies elsewhere, but we were able to update them on the sector performance this last year, and how difficult it is for the vast majority of Welsh businesses to hit that threshold. Only 26% think that they will hit the threshold this year with dire impacts.

We presented a Summer 2024 182-day Update Report, and a 78-page report on the mental health impact the threshold is having on small businesses in Wales. The report made a real impact on the meeting.

We ran through a list of possible exemptions to Council Tax premiums, how this might work in practice and gave our feedback that in Wales, the proposed phased introduction of Statutory Registration, names and address first, and then safe and legal at some unspecified future date, offered the sector nothing but an additional bill.

Our comments were well received, and we have follow up meetings underway at last, and will continue to try and work with them as 'critical friends' as we seek to improve and reduce the legislative impact on the sector in Wales.

We have also called two Members Meetings on the 21st August, one for English Members and one for Welsh Members to report back on the Treasury Meeting on the 19th, and for Wales, reporting back on the meeting with the Minister on possibility of further 182 Exemptions.

PASC UK TO START CHARGING VAT FROM 1 SEPTEMBER 2024

Finally, PASC UK is having to change its tax status. We have always been established as a lobbying association, and as a result we have been able to gain an exemption from the VAT regime from HMRC. However, we are now at a point that we will have to change that from the beginning of our new financial year, on 1st September 2024.

This means that all new Memberships and all renewals from that date will be subject to VAT. We recognise that this will be unwelcome for some, and there are more details below on why we are doing this and the impact that it will have.

Best regards

Alistair

FHL ABOLITION UPDATE 13 AUGUST

(For last week's update on this go to 6 August Newsletter here: https://www.pascuk.co.uk/newsletters/general-newsletters/)

We continue to work jointly with the ASSC (Association of Scotland's Self-Caterers) on the threat of FHL abolition. This has many benefits for Members of both organisations, we are sharing the costs of the accountancy support, we are combining resources, and we will be presenting collective data.

Last week we announced the PASC UK Francis Clark webinar, details below, to try and answer as many questions as we can and this week, we have added a new paper to the website, which is an update, written by Francis Clark, on what FHL abolition looks like this time, and explains some of the transitional changes that were achieved from the last round of lobbying.

FRANCIS CLARK UPDATE ON FHL ABOLITION AUGUST 2024

The Furnished Holiday Let (FHL) regime – an update

August 2024

On 29 July, Chancellor Rachel Reeves delivered a statement to the House of Commons on the state of public spending and announcing the next Budget on 30 October 2024. The Chancellor's statement was accompanied by the publication of several documents, which included a policy paper on the abolition of the FHL tax regime, draft legislation for the abolition and explanatory notes. Hyperlinks to these documents can be found below.

Measures are to take effect from 6 April 2025 for those taxpayers subject to income tax and 1 April 2025 where the FHL is owned by a corporate entity and subject to corporation tax. For the purposes of this update note, we will be focusing on the impact of the proposals for those subject to income tax.

The key changes proposed and their impact

Can be found here: https://www.pascuk.co.uk/reports/ and is free to all to download.

We have been preparing for our meeting with Treasury on Monday 19th August. We will be taking our 'technical support' John Endecott, Partner at Francis Clark with us. This is not a normal lobbying meeting, the questions posed will inevitably have tax impacts, and we got concessions last time because of being able to show the detailed tax consequences of some of the proposed impacts.

We chose to go later than some other meetings with Treasury, so that we can gather both the tone of those meetings and any giveaways that may help us with ours.

Attending the meeting will be the Exec Chair of PASC UK, Alistair Handyside, The Chief Executive of the ASSC, (add in Fiona's name here?), Policy Lead at PASC UK, Alex walker, and John Endecott, Partner at Francis Clark.

We are preparing a clear and concise presentation about what damage abolition will do to your businesses that use that tax regime, and to the wider sector and local visitor economies.

We will be showing the combined effect of all the interventions from Government into our sector and explain that you cannot simply look at one tax measure in isolation.

We are gathering up a 'refreshed' body of evidence against abolition and ensuring that as far as is possible we modify to include the new Governments language, this will be available in a format that Members can tailor to respond to Treasury directly in advance of the 12th September deadline.

We will be issuing press releases again this week, sending a short term/self-catering sector wide letter to Treasury and are also collating a visitor economy industry wide letter to Treasury too. All covering the wider impacts of abolition.

We are finding the feedback from the Government so far is not as positive as we achieved last time, with the Government using announcements on Winter Fuel Allowances to show how serious budget constraints are. It's just too easy to bundle business in with wealthy second homeowners, and a tax loophole being closed.

