

Talking about a Visitor Levy in Wales

Community and youth version



Llywodraeth Cymru
Welsh Government



Hello

Wales is a great place to visit.

People come here from all over the UK and the world.

Visitors enjoy our:



In 2019:

- over **90 million** people visited Wales
- visitors spend over **£5.9 billion** here
- **10 million** visitors stayed overnight
- **149,600** people have jobs in tourism.

These visitors add to our Welsh economy. They support our businesses, jobs and bring money to local areas. But they also add pressure to local services, infrastructure and our environment.

i Infrastructure means the fixed physical things people use – buildings, roads, cycle paths, toilets, and more.

A new idea

We are thinking of letting local authorities charge visitors a visitor levy.

i A levy is a tax. It would mean visitors staying in an area would have to make a small payment.

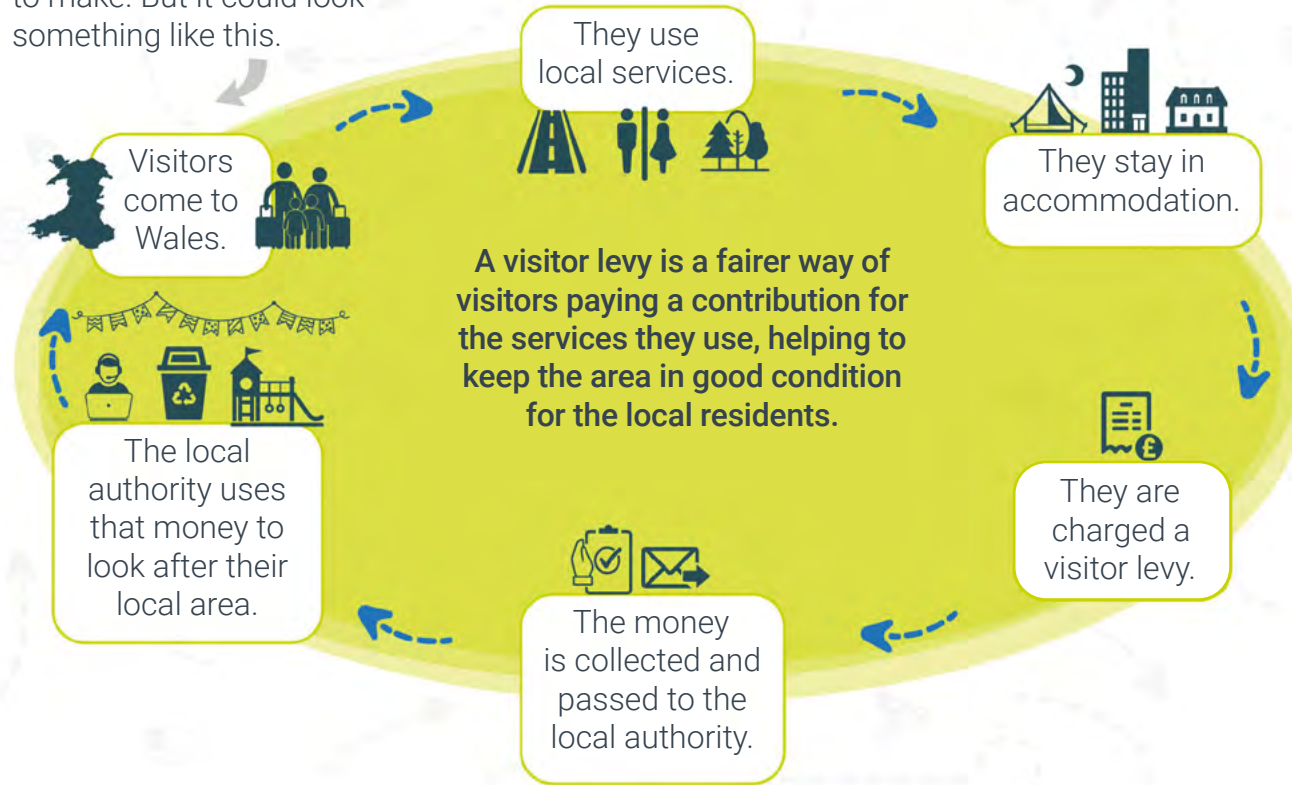
Local authorities would have the freedom to use the levy or not.

