

### About CLOA

The [Chief Cultural & Leisure Officers Association](#) (CLOA) is the professional association for senior leaders responsible for Culture, Arts, Heritage, **Tourism**, Libraries, Parks, Sport, Leisure & Active Wellbeing services in local government and those commissioned by local government through third party organisations. With 400+ members, CLOA is funded by membership subscriptions and has a voluntary Executive committee elected each year. CLOA is non-political; it seeks to support its members through professional development, networking and practice sharing, and to represent the views of policy and operational specialists through responses to national consultations, and contributions to national debate.

### Introduction

As the first step of fiscal devolution to local government, the visitor levy should be devolved to local areas with as much freedom as possible. As local representatives, councils and mayors understand our communities best. Therefore, flexibility to introduce and adapt the visitor levy should be ingrained in future legislation, so we can reflect the needs and ambitions of our local visitor economies.

This power should also be conferred on councils where there is not a strategic authority. This is necessary to empower all local areas and avoid an even greater gap in devolved powers. Where there is a strategic authority, it is vital that all councils are meaningfully engaged in decision-making, given the impact on their services and the communities they represent.

Deciding whether to introduce the levy must remain a truly local decision. As part of truly empowering local leaders many of the key decisions relating to the implementation of the levy should be devolved to local place leaders. The Government should provide robust guidance to support this local decision making, based on learning from existing schemes. It is vital that Local Authorities are supported to make the best decisions for their place in the most efficient way. Government can assist this by bringing together evidence drawn from other places nationally and internationally that have already implemented, or are planning to implement, a visitor levy.

Any revenue raised through the visitor levy should be reinvested to stimulate growth in the visitor economy. Local leaders should be able to invest the funding in any services which will have a tangible benefit for the local visitor economy, including heritage, culture and transport services.

Existing grant from central government to support the visitor economy should not be curtailed once the levy is introduced, to provide local leaders with additional funding to invest in generating economic growth. This will ensure that it remains a truly local decision whether local leaders implement a levy. Any funds raised through the levy should also sit outside of core spending power.

Whilst welcome, the overnight visitor levy is not a panacea in resolving the issues and exploiting the opportunities that tourism affords across England. CLOA would welcome a conversation with Government on how the voice of our expert members can inform the discussions going forward in this area.

## **The case for a local overnight visitor levy in England**

### **1. Should this power to raise a visitor levy also be granted to Foundation Strategic Authorities?**

Yes – CLOA supports extending the power to raise a visitor levy to Foundation Strategic Authorities (FSAs) where there is clear local demand and robust governance. The power to raise a visitor levy should also be extended to Foundation Strategic Authorities and where these do not exist, to the relevant Local Authority. Without this CLOA is concerned that areas without a Mayoral Authority could experience an even greater gap in devolved powers. Many of England's tourism hotspots, worth around £8 billion of visitor spend, are without an emerging or established mayoral strategic authority.

We would also like it considered that such powers are also available directly to unitary authorities which are part of existing Combined Authorities, which have the local knowledge and capacity to administer, enforce and target a levy effectively. We advocate for a flexible approach, allowing for local authorities with significant visitor economies to opt in, regardless of mayoral status, to reflect the diversity of governance structures across England.

### **2. Do you agree that Mayors should be able to invest the revenues from a levy in interventions to support economic growth, including the visitor economy?**

CLOA strongly supports the principle that revenues should be reinvested locally, but only focusing on initiatives to support the visitor economy and sustainable tourism.

Flexibility in investment is essential to address both the direct and indirect impacts of tourism on our communities. If the powers are granted to Combined Authorities then the process of fund allocation should be agreed by the constituent members of those authorities rather than the Mayor having full responsibility for the funds' allocation.

This should remain a truly local revenue – and should sit outside of core spending power. The introduction of the levy should not act as the basis for government to withdraw existing support to leisure, heritage and tourism service.

## **Use of Revenues**

### **3. Should a share of revenues for local authorities be allocated on the basis of the proportion of overnight stays in the authority or some other centrally defined metric, or should the distribution within the area be determined entirely by Mayors and other local leaders?**

Distribution should primarily be determined locally reflecting the strategic priorities of each destination. Solely basing allocation on volume of overnight stays is not necessarily the most appropriate method of funding dispersal as it may not reflect the impact that the specific type of tourism is having on a place, or the role of different places in attracting visitors regionally. An alternative methodology may relate to the volume of tourists in relation to the size of population in specific geographic areas in which they visit. Local control ensures that funds are directed to where they are most needed. However, transparent reporting and a clear link between revenue raised and local benefit are essential to maintain public trust.

