

ECONOMY, CULTURE AND TOURISM SCRUTINY PANEL

DATE	22/01/2026
REPORT OF	Carolina Borgstrom, Director Economy, Environment and Infrastructure
SUBJECT	Local Visitor Levy Consultation
STATUS	Open

CONTRIBUTION TO OUR AIMS

Tourism and the Visitor Economy are important sectors for North East Lincolnshire (NEL) and fundamental in their contribution to place-making and achieving a Stronger Economy and Stronger Community. Place-making is one of the four cornerstones of NEL's Economic Strategy 2021, and part of the Council's Plan, ensuring that our towns are great places to live, work, visit and stay.

EXECUTIVE SUMMARY

The Ministry of Housing, Communities and Local Government has written to the Leaders of all UK Local Authorities to set out proposed changes to local taxation arrangements for local and strategic authorities, including a new power to levy a charge on overnight stays. Government's intention is for this new power to be assigned to the Mayors of Strategic Authorities in England, including Greater Lincolnshire, to allow them to shape how a levy would apply in their region ensuring it is affordable and is invested in the most impactful way. Government has issued a consultation document which Local Authorities, key tourism stakeholders and businesses can respond to.

MATTERS FOR CONSIDERATION

North East Lincolnshire Council has the opportunity to take part in the consultation on the design of a new Mayoral power to create a visitor levy on overnight stays in England which closes on 18 February 2026 (Consultation Questions are attached at Appendix 1). If this power is devolved to Mayors of Strategic Authorities in England, it is at their discretion whether to implement the local visitor levy, and it can only be implemented following statutory consultation. Scrutiny Panel members are asked to consider this matter and give their views in relation to NEL's tourism and visitor economy sector.

1. BACKGROUND AND ISSUES

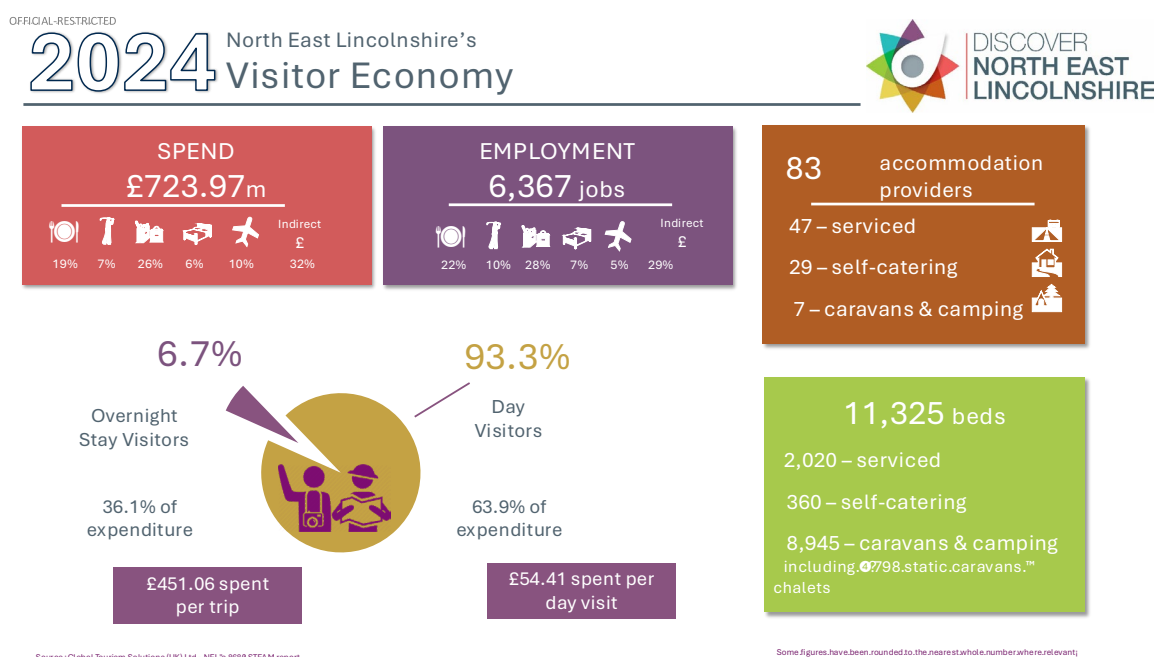
1.1 Key Statistics for NEL

In terms of key tourism statistics relating to the local visitor levy, overnight stays in NEL were down 0.5% in 2024 vs 2023 (see table 1 below) with the cost-of-living crisis being cited as a reason for less staying visits. There were 580K overnight staying visitors in NEL in 2024 which represents 6.7% of all visits to the area (based on 8.6m visitors).

