

Visitor Levy Consultation

**A consultation on the design of a new
Mayoral power to create visitor levies on
overnight stays in England**

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Ministerial Foreword

The Government's mission is clear: we must do all we can to increase economic growth to enable living standards to rise in every part of the country. This cannot be achieved by decisions taken in Westminster alone. Higher prosperity in England's regions depends on local leadership having the powers and freedoms to be able to make more of the big decisions about the investment and growth in their areas.

Until now this local capacity has been constrained by limited fiscal devolution, with England being one of the most centralised countries in the developed world. This government is taking steps to change that. The English Devolution and Community Empowerment Bill will deepen devolution and support regional growth, but today we go further.

The government has announced that Mayors of Strategic Authorities in England will be given the power to raise revenue locally through a new visitor levy. Through this, Mayors will be empowered to deliver more long-term, locally led investment in transport, regeneration and cultural assets that can unlock growth and make places more attractive for residents, businesses and visitors. We are consulting too on whether, and how, this power could be extended to local leaders in Foundation Strategic Authorities.

This is a new era of fiscal devolution in England, giving Mayors the power to raise and invest money into projects that improve their local areas, raising living standards and driving growth. The Government will not compel any Mayor to introduce this levy, nor will central government reduce funding for Mayors if they decide to do so. Each Mayor can choose what is right for their area and the merits of the overnight visitor levy may well be contested in future Mayoral election campaigns. This is proper fiscal devolution. While central government will set the framework for the power, it will be up to local leaders and local voters to decide what is right for their area.

Tourism is a vital part of our economy. Investment in the places that people visit will help to build on England's reputation as world-leading destination. The government

is giving Mayors powers to shape how a levy would apply in their region to ensure it is affordable and is invested in the most impactful way.

We recognise that businesses, and potential visitors, may have concerns about the effects of a new levy. We want to hear from you, and to build on best practice from around the world, to ensure that the levy works for all involved, supporting local investment and the visitor economy, and improving the visitor experience. Hearing from businesses about how the levy can be well-designed to ensure it operates in a stable and proportionate way is a vital part of this consultation.

Local levies on overnight stays are common around the world – giving local leaders the ability to introduce a visitor levy in their area will give them a choice to join with their international counterparts in regional and national cities including Milan, Prague, New York, Paris, and in other parts of the UK.



DAN TOMLINSON MP
Exchequer Secretary to the
Treasury



ALISON MCGOVERN MP
Minister for Local Government
and Homelessness

Scope of the consultation

Topic of this consultation:

This consultation seeks views on the design of a new Mayoral power to create visitor levies on overnight stays in England.

Scope of this consultation:

The government is giving Mayoral Strategic Authorities in England the power to create local overnight visitor levies.

We are seeking views on the design of the new power including:

- whether Foundation Strategic Authorities should also have the power to create overnight visitor levies;
- how any revenues collected should be used;
- the types of accommodation that will and will not be included;
- how levy rates should be calculated and the powers Strategic Authorities have to change them;
- what Strategic Authorities need to do to introduce a levy and to change it;
- liability for the levy and how this will be assessed;
- the administrative framework for overnight visitor levies, including options to minimise regulatory requirements;
- equalities impacts.

To enable us to develop a robust approach to the design of this new power, please provide explanation and supporting evidence for your answers where requested.

Geographical scope:

These proposals relate to England only.

Basic Information

Body/bodies responsible for the consultation:

HM Treasury and the Ministry of Housing, Communities and Local Government

Duration:

This consultation will last for 12 weeks from 26 November 2025 to 18 February 2026

Enquiries:

For any enquiries about the consultation please contact:
OVLconsultation@communities.gov.uk

How to respond:

We strongly suggest you respond by completing the online consultation survey at:
<https://consult.communities.gov.uk/devolution-funding-and-fiscal-events/overnight-visitor-levy-consultation/>

The online survey will allow you to save a draft response and return to the survey at a later time. You may also submit additional information or evidence to support your response to this consultation. Further advice on how to use these features is available on the home page of the online survey.

If you are unable to use the online form, responses may be sent by email or by post. Details of how to do so are at annex 4.

About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 and UK data protection legislation. In certain circumstances this may therefore include personal data when required by law.

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Department is bound by the information access regimes and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

To support analysis of responses, the Department may use an Artificial Intelligence (AI) tool to identify themes and group responses. The tool will process consultation content securely and will not copy or share data. Personal data will be removed wherever possible before analysis, and any processing will be carried out in accordance with UK data protection legislation. Data will be processed using servers located in the UK and Sweden, as no UK-only endpoint is currently available. All data will be encrypted during transfer and processing, and the AI models are stateless, meaning they do not retain any data. No data will be permanently stored outside the

UK. The Department remains the data controller and will ensure appropriate safeguards are in place, including contractual requirements for any third-party processors.

The Ministry of Housing, Communities and Local Government will at all times process your personal data in accordance with UK data protection legislation and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. A full privacy notice is included below.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](#).

1. Introduction

1.1. Driving economic growth

1.1.1. The government has been clear that kickstarting economic growth in every part of the country is its number one mission. Across the economy since 2010, we have seen that low levels of public and private investment have led to low productivity and low growth. This is driven by low levels of investment from subnational government: the UK is an outlier, with the lowest level of subnational government investment in the G7 and 36th out of 38 OECD countries. Strategic Authorities have been unable to change this trend as their ability to raise revenues does not allow them to match their international comparators. Devolving powers, functions and funding is critical to reversing this under-investment.

1.1.2. Deepening devolution through providing new powers, functions and funding is crucial to empowering Mayors to drive growth, including in the visitor economy. The government has already taken steps through the English Devolution and Community Empowerment Bill to strengthen Strategic Authority powers, including on economic regeneration and boosting tourism, as well as other powers that support the visitor economy like adult skills and transport, the wider economy like housing and strategic planning, and the environment and climate change.

1.1.3. Without new revenue raising powers local leaders cannot match the level of investment seen internationally. International evidence suggests that enhanced fiscal devolution is associated with economic growth¹ and regional economic convergence². But the UK is an outlier in terms of the

¹ Blöchliger, H. and B. Égert (2013), "Decentralisation and Economic Growth - Part 2: The Impact on Economic Activity, Productivity and Investment", OECD Working Papers on Fiscal Federalism, No. 15, OECD Publishing

² Blöchliger, H., D. Bartolini and S. Stossberg (2016), "Does Fiscal Decentralisation Foster Regional Convergence?", OECD Economic Policy Papers, No. 17, OECD Publishing

ability of local leaders to raise revenue locally. According to the latest OECD data, the share of national taxes collected at the sub-national level in the UK is 5.8%: just a fifth of the EU average, and the lowest of the G7. In France, the share is 20.4%; in Japan, 36%, and in the USA 45.7%.

1.1.4. The government is already taking steps towards enabling Mayors invest in growth with new powers to raise revenue locally, but we can go further. Following Royal Assent of the English Devolution and Community Empowerment Bill, it will be possible to spend the existing Mayoral Council Tax Precept on the full range of growth levers Mayors hold, and Mayors will also receive powers to charge a Mayoral Community Infrastructure Levy on new developments, helping to fund strategic infrastructure for economic growth. But comparable economies overseas, and other parts of the United Kingdom have already moved forward with visitor levies, leaving England as an outlier.

1.1.5. We have already seen what Mayors and other local leaders can achieve when provided with the tools to deliver growth in their area. Greater Manchester has for many years used the Transport Levy across its constituent authorities to fund the continued expansion and success of their Metrolink. The Greater London Authority has deployed its Business Rate Supplement powers to help fund the Elizabeth Line and Tax Increment Financing to support the extension of the Northern Line to Battersea. The North East Combined Authority negotiated directly with developers to raise funding for the reopened Northumberland Line.

1.2. Strengthening the Visitor Economy

1.2.1. Tourism and related industries comprise a significant part of the UK economy. The Government is committed to increasing visitor numbers and improving the overall visitor experience as part of plans for the country to remain one of the most visited worldwide, driving economic growth. It is estimated that there were over 120 million visits in

England in 2024. Tourism directly accounted for an estimated £58 billion (2.4%) of the UK's economic output in 2023, contributing to a total output of £127 billion (5.2%) across related industries. Tourism was estimated to directly account for 1.2 million UK jobs in 2023 (3.9% of all workers), and 3.9 million jobs across all tourism-related activities (12.7% of all workers).

1.2.2. The UK is a leading market for investment from accommodation providers, and we are committed to creating the conditions that maintain the UK's competitive position as a leading destination and keeps the UK high on investors' lists. The UK welcomes continued investment from accommodation providers of all types, recognising the vital role that high-quality and diverse places to stay play in supporting our regions and their visitor economies. We know that accommodation needs also vary significantly by place, and the proposed approach for a levy will empower local leaders to consider local investment ambitions in bringing forward plans for a levy – from supporting luxury and international travel investment in key regional cities, to enhancing sustainable and independent offers in rural and coastal destinations.

