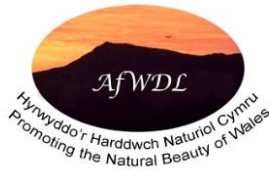


Alliance
for
Welsh Designated
Landscapes



Cynghrair
dros
Dirluniau Dynodedig
Cymru



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6th December 2022

Consultation on proposals for a discretionary visitor levy for local authorities.

Joint response from Alliance for Welsh Designated Landscapes and Campaign for National Parks.

The Alliance for Welsh Designated Landscapes champions the stewardship of Wales' designated landscapes. AWDL brings together the expertise of local and national organisations working as advocates for the protection and management needed for Areas of Outstanding Natural Beauty and National Parks to deliver their purposes and flourish.

Campaign for National Parks is the independent national voice for the 13 National Parks in Wales and England. Our mission is to inspire everyone to enjoy and look after National Parks – the nation's green treasures. We have been campaigning for over 80 years to ensure that our National Parks are beautiful, inspirational places that are relevant, valued and protected for all. We bring together a wide variety of people and organisations to address issues affecting National Parks and take action to keep these beautiful places safe. We draw on a large pool of experts among our members, many of whom are actively involved in designated landscapes and their communities, across Wales and England and further afield.

We are grateful for the opportunity to respond to this consultation.

Consultation questions and our joint responses:

1. Do you agree or disagree that local authorities should have discretionary visitor levy powers to enable a more equitable basis for the funding of local services and infrastructure between residents and visitors?

Agree

Disagree

What are the reasons for your answer?

Designated landscapes are, by and large, sparsely populated areas but attract and experience large visitor numbers which impact heavily on local communities, the local environment and local services. Local services include those provided by National Park Authorities, AONB partnerships, and Natural Resources Wales, as well as those provided by third sector organisations and partnerships. It is essential that bodies such as these have a clear route to influence, as a minimum, the distribution of levy revenues

Therefore, whilst we agree that a visitor levy could help to offset the visitor/resident/environment imbalance, it will only do so effectively if its revenues are used to address relevant impacts in relevant locations. This will require appropriate mechanisms to give clear direction to Local Authorities on where revenues are used and how their use is prioritised.

A number of designated landscape areas sit across Local Authority boundaries. The **discretionary** nature of the proposed power means that part of a National Park or AONB may have a visitor levy in place and part may not, as Authorities may choose not to opt into the scheme. There is potential for local economic consequences, as visitors choose their destinations based on well-known landscape areas, rather than Local Authorities. No-one, for example, in Leeds, Luton or Lisbon wakes up and says *'I know, let's go on holiday to the western part of Conwy and the eastern part of Gwynedd'*.

These are not arguments against a levy. They are arguments for consistency of application of the levy across the areas which are most acutely affected by visitor impacts, which include the designated landscapes that drive such a great proportion of tourism. They are also arguments for distribution of levy revenues being managed in ways which give significant control to bodies operating at the designated landscape level. Local Authorities may have other priorities which risk drawing the resources away from the areas of greatest visitor impact.

2. Do you have any views on whether a levy should apply to any other type of activity in addition to overnight visitors (e.g. day visitors) and if so, what activity do you think it should apply to and how do you think this would work in a Welsh context?

We agree that for practical reasons the levy should only apply initially to overnight visitors but in the interests of fairness Welsh Government should commit to ensuring day visitors contribute in future e.g. through the introduction of some form of supplementary parking charges and road-user charging (with appropriate exemptions for residents, essential users etc).

3. It is our view that the tax framework (legislation) which sets out how the levy would be applied and operated should ensure consistency of application across local authorities. However, there are some aspects such as setting rates and exemptions and determining use of revenues which may benefit from local autonomy. Do you agree or disagree with this position?

Agree

Disagree

What are the reasons for your answer?

We agree the level of the rate should be consistent across local authorities to allow effective messaging to visitors and reduce administrative costs. Local autonomy in choosing how to spend revenues is essential to ensure the particular needs of a place, community or environment are addressed.

4. Are there any other aspects of the tax framework which would benefit from greater local autonomy?

For example:

- Exemptions or reliefs
- Type of rate
- Level(s) of the rate
- Use of revenues
- Reporting requirements

What are the reasons for your answer?

There is a case for limited exemptions or reliefs eg for educational groups.

