

## Overview and Scrutiny Committee Paper

Date: 25 March 2026

Subject: Overnight Visitor Levy

Report of: Councillor Bev Craig, Portfolio Lead for Economy, Business and International Portfolio

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### Purpose of Report

The UK Government has recently undertaken a consultation on a new statutory power for Mayoral Combined Authorities in England to implement an Overnight Visitor Levy.

Accompanying this paper is GMCA's response to the consultation which advocates for devolved decision-making in the design and implementation of the Levy. The link to the consultation can be found [here](#).

This paper gives an overview of GMCA's response and the proposed next steps ahead of the UK Government's official communication on the results of the consultation.

### Recommendations:

The Overview and Scrutiny Committee is requested to:

1. Note the contents of the report; and
2. Provide feedback and comments on the proposed next steps on the Overnight Visitor Levy ahead of the UK's Government's response to the consultation.

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## **Risk Management**

Any risks will be overseen and managed through GMCA governance structures.

## **Legal Considerations**

The work programme does not currently have requirements for legal input. Should future legal input be required it will be managed through appropriate governance arrangements.

## **Financial Consequences – Revenue**

The GMCA has signed a 12-month contract to access data from Co-Star for £8,640, an extensive commercial property database with application across different policy areas. This will enable more accurate forecasting of revenue from an Overnight Visitor Levy.

## **Financial Consequences – Capital**

None

## **Number of attachments to the report:**

None

## **Comments/recommendations from Overview & Scrutiny Committee**

None

## **Background Papers**

None

## **Tracking/ Process**

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

## **Exemption from call in**

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

## **Bee Network Committee**

N/A

## **Overview and Scrutiny Committee**

N/A

# 1. Background

1.1. In the 2025 Autumn Budget, the Government confirmed the introduction of a new statutory power enabling Mayoral Combined Authorities (MCAs) to implement an Overnight Visitor Levy.

1.2. The UK Government then launched a national consultation on the Overnight Visitor Levy, seeking views on the design, implementation, and scope of the new Levy power. The deadline for responses was 18 February 2026. The government was seeking views on the design of the new power including:

- if revenues collected should be used for supporting economic growth, including the visitor economy
- the types of accommodation that will and will not be included
- how Levy rates should be calculated and the powers Strategic Authorities have to change them
- what Strategic Authorities need to do to introduce a Levy and to change it
- liability for the Levy and how this will be assessed
- the administrative framework for overnight visitor levies

## 2. GMCA Consultation Response

2.1. GMCA submitted a response to this Overnight Visitor Levy consultation to inform government policy and advocate for devolved decision-making. As agreed by Leaders and Chief Executives, the mechanism for developing this response was an officer level working group. This group was comprised of Marketing Manchester, and all 10 local authorities were invited to join. Manchester, Salford, Trafford, Bolton, and Stockport Councils volunteered to be part of the group.

2.2. GMCA also convened an GM Overnight Visitor Levy Roundtable on 9th February, chaired by both Cllr. Craig in her role as Portfolio Lead for Economy, Business and International and the Mayor, which gathered views from regional stakeholders and informed GMCA's consultation response.

2.3. The GMCA response to the consultation that accompanies this paper is underpinned by four key points:

- **Visitor Levy powers are welcome but should be the first phase of fiscal devolution.** The introduction of Overnight Visitor Levy powers is a positive step toward greater fiscal devolution for Mayors and local leaders. However, GMCA

sees this as the first phase in a wider shift toward enhanced local fiscal control, aligning with the government's "devolution by default" ambition.