1.2.3. Local levies on overnight stays are commonplace around the world. Almost every European country charges visitors occupancy taxes in some form. Some of these are well established – the *taxe de sejour* (holiday tax) in France has been in place since 1910. Others are more recent: Norway, for example, is introducing the *besøksbidrag* (visitor contribution) from Summer 2026. Cities such as New York, Amsterdam, and Rome apply overnight charges to fund local services.

1.2.4. Revenues from these taxes ensure that visitors directly support investment in the destinations they enjoy, enabling sustainable growth by helping to fund local events, marketing, infrastructure development and services. Visitor levies provide funding for local investment – including in the culture, arts, and sports sectors that form a key part of attracting visitors –

supporting the wider economy and facilitating local improvements to drive growth.

1.2.5. These local improvements and investments, in particular regeneration and repurposing of run-down or derelict areas, will make regions more attractive for investment from visitor accommodation providers. We want to attract more investment into the sector to grow the visitor economy which will provide jobs, economic growth, and make areas more attractive to potential visitors. We also recognise that accommodation providers operate in a competitive environment and that any new change must be designed carefully and avoid undue burdens. Evidence from other countries suggests that modest levies have limited impact on visitor numbers, and we expect most costs will be passed through to visitors rather than absorbed by businesses.

1.2.6. Tourism can also have a cost to the communities which host tourists, with local governments required to improve tourism infrastructure, and to enhance or protect cultural and environmental assets. Local services and infrastructure which residents rely upon, like waste collection and street cleaning, can face additional pressure from visitors. Visitor levies can provide a mechanism to ensure that the visitor economy is sustainable, with visitors contributing to the costs of developing infrastructure and providing services.

1.2.7. Levies on overnight stays are usually levied by a municipal, local, or regional local authority. In some cases, they are levied by a regional or national government, occasionally in addition to levies put in place by other tiers of government, though this is not the government's intention for England. These taxes are generally applied to visitors who are staying in paid accommodation within a defined area.

1.2.8. There is broad consensus among Mayors and other local leaders on the case for a levy. UK Mayors representing the Established Mayoral

Strategic Authorities have made clear that introducing a new, discretionary visitor levy power is one of their shared priorities for further devolution. Mayors in Established Mayoral Strategic Authorities have also indicated their intention to use new 'Right to Request' powers to continue to make the case for this power. The Right to Request process will place a statutory duty on government to consider requests and respond to them following Royal Assent of the English Devolution and Community Empowerment Bill.

1.2.9. Other parts of the United Kingdom have already moved forward with visitor levies, but England is an outlier. We will learn from the approaches taken internationally and in other parts of the UK. The government will consider the differences in approach between examples in developing this new power for Mayors in England. In Wales, the Senedd passed legislation earlier this year to introduce a power for Welsh local authorities to introduce a visitor levy. The Scottish Government introduced a power for local authorities to put in place a visitor levy in 2024, which has been taken up by a number of authorities across Scotland, with the first local levies expected to be in place from 2026. In England, limited arrangements replicating elements of a visitor levy have been put in place through 'Accommodation Business Improvement Districts', such as the one in Manchester.

1.2.10. In this context, the government plans to introduce a new discretionary power for Mayors in England, and potentially Foundation Strategic Authorities, to levy a charge on paid overnight stays. This is about providing Mayors with another tool in their toolbox to drive growth – a visitor levy on overnight stays will not necessarily be the right lever everywhere. That is why it is right for this to be a local power, alongside other tools provided through the English Devolution and Community Empowerment Bill.

1.2.11. This consultation is seeking views on how this new discretionary power for local leaders should be implemented, to support economic growth, including in the visitor economy.

2. The case for a local visitor levy in England

2.1. Empowering local leaders through fiscal devolution

2.1.1. Local leaders are best placed to understand and respond to economic needs in their areas, but they do not have the levers to match the levels of local investment seen in other countries. Giving Mayors of Strategic Authorities, and potentially other local leaders in Foundation Strategic Authorities (FSAs), new devolved powers to raise and retain revenue locally will mark a significant step forward for devolution in England, aligning with the government's commitment to equip local leaders with the tools they need to unlock growth.

2.1.2. Mayoral devolution works. Mayors can use their mandate for change to take the difficult decisions needed to drive growth, their standing and soft power to convene local partners to tackle shared problems, and their platform to tackle the obstacles to growth that need a regional approach. It works because they have skin in the game and are accountable to their citizens. We have already seen the success of providing Mayors with fiscal powers through the delivery of projects like the Elizabeth Line or Greater Manchester's integrated transport system. Devolving power to raise a local visitor levy is the next step to bring Mayoral powers towards the same level as their international counterparts.

2.2. Unlocking growth through a visitor levy power

2.2.1. Power brings with it opportunity. Granting local leaders new powers to charge a visitor levy on paid overnight stays will enable them to take local investment to the next level – supporting new and existing infrastructure, and

enhancing the overall appeal of their areas for residents, businesses, and visitors. Mayors hold the levers to drive growth – such as transport (including bus franchising, capital investment, and the integration of local transport), redevelopment, strategic planning, adult skills, and housing, which support local economic growth and the visitor accommodation sector. But without a more reliable revenue stream, Mayors will not be in a position to attract greater private investment and make longer-term strategic investment decisions. Giving local leaders a long-term revenue stream that they control enables and empowers them to undertake investment decisions that deliver growth in the tourism sector and local economy more widely over the medium term.

2.2.2. Giving Mayors the option to collect contributions through local levies can make a huge contribution to local areas, and to the tourism sector – creating a double dividend for communities. As seen through examples from around the world, this form of additional local investment can help to make areas a better place to live, whilst also growing the visitor economy. Giving these local leaders the powers and revenues to maximise the potential of their areas will unlock interventions which are simply not possible without investment from the public sector. For example, improvements to local transport networks and connectivity can improve the daily lives of residents and boost productivity, while enhancing the visitor experience and supporting further tourism.

2.2.3. The Government intends to introduce a visitor levy power in England to enable Mayors and potentially other local leaders to take full advantage of the economic opportunities offered by the visitor economy, as seen elsewhere in Great Britain. In Scotland and Wales, all local authorities already have the legal power to apply a visitor levy. The City of Edinburgh Council will be the first to implement a percentage-based charge from July 2026, while Wales has legislated for a fixed per-person, per-night model with centralised collection. By legislating for powers in England, while

learning from those who have gone before, the government is ensuring that communities can better shape their local economies too.

2.2.4. The introduction of this new power is in the context of the government's plan to simplify the complex devolution landscape in England, as set out in the English Devolution White Paper. The Government's ambition is for all of England to have a Strategic Authority which can access devolved powers. These are typically Combined Authorities, which bring together a group of local authorities to work together although some areas will have another model. Each Strategic Authority will have a designation (Foundation, Mayoral or Established Mayoral) setting out what functions it has access to. Authorities can progress up through the designations as they mature and deliver for their residents. For example, in relation to fiscal and funding powers, Mayors can issue a council tax precept, a Business Rates Supplement (subject to a local ballot), and (following passage of English Devolution and Community Empowerment Bill), a Mayoral Community Infrastructure Levy (subject to a Spatial Development Strategy being in place). Established Mayoral Strategic Authorities, such as the Greater London Authority and Greater Manchester Combined Authority are also eligible for Integrated Settlements.

2.2.5. Mayors do not yet represent every part of England. The government is therefore considering whether to maximise the economic opportunity a levy provides by also devolving this power to non-Mayoral authorities such as Foundation Strategic Authorities, which are a stepping-stone to Mayoral devolution. Foundation Strategic Authorities – such as Lancashire Combined County Authority – also cover broad regions and hold the same devolved transport, planning and skills-related powers as Mayors. With these complementary powers, and strategic roles in economic development used over a significant geographic area, Foundation Strategic Authorities also have strong roles to impact local growth.

2.2.6. If Foundation Strategic Authorities are granted this power, the Government considers that a higher level of consent for them to introduce a levy should be required to ensure they are accountable to local people. This reflects the fact that Foundation Strategic Authorities do not have directly-elected Mayors. This is detailed in chapter 7. This would not change the approach to local consent required of Mayoral Strategic Authorities.

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

3. Use of revenues

3.1. Purpose and principles

3.1.1. Our intention is to provide Mayors, and potentially other local leaders in Foundation Strategic Authorities, with the power to introduce a visitor levy that will drive economic growth, including through supporting the local visitor economy. This chapter sets out proposals for how revenues raised through a levy could be used, the degree of local autonomy, and the accounting and transparency requirements that would apply.

