

Cardiff Council

Visitor Levy Proposal

March 2025



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1. The Levy Proposal

Cardiff Council will seek to introduce a Visitor Levy for all qualifying accommodation and stays as outlined in the Welsh Government's Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 within the local authority boundary from 1st April 2027. This would cover all accommodation providers required to be registered on the national register of visitor accommodation providers.

The visitor levy is charged per person per night. The levy will be collected by the accommodation provider. The levy rates will be as follows:

Accommodation type	Cost (per person, per night)*
Campsite pitches and shared rooms (such as hostels and dormitories)	£0.75
All other types of visitor accommodation	£1.30

*The Visitor Levy is subject to Value Added Tax (VAT). If an accommodation provider is VAT-registered, they must apply standard rate VAT (20% in the UK) to the amount collected for the levy.

Exceptions

You will not pay the visitor levy if you are:

- under 18 years of age and staying on a campsite pitch or in shared rooms (such as a hostel or a dormitories);
- staying for more than 31 nights in a single booking; and
- in emergency or temporary housing arranged by the local council.

Refunds

The following people are eligible to apply for a refund from the Welsh Revenue Authority:

- Disabled people who pay additional levy costs when accompanied by a carer; and
- People fleeing domestic violence.

2. Draft Levy Income

Approach

A range of data sources have been used to estimate the initial levy income for Cardiff. This data has been based on the following data sources:

- STEAM data provided for Cardiff;
- STR data for Cardiff on hotel capacity and occupancy;
- Welsh Government Summary of Wales bedstock data;
- Wales Accommodation Occupancy Survey;
- ONS data on short-term lets; and
- Airbtics data on Airbnb inventory and occupancy.

The local authority uses STEAM data for its performance monitoring reporting. However it was considered prudent to undertake further analysis to ensure that the data being used is appropriate in determining the overall level of income the levy would raise. In particular this was considered because:

- All data remains based on sample information and subject to error;
- The ability to verify estimates using alternative methods; and
- The consideration of impact on areas such as Levy exclusions.

It should be noted however that the STEAM data is robust and reliable.

Staying Visitors

STEAM is a tourism economic impact modelling process which approaches the measurement of tourism from the bottom up, through its use of local supply side data and tourism performance and visitor survey data collection. STEAM is capable of delivering robust outputs at a variety of geographical levels and, as such, has been adopted for use throughout the United Kingdom and overseas by tourist boards, local authorities, regional development agencies, national park authorities, and many other public and private sector organisations.

STEAM quantifies the local economic impact of tourism, from both staying and day visitors, through analysis and use of a variety of inputs including visitor attraction numbers, tourist accommodation bedstock, events attendance, occupancy levels, accommodation tariffs, macroeconomic factors, visitor expenditure levels, transport use levels and tourism-specific economic multipliers. STEAM uses the above input data to generate a series of impact analyses, relating to four key visitor types:

- Staying in Serviced Accommodation
- Staying in Non-Serviced Accommodation
- Staying with Friends and Relatives (SFR)
- Tourist Day Visitors

Within the model, the above visitor types are broken down further into sub-categories of accommodation use and, where required, subtypes of day or SFR visitor. This allows the model

to ensure that its outputs reflect the differences in supply and consumption of tourism services between different types of tourism business.¹

For Cardiff, data is currently available for 2023. This represents a post-Covid period that is considered appropriate for modelling potential Visitor Levy income. Data is provided below that outlines the latest data as well as pre-Covid levels of visitors. For the purposes of the analysis the serviced and non-serviced accommodation figures have been summated. This gives a figure of 3.4 million staying visitor days.

STEAM data

Staying visitor days (m) STEAM	2018	2019	2020	2021	2022	2023
Serviced accommodation	2.6	2.6	0.8	1.3	2.4	2.5
Non-serviced accommodation	0.7	0.9	0.4	0.6	0.9	0.9
SFR	1.3	1.3	0.3	0.4	1.3	1.4
Staying Visitor days	4.6	4.8	1.5	2.3	4.6	4.7
Serviced and non-serviced accommodation	3.3	3.5	1.2	1.9	3.2	3.4

Source: STEAM

STR is a hospitality data company that collects and provides hotel performance data to the global industry for benchmarking and strategic decision-making. It aggregates information on supply and demand, such as occupancy and revenue, from a large number of hotels worldwide. For Cardiff, their data for 2023 suggested a total number of 6,342 rooms. It also outline an average occupancy for the year of 76%. Assumed over 365 days of the year this suggests a total number of room bookings of 1,752,303.

STR Data

	Year to Date - December 2024		
	Occupancy %	Rooms (Census)	Sample
Cardiff	76	6,342	5,304

Source: STR

A number of assumptions can be made regarding the average rate of occupation per room. For the purposes of calculating an estimated Levy income a conservative figure of 1.5 persons per room has been applied. This has been broadly based on the following assumptions:

- Global/industry rule of thumb: 1.6–2.2 persons per occupied room (PPR).
- Business hotels / weekday urban: ~1.1–1.6 PPR (single travellers dominate).
- Leisure/resort hotels / weekends or holidays: ~1.8–2.2 PPR (couples and families).
- Extended-stay / family-oriented properties: can exceed 2.2 PPR when suites or family rooms are common.

Based on these figures it provides an estimated level of hotel visitor stays at 2.6m.

ONS Short term lets

The ONS publish local authority data for the total number of short-term guest nights. The table below outlines the quarterly data that summates to an annual figure of 618,980 for 2024.

¹ <https://www.globaltourismsolutions.co.uk/steam-model>

ONS Short-term lets number of guest nights

	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Cardiff	125,180	148,730	202,200	142,870

Source: ONS Analysis of Airbnb, Booking.com and Expedia Group data.

As this data is an actual count it suggests the total number of staying visitors in short-term lets accommodation stands at 0.6m.

Welsh Government

The Welsh Government publish data on the number of bed spaces through its Accommodation Bedstock surveys. The surveys have been jointly funded and undertaken according to a standard method (using standard questionnaires and definitions). Bedstock figures give the maximum bedspace capacity, although some establishments may be closed or partially closed at certain times during the year so not all rooms, units or bedspaces counted are available at all times. Temporary home lettings or individual private rooms in private homes, (i.e. short term rentals on sites such as Airbnb) may be inconsistently counted in this bedstock data due to the variable nature of the supply.

The data as of June 2022 showed a total of 10,767 serviced bed spaces, with a relatively small number of self-catering bed spaces. Note that this differs from the number of rooms provided by STR. To convert this into the number of staying visitors the STR occupancy data has been applied across the year, and this provides a figure of 3.0m staying visitors.

Number of bedspaces per accommodation category by local authority 2022

Area	Serviced	Self-Catering	Caravan / Camping	Hostel	Total
Cardiff	10,767	620	130	5,858	17,375

Source: Summary of Wales bedstock data: situation as at June 2022

For self-catering and hostels a similar approach has been used, but average occupancy levels outlined in the Welsh Government Accommodation Survey has been applied. This suggests a figure of 0.1m and 0.9m staying visitors.

Additional Research

Further research has been undertaken to corroborate short-term let data from commercial data sources. The <https://airbtics.com/> website provides data for Cardiff on Airbnb use and notes a total of 1,757 active listings and an occupancy rate of 59%. Based on this data and an assumption of 1.5 people per stay this provides an overall staying visitor days figure of 567,555. This tallies with the ONS short-term lets data.

Airbnb data for Cardiff

Active listings	1,757
Occupancy rate	59%
Staying Visitors (assumption)	1.5
Staying Visitors Nights	567,555

Source: <https://airbtics.com/>

Levy Estimates

Based on the data highlighted above 3 core estimates have been developed:

- Welsh Government accommodation survey based data;
- STR based data; and
- STEAM based data.

Each of these data sources have been augmented, where appropriate, to account for additional stays. In particular the hotel based STR data has been augmented with ONS Short-term lets data. A figure has also been applied to account for exclusions. This is considered conservative, and a particularly high figure has been applied to hostels.

An assumed figure has also been included for the WRA administration and collection costs. A 7.5% and 10% figure has been applied. However it should be noted that all parties will seek to minimise this overall cost, and this is considered a conservative estimate.

The projections suggest a total Levy income of between £3.6m and £3.9m. Note that these figures are based on a series of assumptions. It would therefore be considered prudent to plan for an envelope of spend of £3.5m to £4.0m.

