

16th December 2022

WELSH GOVERNMENT CONSULTATION ON A VISITOR LEVY

Purpose

- 1 To seek Leaders' endorsement of the proposed WLGA response to Welsh Government's consultation on a 'A visitor levy for Wales (Appendix 1).

Background

- 2 The Welsh Government is working on proposals that will give local authorities powers to introduce a visitor levy. The aim of a visitor levy is to generate revenue to support investment in the tourism industry in their areas. The WLGA has a well-established line set out in our 2019 Manifesto arguing for more powers for locally controlled taxation.
- 3 The Welsh Government is running a consultation on their proposals until 13 December 2022 and the appended document will form the WLGA's main response.
- 4 Introducing a visitor levy is a Welsh Government [Programme for Government commitment](#). The work is being carried out in collaboration with Plaid Cymru and is part of the [Co-operation Agreement](#).
- 5 The proposals would require new legislation if taken forward. From policy development to legislation and implementation is a process that takes time. If approved by the Senedd, measures are unlikely to come into force for several years. Each local authority in Wales will have the power to decide if they want to introduce a visitor levy in their area.
- 6 Introducing a visitor levy in Wales has been under consideration for many years. The idea was suggested by the people of Wales as a potential area for revenue raising following a public call for ideas in 2017.
- 7 Visitor levy proposals will represent a small additional charge that will apply to stays in overnight, commercially let visitor accommodation. Any final decisions on how the levy is applied will be taken following full consideration of consultation responses.
- 8 A visitor levy is not intended to put people off visiting Wales. Instead, the WG propose that it would be a small contribution by overnight visitors that will generate additional revenue for local authorities to reinvest in local communities. This would enable them to address some of the costs associated with tourism and encourage a more sustainable approach.

Recommendations

9 Leaders are asked to:

- 9.1 **comment on and endorse the WLGA's proposed response to the Welsh Government's 'A Visitor Levy for Wales' consultation.**

Cleared by: Cllr Rob Stewart, Economy Spokesperson

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Dyddiad / Date: 14 December 2022

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Rebecca Evans MS
Minister for Finance and Local Government
Welsh Government
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Dear Minister,

Consultation: A visitor levy for Wales

Thank you for the opportunity to respond to this consultation. Our response has been considered by the WLGA Executive Board on the 16 December. We understand that the Welsh Government will receive a range of responses from our own membership which will reflect their own circumstances and whether they support such a levy.

As an Association, we support any move which strengthens localism. Advocating discretionary local taxes was an important element in previous WLGA manifestos and was recommended by the Independent Commission on Local Government Finance, chaired by Professor Tony Travers, which reported in 2016.

Our detailed response to the specific questions is appended to this letter.

Yours sincerely,

Councillor Rob Stewart
(WLGA Deputy Leader and Economic Spokesperson)

Councillor Anthony Hunt
(WLGA Spokesperson for Resources)

Discretionary visitor levy for local authorities

Please [refer to the consultation](#) as you answer the questions.

Your details

Your name: Jon Rae

Organisation (if applicable): WLGA

Size of business based on number of employees (if applicable):

- ☐ Micro (0-9)
- ☐ Small (10-49)
- ☐ Medium (50 -249)
- ☐ Large (250+)

Type of visitor accommodation provided (if applicable):

- ☐ B&B
- ☐ Campsite or camping park
- ☐ Canal boat, motor boat or sailboat
- ☐ Campus accommodation
- ☐ Cruise ship
- ☐ Hotel
- ☐ Farmhouse
- ☐ Glamping accommodation
- ☐ Guest House
- ☐ Holiday park
- ☐ Holiday village
- ☐ Hostel style accommodation
- ☐ Restaurant with rooms
- ☐ Self-catering (holiday cottage, house or apartment)

Croesawn ohebiaeth yn y Gymraeg a'r Saesneg a byddwn yn ymateb i ohebiaeth yn yr un iaith.
Ni fydd defnyddio'r naill iaith na'r llall yn arwain at oedi.

We welcome correspondence in Welsh and English and will respond to correspondence in the same language. Use of either language will not lead to a delay.

wlga.cymru

wlga.wales

@WelshLGA

- ☐ Touring park
- ☐ Other (please specify):

email / telephone number: 07979018007

Your address: Per the letter

Tax purpose and scope

As outlined, the purpose for the visitor levy is to enable a more equitable arrangement between visitors and residents. The levy would provide an additional revenue source for local authorities to re-invest locally into the services and goods which are integral to the visitor experience.