We have prepared a comprehensive plan on how we are going to set about this, and each week you will be given step by step of action's that you can do, to be part of the wider push back on this.

WHAT NEXT AND WHAT CAN YOU DO TO HELP STOP ABOLITION?

PART 1/ IPARL PETITION 2

In the next 48 hours we will be launching iParl 2. This is the petition that over 15,000 of you took part in the spring of this year, when abolition of FHL was first raised by the previous Government.

We need to do this again.

It has multiple effects.

- Collectively it shows HM Treasury and the wider Government that there are wider economic impacts affecting many thousands of businesses, and importantly voters.

- We have a huge number of new MPs, particularly in key rural and coastal constituencies, many of these don't know what an FHL is let alone FHL Allowances, and to get them mumbling in the House of Commons, as happened in the spring, we need constituents to be writing to them in good numbers.

- It will help facilitate the meetings with new MPs covered elsewhere in this newsletter and key to getting MPs to understand the value of our sector.

- It will create good numbers of letters from MPs to Treasury from 'concerned MPs' about the impact of this policy on their constituents.

- We get the data of how many of you have written to a particular MP. We then write to that MP saying '223 of your constituents have written to you about FHL Allowances, let's have a meeting so we can explain why so many are concerned and what impact this policy really will have'. Last time this part of the lobbying alone secured over 45 MP meetings.

Without the petition, none of the above will happen, and it won't happen unless we get you to do this in the biggest numbers ever.

To this end we have already secured the support of key partners, large agencies with thousands of owners that they can reach, other associations whose Members will get caught in the fallout if abolition goes ahead, a combination of the ASSC and PASC UK databases and more. We will be shouting their support out as they contact their owners and Members over the coming weeks.

The updated letter is almost finalised, and the new petition link will be set up shortly. We will then send a dedicated Newsletter to you all, saying that it is live and to take part and share as widely as possible.

Expect this in the next 48 hours.

PART 2/ OWNER IMPACT SURVEY

Rather than create a new one, we are going to continue with the Survey we launched in late spring, as that already has 7100 responses, and provides some compelling evidence to support our case.

Since we launched the survey, over 2,000 more businesses have signed up for the Newsletter and we have more, and some new partners willing to join the push back on this abolition, so there is an opportunity to substantially increase participation.

So once again, can as many of you as possible please take part in this Survey? Business Surveys rarely get over 1,000 respondents, so both the scale of participation and the data it provides will be an invaluable tool in our armoury, not just lobbying, but in the press too.

It's easy to see if you filled it before, if you click on the link, and it says you have already taken part, then thanks for checking.

Please also share the link to the survey with everyone that you know who offers self-catering/short-term lets/holiday cottages and make sure that they take part too.

Here's the link: https://www.surveymonkey.com/r/5KMN6JY

Thanks for taking part, we really appreciate it.

PART 3/ MP VISITS TO BUSINESSES

With Recess underway we are trying to link up with as many new MPs as possible, both to help arrange MP visits to sector businesses and to arrange to meet them at the Party Conferences in the Autumn.

We will have PASC UK presence at the three main Party Conferences. More on that in future Newsletters.

How Can You Help?

We would like to encourage PASC UK Members to host their local MP during the summer months. This would be an opportunity for our elected representatives to see and hear for themselves the value of the holiday let sector in their constituency and across the country.

The **PASC UK MP Visit Toolkit** has now been released to make doing this as easy as possible. It is available on the website here: https://www.pascuk.co.uk/reports/

There are three parts.

- A short Guide on how to arrange a Meeting with your MP/MS.
- An infographic sheet for England
- An infographic sheet for Wales

If you would like to get involved as a Member, and invite an MP to come and visit your business, please drop an email to support@pascuk.co.uk with MP visit in the Subject line, and your Business name and Constituency in the text. Thanks

The English infographic.

The Wales infographic.

PASC UK TO START CHARGING VAT FROM 1 SEPTEMBER AND WHY?

PASC UK has been exempt from the VAT regime as we were established as a lobbying association from the outset. We are way past the VAT threshold, but this enabled us to keep Membership fees as low as possible.

The Association is changing, we now spend large sums of professional services, tax and legal advice, on contractors and other services, all of which apply VAT to their invoices to us. We cannot reclaim this VAT currently and the amount is considerable.

We also cannot charge VAT on services or undertake commercial activities. This limits our ability to generate further income from external suppliers, keen to access the PASC UK Membership and pay for that, and for us to organise significant events.

