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Submitted to Overnight Visitor Levy consultation
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The case for a local visitor levy in England

1 Should the power to raise a visitor levy also be extended to Foundation Strategic Authorities?

No

Provide further detail (optional):

Extending levy powers to additional authorities would significantly increase fragmentation, inconsistency and cumulative cost impacts. For organisations operating nationally, this would create uncertainty and administrative burden, increasing the risk that a levy intended for tourism becomes a widespread tax on work related travel and not something our associations would support

Use of revenues

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?

Yes

Provide further detail (optional):

Our Associations recognise that, where introduced, revenues from an overnight visitor levy should support local economic growth and infrastructure. However, this support must be clearly aligned with improving the visitor experience and destination competitiveness, rather than general revenue raising. Crucially, we stress that business travel should not be treated as a funding mechanism for local tourism investment. Business travellers already contribute significantly through business rates, corporation tax, income tax and transport fares. If levy revenues are generated from tourism activity, they should be transparently ringfenced and targeted towards tourism-related infrastructure, transport connectivity and public realm improvements that benefit both visitors and local communities

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?

Another centrally defined metric

Provide further detail (optional):

Revenues should be determined locally

While recognising the pressures local authorities face, our associations caution against rigid allocation mechanisms that risk further complexity. Any distribution of revenues should be transparent and proportionate. However, this question further highlights the importance of excluding business travel from scope, as allocating revenues based on overnight stays risks disproportionately capturing work-related travel that is not tourism driven.

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 (see sections 4.3-4.5)?

Yes

Provide further detail (optional):

Yes, in principle – but business travel should be exempt

While our associations recognise the administrative simplicity of a broad scope, we strongly oppose the inclusion of business travel within that scope. Business travellers are not visitors in the tourism sense and should not be treated as such for taxation purposes. Including business travel risks mischaracterising essential economic activity as discretionary tourism and places additional costs on employers, employees and supply chains. Any national framework must therefore include a clear and explicit exemption for business travel undertaken for work purposes.

5 Should the government introduce a threshold below which providers are not liable for a levy? If so, what form should this take? Please provide evidence for why any suggestions should be considered.

Yes

Provide further detail (optional):

Thresholds can reduce disproportionate administrative burdens, particularly for small and infrequent accommodation providers. However, thresholds should not be used as a proxy for appropriate policy design.

Our Associations reiterate that business travel should be exempt regardless of thresholds, as the fundamental issue is not provider size but the inappropriate application of a tourist levy to work-related travel.

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).

No

Provide further detail (optional):

The proposed exemptions do not adequately reflect the economic role of business travel. While social and welfare-related exemptions are appropriate, the absence of an exemption for business travel represents a significant omission.

Business travel underpins productivity, regional development, and inward investment. Treating it as equivalent to leisure tourism risks unintended economic harm and undermines the stated growth objectives of the policy.

7 Do you think that Mayors and other local leaders should have the power to introduce additional local exemptions to those outlined nationally? Please provide examples of specific exemptions, and evidence for these.

Yes

Provide further detail (optional):

Local flexibility could be used to introduce exemptions for business travel where national exemptions are not adopted. However, reliance on local discretion risks creating a fragmented and inconsistent national landscape.

Our Associations preference remains for a nationally defined business travel exemption, rather than postcode-based variation.

Levy rates

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

No

Provide further detail (optional):

A percentage-based levy would disproportionately penalise business travellers. Business travel is frequently booked closer to the date of travel, driven by operational need rather than choice, and often requires the use of higher-rated hotels for reasons of safety, location, availability and duty of care. As a result, a percentage-based charge would systematically impose a higher levy burden on business travellers compared to leisure visitors, despite business travel being non-discretionary.

This reinforces the our associations concern that a percentage-based levy risks functioning as a targeted tax on work-related travel rather than a neutral visitor charge. Even with alternative designs, our core position remains that business travel should not be subject to a tourist levy at all.

9 How should a percentage-based levy be applied to inclusive packages where accommodation is only part of the total cost (for example, packages that include meals, entertainment, or transport)?

Total cost

Provide further detail (optional):

Our Associations do not support percentage-based levies. Applying a levy to the total cost of an inclusive package would introduce inequity and inconsistency, particularly for business travellers. For example, a traveller who pre-purchases breakfast or other standard inclusions would incur a higher levy than a traveller who purchases the same items separately on arrival, despite consuming identical services.

If a levy were applied at all, it should be limited strictly to the room rate only. Applying it to bundled or ancillary elements would unfairly penalise certain booking behaviours and add unnecessary complexity to corporate booking, invoicing and expense processes.

10 Do you agree that Mayors and other local leaders should have the flexibility to set levy rates locally? Please describe any factors that should be considered in setting a rate.

No

Provide further detail (optional):

Allowing local discretion over rates would create a fragmented national landscape, with varying charges across regions. For organisations operating nationally, this would significantly increase cost uncertainty, administrative burden and compliance risk.

We strongly emphasises the need for national consistency across the rate, charging mechanism and remittance process. Without this, the levy risks becoming unpredictable and unmanageable for business travel programmes, reinforcing concerns that it would operate as a tax on UK businesses rather

than a visitor levy.

