



Visitor Levy Consultation

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

A response from British BIDs

February 2026

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British BIDs

A Business Improvement District (BID) is a business-led and business-funded body formed to improve a defined commercial area. The benefits of BIDs are wide-ranging and include:

- Businesses decide and direct what they want in their area
- Businesses are represented and have a voice in issues affecting their trading area
- BID levy money is ring-fenced for use only in the BID area
- Increased footfall and spend
- Improved staff retention
- Reduced business costs
- Enhanced marketing and promotion
- Support with sustainability initiatives
- Guidance in place shaping vision activities
- Facilitated networking opportunities with neighbouring businesses
- Assistance in dealing with the Council, Police and other public bodies

There are currently 350 BIDs in the British Isles, investing £183,973,547 a year into their local communities of which 249 are in England. 51% of these BIDs are in English Combined Authorities, representing 70,000 businesses, and investing £118,255,187 a year. This is a considerable sum.

British BIDs leads the BID industry by supporting the interests and values of the 350 BIDs in the British Isles and the work that they do. We are a membership body and work with BIDs and a range of strategic partners across the UK and Ireland. British BIDs enables its members and others to learn, network, share experiences, and develop best practice.

We provide a range of services to BIDs, including research, advice and guidance, training, professional development, and by providing insight on a range of policy issues that relate to BIDs and their work. British BIDs is part of Savills Place, whose portfolio addresses all aspects of the important relationship between people and places, including individual large office buildings, mixed use schemes, residential developments, leisure and retail centres, towns, cities, and areas that are covered and served by BIDs.

We produce the Annual BID Survey and Report - the authoritative statement on the industry which draws on years of insight, knowledge, and experience of the industry.

Our work is informed, guided, and supported by a wide and diverse range of representatives from across the BID industry, including those who run BIDs, national businesses that pay a BID levy in numerous high streets and town centres across the UK and Ireland, and other specialists.

We run important networks that are relevant to the BID industry, including national groups that address the needs and issues of Industrial BIDs and National levy payers and voters.

We also deliver the annual National BIDs Conference which brings together our members and other BIDs from across the UK, Ireland, and other countries, along with other stakeholders and partners.

Response methodology

British BIDs corresponds regularly with its BID members and the wider BID community. It recently ran an interactive webinar on the the overnight visitor levy to collect our members views and spoke to local authority and elected mayors to gain their thoughts. This response brings together those various inputs.

General overview

We note that the government is giving Mayoral Strategic Authorities in England the power to create local overnight visitor levies; BIDs are keen to be part of that process to ensure a powerful business voice in that agenda.

We note that 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. This is very much the work of the BIDs across the country, and we believe it is important that the plans and discussions include BIDs as local business leaders.

We are pleased that 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. And we are keen that 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.

Summary of questions and British BIDs responses

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

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

Whilst we understand that 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, we believe that we should test the model initially in the larger and already well established Mayoral Combined Authorities. We believe that the Local Government reorganisation plans need to be embedded before we go further.

Chapter 3: 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?

We understand that 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.

However, we believe that it is vital that the levy is seen as an economic growth tool and that Mayoral Authorities work with the business community, particularly the local Business Improvement Districts, [BIDs] of which there are 249 in England and 149 in the current Mayoral Strategic Authorities. There are also some very successful existing Accommodation BIDs, from whom much can be learnt. There are currently 131,278 business premises in BIDs in England and some 70,000 in the current MCAs

- 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?

Every local authority is different, with very different business communities and make-ups. BIDs are already closely integrated with their businesses and their local authorities. If any growth agenda is to be realised BIDs need to be involved as local leaders to help steering the agendas.

We believe strongly that “Local leaders” must include the local business community and if there is a Business Improvement District or Districts in the proposed overnight levy area then they must be specifically involved in their role as representative of a large number of businesses of all types. There are currently 131,278 business properties in BIDs in England

Chapter 4: 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 (see sections 4.3-4.5)?

We believe that all overnight stays will need to be included, BUT there will need to be sets of exemption rules by size and type of business. These rules will need to be locally specific

- 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.

Any threshold will need to vary by location, as the cost of overnight stays vary by location.

It should be for the Mayor and business to develop rules, as they currently do for Business Improvement Districts and Accommodation BIDs.

- 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:

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.

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).

We believe these exemptions seem sensible

- 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.

As part of a commitment to localism, we believe that Mayors and other local leaders, particularly local business leaders, should have the power to introduce additional local exemptions to those outlined nationally; but we also

believe that exemptions of different sorts and types will emerge over time as the model is developed.

Chapter 5: Levy rates

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

This will be an important issue. We believe that the levy should be a percentage of the published room rate and exclude drinks and meals, etc.

