Professional Association of Self-Caterers UK

NEWSLETTER

27 August 2024 Issue 225

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COMMENTARY

Once again, The most important thing that everyone can do this week is to take part in this petition: https://pascuk.eaction.online/FHLAug24

We have just passed 5,000 Petitions and there is more information below as to why this is vital that as many of you do this as possible, 12,000 plus are getting this Newsletter, and the vast majority of you are affected by the abolition of FHL Allowances.

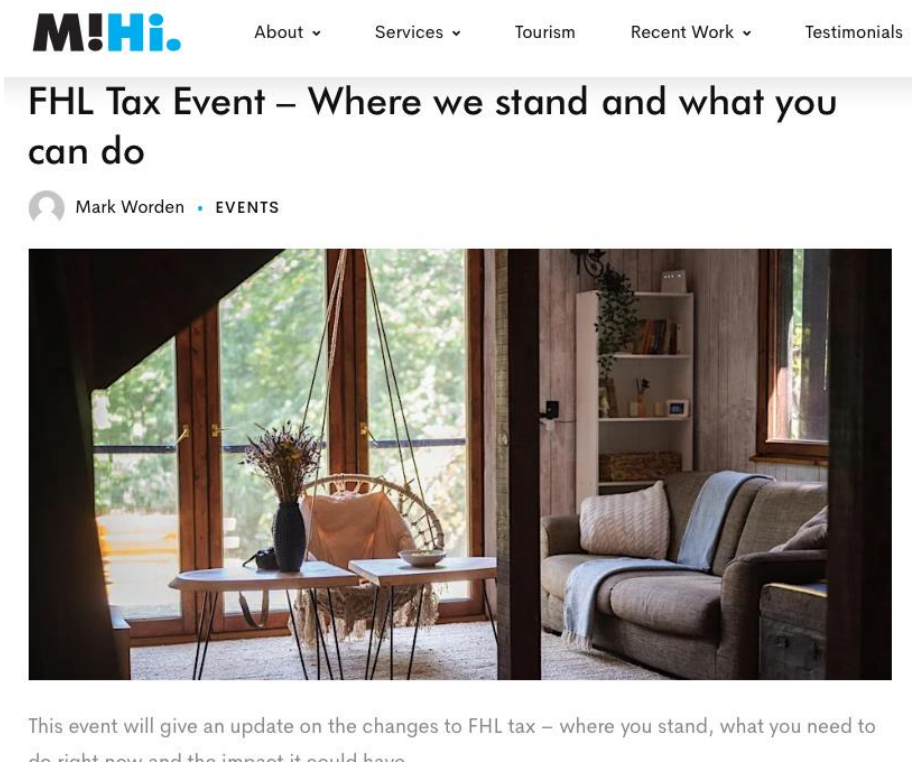
The Petition forms the basis of so much of the work we can do to push back against FHL Abolition.

Last weeks Members Meeting Webinars are on the website as is the 'How to Arrange a meeting with my MP' which is available for all to view.

Our Partners at the Holiday Cottage Handbook (HCH) have released another Podcast featuring the PASC UK Chair, Alistair Handyside being interviewed by James Varley CEO of HCH. The interview focusses on the work that PASC UK and partners are doing to try and push back on the abolition of FHL Allowances.

You can listen to this Podcast here: https://bit.ly/HCHFHL2

For those of you in Devon and Cornwall, partners MIHI Digital are having a morning session on the 5th September on FHL Abolition, where Heather Britton, Tax Director at Francis Clark (who came with us to our previous Treasury meeting, and Alistair Handyside will be presenting.



It's from 1030-1200 at Lifton Strawberry Fields. To apply for tickets, click here: https://bit.ly/MiHiFHL5Sept

We have called a combination Members Meeting on Thursday the 12th September at noon, for both English and Welsh Members. Primarily to discuss where we are on FHL Allowances with three days to go before our Consultation submission needs to be sent Treasury. Meetings are when we can all see each other and are limited to the first 100 applicants. If it sells out, we'll hold another one promptly.

We have also published another new Members Paper this week, more detail below.

1/ **DRIP PRICING AND FAKE REVIEWS**. Aug 24

> This covers the last piece of legislation passed by the previous Government. Drip Pricing is where key components of the price, e.g. a booking fee, or a cleaning fee, are hidden until the last moment. Plus, the attempt by the Government to deal with Fake Reviews. More below.

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 27 AUGUST

(For last week's update on this go to 20 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.

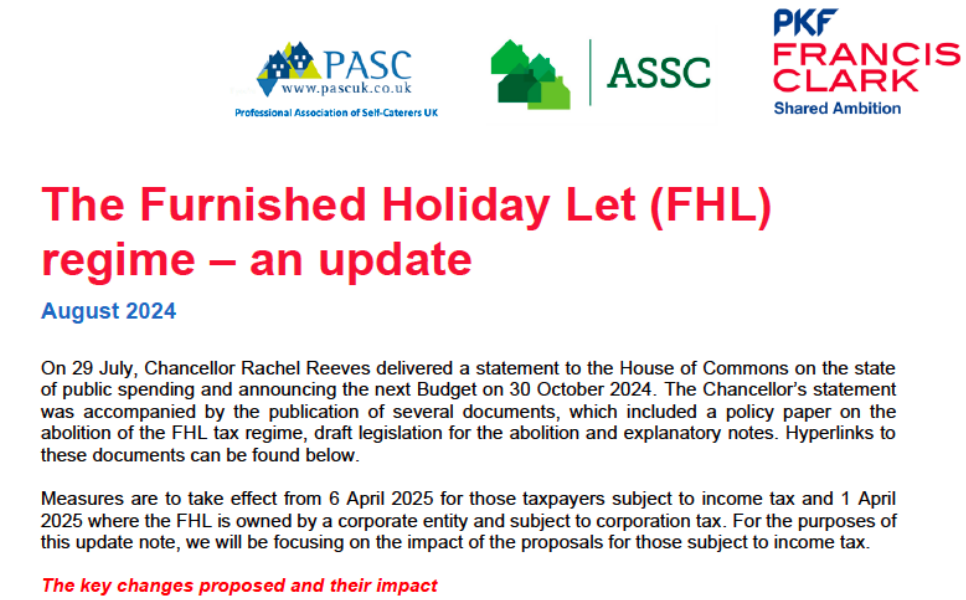
Our ask is focussed upon granting a pause, to protect businesses and owners' assets. The process is simply too fast, not giving owners time to plan properly, the legislation is not even laid down yet and will do well to be on the Statute Books by the end of the year. Yet under some circumstances where owners wish to sell and do not achieve this by April 2025, they will need to cease bookings to protect some financial impacts, creating another set of financial pain and disruption through cancelling guest bookings and broken contracts with agents. Pushing for a delay in implementation will be a key thread of our work.