We propose that a discretionary levy on overnight visitors would provide a means to generate revenue for local authorities to invest into local services and infrastructure which is integral to the visitor experience. This would recognise the impact visitors have in some areas of Wales and provide a more equitable basis for the funding of local services and infrastructure between residents and visitors.

We know that some stakeholders are concerned about the impact of day visitors in some parts of Wales. The type of levy proposed in this consultation would apply to overnight visitors staying in commercially let visitor accommodation. However, we are interested in your views about application of a levy to day visitors and/or other activities and how these could be feasibly applied before making any final decisions on this matter.

1. Do you agree or disagree that local authorities should have discretionary visitor levy powers to enable a more equitable basis for the funding of local services and infrastructure between residents and visitors?

- ☒ Agree
- ☐ Disagree

What are the reasons for your answer?

We believe that appropriately designed discretionary visitor levy powers will help local authorities address specific destination challenges and that an overnight visitor accommodation levy would be the easiest to administer. After a prolonged period of austerity, there is an urgent need for a financially sustainable model that will enable the wide range of services that support the visitor economy, to continue to be delivered.

While it is recognised that a visitor levy could take a number of years to be implemented, it would provide a viable option for many authorities to create such a financially sustainable model in order to support and enhance the visitor economy over the long term.

Sustainable Tourism is an important priority within many Destination Management Plans. The concept of Regenerative Tourism - where visitors make a positive contribution to the location in which they visit - has become an important focus for recently refreshed plans. A visitor levy is an example of Regenerative Tourism in action, as visitors would be contributing financial resources into local communities to ensure that the visitor infrastructure is well-maintained and any negative impacts of tourism are reduced/removed.

2. Do you have any views on whether a levy should apply to any other type of activity in addition to overnight visitors (e.g. day visitors) and if so, what activity do you think it should apply to and how do you think this would work in a Welsh context?

We recognise that a levy on overnight visitors is an imperfect tool if the objective is for all visitors to a given destination to contribute financially. Ideally, a levy should be introduced which captures all visitors. However, an accommodation levy would be practicable to administer. We would be happy to consider whether an additional destination levy for day visitors could operate under similar arrangements.

Tax framework (legislation)

We recognise the need for a consistent method of application of any discretionary visitor levy introduced in Wales. However, we note that there may be clearer rationale for greater local determination in some aspects of the tax framework.

We have outlined the key aspects of the tax framework in this section of the consultation, and these are explored in more detail throughout this consultation. We did not identify rationale through our engagement to date for greater local determination other than relating to variation of the level of the rate charged. We are interested in your views as to whether there should be greater local determination on any other aspect of the levy.

3. It is our view that the tax framework (legislation) which sets out how the levy would be applied and operated should ensure consistency of application across local authorities. However, there are some aspects such as setting rates and exemptions and determining use of revenues which may benefit from local autonomy. Do you agree or disagree with this position?

- ☒ Agree
☐ Disagree

What are the reasons for your answer?

The WLGA makes a consistent case for local authorities to have a high level of autonomy and flexibility to enable them to address the specific challenges they face. Sometimes this has to be done under national guidance, so we understand there is a balance to be struck.

4. Are there any other aspects of the tax framework which would benefit from greater local autonomy?

For example:

- Exemptions or reliefs
- Type of rate

- Level(s) of the rate
- Use of revenues
- Reporting requirements

What are the reasons for your answer?

We would see the exemptions or reliefs generally applying across Wales but with an ability for local authorities to make a case for any local circumstances.

The use of revenues should be a local decision.

Tax design and liability

As the visitor levy we are proposing would be payable by visitors and is on the basis of overnight stays (as the taxable activity), visitor accommodation providers would be required to charge and collect the levy. This type of levy therefore lends itself to a self-assessed tax model (similar to VAT).

As the visitor accommodation provider is the only one who would know exactly who is staying in the accommodation overnight and in this model would be charging and collecting the levy, we propose they are therefore ultimately responsible (liable) for onward payment (remittance) of the tax to the tax authority.

5. We propose that the levy would be a self-assessed tax for visitor accommodation providers (based on number of overnight stays) who must charge and collect the levy from visitors for an overnight stay and then remit this to the tax authority. Do you agree or disagree with this?