3.1.2. The levy is intended to support local leaders to drive economic growth in their areas, and make their places more desirable to visit, live, and do business in. It is designed so that visitors who benefit from local services and amenities contribute to the economic sustainability and improvement of the places they visit. This will enable local leaders to take forward interventions that directly or indirectly drive growth, and improve the local visitor economy.

3.1.3. Investments funded by levy revenues will play an essential role in driving the economic growth, including in the visitor economy, that makes places desirable to visit, live and work in. This will ensure tourism actively contributes to the long-term wellbeing of places and communities. It recognises that tourism and overnight stays interact closely with a wide range of local services and infrastructure – many of which are delivered by lower tiers of local government – and seeks to ensure that these systems are strengthened, not strained, by visitor activity.

3.2. Funding priorities and local allocation

3.2.1. The Government is of the view that local leaders should be able to invest visitor levy revenues in pro-growth projects, including both

initiatives directly related to the visitor economy and broader initiatives which have a positive impact on the region's economic health. This includes, for example, improved public transport, regeneration of the public realm, or providing housing to allow employees to live closer to their places of work, and investing in cultural and visitor attractions. This could be achieved by allowing local leaders to use levy revenues towards capital investment and to access borrowing. This type of investment will enhance the overall visitor experience and the wider local economy, which could in turn drive up tourism and overnight stays.

3.2.2. Local leaders should also be able to use levy funds for revenue spending, towards ongoing service delivery that supports local economic growth, including by enhancing the area's appeal as a destination for visitors. This could include local authority delivered services, where these support growth, including in the local visitor economy. It would also include Strategic Authority-level functions such as funding:

- Existing and new cultural and sporting events that attract visitors to the area, supported by new powers in the English Devolution and Community Empowerment Bill (EDCEB) that allow Mayors to invest in concerts, exhibitions, and local tourism promotion, including in shoulder seasons;
- Transport services, such as bus franchising and integrated ticketing schemes, which improve accessibility for visitors and residents; and,
- Support for businesses in training and skills development, recognising the significant labour and skills shortages in the hospitality sector.

3.2.3. Local leaders should, therefore, be able to distribute revenue from a levy among constituent local authorities. Mayors or other local leaders should be able to provide a portion of levy revenues to local authorities where a levy applies to deliver specific interventions that support growth, including

the visitor economy, where powers and responsibility for delivery are held at local authority level. This includes to support the local authority services that support the visitor economy: public realm improvements, street cleaning, park maintenance, high street regeneration, and the provision of public facilities like public toilets.

3.2.4. Government is seeking views on whether a minimum revenue share for local authorities should be set. Setting a percentage of levy revenues to share with local authorities would ensure the impacts overnight visits have on local services is recognised, but would limit local leaders ability to tailor shares to local priorities, and may lead to inefficient use of funding, for example where a minimum proportion exceeds the necessary relevant spend at local authority level. This allocation could be based on the number of visitors in each local authority, or be agreed locally as part of the introduction of a levy. The former option may add operational complexity in a model where levies are administered nationally, as information on where levy payments were made at local authority levy would need to be captured.

3.2.5. In addition, where local authorities are involved in the administration of local levies, a portion of revenue may be used to support the administration of the tax. Further details on this point are in chapter 8.

Question 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?

Question 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?

4. Scope of the levy

4.1. Introduction

4.1.1. A visitor levy, where adopted, will apply broadly to short-term overnight stays in commercially let visitor accommodation. This chapter considers the accommodation and visit types in scope of a levy, as well as possible exemptions.

4.2. Accommodation types in scope

4.2.1. The government proposes that all types of commercially let short-term accommodation should be within scope of the visitor levy, subject to local decisions on the scheme. This ensures a clear and consistent approach that avoids market distortions and reduces opportunities for avoidance. A levy would therefore apply to all accommodation types used by leisure or business visitors, such as hotels, guesthouses, bed and breakfasts, hostels, campsites, self-catering properties, and short-term lets – irrespective of size, price, frequency of letting, or booking method.

4.2.2. While all accommodation types should be in scope, we propose that Mayors and other local leaders should have discretion to apply locally determined exemptions or reliefs to certain types of accommodation. This would be an option where local leaders set out a clear proposal and rationale which is publicised and consulted on, and subject to any other transparency and accountability requirements (such as those set out in chapter 6). This approach would provide local leaders with broad flexibility to make local decisions on exemptions, which reflect local circumstances.

4.2.3. The types of accommodation which could be considered as in scope for a levy includes, but is not limited to, the list below. Further

consideration will be given to the types of accommodation in scope following consultation.

- Hotels;
- Bed and breakfasts;
- Guesthouses;
- Hostels and bunkhouses;
- Campsites and caravan parks;
- Self-catering properties (e.g. cottages, apartments, short-term lets);
- Serviced apartments, aparthotels, and holiday lodges;
- Glamping sites such as yurts and pods;
- University halls or student accommodation let commercially during holidays;
- Religious retreat accommodation where commercially let; and
- Accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place.

4.2.4. This means a levy would not apply where:

- The overnight accommodation constitutes a person's only or usual place of residence. This would include stays such as long-term student housing or care homes;
- Visitors stay in private homes with family or friends, where no commercial transaction has taken place;
- Accommodation in a vehicle, or on board a vessel, that is undertaking a journey involving one or more overnight stops.

4.2.5. Exemptions and exceptions could be set out on a number of bases:

the characteristics of the accommodation provider, the characteristics of the accommodation or the visitor (see sections 4.3-4.5). These are dealt with in the following sections in this chapter.

Question 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)?

4.3. Potential thresholds based on characteristics of the provider

4.3.1. The government is aware that the additional administration requirements created by a levy may be disproportionate for smaller or infrequent accommodation providers. Setting a minimum threshold above which providers become liable for a levy could reduce administrative burdens for very small or infrequent providers. Any threshold would need to be clearly defined, simple to administer, and designed to reduce opportunities for avoidance or unfair competition.

4.3.2. The government is seeking views on whether a threshold should be put in place, what form that threshold should take, and at what level it should be set. Options include, but are not limited to, exempting accommodation that is let for fewer than a certain number of nights per year, accommodation that is offered at a very low cost, or accommodation made available by providers that only generate very limited turnover from their accommodation activity, though this may incentivise avoidance. It is the government's view that any threshold should not be set at a level that excludes a large number of accommodation providers from the levy, but that it should

take into account the balance of the revenue raised against additional administrative costs that businesses might face.

Question 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.

4.4. Exemptions at a national level

4.4.1. Determining whether and how exemptions should apply to the visitor levy is a critical design choice, balancing fairness, simplicity, and deliverability. Overnight stays vary widely in purpose and affordability, and some visitors may be staying in visitor accommodation out of necessity or in vulnerable circumstances, raising equity considerations. A well-designed framework must ensure that exemptions are limited, clearly defined, and consistent nationally, while allowing scope for local flexibility, subject to any transparency and engagement requirements. The government is seeking views on the case for a core set of national exemptions that apply across England and the potential for Mayors to introduce additional exemptions within defined criteria.

4.4.2. The government proposes that where a Mayor chooses to put a visitor levy in place it should apply across a range of visit types that make use of local infrastructure and services. This means a levy would apply equally to:

- Business travellers: These visits make use of local infrastructure and exempting business travel would introduce unnecessary complexity and could undermine the fairness and integrity of a levy;
- Stays for recreational purposes, including holidays, short breaks, and tourism-related activities: These visits often coincide with peak demand on local services and amenities, such as transport, waste management, and public realm maintenance.

4.4.3. However, there will be some circumstances where charging a visitor levy is not appropriate, especially where an individual is staying in visitor accommodation as a form of primary residence out of necessity.

4.4.4. The government intends to exempt a small number of accommodation types based on the characteristics of the accommodation. The government is seeking views on whether the proposed exemptions should be taken forward, and whether any further exemptions should be considered. National application of these ensure that due regard is given to equalities considerations, and that there is a degree of consistency and predictability for visitors and providers across England. These exemptions reflect situations where types of accommodation are occupied on a temporary basis, but where the primary usage of the accommodation is not to visit an area. This would include:

- Stays in registered Gypsy and Traveller sites where the accommodation is a primary residence;
- Stays in charitable or non-profit accommodation provided for shelter, respite, or refuge, where the accommodation is not commercially operated.

4.4.5. Exemptions based on characteristics of an individual visitor is an alternative approach to ensure fairness. However, this would place an additional burden on both the visitor and the accommodation provider. It would be complex for accommodation providers to assess whether a specific visitor's stay is eligible for an exemption and potentially factor this into their booking process. It would mean that visitors may need to provide sensitive documentation to evidence that their stay qualifies for an exemption. Therefore, we propose that where possible exemptions should be based on the accommodation type rather than the individual visitor.