Levy Income Estimates

	Visitor stays (m)	Assumed rate	Exclusions	Est. Levy	Admin	Admin (max)	Est. Local Levy
WG Serviced and Self-Catering	3.1	1.3	5%	£3.9m	7.5%	10%	£3.6m
WG Hostels	0.9	0.75	50%	£0.4m	7.5%	10%	£0.3m
Total	4.1			£4.2m			£3.9m

STR 2024 Serviced data	2.6	1.3	5%	£3.2m	7.5%	10%	£3.0m
ONS Short term lets	0.6	1.3	20%	£0.6m	7.5%	10%	£0.5m
WG Hostels	0.9	0.75	50%	£0.4m	7.5%	10%	£0.3m
Total	4.1			£4.2m			£3.9m

STEAM data 2023	3.4	1.3 (90%) 0.75 (10%)	8%	£3.9m	7.5%	10%	£3.6m
Total	3.4			£3.9m			£3.6m

Source: Cardiff Council analysis

For the initial year of the Levy it is estimated that a total of £3.5m would be raised. This is based on conservative assumptions, and is expected to rise and an indicative estimate of annual income is provided below. This is based on an assumption that the opening of the new arena in the city will lead to a significant increase in bed stays.

Proposed Levy Budget 2026/27 to 2031/32

2026/27	2028/29	2029/30	2030/31	2031/32
£3.5m	£3.75m	£4.0m	£4.0m	£4.0m

3. Proposed Use of the Levy

What the Levy can be used for:

The approach for the visitor levy is that it will be hypothecated for the purposes of ‘destination management and improvement.’ Destination management and improvement means any of the following:

- mitigating the impact of visitors;
- maintaining and promoting use of the Welsh language;
- promoting or supporting the sustainable economic growth of tourism and other kinds of travel;
- providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people).

The legislation sets out that local authorities must give details at the end of the financial year in a publication, how revenues from the visitor levy have been allocated towards destination management and improvement purposes.

Our Approach

The Council’s Corporate Plan makes a commitment to work with partners such as Welsh Government and FOR Cardiff to support the retail and hospitality sectors by developing proposals for the introduction of a Tourism Levy, in consultation with key stakeholders. The view is that if a levy is introduced it should be on the basis that the funding goes towards supporting the sector – and specifically supporting more visitor stays. We will be engaging with the sector in taking forward any proposals, as well as undertaking the required consultation.

The Council’s Economy and Culture Scrutiny Committee has already engaged with the sector as part of an initial report looking at the Levy, and it notes the need to ensure good governance, communication and monitoring and evaluation in taking forward any proposals.

As part of this we will bring together a forum that will inform and review how the money is spent. We’d also look for support from the sector to ensure that other funding – specifically Welsh Government funding – isn’t displaced. We recognise that the burden of the levy falls on hotels and hotel visitors – our view is we need to work with hotels to maximise its impact – and in doing so we can also increase the amount the levy brings in.

Levy Vision

The overall vision for the use of the Levy is:

“To support the growth and sustainability of the visitor economy in Cardiff, with the specific aim of increasing the number of staying visitors and overall accommodation occupancy through investment into activity that supports and promotes the visitor economy”

Through this vision it is recognised that every pound spent should contribute towards a better visitor economy. In addition the levy will not be used to fund any Council statutory service.

Objectives

In delivering this vision, the Levy will aim to:

- Establish a well-resourced destination and marketing programme to attract more staying visitors;
- Develop and support the city's events programme, building on the city's reputation as a leading event destination;
- Ensure that Cardiff remains a welcoming destination for visitors; and
- Support activity that attracts more and longer stays in the city.

What could this look like for Cardiff?

As noted, the intention would be to use the levy for investment that would support increasing the number of staying visitors. This could overlap with existing Council provision. Example activity includes:

Place Promotion – marketing and promotion of Cardiff as a visitor destination, this could put resource to enable marketing campaigns beyond simple digital and social media promotion. This would include funding for the Visit Cardiff and Meet in Cardiff teams to replace any loss of Shared Prosperity Fund resources. This would also specifically include funding for advertising and branding.

Visitor Infrastructure / Services – potential for a Tourist Information Centre, further investment in basic services such as toilets. This would also cover areas such as wayfinding, digital connectivity, maps and advice.

Events – support to attract and manage major events, e.g. direct funding through to the costs associated with security and road closures, as well as other infrastructure requirements for events. This could cover specific support for major events in the city, including subvention, as well as supporting an overall events and cultural programme for Cardiff.

Place Management – increased investment in city centre management and cleansing in the city centre and Cardiff Bay with the aim of ensuring Cardiff is clean, safe and welcoming. This could also include improved management of the public realm. This would include funding for the City Centre Wardens teams to replace any loss of Shared Prosperity Fund resources. It could also cover areas of support for the night-time economy in the city.

Destination Management – improved destination management, including expansion of a convention bureau offer in parallel with new facilities in Atlantic Wharf and Cardiff Bay. This would also cover work to develop and sell the overall tourism offer in the city, co-ordinating activity between partners and providing a package approach for businesses and groups coming to Cardiff.

Employee and Sector Support – support such as skills development in hospitality as well as other specific business support for the sector which could include small grant support or other investment. This could be delivered by Into Work and the Business Support team. This could also cover any specific issues for the sector that may require dedicated investment, including measures to improved sustainability. This work could also include wider workforce development and wellbeing support.

Transport Management – relevant transport support – e.g. targeted support for major events, supporting revenue costs for event related P&R. Whilst this would not seek to subsidise public transport it would look to support the smooth operation of the transport network when there is particular pressure placed on the system.

Product Investments – supporting investment in new product that could attract more staying visitors. This could range from supporting additional activities in the city through to support in areas where the return on investment delivers additional stays. This could include helping to attract new investment into the city, including attractions and facilities.

There would also be funding allocated to administration, engagement, monitoring and evaluation. The Council will however seek to minimise administration, engagement, monitoring and evaluation costs.

Additionality Safeguards

In implementing the Levy the sector highlighted the need to provide additional safeguards for additionality. In order to ensure that funding is used for additional activity there will be a commitment that:

- The Levy would not be used for any activity that the Council has an existing budget allocation.
- The Visitor Levy Partnership Forum would play an active role in assessing proposed spending for additionality.
- Should the Levy not see an increase in the number of visitors over a 5 year period it would be subject to an automatic consideration by Council.

4. Establishing a Visitor Levy Partnership Forum

Local authorities introducing a levy in their area are required to establish a Visitor Levy Partnership Forum for discussion of issues relating to the levy in the council's area. In particular, the forum will provide the council with information and advice on how the proceeds of the levy may be used for the purposes of destination management and improvement in the council's area.

Views of the forum should inform the decision-making process regarding the reinvestment of levy proceeds and a council must have regard to any information or advice provided in the forum on the matters above.

The local authority must take reasonable steps to ensure that the forum includes persons who are representatives of:

- Organisations that represent businesses that work in tourism, or are engaged in activities related to tourism, in the principal council's area;
- Organisations that promote or facilitate tourism in the council's area; and
- Other relevant local bodies and representatives that have an interest in tourism or visitor accommodation in the council's area, that the council considers appropriate.

Proposed Membership of the Visitor Levy Partnership Forum

3 x representatives from the Cardiff Hoteliers Association
1 x representative of UK Hospitality (Wales)
1 x representatives from the Night Time Economy
1 x representative of Business Improvement District
1 x representative of sporting bodies
1 x representative of Cardiff Music Board
1 x representative of the events sector
1 x representative of the Public Service Board
1 x representative of the cultural sector
1 x representative from transport
1 x representative from short-term lets
1 x representative from tourism operators
1 x workforce representative

Council Representatives

2 x officer representatives from Cardiff Council
1 x Leader of Cardiff Council
1 x Cabinet member from Cardiff Council

The guidance for the Levy states that the forum will serve as a platform for collaborative discussion and provide valuable insights and recommendations on how best to utilise the funds generated by the levy. This approach will ensure a fair and transparent allocation of resources, reflecting the needs and priorities of the local tourism sector and community.

Note that governance will need to be established to ensure that any conflicts of interest are considered when the Forum is making recommendations.

Initial membership would be sought on a nomination basis from representative groups. For example, the Cardiff Hoteliers Association would nominate their three representatives. For

remaining members an application and interview process would be established by Council officers in consultation with the initial members of the Visitor Levy Partnership Forum. The board would also seek to ensure that it is representative of the city's population.

The Forum will also include an employee representative. This representation however would focus on the use of the Levy to support workforce development, and not as a means of engaging with Forum members over wider workforce issues.

5. Role of the Visitor Levy Partnership Forum

The Levy guidance outlines that the forum will serve as a platform for collaborative discussion and provide valuable insights and recommendations on how best to utilise the funds generated by the levy. This approach will ensure a fair and transparent allocation of resources, reflecting the needs and priorities of the local tourism sector and community.

It also notes that the final decision on how revenues are allocated will rest with locally elected officials in accordance with democratic principles.

The Visitor Levy Partnership Forum would play a number of key roles:

- Advising on the use of the Levy;
- Reviewing the Levy Annual Report;
- Advising on the development of the city's Tourism Strategy; and
- Advising on the implementation of the city's Tourism Strategy.

Advising on the use of the Levy

The guidance for establishing a Visitor Levy notes that:

Local authorities introducing a levy in their area must establish a Visitor Levy Partnership Forum (a "forum") for discussion of issues relating to the levy in the council's area.