In rural areas, particularly designated landscapes, with large visitor numbers which generate the need for a high level of targeted public messaging and visitor management, traffic management, litter control, public toilets and so on, there is a strong case for visitor levy revenues to be made available to the bodies eg National Park Authorities and their partnerships, and AONB partnerships, which manage these areas. At the very least, there needs to be a clear mechanism in place for ensuring that these bodies are able to influence how the revenue raised in their area is spent.

5. We propose that the levy would be a self-assessed tax for visitor accommodation providers (based on number of overnight stays) who must charge and collect the levy from visitors for an overnight stay and then remit this to the tax authority. Do you agree or disagree with this?

Agree

Disagree

What are the reasons for your answer?

It is fair and equitable for the levy to be based on overnight stays and this can only be collected as a self-assessed tax of visitor accommodation providers. Voluntary 'visitor giving' pilot schemes such as Rhodd Eryri provide some useful evidence in relation to this approach. In that pilot scheme businesses received regular updates, explaining how the revenues they were collecting were being used in their local area. This kind of feedback resulted in buy-in to the scheme and almost certainly encouraged high levels of commitment to accurate reporting and payment of revenues. Our member the Snowdonia Society would be happy to provide more information on this scheme.

6. When should the levy be collected as part of the booking process?

On arrival

On departure

In advance (where payments are taken in advance for bookings)

What are the reasons for your answer?

The levy should be charged at the same time as the charge for the booking is taken.

7. Do you agree or disagree that ultimate responsibility be on the visitor accommodation providers for collection and payment of the levy to the tax authority?

- x Agree
 Disagree

What are the reasons for your answer? If you answered no, what alternatives should be considered and how would these work?

Your proposal is the most realistic way of charging and collecting the levy.

8. Do you agree or disagree that all visitor stays within commercially let visitor accommodation should be considered within scope of the levy (unless otherwise exempted)?

- x Agree
 Disagree

What are the reasons for your answer?

There are public costs associated with all visitor stays and, therefore, all commercially let visitor accommodation should be considered. However consideration should be given to matching levy to impact. As currently conceived a visitor arriving by bicycle or on foot and camping in a tent would likely pay the levy, despite the vastly greater sustainability and lower impact of their visit compared to a car-based visitor. Camper vans may also avoid the levy depending on where they overnight. See Q10 and Q22 responses for suggested derogations for sustainable travel.

9. Do you agree or disagree with the following proposed exemptions:

a. Stays within Roma and Gypsy Traveller sites (where transient stays are inherent to the culture)

- x Agree
 Disagree

What are the reasons for your answer?

Transient lifestyle

b. Stays organised by local authorities undertaking their statutory functions (such as duties undertaken as part of The Housing (Wales) Act 2014) (e.g. provision of temporary accommodation for those who are homeless).

- Agree
 Disagree

What are the reasons for your answer?

Unjustified to penalise homeless people

c. Stays organised through the Home Office in undertaking their statutory functions relating to asylum claims and temporary housing of refugees

- Agree
 Disagree

What are the reasons for your answer?

Unjustified to penalise asylum seekers and refugees

d. Stays within accommodation provided by charities and non-profit organisations on a non-commercial basis (e.g. for the purposes of shelter, respite or refuge/homeless shelters and refuges)

- Agree
 Disagree

What are the reasons for your answer?

As above

10. Are there any other exemptions that we should consider? Please select all that you think should apply:

- Children and young people
 Overnight stays where the purpose of the visit is for medical treatment
 Disabled people
 Other (please specify):

What are the reasons for your answer? We believe all children should have the opportunity to visit and learn about the countryside; a visitor levy could act as a barrier. Whilst recognising the administrative complexity of separately accounting for children within a family booking, exemption should be possible for school/young people groups.

If specialised medical treatment is necessary and there is no alternative, overnight stays should be exempt.

Consideration should also be given to a derogation to incentivise sustainable travel, to ensure that the levy is aligned with Welsh Government strategy as laid out in Llwybr Newydd. For example, providing the option to charge a reduced rate for those arriving on foot, bicycle or public transport. See comments in Q8 and Q22 responses.

11. Do you agree or disagree that any exemptions should be established within a mandatory framework set out in legislation?

- Agree
 Disagree

What are the reasons for your answer?

Consistency

12. As set out in the consultation we believe that where exemptions are applied, they should be done so across all local authorities in a consistent manner. However, there may be circumstances we are not aware of where discretionary exemption powers for a local authority may be required. Should local authorities have discretionary exemption powers?