- ☒ Agree
- ☐ Disagree

What are the reasons for your answer?

Overall, we support this proposal although some of our membership is not convinced that a tax on overnight stays is the best way to sustainably grow their visitor economy. Therefore, the discretionary aspect of this is vital.

6. When should the levy be collected as part of the booking process?

- ☒ On arrival
- ☐ On departure
- ☐ In advance (where payments are taken in advance for bookings)

What are the reasons for your answer?

This is best left answered by the accommodation providers but it may be necessary to consider allowing each to levy the charge in line with the way they charge for their core accommodation service.

7. Do you agree or disagree that ultimate responsibility be on the visitor accommodation providers for collection and payment of the levy to the tax authority?

- ☒ Agree
- ☐ Disagree

What are the reasons for your answer? If you answered no, what alternatives should be considered and how would these work?

This is the way it works in most other jurisdictions and it is the most realistic and practical approach.

Visitors in scope

There are public costs associated with hosting visitors regardless of the nature of their visit. We propose that all visitors staying overnight within commercially let visitor accommodation (where not exempted) should be considered within scope of the levy, including those travelling for reasons outside of a holiday.

8. Do you agree or disagree that all visitor stays within commercially let visitor accommodation should be considered within scope of the levy (unless otherwise exempted)?

- ☒ Agree
☐ Disagree

What are the reasons for your answer?

It should include all visitor stays unless otherwise exempted.

Exemptions

Welsh Government are of the view that there should be exemptions in circumstances where application of a levy is disproportionate to the context and the nature of an individual's visit. These types of stays are often not made from choice but necessity and generally the individual has no recourse (or limited recourse) to funds to pay a levy, therefore application of a levy would be disproportionate.

We would like to minimise any exemptions to specific circumstances where application of a levy would be disproportionate. However, we are interested in understanding whether this reasoning would apply to any other type of stay and if we should consider applying exemptions in any other scenario.

As outlined under the tax framework section, we are of the view that there should be consistency in application across local authorities which choose to introduce a visitor levy. Therefore, we propose that any exemptions would be mandatory and set out in legislation. There may be circumstances that we are not aware where it would be justifiable for a local authority to have discretionary exemption powers and are interested in hearing views from respondents on this matter.

9. Do you agree or disagree with the following proposed exemptions:

- a. Stays within Roma and Gypsy Traveller sites (where transient stays are inherent to the culture)

- ☒ Agree
☐ Disagree

What are the reasons for your answer?

Their lifestyle is inherently transient.

b. Stays organised by local authorities undertaking their statutory functions (such as duties undertaken as part of The Housing (Wales) Act 2014) (e.g. provision of temporary accommodation for those who are homeless).

- ☒ Agree
☐ Disagree

What are the reasons for your answer?

It would not be practical to identify homeless people without disclosure of sensitive information and typically they have no means of paying. Furthermore, the cost of these placements is either paid from Housing Benefit Subsidy or falls to the local authority. Any charge would therefore come out of the public purse.

c. Stays organised through the Home Office in undertaking their statutory functions relating to asylum claims and temporary housing of refugees

- ☒ Agree
☐ Disagree

What are the reasons for your answer?

Asylum seekers will have limited access to funds. And as above, these placement costs are normally funded from either the UK or Welsh Governments.

d. Stays within accommodation provided by charities and non-profit organisations on a non-commercial basis (e.g. for the purposes of shelter, respite or refuge/homeless shelters and refuges)

- ☐ Agree
- ☐ Disagree

What are the reasons for your answer?

These people are likely to be in highly vulnerable situations so it would not be appropriate to disclose sensitive information on the nature of their visit to accommodation providers. Also, we would not want to create a financial barrier for those individuals accessing services that prevent or reduce risk of harm.

**10. Are there any other exemptions that we should consider?
Please select all that you think should apply:**

- ☒ Children and young people
- ☐ Overnight stays where the purpose of the visit is for medical treatment
- ☐ Disabled people
- ☐ Other (please specify):

What are the reasons for your answer?

There may be a variety of reasons for exemptions and these need to be thought through but groups on school children on educational visits may be one category. Those drafting the legislation might consider a degree of flexibility that enables additional exemptions to be implemented after the visitor levy goes live in order to successfully deal with unanticipated but justified exemption cases

11. Do you agree or disagree that any exemptions should be established within a mandatory framework set out in legislation?