4.4.6. However, the government recognises that there may be a case to exempt types of visitors, based on their circumstances, where the scope for avoidance is limited. For example, while the government has been clear that it wants to reduce the use of hotels and B&B accommodation for homeless households, there may be a case to exempt stays arranged by local authorities as a form of statutory Temporary Accommodation, including for individuals or households experiencing homelessness or fleeing domestic abuse. In these circumstances, the cost is generally borne by local authorities.

4.4.7. The case for exemptions based on the characteristics of visitors must be balanced against the complexity it adds to business, visitors, and the tax authority. For example, in recording that an exemption is applied, and adjusting any prices accordingly. The government considers that simplicity should be prioritised to minimise these burdens, but is seeking views on whether the case for any such exemptions outweighs the need for simplicity.

Question 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).

4.5. Local Exemptions

4.5.1. The government is also seeking views on whether local leaders should have powers to make other exemptions, in addition to those set at a national level. Any decision to introduce a local exemption would be subject to the transparency and accountability arrangements set out at chapter 6. The government's expectation is that additional exemptions from the visitor levy should be applied only where there is a clear and justified rationale, on that basis that all visitors to an area should contribute to improving and maintaining the local area. This flexibility would allow Mayors to tailor a levy to local circumstances and support the visitor economy in ways that reflect regional priorities. This flexibility could include specific exemptions where there is a clear economic or social rationale which Mayors or other local leaders publicise through the transparency and accountability arrangements.

4.5.2. However, complete flexibility to create exemptions may increase complexity, reducing clarity for businesses and visitors operating across multiple areas with a levy. Differing the application of a local levy between locations in this way may increase the administrative burden for accommodation providers, especially if different areas define exemptions differently. As such there may be a case for constraining local choice to a defined list of possible additional exemptions. Evidencing exemptions for specific visitors could place a burden on visitors as well as accommodation providers.

Question 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.

5. Levy rates

5.1. Introduction

5.1.1. This chapter seeks views on the form of the tax rate that should apply to overnight accommodation, powers to vary that rate, and relevant safeguards. This includes whether a percentage rate or other model should be considered, how that levy rate should apply, and the level of flexibility Mayors and other local leaders should have to vary the rate.

5.2. Rate structure

5.2.1. Whether the tax is based on the price of the accommodation or the unit of accommodation (room or person) has implications for economic efficiency, equity, administrative practicality as well as how easy a levy is to understand. A range of different approaches are used in other similar countries, each with different implications for fairness, simplicity, and responsiveness to local economic conditions. Each model has its own advantages and trade-offs in terms of fairness, simplicity, and responsiveness to local economic conditions. The options the government is considering are:

- Percentage of accommodation cost;
- Flat rate charge, either:
 - per person, per night; or
 - per room, per night.

Percentage Model (an ad valorem rate structure)

5.2.2. The government's proposed approach is for the rate to be a percentage-based model, as this is the fairest and more flexible way to structure a levy. A percentage-based model calculates the visitor levy as a

proportion of the cost of the accommodation being provided. This approach is increasingly used internationally and is our preferred option for England. This model offers several advantages. In particular, it is proportionate, with higher-cost stays incurring higher charges, ensuring that those who can afford more or choose to stay in more expensive accommodation types or locations will contribute more. This contrasts to other models where visitors pay the same, regardless of the cost of their accommodation. An ad valorem charge also naturally captures fluctuations in prices over time – either with seasonal price changes, or as prices change year-on-year – without the need to add complexity through seasonal tiers, or annual updates that would be required in a flat rate model. Furthermore, this approach would reflect actual spending behaviour, making a levy more proportionate to the economic activity it is linked to.

5.2.3. The government recognises that a percentage-based model may, in some cases, create additional complexity. Accommodation providers may, for example, need to calculate a levy based on variable pricing, though many providers already handle dynamic pricing, and a levy could be integrated into existing payment processes. The government acknowledges that some providers may find it more challenging to adapt payment processes to accommodate additional prices, and would like to understand the views of these providers through this consultation process. Additional rules may also be needed if, for example, local leaders had the flexibility to exempt certain types of visitors, and it was necessary to establish what portion of the overall cost is attributable to different visitors in a group.

5.2.4. The government is seeking views on how to apply a percentage-based levy to stays where accommodation costs are part of a wider package. This could include, for example where meals, entertainment or transport are sold with accommodation. If the percentage is applied only to the price of accommodation within a package, this creates a burden for businesses who would otherwise not have itemised the cost of the package, but also

creates opportunities for avoidance. A model where businesses were required to itemise a bill could incentivise price shifting between accommodation costs and other parts of the bill (e.g. meals), to lower the taxable base (i.e. the value that a levy is calculated on) and therefore their liability. However, applying a levy to the full unavoidable costs of a stay may have other drawbacks – as a higher charge would have a higher impact on the competitiveness of different accommodation options. This could increase the impact on visitors with undesirable consequential impacts on the price elasticity of demand for overnight stays. Further details on assessing liability, including the tax point, are at chapter 7.

Flat Rate Model

5.2.5. An alternative approach is a flat-rate model, applying a fixed charge per person or per room, per night, regardless of the cost of the accommodation. This approach is used in some international contexts and can be seen as simple to understand and administer. A per person model creates a direct link between overnight visitor numbers and revenue, and may support the ability to provide exemptions based on visitor type – though there would remain a number of issues with this type of exemption as set out in chapter 4. Where accommodation providers already collect information on number of rooms in use, this will be easier for them to incorporate into booking systems. Accommodation providers may not routinely collect information on the number of people in occupation of a room, and so a charge per person may introduce additional complexity.

5.2.6. A flat rate model is inherently regressive, applying the same charge to all visitors regardless of the price of their accommodation or their ability to pay. This means that budget travellers staying in low-cost accommodation would pay the same levy as those staying in luxury hotels. There are also challenges in ensuring consistency across different booking platforms and accommodation categories, and particularly for the per room per

night model, where occupancy levels or guest numbers vary, or there is not a clearly defined 'room' for an individual visit (for example in shared hostels, caravans or hotel suites). There may, however, be benefits to a flat rate approach. It may be simpler for visitors to understand, and may make revenue more predictable.

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

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

5.3. Powers to set a chargeable rate

5.3.1. The government proposes that local leaders should have the power to set levy rates within their areas, potentially within certain limits subject to views in response to this consultation. This approach would allow local leaders to set the specific chargeable rate for their area, based on local consultation and economic priorities. This approach maximises local accountability while minimising administration burden.

5.3.2. In setting a rate, Mayors and other local leaders would need to strike a balance between generating sufficient revenue for local investment and maintaining fairness, simplicity, and affordability for visitors and local businesses. Mayors would need to consider a range of factors in arriving at an appropriate rate for their area. This would include finding an appropriate balance between:

- The local economic priorities, including on tourism, that a levy is intended to support, and whether a levy rate will generate sufficient revenue to support these priorities;

- The impact on tourism demand: whether a levy is affordable, to minimise deterrence of tourism and harm to the visitor economy; and,
- Stability and certainty for businesses and visitors

5.3.3. The relationship between cost of accommodation and number of visits – the price elasticity of demand of overnight accommodation – is a critical factor that local leaders will need to consider in setting the visitor levy rate. This relationship is complex.

5.3.4. Evidence from other schemes suggests that small levies can have a relatively small impact on visitor numbers. However academic research suggests that reactions to accommodation price changes can vary, and some visitors will be more sensitive to price changes than others.

5.3.5. As destinations become more desirable to visit, this should improve visitor experiences and result in jobs being created in the visitor and wider economies. However, research is limited on the extent to which additional public investment into growth, including the visitor economy, will offset price elasticity impacts over time.

5.3.6. Mayors, or other local leaders, will need to consider the impact of providers passing on costs to visitors when taking decisions to implement a levy. To support the simple administration of local levies, as set out in chapter 8, providers would be liable for a local levy. Providers will be able to choose whether to pass on levy costs to visitors as part of the cost of accommodation. Where the cost of a levy is passed on to visitors through higher prices, any VAT payable will be due on the total cost to the visitor. This adds a further small component to considerations on the price elasticity of demand impacts of putting in place a local levy.

Question 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.

5.4. Limits on powers to set rates

5.4.1. The government considers that Mayors and other local leaders should have flexibility to set a levy rate locally. One of the benefits of a devolved power is that it empowers local leaders to take decisions which impact on their area and be held accountable for them. Providing Mayors with this flexibility would give them more influence over, and responsibility for, the outcomes for the communities they represent.