In particular, the forum will provide the council with:

Information and advice on how the proceeds of the levy may be used for the purposes of destination management and improvement in the council's area.

Information and advice on a proposal by the council (where the Welsh Ministers have made regulations) to:

- add an additional amount to the levy;
- change an additional amount that has been added to the levy; and/or
- remove an additional amount that has been added to the levy.

Views of the forum should inform the decision-making process regarding the reinvestment of levy proceeds and a council must have regard to any information or advice provided in the forum on the matters above.

It should be noted that as part of this proposal the Council is not seeking to charge an additional amount to be added to the levy. Any decision would be subject to further consideration by Cabinet and Council as deemed necessary by legislation and would also be undertaken in consultation with the sector.

Consultation

The Visitor Levy Partnership Forum would be involved in consultation in the formulation of spending plans for the Visitor Levy. This would include identifying priority areas for spend as formulating proposals for consideration.

Review and Recommendation

The Visitor Levy Partnership Forum would be a formal consultee on the overall proposals for use of the Levy. This would mean that any proposal presented to Cabinet for approval would first be presented to the Visitor Levy Partnership Forum. Cabinet would be minded to consider (though not agree) to any recommendations from the Forum.

Reviewing the Levy Annual Report

The Council will be required to produce an annual report that will be required to detail:

- The total revenues collected by the local authority;
- Net revenues after cost deductions;
- How levy revenues have been allocated; and
- Impact of the use of the levy.

Further detail on this report is provided in the following section of this document. The Visitor Levy Partnership Forum would be required to review this document ahead of publication.

Advising on the development of the Tourism Strategy

In advance of the first Levy payment the Council will commit to the development of a Tourism Strategy. The strategy will outline how we will approach the following issues relating to tourism in the city:

- Governance
- Resources
- Product
- Infrastructure
- Marketing and Communications

Whilst all of these issues will influence the use of the Levy, the tourism strategy will also shape how other resources in the city will be used. A draft Tourism Strategy will be developed for consultation in 2026, and the Visitor Levy Partnership Forum will play a formal role in its development.

Advising on the implementation of the Tourism Strategy

The Visitor Levy Partnership Forum would also play an active role in advising on the implementation of the Tourism Strategy.

Communicating the use of the Levy

The Visitor Levy Partnership Forum would also play an active role in shaping a communications exercise relating to the use and benefits of the Levy for visitors.

6. UKHospitality Memorandum of Understanding

UKHospitality Cymru is the leading trade body representing hospitality businesses across Wales, including hotels, restaurants, pubs, and visitor accommodation providers.

UKHospitality Cymru has outlined that it is committed to constructive engagement with Cardiff Council to ensure that, where a Visitor Levy is implemented, it is designed and delivered in a way that:

- Maximises positive outcomes for the local visitor economy;
- Delivers additionality, ensuring revenues provide new benefits rather than enabling the displacement of existing funding;
- Supports growth in visitor numbers and occupancy across Cardiff; and
- Creates and encourages a level playing field for all accommodation providers.

The Memorandum of Understanding establishes a shared framework for collaboration between Cardiff Council and UKHospitality Cymru in developing a Visitor Levy model that promotes sustainable economic growth for Cardiff, benefits local residents, and is dedicated to supporting the city's tourism and hospitality sectors.

To these ends, through the Memorandum of Understanding, UKHospitality Cymru will work closely with Cardiff Council to support the development of a Visitor Levy that is informed and shaped through engagement with the tourism and hospitality sector.

The Memorandum of Understanding is seen as particularly important given the need to ensure the Levy has a positive impact on communities in the city, and the specific link with employment. The economic impact analysis shows that the sector has an over-representation of young people and some ethnic minority groups. In order to ensure that these groups do not see a negative impact it is essential that the sector works alongside the Council to ensure the Levy leads to positive employment outcomes.

7. Budget Setting Process

Initial Stage – Officer Development & Early Engagement (circa September)

- Council officers prepare an early discussion document that includes initial proposals.
- Informal discussions take place with the Visitor Levy Partnership Forum.
- Separate engagement occurs with hoteliers and the UK Hospitality (UKH) Working Group.
- Cardiff Council Cabinet briefings on initial proposals.

Draft Budget Stage (November)

- Council officers develop a draft annual Visitor Levy budget.
- This draft is presented to the Visitor Levy Partnership Forum for structured input and discussion.

Consultation & Refinement (February)

- The Forum provides a formal consultation response to the draft budget.
- Based on all feedback, officers prepare the final draft annual budget.

Scrutiny & Decision Making

- The Economy & Culture Scrutiny Committee reviews the final draft budget as part of its pre-decision scrutiny processes.
- Cardiff Council at its Full Council meeting makes the final decision, as it is the ultimate decision-making body.

The overall budget would be represented by budget lines against key themes with an explanation of activities against those themes. It is intended to ensure there is clarity and visibility of areas of spend, without constraining the ability to deploy levy funds for the benefit of the sector.

This would include, for example, a budget line on support for marketing and promotion, as well as detail on how that funding could be used and further detail in how the sector would be involved in deployment.

Any individual high value projects or proposals would also be included within the budget. This could include, for example, dedicated support for an event. It should be noted that in some cases there may be a need to consider commercial confidentiality, for example some major events require a non-disclosure agreement to be in place. In these circumstances we would share appropriate information on a confidential basis with the Visitor Levy Partnership Forum, whilst ensuring that an appropriate level of detail is supplied for any public documentation.

Budget Assurance

- Any spend would need to comply with all Council procurement and commissioning processes;
- The Subsidy Control Act 2022 would need to be considered for all spend;
- All spend would be subject to consideration by the Council's internal audit team;
- Any activity would be subject to the Council's delegations and decision-making processes.

8. Annual Reporting

Use of Levy Resources

Local authorities are required publish a report for each financial year it has received proceeds of a levy. The report must:

- Detail how revenues from the levy have been allocated;
- Inform people about the total amount collected and received by the local authority;
- Detail the net revenues received after costs have been taken into account; and
- Provide detail on how the proceeds for the year in question have been spent on destination management and improvement.

The Council will each year publish an annual report that provides detail on these issues, as well as a further assessment of the performance of the visitor economy and the impact of the use of visitor levy resources.

Monitoring and Evaluation

Once a levy is operational in the local area local authorities will need to assess the impact of the levy in their area to ensure there are no adverse or unintended impacts. The guidance suggests that local authorities can monitor the impact of their spending decisions and use of a levy through a variety of methods, including, but not restricted to the following:

- Cost-benefit analysis of funded projects, programmes and activities from levy revenues;
- Surveys, interviews and stakeholder engagement (e.g. Feedback from partnership forum);
- Trend analysis, considering visitor volumes and flows; and
- Trend analysis of visitor accommodation provision in their local area.

Indicators would need to be considered at a local level aligned to spending decisions.

Annual Report - Performance

In delivering the annual report the Council would bring together qualitative and quantitative data that would provide an overview of the performance of the visitor economy in the city. This review would include:

- A series of Key Performance Indicators;
- Any specific project or programme performance data;
- An annual visitor survey to provide detail on visitor profiles and perceptions; and
- Qualitative information provided by the Visitor Levy Partnership Forum.

It is proposed that the following indicators are considered for the annual report:

Key Performance Indicators

Primary Key Performance Indicators

- The total number of staying visitors

Additional Key Performance Indicators

- Hotel occupancy rates;
- Total visitor spend;
- Total number of visitors;
- City centre footfall; and
- Total employment in the visitor economy.

Specific Programme data

Potential data would be subject to specific projects to be delivered, but would include data such as:

- Event attendees;
- Business event attendees;
- Media reach and impact;
- Marketing campaign performance; and
- Customer satisfaction,

Ongoing Communication

In publishing an Annual Report the Council would also seek to undertake regular engagement and communication with stakeholders as well as levy payers to communicate the use of the Levy.

9. Communications and Engagement (Implementation)

Cardiff Council will lead communications on the introduction of the Visitor Levy, with support from the Welsh Revenue Authority (WRA). A joint communications approach will ensure visitor accommodation providers in Cardiff are aware of, understand, and are prepared to account for the levy.

Cardiff Council will communicate the purpose and use of the levy to the public, including to visitors. The WRA will provide Cardiff Council with a communications toolkit and assets and will support Cardiff Council's communications efforts by sharing information through its existing channels and networks.

The WRA will publish detailed guidance on GOV.WALES for accommodation providers, explaining how accommodation providers calculate, file and pay the levy. This will include a step-by-step guide covering:

- whether the levy applies to you
- which rate applies to your accommodation
- who is responsible for paying the levy
- how online booking platforms will handle the levy
- what records you need to keep
- how to calculate the amount of levy payable to the WRA
- whether you need to file and pay Visitor Levy quarterly and annually
- when your first filing deadline is
- when to register your visitor accommodation

The WRA will be engaging with booking platforms and booking system providers to understand how levy collection could be built into the booking process. Booking platforms or software providers may contact accommodation providers directly about their approach to the levy.