- ☒ Agree
- ☐ Disagree

What are the reasons for your answer?

Simplicity and consistency but consider the answer to 10.

12. As set out in the consultation we believe that where exemptions are applied, they should be done so across all local authorities in a consistent manner. However, there may be circumstances we are not aware of where discretionary exemption powers for a local authority may be required. Should local authorities have discretionary exemption powers?

☒ Yes

☐ No

What are the reasons for your answer?

Discretionary exemptions would be desirable and reflect the flexibility we have with some aspects of business rates and council tax.

Accommodation types in scope

The principle of fairness is important to the operation of a visitor levy. The levy we are proposing would be payable by visitors and collected by visitor accommodation providers. As all visitors (where not exempted) would be subject to the levy, we propose therefore that all visitor accommodation providers would be responsible for charging and collecting the levy regardless of size or scale.

As outlined, our preference is for all visitor accommodation providers to be in scope of the levy. However, we want to explore views about whether there should be any exceptions to this, for example a threshold of letting days for when an accommodation should be considered within scope of the levy or based on a minimum price of accommodation or a room, or profit or turnover of the visitor accommodation provider.

13. To ensure fairness, it is proposed that all commercially let visitor accommodation is considered within scope of this levy. Do you agree or disagree with this?

- ☒ Agree
☐ Disagree

What are the reasons for your answer?

It should be applied to all visitor accommodation

14. Should there be any commercially let visitor accommodation that is exempt from charging and collecting a visitor levy?

- ☐ Yes
☒ No

If you answered yes, what would the basis for the exemption be and how would this be applied (for example a certain threshold)? What are the reasons for your answer?

If you answered no: What are the reasons for your answer?

Statutory licensing proposals

We would be interested in your thoughts how a statutory licensing scheme may benefit the operation of a visitor levy. As highlighted, a separate requirement to register for the purposes of tax or no registration would be the alternative options.

15. Should there be a comprehensive list of visitor accommodation providers available to the tax authority to support the administration of a levy, rather than there being no registration requirements in place?

- ☒ Yes
☐ No

What are the reasons for your answer?

It should be applied to all visitor accommodation, including accommodation sold on OTA platforms like Airbnb, not just long-established accommodation businesses.

A licensing scheme is likely to be more costly than a registration scheme. Any costs in relation to the implementation of a licensing or registration scheme should be borne in full by Welsh Government.

16. Would utilising the proposed statutory licensing scheme (as opposed to creating a bespoke tax registration scheme) provide an appropriate means by which a local authority could ensure that it has a comprehensive list of visitor accommodation providers in its area and that this information would support the operation of a visitor levy?

☒ Yes

☐ No

What are the reasons for your answer?

A statutory licensing scheme would help raise standards by ensuring that all commercially-let visitor accommodation complies with the relevant legislation, has the appropriate planning status, correct insurance, required gas and electrical safety certificates, has undertaken the necessary fire-risk assessments and anything else that is required. It would also ensure a level playing field for the levy as well as providing useful intelligence for more effective destination management.

Rate type

The advantages and disadvantages of the rate-type options have been summarised in this section of the consultation. There is no clear preferential type of rate that we have identified, and we are interested in your views as to what would work best for Wales.

As outlined under the tax framework section of this consultation, it is preferable for all local authorities to utilise the same type of rate to ensure consistency in the application of a visitor levy. This is an element that we propose would be set out within the tax framework with no option for local determination. We did not identify a rationale for local variation of rate type during our engagement, however, please highlight any reasoning for this in your response if you believe local determination of rate type would be beneficial.

An initial summary of impacts depending on the type of rate opted for has been provided in the previous section. Our partial regulatory impact assessment explores potential impacts from the various design choices in more detail. However, we would be interested in understanding if there are any impacts that we might not have considered or if you have further information to provide regarding potential impacts. For example, impacts regarding: resourcing and staff time, financial costs, other administrative costs, time and costs required to update any digital systems, seasonal price changes, and any other impacts we should consider.

17. Which of the following do you think would be the most appropriate type of rate for this levy?

- ☐ A per night, per room/accommodation
- ☒ A per person, per night
- ☐ A percentage of the accommodation charge
- ☐ A blended model of the above

What are the reasons for your answer?

