

# North Yorkshire Council

## Community Development Executive Member

17 February 2026

### National Visitor Levy Consultation - NYC Response

#### Report of the Corporate Director of Community Development

#### **1.0 PURPOSE OF REPORT**

- 1.1 To obtain approval from the Executive Member for Open to Business for the North Yorkshire Council Response to the Visitor Levy Consultation.

#### **2.0 SUMMARY**

- 2.1 This report provides a recommended North Yorkshire Council response to the current Government consultation on the introduction of a visitor levy on overnight stays in England. It also sets out the results of an online survey undertaken with local accommodation providers and visitor economy organisations which has been undertaken by the Council to help inform the response.

#### **3.0 BACKGROUND**

- 3.1 The Government is currently consulting on proposals to introduce new Mayoral powers enabling Combined Authorities in England to apply a visitor levy on overnight accommodation. The consultation closes on 18 February 2026. Full details of the consultation are available on the Gov.uk website ([Visitor levy in England - GOV.UK](#)).

- 3.2 The visitor economy is a significant sector for North Yorkshire therefore it is an important consultation for the Council to respond to.

#### **4.0 PREPARING A RESPONSE TO THE CONSULTATION**

- 4.1 In preparation for submitting a formal consultation response, North Yorkshire Council proactively sought views from the local visitor economy sector to understand the potential impacts of such a levy within a largely rural and domestic led tourism market.
- 4.2 An online business survey was undertaken between December 2025 and 26 January 2026. A total of 277 responses were received from accommodation providers and visitor facing organisations across the county. The feedback highlighted significant concerns relating to affordability for visitors, administrative and operational burdens for businesses, and impacts on competitiveness should a levy be applied inconsistently across regions.
- 4.3 The findings reflect the diversity of the North Yorkshire visitor economy, including coastal, National Park, rural, and urban destinations. They also highlight particular sensitivities for lower income visitors and for areas with strong reliance on domestic tourism.

4.4 The York and North Yorkshire Combined Authority, if the powers are granted, would have responsibility for determining whether to introduce a levy. Given the variation in economic context across the region, it is important that the Council's response emphasises the need for local flexibility, robust consultation, clarity over ringfencing of revenue, and alignment with existing strategic frameworks such as the Destination Management Plan and the Local Visitor Economy Partnership.

4.5 The Council's draft response to the consultation is set out at Appendix A to this report.

## **5.0 CONSULTATION UNDERTAKEN AND RESPONSES**

5.1 Details of the consultation undertaken, and an analysis of the responses received is set out in Appendix B to this report.

## **6.0 CONTRIBUTION TO COUNCIL PRIORITIES**

6.1 Responding to the consultation supports the Council's strategic objectives by ensuring that national policy proposals reflect the needs of North Yorkshire's economy, communities, and visitor destinations.

6.2 The Council's position seeks to safeguard the viability of the tourism sector, which is a significant contributor to employment, local growth, and rural sustainability. The draft response also aligns with the Council Plan, the Economic Growth Strategy 2024–2029, and the Destination Management Plan 2024–2034 by emphasising the importance of supporting year-round tourism, protecting rural economies, and ensuring that any future levy revenue is reinvested in infrastructure and services that benefit residents, visitors, and businesses.

## **7.0 ALTERNATIVE OPTIONS CONSIDERED**

7.1 The alternative option would have been not to submit a consultation response. This option was discounted as it would have limited the Council's ability to influence the development of a policy that could have significant implications for the local visitor economy. By gathering business feedback and submitting a formal response, the Council has ensured that the specific needs and concerns of North Yorkshire are represented in national decision-making.

## **8.0 IMPACT ON OTHER SERVICES/ORGANISATIONS**

8.1 While responding to the consultation itself has no direct operational impacts, the Council's position seeks to minimise any unintended consequences of future implementation on local businesses and public services. The draft consultation response highlights the potential impacts on accommodation providers, tourism organisations, National Park Authorities, and rural and coastal communities.

8.2 Should a visitor levy be introduced in future, there may be implications for several service areas, including economic development, finance, customer services, enforcement, and communications, depending on the administrative model adopted by the Combined Authority.

## **9.0 FINANCIAL IMPLICATIONS**

9.1 There are no immediate financial implications arising from submitting the consultation response. Any future financial impacts would depend on whether the Combined Authority chooses to introduce a visitor levy and the mechanism for collecting and distributing revenue.

- 9.2 The Council's draft response emphasises the need for ringfencing revenues to the areas in which they are generated and for joint governance arrangements to ensure funding is used for agreed strategic priorities. Should the levy be introduced, further detailed financial planning would be required to determine administrative processes, resource requirements, and impacts on Council services.

## **10.0 LEGAL IMPLICATIONS**

- 10.1 There are no direct legal implications arising from the submission of a consultation response. Any future introduction of a visitor levy would be dependent on national legislation granting powers to Mayoral Combined Authorities.
- 10.2 The Council's response sets out the need for statutory consultation requirements, including publication of proposals, engagement with residents and stakeholders, and clear governance arrangements involving constituent councils. Legal implications would be assessed in detail should the Combined Authority seek to exercise any future powers.

