

Isle of Anglesey County Council	
<b>Report to:</b>	Executive Committee
<b>Date:</b>	24 <sup>th</sup> February 2026
<b>Subject:</b>	Public Consultation on the proposed Visitor Levy
<b>Portfolio Holder(s):</b>	Cllr. Alun Roberts (Leisure, Tourism, Maritime and Property
<b>Head of Service / Director:</b>	Christian Branch Head of Regulation & Economic Development
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<b>Local Members:</b>	Applicable to all Elected Members

A –Recommendation/s and reason/s
<b>The Executive Committee is asked to support:</b>
<ol style="list-style-type: none"> <li><b>1. The undertaking of a public consultation process regarding the potential introduction of a visitor levy on Anglesey (in line with Council and Welsh Government guidelines).</b></li> <li><b>2. That the consultation process be planned in conjunction with Gwynedd and Conwy Councils but conduct the process independently.</b></li> </ol>
The visitor levy is a small additional charge to be paid when staying in visitor accommodation in Wales.
<p>The money raised from the levy will be used to improve local tourism.</p> <p>This visitor levy will help to:</p> <ul style="list-style-type: none"> <li>• maintain local facilities and infrastructure</li> <li>• protect Wales's stunning landscapes</li> <li>• ensure communities can continue welcoming visitors whilst preserving what makes each area special</li> </ul>
<p>Local councils can choose if they want to introduce the visitor levy in their area.</p> <p>They will make the decision after consulting with residents and businesses.</p> <p>This means the levy will only be charged in areas where communities have decided it is right for them.</p> <p>The earliest a council could bring in a visitor levy is April 2027.</p>

### **A – Recommendation/s and reason/s**

The Welsh Government advocate the use of the Gunning Principles for consultation – these are:

- Consultation must be at a formative stage – it is suggested that subject to approval consultation should commence in June/July 2026.
- Sufficient information must be provided to allow intelligent consideration of response and may include an economic impact assessment. Other considerations are to include information on the improvements to destination management which would result from the additional funding derived from the Levy.
- Adequate time must be given for consideration and response – There is no defined period of consultation but it is recommended that a 12 week consultation be adopted following the Gunning Principle.
- Feedback from the consultation must be considered by decision makers.

Further details and the approach to consultation can be read in Annex A

### **B – What other options did you consider and why did you reject them and/or opt for this option?**

The other option would be to reject the introduction of the Visitor Levy for Anglesey without consulting the sector and wider public.

### **C – Why is this a decision for the Executive?**

The Executive is asked to support the recommendation to consult on the potential introduction of the Levy

### **Ch – Is this decision consistent with policy approved by the full Council?**

Although not specifically referenced in the Destination Management Plan nor Council Plan, the rationale of the Levy to deliver sustainable destination management is consistent with both policies.

**D – Is this decision within the budget approved by the Council?**

The consultation and accompanying economic and equality impact assessments will cost in the region of £15,000. Regulation and Economic Development Service funding will be utilised to deliver this.

**Dd – Assessing the potential impact (if relevant):**

1	How does this decision impact on our long term needs as an Island?	The recommendation is to support the delivery of a full consultation process. These will form the basis for a decision on the adoption of the Visitor Levy.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable – currently support required for consultation phase only
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	The intention is to work collaboratively with the neighbouring Councils of Gwynedd and Conwy to follow a set timescale and process for consultation. However, the consultation itself will be independently conducted.
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	The public will have an opportunity to provide feedback through the consultation process
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	A full equality impact assessment has been carried out and will be reviewed post consultation. ANNEX B
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	A full economic impact assessment has been carried out and will be reviewed post consultation – ANNEX C
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	The consultation process will be fully bilingual. An initial evaluation of potential impacts on the Welsh Language has been developed – ANNEX B and D

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Recommended that consultation should be conducted.
2	Finance / Section 151 (mandatory)	Recommended that collaboration on the consultation approach should be done with Gwynedd and Conwy Councils but that the consultation itself should be independent.
3	Legal / Monitoring Officer (mandatory)	
4	Human Resources (HR)	NA
5	Property	NA
6	Information Communication Technology (ICT)	Preparing the digital consultation materials
7	Procurement	NA
8	Scrutiny	NA
9	Local Members	NA