This is the simplest to understand for the levy payer perspective and to administer but we would not close off other options. The percentage charge has a number of benefits. It supports addressing seasonality which is a strategic priority within DMPs because accommodation is likely to be cheaper out of high season and therefore the levy would also be proportionately cheaper.

More importantly, it would ensure that the socioeconomic duty is better served because people who can only afford cheaper accommodation, would be paying a percentage of the lower accommodation charge whilst people who can afford higher end accommodation would pay a higher levy.

18. We propose that the same type of rate would apply across all local authorities that use a visitor levy rather than this being locally determined. Do you agree or disagree with this approach?

- ☒ Agree
- ☐ Disagree

What are the reasons for your answer?

A consistent rate would reduce confusion for operators and visitors. In addition, it would be more easily applied across booking platforms where visitors are booking different accommodation across more than one local authority area.

19. Are there any additional impacts we should consider based on the type of rate chosen (for example, impacts regarding: resourcing and staff time, financial costs, other administrative costs, time and costs required to update any digital systems, seasonal price changes, and any other impacts we should consider)?

i. A per night, per room/accommodation levy

Visitor Accommodation providers

Tax authority

Visitors

ii. A per person, per night levy

Visitor Accommodation providers

Tax authority

Visitors

iii. A percentage of the accommodation charge

Visitor Accommodation providers

Tax authority

Visitors

Chargeable rate

We recognise that any rate that is set should be proportionate to avoid any adverse behavioural impacts such as individuals choosing not to visit Wales. Determining what level to set this rate at is important as are the factors which should be considered when making this determination.

Most areas that apply visitor levies opt to vary the charge according to either the type/quality or cost of the accommodation. This ensures a level of proportionality to any rate that is set and promotes a more progressive tax share between visitors, linked to ability to pay.

As a starting point, from the basis of simplicity and consistency for the operation of the levy, we propose that the same rate or rates should be utilised to provide consistency in application across local authority areas opting to implement a levy. We recognise that a rate would be set at a moment in time and within a certain context. Circumstances and economies will vary over time and therefore any rate that is set would require a review point to ensure that it is still appropriate.

We would like to understand your views on what an appropriate cap may be at which point a visitor levy would no longer be charged.

20. When setting a rate, what factors and evidence should be considered to ensure the levy rate is appropriate? This could include for example price and income elasticities, seasonal demand (and therefore price changes) and wider economic circumstances.

1. Price and income elasticities within key visitor markets 2. Seasonal demand 3. Wider economic circumstances / performance of economy 4. Impact of previous rate on Wales tourism performance (when reviewing)

21. When determining what rate (or rates) to set, should a rate proportional to accommodation cost (or type/quality) be considered?

- ☒ Yes, potentially
☐ No

What are the reasons for your answer?

A fixed amount would be appropriate but as suggested above we are open to the suggestion of a proportionate amount

22. What is the appropriate number of consecutive nights after which the levy would not apply to any subsequent nights?

- ☐ 5 nights
☐ 7 nights
☐ 14 nights
☒ Other number, please specify:

What are the reasons for your answer?

There should not be a limit

23. Should the same rate or rates apply in each local authority area rather than this being locally determined?

☒ Yes

☐ No

What are the reasons for your answer?

Simple to understand from a levy payer perspective and administer.

24. If rate setting were to be determined locally should the same rate apply regardless of location within the local authority area?

☒ Yes

☐ No

What are the reasons for your answer?

Simple to understand from a levy payer perspective and administer.

25. If rate setting were to be determined locally, should there be a cap or bandwidth set for the level that a rate can be charged?

☐ Yes

☒ No

What are the reasons for your answer?

As above

26. How often should any proposed visitor levy rate be reviewed?

☐ Annually

☐ Every 2 years

☒ Every 3 years

- ☐ Every 5 years
- ☐ Other (please specify):

Record keeping and submitting returns

The type of levy we are proposing is based on a self-assessed tax model. This requires businesses to retain certain records to demonstrate the accuracy of any self-assessed tax return. This ensures the integrity of the tax system through enabling the tax authority to verify the accuracy of any payments and seeks to deter anyone from deliberately avoiding or evading their tax obligations.

We recognise that there would be administration costs for visitor accommodation providers to operate a levy, increased costs may result from: staff time to administer additional record keeping, IT system changes, accounting changes or other operating process changes. We recognise that there is an opportunity in the design of the levy to minimise the administrative burden on visitor accommodation providers. We are looking to understand potential costs in more detail to help inform the policy design.

