



# All Party Parliamentary Group for Hospitality and Tourism

## Meeting of the Hospitality and Tourism APPG

Room N, Portcullis House, 23.06.2026, 3-4pm

### Minutes of meeting

#### Attendees

##### Parliamentarians

Chris Webb MP (Chair)	Labour	Blackpool South
Damian Hinds MP (Vice-Chair)	Conservative	East Hampshire
Caroline Voaden MP	LibDem	South Devon

##### Secretariat

Tony Sophoclidides	UKHospitality
Ruby Sampson	UKHospitality
Lily Painter	UKHospitality

##### Panellists

Ben Spier	Forge Holidays
Cllr Julie Jones-Evans	Chair of the LGA's Culture, Tourism and Sport Committee and Independent Councillor for the Isle of Wight Council
Tobias Warnecke	German Hotel Association
Eddy Leviten	Tourism Alliance

##### Observers

Harriet Somers	Head of Domestic Tourism, DCMS
Luke Cannell	Communications Support Officer, Local Government Association
Ian Leete	Senior Adviser, Local Government Association
Sue Thiedeman	Adviser, Local Government Association
Lauren Ziska	Vice President, Government Affairs EMEA, Hilton

Mandy Belnick	Head of Communications and Engagement, Tourism Alliance
---------------	--

## 1. Introduction and welcome

Chris Webb MP (CW), Chair, welcomed attendees to the meeting, saying that the visitor levy will remain a hot topic for the Government, and the APPG will have an important role in ensuring the levy works for the businesses and communities that the funds were originally intended with in mind.

Chris introduced panellists and passed over to Ben Spier.

## 2. Panellists

Ben Spier, (BS), from Forge Holiday Group introduced himself as Head of Regulation and Policy at Forge Holidays. Forge Holiday Group includes Forest Holidays and self-catering agencies. BS stated that Forge employs 1,600 people in the UK and took 2.7 million people on holiday over the last year.

BS said that self-catering is the tourism bed stock in rural areas. BS stated that policies in Wales that have harmed the self-catering sector have also harmed pubs, shops, and attractions that rely on self-catering businesses as part of the wider hospitality ecosystem.

BS spoke to the uniqueness of self-catering accommodations as the operator is often not there upon the customers arrival, so collection of the levy is harder.

BS expressed that the implementation of the Scottish and Welsh levies has been incredibly time consuming for businesses and involves every single team from finance, tech, legal, commercial, HR and marketing. BS said that systems will have to be rebuilt with pricing journeys rewritten to ensure pricing done in a way which complies with drip pricing regulations.

BS reflected on the biggest complicating factor of when an operator lists with an agency, who then also lists the property with other online platforms, is that booking platforms deal with levies in different ways, even between themselves. This means different fees at different stages and splitting the 'accommodation only' part of the total payment from fees, commission, other non-accommodation elements, is difficult, as is protecting commercially sensitive data, being transparent with the customer, and accounting for VAT is an added complication.

BS said this is a waste of resources which could be spent instead innovating and attracting resources to the UK. While Forge Holidays are already dealing with the levy in devolved nations, this administration burden could soon newly fall on businesses operating just in England.

BS said that the compliance burden will hit small businesses the hardest. Those that list their self-catering properties with Forge Holidays on average list 1.3 such properties accounting for 18,000 generally family run micro businesses listing with Forge, all soon to become visitor levy tax collectors.

BS moved onto discuss design. He said no design can be both simple and fair. A percentage levy is technically difficult and per person per night is unfair and highly regressive hitting those staying in cheaper accommodation harder. Pricing does not scale predictably and there is a risk of incentivising bookers to understate the number of guests staying at accommodation which is a major concern to

the fire service. This also makes displaying the full cost impossible, under a per person per night model, before exact guest numbers are known which is more difficult for drip pricing regulation.

BS reinforced that a fixed levy doesn't allow for market conditions and suppresses demand during low seasons, so we'd need different rates for different bands which brings complexity and distorts prices. Difficult questions of a percentage levy are what counts as accommodation only, how do you handle packages, agency distribution and commission-bearing bookings? BS said that whichever model England chooses creates distortion and a disproportionate level of administration, especially if regions can choose different models, adding again to the complexity.

BS set out that the simpler you make the tax, the less fair it will be. BS mentioned the cross-party calls to simplify one of the longest tax codes in the world, through business rates, council tax and stamp duty, with this new tax complicating things further.