## **Scope of the Levy**

- 4. Do you agree that all overnight stays in commercially let visitor accommodation should be within scope of a levy, unless otherwise exempted within the national framework or by Mayors?**

CLOA agrees that all commercially let accommodation should be within scope, as this aligns with the principle that those benefiting financially from the visitor economy should contribute to its sustainability. Exemptions should be tightly defined to avoid undermining the levy's effectiveness, keep things as simple as possible and to prevent unfair competition.

- 5. Should the government introduce a threshold below which providers are not liable for a levy? If so, what form should this take?**

A modest threshold may be appropriate to avoid undue administrative burden on the smallest providers, such as those letting a single room on an occasional basis. However, any threshold must be carefully calibrated to avoid creating loopholes or distorting the market. Evidence from other jurisdictions suggests that thresholds based on annual turnover or number of nights let can be effective.

- 6. Do you agree that the following exemptions should apply at a national level? Please provide details for why any additional exemptions should be considered. Exemptions could include: a) Stays in registered Gypsy and Traveller sites where the accommodation is a primary residence. b) Stays in charitable or non-profit accommodation provided for shelter, respite, or refuge, where the accommodation is not commercially operated. c) Other types of accommodation, such as for statutory Temporary Accommodation arranged by local authorities (please provide details for why any additional exemptions should be considered).**

CLOA fully supports the above proposed exemptions for both practical and wider social benefits. It is important that critical support for people in shelter, respite and care is not made more expensive as a result of the levy. It should be for local leaders to decide if any further exemptions are required in their areas to protect public services.

- 7. Do you think that Mayors and other local leaders should have the power to introduce additional local exemptions to those outlined nationally?**

Local leaders should have the discretion to introduce further exemptions in response to specific local circumstances, subject to a transparent rationale and consultation. For example, exemptions might be considered for accommodation used in connection with major local events that deliver broad community benefit. However, this should be prescriptive in that it exemptions should only be able to be put in place if there is also the agreement of the Local Authority in which the accommodation is based.

## **Levy Rates**

### **8. Do you agree that a levy should be set as a percentage of accommodation costs?**

A percentage-based levy ensures proportionality across different price points and accommodation types, reflecting the varying economic impact of different segments of the visitor market. However, the complexity of applying a percentage based model is also recognised, the difficulties this may present to accommodation providers in administering it and the confusion this may present to visitors.

CLOA recognises there are pros and cons to a % based model and a flat fee model and would require to see modelling on the potential income difference between the two, as well as hear representation on the administrative complexity from the hospitality sector, before making a final decision.

CLOA would suggest that it is for local leaders to agree on whether a flat fee, tiered flat fee or percentage based levy is most appropriate for their area based on place specific modelling outlining the benefits and disbenefits. This provision should be included in any future legislation.

### **9. How should a percentage-based levy be applied to inclusive packages where accommodation is only part of the total cost?**

The levy should be applied to the accommodation element only. Where packages are sold, clear guidance should be issued to providers on how to apportion costs. This may require collaboration with industry to ensure practical solutions and minimise compliance burdens. Government should draw on existing examples found in Scotland and across Europe to understand best practice to achieving a percentage based levy and provide insight to local government and the accommodation sector to ensure that proposals are workable.

### **10. Do you agree that Mayors and other local leaders should have the flexibility to set levy rates locally?**

CLOA supports local rate-setting, allowing authorities to reflect local economic conditions, tourism objectives, and competitive positioning. Factors to consider include the scale of visitor numbers, the capacity of local infrastructure, and the need to remain competitive with other destinations. The process to set the levy rate is potentially complex based upon flat fee vs percentage and also the relative economic impact of each type of visitor. CLOA would welcome examples on how the

**Consultation Response: Overnight Visitor Levy in England**  
rate has been set in other parts of the UK and across the world taking into account the voice of the hospitality sector, local government and visitors.

It may be helpful for the government to draw together a set of recommendations to help drive the conversations for combined authorities. There could be a large amount of variation across different Combined Authority areas making it difficult for businesses to adapt (especially if they have accommodation in different areas with different levy regimes), confusing to visitors and problematic in relation to the design of systems at scale that can be applied efficiently across most places. If the government was more prescriptive with its framework then this could avert some of these issues. At least, some best practice guidance would be helpful.