F - Appendices:
ANNEX A - Consultation Requirements
ANNEX B – Equality Impact Assessment
ANNEX C – Economic Impact Assessment
ANNEX D – Evaluation of Potential Impacts on the Welsh Language
ANNEX E – Evaluation on the Potential Impacts on the Environment

Ff - Background papers (please contact the author of the Report for any further information):

## Welsh Government Visitor Levy

### Consultation expectations and requirements for Local Authorities

#### **1. Introduction**

The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 received Royal Assent on 18<sup>th</sup> 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 levy is discretionary in nature; it will be for local authorities to decide whether to introduce it following consultation with their communities and local businesses.

Implementation of the levy itself is discretionary for each local authority and cannot occur before 2027 as it must be preceded by a consultation with mandatory consultees.

More information on the levy can be found here;

[Visitor Levy and Register of Visitor Accommodation Providers](#)

#### **2. Welsh Government Draft Consultation Guidance**

The route map for the decision-making process by the local authority has been published in draft form by Welsh Government and forms the basis of this update on next steps.

Neighbouring authorities of Gwynedd and Conwy have illustrated an intention to undertake a consultation process on the potential introduction of the Levy in June/July 2026, and it is considered prudent by officers to follow a similar timeline.

This consultation process will inform the decision making of the council.

Each local authority has discretion on whether to adopt and implement the visitor levy. If an authority wishes to implement a levy there is a mandatory consultation with residents, businesses and other local organisations prior to implementation.

#### **3. Consultation requirements**

- Consultation must be at a formative stage
- Sufficient information must be provided to allow intelligent consideration of response and may include an economic impact assessment. Other considerations are to include information on the improvements to destination management which would result from the additional funding derived from the Levy.
- Adequate time must be given for consideration and response – we would follow best practice with a minimum of **6 weeks**.
- Feedback from the consultation must be considered by decision makers.

##### **3.1 Local authorities must consult with the following groups:**

- Local residents, workers, and students.
- Community councils within the principal council's area.
- Public Services Boards.
- Neighbouring principal councils.

- A corporate joint committee that includes at least senior executive member of the council.
- Organisations that represent businesses that work in tourism

### 3.2 The consultation should include:

- A published proposal outlining the case for the levy.
- Potential benefits and suggestions for how the levy might be invested.
- A local impact assessment (social, economic, environmental effects).
- Clear, accessible materials and realistic timelines.
- Collaboration with the Welsh Revenue Authority (WRA) for operational advice and support.

### 3.3 Local authorities must also:

- Conduct Equality Impact Assessments under the Equality Act 2010.
- Align with the Well-being of Future Generations (Wales) Act 2015.
- Follow the Code of Recommended Practice for consultation and engagement.

### 3.4 Engagement Methods

The consultation costs are to be covered by the local authority and as such the suggestion is to make use of most cost-effective means of engagement.

These would be -

- Digital and social media.
- Local radio, print media.

Additional more costly methods of engagement could be considered -

- Public meetings, workshops, pop-ups.

## 4. After consultation:

- Officers may recommend introducing the levy.
- The full council must vote on the decision.
- If approved, a formal notice must be published including -
  - ◊ Results of the decision making process
  - ◊ Rates of the Levy to be introduced
  - ◊ Effective date for introduction
  - ◊ Other information the authority considers appropriate

## 5. Local authority options and obligations

Local authorities can decide how to use any revenues raised from the visitor levy to support tourism. They must set out their proposed use of the levy in a report to be published before any consultation takes place and they will be required to provide an annual report on how the revenues raised have benefited their area.

The intention is that this new money will cover the existing 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.

The establishment of a visitor Levy Partnership Forum which is a requirement on all adopting councils will support this determination of spend allocation. It is suggested that the Destination Management Partnership form the basis of this Forum if the authority decides to introduce the Levy after consultation.