A flat rate levy appears convenient but is regressive

We also believe that study of other international models would be valuable and are pleased to see that the consultation specifically mentions [1.2.9] “We will learn from the approaches taken internationally and in other parts of the UK”. We are also pleased that recognition is given to “replicating elements of a visitor levy have been put in place through ‘Accommodation Business Improvement Districts’, such as the one in Manchester”. Much learning can be gained from such research, and the issues of the current and very successful Accommodation BIDs will need to be factored into the new proposals

- 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)?

Many European models apply the levy differentially - if necessary, as an extra charge if the bill has already been paid. We believe this would work well.

- 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.

We believe that Mayors and local leaders should have the flexibility to set local rates; but we believe strongly that local leaders must include the local business community, and all and any Business Improvement Districts in the proposed area.

- 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.

At the moment we see no great argument for a unilateral cap; but we do see a need for local flexibility with full consultations in the development stages for local rules. Some BIDs have caps on their maximum levy payment; others do not. It seems to work well.

- 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.

At the moment we see no great argument for a limit; but we do see a need for local flexibility with full consultations in the development stages for local rules. Again, some BIDs have rules on the number of individual hereditaments that each business pays for; others do not. It seems to work well.

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

We believe that other flexibilities must be allowed to emerge as the proposals are developed at each local level and that this must be both allowed and celebrated if the levies are to be accepted by the business communities.

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

Our experience with Business Improvement Districts suggests that flexibilities must be allowed to emerge as the proposals are developed at each local level and that this must be both allowed and celebrated if the levies are to be accepted by the business communities.

This is particularly relevant for different types of accommodation in different parts of the country.

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

As we have already stressed, our experience with Business Improvement Districts suggests that flexibilities must be allowed to emerge as the proposals are developed at each local level and that this must be both allowed and celebrated if the levies are to be accepted by the business communities.

This is particularly relevant for different constituent authorities in the various regions, which may be very different indeed, with different needs and aspirations.

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.

As we have already stressed, our experience with Business Improvement Districts suggests that flexibilities must be allowed to emerge as the proposals are developed at each local level and that this must be both allowed and celebrated if the levies are to be accepted by the business communities.

This is particularly relevant for different constituent authorities in the various regions, which may be very different indeed, with different needs and aspirations. Clearly seasonality is a major issue and there are many Business Improvement Districts in the major tourist areas, and we know that some Mayoral authorities have major aspirations to grow their tourism industries.

Chapter 6: 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?

Business Improvement Districts, under the 2003 Local Government Act Part 4 and the 2004 BID Regulations, are required to both consult and submit detailed proposals that are taken to ballot. We believe the overnight visitor levy should be treated in a similar fashion

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

The proposed content of the prospectus mirrors much of what is required of a BID and thus we believe it is appropriate and necessary.

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

We agree that MSAs need to provide a minimum of twelve months' notice for businesses and local authorities to prepare for the introduction of a levy and believe it is reasonable

- 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?

We do believe that constituent authorities should retain a vote on the introduction of a levy via the existing voting arrangements on the Mayoral budget voting process. We also believe that 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 agree 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.

- 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?

We do agree that in Foundation Strategic Authorities a simple majority vote on the question of whether or not to consult on a levy, and another on whether to introduce one, should be required from the constituent councils

- 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

We agree that 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.

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

We have no views on this but feel that different governance and accountability mechanisms will emerge over time as the different models develop

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

We believe that, as in Business Improvement Districts, it will be essential to maintain clear accounting records for levy income and expenditure; publish annual reporting detailing total revenue raised; how levy revenues have been used; and ensure transparency and accountability through local governance structures

Chapter 7: Liability and assessment model

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

We are pleased to see that in most cases the cost of a levy will be passed on to the visitor. We understand that 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. We accept 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.

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

We believe that it will be for each provider to arrange with the various booking platforms the best way that they can be integrated. We believe that this will happen.

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

We believe that as 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, it is the most sensible solution

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

We agree that the tax point should be the date of arrival, rather than the date of booking or payment and agree that this approach ensures that a levy is based on actual occupancy, rather than anticipated or planned stays. It also seems sensible 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.

Chapter 8: 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?

It is difficult to judge this until the various systems have been explored, but some judicious blend of local and central would seem a likely outcome.

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?

Indeed, but an appropriate, necessary and sufficient amount.

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?

The levy will require business rates data, companies house data, planning records, and other local intelligence; short term lets are not part of this. We believe that an integration of the national light touch, low-cost registration scheme with local authority data will ensure that everyone is 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.

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

We believe that this must be allowed to emerge by way of feedback as the schemes develop

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

We believe that this must be allowed to emerge by way of feedback as the schemes develop

Chapter 9: Compliance and enforcement

- 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.

These powers mirror those followed for Business Improvement Districts and Business rates enforcement and thus appear appropriate.

- 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.

We believe that there must be an appeals process for accommodation providers to raise disputes on liability, incorrect classification or in relation to enforcement action.

Chapter 10: 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?

We do not have any views on this and note that the public bodies have a duty under the Equality Act 2010 to consider the needs of people who share particular protected characteristics.

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