- **Local flexibility is central to the success of this Levy in Greater Manchester.** The consultation poses numerous questions about whether Mayors should have the power to shape and alter certain aspects of the Levy. Mayors and local leaders must be able to determine the types of accommodation included, the charging model, thresholds, exemptions, rate-setting, spending priorities, and administrative arrangements. This mirrors international practice, where visitor levies are tailored locally. Local autonomy is also particularly important in local context given the existing voluntary Manchester Accommodation Business Improvement District (ABID) charge. This is a voluntary charge where hotels and serviced apartments in Manchester and Salford charge a £1 per night additional fee to visitors. The charge pays for activity such as street cleaning, marketing campaigns that promote overnight stays out of season, and support to secure new conferences and sporting and cultural events. There are 79 accommodation establishments within the ABID zone that currently contribute, and the charge is overseen by the ABID board. As the first accommodation levy in England, the Manchester ABID is widely regarded as an operational success and a model for other areas to follow.
- **Revenue should be additional, locally retained, and locally controlled.** The Levy should generate genuinely additional revenue that is retained and controlled locally. It must not substitute or reduce existing government funding streams for local authorities. Local leaders are best placed to determine how the funds are used to support growth and strengthen the visitor economy in Greater Manchester.
- **Effective implementation of this Levy is inextricably linked to the charging model.** The consultation questions relating to both the liability and assessment model, and the administration of the Overnight Visitor Levy, are fundamentally dependent on whether the Levy is a flat rate, percentage-based or hybrid. GMCA therefore argues that Mayoral Combined Authorities should have the power to determine the charging model and, by extension, the most suitable mechanisms for collection and administration.

### **3. UK Government Next Steps**

- 3.1. The UK Government has not indicated a date for their official response to the findings of the consultation, although there is an expectation that the legislation for the Overnight Visitor Levy will be announced in the King's speech due on either 12 or 13 May. The relevant legislation would then be laid in the next parliamentary session.
  
- 3.2. In the consultation document, the UK Government recommended that an additional local consultation be undertaken for each area ahead of implementation, with a minimum notice period of 12 months between the final design of the Levy and implementation. Using these indicative timescales, it gives April 2028 for a Levy to be operational at the earliest, providing the legislation is designed and passed without issue. To note, the Scottish Devolved Administration have revised their legislation after the initial draft to allow localities to charge a flat fee as well as the originally agreed percentage approach. This uncertainty has led to some negative feedback from their local industry stakeholders.

### **4. GMCA Next Steps**

- 4.1. As yet we do not know how much flexibility the UK Government will offer to localities in the design of the Levy and design choices have not yet been agreed at the Greater Manchester level. The GMCA consultation response advocated for full local flexibility on the Levy design and there has been no formal agreement thus far on any of the core elements such as the charging model (percentage vs. flat fee vs. tiered) or how much would be charged.
  
- 4.2. Ahead of the King's Speech and the full knowledge of what the design parameters will be, GMCA has procured data from Co-Star to enable more accurate forecasting. This is the dataset that Edinburgh City Council have used to forecast revenue ahead of implementing their own Visitor Levy in Summer 2026 and contains information on commercial properties including hotels, the number of rooms available, average occupancy rates, and the price charged per room.
  
- 4.3. The GMCA response to the UK Government consultation agreed with the position in the consultation paper that any revenue raised should be spent on interventions that support economic growth, including the visitor economy. More accurate

forecasting of expected revenues through Co-Star can help to support the conversation with Leaders and elected members in the future on how the monies could be allocated.

4.4. The local working group established to agree the GMCA consultation response will be reconvened ahead of the King's Speech in order to further develop this modelling work, continue engagement with the industry, and discuss the interaction between any Levy and the existing ABID charge. There are also plans to host further roundtables this year hosted by Cllr Bev Craig and the Mayor with relevant local stakeholders.

4.5. The UK Mayors Group of English MCAs are organising a subgroup to discuss the Overnight Visitor Levy that GMCA officials are due to attend. The purpose of the group is to share learnings on different approaches MCAs are taking in developing their thinking on a Visitor Levy, including on revenue forecasting and engagement with their local stakeholders. While the GMCA advocated for maximum local flexibility in the design of the Levy, it could be opportune to align thinking on Levy design with other MSAs - particularly those in the North West - to provide a consistent approach to industry.