- Yes
 No

What are the reasons for your answer?

The legislation needs to be clear and specific

13. To ensure fairness, it is proposed that all commercially let visitor accommodation is considered within scope of this levy. Do you agree or disagree with this?

- Agree
 Disagree

What are the reasons for your answer?

Equitable and fair

14. Should there be any commercially let visitor accommodation that is exempt from charging and collecting a visitor levy?

Yes

No, subject to the exemptions outlined in responses to Q10 and Q11.

If you answered yes, what would the basis for the exemption be and how would this be applied (for example a certain threshold)? What are the reasons for your answer? If you answered no: What are the reasons for your answer?

Equitable and fair

15. Should there be a comprehensive list of visitor accommodation providers available to the tax authority to support the administration of a levy, rather than there being no registration requirements in place?

Yes

No

What are the reasons for your answer?

To allow effective operation and administration of a visitor levy.

16. Would utilising the proposed statutory licensing scheme (as opposed to creating a bespoke tax registration scheme) provide an appropriate means by which a local authority could ensure that it has a comprehensive list of visitor accommodation providers in its area and that this information would support the operation of a visitor levy?

Yes

No

What are the reasons for your answer?

As above.

17. Which of the following do you think would be the most appropriate type of rate for this levy?

A per night, per room/accommodation

A per person, per night

A percentage of the accommodation charge

A blended model of the above

What are the reasons for your answer?

Progressive and the most fair

18. We propose that the same type of rate would apply across all local authorities that use a visitor levy rather than this being locally determined. Do you agree or disagree with this approach?

Agree

Disagree

What are the reasons for your answer?

Less confusing to visitors and less costly to administer.

19. Are there any additional impacts we should consider based on the type of rate chosen (for example, impacts regarding: resourcing and staff time, financial costs, other administrative costs, time and costs required to update any digital systems, seasonal price changes, and any other impacts we should consider)?

i. A per night, per room/accommodation levy

Visitor Accommodation providers

Tax authority

Visitors

ii. A per person, per night levy

Visitor Accommodation providers

Tax authority

Visitors

iii. A percentage of the accommodation charge

Visitor Accommodation providers

Tax authority

Visitors

20. When setting a rate, what factors and evidence should be considered to ensure the levy rate is appropriate? This could include for example price and income elasticities, seasonal demand (and therefore price changes) and wider economic circumstances.

Seasonal demand.

Identifying the issues to be addressed, followed by a strategy, a budget and a plan to clearly link the levy to the outcomes. This should inform the rate required and reassure the public that the revenue is being used as intended.

21. When determining what rate (or rates) to set, should a rate proportional to accommodation cost (or type/quality) be considered?

Yes

No

What are the reasons for your answer?

Linked to visitors' ability to pay.

22. What is the appropriate number of consecutive nights after which the levy would not apply to any subsequent nights?

5 nights

7 nights

14 nights

Other number, please specify:

What are the reasons for your answer?

Allows a proportionate visitor contribution to funding local services and encourages longer stays with potentially more benefit to the local economy. However such an approach should be introduced in conjunction with a mechanism for exempting those travelling by bicycle or on foot to avoid unfairly penalising those doing long distance walks or cycle touring who will be moving on more frequently but will have a relatively low-impact on local services. It is appreciated that such a mechanism would add to the complexity of the scheme and the benefit has to be balanced against the operability of the scheme as a whole.

23. Should the same rate or rates apply in each local authority area rather than this being locally determined?

Yes

No

What are the reasons for your answer?

Less confusing to visitors and less costly to administer. We argued in Q1 for consistency of application of the levy across each designated landscape both within and across local authority areas.

24. If rate setting were to be determined locally should the same rate apply regardless of location within the local authority area?

Yes

No

What are the reasons for your answer?

Less confusing to visitors and less costly to administer. See also response to Q23.

25. If rate setting were to be determined locally, should there be a cap or bandwidth set for the level that a rate can be charged?

Yes

No

What are the reasons for your answer?

Less confusing to visitors and less costly to administer.

