

Visit Devon speaks out against government plans to change tax relief policy on furnished holiday lets

- Devon could lose up to £42 million* from the economy -

Draft legislation published this week alongside the Pre Budget Report on 9 December will reinforce government plans to scrap tax arrangements designed to encourage private holiday lettings from 1 April 2010. A move which Visit Devon estimates could mean a loss of more than £42 million to the Devon economy.

Visit Devon has spoken out against the proposed changes, which it estimates could force over more than 2000 holiday properties out of business, and is calling for the tourism industry in the South West to work together to oppose the legislation.

A further report by the Tourism Alliance published last month has estimated that owners of furnished holiday lets could be up to £25,000 worse off over a five year period and as a consequence investment into the sector will be drastically reduced.

The Furnished Holiday Lettings (FHL) rules were introduced in 1984 to encourage private owners to let property and improve the quality and quantity of tourist accommodation throughout the UK. Currently, the providers of furnished holiday lettings benefit from relief on income tax, capital gains tax, inheritance tax, and pension contributions but legislation due to be announced by the Chancellor this week will repeal the FHL ruling from 6 April 2010.

Since the initial announcement was made in April, Visit Devon has been working with its partners and tourism businesses across the county to lobby local MP's. Visit Devon joins South West Tourism, the Country Land and Business Association (CLA) and the British Association of Leisure Parks Piers and Attractions (BALPPA) in opposing this change in legislation.

Jamie Christon, Acting Chairman of Visit Devon said: "The proposed changes could have a hugely negative impact on tourism in Devon. We estimate more than 2,000 furnished lets across the county could be forced out of business which would dramatically decrease the accommodation available and therefore visitors to the county, especially during peak season. "

"The fight is not over and we urge tourism businesses across the county to join the government lobby to overturn the proposed changes, the more voices that cry out the more chance we have of being heard."

For advice on how to get involved and lobby against the changes go to www.visitdevon.co.uk/site/membership/accreditation-quality-and-regulations

Visit Devon's acting chief executive, Jamie Christon is available for interview along with owners of Devon based furnished holiday lets.

- Ends -

*For further information or to arrange an interview please contact
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Notes to Editors

* Assuming 10% of all properties cease to trade as furnished holiday lets. Figures are based on 22,000 furnished holiday lettings, assuming an average of four occupants over 16 weeks of letting. The Value of Tourism study for 2007 shows that visitors booking furnished-holiday-let accommodation spend an average of £302 each.

About Visit Devon

Visit Devon is the destination management organisation responsible for promoting Devon to the world. The organisation acts as a voice for tourism in Devon and its aim is simple - to increase the number of visitors to Devon by promoting the county as a year round quality visitor destination for business or leisure. The organisation brings together, adds value and enhances the work and activities undertaken by the six Area Tourism Partnerships across the county. Visit Devon is committed to growing the tourism sector sustainably, increasing the skills within the industry and raising the quality of the visitor experience.

Visit Devon is a public private partnership limited by guarantee, the not for profit company comprises nine member organisations including the six Area Tourism Partnerships (Exeter & Essential Devon, Visit Plymouth, North Devon+, the Dartmoor Partnership, the English Riviera Tourist Board and Visit South Devon), Devon County Council, the Devon Association of Tourist Attractions (DATA) and Devon Farms. Visit Devon is the trading name of Destination Devon Ltd.