This tells you more about the visitor levy. We want to know what you think.



What this could look like

There are lots of decisions to make. But it could look something like this.



Why this is important

We want Wales to be a place that future generations can enjoy. We want to increase the positive things tourism brings and reduce the negative things. This is called sustainable tourism.

We think a visitor levy can help with this.

Our aims

Every local area is different. The number of visitors they get is different. Local authorities know their area and where the money needs to be spent to keep the area nice for visitors to return to and for residents to live in every day.

We want the visitor levy to:

- help local authorities look after their services and infrastructure
- make sure visitors share some of the costs so it's fairer for local people
- support sustainable tourism and our environment.





Talking about...

the purpose of the visitor levy and how it could work

Lots of countries have a visitor levy.

Some countries use it to keep an eye on the number of people who come to an area. We don't want the new visitor levy to do that!

But most countries use the money from the levy to cover the costs of local services and infrastructure used by visitors. We do want the levy to do this.



Question 1

We think local authorities should be able to apply a levy if they want to and use the money in their local area.

Do you agree? **Yes** **No** **Don't know**

Why?



Question 2

We think visitors staying overnight should have to pay the levy.

Do you agree? **Yes** **No** **Don't know**

Why?





Talking about...

the rules and framework for this levy

The visitor levy needs rules for it to work properly. It will have to have steps (a framework) that everyone needs to follow, including:

- how much the levy is
- who has to pay it and who doesn't
- who has to collect it
- how to make sure people follow the rules and what happens if they don't.

There are 3 different ways we can do this:

- 1. Each local authority sets their own framework.**
- 2. A Wales wide framework that gives local authorities some freedoms, like deciding the tax rate for their area.**
- 3. A Wales wide framework that all local authorities must follow.**

We think 3 is the best idea because:

- it's fairer because everyone is following the same rules
- it's easier to organise and apply
- it's simpler for visitors to understand.



Question 3

We think 3 is the best idea.

Do you agree? **Yes** **No** **Don't know**

Why?





Talking about...

planning how the levy will work

We need to decide how this levy will work.

We think it would be better if accommodation providers charged visitors the levy. They could collect it when visitors pay (either when they make a booking or when they stay).



Accommodation providers are the businesses or owners who run hotels, caravan sites, campsites, hostels, B&Bs and others.

The accommodation provider would need to keep records and make sure they pass on the money they collect to local authorities.



Question 4

We think accommodation providers should collect the levy.

Do you agree? **Yes** **No** **Don't know**

Why?



Talking about...

the people this would affect

We want the levy to be fair.

- **64%** of people came here for a holiday
- **25%** were visiting family and friends — (the levy would not apply to people staying with family and friends)
- **8%** came for business
- **3%** for another reason.

2018 numbers

They all used local services and infrastructure.



Question 5

We think all visitors staying in visitor accommodation should have to pay the visitor levy.

Do you agree? **Yes** **No** **Don't know**

Why?





Talking about...

the people this wouldn't include

There are some people we don't think the visitor levy should apply to.

This includes:

- **People living on Gypsy and Travellers sites.** But it would apply to people who come on holiday.
- **People who need emergency accommodation arranged by a local authority.** This includes homeless people and people escaping from abuse or violence.
- **Asylum seekers and refugees in accommodation arranged by a local authority.**
- **People staying in accommodation run by charitable organisations.** This includes rest breaks for carers or safe places for people escaping abuse.

Other places people stay

The visitor levy would not apply to people staying in the homes of family or friends, or in student accommodation.



Question 6

Do you agree with this list?

Yes **No** **Don't know**

Why?



Talking about... other issues

People have different needs and use accommodation for different reasons. We need to decide when the visitor levy should apply. This includes:

- People whose only option is hostels because they are the cheapest, otherwise they would be **homeless**.
- People who stay overnight because they need **medical treatment** or are supporting someone.
- **Children and young people.**
- **Disabled people.**

No matter what we decide, we want all local authorities to use the same rules about who should pay and who shouldn't have to pay the levy.

? Question 7

What do you think?