BS went onto to discuss local government funding, stating that while greater fiscal devolution was one of the Government's manifesto pledges, a visitor levy wasn't. BS explained how a visitor levy will weaken 5 other key Government ambitions, from cutting administration for SMEs by 25%, increasing international visitors to 50 million by 2030, bringing down inflation, decreasing the cost of living and increasing growth.

BS posed that taxing one specific sector, or activity is not good fiscal devotion, especially one that is already heavily taxed via business rates, VAT and employment costs and is one government and mayors wish to encourage. He argued that redistribution of the existing high level of taxation already paid by the tourism sector would be more appropriate.

BS spoke about the current demand from domestic tourism with an increasingly price sensitive market. BS explained that day trippers contribute less to the economy often bringing their own sandwiches and spending less locally. The levy risks reducing visitor spending, demand and numbers.

BS summed up by saying that it's crucial that before the levy is introduced, there is a full and transparent roll out of the statutory registration scheme of all accommodation (Wales impact assessment suggested 16-55k accommodation providers operating there, such guestimates are not the basis for a sound impact assessment) and that the levy is first limited to elected mayors. BS said local councils can sometimes lack the resources and departments to carry out sufficiently robust impact assessments and implementation leaving risk for costly legal challenges as has been seen in the Scottish and Welsh tourism sectors and unintended consequences to the economy. Moreover, devolution of the design of a levy to that level would lead to un-implementable fragmentation. Finally, BS said that as businesses will hold back investment with the spectre of a levy, a cumulative impact assessment needs to be done before a visitor levy bill is introduced. It cannot just be an impact assessment of this individual policy; it needs to include the context of 20% VAT rate on accommodation and hospitality, rising employer NICs and minimum wage, higher business rates and increasing energy costs and interest rates.

Cllr Julie Jones-Evans, (JJE) introduced herself as Chair of the LGA's Culture, Tourism and Sport Committee and Independent Councillor for the Isle of Wight Council and thanked the APPG for having her to speak on behalf of the LGA. JJE introduced the LGA as the national voice for councillors across England and Wales.

JJE acknowledged that local authorities are the backbone of the visitor economy, owning and investing in services that tourists depend on. Councils invest over 2.5 billion a year, (2024-25

financial year) as well as 1.26 billion in culture related services and 1.3 billion on leisure and parks in 2024/25.

JJE said that councils recognise how important these services are to communities and that is why despite funding constraints, council have contributed to services visitors expect and depend upon.

JJE added that spending pressures across local councils have led to unequal growth for a variety of reasons and limits council's critical role as place makers. When council budgets get squeezed culture and tourism are the first to get cut as are non-statutory services.

JJE said that this is a pivotal moment for the sector. Revenue raised must be reinvested in growing the visitor economy and properly designed in areas that want it. This will give local people greater fiscal autonomy and greater investment in areas where visitor costs are incurred.

JJE noted that the LGA supports local discretion in both form and use of the levy with councillors having scope to adapt the levy to their own visitor economy including whether it is a flat rate of percentage.

JJE said that the council must retain a portion of the levy raised for local services to provide additional services for visitors including transport connections and street cleaning.

JJE gave Manchester as an example who's £1 a night city visitor charge raised £2.8 million in their first year which went towards the bidding and hosting of major music and cultural events, marketing campaigns that boosted overnight stays, and street cleansing.

JJE said that visitor levies are not new and exist in Manchester, Lisbon, Liverpool. JJE said that councils understand concerns of local businesses and tourism related pressure better than Whitehall ever could, while having the data on visitor spending, as well as relationships with local businesses.

JJE concluded that a one size fits all and top-down approach will not work. JJE said that unites local Government and tourism culture sector is that we're all operating under the same goal, supporting our local areas and enriching communities and leaving visitors with a positive memory.

Tobias thanked CW for the invitation and introduced himself Tobias Warnecke, (TW), Managing Director of the German Hotel Association, Hotelverband Deutschland (IHA).

TW started by explaining how Germany has spent the last 15 years running one of the largest real-life experiments in Europe on visitor levies and accommodation taxes. TW said that 68 German cities operate city taxes, which each operate under different rules, different tax bases, different rates and different collection mechanisms. Ten of those schemes were introduced in the last month alone. TW remarked this has resulted in not clarity, but fragmentation of the tourism market.