So, from the 1st of September 2024, the beginning of our new financial year, we will be adding VAT to both new Membership applications, and to renewals.

This means that the Membership fees will be as follows.

- Single property Membership £80 + VAT (£96)
- 2-4 Letting Units Membership £140 + VAT (£168)
- 5- 10 Letting Units Membership £220 + VAT (£264)
- 11 + Letting Units Membership £320 + VAT (£384)

- VAT will also be applied to Agency and Listing Memberships.

By value most of our Members are VAT registered and will be able to reclaim the VAT. We do though appreciate that if you are not VAT registered you cannot, and that this does increase the amount that many of you will have to pay for Membership.

The Membership fees, even with VAT included, remain competitive with other associations, and we are confident that we can keep adding value and support to all our Members.

We will be sending a separate note on this to all Members, so that they are formally notified, and we welcome feedback on this necessary change, which will substantially increase funds to fight battles on your behalf, by being able to reclaim all the VAT that is currently lost.

If you have any questions on this, please let us know at support@pascuk.co.uk

PASC UK WEBINAR AND MEETINGS PROGRAME FOR AUGUST UPDATED 13 AUGUST

We will shortly be announcing further webinars and meetings for the June programme. These will include the following:

- Election and Govt Policy updates
- Fire Update (Open plan Guidance, subject to update from Home Office)
- Sustainability and our sector
- And more…..

Previous webinars and meetings can be viewed on the PASC UK Website at: https://www.pascuk.co.uk/webinars/ Members only recordings are in the Members area.

1/ PASC UK Members FHL Technical Update from Francis Clark (Members Only)

(This Webinar will be recorded and placed in the Members area of the website)

Thursday 15 August 2024 at 1030

Please join us for a Members Webinar where we will cover the following:

There are some significant changes coming ….

- FHL Abolition Update from PASC UK
- What has been achieved so far?

- What are the significant threats to consider?
- Navigating those threats
- Q&A

Please register using this link: https://us06web.zoom.us/webinar/register/WN_G0K7OlOATz-XC1y1FQFiMg

Once verified as a members you get a link by email to use to join the Meeting. Webinars are restricted by Zoom to 500, so first come first served.

2/ PASC UK Members General England Meeting (Members Only)

(This Meeting will be recorded and placed in the Members area of the website)

Wednesday 21 August 2024 at 1100

Please join us for a Members Meeting where we will cover the following:

There are some significant changes coming ….

- Welcome
- Short Update on FHL Abolition post Treasury meeting on 19th Aug
- Update on Statutory Registration in England
- Any other English Government Interventions
- PASC UK Update
- Q&A

Please register using this link:
https://us06web.zoom.us/meeting/register/tZUpcu6trTwiGtH7JGL3GD7XIi0IF5TsfzQ6

Once verified as a members you get a link by email to use to join the Meeting. Meetings are restricted by Zoom to 100, so first come first served.

3/ PASC UK Members General Wales Meeting (Members Only)

(This Meeting will be recorded and placed in the Members area of the website)

Wednesday 21 August 2024 at 1200

Please join us for a Members Webinar where we will cover the following:

There are some significant changes coming ….

- Welcome
- Short Update on FHL Abolition
- Update on Meeting with Minister on Exemptions to 182

- PASC UK Update
- Q&A

Please register using this link: https://us06web.zoom.us/meeting/register/tZwsdO-grTgrGtMlhgtTaGmwzFWpdl76cku1

Once verified as a members you get a link by email to use to join the Meeting. Meetings are restricted by Zoom to 100, so first come first served.

PASC UK ON THE ROAD AND IMPORTANT MEETINGS AHEAD UPDATE 13 AUG

Over the coming weeks PASC UK will be present at the following events:

- 4 September. Visit England Visitor Economy Strategy Roundtable, London
- 14/17 September Liberal democrats Conference, Brighton
- 23/24 September Labour Party Conference, Liverpool
- 29 September to 2 October Conservative Party Conference, Birmingham
- 4/5 October, Property Investor Show, Excel London
- 16 October PASC UK Agency Meeting, Bristol.
- 6/7 November: Scale UK, The Oval London

IN PERSON PASC UK MEMBERS MEETINGS UPDATE 13 August

We are preparing to roll out further in person Members meetings across England and Wales after the success of the meetings in Northumberland, Devon, Cornwall, Wales and Worcestershire.