Talking about... accommodation

There are many types of accommodation. Some open all year round, some close for the winter. Some are run by large businesses, other smaller businesses run by one owner. For example, accommodation providers run:

- B&Bs and hotels
- caravan sites and campsites
- hostels and bunkhouses
- self-catering accommodation including Airbnbs.

Some people think we should give new accommodation providers freedom to not charge the levy. We don't think that would be fair on others in that area.

? Question 8

We think all accommodation providers should charge a visitor levy.
Do you agree? **Yes** **No** **Don't know**
Why?





Talking about...

how to apply the levy

There are different ways we could do this. We could have:

A fixed rate (£) per room or accommodation, per night

The levy could apply to the room or accommodation, not the number of people staying there. So, someone staying in a hotel room would pay the same per night as a family of four staying in a hotel room.

A fixed rate (£) at per person, per night

This is easy to do. It applies to everyone staying overnight. So, a family of four would pay four times as much as one individual staying in the same type of accommodation.

A percentage of the accommodation price

A couple staying in a budget hotel would pay less than a couple staying in a luxury hotel.

A combination of these

Some countries apply the levy per person per night plus a percentage of the accommodation cost.



Question 9

What do you think is the best option?

A fixed rate (£) per room or accommodation, per night

A fixed rate (£) at per person, per night

A percentage of the accommodation price

A combination of these.

No matter what we decide, we think it should be the same across Wales.

Do you agree? **Yes** **No** **Don't know**

Why?





Talking about...

how much the levy should be

We want to make sure we set the visitor levy at the right rate (price).

We don't want to:

- stop people coming to Wales or reduce the number of nights they stay because an extra cost
- puts extra pressure on people on lower incomes.

Some countries only charge people up to the first 7 nights they stay. If they stay longer than 7 nights in one visit the levy stops. They don't have to pay extra.

People working in tourism told us we should let local authorities set the price. But we think this might be confusing for visitors and unfair for accommodation providers if the rules are different in different areas in Wales.



Question 10

We think the visitor levy should be set at the same price across all of Wales.

Do you agree? **Yes** **No** **Don't know**

After how many nights in a row, should the levy stop?

- 5 nights
- 7 nights
- 14 nights
- Other number, please specify

Why?





Talking about...

using the money raised from the levy

Each local authority could raise a different amount of money from the levy. Some have lots of visitors, so a £1 visitor levy could raise millions. Others don't.

We asked tourism businesses what they thought the money should be used for. Most said supporting local services and infrastructure. Some said it should be used to:

- market and promote tourism in the area
- pay for environmentally friendly public transport systems.

Some said the money raised should be protected and have rules that say it can only be used on things linked to tourism. There are some positive reasons for that, but extra rules can stop money making the most difference.

So, we think local authorities should be able to use the money on things their area needs and things that will give the best results.



Question 11

We think local authorities should spend the money on whatever they think is best.

Do you agree? **Yes** **No** **Don't know**

Why?


How do you think the money should be spent?

Talking about... **working together and reporting**

We can't do this alone. We want to work with local authorities, accommodation providers and our communities. We want people to see the difference the levy is making in their area and get involved in decisions about how the money is spent.

To do this, local authorities need to show people how the money has been spent. They can either include this in their yearly finance reports or write a separate report about the levy.

We think a separate report could make it easier for communities and visitors to see the difference the levy makes.

 **Question 12**
How could communities get involved in making decisions about spending?

Should there be a separate report each year for the visitor levy?


Yes **No** **Don't know**

Why?

Talking about... **timing**

Change takes time and we want to do this right. We don't have a set timescale yet for starting the levy.

When all the decisions about the levy are made, local authorities would have the power to apply it or not in their area. It's important they leave time to involve the community in decision making.

 **Question 13**
We think local authorities should decide whether to use the levy and should involve the community in the decision.

Do you agree? **Yes** **No** **Don't know**
Why?



One last thing



Question 14

The Welsh language is important. What effects (positive or negative) do you think the new visitor levy would have on the Welsh language?



Question 15


Is there anything else you think we need to know about the visitor levy?

Thanks for reading

You can read the larger consultation here:

gov.wales/visitor-levy

Please send your answers to:

 Visitor Levy Team
Tax Strategy & Intergovernmental Relations
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

 VisitorLevyConsultation@gov.wales

 By 13 December 2022