TW reinforced that the German hotel industry does not support accommodation or visitor taxes. He said that they opposed them politically and legally for more than a decade. However, after the ruling of the German Federal Constitutional Court in 2022, these taxes can no longer realistically be prevented in Germany.

TW explained that in 2010 the German government cut VAT on hotel stays from 19% to 7% to support the sector and as a result, cities started to bring in local overnight taxes to make up for lost relief. TW stated that in Germany the levy does not sit on top of a neutral system but cancels out a national policy that was meant to benefit the industry.

TW voiced that visitor levies must never be assessed in isolation. TW referenced the European case study, "Impact of Taxation on the Hospitality Sector", conducted by Syntesia for HOTREC, which showed that the competitiveness of hospitality businesses is shaped by the cumulative burden of taxation rather than by any single measure alone.

TW then discussed the cumulative tax burden the hospitality sector in Germany faced meaning that hotels do not face visitor levies in a vacuum. TW listed VAT, local business taxes, property taxes, tourism contributions, regulatory costs and increasingly local visitor taxes. Each measure may appear modest in isolation, but when combined they reduce investment capacity, profitability and destination competitiveness.

TW expressed concerns that it has been the case that visitor levy revenues can disappear into general public budgets rather than being visibly reinvested into tourism infrastructure, destination marketing or visitor services.

TW moved onto to discuss ringfencing citing this as the biggest failure of the German city tax model. In most German cities, revenue funds flow directly into general budgets. Hotels collect the levy, visitors pay it, but neither can identify any meaningful tourism benefit in return.

Next, TW discussed administration, saying that Germany have demonstrated how quickly complexity can become a burden for businesses. For example, some cities tax the gross room rate, while others tax the net rate, and some apply a percentage, while others a flat fee. Rates vary from 2% to 7.5%. In some cities the guest is legally liable, in others it is the hotel. A hotel company operating across multiple cities must work across different systems differently for almost every location.

TW said that if a levy cannot be prevented entirely, to establish one national framework covering the tax base, definitions, reporting standards and payment processes. Local authorities may decide whether to levy and at what rate, but the administrative architecture should be national.

TW turned to discuss online platforms, saying that increasingly most guests book online, and this is where a bad design becomes visible at the worst moment. TW took the room through how the same German bed tax is shown across two booking platforms, Expedia & Booking.com, and the same charge appeared under three different labels, sometimes prepaid, sometimes flagged to pay at the hotel, and the display did not even reflect who was legally liable. Significantly, the platforms collect the guest's money but do pass on the tax.

TW recommends that the party collecting the payment should collect and remit the levy. A statutory collect-and-remit obligation for platforms would significantly improve compliance, reduce bureaucracy and create greater fairness across the accommodation sector.

Addressing the international evidence, TW said that a modest visitor levy will not completely empty hotels or destroy tourism demand. But it does create a fragmented system with competitive distortions, encourages displacement to neighbouring untaxed destinations and generate substantial administrative costs.

TW concluded saying that the main lessons are, ringfence the revenue, create one national framework, ensure platforms collect and remit, guarantee equal treatment between hotels and short-term rentals, and importantly, always assess the levy within the broader cumulative tax burden already carried by hospitality businesses.

Eddy Leviten, (EL), introduced himself as Executive Director of the Tourism Alliance, who represents over 60 organisations across the visitor economy. EL said that these organisations are worth £147 billion, supporting 2.4 million jobs and generating £52 billion in tax revenues annually.

EL began by voicing that members of the Tourism Alliance are not against investment in destinations. They are against a new tax that will extract money from visitors and businesses before the evidence exists that it will work.

EL set out that the Tourism Alliance's position is for a three-stage approach, pause, assess, and do not legislate until an independent evidence test is met. EL said that if Government proceeds, the hospitality and tourism industry safeguards must not be optional but the minimum requirements to prevent serious damage to the visitor economy. This is the wrong tax at the wrong time.

EL pointed out that supporters of the levy say it is modest, and simply the price of a cup of coffee. For example, Venice used this argument for its 2024 day-tripper charge, however, it was then acknowledged it was ineffective at that level. EL explained that either the levy is large enough to change behaviour, decreasing demand, or it is too small to matter, in which case no funds are raised.

EL reiterated that the deeper problem with that framing is it ignores that hypothetical cup of coffee represents spending in the local in the local economy. It goes to the café on the high street, to the staff wages, to the supplier delivering the produce.