Communications activity will be phased across April to September 2026, delivering the right information to accommodation providers at the right time. Examples of planned activity include:

- regular updates through the WRA mailing list, which accommodation providers are encouraged to sign up to
- direct communications from booking platforms and trade bodies to accommodation providers
- joint webinars hosted by Cardiff Council and the WRA to help accommodation providers prepare
- social media posts across Cardiff Council and WRA channels
- outreach to relevant community groups and networks

All communications will be available in Welsh and English.

10. Local Impact Assessment

Economic Impact

The introduction of a Visitor Levy can have three conflicting impacts on the local economy:

- The projects and programmes invested in can support the growth of the visitor economy;
- The introduction of a Levy has the potential to reduce demand for accommodation; and
- The costs of administering the Levy have a negative effect on the tourism sector.

The overall aim should be to ensure that the benefits of the scheme outweigh the negative impacts. This suggests that:

- Spend should focus on those areas that increase tourism;
- The level of the Levy should be set to ensure that the demand impacts are negligible; and
- Administration costs are reduced.

On the first point it is also important to ensure that the Levy delivers additionality in terms of spend.

Importance of the Visitor Economy to Cardiff

Tourism is an important sector for Cardiff, providing circa one in ten jobs, based on an ONS definition. This is broadly similar to the national averages, but lags behind some other UK cities such as Edinburgh and Manchester.

Employment in Tourism Industries (ONS Definition)

Area	2024
City of Edinburgh	13.9
Manchester	12.6
Newcastle upon Tyne	12.5
Liverpool	12.5
Wales	10.8
Great Britain	10.7
Glasgow City	10.0
Cardiff	9.7
Bristol	9.7
Leeds	9.7
Birmingham	9.6
Sheffield	9.4
Cardiff Capital Region	9.4
Nottingham	8.9

Source: BRES

This figure equates to circa 22,000 jobs in the city, which makes it one of the biggest sectors by employment, and equivalent to the total number of jobs across all sectors in a number of the smaller local authorities in Wales.

Employment in Tourism Industries (ONS Definition)

Area	2024
Manchester	57,000
Birmingham	54,000
City of Edinburgh	51,000
Leeds	49,000
Glasgow City	44,000
Liverpool	36,000
Bristol	30,000
Newcastle upon Tyne	25,000
Sheffield	25,000
Cardiff	22,000
Nottingham	19,000

Source: BRES

Overall levels of employment in this sector have remained static for a number of years in Cardiff, based on BRES data.

Employment in Tourism Industries (ONS Definition)

Year	Employment
2015	22,000
2016	23,000
2017	21,000
2018	23,000
2019	22,000
2020	23,000
2021	22,000
2022	25,000
2023	24,000
2024	22,000

Source: BRES

A wider look at related sectors also raised the importance of tourism. When considering all employment in visitor services, covering retail, accommodation, food, art and entertainment there are almost 45,000 people employed in Cardiff. This represents almost twice the level of employment in the same sectors as the next largest local authority in Wales, and just under a third of the total employment for the Cardiff Capital Region in the same sectors.

Employment in Wider Tourism Related Industries 2023

Area	Retail	Accommodation & food services	Arts, entertainment, recreation & other services	Total
Cardiff	17,000	16,000	10,000	43,000
Nottingham	21,000	14,000	8,000	43,000
Newcastle	14,000	18,000	10,000	42,000
Liverpool	22,000	27,000	13,000	62,000
Manchester	34,000	36,000	19,000	89,000
Edinburgh	25,000	36,000	20,000	81,000
Glasgow	31,000	33,000	18,000	82,000
Bristol	18,000	22,000	11,000	51,000
Birmingham	40,000	41,000	22,000	103,000
Leeds	31,000	31,000	23,000	85,000
Sheffield	22,000	19,000	12,000	53,000
Cardiff Capital Region	58,000	46,000	27,000	131,000

Source: BRES

As a proportion this represents closer to one in five jobs in the city, a figure broadly equivalent with national levels.

Employment in Wider Tourism Related Industries 2023 – Percentage of Total Employment

Area	Retail	Accommodation & food services	Arts, entertainment, recreation & other services	Total
Cardiff	7.4	7.0	4.4	18.8
Nottingham	9.7	6.5	3.7	19.9
Newcastle	6.9	8.9	5.0	20.8
Liverpool	7.6	9.3	4.5	21.4
Manchester	7.4	7.9	4.2	19.5
Edinburgh	6.7	9.7	5.4	21.8
Glasgow	6.9	7.4	4.0	18.3
Bristol	5.7	7.0	3.5	16.2
Birmingham	7.0	7.2	3.9	18.1
Leeds	6.1	6.1	4.5	16.7
Sheffield	8.1	7.0	4.4	19.5
Great Britain	8.2	7.7	4.5	20.4
Cardiff Capital Region	8.7	6.9	4.1	19.7

Source: BRES

A large element of the visitor economy is also associated with staying visitors. Overall the city attracts over 20 million annual visitors, roughly a quarter of whom are staying visitors.

Visitor days (m) STEAM

SHARE OF MARKET	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Staying Visitor	3.84	3.92	3.98	4.05	4.12	4.49	4.61	4.80	1.51	2.27	4.56	4.75
All Visitor Types	20.91	20.99	21.56	22.57	22.47	24.48	24.72	24.10	9.13	11.15	19.39	20.47

Source: STEAM

However, when considering the economic impact, staying visitors make up half of the overall figure. This highlights the significant higher economic impact of staying visitors in comparison with day visitors.

Economic Impact

SHARE OF MARKET		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Staying Visitor	£M	703	708	737	800	790	886	894	887	259	459	944	872
All Visitors	£Bn	1.53	1.54	1.59	1.70	1.68	1.86	1.87	1.82	0.63	0.89	1.66	1.64

Source: STEAM

By definition, a large proportion of this contribution is led by accommodation spend, an area that has seen fairly consistent growth in recent years – COVID notwithstanding. It is worth noting however that staying visitors also typically spend more in other local businesses than an average day visitor.

Sectoral Distribution of Economic Impact - £Bn Including Vat Indexed To 2023

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Accommodation	177	174	186	216	207	249	250	242	72	148	292	239
Food & Drink	243	245	251	262	261	282	285	279	106	136	233	243
Recreation	75	75	77	81	80	87	88	86	33	42	72	75
Shopping	208	210	215	224	224	240	241	236	85	109	197	208
Transport	155	155	160	167	166	180	181	176	66	82	143	151
Direct Revenue	856	859	889	949	939	1037	1045	1020	362	518	937	915
VAT	171	172	178	190	188	207	209	204	61	79	180	183
Direct Expenditure	1027	1031	1066	1138	1127	1245	1255	1224	423	597	1117	1098
Indirect Expenditure	505	507	525	561	555	612	616	600	207	293	548	538
TOTAL	1533	1537	1591	1699	1682	1857	1871	1824	630	891	1664	1635

Source: STEAM

The majority of the city's staying visitors also stay in serviced accommodation, accounting for 2.5 million of the 3.4 million staying in paid for accommodation.

Staying visitor days (m) STEAM

	2018	2019	2020	2021	2022	2023
Serviced accommodation	2.6	2.6	0.8	1.3	2.4	2.5
Non-serviced accommodation	0.7	0.9	0.4	0.6	0.9	0.9
SFR	1.3	1.3	0.3	0.4	1.3	1.4
Staying Visitor days	4.6	4.8	1.5	2.3	4.6	4.7
Serviced and non-serviced accommodation	3.3	3.5	1.2	1.9	3.2	3.4

Source: STEAM

The majority of the city's bed stock is also based in serviced accommodation, largely driven by larger hotels.

Serviced Accommodation 2023

	2023	
	Est.	Beds
Serviced Accommodation Total	83	10,644
+50 room hotels	33	9,164
11-50 room hotels	19	893
<10 room hotels/others	31	346

Source: STEAM

Non-Serviced Accommodation 2023

	2023	
	Est.	Beds
Non-Serviced Accommodation Total	26	8,932
Self-catering	25	4,994
Static caravans/chalets	0	0
Touring caravans/camping	1	189
Airbnb	0	3,749

Source: STEAM

The city also draws in a significant number of international visitors, ranking 11th in the UK.