5.4.2. The government also acknowledges the importance of a levy being affordable, especially for family holidays and the need to provide stability and certainty for accommodation providers for their long-term business planning. As such, it may be appropriate for some limits to be placed on local decision making. A cap on the maximum tax rate could help to support business and investment planning, as well as preventing excessive rates that could negatively impact visitor numbers. The government notes that the rate of occupancy taxes in some countries is capped, while in other countries it is not. For example, the Welsh Government has set a national rate, whereas the Scottish Government has not limited the rate of the Scottish Visitor Levy.

5.4.3. The government is therefore seeking views on whether a national cap on levy rates should applied, and at what rate that should be set.

5.4.4. The government is also seeking views on whether any other national constraints should be put in place around local levy rates – in particular a cap on the number of nights for which a levy applies. An alternative option could be, for example, a cap on the number of nights to which a levy is applied – for example at 7, 14, 21 or 28 nights. Shorter caps, at 7 or 14 days, would incentivise longer stays to some degree, but would be regressive. A longer cap of 21 or 28 days would benefit individuals who are

staying in an area for a much longer term, for example as a temporary form of accommodation while more permanent accommodation is arranged. There may be a case for either of these approaches: a shorter-term cap would focus on protecting longer holiday stays, while a longer cap would focus on ensuring individuals or households who are using visitor accommodation as their main place of residence are protected.

Question 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.

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

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

5.5. Powers to vary the chargeable rate within an area

5.5.1. To ensure the visitor levy reflects the diversity of local visitor economies, we propose that Mayors and other local leaders would have discretion to vary the charge within a nationally defined framework. This flexibility would allow Mayors to tailor a levy to their specific tourism patterns, accommodation mix, and strategic priorities, while maintaining consistency and fairness across England.

5.5.2. The visitor economy is not uniform across England. Different types of accommodation have varying benefits and impacts on local areas. In some areas, these accommodation types may play a vital role in supporting inclusive access to tourism or may operate on very low margins, making the application of a levy less appropriate. Conversely, other types of accommodation, such as short-term lets (STLs), may have a disproportionate impact on housing

availability, local infrastructure, and community cohesion, and may be considered a priority for inclusion in the scope of a levy.

5.5.3. The government therefore proposes that Mayors and other local leaders would be able to set different rates for different types of accommodation. This could include setting a higher rate for short-term lets where there is a need to balance local housing demand and the need for local employee housing with accommodation for visitors. These types of accommodation, such as entire-home holidays rentals, have distinct impacts on local housing markets – for example contributing to affordability pressures or displacing longer-term housing – neighbourhood character, and public services, particularly in areas of high tourism demand. This power would also enable Mayors to apply a lower rate to accommodation types with lower impacts on local communities including, if desired, a zero percent rate.

5.5.4. This approach would give Mayors and other local leaders the tools to respond to local challenges and opportunities, such as managing tourism pressures, addressing affordability concerns, or supporting infrastructure during busy periods. It would also allow a levy to reflect the unique characteristics of each area's visitor economy, which will help avoid unintended consequences, and support strategic, targeted investment in local economies.

5.5.5. However, flexibility for Mayors and other local leaders in different areas to set different rates for different accommodation types will increase the complexity of a levy. This could increase the administrative burden of a levy and increase the risk of confusion for visitors and accommodation providers about what rate is applicable.

5.5.6. Any local rate variations would need to be clearly defined, subject to consultation, and transparently published.

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

Local flexibility to decide where a levy applies

5.5.7. We propose that Mayors should be able to decide which constituent authorities of their region a levy applies in. This would allow Mayors to make decisions about where a levy is most appropriate, taking into account the profile of their local visitor economy. Structuring this around existing authority boundaries would limit the administrative complexity for businesses.

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

Other options for local flexibility to set rates

5.5.8. The government recognises that giving Mayors and other local leaders additional flexibility to adapt levy rates in their region could make a levy more responsive to local circumstances, for example high numbers of visitors in tourism hotspots or at particular times of year.

5.5.9. However, creating additional scope for variation may create undue complexity. For example, there would be added administrative complexity if a business operating in multiple areas within the same Strategic Authority, had to pay a different rate in each of these. The case for additional local flexibility will need to be considered against the administrative burdens faced by accommodation providers.

Question 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.

6. Transparency and accountability

6.1. Consultation

6.1.1. We propose that a formal public consultation is undertaken by Strategic Authorities prior to implementation of a levy (and periodically afterwards, if the rate or scope are amended). We expect that this would include consulting with those likely affected by the charge and the expenditure of any revenues, such as:

- Accommodation providers and industry bodies;
- Other relevant hospitality businesses and attractions;
- Tourism organisations and Local Visitor Economy Partnerships and other destination management bodies;
- Local residents and community groups;
- Visitors (where feasible); and
- Any further types of organisation set out in any subsequent guidance, or as deemed appropriate by the Strategic Authority.

6.1.2. In line with other statutory consultation requirements, the consultation should be based on a published draft prospectus which sets out information, such as:

- The area in which a levy will apply (if not the whole Strategic Authority area);
- The rate levied, including any variations;
- Any exemptions;
- What levy revenues are planned to be spent on; and
- Any revenue share for constituent authorities, where relevant;

- Any further information set out in subsequent guidance, or as deemed appropriate by the Strategic Authority.

6.1.3. The Strategic Authority would then publish a summary of the consultation results and its response, including a final prospectus, and an impact assessment, informed by the consultation. They may wish to revise the draft prospectus with respect to the findings from the consultation. MSAs would need to provide a minimum of twelve months' notice for businesses and local authorities to prepare for the introduction of a levy. Any changes to the scope and rate of a levy would also require proportionate notice – noting the need for changes to the levy to be responsive once online, balanced against the need to ensure the levy is predictable and stable for businesses, visitor and local authorities.

Question 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?

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

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

6.2. Formal consent mechanisms

6.2.1. In addition to consultation requirements, we are considering what level of formal local consent is appropriate for introducing a levy. These would be different based on whether a Mayoral Strategic Authority was introducing a levy, or whether the power was being exercised at another level.

Mayors, including of Greater London

6.2.2. There are currently different consent procedures in place for different local taxes available to Mayoral Strategic Authorities. These vary due to the way in which some Mayoral Strategic Authorities are constituted

compared to others (e.g. the Greater London Assembly has unique governance arrangements).

6.2.3. The English Devolution and Community Empowerment Bill sets out that for Mayoral Strategic Authorities outside London, Mayoral budgets are subject to a vote by constituent authorities. A 2/3 veto (or equivalent) is required to block Mayors' proposed budgets where these relate to Mayoral functions. This approach to voting ensures that decisions cannot be blocked by a single council and that decisions have the support of the Mayor who has a democratic mandate for the whole area of the authority. Mayors are expected to work in partnership with local authorities and key stakeholders, but a desire for perfect consensus must not get in the way of key decisions.

6.2.4. For these reasons, the Government is minded to introduce a model permitting Mayors to introduce a levy following a local consultation on a prospectus (see section 6.1), whereby constituent authorities retain a vote on the introduction of a levy via the existing voting arrangements on the Mayoral budget voting process (see [the Combined Authorities Finance Order 2017](#)). This should be repeated if any core elements of the levy were to be changed, such as the levy rate, exemptions, or areas in which the levy applies. We believe that this would provide the right balance between respecting the ultimate democratic accountability and responsibility of the Mayor over the entire region, whilst ensuring that constituent authorities views must be taken into account.

6.2.5. We recognise that the Greater London Authority has a different make-up and different decision-making processes to MSAs. The Mayor of London is accountable to the London Assembly and members of the Assembly would vote on the budget, following public consultation (including with Boroughs) on the prospectus.

Question 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?

Foundation Strategic Authorities

6.2.6. As Foundation Strategic Authorities do not have a directly-elected Mayor in place, an alternative consent process would be required if they are granted powers to introduce a visitor levy. We believe that Foundation Strategic Authorities should have a higher bar for introducing a levy than that of Mayors, because of the greater accountability a Mayor provides to taxpayers.

6.2.7. We propose in Foundation Strategic Authorities that a simple majority vote on the question of whether or not to consult on a levy, and another on whether to introduce one, would be required from the constituent councils. This is in line with the English Devolution White Paper framework and ensures no single authority can prevent plans to levy. However, if the area in which a levy applies is not over the entire Foundation Strategic Authorities' geography then the consent of the authorities within that smaller geography must be obtained for fairness and so the will of the electorate/s in which a levy applies can be taken into account.

6.2.8. This process would be repeated if changes to the core elements of the levy were proposed by councils in the years following initial introduction. We invite views on whether this approach to obtaining consent would be proportionate for areas without the accountability of a directly-elected Mayor.

Question 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?

Question 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?