**11. Should the government put in place a cap on the maximum tax rate? If so, at what level should a cap be set?**

A national cap may be appropriate to provide consistency and avoid excessive rates that could deter visitors. However, if there is a transparent and robust process by which local levies are set then it may not be appropriate for government to limit the potential take from any levy. Any cap should be set at a level that allows meaningful investment in visitor infrastructure. Evidence from comparable European cities suggests a cap in the region of 5% is typical.

**12. Should the government put in place a limit on the maximum number of consecutive nights to which a levy applies?**

As with other aspects of this scheme this should be left up to local leaders for the reasons already outlined. Limiting the number of consecutive nights (e.g., to 7 or 14) could prevent disproportionate impacts on long-stay visitors (such as those on business or educational trips). Any limit should be set following consultation with the sector and analysis of visitor patterns in local areas.

**13. Are there any other flexibilities or safeguards that should be built into the rate-setting framework?**

Safeguards should include requirements for transparent consultation, regular review of rates, and impact assessments to ensure the levy remains proportionate and effective. Vital to this would be recognising and responding to the hospitality sector as part an agile review of the impact of any levy. It should also be a requirement for a regional tourist strategy to be in place, developed in partnership with a local LVEP if one exists in a place, so that the introduction of a levy is considered in the overall strategic context of the geographic area, visitor economy market and strategic operation of the Mayoral Combined Authority.

Consistency across regional areas, not necessarily Combined Authority areas, should also be factored into decision making.

**14. Should Mayors and other local leaders have powers to vary the rate for different types of accommodation, including short term lets?**

Yes.

CLOA believes that local decision makers are best placed to make decisions about

**Consultation Response: Overnight Visitor Levy in England**  
their local area and should be afforded the flexibility to vary the rate accordingly. This would enable areas with a high level of short term lets (STLs), including student accommodation when being rented for other audiences, to design a levy scheme which reflects this.

The ability to vary rates between hotels, serviced apartments, and short-term lets would allow B&NES to address specific local challenges, such as the impact of short-term lets on housing availability and neighbourhood amenity.

This emphasises the importance of the ability for local authorities to influence the structure of the visitor levy if it is to be used to assist in shaping the visitor economy of a specific place rather than the region as a whole.

**15. Do you agree that Mayors should have the flexibility to decide whether the levy applies to different constituent authorities within their region?**

Flexibility is important to reflect varying local tourism profiles and pressures. In multi-authority regions, constituent authorities should be able to opt in or out, based on local circumstances and following full consultation. There will also need to be a mechanism to ensure that the 'voice' of local authorities is taken into account when Mayors are setting the levy and the set of decision around it. This could be the current decision making framework available to Mayoral Combined Authorities.

**16. Should Mayors and other local leaders be able to vary the application of a levy in their areas based on, for example, seasonality?**

CLOA supports the opportunity for seasonal variation, which can help manage peaks in visitor numbers and encourage off-peak tourism. However, it should not just be the application of the levy that has the opportunity to be varied but also the percentage rate/flat fee level that is applied based on demand. This has the potential to drive additional revenue at peak times without harming volume whilst encouraging visitation at times when accommodation is traditionally less busy.

Other flexibilities could include targeted use of revenues in areas most affected by visitor activity.

## **Transparency and accountability**

**17. Do you agree that a formal consultation process conducted by Mayors and, if powers are extended to them, Foundation Strategic Authorities should be required before a levy is introduced and that this approach is proportionate?**

Formal consultation is essential to ensure transparency, build consensus, and identify unintended consequences. CLOA would advocate for an open and inclusive process, engaging residents, businesses, and the tourism sector.

It would make sense for a survey to be commissioned at a national levy to hear the voice of visitors in the consultation process. This could be undertaken nationally but, with the right representation and data recording based on demographics/point of origin etc, then be used by Mayors to make decisions.

A consolidated review of best practice from Scotland, Wales and international destinations with the learnings this could bring to the application of a tourist levy in England would also be welcome and bring an efficiency to the local decision making.