Table 1

Visitor Days & Nights	2019	2020	2021	2022	2023	2024	2023-4 difference
Grimsby & wider NEL	0.192m	0.092m	0.145m	0.194m	0.193m	0.192m	-0.1%
Cleethorpes	0.433m	0.206m	0.356m	0.416m	0.390m	0.388m	-0.5%
North East Lincolnshire	0.625m	0.298m	0.501m	0.610m	0.583m	0.580m	-0.5%
Greater Lincolnshire	4.663m	2.286m	3.690m	4.757m	4.628m	4.482m	-3.2%

In terms of the breakdown of NEL's accommodation provision, the infographic below shows that in 2024, nearly 9,000 beds are caravans and camping, all of which are self-catering. Haven's holiday park in Cleethorpes currently has approximately 1,818 static caravans (with varying occupancy) and 126 touring pitches. There are a small number of national hotel chains, and the rest are smaller, independent hotels and B&Bs.



The consultation document asks about the scope of the levy and local accommodation businesses can complete the consultation. However, there will need to be future consideration about which accommodation providers to include or not and the Scrutiny Panel may wish to give their view on this.

The consultation prospectus suggests that business travellers would/should be included in the scope of the visitor levy to avoid complexity in the process but this is a point which Scrutiny may want to consider.

1.2 Current Examples (See APPENDIX 2 for more details)

Where the local visitor levy has been introduced in England, each example differs, to reflect local requirements.

Liverpool has a "City Visitor Charge," a £2 per room, per night levy (plus VAT) on overnight stays at participating hotels and serviced apartments, implemented in June 2025 to support the city's visitor economy, though it's legally a charge from the Accommodation Business Improvement District (BOD), not a direct council tax, and is facing legal challenges from hotel groups like Whitbread. More detail is provided in Appendix Z. The only other current examples in England are:

- **Greater Manchester:** A "City Visitor Charge" of £1 per room, per night, applies to guests staying in certain hotels and serviced apartments within the city centre area.
- **Bournemouth, Christchurch, and Poole (BCP Council):** A plan for a £2 per room, per night visitor charge was approved but later put on hold due to an appeal.

1.3 Other Matters for Consideration

- NELC has the option to provide a response to the consultation document by 18 February 2026 – see APPENDIX 1 for a list of the questions. The response will require political and technical input from service areas including Economy & Growth, Local Taxation & Benefits and the Equality team.
- An NELC Officer attended a meeting last week to discuss a Greater Lincolnshire response along with Lincolnshire County Council and North Lincolnshire Council. It is anticipated that a combined response will be submitted via the Greater Lincolnshire Combined County Authority (GLCCA).
- It may be in the council's interest to complete the consultation in addition to a combined response from GLCCA.
- There are a number of questions within the consultation which would benefit from a business perspective. Businesses can respond to the consultation direct and so the tourism team will reach out to relevant businesses to make them aware of this.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

2.1 There is an opportunity for income from the local visitor levy to be reinvested in the local visitor economy, to help improve the visitor experience in NEL. However, given the relatively low proportion of visitors to NEL that stay overnight the potential contribution may be viewed as modest versus other areas of the country.

2.2 There is a risk that with the ongoing cost-of-living crisis, it is challenging to encourage more visitors to visit and stay in NEL. The implementation of a local visitor levy may be a further deterrent for visitors staying in the area, resulting in a possible further downturn in overnight stays.

- 2.3 There is a risk that the administration of a local visitor levy will become another burden for local accommodation providers.

3. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are potential negative reputational implications for the council resulting from the decision. For example, if powers are devolved to Mayors of Statutory Authorities, businesses may not want to support the implementation of a local visitor levy. In this circumstance, an action plan will be agreed with the Council's communications service, covering any statutory communications/consultation requirement. Communication channels will then be utilised.

4. FINANCIAL CONSIDERATIONS

There is an opportunity for the Council's Tax and Benefits team to contribute to the consultation document. If the local visitor levy was to be implemented in NEL in the future, this team would need to be consulted regarding the best mechanisms for possible collection and enforcement.

5. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

There are no direct or material implications arising from this report for children and young people. However, the opportunity for income generation could lead to possible investment in the visitor economy and by enhancing the place, this supports our objective which is to make NEL a more attractive area for children and young people to work, live, visit and stay.

6. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

The place agenda, with a focus on tourism and the visitor economy for NEL, considers the council's published commitments on climate change and the environment, particularly within the context of the resort and beach areas having special ecological designations such as the Site of Special Scientific Interest (SSSI). From a tourism and visitor economy perspective, income generation from a local visitor levy could provide opportunities for reinvestment such as improving green spaces and promotion of biodiversity and natural habitats.

7. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

Opportunities to reinvest income from a local visitor levy could support public health initiatives in NEL and help health inequalities.

MONITORING COMMENTS

In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result, no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead.

8. WARD IMPLICATIONS

All Wards in NEL.

9. BACKGROUND PAPERS

None.