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

6.3. Reporting

6.3.1. We will explore options for standardised reporting formats to support consistency across Strategic Authorities. Authorities would be required to:

- Maintain clear accounting records for levy income and expenditure;
- Publish annual reporting detailing;
 - Total revenue raised;
 - How levy revenues have been used;
- Ensure transparency and accountability through local governance structures.

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

7. Liability and assessment model

7.1. Introduction

7.1.1. A critical component of the visitor levy's design is determining who is liable and how the tax is assessed. It is important for the effective operation of a tax that the person or party legally liable is clearly specified. The person liable would have the legal duty to collect payment of the tax and return it to the relevant tax authority. These decisions affect the administrative burden on businesses from a levy and the enforceability of the system.

7.2. Liability

7.2.1. We propose that the legal liability for the visitor levy should rest with the accommodation provider. This means that legally providers would be responsible for calculating the amount due, collecting it and paying it to the relevant authority.

7.2.2. In particular, the method of collection needs to balance simplicity, compliance, and fairness. Visitor levies are typically collected through accommodation providers at the point of booking or check-in. We will want to enable providers to integrate levy collection into their existing systems where possible and minimise administrative burden. We acknowledge that online booking platforms and booking agents play an important role, with many visitor accommodation bookings and payments made digitally. We want to explore how these platforms can support accurate and timely assessment and collection. There is clearly a question as to whether there are efficiencies and benefits to these intermediaries collecting a levy on behalf of accommodation providers at the time of payment and making payments to the tax authority.

7.2.3. However, the accommodation provider is the only party with complete visibility of who stays overnight. For this reason, we believe the

provider should be ultimately responsible for ensuring a levy is collected and paid to the tax authority. Under this proposal, even if a booking platform facilitates collection, the provider remains accountable for compliance and remittance.

7.2.4. While the legal responsibility would lie with the provider, we expect that in most cases the cost of a levy will be passed on to the visitor. This may take the form of a separate charge shown at the point of booking or payment, as is common internationally. This approach supports transparency and helps reinforce the connection between a levy and the visitor experience. However, we propose that it should be for individual providers to decide whether they pass a levy on to guests, and how to communicate this to their customers. Similarly, under the proposed model it would be for providers to refund any additional charge on visitors associated with a levy if the visitor does not ultimately stay (see tax point at section 7.4). We would expect any levy passed on to visitors for cancelled stays to be refunded where this does not impose a disproportionate administrative burden on businesses and that providers should be transparent on their approach to cancellations through their terms and conditions.

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

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

7.3. Assessment Model

7.3.1. An important design choice for the visitor levy power is how liability is calculated. We propose that a levy should operate on a self-assessed basis, where accommodation providers calculate the amount due based on the value or number of chargeable overnight stays and remit the appropriate sum to the relevant authority.

7.3.2. This approach reflects that providers, rather than tax authorities, hold the information required to calculate a levy accurately. We are proposing a tax which is based on the volume and cost of overnight stays. Providers are best placed to determine the value of each stay, apply the correct percentage rate, and, for example, exclude any non-accommodation elements such as meals or entertainment, if needed subject to final decisions on the rate structure. A self-assessed model allows providers to integrate levy collection into their existing booking and payment systems, making administration more straightforward and reducing the need for centralised data processing. Again, there may be a role for booking platforms and intermediaries in calculating liability given the data they process and the services they typically deliver for accommodation providers.

7.3.3. A model where liability was assessed and calculated by a tax authority would likely have to be based on a different tax design. Tax authorities do not have the information to determine who has stayed overnight, for how long, where they have stayed, the cost of that accommodation, etc. If the assessment were to be conducted by the tax authority the design of the tax would need to take a different form, such as being based on a fixed value applied to each relevant businesses with no direct reference to the number of overnight stays paid for in their accommodation. Such an approach would not be coherent with our proposed tax design where the level of taxation is reflective of the actual tourism demand and visitor volumes.

7.3.4. A self-assessed model aligns with international practice and the approach taken in Wales and Scotland, where accommodation providers are responsible for calculating and remitting a levy to the relevant authority.

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

7.4. Tax point

7.4.1. The tax point is the moment at which the liability to pay the visitor levy arises. Establishing a clear and consistent tax point is important for ensuring a levy is applied fairly and accurately, and that it reflects actual use of accommodation.

7.4.2. We propose that the tax point should be the date of arrival, rather than the date of booking or payment. This approach ensures that a levy is based on actual occupancy, rather than anticipated or planned stays. This aligns with the principle that a levy should be proportionate to the impact of the stay, and supports a fair and transparent system for both providers and visitors. A levy would apply to each night a visitor stays in chargeable accommodation, subject to any caps.

7.4.3. In practice, accommodation is often not paid for on arrival. Bookings are made through intermediaries on online platforms, paid for in advance and may be subject to amendment or cancellation. We propose that providers should have the flexibility to calculate and collect a levy in advance of the visit (based on the expected stay) to reduce the administrative burden for businesses and aid transparency for visitors.

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

8. Administration

8.1. Delivery model

8.1.1. There are various models for the administration of a visitor levy which range from a more local to a more centralised approach. Local taxes in England are typically administered by local authorities who undertake activities such as managing and monitoring payments, maintaining accurate records, debt recovery and compliance and enforcement. This approach benefits from local insight and existing relationships with businesses and allows authorities to tailor administration to local needs.

8.1.2. For the visitor levy power, which in most cases would be applied in several local authorities within the Strategic Authority, there are likely benefits and efficiencies to be had from shared partnership working between constituent authorities, and potentially across strategic authorities. Opportunities to join up administration, such as IT systems, and enforcement approaches could provide a more cost-effective service for the taxpayer with a more centralised model. This may also improve the experience of businesses interacting with the tax system.

8.1.3. Going further, a more centralised model still could involve a central tax authority such as HMRC having responsibility for part or all of the administration of a levy on behalf of local authorities. As with a joint approach across strategic authorities, this could provide consistency and benefit from economies of scale. For accommodation providers, who may be operating in multiple jurisdictions, this would mean only interacting with a single system.

8.1.4. However, a fully centralised approach clearly presents challenges for the effective administration of the tax. Local insight into the context and local circumstances is fundamental to the management and enforcement of

local taxes, benefiting both compliance and business experience of interacting with the tax authorities. Given the government is proposing to provide Mayors and other local leaders with a degree of choice over the design of how a levy applies locally, the desired efficiencies from a more centralised model may not be realised given the need to centrally administer a levy which may vary in respect to the rules and rates applied in different areas.

8.1.5. What the optimum delivery model looks like will depend on the final policy design choices that are considered throughout this consultation.

At this stage, the government is therefore not setting out its proposed approach and invites views from respondents to the consultation on what would be the desired delivery model.

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

8.2. Administrative costs and accounting

8.2.1. We propose that a small proportion of levy income be used to cover administrative costs, including: programme costs, including staffing, systems, and compliance activity, and to support the relevant authority in administering the tax where this is done locally. The government's intention is that no more income from levies is retained by the relevant tax authority beyond a sum which is necessary to fund the effective and efficient administration of the local levy.

Question 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?

8.3. Registration

8.3.1. Effective implementation of a visitor levy depends on a clear understanding of which accommodation providers are liable to collect and remit the charge. This foundational step enables the tax authority to administer levies fairly and consistently, and to communicate obligations clearly to businesses.

8.3.2. Local authorities already have access to a range of relevant data sources that can support this identification process. These include business rates data, Companies House data, planning records, and other local intelligence. However, these sources are unlikely to provide a complete picture, particularly for short-term lets. The government is therefore considering the potential to introduce some form of registration process for all accommodation providers to support the administration of the visitor levy.

8.3.3. As the proposal for the visitor levy power is for this to be based on a self-assessed model (see section 7.3), a registration mechanism would also support the general administration of the tax – not just identification of liable accommodation providers. It would allow providers to notify their tax details to the relevant authority and submit returns through a structured process. This would likely involve the establishment of IT systems to support digital submissions, track compliance, and manage data securely.

8.3.4. The government has already legislated for a registration scheme for short-term lets in England and consulted on its design. The plan for the national, digital registration scheme is that it will be designed to be a light touch, low-cost system which is as simple to use as possible. The registration scheme would ensure short-term lets are aware of their existing legal responsibilities as well as providing data on their use to help ensure that they benefit local communities and support sustainable tourism, investment and events. A second phase of user-testing of the scheme started on 31 October

2025, and will use feedback to iterate the service before an expected national launch in 2026.

8.3.5. The government will ensure that final plans for collecting information about accommodation providers, and any registration scheme developed in relation to the administration of visitor levies, is complementary to a registration scheme for short-term lets. We will consider the opportunities for integrating these requirements to avoid duplication and improve the experience for businesses.

Question 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?