**18. Do you agree with the proposed components of the prospectus?**

Yes. The prospectus should set out the rationale, objectives, proposed rate, exemptions, and intended uses of revenue, supported by robust evidence. It should be specific enough to demonstrate an understanding of the nuance found across the visitor economy in each Combined Authority Area and it should include enough information to demonstrate an understanding of the concerns of the hospitality sector as advanced by Hospitality UK amongst others.

**19. Do you think that the proposed length of the notice period of 12 months is appropriate?**

A 12-month notice period does not feel appropriate when considering the long-lead bookings experienced by hospitality sector. From a sector perspective 18 months would be more suitable. However, this comes with a risk that the legislation will not be implemented by the end of this parliament.

**20. Do you agree that introduction of a levy, and any subsequent changes to the core elements of a levy, should be subject to the relevant statutory Mayoral budget voting process in MSAs?**

Yes. Democratic oversight and accountability are vital. In areas without a Mayor, equivalent scrutiny by the full council should apply.

**21. If Foundation Strategic Authorities have powers to introduce a visitor levy, do you agree that a simple majority council vote should be required ahead of consultation on a levy, ahead of implementation and this be repeated ahead of any changes to the core elements of a levy? Is this approach fair and proportionate?**

A simple majority is fair and proportionate, ensuring decisions reflect the will of elected representatives and providing a clear mandate for implementation.

**22. If Foundation Strategic Authorities have powers to introduce a visitor levy, what are your views on the consent mechanism in Foundation Strategic Authorities where a levy is applied to a smaller area within the Foundation Strategic Authorities' geography?**

Where a levy is proposed for part of an FSA, consent should be required from elected members representing the affected area, ensuring local accountability.

**23. What further or different governance and accountability mechanisms are needed in Foundation Strategic Authorities, Mayoral Strategic Authorities or the Greater London Authority?**

Regular reporting, independent audit, and a requirement to publish impact assessments and annual statements of revenue use would strengthen governance and public confidence.

The establishment of an advisory board with representation from key visitor economy industry representatives should also be established to bring these important voices into the decision making and delivery process.

**24. Do you agree with the proposed approach to reporting, and should any further accountability mechanisms be considered?**

CLOA supports regular, transparent reporting and would welcome additional measures such as annual public meetings or scrutiny by local overview and scrutiny committees.

It would be helpful to have a national report showing key information across MSAs so that each MSA can judge how far it is in-line, or not, with regional and national comparators. This would include key information such as levy amount, proportion of accommodation covered, type of accommodation delivering revenue, number of nights booked etc but also trend information to demonstrate the impact. This responsibility should be included in the proportion of funding required to administer the scheme that is retained by MSAs.

**Liability and assessment model**

**25. Do you agree that it should be the visitor accommodation provider that is ultimately liable?**

Yes. Providers are best placed to collect and remit the levy at the point of sale, consistent with practices in other jurisdictions.

**26. How could digital booking platforms or intermediaries best be integrated to streamline levy assessment, collection and tax returns?**

Integration with digital booking platforms is essential to ensure efficient collection, especially for short-term lets. CLOA recommends a requirement for platforms to collect the levy at point of booking (specifically when the deposit becomes non-refundable to ensure the levy is as linked as possible to actual visitor stay) and remit directly to the collecting authority, backed by clear guidance and technical support.

**27. Do you agree that a self-assessed model is the most appropriate approach for administering a visitor levy?**

A self-assessed model is appropriate, provided it is supported by robust guidance, a simple registration process, and effective audit arrangements.

**28. Do you agree that the tax point of a levy should be the point of arrival?**

The point of arrival is administratively convenient, but flexibility may be needed for pre-paid bookings (as noted in question 26). Clear guidance should be issued to ensure consistency.

## **Administrations**

**29. In your view, should levies be administered locally by relevant authorities, through a centralised approach, or a combination of local and central authorities?**

Local administration is preferred, allowing responsiveness to local circumstances and integration with other local regulatory functions. Central support may be helpful for digital infrastructure and data sharing.

Councils are best placed to collect the levy and remit it to other local authorities, as they already have the expertise and relationships required from collecting existing local revenues. Councils are the most natural place for this function to sit, compared with strategic authorities or with central government. This would also prevent unnecessary duplication of systems which already exist in councils.

In areas where an accommodation BID (ABID) already exists, councils bill accommodation providers according to the level of occupancy reported by these providers. This could therefore be a sensible model to follow for the visitor levy. However, the introduction of a levy set at a percentage of a total accommodation costs will make collecting information from accommodation providers and billing them more complicated.

