# Supporting UKHospitality members to respond to the Government's Overnight Visitor Levy consultation

The Government has launched a consultation on proposals that would allow Mayors to introduce an overnight visitor levy in England.

**Deadline: Wednesday 18 February**
Respond online: https://www.gov.uk/government/consultations/overnight-visitor-levy-in-england

Or email: OVLconsultation@communities.gov.uk

It's really important that individual businesses respond. **Submissions that explain who you are and what this would mean in practice for your business are much more likely to land well than identical wording repeated across the sector.**

Below you'll find:

- a draft template you can adapt (please personalise it)
- the key consultation questions to focus on

## Draft template response (please adapt)

**Start with a short paragraph about your business:** name, location(s), size/rooms, staff numbers, booking profile (OTAs vs direct), and what a levy would mean for you.
Introduction (edit as needed)

My name is [NAME] and I am the [ROLE] at [BUSINESS NAME], a [TYPE OF ACCOMMODATION] in [LOCATION]. We employ [NUMBER] people locally.

A visitor levy would affect us by [2–3 specific points: pricing pressure / admin cost / impact on advance bookings / corporate trade / seasonality / competitiveness].

## Suggested points to include in your response (by consultation question)

You do not need to answer every question. Below are the most important ones and suggested points you may wish to include, tailored to your own business.

**Q1 – Should powers be granted to Foundation Strategic Authorities?**
You should clearly state your opposition to devolving these powers at all.

Suggested points:

- I do not support devolving powers to introduce a visitor levy.
- Accommodation businesses are already dealing with significant cost increases, including:
    - Employer National Insurance changes
    - Minimum wage increases
    - Business rates changes
    - High VAT on accommodation
    - Wider input cost inflation
- A new levy risks:
    - Reducing demand
    - Damaging jobs (including youth employment)
    - Reducing investment
    - Increasing costs for domestic holidaymakers
- Business and events travel would also be caught, affecting SMEs across the wider economy.

You may also wish to explain what this would mean specifically for your business (e.g. impact on pricing, forward bookings, competitiveness, corporate trade).

**Q8 – Should the levy be percentage-based?**

Suggested points:

- A percentage (ad valorem) levy is not workable in practice.
- It creates complexity for:
    - Dynamic pricing
    - OTA bookings
    - Package rates
    - Commission arrangements
- It risks confusion for guests and disputes at the front desk.

If a levy is introduced, whilst still problematic a flat fee per room per night is simpler and more transparent.

Only one national method should apply – a patchwork of local approaches would increase administrative costs and compliance risks.

**Q10 – Should mayors set rates locally?**

Suggested points:

- A nationally consistent framework is preferable.
- Allowing different rate structures across regions would significantly increase administrative burden for businesses operating in more than one area.
- If flexibility is allowed, it must sit within clear national parameters.

**Q11 – Should there be a cap?**

Suggested points:

- There must be a national cap to limit damage to the sector.
- A banded structure is preferable to a single flat rate.
- A cap of £5 per room per night at the top band (e.g. £250+ per night).
- Lower-priced accommodation should be subject to much lower caps to avoid regressive impacts.

**Q4, Q6 & Q7 – Scope and exemptions**

Suggested points:

- Exemptions should be set nationally, not locally.
- Staff accommodation should be excluded.
- Clearly public-purpose accommodation should be excluded.
- Local discretionary exemptions would increase complexity and compliance costs.

Operational point:

- Any exemption should be reclaimed by the guest from the authority and not administered by front desk staff.

**Q2 & Q23 – Use of revenues and governance**

Suggested points:

- Levy revenues must be ringfenced strictly for the visitor economy.
- Funds must not replace existing tourism budgets.
- Levy payers should have a formal role in governance and decision-making.
- Spending should be transparent and reported annually.
- Clear definitions are needed to prevent revenues being diverted into general local authority spending.

**Q17 & Q19 – Consultation and notice period**

Suggested points:
- Formal consultation must be required before introduction.
- There should be at least 12 months' notice before implementation.
- Existing bookings made before implementation should not be caught.
- Many accommodation businesses take bookings 12–24 months in advance.

**Q25, Q28, Q29 & Q30 – Liability and administration**

Suggested points:
- Liability should be at point of payment whether that be the accommodation provider or the travel agent.
- Administration should be centralised (ideally via HMRC) to avoid fragmentation.
- Businesses will incur real administrative costs (card fees, OTA commission, system changes, staff time).
- Businesses should retain at least 5% of levy revenues to reflect the cost of collection and administration.

**Q32–33 – Minimising burden**

Suggested points:
- Simplicity must be the overriding principle.
- Reporting frequency should be minimised.
- Clear, nationally consistent rules are essential.
- The system should not create friction between staff and guests.

**Wider economic and competitiveness context (relevant across answers)**

You may also wish to include:
- The UK already applies high VAT on accommodation compared to many European competitors.
- Adding a visitor levy risks making England less competitive.
- It may reduce inbound tourism.
- It increases the cost of domestic holidays during a cost-of-living squeeze.

**Closing point you may wish to include**
This is the wrong policy at a time when the sector is already facing sharply rising costs. If introduced, it must be nationally consistent, simple, capped, centrally administered, and subject to full local consultation with a minimum 12-month lead-in period.