- The next meeting will be in Norfolk, this will now be after the summer.
- Followed by the Brighton area

FIRE GUIDANCE WHERE TO FIND IT ALL? UPDATE 13 August

As of 13 August 2024, no further announcements or papers have been published by the Home Office.

They can be found here: https://www.pascuk.co.uk/fire_checks_and_safety/

There are short docs that summarize the current situation with Fire Regs in self-catering in England and Wales. They signpost you to all the regulations, the Government produces Guidance, the additional PASC UK papers and more.

They can be found here: https://www.pascuk.co.uk/fire_checks_and_safety/

If you are looking for information on why the regs are now law in England, and coming in Wales, or what a Responsible person is, please refer to recent Newsletters.
https://www.pascuk.co.uk/newsletters/

Main Home Office Papers

Home Office Guidance on Making your small paying guest accommodation safe from fire 2023

This paper covers small units, without open plan downstairs, not more than four bedrooms, sleeping no more than twelve in two storey buildings.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147723/A_guide_to_making_your_small_paying-guest-accommodation_safe_from_fire.pdf

Fire Safety Risk Assessment Sleeping Accommodation

This paper goes some way to helping with larger properties, but is an old paper, published in 2006 and is currently being updated by the Home Office. Earliest date expected is around the end of the year.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/422192/9281_Sleeping_Accomodation_v2.pdf

Additional PASC UK Supporting Papers

To help owners navigate through this, and to supplement the Government Papers mentioned above, we have commissioned three initial papers from our Fire expert, Paul Bray, GIFireE, Fire Safety Consultant.

The papers are number 1,2 and 3. They can be found here: https://www.pascuk.co.uk/reports/ and also here: https://www.pascuk.co.uk/fire_checks_and_safety/

Paper One: **The Regulatory Reform Fire Safety Order 2005**

This is a background paper explaining the legal background of the Fire Regs and the Fire Regs.

Paper 2: **Additional Notes to the Home Office Guidance on Making your small paying guest accommodation safe from fire 2023**

This paper provides additional notes to use in conjunction with the Home Office Guidance on Making your small paying guest accommodation safe from fire paper.

Paper 3: **Applying the Sleeping Risk Guide to existing holiday accommodation**

This paper provides the first paper on providing additional information for larger properties.

Fire Checks at Changeover, Routine maintenance and Testing V1

This provides a guide to fire checks at changeover, and a testing regime.

How to find a Competent Fire Risk Assessor?

This provides the websites where you can find authorised fire experts.

Updated Fire Risk Assessment

Suitable for use with the 'Small' guide from the Home Office and Welsh Fire, with the addition of a 'Review Date" box.

Train as a Competent Fire Risk Assessor

Lots of request about how to become a Competent Fire Risk Assessor. This is probably only feasible and of interest to those with multiple properties or agencies.

Additional Fire Safety Notices (without What3Words)

We have produced some further Fire Safety Notices without a space at the bottom for What3Words. We really do recommend that you include creating a What3Words reference for your property as most emergency services all over the country use it.

What3 Words explained

What3Words is and how to use it.

FAQ's

We have published the first sets of FAQ's, the most asked fire questions. This will be regularly updated and when updates are made, they will also appear in the newsletter.

These can all be found at https://www.pascuk.co.uk/fire_checks_and_safety/

Members questions are welcome on any issues that they have with their Fire Risk Assessments, and we will answer as best we can. We are not ourselves fire safety experts and will do our best to try and offer solutions or signposts to solutions. We are afraid that we cannot answer non-Members questions on fire issues.

SUPPORT LOBBYING BY JOINING PASC UK

There is a huge amount of work and lobbying to do to help support you all in the self-catering sector. We don't ask very often, however, if we are to fight on so many fronts, we simply need more funds. There are thousands of you that have had the benefit of this newsletter and the lobbying done on behalf of the sector.

We are now asking that as many of you as possible join PASC UK. The fight is on so many fronts, and we get much better results when we engage proper legal advice and proper PR firms to assist with campaigns. Memberships to other organisations that provide common lobbying, information feeds and support also cost many thousands of pounds a year.

Membership fees are as follows: All per annum (excl. VAT which will be applied from 1st September 2024).

- Single cottage £80
- 2 – 4 Units £140
- 5 – 10 Units £220
- 11 + Units £320.

Members get telephone support and priority email support.

You can join here, simple form, takes 2 mins, and you'll get an invoice, payable by BACS or Credit Card. Just click on this link to go to the joining page: https://www.pascuk.co.uk/join-pasc-uk/

Wishing every one of you all the best.

Best regards

Alistair Handyside MBE
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