We pointed out that no-one has done anything illegal, they signed up to an official FHL Tax regime, created by HMRC and are not being given enough time or transitional support to move to another tax regime without many facing considerable financial harm.

In addition to pausing the implementation of the abolition of FHL Allowances, we have asked for more transitional measures to help owners move from the FHL Tax regime to another and will be working further with Francis Clark to develop this area.

A reminder that there is 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 also commissioned a FHL Abolition FAQ's paper from Francis Clark and will make that available asap. That should be available next week.

Work on our 'body of evidence' against abolition of FHL Allowances is well under way, and include the new Governments language, growth and private sector investment, both of which will be damaged by this policy We will be making this available for Members to edit tailor to respond to Treasury directly in advance of the 15th September deadline.

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

PART 1/ IPARL PETITION 2

We have launched iParl Petition 2. This is similar 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 desperately need to do this again and so far, have already got 5,000 responses.

For those that know how it works, click here: https://pascuk.eaction.online/FHLAug24

For those that have not taken part before, 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 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.

- 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.

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.

Once you click on the link, you are asked for your postcode and to put in your name and address. You can only contact the MP where you are registered to vote. The letter is there ready for you to just hit send, but you can modify the letter to your MP in any way that you like, and ewe do recommend personal impact information for greater understanding from your MP.

Please take part in the petition here: https://pascuk.eaction.online/FHLAug24

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 had 6750 responses, and provides some compelling evidence to support our case.

SURVEY PARTICIPATION UPDATE: WE ARE NOW AT 7298, PLEASE KEEP THEM COMING.

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

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.

There is a Webinar on the website, which helps explain how you can arrange an MP visit or how you can get to meet with your MP, to make a vase of how damaging this policy will be.

We will have PASC UK presence at the three main Party Conferences.

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? URGENT REPEAT

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

MORE NEW PASC UK MEMBER PAPERS

As well as trying to work our way through the various Government interventions, we are also keen to build wider Member value. Last week we completed or update six more Member only papers. This week we have another one.

These are detailed below and can be found here: https://www.pascuk.co.uk/member-reports/

1/ DRIP PRICING AND FAKE REVIEWS

This covers the last piece of legislation passed by the previous Government. Drip Pricing is where key components of the price, e.g. a booking fee, or a cleaning fee, are hidden until the last moment. Plus, the attempt by the Government to deal with Fake Reviews.

It's likely that the Drip Pricing element will be effective, it will just be too expensive in fines for platforms to continue hiding certain key elements of the price until the very last minute.

However, we shall have to see how many readers of this Newsletter area able to benefit from having a fake review removed in a reasonable time, and with a reasonable amount of effort. It's a good start though as many of the larger review sites are really poor at dealing with fake reviews.

PASC UK WEBINAR AND MEETINGS PROGRAME FOR SEPTEMBER UPDATE 27 AUGUST

We will shortly be announcing further webinars and meetings for the August/September 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 General England/Wales Combo Meeting (Members Only)

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

Thursday 12 September 2024 at 1200

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

- Welcome
- Short Update on status of FHL Abolition
- Update on Statutory Registration in England
- Update on Statutory Registration in Wales
- PASC UK Update
- Q&A

Please register using this link:
https://us06web.zoom.us/meeting/register/tZIkcOmqrDIpH9Ie9wQ7WuMR5N1laDK8WnAw

Once verified as a member you get a link by email to use to join the Meeting. Meetings are restricted by Zoom to 100, so first come first served. If oversubscribed, we will promptly call another.

PASC UK ON THE ROAD AND IMPORTANT MEETINGS AHEAD UPDATE 27 AUG

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

- 4 September. Visit England Visitor Economy Strategy Roundtable, London
- 5 September. MiHi Digital Event. FHL Tax, Lifton Strawberry Fields.
- 14/17 September Liberal democrats Conference, Brighton
- 17 September. Tourism Alliance Board Meeting
- 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 27AUG

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 post the Party Conferences.
- Followed by the Brighton area

FIRE GUIDANCE WHERE TO FIND IT ALL? UPDATE 27 AUG

As of 27 August 2024, no further announcements or papers have been published by the Home Office. We continue to chase for publication of the open plan update, ad for a new version of Sleeping Accommodation v2.

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 plus VAT from 1 September 2024
- 2 – 4 Units £140 plus VAT from 1 September 2024
- 5 – 10 Units £220 plus VAT from 1 September 2024
- 11 + Units £320 plus VAT from 1 September 2024

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
Executive Chair
The Professional Association of Self-Caterers UK
www.pascuk.co.uk
support@pascuk.co.uk

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www.pascuk.co.uk
Professional Association of Self-Caterers UK

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