

Committee: **Place Scrutiny Committee**
 Date of meeting: **11th March 2025**
 Report Subject: **Visitor Levy**
 Portfolio Holder: **Cabinet Member – Place and Regeneration and Economic Development**
 Report Submitted by: **Destination Management Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
		03.03.25			11.03.25			

1. Purpose of the Report

The Council is looking to undertake local trade consultation on the Visitor Levy, and as part of that process Place Scrutiny Committee members are being to provide their views.

2. Scope and Background

- 2.1 The report will provide a detailed background on the Visitor Levy, an update on the current situation and outline what needs to be considered prior to making a decision on the implementation.
- 2.2 The consideration of the introduction of a Tourism Tax in Wales was first put forward in 2010 as an output from the commission that considered opportunities for tax devolution for Wales. It was included in the 2021-26 programme for Government and the consultation commenced in 2022. The consultation considered impacts and operational issues.
- 2.3 The detailed consultation considered a broad introduction looking at other models, establishing liability, rates, payment collection, record keeping, enforcement, exemptions and mitigations, hypothecation, behavioural impacts, communications, consultation design and final proposals.
- 2.4 The consultation was considered by the Blaenau Gwent Destination Management Partnership in October 2022 and a full response was submitted to Welsh Government.
- 2.5 The process realised that to deliver the levy, a full register of accommodation providers would be required, and the consultation and implementation of statutory registration scheme ran concurrently with the Visitor Levy and form part of a sister bill.
- 2.6 Visitor Accommodation (Register and Levy) Etc. (Wales) Bill- was published on 25th November 2024 and the bill is now progressing through the Senedd.

- 2.7 The Bill gives local authorities the choice to introduce a levy on overnight stays in visitor accommodation in their area. It also establishes a register of visitor accommodation providers operating in Wales.
- 2.8 If a local authority decides to introduce a visitor levy, they must consult with their communities before doing so.
- 2.9 The Levy will be a per person per night charge. It will apply to overnight stays in visitor accommodation in Wales where the local authority has decided to introduce a visitor levy. The levy would apply to all visitors regardless of where they have travelled from.
- 2.10 The Bill also establishes a register of visitor accommodation providers operating in Wales. The register will include the type of visitor accommodation and location of the premises they operate across Wales. All visitor accommodation providers will be required to register. This is regardless of whether the local authority area they are operating in, has chosen to introduce a visitor levy.
- 2.11 The Bill gives local authorities the ability to generate new money. This money can be invested into local services and infrastructure to support tourism in their area. Visitor levies are based on the principle of fairness. They aim to share the costs of tourism between residents and visitors more evenly. It is Welsh Government's ambition is to grow tourism by supporting local communities in a way that is sustainable.
- 2.12 The levy rate is a per person per night charge on overnight accommodation, set as:
- £0.75 per person per night for those staying at campsites (pitches) and hostels.
 - £1.25 per person per night for those staying in all other visitor accommodation types.
- 2.13 The rate will be set nationally to ensure consistency. Providers will be responsible for paying the levy. It is likely they will pass this charge on to visitors as an 'indirect tax.' It will be collected and managed by the Welsh Revenue Authority (WRA).
- 2.14 The levy will not be payable for stays in visitor accommodation where the:
- Stay is longer than thirty-one days.
 - Stay is at an individual's sole or main residence.
- The stay is for emergency or temporary housing arranged by the local authority if a stay is due to an emergency, visitors may be able to seek a refund from the Welsh Revenue Authority. For instance, if a visitor's home is uninhabitable due to fire or flood.
- 2.15 Disabled people who pay additional levy costs when accompanied by a carer will also be able to claim a refund.

- 2.16 If all local authorities in Wales introduced a levy, it could generate up to £33 million a year across Wales. It is envisaged that registration will cost £1-2m and it will cost the WRA £1-2m to collect the levy.
- 2.17 Money raised from the levy can help communities respond to the costs associated with tourism such as street cleaning, waste collection, maintaining toilets, and preserving natural and cultural attractions for everyone to enjoy. This will benefit both visitors and residents in improving facilities and reducing the burden on local authorities.
- 2.18 Yet, there is some data outstanding before a decision can be made. Officers should report back when this information is available. In the intervening time, consultation with the local trade will be made to help inform the decision. The closing date for any submissions regarding the bill is 10th January 2025. However, there is ongoing dialogue with local government officers and Welsh Government.
- 2.19 Extensive research has been undertaken on behalf of Welsh Government into the possible economic impact of introducing a visitor levy. There is minimal evidence to indicate that visitor levies have an adverse economic impact and there is limited research concerning displacement effects. The research commissioned by the Welsh Government didn't find any displacement evidence, however, it is acknowledged that this is challenging to model as identifying those who chose not to visit a destination due to a levy is near impossible.

3. **Recommendation**

- 3.1 The Place Scrutiny Committee members are asked to provide their views on the introduction of a visitor levy in Blaenau Gwent, in order for officers to evaluate the cost and benefit to the local authority on the introduction of a visitor levy in Blaenau Gwent. This will enable officers to evaluate the response from both Scrutiny members and traders. The results of which will be brought back to scrutiny for consideration and then for final approval by Cabinet.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

- 4.1 This topic supports the Blaenau Gwent Corporate Plan 2022/27 in Empowering and supporting communities to be safe, independent, and resilient by supporting the Council to make Blaenau Gwent a welcoming, diverse, and thriving place to live and visit.
- 4.2 It supports the Blaenau Gwent Well Being objectives. The BGDMP is identified as a key supporting strategy to Create a better, enhanced environment and infrastructure that will benefit our communities, businesses, and visitors.

- 4.3 It supports the Blaenau Gwent Destination Management Plan 2020-25 specifically the key themes of
- Business Development
 - Challenging and changing perceptions
 - Partnership Working

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short- and long-term impact)***

There is no impact on budget at this stage but there will be options to increase revenue in future reports.

5.2 ***Risk including Mitigating Actions***

There are no risks, as they are delivered by internal staff and within existing budgets.

5.3 ***Legal***

There are no legal implications in the preferred choice.

5.4 ***Human Resources***

There are no HR implications arising from the recommendations in this report as all the activities are delivered within the existing staff structure.

5.5 ***Health and Safety***

There are no Health and Safety implications arising from the recommendations in this report.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

There is no data available at this stage however, the consultation will provide information to inform future decisions.

6.2 ***Expected outcome for the public.***

There will be no impact on the public at this time.

6.3 ***Involvement (consultation, engagement, participation)***

There will be engagement with the relevant trade sector.

6.4 ***Thinking for the Long term (forward planning)***

This report highlights the need to prepare for a future report that may have long term impacts on the tourism sector and the wider community.

6.5 ***Preventative focus***

6.6 ***Collaboration / partnership working.***

There will be no partnership arrangements at present, but the relevant officers will work with WG/WRA in the future on the visitor accommodation Register.

6.7 **Integration (across service areas)**

There will be close integration with the S151 Officer on future reports.

6.8 **Decarbonisation and Reducing Carbon Emissions**

N/A

6.9 **Integrated Impact Assessment (IIA)**

N/A

7. **Monitoring Arrangements**

7.1 The work will be monitored through the BG DMP and the S151 Officer.

Background Documents /Electronic Links

- [*The Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill*](#)
- *Bill* (<https://senedd.wales/media/qlungcta/pri-ld16812-e.pdf>)
- *Explanatory Memorandum* (<https://senedd.wales/media/g5jpwwwh/pri-ld16812-em-e.pdf>)