

# Temporary recreational campsites

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A change to planning law that frees up farmers and landowners to provide more camping pitches could offer a lifeline to struggling rural communities. Rural tourism accounts for a large amount of domestic tourism.

In a landmark decision laid before Parliament on 5 July, the Westminster government has extended permitted development rights (PDRs) in England from 28 days per year to 60 days. Unlike previously, these 60 days do not have to be consecutive. There are obvious restrictions, such as grounds of listed buildings and safety hazards, and the local Council must be informed.

Farm and rural tax advisers need to ensure that quality accounts recording is in place to clarify profitability. The infrastructure costs of the provision of facilities of such operations can be high with income relatively low. The camping industry generally accepts that the profit margins and contributions can benefit from the added values of catering, linked diversification activities such as customers for farm shops, pony trekking, bushcraft lessons etc. The contribution to the rural economy is obvious but this progression emphasises the complexity for accountants and tax advisers. Tourism income has a standard VAT rate of 20%. However, there is lobbying to introduce a permanent VAT reduction to 12.5% for tourism accommodation and visitor attractions with a turnover of less than £1m.

There is a worry that the increase in available supply of campsites will swamp the market, reduce profit margins and put pressure on accounting analysis and tax advice. There could be grant funding through the Rural England Prosperity Fund (REPF) available, so the tax and accounts treatment of the grant should be forensically understood.

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\*The views expressed are the author's and not ICAEW's.