26. How often should any proposed visitor levy rate be reviewed?

Annually

Every 2 years

Every 3 years

Every 5 years

Other (please specify):

27. We have outlined under Table 1 the potential record keeping requirements for businesses based on different rate types. To help us understand in more detail potential record keeping requirements for businesses, please could you outline what information you think would be required to be collected and retained by visitor accommodation providers for:

A per night per room/accommodation levy

A per person, per night levy

A percentage of the accommodation charge levy

28. We wish to understand the impact of collecting and recording the information identified under Table 1 (and any other information you identified in response to the previous question) to help make a self-assessment of the tax liability. What would be the resource impacts of collecting this information (staff time and costs involved in making changes to any processes and systems)?

How could this data be collected (is there an existing process or system that could be used as part of the booking process)?

29. How frequently should visitor accommodation providers be required to submit self-assessed tax returns for a visitor levy, noting that it may be possible to allow more frequent submission if that suited the business?

- Monthly
- Quarterly
- Bi-Annually
- Annually

What are the reasons for your answer?

30. To ensure compliance with the levy, it is likely the following enforcement powers would be required for the tax authority. Do you agree or disagree with the powers listed?

i. Civil information and inspection powers, including those to enquire into tax returns, audit records retained by visitor accommodation providers, and inspect premises

- Agree
- Disagree

What are the reasons for your answer?

To deter, prevent and identify those who seek to avoid, evade or defraud.

ii. 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.

- Agree
- Disagree

What are the reasons for your answer?

To deter, prevent and identify those who seek to avoid, evade or defraud.

iii. Discretionary debt relief powers, for example the ability to reduce a debt to nil or to not issue a penalty in certain circumstances.

Agree

Disagree

What are the reasons for your answer?

To allow relief to a taxpayer under particular financial or personal difficulty.

31. How should revenues raised by a visitor levy be spent? What are the reasons for your answer?

The countryside and coast of Wales, particularly AONBs and National Parks, has experienced a very significant increase in visitor numbers in the last two years. In some areas the tourism and visitor management infrastructure has been overwhelmed. More extensive and effective traffic management and public transport, litter control, toilets, public messaging and wardening are urgently needed to cope with the surge in demand and the impact on local communities. Projects such as Caru Eryri – a third sector/public sector partnership have been set up in direct response to visitor pressures, but they do not have long-term sustainable funding – the levy could contribute to the development of such innovative projects. <https://www.snowdonia-society.org.uk/wp-content/uploads/2022/06/Cyflwyniad-Cynhadledd-Caru-Eryri-2022-.pdf> To help fund this work in designated areas, National Parks and AONBs, revenues from a visitor levy should be allocated to the Authority or Partnership charged with managing the area. At a minimum, the relevant Protected Landscapes body should have a role in determining how the revenue raised in their area is spent by constituent local authorities. Engagement to decide how revenues are allocated is suggested in the response to Q33. Only in this way will the levy revenues consistently be used to address the actual visitor impacts which underpin the rationale for the levy.

32. Should the revenues raised by a visitor levy be hypothecated (ring-fenced)? What are the reasons for your answer?

Yes

No

What are the reasons for your answer?

Hypothecated levy will provide a strong and clear link between the levy and the services provided, raising awareness as to the purposes and benefits of the levy and encourage visitors to pay.

33. What local engagement should take place when deciding how revenues are allocated?

Engagement between Local Authority, National Park Authority, formal partnerships which are directly involved in managing visitors, their impacts and supporting the visitor experience – eg National Park partnerships, AONB partnerships, Transport bodies, local Tourism Associations.

34. Should there be a separate annual report detailing the revenues collected and benefits of a visitor levy at a local level?

Yes

No

What are the reasons for your answer?

The revenue raised and how it is spent will be of great interest at a local level to both the accommodation providers and visitors. A readily available and digestible annual report is needed. Ultimately if a self-assessment approach is to work well, it needs buy-in from the accommodation providers and their customers. That can only be secured if they are engaged and can see the benefits that the levy – their money – is producing on the ground in the places where the visitor impacts and resulting needs are the greatest.

We strongly advocate for a simple annual review process, including the above stakeholders but independent from the Local Authority, to feed back to Welsh Government. This would enable evaluation of the outcomes of the allocation process, and provide a safeguard against Local Authorities using levy revenues for purposes which do not adequately address visitor impacts.

35. We propose that reporting arrangements for local authorities would be set out within the tax framework to ensure consistency in approach across local authorities. Do you agree with this approach?

Yes

No

What are the reasons for your answer?

Consistency and transparency.

