

# All-Party Parliamentary Group for Hospitality



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Parliamentary  
Group  
for Hospitality

## **APPG for Hospitality Roundtable on Tourist Tax: Tuesday the 19th of March 2019, Committee Room 13, 5:00pm-6:30pm**

Thank you for attending the All-Party Parliamentary Group event on Tuesday the 19<sup>th</sup> of March. If you have any follow up questions about the event, please do get in touch with **Richard Clifford** on [rclifford@ukhospitality.org.uk](mailto:rclifford@ukhospitality.org.uk)

### **Tourist Tax Roundtable, Tuesday the 19th of March 2019, Committee Room 13, 5:00pm-6:30pm**

This roundtable focused on the so called 'Tourist Tax.' The 'tourist tax' is a levy on hotel/accommodation rooms and is currently used in some European cities (though these have a much-reduced rate of VAT than the UK). Several councils have shown an interest in such a levy and the Scottish Government's budget committed to legislating to allow local authorities to introduce such a tax. We have assembled a panel and an audience from both sides of the argument with the aim of having a spirited debate about the virtues and pitfalls of such a tax for businesses, councils, consumers, and cities or local authorities more broadly.

Please find below a summary of the key points raised by each of the speakers at the APPG. The events discussion will be built on and will form a key part of the All-Party Parliamentary Group for Hospitality's report on the matter which will be published ahead of the next session on the 13<sup>th</sup> of May.

## **Minutes**

### **Introductions**

**Steve Double MP**, Chair All Party Parliamentary Group for Hospitality.

### **MPs in attendance**

Steve Double MP  
Stephen Kerr MP  
Luke Pollard MP  
Tommy Sheppard MP

### **Discussion**

#### **Kurt Janson, Director of the Tourism Alliance**

- Issue of the Tourist tax is who will end up being targeted. There are 1.9bn trips in the UK each year, of these 1.9bn trips 1.8bn are day trips.
- 100 million trips each year are overnight.
- Just over 95% of trips are day trips.
- A Tourist tax would target an extremely low percentage of visitors.
- Day visitors spend on average £36.00 overnight visitors spend £193 per visit.
- A tourist tax would incentivise people to take day trips as opposed to staying overnight.
- Would provide a challenge to the international competitiveness of the UK's tourism industry.
- Issues on what happens with the money, the idea of a late-night levy was supposed to help policing,
- Other cities have introduced tourist taxes such as Barcelona.
- However, VAT is significantly lower in these countries, it is 14.5% in NYC 12% in Paris 11% in Amsterdam. In the United Kingdom VAT is as high as 20%.

Chair – Steve Double MP  
Secretariat – UKHospitality  
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## **Cllr Brigid Jones, Deputy Leader of Birmingham City Council**

- Ability for councils to find money recently has declined.
- 60p for every £1 of Government funding has gone since 2010.
- This includes funding for tourism which is declining.
- LGA's wants councils to have the powers to introduce a tourism levy.
- UK is a centralised country in terms of tax regime- only 5% of this is local taxation
- 85% of Edinburgh respondents on a tourist tax were in favour.
- LGA appreciate that any of the revenue raised would have to be spent locally.
- We agree that if there is a levy it would have to be spent on tourism.
- Also, important to look at how it would be efficiently delivered re airbnb.
- The Commonwealth Games comes to Birmingham in 2022.
- Hotel bed tax could raise money for this.

## **Tommy Sheppard MP for Edinburgh East 2015-Present**

- Fully supports the introduction of a tourist tax in Edinburgh.
- Edinburgh is quite daunting, 4.5 million tourists 2/3 of visitors to Scotland come to Edinburgh.
- Major part of the economy, £1.8bn is spent in the city.
- 18 million beds in Edinburgh It is unfair not to ask visitors to pay something towards the city that they visit.
- Austerity has led local councils to look at this opportunity to raise revenue
- Council consulted on this issue for a number of years, surveyed 500 visitors, 70% of whom said that a -tourist tax would not affect them at all.
- City tax is common throughout Europe- People are surprised not to see them here.
- In the Scottish Government there is now cross-party support for such a levy
- 15,000 new hotel rooms have come on stream in recent years.
- Remarkable growth, if the council thought that the tax would put off visitors they would not do it.

## **Laurence Beere, Owner of the Queensbury Hotel and Olive Tree restaurant in Bath.**

- This is not a 'tourist tax', it is a hotel tax. It is a tax aimed at one single part of the industry.
- How does Local Government anticipate being able to collect this tax when it has shown itself to be incapable of registering how many air b and b's there are in a certain place.
- Tourism is of immense benefit to everyone, 1.5m people visit Bath's Roman Baths per year.
- If for example, you proposed putting a tax on visiting the bath's the council would be incredibly unhappy.
- "My Business pays over £93,000 per year in business rates and employs 40 people, I am offended at the idea that the council would not consult with businesses first."

## **Professor Sally Everett, Tourism specialist, Professor, King's Business School.**

- It is not the principle of a levy that people are annoyed at, the implementation is poor.
- Research shows that it in fact has a good social and economic impact
- It has been implemented in European cities already and does not affect tourism.
- Ring fencing of the funds so that they can be spent only on tourism industry
- A levy would be a good way to protect heritage cities.
- If tourists can see that their money is being spent and actually being reinvested on the tourist

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economy, they will be happy.

-Tourists have a responsibility to improve the protect industries.

-Economically and morally this is the right thing to do.