11 Should the government put in place a cap on the maximum tax rate? If so, at what level should a cap be set? Please provide evidence in support of your views.

Yes

Enter your preferred approach:

A national cap is essential to prevent escalation, protect competitiveness and provide certainty. However, caps should be viewed as a safeguard only and not as justification for applying a tourist levy to business travel.

12 Should the government put in place a limit on the maximum number of consecutive nights to which a levy applies? If so, at what level should that limit be set? Please provide evidence in support of your views.

Yes

Provide further detail (optional):

Longer stays are often associated with business travel linked to projects, training, relocation, and infrastructure delivery. Applying a levy indefinitely penalises precisely the economic activity the government seeks to encourage.

A national limit would partially mitigate harm but does not replace the need for a business travel exemption.

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

Enter your preferred approach:

The most important safeguard is the exclusion of business travel from scope. Additional safeguards cannot correct a fundamental policy misalignment.

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

No

Provide further detail (optional):

Differential rates would materially increase complexity for managed business travel programmes and risk inconsistent treatment across accommodation types.

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

No

Provide further detail (optional):

Our Associations believe selective geographic application would increase fragmentation and unpredictability, particularly for trips crossing local authority boundaries.

16 Should Mayors and other local leaders be able to vary the application of a levy in their areas based on, for example, seasonality? Please provide details of any other flexibilities that should be considered.

No

Provide further detail (optional):

Business travel is year round and not driven by seasonal tourism demand. Seasonal variation would disproportionately impact employers.

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?

Yes

Provide further detail (optional):

Meaningful consultation with business travel stakeholders is essential to assess economic and competitiveness impacts.

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

Yes

Provide further detail (optional):

Yes, with reservations

The prospectuses should explicitly assess impacts on business travel, productivity and employer costs.

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

Yes

Provide further detail (optional):

Businesses would require sufficient lead in time to renegotiate contracts, update systems and budgets.

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

Provide further detail (optional):

This would provide an important democratic safeguard.

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?

Yes

Provide further detail (optional):

A majority vote strengthens accountability given the economic impacts involved.

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?

Enter your preferred approach:

Consent mechanisms must be robust, transparent and democratically accountable, particularly in major business travel cities and markets.

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

Enter your preferred approach:

Clear accountability, published impact assessments and regular reporting on economic effects are essential.

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

Yes, but with further mechanisms

Provide further detail (optional):

Reporting should include audited accounts and evaluation of impacts on business travel and competitiveness

Liability and assessment model

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

Yes

Provide further detail (optional):

This is the most practical approach, provided intermediaries and corporate buyers are not exposed to compliance risk.

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

Enter your preferred approach:

Digital platforms could support administration, but integration with corporate booking tools and Travel management company systems is essential. However, improved systems do not address the core issue that business travel is being inappropriately captured by a tourist levy.

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

No

Provide further detail (optional):

Self assessment increases inconsistency and administrative burden across jurisdictions.

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

No

Provide further detail (optional):

Charging at arrival is operationally challenging and inappropriate for business travellers.

Administration

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

Combination of local and central authorities

Provide further detail (optional):

A hybrid model could provide national consistency alongside local accountability. However, from a business travel perspective, consistency is critical. There should be a single nationally defined framework covering levy rates, charging mechanisms, exemptions and remittance processes. Fragmentation across local authorities would significantly increase administrative burden for accommodation providers, Travel Management Companies and corporate travel buyers, particularly those operating across multiple regions.

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

Provide further detail (optional):

Yes, with transparency

Administrative costs should be proportionate and transparent. However, we reiterate that business travel should not be used to fund levy administration.

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?

Nationally

Provide further detail (optional):

A national registration system would reduce duplication and complexity. Fragmented local systems would significantly increase burden for nationally operating businesses.

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

Enter your preferred approach:

The most effective way to minimise burden is to exclude business travel from scope. Additional measures include nationally consistent rules, simple per-night charging (if applied to tourism), and integration with existing systems.

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

Enter your preferred approach:

Clear national guidance, sufficient lead-in times, and alignment with existing travel and booking processes are essential. However, administrative support cannot resolve the inappropriate application of a tourist levy to business travel.

Compliance and enforcement

34 Tax authorities will require enforcement powers to ensure compliance with a levy. Do you agree with the powers listed? a) Civil information and inspection powers, including those to enquire into tax returns, audit records retained by visitor accommodation providers, and inspect premises. b) 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. c) Discretionary debt relief powers, for example the ability to reduce a debt to nil or to not issue a penalty in certain circumstances.

Yes

Provide further detail (optional):

Yes, in principle

Enforcement powers must be proportionate and accompanied by safeguards. Their necessity further underscores why business travel should not be within scope of a tourist levy.

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.

Yes

Provide further detail (optional):

A clear appeals process is essential, particularly where classification disputes arise between business and leisure travel.

Equalities impacts

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

Enter your preferred approach:

Our Associations note that business travel supports employment, skills development and economic participation. Any levy that increases costs for work-related travel risks indirect impacts on equality of opportunity and workforce mobility.

About you

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Are you responding on behalf of an organisation?

Yes

If yes, please indicate which organisation:

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