36. What information should be available for visitors regarding the levy?

Why they need to pay a levy, who collects the levy, how it is allocated and what the revenue goes towards. Some significant effort needs to be put into producing simple clear high quality information and promoting it to businesses and their customers, visitors and the media. Done well, it will minimise adverse reaction to the visitor levy.

The introduction of the levy is an opportunity to highlight to visitors the benefits of local services such as car parking, public transport, footpath maintenance and litter clearance but also to make clear the costs of providing those services and what visitors can do to help reduce those costs such as taking their litter home. This could also be linked to raising awareness about the Countryside Code to ensure visitors have a good understanding about their rights and responsibilities.

37. We propose that local authorities would be able to decide by way of local governance processes whether to implement a visitor levy. Do you agree or disagree with this approach?

Yes, subject to the requirement below

No

What are the reasons for your answer?

Whereas we are in favour, in principle, of local discretion this could lead to National Parks and AONBs having a tax boundary down their middle. We therefore ask for a requirement that all Local Authorities within a particular designated landscape adopt a consistent approach.

Should local consultation take place prior to the introduction of a visitor levy?

Yes

No

What are the reasons for your answer?

The introduction of a visitor levy will impact on both local businesses and those managing visitors.

38. What transitional arrangements should apply for accommodation that has been booked in advance of a local authority implementing a visitor levy? What are the reasons for your answer?

Historical advanced bookings should be exempt from a visitor levy for the full financial year of the introduction of the levy, for reasons of fairness and transparency.

How could any transitional arrangements be designed to avoid deliberate tax avoidance or evasion?

As above.

39. How best can the proposed visitor levy be implemented and administered?

- Fully local implementation and administration
- Fully centralised implementation and administration
- Mixture of local and central implementation and administration

40. What would be the benefits and disbenefits of each option?

- a. Fully local implementation and administration
- b. Fully centralised implementation and administration
- c. Mixture of local and central implementation and administration

Combines the benefit of a centralised IT system, infrastructure and support with local authorities' local knowledge and expertise.

Welsh Language

41. We would like to know your views on the effects that the proposals to introduce a visitor levy would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

- a. What effects do you think there would be?

Net positive. Opportunity for dialogue and engagement with businesses and their customers about the need for the levy and the ways it will be used. This would centre on the need to protect and respect the precious special qualities of the areas they visit – including environment, nature, landscape, community and specifically drawing attention to language as a special quality of Wales.

b. How could positive effects be increased

Opportunities to use the levy in some places to encourage improved bilingual provision, especially by businesses and third sector.

c. How could negative effects be mitigated?

42. Please also explain how you believe the proposed policy to introduce a visitor levy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Ensure that the allocation of levy revenues is controlled or at least influenced by networks of stakeholders, working to a set of clear criteria, which should include as a minimum:

- Levy funds must be available for use by a range of organisations, not just Local Authorities; this will bring organisations to the table where they will have the opportunity to demonstrate their commitment to furthering the Welsh language.
- Projects or works funded by the levy must meet agreed requirements for bilingual provision
- Levy funds must be used to address issues across a range of visitor impacts including environmental, social and linguistic

43. We have asked a number of specific questions through this consultation. If you have any related issues which we have not specifically addressed, please use this space to report them:

While we recognise that the proposed visitor levy could potentially deliver much needed new revenue, it is important to recognise that **National Parks are national assets which were designated for the nation. We therefore believe that the majority of their funding should come from the public purse.**

Given this is the first time that such a levy will have been used in the UK, Welsh Government must ensure that its introduction is carefully monitored so that any unintended consequences are identified and can be addressed at an early stage. There should be a full review two years after the ability to charge the levy is put in place which should cover a range of issues including: how many local authorities have chosen to implement it; why

others have not done so; any impacts on numbers/destinations of visitors; whether levy is raising anticipated levels of revenue; how revenue is being spent etc.

As we have raised in a number of places in this consultation response, it is essential that the bodies responsible for managing the high visitor numbers in designated landscapes benefit from the introduction of the levy. This means there must be a mechanism for ensuring the revenue raised in these areas is directed to the relevant body (National Park Authority, AONB Partnership etc).

If the Visitor Levy is introduced, it should follow on from the proposed licensing scheme for holiday accommodation (if adopted) to ensure the whole sector is engaged from the outset.

Please note certain categories of questions eg Record Keeping have not been completed because we don't feel equipped to respond.

We are happy for our response to be made public.