The impact of self-assessed returns would be variable according to existing arrangements, infrastructure, and systems that businesses already have in place in relation to the management of their finances. There is a preference to avoid having an end-of-year crunch point for businesses and the tax authority. More frequent returns also enable more accurate up-to-date data, more time for errors to be resolved, more timely provision of data for administrative purposes. Therefore, more frequent returns are likely to be more beneficial for the administration of the levy for all parties. This would enable greater support to be provided to businesses throughout the year when administering the levy. On the other hand, a more frequent return may be burdensome for some businesses.

27. We have outlined under Table 1 the potential record keeping requirements for businesses based on different rate types. To help us understand in more detail potential record keeping requirements for businesses, please could you outline what information you think would be required to be collected and retained by visitor accommodation providers for:

A per night per room/accommodation levy

Rooms in scope and occupancy

A per person, per night levy

Number of people staying in property / room per night

A percentage of the accommodation charge levy

The accommodation costs for each property / room for each booking (excluding food and drink charges)

28. We wish to understand the impact of collecting and recording the information identified under Table 1 (and any other information you identified in response to the previous question) to help make a self-assessment of the tax liability. What would be the resource impacts of collecting this information (staff time and costs involved in making changes to any processes and systems)?

How could this data be collected (is there an existing process or system that could be used as part of the booking process)?

Accommodation providers are best placed to respond to this.

29. How frequently should visitor accommodation providers be required to submit self-assessed tax returns for a visitor levy, noting that it may be possible to allow more frequent submission if that suited the business?

- ☐ Monthly
- ☐ Quarterly
- ☐ Bi-Annually
- ☒ Annually

What are the reasons for your answer?

Providers are best placed to respond to this, but it should not be too onerous.

Enforcement and compliance

We recognise that most taxpayers seek to meet their obligations and respect the rule of law regarding taxes. However, to ensure the effectiveness of any tax system, there is a requirement for the tax authority to be provided with the powers sufficient to police the system to deter, prevent and identify those who seek to avoid, evade or defraud the public purse. We have outlined the need for investigative and civil penalty powers for the effective enforcement of a visitor levy.

30. To ensure compliance with the levy, it is likely the following enforcement powers would be required for the tax authority. Do you agree or disagree with the powers listed?

i. Civil information and inspection powers, including those to enquire into tax returns, audit records retained by visitor accommodation providers, and inspect premises

- ☒ Agree
- ☐ Disagree

What are the reasons for your answer?

Fairness and consistency

ii. Civil powers to charge interest and penalties, and to recover unpaid tax, where a visitor accommodation provider fails to undertake their statutory obligations relating to the visitor levy.

☒ Agree

☐ Disagree

What are the reasons for your answer?

Fairness and consistency

iii. Discretionary debt relief powers, for example the ability to reduce a debt to nil or to not issue a penalty in certain circumstances.

☒ Agree

☐ Disagree

What are the reasons for your answer?

Use of revenues

Revenues raised from a visitor levy are intended to be re-invested locally to support the local visitor economy. We recognise that the optimum way to spend revenue from any visitor levy is variable by local area and spending priorities and demand will vary by location. We are interested in your views about how revenues should be used in your local area to benefit the local visitor economy.

Additionally, we note that ring-fencing (hypothecation) was raised continuously through our engagement. As highlighted, ring-fencing is non-preferable as it can restrict local decision making and ability to set local spend priorities for which locally elected officials are accountable for.

31. How should revenues raised by a visitor levy be spent? What are the reasons for your answer?

This should be left for the councils to determine in consultation with their local community.

32. Should the revenues raised by a visitor levy be hypothecated (ring-fenced)? What are the reasons for your answer?

☐ Yes

☒ No

What are the reasons for your answer?

As above at q4, this should be left for the councils to determine in consultation with their local community and key stakeholders.

Transparency and engagement

Local authorities are well placed to engage at a more local level when considering the optimum use of revenues from a visitor levy in their area. Existing relationships, partnerships and forums may provide mechanisms for local engagement to take place.