Inbound visits: trends by UK town (000s)

Rank	Town/city	2023	Town/city	2022
1	London	20,277	London	16,118
2	Edinburgh	2,324	Edinburgh	1,796
3	Manchester	1,721	Manchester	1,230
4	Birmingham	934	Birmingham	803
5	Liverpool	900	Liverpool	680
6	Glasgow	685	Glasgow	618
7	Bristol	569	Bristol	455
8	Oxford	450	Cambridge	440
9	Cambridgeshire	444	Oxford	425
10	Brighton/Hove	441	Brighton/Hove	339
11	Cardiff	313	Leeds	289
12	Bath	313	Bath	273
13	Leeds	291	Newcastle	248
14	Inverness	285	Cardiff	204
15	York	276	Southampton	194
16	Crawley	221	York	193
17	Nottingham	217	Nottingham	189
18	Aberdeen	216	Leicester	180
19	Newcastle	209	Luton	165
20	Reading	204	Inverness	165

Source: <https://www.visitbritain.org/research-insights/inbound-visits-and-spend-trends-uk-town>

The above analysis highlights the current importance of the visitor economy in Cardiff, but also its capacity to grow. It also notes the impact that staying visitors have on local employment.

Elasticities of Demand

The Welsh Government has produced an analysis of the impact on visitor levies on demand for staying visits. This was based on a broad range of international studies, and it was noted that the data should be treated with caution. The conclusion of the work reaffirmed the logic that demand for tourism does reduce with price increases, but that this is relatively inelastic. This means that for a comparable price increase it does not lead to a commensurate or higher reduction in demand. A limited number of studies specifically based on visitor levies also drew the same conclusions.

Evidence review of elasticities relevant to a visitor levy in Wales (Alma Economics for Welsh Government)

Where relevant evidence was found, there was a large variation in the magnitude of estimates of elasticities. Potential causes of this variation included differences in modelling methods, explanatory variables, destination-source market pairs, and the data used by the study. It is recommended that the findings in this report are interpreted with caution given the inherent uncertainty and lack of clarity of generalisability to Wales.

There was a large variation in the magnitude of the estimates, with demand for tourism being either price elastic or inelastic depending on the study concerned. The lack of comparability of studies on a like-for-like basis meant that no clear factors could be found to explain this variation across studies.

Across the 23 studies reviewed in [the] REA which provided numerical estimates of the PED for tourism, a calculation of the average mid-range PED across all studies was found to be roughly unitary (-0.9), whilst the median mid-range PED was slightly lower at (-0.7).²¹ The majority of studies (70%) reported a PED of magnitude less than one (inelastic demand) with the remainder (30%) reporting a PED of magnitude greater than one (elastic demand).

Of relevance to the proposed visitor levy, accommodation was found by two studies to be relatively price inelastic (-0.7); that is, exhibiting a lower change in demand when prices increased compared with other tourist goods and services. This result should be interpreted with caution however given the limited number of studies.

In addition to the academic review, a survey of potential visitors in Wales suggested that the majority of visitors would continue to make their visits, though a minority may choose to go elsewhere.

Response to the introduction of a visitor levy in Wales, Amongst those very likely to go to Wales on holiday, Percentage

	%
It wouldn't make any difference - I would just pay the extra cost	50
I would still take a holiday to this destination but 'cut back' on trip spending	21
I would go somewhere else on a holiday	12
I would go to this destination for a day trip instead of a holiday	5
I would not take a trip at all	4
Net: Cut back, go elsewhere, not take trip at all, take a day trip instead	43
Net: Go elsewhere, not take trip at all, take a day trip instead	21
Don't know/unsure	7

Source: Visitor Levy – Views of Consumers and Residents 2023

Generally the views of residents were seen as either supportive or neither positive nor negative. In Wales around 30% of respondents to the survey had a negative view.

View of levy in own local area, Percentage, All Respondents

	All UK residents	Wales residents
Positive	38	39
Neither positive nor negative	23	20
Negative	28	30
Don't know/unsure	11	11

Source: Visitor Levy – Views of Consumers and Residents 2023

Business Costs

The immediate business impacts are:

- Time required to apply for registration and manage any amendments;
- Time to process and file a tax return to the WRA (either quarterly or annually);
- Updating booking systems or property management information systems;
- Financial costs of advisers or accountants, should a provider choose to employ or engage the services of another party to process and file returns on their behalf; and
- Financial cost of the visitor levy itself.

This will vary according to how many visitors a provider receives, and how many visitor accommodation premises they operate. Furthermore, providers may absorb the costs or pass them on to visitors, therefore it is not possible to determine the exact costs by provider.

These issues all however relate to a cost to business and work should be undertaken to minimise their impact.

The consultation exercise highlighted specific concerns from accommodation providers relating to the administrative cost and burden of the implementation of the Levy. In addition issues of reputational damage were also raised in relation to the charging of children as part of the Levy, as well as the process for refunding carers of disabled people.

Further to this it was raised that there were concerns regarding hotels dealing directly with customers and their reaction to paying the Levy. From this perspective it was raised that there is a need to communicate that the Levy is imposed as a result of a Council decision, as well as ensuring that the benefits of the Levy are communicated.

The consultation exercise also noted concerns that the Levy could have a negative impact on demand within the sector, and that there is a clear need to ensure that the Levy does not lead to fewer staying visitors. Stakeholders stressed that Cardiff's visitor economy must remain competitive, and that any levy must be implemented in a way that avoids undermining a sector that supports employment, tax revenue and wider city-centre spending.

Specific issues raised included:

- Possible impacts on hotel occupancy, particularly during off-peak periods.
- Sensitivity of domestic and European visitors to additional costs.
- Risk of shifting demand to competing destinations.
- The importance of protecting midweek and corporate travel markets.
- Concerns about financial viability - projected revenues may be outweighed by implementation and compliance costs

To that end the need to ensure that the Levy is used to support demand for bed nights within the city, which should be determined with the sector.

Summary

It is clear that without ensuring that the Levy is used for the benefit of the sector, there could be a negative economic impact. This therefore suggests that in introducing the Levy, this should be undertaken in a way that:

- Supports the growth of the sector; and
- Recognises that there is a direct administrative cost for business, and that there is potential to explore how the Levy can mitigate this;
- Minimises costs for business.

11. Equality Impact

Age

There are two aspects to consider with age:

- The impact on visitors
- The impact on the local population

In terms of visitors, the profile of visitors to Wales suggests that this is generally a young cohort. This does suggest that, given younger groups tend to have lower incomes, that there could be more of an impact on younger populations.

Percentage of trips to Wales 2023

16-24	25-34	35-44	45-54	55-64	65+
23%	29%	19%	11%*	12%*	5%**

Source: Domestic GB tourism statistics: annual report 2023 | GOV.WALES

Note: where a figure is followed with a single asterisk, the base size is below 100, and users are advised to treat this figure as indicative. Where a figure is followed with a double asterisk, the base size is below 30, and users are advised not to use this estimate.

The Welsh Government impact assessment for the Levy notes that those under the age of 18 are not included in the calculable charge for the visitor levy for lower rated stays. This means that they will not have to pay the levy where it is passed on by a provider as they will not be included in levy calculations (i.e. there is no levy to pass on). This analysis suggests that this policy will mitigate potential negative effects on young people as those from lower socio-economic backgrounds may be more likely to stay in visitor accommodation subject to the lower rate although there is no data confirm this. Therefore, impacts on lower socio-economic groups may lessen with this exclusion from the calculation for lower rated stays for those under 18. Notwithstanding this, the consultation exercise raised concerns relating to the fact that children will be charged for the majority of stays within the city.

The same impact assessment also acknowledges that those employed in tourism are generally younger with 38% of tourism workers aged between 16-29 in 2022 according to Welsh Government data. This suggests that any impact on the sector from the introduction of the Levy would disproportionately hit younger people. Qualitative responses also raised the need for consideration of developing the workforce, which also relates to the need to ensure that workers entering the sector have appropriate access to skills and training. This would also need to consider support beyond the Levy, but highlights that there could be dedicated resources to support this particular group.

The overall level of support for the Levy tended to be strongest amongst younger age groups.

Key considerations:

For young people, the main impact – for both visitors and residents – relates to the overall impact of the Levy. This suggests that for residents it is imperative that the Levy is used to ensure that the sector grows and that it does not lead to any negative impact for local workers. For visitors it is essential that any negative impact on the increase in costs based on the elasticities is outweighed by the benefits of the Levy.

In addition, consideration is required in terms of the use of the Levy to relate to support for workers entering the sector for employment.

Disabled people

The Welsh Government Levy 2025 Equality Impact Assessment outlined that in relation to tourism activity, it is estimated that 28% of all trips to Wales include somebody who is disabled or has an impairment, which is higher than trips taken in Great Britain as a whole. There were an estimated 1.71m overnight trips to Wales from January to December 2023 by those caring for people with medical conditions, which equates to 20% of the total trips taken to Wales.