## **11.0 EQUALITIES IMPLICATIONS**

- 11.1 There are no direct equalities implications arising from submitting the consultation response. However, should a visitor levy be introduced in the future, there may be indirect impacts on groups with protected characteristics, particularly those on lower incomes who may be more sensitive to increases in accommodation costs. See Appendix C – Initial Equalities Impact Assessment Form.
- 11.2 The consultation response highlights concerns in coastal and rural areas where many visitors are families seeking affordable holidays. Any future development or implementation of a levy by the Combined Authority would require a full Equalities Impact Assessment (EqIA) to ensure that policy design and revenue use do not disproportionately disadvantage any protected group.

## **12.0 CLIMATE CHANGE IMPLICATIONS**

- 12.1 There are no direct climate change implications associated with responding to the consultation. The Council's submission notes, however, that if a visitor levy were to be introduced, revenue could be used to support climate-positive initiatives such as sustainable transport, zero-carbon visitor trails, and enhancing the resilience of natural landscapes. See Appendix D – Climate Change Screening Form.
- 12.2 The Council also highlights that a levy applied only to overnight visitors could unintentionally encourage a shift from overnight stays to day visits, particularly within a predominantly domestic market. Day visits typically generate higher per-capita carbon emissions due to additional car travel without the longer-stay benefits of dispersal or extended economic activity. This potential displacement effect must therefore be carefully considered by the Combined Authority and Government during policy design to ensure that any levy aligns with wider net-zero and sustainable tourism objectives.

## **13.0 POLICY IMPLICATIONS**

- 13.1 There are no immediate policy implications arising from the submission of the consultation response. However, the Government's proposals, if implemented, would introduce a new discretionary power for Mayoral Combined Authorities to apply a visitor levy on overnight stays. This would create a new area of policy development for the York and North Yorkshire Combined Authority and, by extension, for its constituent councils.

13.2 The Council's consultation response sets out several policy considerations that would need to be addressed should the levy proceed, including:

- **Local flexibility** – recognising that the visitor economy varies significantly across the Combined Authority area and that a single approach may not be appropriate for both rural and urban destinations.
- **Governance arrangements** – ensuring that constituent councils have a clear role in decision-making, including the Council's view that a veto should apply where a levy is proposed within a specific local authority area.
- **Ringfencing of revenue** – establishing policy mechanisms to ensure that funds generated by any levy are reinvested in the areas where they are collected, unless they contribute to agreed strategic regional projects.
- **Alignment with existing strategic frameworks** – including the Destination Management Plan, Economic Growth Strategy and Local Visitor Economy Partnership, to ensure that the use of levy revenue supports wider policy goals around sustainable growth, inclusive tourism and rural and coastal resilience.
- **Resident and stakeholder consultation requirements** – confirming the Council's position that any future legislation should mandate a formal and transparent consultation process prior to the introduction of a levy.
- **Environmental considerations** – noting that the design of any levy should avoid unintended displacement towards higher-carbon day visits and support the transition to sustainable tourism.

13.3 If Government proceeds with enabling legislation, further detailed policy development will be required to assess the operational, economic and environmental impacts of any levy proposals considered by the Combined Authority.

#### 14.0 RISK MANAGEMENT IMPLICATIONS

14.1 Responding to the consultation poses no significant risks to the Council. The risks relate primarily to any future introduction of a visitor levy by the Combined Authority. Key potential risks of introducing a levy identified through business feedback include:

- **Reduced visitor demand** due to increased costs, particularly among domestic visitors who represent the majority of the North Yorkshire market.
- **Competitiveness risks** if neighbouring areas choose not to introduce a levy.
- **Administrative burdens** for both businesses and local authorities depending on the collection model used.
- **Potential business closures or reduced viability**, particularly in rural and coastal locations.

14.2 The Council's draft consultation response seeks to mitigate these risks by calling for local flexibility, ringfenced investment, robust consultation, and appropriate governance arrangements.

#### 15.0 CONCLUSIONS

15.1 The government consultation presents proposals that could have significant implications for the visitor economy in North Yorkshire, particularly in rural and coastal areas that rely heavily on domestic tourism. By undertaking local engagement and submitting a detailed response, the Council will ensure that the concerns and priorities of local businesses, residents, and partners are clearly reflected in consultation around national policy development. The draft response also sets out the Council's position on governance, ringfencing, consultation requirements, and the need for local flexibility should a visitor levy be introduced in future. Approval of the draft consultation response will enable the Council to contribute constructively to the Government's consideration of these proposals.

## **16.0 REASONS FOR RECOMMENDATIONS**

16.1 Approval of the consultation response is recommended to ensure that North Yorkshire Council:

- clearly articulates the specific needs and sensitivities of the county's diverse visitor economy;
- reflects the views and concerns raised by local accommodation providers and visitor-facing businesses;
- influences the development of national legislation that may directly impact the area;
- supports appropriate governance arrangements and safeguards should new Mayoral powers be introduced; and
- ensures that any future implementation of a visitor levy is aligned with the Council Plan, Destination Management Plan, and wider strategic objectives.

## **17.0 RECOMMENDATION**

17.1 That the Executive Member for Open to Business approves the submission of North Yorkshire Council's consultation response to the Government on the proposed introduction of Mayoral powers to create a visitor levy on overnight stays in England.

### **APPENDICES:**

Appendix A – Proposed Consultation Response Letter from Councillor Crane

Appendix B – Consultation Responses from the Visitor Economy - Report

Appendix C – Initial Equalities Impact Assessment Form

Appendix D – Initial Climate Change Screening Form

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06 February 2026

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Presenter of Report – Tony Watson, Head of Economy and Tourism

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions