Isle of Anglesey County Council
Scrutiny Report

Committee:	Partnership and Regeneration Scrutiny Committee
Date:	15/09/2026
Subject:	Decision on the adoption of the proposed Visitor Levy on Anglesey
Scrutiny Chair:	Councillor Sonia Williams

1. Who will be the portfolio holder presenting / leading the report?

Portfolio Holder	Role
Councillor Alun Roberts	Portfolio holder for Leisure, Tourism, Maritime and Property
Service Officer (Supporting)	**Role**
Christian Branch Andy Godber	Head of Regulation and Economic Development Visitor Economy and Coastal Areas Manager

2. Why the Scrutiny Committee is being asked to consider the matter

The Scrutiny Committee is being asked to consider the recommendations outlined within the report as a result of the consultation, prior to recommendation to the Executive.

3. Role of the Scrutiny Committee and recommendations

☒For assurance
☒For recommendation to the Executive
☐For information

Recommendation(s):
1. Having considered the current uncertainties facing the tourism sector and outcome of the public consultation and impact assessments, the Council does not adopt the Visitor Levy.
2. The Council will monitor, review and consider evidence of the impact of the Visitor Levy in other local authorities in Wales that have chosen to adopt the Levy, and any changes to the relevant legislation
3. The Chief Executive, in consultation with the Leader, will write to Welsh Government requesting a review of the current legislative regime to address the issues raised in the recent consultation process. Such letter to Welsh Government to be circulated to all elected members.

4. How does the recommendation(s) contribute to the objectives of the Council's Plan?

The Economy is recognised as one of the strategic objectives of the Council's Plan, which includes working with the tourism sector to capitalise on the island's popularity as a destination.

5. Key scrutiny themes

Key themes the Scrutiny Committee should concentrate on:

1. Consultation feedback
2. Potential adverse affects
3. Potential positive outcomes
4. Anticipated risks and challenges
5. Challenges, changes and wider uncertainties relating to the visitor economy

6. Key points / summary

The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 received Royal Assent on 18th October. The Act gives local authorities the power to introduce a visitor levy (the levy) charged on overnight stays in visitor accommodation in their area. The visitor levy is an additional charge to be paid when staying in visitor accommodation in Wales.

The money raised from the levy would be 'ring fenced' and be used to improve local tourism. The visitor levy could help to:

a. maintain local facilities and infrastructure
b. protect Wales's stunning landscapes
c. ensure communities continue to welcome visitors whilst preserving what makes each area special

Local authorities can decide how to use any revenues raised from the visitor levy to support tourism initiatives and destination management.

The intention is that this new money could cover costs associated with hosting visitors, such as street cleaning, waste collection, preserving natural and cultural attractions as well as being used to support and improve tourism infrastructure, such as toilets, footpaths and visitor centres.

Local authorities can choose if they want to introduce the visitor levy in their area. They will make the decision after consulting with residents, businesses and visitors and assessing its impact. This means the levy will only be charged in areas where communities have decided it is right for them.

The decision making process is guided by both the consultation and by the assessments on the impacts on the economy and equality.

Summary of Equality Impact Assessment

We considered whether the visitor levy could affect people unfairly because of their age, disability, sex, race, religion or belief, sexual orientation, gender reassignment, marriage or civil partnership, pregnancy or maternity. We also considered possible effects on the Welsh language and on people who may experience socio-economic disadvantage.

What we found

- No direct negative equality impacts have been identified at this stage.
- The law includes safeguards, exemptions and refunds to reduce the risk of unfair impacts.
- Disabled visitors who need to travel with a carer may be able to claim a refund in some circumstances.
- Children and young people staying in lower-cost accommodation would be exempt from the levy. However the consultation highlighted a risk that the standard rate, to be applied across accommodation types includes a charge on children and would potentially adversely impact lower income family groups.
- Any wider impact on jobs or visitor spending is expected to be small, and may be reduced by reinvesting the money locally.
- Anglesey has a strong Welsh-speaking community and a tourism workforce with a high level of Welsh language skills. If the levy is introduced, there would be an opportunity to use some of the income to support Welsh-medium visitor services, local culture, signage, events and infrastructure in communities affected by tourism.

Overall conclusion

Based on the information reviewed, introducing a visitor levy in Anglesey is not expected to cause significant negative impacts on equality, the Welsh language or socio-economic well-being. However, the Council would need to keep monitoring impacts over time and make sure that any money raised is spent in ways that benefit residents, visitors, local businesses and Welsh-speaking communities.

Summary of Economic Impact Assessment

What we found

- The overall economic impact is expected to be small.
- The modelling suggests that the levy could lead to a very small reduction in visitor demand, but this would be partly offset by local investment funded through the levy. Depending on the assumptions used, the impact could range from slightly negative to slightly positive.
- The core analysis estimates that the levy could raise upwards of £1.2-£1.5million per year for Anglesey, excluding VAT and after Welsh Government administration costs.

This income would provide a stable source of funding for projects and services that support residents, visitors, businesses, and local communities.

- The estimated effect on jobs and the wider economy is limited. Under the main scenarios, the impact is equivalent to less than 0.1% of total employment on Anglesey and around -0.01% of the island's economy. These figures should be treated with caution because local visitor economy data is uncertain and different data sources produce different estimates.

Overall Conclusion

In summary, the assessment indicates that a Visitor Levy would carry minimal economic risk while creating a meaningful new income stream for investment in Anglesey's visitor economy. The final impact would depend on how the levy is implemented, how businesses respond, and how effectively the funding is used to improve the visitor experience and manage local impacts.

The Equality Impact Assessment identified a range of potential positive and negative impacts associated with the proposal. While consultation responses indicate significant concern regarding potential adverse effects, particularly on the tourism sector, these views should be considered alongside the Assessment's findings, which remain a valid appraisal of the potential impacts and opportunities that could arise from implementation.

Many factors include cumulative impact of the Levy on businesses already feeling the impact of the current economic climate, the 182 rule on self catering accommodation and the 20% VAT level. These cumulative factors are seen by respondents as outweighing the positive impacts of increased levels of investment in destination managemet which would come from the introduction of the Levy.

Consultation Process
A public consultation process on the proposed introduction of a Visitor Levy on Anglesey was conducted through an online survey which commenced on the 15th May 2026 (following approval from the Executive Committee and Full Council), and concluded on the 13th July 2026.

In addition, 6 face-to-face sessions were also held in:

a. Llangefni, 15th June 2026
b. Beaumaris, 17th June 2026
c. Newborough, 24th June 2026
d. Holyhead, 29th June 2026
e. Menai Bridge, 1st July 2026
f. Amlwch, 6th July 2026

One business sector specific session was also conducted in conjunction with the Welsh Revenue Authority in Llangefni on the 22nd June 2026

The Council adopted the Gunning's Principles for consultation (as advocated by the Welsh Government). These are:

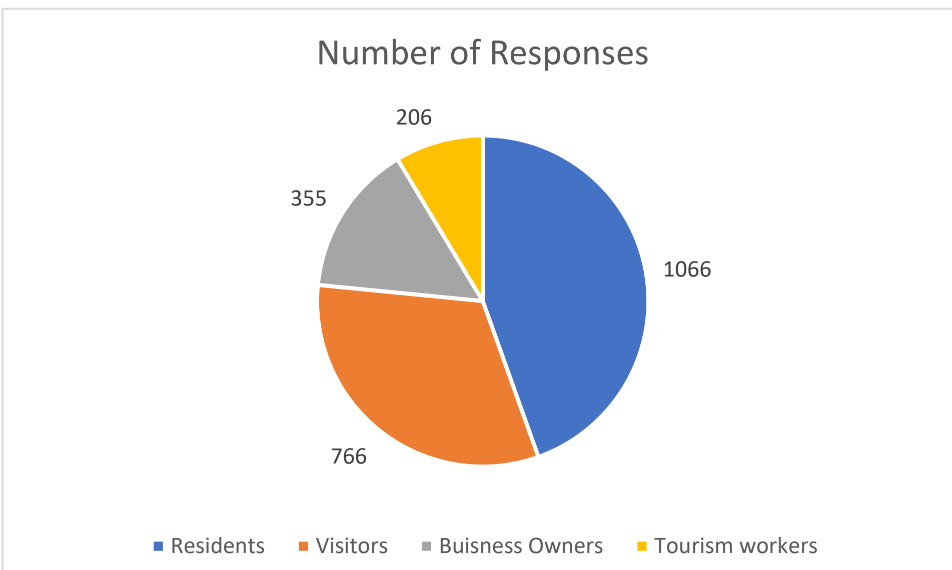
a. Consultation must be at a formative stage
b. Sufficient information must be provided to allow intelligent consideration of response and may include an economic impact assessment
c. Adequate time must be given for consideration and response
d. Feedback from the consultation must be considered by decision makers.

Consultation Findings

The Council received 2,098 responses to the online consolation. These responses were supplemented by feedback provided in the face-to-face sessions.

Opposition to the adoption of the Visitor Levy is strong, with 1,482 (70.8%) of all respondents opposed or tended to oppose the introduction of a visitor levy, while 525 (25.1%) supported or tended to support it.

The respondent base was as follows:



(respondents could select more than one description, so cohort totals exceed the total number of responses).

Opposition to the adoption of the Levy was strongest among tourism workers, business owners/managers and visitors. Residents were more divided, but opposition still exceeded support at 58%.

Responses were spread across the Island, with concentrations in key towns and coastal communities. Around 5.1% of responses were submitted through the Welsh-language questionnaire. The consultation was self-selecting rather than statistically representative, so findings should be read as stakeholder evidence rather than a population survey.

It was clear that Destination Management requires significant additional resources to both offset impacts on communities and to enhance the offer Anglesey can provide so as to retain the positive economic impact of tourism. The >£1.5m which could be derived from Levy was however not seen as being sufficient to offset the perceived negative impacts of the Levy.

Summary of Opposition

a. Opposition centred on the perceived risk to small and seasonal businesses. and given the high percentage of self-catering accommodation on Anglesey, the 182 rule (which pertains to self-catering properties that must be available for at least 182 nights per year to qualify for business rates instead of council tax), and the 20% VAT threshold.
b. Concerns were raised over the lack of clear data to demonstrate the potential of the Levy to deliver income at a level which would enhance destination management. It was felt that the mandatory registration should be in place before a Levy be considered as this would give a clearer picture of potential revenue.
c. Administrative complexity and the reliance upon the businesses to act as 'banker' for the levy without financial renumeration.
d. Concerns over the taxation of children and the impact on lower income families.
e. Higher costs for visitors were highlighted with a resultant reduced competitiveness against mainland or alternative destinations, and a potential reduction in length of stay and overall spend.
f. Concern was raised that additional revenue would not actually be spent on services and activities that support destination management, or the funds would not create additionality.

Summary of Support

a. The challenges facing Anglesey from the pressures of tourism are widely appreciated. There was clear support for the need for additional revenue to support destination management and the alleviation of the impacts of over tourism on sites.
b. Support centred on the principle that visitors contribute to local pressures and should make a modest contribution to maintaining public spaces, visitor infrastructure, cultural and heritage assets, environmental protection and local services.
c. Support for delivering destination management improvements which would benefit residents and visitors alike was to the fore, and agreement was seen that this should be managed in partnership with an external Visitor Levy Forum.
d. The opportunity to deliver community-based destination enhancements was recognised.

Summary of Common Ground

a. Both supporters and opponents highlighted the need for transparency, fair exemptions, low administration costs and visible local outcomes.

Conclusions of Consultation Process.

- The visitor sector is a crucial part of the Island's economy, supporting many attractions, accommodation, food and retail related businesses. The Island remains one of the most tourism dependant areas in the United Kingdom.

- It is evident that the current cumulative impact of other legislative and fiscal constraints is impacting on local support for the introduction of a Visitor Levy.

- Although there is strong recognition that destination management requires additional resources to maintain a position of strength, the impact of an additional taxation would be too great in the current economic climate.

The Full Consultation Report is available in Annex A.

Rationale for Recommendations

The Council is seeking to adopt a proactive approach towards the findings of the consultation process.
We will look to deliver the following to enhance both understanding of the practical implications of a possible future introduction of the Levy given a significant attitudinal change, and to enhance Destination Management opportunities for Anglesey irrespective of the Levy:

- Undertake further assessments to determine if the income derived and ring fenced for key destination management enhancements would offset potential sector related negative impacts.
- Effective introduction of the National Register of accommodation providers, and the utilisation of data to give a clearer assessment of impacts of the Visitor Levy if it was to be introduced.
- Active engagement with the sector to enhance destination management and develop a collaborative model for future enhancements.
- Engage with Welsh Government to clearly define the consultation findings with a view to highlighting the need to review aspects of the legislation including the taxation of children, and the reliance on the accommodation providers to administer the Levy.
- Develop a clear financial model for likely gross income, administration costs and set up, nett income and ring-fenced funding arrangements.
- Actively contribute to the ongoing Welsh Government consultation/review of the 182 rule.

It is likely that any future decision on the adoption of the Visitor Levy would have a timescale of up to 2 years which would include the need for consultation and the stipulated 1 year notification period to the Welsh Revenue Authority.

7. Impact assessments

7.1. Has an impact assessment (equality considerations, the socio-economic duty, Welsh language) been undertaken?

☒Yes
☐No

If not, please explain why:

7.2. Potential impacts on opportunities to use Welsh and not treating the language less favourably than English

A full Equality Impact Assessment has been prepared (**Annex B**).

In summary it concludes:
Introducing a visitor levy in Anglesey is not expected to result in significant adverse equality, Welsh language, or socio-economic impacts, provided statutory safeguards are applied and revenue is reinvested in line with the Act.

Future decisions on spending priorities and monitoring will be critical in maximising benefits and mitigating any emerging impacts—particularly for:

- Young workers
- Disabled visitors
- Welsh-speaking communities

7.3. Possible impacts on groups protected under the Equality Act 2010

A full Equality Impact Assessment has been prepared (**Annex B**).

In summary it concludes:
Introducing a visitor levy in Anglesey is not expected to result in significant adverse equality, Welsh language, or socio-economic impacts, provided statutory safeguards are applied and revenue is reinvested in line with the Act.

Future decisions on spending priorities and monitoring will be critical in maximising benefits and mitigating any emerging impacts—particularly for:

- Young workers
- Disabled visitors

• Welsh-speaking communities

7.4. Possible impacts on those experiencing socio-economic disadvantage (strategic decisions)

A full Economic Impact Assessment has been prepared (**Annex C**). In Summary it concludes: A Visitor Levy on Anglesey is likely to present minimal economic risk, generate reliable and meaningful local revenue, and offer potential long-term benefits if funds are invested effectively. Overall findings are consistent with the Welsh Government's national appraisal, suggesting only marginal economic impacts alongside a significant new funding stream for destination improvements.

7.5. Potential impact on the Council's Net Zero Carbon target

Neutral

8. Financial implications

Delivery of the Destination Management Plan and transitioning the Anglesey tourism product to one which is more sustainable and well managed requires additional resourcing. The introduction of the Visitor Levy would have provided upwards of £1.5m of ring fenced revenue for Destination Management, and help alleviate impacts on communities as well as developing the destination offer Anglesey can provide This recommendation not to adopt the Levy leaves the challenges of Destination Management without additional resources to deliver, and requires further investigation to determine if the revenue which is clearly required to deliver enhanced destination management through the Levy offsets negative impacts sufficiently.

9. Appendices

Annex A: Ynys Môn Visitor Consultation Levy Report Annex B: Equality Impact Assessments Annex C: Economic Impact Assessments

10. Report author and background papers

Andy Godber, Visitor Economy and Coastal Areas Manager