Historic evidence suggests in some scenarios that disabled people may face higher costs for staying in visitor accommodation. Disabled people also face a number of barriers and challenges relating to tourist visits, including:

- Environmental barriers: The UK Disability Survey research report 2021/22 is a comprehensive analysis of responses to the UK Disability Survey 2021 showed that 57% of disabled people reported being unable to go on holiday due to accessibility issues i.e. access into public buildings;
- Lack of information and awareness about the availability and quality of accessible tourism facilities and services, and the rights and entitlements of disabled people as tourists. Information on accessible destinations is a key factor in increasing tourism opportunities among disabled individuals; and
- Booking a holiday may lead to extra costs due to a lack of availability of accessible and affordable accommodation and transport options, especially in rural and remote areas, and during peak seasons . In a recent survey by Leonard Chesire Disability, published in Enable Magazine, 8 in 10 disabled people said they faced barriers and difficulties staying at UK hotels and resorts. Over 70% flagged issues finding accessible rooms. Costs of accessible accommodation are also a common barrier to taking a break for around 6 in 10 survey respondents, with accessible rooms often seen as more expensive.

This suggests that potential for the use of the Levy could support a more accessible destination in Cardiff. Conversely the additional cost of the Levy could place additional strain on travel budgets.

In formulating the Welsh Government Equality Impact Assessment of the Levy, officials also met with representatives from Disability Wales, Autistic UK and the Fair Treatment for the Women of Wales. Although they were supportive of the levy raising additional money for spending in the local area, various concerns were expressed. For example, concerns that disabled people may be disproportionately affected by the levy, due to the increased costs, as they are more likely to holiday locally and require more expensive accessible rooms.

The Welsh Government Equality Impact Assessment of the Levy identified that it could be construed as indirect discrimination to apply a visitor levy to carers accompanying a disabled person requiring care as part of their visit. This is because disabled persons requiring a carer would potentially face additional costs due to the levy applying to the carer, should those additional costs be incurred by the disabled person.

In response to this, and after due consideration, an option recommended was to provide for the WRA to issue refunds for a disabled person in receipt of a qualifying disability benefit who has paid a visitor levy whilst staying in visitor accommodation and who are accompanied by a person providing care, support or assistance. Despite this option not fully eliminating the risks of indirect discrimination, it was perceived to be a proportionate response which balances the need to address the indirect discrimination but also ensure the integrity and efficiency of the tax system.

The Welsh Government Equality Impact Assessment of the Levy notes that the Levy will be collected and managed by WRA. It is anticipated that the day-to-day operation of the levy will have a minimal impact on business owners who have visual and/or hearing impairments due the multiple ways in which a person can interact with the WRA (and their systems). There will be a digital system for filing and remitting returns to the WRA, alongside the provision of a telephone and paper service, when necessary. The WRA's service standards will ensure accessibility – the principles for designing and creating gov.wales products include a principle for ensuring their products are for everyone and are as inclusive as possible. It is the intention that new tools will be created by the WRA's digital team, which would be tested for compliance against these standards and principles (including accessibility).

The Welsh Government Impact Assessment also noted that is not anticipated that disabled visitor accommodation providers, including people with learning impairments, will be negatively impacted by the levy through the offering of bespoke services offered by the WRA in compliance with the general Public Sector Equality Duty.

The consultation noted that for disabled people there was a majority in support of the Levy, albeit at a lower level than the overall response rate. Analysis of comments from those identified as disabled however broadly reflected the overall responses, and did not relate to any specific issues relating to disabilities. It should be noted however that issues were raised with regard to the refund process for carers. This was considered to be overly bureaucratic and with potential to cause conflict. It was therefore considered appropriate to work with the WRA to consider ways of streamlining the process.

Please rate your level of support to introducing a visitor levy in Cardiff from 0-10, where 0 is totally in against and 10 is totally in favour.

Do you identify as a disabled person? (Answered Yes)

In favour (6-10)	54%
Neutral (5)	9%
Against (0-4)	37%

Specific comments provided as part of the consultation exercise noted issues around physical accessibility in Cardiff and suggested potential use of the levy to support areas such as:

- Improved disabled access throughout the city.
- Pavements free of obstacles, better maintenance of surfaces, and safer pedestrian routes.
- Accessible public toilets, including more locations and better maintenance.
- Transport upgrades that consider mobility needs—reliable buses, accessible routes to tourist sites, and better connectivity.

It was also expressed that disabled people with lower incomes or relying on cheaper accommodation (hostels, campsites) could be disproportionately impacted by a per-person levy.

Many of the comments did not specifically relate to the use of the levy, but were considered important issues for the overall visitor economy in the city, these included:

- Ensuring levy-funded projects comply with the Equality Act and Accessible Regulations (2018).
- Designing the city so it is welcoming and navigable for disabled people.
- Including accessibility considerations in event planning, crowd management and public space design.

It was also noted that disabled residents are particularly affected when events cause service disruptions, blocked pavements, or inaccessible transport. Some respondents suggested that any use of levy revenue should prioritise reducing these impacts on disabled residents.

Key considerations:

There is a potential disproportionate impact on disabled people given a higher proportion of visitors to Wales being recognised as disabled. In addition it is also recognised there the additional Levy could exacerbate travel budget pressures. Conversely there is potential for significant benefits to arise from investment in activity that improves accessibility to tourism infrastructure in Cardiff.

It was recognised that additional costs for carers accompanying a disabled person could be seen as indirect discrimination, but this has been mitigated by the introduction of refunds for a disabled person in receipt of a qualifying disability benefit who has paid a visitor levy whilst staying in visitor accommodation and who are accompanied by a person providing care, support or assistance.

The Welsh Government Impact Assessment also noted that is not anticipated that disabled visitor accommodation providers, including people with learning impairments, will be negatively impacted by the levy.

The consultation exercise noted that further work would need to be undertaken with the Welsh Revenue Authority to review how the refund for the carers of disabled people is managed and applied.

Religion, belief and non-belief

The Welsh Government Equality Impact Assessment of the Levy notes there is no direct correlation between visitor levies and religion, belief, or non-belief. Tourism-related policies or taxes might interact with an individuals' freedom to practice religion, depending on the nature of the visit. It noted that introducing a visitor levy might affect the affordability of visiting such places, potentially influencing the number of pilgrims or tourists visiting religious sites. For example, should the visit involve staying overnight in visitor accommodation, there would be an increased cost for the stay. Should the stay in overnight accommodation be provided for free, then the levy would not apply.

In undertaking this work Welsh Government officials met with the Inter-faith Council for Wales in 2023 and also received a response to a further request for feedback in June 2024 via their representation in the Third Sector Partnership Group. They highlighted that faith groups often

arrange camping trips for families, young people, and pilgrims, they requested that these be out of scope of the levy. They welcomed that the levy would not apply to accommodation that was free of charge and added that would alleviate concerns by faith groups. The levy will apply to stays in overnight visitor accommodation including camping and caravan sites, although, the levy will be applied at a lower rate to mitigate the potential negative impacts.

There were no specific issues that emerged from the consultation exercise relating to religion.

Key considerations:

Based on the work undertaken by the Welsh Government as well as the nature of a Levy being introduced in Cardiff there is no significant positive or negative impact associated with religion, belief, or non-belief.

Sex

The provisions in the Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, and do not make any distinction based on sex. The Welsh Government Equality Impact Assessment of the Levy does however note that studies have also reported that men were more amenable to paying a visitor levy, suggesting there may be a more negative impact on women.

In terms of employment, the Welsh Government Equality Impact Assessment of the Levy cites that across Europe there is a pattern that shows that women are more likely to be employed in the tourism sector. However within Cardiff Census data shows that employment in distribution, hotels and restaurants (which includes retail employment) is considerably higher for men.

Employment by Sex

Total	Employment in distribution, hotels and restaurants
All persons	29,551
Female	13,498
Male	16,053

Source: 2021 Census

Overall levels of support for the Levy were slightly higher in the survey for women than for men, with both groups showing positive support for the Levy.

A number of consultation respondents also linked the levy to affordability challenges, particularly for families. Women—who disproportionately handle family budgeting, caregiving and trip-planning responsibilities—may experience the burden of a per-person levy more acutely, especially in lower-income households or when travelling with children.

Concerns were also raised about Cardiff’s current visitor and events strategy being too heavily focused on large, male-dominated sporting events. Some respondents argued that more diverse cultural programming would make Cardiff more welcoming to a broader demographic, including women and families. They suggested funding smaller, varied events, supporting arts and heritage activities, and investing in spaces that feel inclusive and safe. This reflects a desire to ensure the city’s identity is not shaped solely around major sports and night-time entertainment, but instead accommodates inclusive, family-friendly, and culturally diverse experiences—areas where women play a significant role as both participants and organisers.

Key considerations:

Based on the work undertaken by the Welsh Government as well as local data there is not considered any specific material impact according to sex.

Gender Reassignment

The Welsh Government Equality Impact Assessment of the Levy notes that provisions in the Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, and do not make any distinction based on gender reassignment. Consideration in the Act has been given for those who require medical treatment, for example, as part of a person’s gender reassignment process. Stays in private hospitals are out of scope of the legislation.

There were no specific issues identified in the consultation exercise relating to gender reassignment.

Key considerations:

Based on the work undertaken by the Welsh Government as well as local data there is not considered any specific material impact according to sex.