10. CONTACT OFFICER(S)

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Carolina Borgstrom, Director Economy, Environment and Infrastructure

Appendix 1:

The case for a local visitor levy in England

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

Yes

No

Provide further detail (optional)

Use of revenues

2. Do you agree that Mayors should be able to invest the revenues from a levy in interventions to support economic growth, including the visitor economy?

Yes

No

Provide further detail (optional)

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?

Proportion of overnight stays

Another centrally defined metric

Determined by Mayors and other local leaders

Provide further detail (optional)

Scope of the levy

4. Do you agree that all overnight stays in commercially let visitor accommodation should be within scope of a levy, unless otherwise exempted within the national framework or by Mayors (see sections 4.3-4.5)?

Yes

No

Provide further detail (optional)

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

Yes

No

Provide further detail (optional)

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).

Yes

No

Provide further detail (optional)

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

Yes

No

Provide further detail (optional)

Levy Rates

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

Yes

No

Provide further detail (optional)

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)?

Part of the cost (please provide details)

Total cost

Provide further detail (optional)

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.

Yes

No

Provide further detail (optional)

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

in support of your views.

Yes

No

Enter your preferred approach

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

Yes

No

Provide further detail (optional)

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

Enter your preferred approach

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

Yes

No

Provide further detail (optional)

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

Yes

No

Provide further detail (optional)

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.

Yes

No

Provide further detail (optional)

Transparency and accountability

17. Do you agree that a formal consultation process conducted by Mayors and, if powers are extended to them, Foundation Strategic Authorities should be required before a levy is introduced and that this approach is proportionate?

Yes

No

Provide further detail (optional)

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

Yes

No

Provide further detail (optional)

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

Yes

No

Provide further detail (optional)

20. Do you agree that introduction of a levy, and any subsequent changes to the core elements of a levy, should be subject to the relevant statutory Mayoral budget voting process in MSAs?

Yes

No

Provide further detail (optional)

21. If Foundation Strategic Authorities have powers to introduce a visitor levy, do you agree that a simple majority council vote should be required ahead of consultation on a levy, ahead of implementation and this be repeated ahead of any changes to the core elements of a levy? Is this approach fair and proportionate?

Yes

No

Provide further detail (optional)

22. If Foundation Strategic Authorities have powers to introduce a visitor levy, what are your views on the consent mechanism in Foundation Strategic Authorities where a levy is applied to a smaller area within the Foundation Strategic Authorities' geography?

Enter your preferred approach

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

Enter your preferred approach

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

Yes

Yes, but with further mechanisms

No

Provide further detail (optional)

Liability and assessment model

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

Yes

No

Provide further detail (optional)

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

Enter your preferred approach

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

Yes

No

Provide further detail (optional)

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

Yes

No

Provide further detail (optional)

Administration

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

Relevant local authority Centralised approach
Combination of local and central authorities

Provide further detail (optional)

30. Do you agree a portion of levy revenues should be retained by the relevant authorities to fund administration costs, if levies are administered locally?

Yes
No

Provide further detail (optional)

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?

Locally
Nationally

Provide further detail (optional)

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

Enter your preferred approach

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

Enter your preferred approach

Compliance and enforcement

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

- a) Civil information and inspection powers, including those to enquire into tax returns, audit records retained by visitor accommodation providers, and inspect premises.
- b) Civil powers to charge interest and penalties, and to recover unpaid tax, where a visitor accommodation provider fails to undertake their statutory obligations relating to the visitor levy.
- c) Discretionary debt relief powers, for example the ability to reduce a debt to nil or to not issue a penalty in certain circumstances.

Yes

No

Provide further detail (optional)

35. Do you agree that an appeals process should enable providers to appeal on the basis of liability, classification or enforcement action? Please provide details of any additional areas which should be considered.

Yes

No

Provide further detail (optional)

Equalities impacts

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

Enter your preferred approach

APPENDIX 2

Liverpool Example

Key Details:

- **Who Pays:** Guests staying in hotels and serviced apartments affiliated with the Accommodation Business Improvement District (ABID).
- **When:** Introduced June 1, 2025, and is charged on arrival or added to the bill.
- **Purpose:** To fund local tourism, events, cultural attractions, and infrastructure.
- **Not for Everyone:** Doesn't currently apply to private apartments (like Airbnb) or non-ABID hotels, though future plans aim for broader coverage.

How it Works:

- It's collected by hotels as part of the ABID scheme, managed by the Liverpool BID Company.
- It's a mandatory charge for participating establishments, with funds reinvested into the city's visitor economy.

Current Status:

- The charge is operational but is facing legal challenges, with some major hotel chains opposing it, leading to calls for delays.

Future:

- Regional mayors are seeking powers for a broader, longer-term visitor levy covering the whole region and platforms like Airbnb, potentially after 2027.