It should also be noted that the levy cannot be amended or abandoned until it has been in place for at least 12 months and any amendments would require a further consultation process.

### 6. Other information

All visitor accommodation providers in Wales will be required to sign up to the national register.

Collection of the levy will be managed by the Welsh Revenue Authority (WRA) on behalf of any local authority that chooses to implement a visitor levy.



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# Equality Impact Assessment of the Visitor Levy

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# 1 Introduction

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1.1 This Equality Impact Assessment (EQIA) considers the potential equality impacts related to Isle of Anglesey County Council imposing a visitor levy. This document provides information to the Isle of Anglesey County Council to support their consideration of imposing a visitor levy with regard to its Public Sector Equality Duty (PSED).

## Overview of the Visitor Levy

1.2 The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (the '2025 Act') gives councils in Wales the choice to introduce a charge on overnight stays. Known as a 'visitor levy', councils can choose to introduce the levy in their area from April 2027.

1.3 The levy is chargeable at two separate rates:

- Campsite pitches and shared rooms (hostels and dormitories): 75p per person, per night
- All other types of visitor accommodation: £1.30 per person, per night

1.4 There are exemptions<sup>1</sup>; Visitors will not pay the visitor levy if they 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
- in emergency or temporary housing arranged by the local council

1.5 The funds from the levy will be reinvested for the purposes of destination management and improvement in the area. Section 44 of the 2025 Act stipulates that councils must use the proceeds of the levy for:

- mitigating the impact of visitors;
- maintaining and promoting use of the Welsh language;
- promoting and 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).

## Purpose of this Equality Impact Assessment

1.6 In considering whether to impose a visitor levy, Isle of Anglesey County Council is required to consider potential equality effects that may relate to the protected characteristics under the

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<sup>1</sup> The visitor levy: a small contribution for a lasting legacy. Available [here](#)

2010 Equality Act (the ‘2010 Act’).<sup>2</sup> The purpose of this EQIA is to provide information to assist the council in its role as the local authority when discharging its PSED.

- 1.7 **Section 2** of this report provides context by setting out the legislative context and explains the methodology applied in this EQIA, considering both disproportionate and differential effects.
- 1.8 The Welsh Government has already conducted an EQIA of imposing a visitor levy across Wales.<sup>3</sup> **Section 3** summarises the findings of this EQIA.
- 1.9 **Section 4** looks at the effect of imposing a visitor levy in Anglesey and the potential ways in which these effects may interact with protected characteristics.
- 1.10 A separate Economic Impact Assessment has been conducted – this is cross-referenced where relevant in this EQIA.

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<sup>2</sup> The Equality Act 2010.

<sup>3</sup> Welsh Government, 2025. Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025: Equality Impact Assessment [here](#)

## 2 Legislative Context

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2.1 The 2010 Act forms the basis of anti-discrimination law in Great Britain. Section 4 of the 2010 Act defines various protected characteristics which are covered by the Act:

- Age;
- Disability;
- Gender reassignment;
- Marriage and civil partnership;
- Pregnancy and maternity;
- Race;
- Religion and belief;
- Sex
- Sexual orientation

2.2 The 2010 Act requires authorities to have due regard to equality considerations when exercising their functions. This Public Sector Equality Duty (PSED) requires public authorities to have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other that is prohibited by or under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and those that do not share it.

2.3 The need to advance equality of opportunity includes the need to (as set out in Section 149 (3) of the 2010 Act):

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

### 3 Methodology

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#### Approach

- 3.1 All interventions will have a range of impacts, with potentially both positive and negative impacts.
- 3.2 Everyone affected by an intervention will have some protected characteristics as defined by the 2010 Act, and there will be varying degrees of intersectionality (such as age, race and sex), and people will not all be equally affected. That does not however, necessarily constitute an equality effect.
- 3.3 To identify which effects are relevant to equality considerations, equality assessments distinguish equality effects as those that have either a disproportionate or differential effect upon persons who share a relevant protected characteristic compared to persons who do not share it, as explained below:
  - **Disproportionate:** there may be a disproportionate equality effect where people with a particular protected characteristic make up a greater proportion of those affected than in the wider population.
  - **Differential:** there may be a differential equality effect where people with a protected characteristic are affected differentially to the general population as a result of vulnerabilities or restrictions they face because of that protected characteristic.
- 3.4 The scale and significance of such impacts cannot always be quantified. Therefore, the consideration of equality effects includes a descriptive analysis of the potential impacts and identifying whether such impacts are adverse or beneficial.
- 3.5 Equality effects are complex and impacts are difficult to accurately and comprehensively predict. People's protected characteristics are personal and not always known, and not all of the people who will live near, work in or visit the area in future are already there today. For this reason, the EQIA can only consider effects that can reasonably be foreseen.
- 3.6 Any decision taken by a public body may involve a need to consider and balance a range of both positive and negative effects of different types. There may be reasonable mitigation measures that can eliminate or reduce some disproportionate or differential equality effects, but some impacts may not always be avoidable.

#### Scope of Assessment

- 3.7 The main objective of an EQIA is to provide IACC with information, with regard to their impact on the protected characteristics identified in the 2010 Equality Act, to inform their decision making.
- 3.8 There are three broad groups of people who may be affected by the visitor levy:
  - Those who are (or may be in the future) employed in tourism jobs (or related sectors) whose employment may be affected by the introduction of the levy – this equally applies to business owners who may be affected.

- Those who live in the area who may be affected by the introduction of the levy – through change in visitor numbers and / or who benefit from the investment of the levy spending
- Visitors (or others who are staying overnight) who are required to pay the levy

3.9 Within these groups there will be people with different protected characteristics and there will be varying degrees of intersectionality.

3.10 The starting point for the assessment is the Welsh Government all-Wales level EQIA<sup>4</sup> (WG EQIA), including the assessment, consultation / engagement and mitigation. We then consider whether there are any Anglesey specific characteristics that may alter the findings of the WGIA and lead to disproportionate or differential effects.

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<sup>4</sup> Welsh Government, 2025. Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025: Equality Impact Assessment [here](#)

## 4 Summary of the Welsh Government national level EQIA

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4.1 The WG EQIA draws on a range of statistical data and figures on all protected characteristics and engagement with stakeholders including charities, disability groups and faith organisations to identify and (where possible) mitigate potential negative equality impacts.

4.2 The WG EQIA states that:

*'The overall aim of the levy is to generate additional revenue for local authorities that choose to use a levy and it is not expected there are "direct" impacts on those with protected characteristics.'*

4.3 The assessment identified that a visitor levy will affect local authorities, visitors, local residents and businesses where a levy is implemented, either directly or indirectly. A 'direct impact' of the visitor levy was defined as any potential impact of having to pay or charging the levy. An 'indirect impact' was defined as potential impacts due to the existence of a levy.

4.4 The WG EQIA acknowledges that existing research on the impacts of introducing a visitor levy on protected characteristics is limited so uses qualitative information and some data to make inferences as to potential "indirect" impacts. The same caveats apply to the local assessment.

### Overall position on refunds and exemptions

4.5 From the formal consultation, those in favour of applying exemptions to certain groups typically did so on the basis that:

4.5.1 exemptions should be applied to promote fairness and equality of outcome by supporting groups with protected characteristics, and

4.5.2 that certain groups should not be classified as visitors and therefore, should not be imposed upon a levy.

4.6 Those who disagreed with applying exemptions, did so on the basis that exemptions could introduce complexities, increase administrative burden for tax authorities and visitor accommodation providers, and could be unfair since all visitors benefit from the visitor services and infrastructure.

4.7 Ultimately, Welsh Government is clear that there needs to be a clear policy basis for a reduced rate or exemption based on protected characteristics. The approach is therefore to minimise the use of exemption but use a lower levy rate.

4.8 To ensure a level of progressivity is met and 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 Bill a lower rate for hostels and campsites and a higher rate for all other visitor accommodation.

4.9 The Welsh Ministers can assess and revise the visitor levy rates that are set in legislation should adverse impacts materialise.

4.10 Exemptions are made for the following groups and situations:

- Overnight stays at a gypsy and traveller site
- Home office arranged stays as part of their statutory obligations.
- Local authority arranged emergency stays in visitor accommodation as part of their duties under the Housing Act (Wales) 2014.
- Ministry of Justice arranged stays as part of their statutory obligations.
- Those under the age of 18 are not included in the calculable charge for lower-rated stays.

4.11 Similarly, refunds are available in cases where it is not possible to provide an exemption, such as:

- Stays related to temporary emergency housing arranged by charitable organisations in visitor accommodation on behalf of homeless people including those fleeing domestic abuse and asylum seekers.
- Disabled persons in receipt of a qualifying disability benefit who has paid visitor levy whilst staying in visitor accommodation and who are accompanied by a carer.
- Stays where there is a risk to the health, safety or welfare if an individual stayed at their sole or main residence (for example stays arranged by charities for vulnerable persons or where fire, flood or other disaster has rendered a property uninhabitable or where emergency services have advised not to stay at the property for such reasons).

4.12 As part of the consultation process, Welsh government officials engaged with policy teams in Welsh Government and the third sector to gain a better understanding of the lived experiences of vulnerable groups requiring visitor accommodation.

4.13 As a result of this engagement, the following actions were undertaken with respect to exemptions and refunds:

- Exemptions:
  - Making clear in the 2025 Act, the types of stays in visitor accommodation not subject to a visitor levy to ensure policy aims are realised
  - Ability to introduce new, modify or remove exemptions should there be emerging evidence of any disproportionate impact.
- Refunds – ability to add to the list of scenarios in which a refund may apply, should emerging evidence suggest so.

## Protected characteristics

4.14 Table 4-1 below summarises the impact on each protected characteristic and measures to mitigate the impacts in the WG EQIA.

Table 4-1: Impact on protected characteristics – WG EQIA

Protected characteristic	Potential Impact	Mitigation
Age	<p>No direct negative or positive impacts. Some secondary impacts identified for children and young people.</p> <p>The ability to pay a levy may affect those with lower incomes, e.g. younger or lower people differently.</p>	Under 18s are excluded from the levy for lower-rated stays.
Disability	<p>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.</p>	Refund mechanism for persons in receipt of a disability benefit who are accompanied by a person providing care, support or assistance.
Gender reassignment	No direct negative impact.	Stays in private hospitals (e.g. as part of a person's gender reassignment process) are exempt from a levy.
Marriage and civil partnership	No direct negative impact	
Pregnancy and maternity	No direct negative impact.	
Race	No direct negative impact	<p>Gypsy, Roma and Travellers sites provided by a local authority or registered social landlord are exempt from a levy.</p> <p>Exemptions / refunds are available for vulnerable groups, e.g. asylum seekers and those fleeing domestic abuse</p>
Religion and belief	No direct negative impact. The levy may affect affordability for religious tourism but free accommodation is exempt.	The Welsh Revenue Authority (WRA) will offer non-digital processes to accommodate those whose faith may restrict digital engagement.

Protected characteristic	Potential Impact	Mitigation
		Free accommodation exempt from a levy and stays in lower rated accommodation have a lower levy charge.
		Revenue generated from the levy could be used for the preservation and maintenance of religious sites.
Sex	No direct negative impact.	
Sexual orientation	No direct negative impact.	

4.15 As a result of the stakeholder engagement, additional mitigation measures that will be implemented include:

- Local authorities publishing a report on the amount of revenue generated and how the revenue has been / will be used for the purposes of destination and improvement in the local area where it is spent (reflected in Section 45 of the 2025 Act)
- Welsh Ministers carrying out a review of the operation and effect of the 2025 Act and publishing a review on a 5-year cycle (reflected in Section 63 of the 2025 Act)
- Monitoring the use of data such as Visit Wales surveys, the Tourism Barometer and engagement with local authorities and businesses.
- WRA monitoring and reviewing the effectiveness of levy administration through engagement with local authorities and businesses and reporting on the amount of revenues collected.

4.16 The findings of this national level assessment and the mitigation measures are considered below where appropriate.

## 5 Local equality impact assessment

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- 5.1 The following section provides baseline data on the demographics of the local population and visitors with respect to the protected characteristics as defined by the 2010 Act where available data exists. It also provides a comparison against baseline demographic data for Wales with respect to the protected characteristics.
- 5.2 Consultation with stakeholders is forecast to commence in early 2026. Comments through the consultation process will inform the next stage of the EQIA (as appropriate).
- 5.3 Mitigation measures and recommendations set out within the EQIA draw upon those presented in the WG EQIA already conducted by the Welsh Government of imposing a levy across Wales and those mentioned in the 2025 Act.

### Protected Characteristics

#### Age

- 5.4 The potential impact with respect to age is considered for:
  - Visitors
  - Local population in terms of employment

#### Visitors

- 5.5 The WG EQIA noted that 'It may be that those at ages typically associated with lower incomes (for instance, younger people), are less able to afford the extra cost of visitor accommodation'.
- 5.6 Those under the age of 18 staying in lower rated stays are not required to pay the levy for lower rated stays. This will help mitigate any potential negative effects on young people as they may be more likely to stay in lower rated visitor accommodation (although the WG EQIA notes that there is no data to confirm this assertion).
- 5.7 The WG EQIA also notes that extra costs might not discourage those earning less to go on holiday, but it might alter behaviour in other ways, such as staying for a shorter period or spending less.
- 5.8 The WG EQIA does not specifically consider the potential impact on older people.
- 5.9
- 5.10 While interpreting the table, it should be noted that:
  - The Anglesey visitor age profile is from 2019, whereas the all-Wales visitor age profile is from 2024 – this is due to availability of Anglesey level data.
  - The Anglesey visitor age profile is across both day and overnight visitors whereas the all-Wales visitor age profile is for domestic overnight visitors

5.11 Table 5-1 below shows the age distribution of visitors to Anglesey and Wales. There appears to be a smaller proportion of younger visitors to Anglesey than to Wales and a larger population of older people (although the data is not like for like).

5.12 While interpreting the table, it should be noted that:

- The Anglesey visitor age profile is from 2019, whereas the all-Wales visitor age profile is from 2024 – this is due to availability of Anglesey level data.
- The Anglesey visitor age profile is across both day and overnight visitors whereas the all-Wales visitor age profile is for domestic overnight visitors

Table 5-1: Age profile of visitors

	16 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+
Anglesey (% of visitors) <sup>5</sup>	16	14	15	20	18	17
Wales (% of trips) <sup>6</sup>	20	27	19	13	13*	7*

Note: where a figure is followed with a single asterisk, the base size is below 100 and the figure should be treated as indicative.

5.13 The extent to which there is likely to be a differential impact on young people is (in part) mitigated by the exemption for under-18s from the lower band of the Levy. There does not appear to be a disproportionate impact (as the data suggests there are fewer young Welsh visitors to Anglesey than Wales as a whole).

5.14 There higher proportion of older visitors to Anglesey could lead to disproportionate impact as a result adverse impact of the increase in the cost of the trip. On the other hand, the WG EQIA also notes the following benefits, which is relevant to visitors and residents (emphasis added):

- 5.14.1 'The additional revenue could also indirectly benefit older and younger residents by improving the overall quality of life in the community, should the funds be used to enhance infrastructure, making the destination more accessible for more people'.
- 5.14.2 'The funds could also support cultural preservation efforts, which could help to protect and promote local heritage and traditions, benefiting older people who may have a deeper connection to these cultural elements<sup>12</sup>, and conversely younger people by maintaining or creating new facilities for younger generations to use'.

## Employment

5.15 The WG EQIA notes that those employed in tourism often have jobs that are more insecure, i.e. part-time working or spending less time working for the same employer. Additionally, those employed in tourism are generally younger.

5.16 The WG EQIA also draws on the national level economic impact assessment and notes the impact of a visitor levy on employment as being between +100 FTE jobs to around -400 FTE jobs.