Pregnancy and Maternity

The provisions in the Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, and do not make any distinction based on pregnancy and maternity.

There were no specific issues identified in the consultation exercise relating to pregnancy.

Key considerations:

There is not considered any specific material impact relating to pregnancy and maternity.

Sexual orientation

The Welsh Government Equality Impact Assessment of the Levy notes that provisions in the Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, and do not make any distinction based on sexual orientation. Evidence highlights that 9% of trips to Wales were undertaken by lesbian, gay and bisexual visitors in from January to December 2023. However, there is no evidence to suggest that visitors with the sexual orientation characteristic would be disadvantaged through the provisions in the Act.

Employment analysis suggests a higher proportion of bisexual people may be impacted by the Levy. This impact would be dependent on the overall impact the Levy would have on the economy.

Employment by Sexual Orientation

	Total	Straight or Heterosexual	Gay or Lesbian	Bisexual	All other sexual orientations	Not answered
Agriculture, energy and water	2%	2%	2%	1%	1%	1%
Manufacturing	4%	5%	2%	2%	3%	4%

Construction	6%	6%	2%	1%	2%	5%
Distribution, hotels and restaurants	18%	18%	18%	24%	19%	22%
Transport and communication	8%	8%	9%	8%	8%	9%
Financial, real estate, professional and administrative activities	18%	18%	19%	17%	18%	16%
Public administration, education and health	39%	39%	42%	40%	37%	37%
Other	5%	5%	7%	7%	11%	5%

Source: 2021 Census

There were no specific issues identified in the consultation exercise relating to sexual orientation.

Key considerations:

There is not considered any specific material impact relating to sexual orientation of visitors. However it should be noted that there is a higher proportion of bisexual workers employed in the distribution, hotels and restaurants sector This suggests that for bisexual workers it is imperative that the Levy is used to ensure that the sector grows and that it does not lead to any negative impact for local workers.

Marriage and civil partnership

The provisions in the Act are not expected to have any impact on the marriage and civil partnership characteristic. Overnight visitor accommodation relating to weddings and civil partnership ceremonies would be subject to a visitor levy.

There were no specific issues identified in the consultation exercise relating to marriage and civil partnership.

Key considerations:

There is not considered any specific material impact relating to marriage and civil partnership.

Race

The Welsh Government Equality Impact Assessment of the Levy notes that the provisions in the Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, and do not make any distinction based on race.

The impact of visitor levies on race can vary depending on specific contexts and implementation approaches, and where the revenue raised is spent. Proactive measures can be taken to ensure that the benefits of tourism are distributed more equitably among all segments of the population, with community engagement and inclusive decision-making processes being crucial to address potential negative impacts on minority ethnic groups.

Data available in the Wales overnight tourism report 2023 sets out the total number of trips and percentage of trips by ethnicity.

Total number and percentage of trips by ethnicity (Wales)

Ethnicity of respondent	Trips (millions)	% Total Trips
White	7.09	84%

Mixed/Multiple ethnic groups	0.25*	3%*
Asian/Asian British	0.53*	6%*
Black/African/Caribbean/Black British	0.37*	4%*
Chinese	0.05**	1%**
Arab	0.08**	1%**
Other ethnic group	0.03**	0%**

Source: Domestic GB tourism statistics: annual report 2023

Note: where a figure is followed with a single asterisk, the base size is below 100, and users are advised to treat this figure as indicative. Where a figure is followed with a double asterisk, the base size is below 30, and users are advised not to use this estimate.

Employment data highlights that in Cardiff the Distribution, hotels and restaurants sector there is a disproportionate level of employment for those with Asian, Asian British or Asian Welsh ethnicity. This suggests that the impact of the Levy on the economy would disproportionately effect those groups.

Employment by Ethnicity

Industry (current)	Total	Asian, Asian British or Asian Welsh	Black, Black British, Black Welsh, Caribbean or African	Mixed or Multiple ethnic groups	White	Other ethnic group
Total	100%	100%	100%	100%	100%	100%
Agriculture, energy and water	2%	1%	2%	2%	2%	1%
Manufacturing	4%	4%	4%	4%	5%	5%
Construction	6%	2%	3%	5%	6%	4%
Distribution, hotels and restaurants	18%	26%	16%	20%	18%	24%
Transport and communication	8%	13%	12%	8%	8%	10%
Financial, real estate, professional and administrative activities	18%	15%	19%	18%	18%	15%
Public administration, education and health	39%	37%	41%	38%	39%	37%
Other	5%	3%	4%	6%	5%	4%

Source: 2021 Census

The Welsh Government Equality Impact Assessment of the Levy also noted that Gypsy, Roma and Travellers lifestyle is inherently transient and involves regular movement across local authority boundaries. Reflecting this Welsh Government officials met with Tros Gynnal Plant Cymru to explore issues around the levy for Gypsy, Roma and Travellers. From discussions, it was noted that if the designated permanent and transient sites were exempted from paying the levy then there would unlikely be significant impact on Gypsy Roma Travellers. It also noted that Gypsy Roma Traveller sites that are provided by a local authority or registered social landlord

are exempted from the levy. This reflects the importance of protecting their distinctive and transient lifestyle.

Notwithstanding this, the Act provides Welsh Ministers with powers to create new national exemptions should there be evidence of negative impact on any particular group.

Direct references to ethnicity within the consultation response were limited, but several submissions ask Cardiff to plan for audience diversity explicitly naming minority ethnicities when shaping events and the wider visitor offer. The need for appropriate representation was also raised.

Key considerations:

It is recognised that there is a higher proportion of employment in the sector for some ethnic groups. This suggests that it is imperative that the Levy is used to ensure that the sector grows and that it does not lead to any negative impact for local workers impacted.

In addition it was highlighted in the consultation that the use of the Levy should also be representative of the city's diverse populations.

Assessing the Impact on Groups who Share a Protected Characteristic- Summary

Protected Characteristic	Tick at least one impact for each group			Evidence and data source used to determine the impact or lack of impact.	Details of the likely impact.	For negative impacts, you must consider how to reduce or remove the impact.
	+ve	-ve	None			
AGE	x	x		Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Census Analysis Visitor Levy Consultation	Likely positive impact based on the intended impact of the policy. Specific issues were raised relating to children being charged the Levy fee.	It is imperative that the introduction of the Levy supports the growth of the visitor economy. This would mitigate any negative impact. Representations would be made on the potential to amend the charge for children.
DISABILITY	x	x		Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Census Analysis Visitor Levy Consultation	Potential for impact in terms of budget issues for those disabled people. Potential for improved accessibility if supported through Levy investment Concerns raised relating to the refund mechanism for carers.	Consideration of the use of the Levy to ensure that benefits are felt by disabled people. Need to ensure that the refund to support carers is communicated and taken up. Representations would be made on the potential to refund mechanism for carers.
GENDER REASSIGNMENT			x	Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Visitor Levy Consultation	No impact expected	No impact expected
RACE	x	x		Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Census Analysis Visitor Levy Consultation	It is recognised that there is a higher proportion of employment in the sector for some ethnic groups. This is likely to be positive based on the intention of the policy. Concerns raised relating to representation.	This suggests that it is imperative that the Levy is used to ensure that the sector grows and that it does not lead to any negative impact for local workers impacted. Governance would also need to build into decision making the need for representation, consultation and engagement with ethnic minority groups.
RELIGION, BELIEF and NON-BELIEF			x	Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Visitor Levy Consultation	No impact expected	No impact expected
SEX			x	Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Visitor Levy Consultation	No impact expected Concerns raised relating to representation.	No impact expected Governance would also need to build into decision making the need for representation, consultation and engagement with respect to gender.
SEXUAL ORIENTATION	x	x		Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Census Analysis Visitor Levy Consultation	There is not considered any specific material impact relating to sexual orientation of visitors. However it should be noted that there is a higher proportion of bisexual workers employed in the distribution, hotels and restaurants sector	This suggests that for bisexual workers it is imperative that the Levy is used to ensure that the sector grows and that it does not lead to any negative impact for local workers.
MARRIAGE and CIVIL PARTNERSHIP			x	Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Visitor Levy Consultation	No impact expected	No impact expected

PREGNANCY and MATERNITY			x	Visitor Accommodation (Register and Levy) Etc. (Wales) ACT 2025 Equality Impact Assessment Visitor Levy Consultation	No impact expected	No impact expected
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12. Children's Rights Impact Assessment

Children's Rights Impact Assessment - Visitor Accommodation (Register and Levy) Etc. (Wales) Act

The Welsh Government's Welsh Language Impact Assessment Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 found that the overall impact on Children's Rights is not significant and is generally positive. This is due to the generation of additional revenues, which local authorities could use to improve the tourism offer in their area. Revenues will be used to improve a range of amenities that will be beneficial to both residents and visitors.