CLOA would encourage Government and Councils to work together to consider how if it is feasible to use existing software and procedures to administer the visitor levy. Councils will also need significant additional capacity to bill short term let operators, which do not currently pay business rates and sit outside of existing ABIDs. There should be flexibility in how the levy is, so that local areas can adapt their approach if this would be more effective than any model set out by central government.

A ring-fenced account for councils to hold any collected levies in would be logical, however care should be taken to ensure this does not introduce unnecessary complexity into local authority accounts.

**30. Do you agree a portion of levy revenues should be retained by the relevant authorities to fund administration costs, if levies are administered locally?**

Yes, to ensure the scheme is financially sustainable and does not divert resources from core services.

**31. Should the registration process for accommodation providers to support the administration of the visitor levy be operated locally or nationally alongside the registration scheme for short-term lets in England?**

A national registration scheme, interoperable with local systems, would minimise duplication and ensure comprehensive coverage, particularly for short-term lets. It is absolutely essential that the short-term let registration scheme is in-place when

**Consultation Response: Overnight Visitor Levy in England**  
any visitor levy is applied. As many STL operators do not currently pay business rates, it is vital that the registration scheme is operational as soon as possible. This is necessary so that local authorities can actively engage these STLs as stakeholders and prepare them for billing the levy.

**32. What processes or solutions for collecting revenues could be introduced to minimise the burden on businesses?**

Automation via booking platforms, clear guidance, and streamlined reporting requirements will be key to minimising burdens. The Government should develop a single national platform for accommodation providers to report occupancy levels and the amounts charged. Creating a single platform would prevent duplication and would create efficiencies of scale for the public sector and local businesses. The Government should also work with local authority software providers to explore integrating this platform with council billing systems to reduce unnecessary burdens.

Any effort to reduce burdens on business should not lead to unnecessary burden to local authorities collecting the levy

**What further support could reduce the administrative burden on businesses in collecting and remitting a levy?**

Targeted support, such as helplines, online resources, and training for smaller providers, would be beneficial. Engagement with industry bodies will help identify and address specific challenges.

**Compliance and Enforcement**

**34. Tax authorities will require enforcement powers to ensure compliance with a levy. Do you agree with the powers listed?**

B&NES agrees that civil information and inspection powers, the ability to charge interest and penalties, and discretionary debt relief are necessary for effective enforcement. Powers should be proportionate and subject to appropriate safeguards.

MSAs do not currently have an enforcement capacity whereas Local Authorities do. It would make sense for Local Authorities to be empowered and funded to take on the enforcement role associated with the scheme rather than creating an additional function in MSAs which may lead to inefficient duplication of systems and resources.

**35. Do you agree that an appeals process should enable providers to appeal on the basis of liability, classification or enforcement action? Please provide details of any additional areas which should be considered.**

An accessible appeals process is essential for fairness. Appeals should cover liability, classification, and enforcement action, with provision for mediation or independent review in complex cases. Any appeals process should be proportionate so as not to suck-in costly administrative resource.

**36. Do you have any views on the potential impacts of the proposals in this consultation on persons who share a protected characteristic?**

The Equality Impact Assessments by the Welsh and Scottish governments for their levies did not identify any impacts on persons who share a protected characteristic beyond those that are proposed for exemption in this consultation

## **Conclusion**

CLOA supports the introduction of an Overnight Visitor Levy as a means to sustain and enhance the local visitor economy, subject to robust local control, transparent governance, and proportionate administration. We urge government to ensure that local authorities (either singularly or as part of the decision making framework established within Mayoral Strategic Authorities) are empowered to design and implement schemes that reflect local priorities and to work closely with the sector to minimise burdens and maximise benefits for residents and visitors alike.

The visitor levy will not be a panacea for local authorities in relation to alleviating the burden that they shoulder on behalf of the destination. The costs associated with amenity for tourists such as cleansing, pest management, public toilets, coach parking and public realm renewal will not be compensated for by the introduction of a levy. CLOA see the levy as one tool to ensure that the visitor economy in the UK can continue to grow whilst at the same time ensuring that the place-managers of destination can continue to invest in them and distribute the benefits of tourism fairly to local people.

End. (4494 words) CLOA 6th February 2026

Email: [info@cloa.org.uk](mailto:info@cloa.org.uk)

Website: [www.cloa.org.uk](http://www.cloa.org.uk)