

Local Government Finance
Ministry of Housing, Communities and Local Government
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Visitor Levy consultation 2026: Coastal Tourism

I am writing on behalf of the National Coastal Tourism Academy (NCTA) in response to the Government consultation on the proposed Visitor Levy to represent the views of England's coastal visitor economy.

Coastal tourism is a vital economic driver, accounting for 15–20% of employment in most seaside towns and up to 50% in areas such as Whitby and Exmoor. However, the sector faces significant structural challenges, in addition to national challenges for the sector (Business Rates, high employment costs and VAT) coastal tourism businesses face a decline in visitor numbers since the Covid-19 pandemic, increasingly acute seasonality, chronic underinvestment in our coastal towns, and the lack of funding and support for Local Visitor Economy Partnerships (LVEPs) and Destination Management Organisations (DMOs).

The National Coastal Tourism Academy is opposed to the introduction of another tax for our sector in the introduction of the proposed Visitor Levy and the NCTA does not support giving Mayors (or any other tier of local government) a power to introduce an overnight visitor levy in England.

Coastal tourism is almost exclusively a domestic holiday market (UK residents holidaying in the UK) and is dominated by family-run SMEs. Since the economic downturn we have seen UK consumers reducing visits with an 11% decline in overnight visits to the coast¹, consumers changing overnight stays into day visits, and a 4% decline in visitor spend. The Visitor Levy would represent another tax on hard-working UK residents and UK SMEs who are the foundation of our visitor economy.

The introduction of a levy on overnight visitors will further compound recent trends towards swapping overnight stays for day visits, which present significant issues to coastal communities. Day visits put increasing pressure on local services and bring very little income to the local coastal community (£55.27 per day visit vs £315.21 per overnight visit²). The NCTA has worked hard over the last 10+ years in partnership with coastal communities all across England to encourage more overnight visits all year round and encourage more international visitors to enjoy our coastline – both of these markets help build sustainable year-round economies and reduce the reliance and cost of day visitors. Growing year-round employment and supporting

¹ VisitEngland GBTS – change in number of visits to “Seaside and other coastal” between 2023 and 2024

² VisitEngland GBTS and GBDVS 2024 data for “Seaside and other coastal”

supply chain businesses such as creative agencies, accountants, legal professionals and transport services.

The proposed Visitor Levy presents another barrier that will cause visitors to reconsider their holiday choices.

The NCTA recognises local government funding pressures and the real costs associated with managing successful destinations. The right policy response is not an additional local tax on visitors that will once again benefit cities and widen the gap between coastal and rural economies and city regions, but reform of how existing tourism-related tax receipts (especially VAT) are reinvested into destinations, plus targeted funding for destination management, transport, public realm, visitor safety, and accessibility.

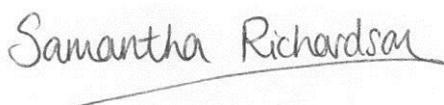
However, if Government proceeds with a Visitor Levy, the NCTA's focus is damage limitation:

- Keep any levy strictly optional, with a high bar for its introduction a national cap, strong evidence requirements and mandatory KPIs to monitor impact.
- Keep the framework nationally consistent to avoid a patchwork of rates, exemptions, and administrative models.
- Ring-fence revenues for clearly defined visitor-economy purposes only, with transparent reporting and independent local oversight that includes at least 50% representation from the tourism industry.
- Minimise administrative burden, particularly for micro and SME providers (given 98% of coastal businesses are SMEs).
- Examine clearly the need for a visitor levy where there is an existing ABID that functions successfully.

The coastal visitor economy has not yet recovered from the impacts of COVID-19, it is further threatened by the withdrawal of key funding streams (such as the UK Shared Prosperity Fund which underpinned significant work to address seasonality) and the reduction of support for Local Visitor Economy Partnerships and Destination Management Organisations. If the levy is to go ahead income must be ringfenced to strategic investment in this sector to unlock economic potential, reduce regional disparities, and support inclusive growth.

We would welcome the opportunity to discuss these matters further and explore how we can work together to ensure a thriving future for England's coast.

Yours sincerely,



Samantha Richardson MBE
Director, National Coastal Tourism Academy