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<sup>5</sup> Wales Visitor Survey 2019 for Isle of Anglesey County Council

<sup>6</sup> Domestic GB tourism statistics (overnight trips): annual report 2024. Available [here](#)

The range arises due to the uncertainty in the extent to which a downturn in demand for tourism services will be offset by expenditure of visitor levy revenues.

5.17 The equivalent number for Anglesey is between -31 and +7 FTE jobs (refer to the Economic Impact Assessment for more data). Any loss of jobs could be felt disproportionately by young people.

5.18 The WG EQIA noted that 38% of tourism workers were aged between 16-29 in 2022 across Wales. More recent data shows that over the period Oct 2024 – Sept 2025, 25% of Welsh residents worked in the Distribution, hotels and restaurants sector were aged between 16-24.<sup>7</sup> This compares to 27% in Anglesey. There are particularly high proportion of people ages 16-19 (15%) working in the sector in Anglesey, compared to the Welsh average (10%).

**Table 5-2: Employment by age (Distribution, hotels and restaurants) – resident (Oct 2024 – Sept 2025)<sup>8</sup>**

Age group	Anglesey		Wales	
16 – 19	900	15%	23,700	10%
20 – 24	700	12%	35,300	15%
25 – 49	2,200	37%	104,800	45%
50+	2,100	36%	67,000	29%
<b>Total</b>	<b>5,900</b>	<b>100%</b>	<b>230,800</b>	<b>100%</b>

5.19 While there could be a disproportionate effect (due to higher likelihood of young people being employed in the tourism sector), the magnitude of any negative effect is likely to be very small – there are a maximum reduction of 31 jobs, equivalent to loss of -0.17% of employment in Anglesey, and that is a worst case scenario. There could also be a positive effect (estimated of up to 7 jobs).

5.20 The WG EQIA also notes that ‘should the additional revenue raised stimulate improvements to the local infrastructure and services, this could see an increase in visitors to the area, spurring more employment opportunities in the tourism sector’.

### Age overall

5.21 WG concludes there are ‘nil’ potential direct impacts with regard to Age once mitigation (including the under-18 exemption for lower bound accommodation) is taken into account. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.

<sup>7</sup> Office for National Statistics. Annual Population Survey

<sup>8</sup> *Ibid*

5.22 There are possible impacts related to a higher proportion of older visitors to Anglesey, and a young workforce, but any impacts of the levy are likely to be small – and will to some extent be offset by the spending of the levy.

5.23 A further assessment of the likely impact on younger or older people could be carried out once further information is available on how the fund will be spent.

## Sex

5.24 The potential impact with respect to sex is considered for:

- Visitors
- Local population in terms of employment

### Visitors

5.25 Provisions in the 2025 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.

5.26 The WG EQIA notes that studies have reported men being more amenable to paying a visitor levy - this may be due to the interaction of gender and income, where women have lower incomes on average than men

5.27 Table 5-3 below shows that there are similar proportions of female and male visitors visiting Anglesey and Wales whole (although the data is not like for like) and in both cases there is a larger proportion of female visitors. While interpreting the table above, there are a few points to note:

- The Anglesey visitor sex profile is from 2019, whereas the all-Wales visitor sex profile is from 2024.
- The Anglesey visitor sex profile is across both day and overnight visitors whereas the all-Wales visitor sex profile is for domestic overnight visitors.

**Table 5-3: Visitor distribution by sex**

	Anglesey <sup>9</sup>	Wales <sup>10</sup>
Female	60%	59%
Male	40%	40%
All persons	100%	100%

NB that percentages may not sum to 100% due to rounding

5.28 The WG EQIA also notes that surveys suggest that:

- A majority (58%) of respondents agreed that tourists should contribute towards the costs of maintaining and investing in the destinations they stay in. Very few (13%) disagreed

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<sup>9</sup> Wales Visitor Survey 2019 for Isle of Anglesey County Council

<sup>10</sup> Domestic GB tourism statistics (overnight trips): annual report 2024. Available [here](#)

- There was agreement that tourists should contribute to maintaining and investing in destinations and this correlates strongly with social grade and 'financial means'

5.29 WG concludes there are 'nil' potential direct impacts with regard to Sex. There are no Anglesey specific characteristics that would change the findings of the WG EQIA.