EL discussed the Oxford Economics and VisitBritain research shows that every £1 of GVA generated directly in the tourism economy produces an additional £1.80 in wider economic activity through supply chain and induced spending effects. Comparatively, domestic overnight visitors spent £32.9 billion in 2024, averaging £107 per night per person. International visitors are forecast to spend £35.7 billion in the UK in 2026. EL described how that money flows through restaurants, pubs, attractions, transport, and retail — every business on the high street near every hotel in England.

EL commented on WTTC research which found that a €10 levy would prompt 29% of international visitors from the US, France, and Germany to choose an alternative destination or not visit at all — a potential loss of £14.4 billion in visitor spend by 2027. Further examples of displacement of people and spending. Even at a modest £2 per room per night, Oxford Economics projected 7,000 job losses and a £400 million decline in tourism spending.

EL said that accommodation is the anchor on the high street. Visitor spending does not stop at the hotel door, visitors eat out, visit attractions, shop, use transport. Overnight accommodation spend is the gateway to all wider visitor spending. The levy is not just a tax on accommodation — it is a tax on every business in the local economy that depends on those visitors being there.

EL spoke on the fragmentation risk, saying England is not a single city with a single tourism market. It is made up over 60 combined and local authority areas, potentially each setting their own rate and exemptions. Businesses operating across regions face a compliance challenge: different rates, different systems, different rules, all applying to the same booking platform and the same customer.

EL confirmed that price competitiveness is already an issue in the UK with the WEF already ranking the UK 113th out of 119 countries on price competitiveness for tourism. EL said a patchwork levy does not address that, it entrenches it.

EL ended by confirming that the Tourism Alliance's minimum requirements for the levy as, a fully operational national short-term let registration scheme, a full regulatory impact assessment and pre-

legislative scrutiny before any legislation is introduced, all revenues ringfenced for tourism and destination investment, and a consistent national framework.

### **3. Q and A session**

Damian Hinds MP stated that hearing about the uncontrolled way Germany has implemented visitor levies has been sobering and echoed the fears amongst the hospitality industry in England. Damian Hinds MP said that pre-legislative scrutiny would be most useful and that the simpler system will be best for the Treasury.

EL said it's interesting that no impact assessment from Government was included in the consultation as well as ring fencing not being mentioned as an option either.

Carolien Voaden MP said that hospitality is central to her South Devon constituency. She mentioned that internal discussions have taken place amongst the Liberal Democrats on the levy with diverging opinions. Caroline Voaden MP has been discussing with members in the Liberal Democrats the case study of 100% added holiday tax for an off-peak caravan holiday for a family of 4 that was mentioned at a previous APPG session which has been a powerful tool to persuade colleagues.

Caroline Voaden MP raised concerns about the short term lets impacting home ownership locally and displacing local people. She said it is vital the promised register is delivered before the levy is introduced.

JJE reinforced that the LGA supports the ringfencing of funds and that culture and tourism offering is what gets cut first at a local level as not a statutory service.

CW said that businesses and councils are struggling with demands on policing and hospitality and growing number of visitors impact services.

BS added that you don't need a new tax to get money to local authorities, and instead it should be redistribution. Nationwide around 9% of domestic trips are overnight which means the levy would be heavily hitting a smaller proportion of visitors. There have been greater benefits from Manchester and Liverpool BIDs, because of clear designation with businesses involved in decision making.

BS advocated for a short term let register as being good for the image of the sector and the fragmentation of the levy being implemented in different ways by different regions as his biggest concern around the levy. Fiscal devolution can just be more money locally and there is no need for different styles of levy. Hypothecation doesn't work unless all council income is hypothecated otherwise existing spend in those areas just gets spent elsewhere.

EL said that discussions Tourism Alliance has had with regional mayors has revealed Mayor's plans to spend the funds on transport. This is not the visitor economy and taxes should be raised through other means for these purposes. EL expressed sympathy for local government finances but this is the wrong way to do it.

Damian Hinds MP said that we must get across the argument that tourists create cost, but also revenue through spending, jobs and creating positive public realms.

JJE said this money from consumer spending isn't coming into council revenue accounts to pay for the services that support visitors, and that councils such as Bath are calling for additional revenue through a Levy.

EL said the customer spending is going towards employing local people and keeping community hubs open on the high street.

Damin Hinds MP mentioned that the Manchester model operates much more like a BID which has been positive.

Caroline Voaden MP said that this is much harder to replicate in rural or coastal areas without a core high street.

**Meeting closes early due to votes.**