Additionally, local authorities existing reporting arrangements regarding finances provide a mechanism to report on the visitor levy. However, we recognise that as the levy is intended to benefit the visitor economy, that more bespoke reporting and local evaluations would provide enhanced levels of awareness of the benefits of a levy and transparency in its use. We propose that reporting requirements would be standardised across all local authorities and determined via the tax framework (as outlined under the tax framework section). This ensures consistency of approach.

As visitors are unlikely to have paid this type of tax before in the UK, there would be a requirement for readily available information for visitors to understand the purposes, benefits, and use of a locally applied visitor levy.

33. What local engagement should take place when deciding how revenues are allocated?

Engagement should take place with all tourism stakeholders including communities who are impacted by tourism.

34. Should there be a separate annual report detailing the revenues collected and benefits of a visitor levy at a local level?

- ☐ Yes
☒ No

What are the reasons for your answer?

No it should be part of existing budget/financial planning and reporting.

35. We propose that reporting arrangements for local authorities would be set out within the tax framework to ensure consistency in approach across local authorities. Do you agree with this approach?

- ☒ Yes
☐ No

What are the reasons for your answer?

Consistency

36. What information should be available for visitors regarding the levy?

It should include basic information around the amount raised and how it has been used.

Implementation timescales

37. We propose that local authorities would be able to decide by way of local governance processes whether to implement a visitor levy. Do you agree or disagree with this approach?

☒ Yes

☐ No

What are the reasons for your answer?

The basis of the levy is that it should be for local communities to determine whether a levy is needed or not.

Should local consultation take place prior to the introduction of a visitor levy?

☒ Yes

☐ No

What are the reasons for your answer?

The basis of the levy is that it should be for local communities to determine whether a levy is needed or not and they should be consulted and the responses considered by the Council.

38. What transitional arrangements should apply for accommodation that has been booked in advance of a local authority implementing a visitor levy? What are the reasons for your answer?

How could any transitional arrangements be designed to avoid deliberate tax avoidance or evasion?

For providers to answer

Operational delivery models

We propose that there is an opportunity for partnership working between central and local tax authorities on the delivery of this proposed levy. This could combine the

strengths of local and centralised delivery. We are seeking views on how best to deliver the proposed visitor levy and whether there should be a role for a central authority or not.

39. How best can the proposed visitor levy be implemented and administered?

- ☐ Fully local implementation and administration
- ☐ Fully centralised implementation and administration
- ☒ Mixture of local and central implementation and administration

40. What would be the benefits and disbenefits of each option?

a. Fully local implementation and administration

b. Fully centralised implementation and administration

c. Mixture of local and central implementation and administration

We believe this needs to be discussed further with local revenues teams and potentially with national partners such as the Welsh Government and the Welsh Revenue Authority. As with council tax and business rates these are taxes that are collected locally under national legislation and guidance. One national digital solution might be helpful.

Welsh Language

41. We would like to know your views on the effects that the proposals to introduce a visitor levy would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

a. What effects do you think there would be?

The visitor levy would not have a direct impact on the Welsh language, nor would it treat the Welsh language less favourably than the English language.

An overnight stay levy is unlikely to have a direct impact on the number of second homes used for tourism in Welsh speaking communities, especially as councils now have increased powers to decide on the level of tax on second homes that's appropriate for their local circumstances. The discretionary aspect of any visitor levy is vital as this allows individual councils to consider the balance of risks and benefits in different areas. Any changes could then be incorporated into a council's Welsh language promotion strategy in the future.

b. How could positive effects be increased

The discretionary element allows each council to decide how benefits can be increased or negative effects mitigated based on their local needs.

This could also be an area of work that the new Commission for Welsh-speaking Communities supports with in terms of sharing best practice, advice, and guidance for areas with higher numbers of Welsh speakers to help inform their local policy decisions.

c. How could negative effects be mitigated?

See above.

42. Please also explain how you believe the proposed policy to introduce a visitor levy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

No further comments.

43. We have asked a number of specific questions through this consultation. If you have any related issues which we have not specifically addressed, please use this space to report them:

Responses to consultations may be made public. To keep your response anonymous (including email addresses) tick the box.

☐ Keep my response anonymous

Croesawn ohebiaeth yn y Gymraeg a'r Saesneg a byddwn yn ymateb i ohebiaeth yn yr un iaith.
Ni fydd defnyddio'r naill iaith na'r llall yn arwain at oedi.

We welcome correspondence in Welsh and English and will respond to correspondence in the
same language. Use of either language will not lead to a delay.

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