The assessment also noted that while the focus of the Act is to allow local authorities to introduce a visitor levy in their area, the outcome of a decision to bring in a levy could have an impact on children and young people, particularly those from lower socio-economic backgrounds due to the additional levy to be paid for visitors. It notes that in response to mitigate/ or reduce any negative effects and to ensure a level of progressivity is met so that those on lower incomes are not dissuaded or unable to meet the extra costs associated with the levy, there are two rates set out in the Act, a lower rate for hostels and campsites and a higher rate for all other accommodation.

Additionally, those under the age of 18 are not to be included in the calculable charge for the visitor levy for lower rated stays. This will mitigate any potential negative effects on children and young people as many school trips, scout trips etc take place in accommodation such as campsites and hostels.

The Welsh Ministers have the power to revise the visitor levy rates set in legislation. Furthermore, Ministers can amend which stays are subject to which rate, i.e. lower or higher rate should evidence emerge of any disproportionate impact.

Welsh Ministers will also have the power via regulations to remove other categories of person from the calculable visitor levy charge, should evidence emerge of negative impacts on a particular group that justifies that decision.

It should be noted that a number of consultee responses raised concerns that children will be charged the full Levy amount for the majority of stays within the city. Accommodation providers were in particular sensitive to the reputational issue relating to charging children.

13. Welsh Language Impact

There is potential for the levy to promote Welsh culture, including the Welsh Language. This also links directly with the proportion of Welsh speakers by sector. Whilst this is relatively low for the accommodation and hospitality sectors, there is an overrepresentation in the ‘Other’ sector which includes arts, entertainment and recreation, which would be expected to see a benefit from the levy.

Employment by Sector 2021

Industry (current)	Total	Cannot speak Welsh	Can speak Welsh	% Welsh Speakers by sector
Total	160,440	142,191	18,249	11%
Agriculture, energy and water	2,909	2,641	268	9%
Manufacturing	7,141	6,699	442	6%
Construction	9,206	8,559	647	7%
Distribution, hotels and restaurants	29,552	27,420	2,132	7%
Transport and communication	13,362	11,636	1,726	13%
Financial, real estate, professional and administrative activities	28,319	25,431	2,888	10%
Public administration, education and health	62,078	53,225	8,853	14%
Other	7,873	6,580	1,293	16%

Source: Census

The Welsh Government’s Welsh Language Impact Assessment also undertook some consultation with regard to the Levy. This found that whilst most respondents did not have specific views concerning the impact of the visitor levy on the Welsh language, a small number of respondents expressed concern that any decline in tourism resulting from a levy could reduce opportunities to use the Welsh language, as well as having a potentially negative impact on Welsh-speaking communities. On the other hand, some respondents highlighted that revenues raised through a levy could be used to promote and facilitate the use of the Welsh language.

The impact assessment also noted that the levy aims to promote local authority autonomy on financial decision making. The revenue will be broadly hypothecated for supporting innovative and sustainable destination management. A positive impact on the Welsh language could be achieved if local authorities use the revenue from the levy to promote and support the Welsh language or to fund initiatives that improve the infrastructure and services in areas which currently have (or until recent decades have had) a relatively high percentage of Welsh-speakers. This could promote the visibility, vitality, and viability of the Welsh language, as well as increase the awareness and appreciation of visitors and residents alike.

Note that this Levy suggests the range of areas the levy could be used for, which could cover areas that would support the use of the Welsh Language.

The survey also highlighted that most respondents believed there would be no impact on the Welsh Language. In terms of the areas where there could be a benefit to the Welsh language, potential positive impacts focussed largely on the potential to increase visitor numbers and exposure to the language, and many noted that seeing and hearing Welsh helps visitors

appreciate that Wales has a distinct language, culture, and identity. Some emphasised that the levy could make Welsh “highly visible” in marketing and events, enhancing pride and awareness among both visitors and residents.

Respondents frequently highlighted opportunities to support Welsh cultural events (e.g., Eisteddfod, Urdd, Tafwyl), Welsh artists, and heritage-based activities. Others saw an opportunity to support Welsh-language initiatives.

Many also believed Welsh language and culture are part of what makes Cardiff distinctive, contributing to a stronger sense of place and making the city more attractive to visitors. Welsh was viewed as a differentiator when competing with other UK and European cities.

The negative feedback centres on fears that the visitor levy will reduce tourism, weaken the economy, and ultimately harm the Welsh language by decreasing exposure and reducing opportunities for its use. Many see no evidence that the proposals would support Welsh, and some express frustration with bilingualism or worry that Welsh-language expectations could further discourage visitors.

14. Future Generations and Wellbeing Assessment

5 WAYS FOR WORKING

Long-term - How does your project / activity balance short-term need with the long-term and planning for the future?

The introduction of a Visitor Levy would support a greater consideration of long-term planning. Specifically the intention of the use of the Levy is based on supporting the long-term sustainability of the visitor economy, with the stated aim of increasing visitor stays within the city. The use of the Levy to drive this also supports long-term thinking inasmuch as it provides incentives for activities that supports the future growth of the sector. This aligns with the premise of subsidiarity in fiscal policy to encourage policy decisions that support activity that has a positive fiscal impact.

Prevention - How does your project / activity put resources into preventing problems occurring or getting worse?

The introduction of the levy can support preventative work to support the viability of the visitor economy. This includes investment in place management that could include additional city centre wardens, who currently operate to provide a visible presence on the street and tackle issues such as anti-social behaviour before they escalate. Because of the long-term vision of the proposal it encourages preventive work, and other work that more generally supports future investment in the sector.

Integration - How does your project / activity deliver economic, social, environmental & cultural outcomes together?

The proposal outlines the areas of spend that the levy could cover, which specifically relates to economic, environmental and cultural schemes. This includes the potential for supporting job and business creation, environmental enhancements and the support of the city's events programme.

Collaboration - How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?

The levy will be underpinned by the Visitor Levy Partnership Forum. The Visitor Levy Partnership Forum would play a number of key roles:

- *Advising on the use of the Levy;*
- *Reviewing the Levy Annual Report;*
- *Advising on the development of the city's Tourism Strategy; and*
- *Advising on the implementation of the city's Tourism Strategy.*

The Forum partnership is drawn from a wide range of stakeholders representing both the sector, as well as public services. The Forum will therefore not just influence the use of the levy, but also the wider tourism strategy for the city.

Involvement - How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?

It is proposed that there would be regular communication reflecting the use and impact of the Levy. This would seek views of key stakeholders to ensure its effectiveness and would also include the publication of an annual report. In delivering the annual report the Council would bring together qualitative and quantitative data that would provide an overview of the performance of the visitor economy in the city. This review would include KPIs; specific project and programme performance data; an annual visitor survey to provide detail on visitor profiles and perceptions; and qualitative information provided by the Visitor Levy Partnership Forum. In publishing an Annual Report the Council would also seek to undertake

regular engagement and communication with stakeholders as well as levy payers to communicate the use of the Levy.

WELL-BEING GOALS

Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities?
<p>A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work</p>	<p>The levy would aim to support a co-produced approach to supporting the visitor economy in Cardiff. As part of this a range of activities could be introduced, from skills development through to targeted marketing seeking to bring in additional visitors with the aim of adding value to the sector.</p>	<p>Ensuring that the sector is fully engaged in decision making processes to maximise the economic benefits of the use of the levy.</p>
<p>A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>Supporting the development of Cardiff as a tourism destination will help a more sustainable visitor economy in Wales. Transport connectivity is key here given that the carbon footprint of a visitor is almost entirely driven by the means of getting to the destination.</p>	<p>Ensuring that the visitor economy is aligned with public transport.</p>
<p>A healthier Wales. A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>The levy has the potential to support a thriving local food economy through increased patronage should visitor numbers increase.</p>	<p>Continued work with the hospitality sector to promote local food vendors and businesses.</p>
<p>A more equal Wales. A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>The levy would seek to support employment in an area of Wales with the most diverse population profile. This is important as it reflects one of the only national policy tools that would see funding concentrated in areas of diversity.</p>	<p>Ensuring that the impacts are analysed on an ongoing basis and informs future use of the levy.</p>
<p>A Wales of cohesive communities. Attractive, viable, safe and well-connected communities.</p>	<p>The levy would seek to support a sustainable and viable visitor economy, whilst also ensuring that support is available to deal with the impact of the sector on communities.</p>	<p>Consideration of using elements of the levy to deal with the impact of tourism, such as major events.</p>
<p>A Wales of vibrant culture and thriving Welsh language. A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>The levy would potentially be used for cultural activity that would attract visitors. This is critical as it will provide sustainability for the sector by attracting more visitors for cultural events and attractions.</p>	<p>Working with the cultural sector to develop proposals for the levy that is mutually beneficial with the overall visitor economy.</p>
<p>A globally responsible Wales - A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>Through attracting more international visitors, it is hoped that the levy would support showcasing Cardiff and Wales to the world.</p>	<p>Ensuring the levy is used to attract more international visitors.</p>