

Proposed Consultation Response Letter from Councillor Crane

Dear XXXX

### **North Yorkshire Council response to consultation on a visitor levy in England**

Thank you for the opportunity to input views on the design of a new Mayoral power to create visitor levies on overnight stays in England.

As part of our response on this matter, we felt that it was important that we asked for and understood the views of our local businesses. Our online business survey, which closed on 26 January 2026, received 277 responses from North Yorkshire accommodation providers and visitor economy organisations. The responses highlight significant concerns over administrative burdens, potential declines in bookings due to price increases, and risks to competitiveness. I attach an analysis of the business survey responses for your information and full consideration.

Whilst this survey obviously just reflects a proportion of our business community, these findings also align with broader sector feedback that the levy could deter domestic “staycationers,” who form the majority of our North Yorkshire market. Trade bodies reinforce these concerns. UK Hospitality has strongly opposed the proposal, describing it as a ‘shocking U-turn that could impose up to five hundred eighteen million pounds in additional costs on British consumers for domestic holidays, effectively raising the VAT rate to twenty seven percent for holidays in England, one of the highest in Europe.’ This could make domestic breaks more expensive for working people, reduce demand, and have knock on effects for the hospitality sector, including lower occupancy and revenue.

As the Council’s Portfolio Holder for Open to Business, I would strongly urge you to listen carefully to the concerns being raised by businesses, which emphasise that this measure would impose additional financial burdens on our tourism sector. Businesses across the full range from luxury hotels attracting international visitors to budget self-catering and caravan accommodation serving domestic families are already under extreme pressure from rising VAT, business rates, energy costs, and wage increases. A levy would add further strain, regardless of price point or market segment, potentially reducing competitiveness and overnight stays.

Across the York and North Yorkshire Combined Authority, business sentiment is divided. In York, views appear to be split, reflecting moderate support in an urban context. In rural North Yorkshire, opposition is strong and widespread among accommodation providers, who are particularly concerned about price sensitivity in our domestic led market. This disparity must be addressed through inclusive decision making that safeguards rural economies and does not allow urban priorities to dominate.

The proposed Harrogate Accommodation Business Improvement District introduces additional complexity within our area. An active ballot is currently underway with businesses which, if successful, would impose a separate nightly charge on larger hotels in Harrogate. Combined with a new visitor levy, this could result in double taxation for operators, increasing the risk of price rises, reduced bookings, or business closures.

In many of North Yorkshire’s key visitor destinations, the levy could disproportionately affect vulnerable visitors, including lower income families relying on caravan parks and affordable self-catering. Many of our communities face ongoing deprivation challenges. Higher accommodation costs could further reduce overnight tourism, exacerbate seasonal economic pressures, and undermine efforts to deliver inclusive growth.

For a visitor levy to be fair, effective, and strategically aligned with the realities of North Yorkshire's visitor economy, it must also recognise and support the essential role of National Park Authorities alongside local councils. The statutory landscape management frameworks already in place provide a clear structure for doing so, and any allocation model should reflect the shared responsibility for both conserving the environment and maintaining the visitor facing services on which the region's tourism success relies.

All three of the above examples are very real scenarios in North Yorkshire and highlight the critical importance of a need for local flexibility if a levy is to be imposed. A 'one size fits all' approach would simply not work.

Internationally and domestically, our tourism product is diverse and price sensitive. Inconsistent application of levies across English regions, if North Yorkshire adopts one while others do not, could place us at a competitive disadvantage, diverting visitors to alternative destinations.

Nevertheless, we anticipate the policy is likely to proceed under devolved powers to the York and North Yorkshire Combined Authority. We are therefore will continue to engage constructively on this topic to mitigate risks and maximise benefits for North Yorkshire should this happen. There are six critical points that North Yorkshire Council therefore wish to make in this regard:

1. Revenues must be ring fenced for investments that drive growth in both the visitor economy and the wider economy, agreed jointly between the Combined Authority and North Yorkshire Council. This includes investing any future levy in areas that underpin facilities and services that the visitor economy relies upon, for example rural transport improvements, public toilets and interpretation, digital connectivity, hospitality skills training, zero carbon trails, and marketing to position North Yorkshire as a sustainable all-season destination. These priorities are fully aligned with our Council Plan, our Economic Growth Strategy 2024 to 2029, and our Destination Management Plan 2024 to 2034, which target increased overnight stays, higher value visitors, visitor dispersal from hotspots, year-round tourism, and net zero operations while protecting rural communities and landscapes.
2. Revenues should be ringfenced to the area in which the revenue is generated and not be spent on other local authority areas, unless delivering on strategic projects that truly benefit the whole region and the areas where they are raised.
3. The York and North Yorkshire Local Visitor Economy Partnership (LVEP), chaired by the mayor and comprising senior leaders from North Yorkshire Council, City of York Council, private sector representatives, and tourism stakeholders, should be viewed as the key vehicle for steering the deployment of visitor economy revenues from any levy. This body brings together tourism experts to coordinate strategic priorities, ensuring spend is evidence based, aligned with the DMP, and integrated with national guidance from Visit England (including its LVEP Programme, which supports robust destination management, growth targets, sustainability, and business support). Such integration would promote best practice, avoid duplication, and maximise impact on the visitor economy components.
4. Residents must form a core part of any statutory consultation. In England's largest county, tourists are often our own residents taking short breaks in the Yorkshire Dales, North York Moors, or on the coast.

They are doubly affected, as both taxpayers' funding infrastructure and as visitors facing higher costs. While some residents may support the levy if revenues are visibly reinvested in local amenities, it is critical that residents are properly consulted before the mayor deploys these powers, and that the way in which the powers are used fully reflects the views of North Yorkshire's residents.

5. If the Treasury grants these powers, legislation must mandate a formal consultation process: publication of a prospectus, wide stakeholder engagement (including rural businesses, National Parks, protected landscapes, parishes, coastal representatives, the LVEP, and crucially residents), publication of response summaries, revisions as needed, and a minimum 18 month notice period. This should be statutory.
6. For the reasons above, we consider that the constituent Councils of the Combined Authority where an overnight levy is going to be imposed should have a veto on whether it is introduced in their local authority area.

Thank you for taking time to read this response. This is a matter that is very important for North Yorkshire, and we would very much welcome the opportunity to have a direct conversation with relevant ministers or civil servants on the points raised above, should the opportunity arise.

Yours sincerely

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North Yorkshire Council