8.4. Record keeping and returns

8.4.1. Accurate record-keeping by accommodation providers will help ensure the correct levy is collected, support enforcement and audit activity, and allow authorities to plan and account for revenue. We are proposing a self-assessment model, and records will be essential for calculating the self-assessed liability, submitting tax returns to the relevant tax authority and demonstrating the accuracy of self-assessed tax return. The choice over tax design, considered in this consultation, will determine the exact requirements of record keeping and returns. While not an exhaustive list, we expect that accommodation providers within scope of a levy would be required to collect, retain and submit information such as:

- Type of accommodation;
- Number of rooms let and rate for each room;
- Duration of stay;
- Levy charged;

- Exemptions, and reasons for exemptions in cases they apply; and,
- Total levy collected.

8.4.2. These records would be required to be retained for a defined period (e.g. six years) and made available for inspection if requested by the relevant tax authority.

8.5. Support and Guidance

8.5.1. We acknowledge that there is an administrative burden associated with collecting and remitting the visitor levy. These may pose a particular challenge for smaller accommodation providers, family run hotels and other micro, small and medium sized enterprises (MSMEs) and are aware that many of these businesses face barriers to technology adoption which could impact their administrative ability. The introduction of a visitor levy has been considered in light of its potential impact on the accommodation sector, recognising that MSMEs constitute over 95% of the visitor economy.

8.5.2. We are also aware that larger hotel groups and corporate operators have raised concerns about the potential complexity and cumulative burden of local levies, particularly if approaches vary across mayoral areas. Through engaging directly with major industry stakeholders, we will understand and support their operational challenges, investment priorities, and deliverables.

8.5.3. We will work closely with industry bodies and booking platforms to ensure the system is straightforward and proportionate, particularly for small and independent providers. Our aim is to make compliance as simple and accessible as possible to minimise the burden on businesses, while maintaining the integrity of a levy.

8.5.4. We acknowledge that accommodation providers will need adequate time, and we propose that they would receive clear guidance to

help them meet their obligations. This would include practical tools such as templates for record keeping, step-by-step instructions for submitting returns, and detailed information on exemptions and rate variations. There are a range of other potential tools, including digital solutions, which may reduce the burden of administering a levy for businesses – we welcome views and ideas on this.

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

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

9. Compliance and enforcement

9.1. Principle of compliance

9.1.1. Most people and businesses want to pay the right tax at the right time. We are aiming to design this tax and its administration to facilitate a high level of voluntary compliance. However, as with any taxation system, recourse to compliance and enforcement measures, including penalties, are required to ensure fairness.

9.2. Proposed enforcement powers

9.2.1. Effective enforcement is essential to ensure visitor levies are administered fairly, consistently, and in a way that maintains public confidence. We are considering the tools and powers that tax authorities will require to undertake compliance and enforcement activity to ensure the right amount of tax is paid and to address instances of avoidance and evasion. The exact powers that the tax authority will require will depend on the design choices taken with respect to a local levy. We welcome views on the potential enforcement powers that would be a tax authority:

9.2.2. Civil information and inspection powers. This would support compliance activity undertaken by the tax authority in relation to the identification of discrepancies between e.g. the self-assessed liability and records of chargeable overnight stays.

9.2.3. 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. These obligations routinely include keeping adequate records, filing returns and paying tax on time, and complying with formal information/inspection notices from the tax authority.

9.2.4. Discretionary debt relief powers, for example the ability to reduce a debt to nil or to not issue a penalty. There may be circumstances in which a provider enters financial difficulty, or an individual may have a critical illness preventing them from undertaking their obligations regarding a visitor levy. Having discretionary relief powers regarding debt would enable more appropriate taxpayer treatment in these scenarios.

9.2.5. Powers conferred on the tax authority would need to come with appropriate taxpayer safeguards, including a right of appeal against decisions and arrangements for redress. We propose that an appeals process would be available for accommodation providers to raise disputes on liability, incorrect classification or in relation to enforcement action. The government will consider the appropriate arrangements and governance for an appeals process as part of this consultation process and tax design.

Question 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.

Question 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.

10. Equalities impacts

10.1. Public Sector Equality Duty

10.1.1. Public bodies have a duty under the Equality Act 2010 to consider the needs of people who share particular protected characteristics. The three objectives under the Public Sector Equality Duty (PSED) are to:

- i. Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- ii. Advance equality of opportunity between people who share a particular protected characteristic and people who do not share it;
- iii. Foster good relations between people who share a particular protected characteristic and people who do not share it.

10.1.2. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

10.2. Potential impacts of the Levy

10.2.1. The government is seeking views on whether there may be any disproportionate impacts on people sharing protected characteristics in the design of a visitor levy power. Evidence from similar schemes in Wales and Scotland suggests that introducing a discretionary visitor levy is unlikely to have direct negative impacts on people with protected characteristics. Nonetheless, some indirect impacts may arise which need to be assessed and mitigated to ensure compliance with the Equality Act 2010 and the Public Sector Equality Duty.

10.2.2. The government will continue to assess the equalities impacts of a new overnight visitor levy power, taking into account views expressed in this consultation. The government will continue to consider the equalities impacts of this policy as it considers responses to this consultation.

10.2.3. Mayoral Strategic Authorities and Foundation Strategic Authorities will each also be required to carry out their own local consultations and produce their own Equality Impact Assessments in line with the Public Sector Equality Duty before introducing a visitor levy. This national consultation sets out the framework for granting these authorities a discretionary power – local consultations will need to more thoroughly cover the impact of a levy in line with their local contexts.

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

Annexes

Annex 1: Summary of questions

Chapter 2: The case for a local overnight visitor levy in England

Question 1: Should this power to raise a visitor levy also be granted to Foundation Strategic Authorities?

Chapter 3: Use of revenues

Question 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?

Question 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?

Chapter 4: Scope of the levy

Question 4: Do you agree that all overnight stays in commercially let visitor accommodation should be within scope of a levy, unless otherwise exempted (see sections 4.3-4.5)?

Question 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.

Question 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).

Question 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.

Chapter 5: Levy rates

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

Question 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)?

Question 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.

Question 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.

Question 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.

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

- Question 14: Should Mayors and other local leaders have powers to vary the rate for different types of accommodation, including short term lets?
- Question 15: Do you agree that Mayors should have the flexibility to decide whether the levy applies to different constituent authorities within their region?
- Question 16: Should Mayors and other local leaders be able to vary levy rates in their areas based on, for example, seasonality? Please provide details of any other flexibilities that should be considered.

Chapter 6: Transparency and accountability

- Question 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?
- Question 18: Do you agree with the proposed components of the prospectus?
- Question 19: Do you think that the proposed length of the notice period of 12 months is appropriate?
- Question 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?
- Question 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?
- Question 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?

- Question 23: What further or different governance and accountability mechanisms are needed in Foundation Strategic Authorities, Mayoral Strategic Authorities or the Greater London Authority?
- Question 24: Do you agree with the proposed approach to reporting, and should any further accountability mechanisms be considered?

Chapter 7: Liability and assessment model

- Question 25: Do you agree that it should be the visitor accommodation provider that is ultimately liable?
- Question 26: How could digital booking platforms or intermediaries best be integrated to streamline levy assessment, collection and tax returns?
- Question 27: Do you agree that a self-assessed model is the most appropriate approach for administering a visitor levy?
- Question 28: Do you agree that the tax point of a levy should be the point of arrival?

Chapter 8: Administration

- Question 29: In your view, should levies be administered locally by relevant authorities, through a centralised approach, or a combination of local and central authorities?
- Question 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?
- Question 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?
- Question 32: What processes or solutions for collecting revenues could be introduced to minimise the burden on businesses?
- Question 33: What further support could reduce the administrative burden on businesses in collecting and remitting a levy?

Chapter 9: Compliance and enforcement

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

- Civil information and inspection powers, including those to enquire into tax returns, audit records retained by visitor accommodation providers, and inspect premises.
- 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.
- Discretionary debt relief powers, for example the ability to reduce a debt to nil or to not issue a penalty in certain circumstances.

Question 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.

Chapter 10: Equalities impacts

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

Annex 2: Acronyms

AI – Artificial Intelligence

EDCEB – English Devolution and Community Empowerment Bill

FSAs – Foundation Strategic Authorities

GLA – Greater London Authority

HMRC – His Majesty’s Revenue and Customs

HMT – His Majesty’s Treasury

LAs – Local Authorities

MCAs – Mayoral Combined Authorities

MCIL – Mayoral Community Infrastructure Levy

MHCLG – Ministry of Housing, Communities and Local Government

MSAs – Mayoral Strategic Authorities

MSMEs – Micro, Small and Medium-sized Enterprises

ONS – Office for National Statistics

PED – Price Elasticity of Demand

PSED – Public Sector Equality Duty

STLs – Short-Term Lets

VL – Visitor Levy

Annex 3: Definitions

Accommodation Business Improvement District

A Business Improvement District focused on visitor accommodation. Accommodation providers within a defined area contribute to local projects such as marketing, public realm improvements and event promotion through a small mandatory levy, charged alongside business rates.

Cap

A limit on the cost of a levy. Either a maximum rate above which Mayors cannot increase the rate, or a maximum number of consecutive nights after which the visitor levy no longer applies to subsequent nights of the same stay.

Commercially

Accommodation that is advertised and made available in exchange for payment or other consideration, as part of a visitor accommodation business.

Consideration

Any form of value received in exchange for accommodation, typically understood as money, but may include other forms of payment.

Constituent Authority

The councils that come together to form a Combined or Combined Authority are called constituent councils. They all provide at least one member of the authority's board who is able to vote on all decisions unless they are exercised exclusively by the Mayor.

Devolution Framework

The Devolution Framework is a standardised set of legal powers, funding commitments, and partnership/collaboration arrangements with government. It sets out what Strategic Authorities are entitled to at each level of devolution. Strategic Authorities with elected Mayors will be entitled to a more expansive offer than those without.

Economic Displacement

The movement of economic activity from one area to another.

Economic Incidence

The party that ultimately bears the cost of a levy.

Exemption

A specific condition or category that is excluded from the visitor levy, wither nationally or locally, based on fairness or necessity.

Foundation Strategic Authority (FSA)

A Strategic Authority that includes non-mayoral combined authorities and combined county authorities, and any local authority designated as a Strategic Authority without a Mayor. A lower tier of devolved authority than MSAs, but receives some of the devolved funding that MSAs do and has a comparable responsibility of driving local economic growth, including through writing local growth plans.

Impact Assessment

A formal evaluation of the potential economic, social, and environmental effects of introducing or changing a policy.

Inclusive Package

A bundled offering that combines accommodation with other services such as meals, transport, or entertainment for a single price.

Legal Incidence

The party legally responsible for collecting and remitting a levy to the tax authority, typically the accommodation provider.

Local Authorities

Principal councils in England (e.g. county councils, metropolitan boroughs, unitary authorities) responsible for local governance and services.

Mayoral Strategic Authority (MSA)

A Strategic Authority with a directly-elected Mayor and access to a greater range of powers and funding than Foundation Strategic Authorities. MSAs include the Greater London Authority, all Mayoral Combined Authorities and all Mayoral Combined County Authorities.

Precept

An amount added to council tax by certain authorities to fund specific local services or initiatives.

Price Elasticity of Demand (PED)

A measure of how sensitive demand for accommodation is to changes in price. A higher elasticity means demand is more likely to fall when prices rise.

Proportionate

A charge that reflects the cost or value of the service being provided, ensuring fairness in how a levy is applied.

Strategic Authority

A tier of government between local authorities and central government. In most cases this will be a combined authority or combined county authority, but it also includes the Greater London Authority and potentially individual local authorities which have been specially designated.

Sustainable Development

A process of improving economic, social, environmental, and cultural well-being in a way that meets present needs without compromising the ability of future generations to meet theirs.

Tax Authority

The public body responsible for administering and collecting the visitor levy. This could be a local authority or a central body such as HMRC.

Tax Point

The moment at which the liability to pay a levy arises – typically the date of arrival, when the details of the booking are confirmed.

Threshold

A defined minimum level of activity or value below which an accommodation provider is exempt from liability for the visitor levy, intended to reduce administrative burdens for small or infrequent providers.

Visitor

An individual staying temporarily in visitor accommodation, regardless of their reason for travel or place of origin.

Visitor Accommodation

Any room, building, or site (including land for tents, caravans, or houseboats) that is let commercially for temporary overnight stays and is not the visitor's usual place of residence.

Visitor Accommodation Provider

An individual or business that lets visitor accommodation commercially to visitors in exchange for consideration.

Visitor Levy

A discretionary local tax charged on overnight stays in commercially let visitor accommodation, intended to support local services and infrastructure.

Annex 4: Address details

We strongly request responses through the following online form:

<https://consult.communities.gov.uk/devolution-funding-and-fiscal-events/overnight-visitor-levy-consultation/>

However, if the survey link is inoperable, responses may be sent by email to:

OVLconsultation@communities.gov.uk

Alternatively, they may be sent by post to:

Local Government Finance
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

If you reply to this consultation by email or post, please confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include the following information:

- Your name
- Type of respondent or organisation are you replying on behalf of
- The name of your organisation (if applicable)
- Your position (if applicable)
- An email address
- A contact telephone number
- An address, including post-code

Please do not include personal data in your responses.

If you are responding in writing, please structure your response to answer the questions set out in this consultation in order. Please answer 'no view' where you do not have a view in response to a question. We will categorise responses as not indicating a view where written responses are unclear.

Annex 5: Personal data

The following is to explain your rights and give you the information you are entitled to under UK data protection legislation.

Note that this section only refers to personal data (your name, contact details and any other information that relates to you or another identified or identifiable individual personally) not the content otherwise of your response to the consultation.

1. The identity of the data controller and contact details of our Data Protection Officer

The Ministry of Housing, Communities and Local Government (MHCLG) is the data controller. The Data Protection Officer can be contacted at dataprotection@communities.gov.uk or by writing to the following address: Data Protection Officer, Ministry of Housing, Communities and Local Government, Fry Building, 2 Marsham Street, London SW1P 4DF.

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

We will collect your IP address if you complete a consultation online. We may use this to ensure that each person only completes a survey once. We will not use this data for any other purpose.

Sensitive types of personal data

Please do not share special category personal data or criminal offence data if we have not asked for this unless absolutely necessary for the purposes of your consultation response. By 'special category personal data', we mean information about a living individual's:

- race
- ethnic origin
- political opinions
- religious or philosophical beliefs
- trade union membership
- genetics
- biometrics
- health (including disability-related information)
- sex life; or
- sexual orientation.

By 'criminal offence data', we mean information relating to a living individual's criminal convictions or offences or related security measures.

3. Our legal basis for processing your personal data

The collection of your personal data is lawful under article 6(1)(e) of the UK General Data Protection Regulation as it is necessary for the performance by MHCLG of a task in the public interest/in the exercise of official authority vested in the data controller. Section 8(d) of the Data Protection Act 2018 states that this will include processing of personal data that is necessary for the exercise of a function of the Crown, a Minister of the Crown or a government department i.e. in this case a consultation.

Where necessary for the purposes of this consultation, our lawful basis for the processing of any special category personal data or 'criminal offence' data (terms explained under 'Sensitive Types of Data') which you submit in response to this consultation is as follows. The relevant lawful basis for the processing of special category personal data is Article 9(2)(g) UK GDPR ('substantial public interest'), and Schedule 1 paragraph 6 of the Data Protection Act 2018 ('statutory etc and

government purposes’). The relevant lawful basis in relation to personal data relating to criminal convictions and offences data is likewise provided by Schedule 1 paragraph 6 of the Data Protection Act 2018.

4. With whom we will be sharing your personal data

MHCLG may appoint a ‘data processor’, acting on behalf of the Department and under our instruction, to help analyse the responses to this consultation. This may include may use an Artificial Intelligence (AI) tool to identify themes and group responses. Where we do, we will ensure that the processing of your personal data remains in strict accordance with the requirements of the data protection legislation.

If an AI tool is used, the tool will process consultation content securely and will not copy or share data. Personal data will be removed wherever possible before analysis, and any processing will be carried out in accordance with UK data protection legislation. Data will be processed using servers located in the UK and Sweden, as no UK-only endpoint is currently available. All data will be encrypted during transfer and processing, and the AI models are stateless, meaning they do not retain any data. No data will be permanently stored outside the UK. The Department remains the data controller and will ensure appropriate safeguards are in place, including contractual requirements for any third-party processors.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for two years from the closure of the consultation, unless we identify that its continued retention is unnecessary before that point.

6. Your rights, e.g. access, rectification, restriction, objection

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you;
 - b. to ask us to stop using your data, but keep it on record;
 - c. to ask to have your data corrected if it is incorrect or incomplete;
 - d. to object to our use of your personal data in certain circumstances;
 - e. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law.
- You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

Please contact us at the following address if you wish to exercise the rights listed above, except the right to lodge a complaint with the ICO: dataprotection@communities.gov.uk or Knowledge and Information Access Team, Ministry of Housing, Communities and Local Government, Fry Building, 2 Marsham Street, London SW1P 4DF.

7. Your personal data will not be used for any automated decision making.

8. We use a third-party system, Citizen Space, to collect consultation responses. In the first instance your personal data will be stored on their secure UK-based server. Your personal data will be transferred to our secure government IT system as soon as possible, and it will be stored there for two years before it is deleted.