## Employment

5.30 In terms of employment, The WG EQIA also notes that across Europe, the share of women in the tourism workforce is also often higher. However, Table 5-4 below shows that the employment in Distribution, Hotels and Restaurants is roughly evenly split between men and women in both Anglesey and Wales.

**Table 5-4: Employment by sex (Distribution, Hotels and Restaurants)<sup>11</sup>**

	Anglesey	Wales
Female	3,085 (50%)	132,116 (49%)
Male	3,062 (50%)	137,360 (51%)
All persons	<b>6,147 (100%)</b>	<b>269,476 (100%)</b>

5.31 It is not anticipated that there would be a disproportionate or differential impact in Anglesey as a result of the levy on females (or males) working in the tourist sector.

## Marriage and Civil Partnership

5.32 Provisions in the 2025 Act are not expected to have any impact on marriage and civil partnership characteristic. Overnight visitor accommodation for weddings / civil partnership ceremonies will be subject to a levy.

5.33 WG concludes there are 'nil' potential direct impacts with regard to Marriage and Civil Partnership. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.

## Gender Reassignment

5.34 Provisions of the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, do not make distinction based on gender reassignment.

5.35 However, consideration in the 2025 Act is given to those requiring medical treatment for gender reassignment process and hospital stays do not get charged a levy.

5.36 WG concludes there are 'nil' potential direct impacts with regard to Gender reassignment. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.

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<sup>11</sup> Office for National Statistics. Census 2021

## Sexual Orientation

5.37 Provisions in the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, do not make distinction based on sexual orientation.

### Visitors

5.38 Evidence suggests that 10% of trips taken to Wales were undertaken by LGBTQ+ visitors from January to December 2024.<sup>12</sup> The WG EQIA notes that there is no evidence to suggest that visitors with this sexual orientation characteristics would be disadvantaged through the provisions of the 2025 Act. The equivalent data for Anglesey is presently unavailable.

### Employment

5.39 In terms of employment, the table below show that:

- There are slightly lower proportions of bisexual and gay or lesbian workers employed in the distribution, hotels and restaurants sector in Anglesey (3%) compared to Wales (4%)
- There are slightly higher proportions of bisexual and gay or lesbian workers employed in the distribution, hotels and restaurants sector (3%) than the average across all sectors in Anglesey (2%) – that is the same pattern as in Wales (4% compared to 3%).

**Table 5-5: Employment of residents by Sexual Orientation<sup>13</sup>**

		Straight or Heterosexual	Gay or Lesbian	Bisexual	All other sexual orientations	Not answered	TOTAL
Distribution, hotels and restaurants	Anglesey	90%	2%	1%	0%	7%	100%
	Wales	90%	2%	2%	0%	6%	100%
All sectors	Anglesey	92%	1%	1%	0%	6%	100%
	Wales	91%	2%	1%	0%	5%	100%

### Sexual Orientation – overall

5.40 WG concludes there are 'nil' potential direct impacts with regard to Sexual Orientation. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA

### Race

5.41 Provisions in the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, do not make distinction based on race.

<sup>12</sup> Domestic GB tourism statistics (overnight trips): annual report 2024. Available [here](#)

<sup>13</sup> Office for National Statistics. Census 2021

5.42 As the WG EQIA notes, 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.

5.43 As set out in Section 5, there is a refund mechanism that allows for refunds where groups are housed in visitor accommodation temporarily and this is paid for by a supporting charity, in emergency situations

## Visitors

5.44 Table 5-6 below shows the ethnicity profile of domestic Wales overnight tourism in 2024 and the ethnicity profile of visitors to Anglesey.

Table 5-6: Ethnicity profile of visitor trips and visitors

Ethnicity of respondent	Wales (% of trips) <sup>14</sup>	Anglesey (% of visitors) <sup>15</sup>
White	80%	99%
Mixed / Multiple ethnic groups	3%**	
Asian / Asian British	6%*	
Black / African / Caribbean / Black British	7%*	
Chinese	0%**	2%
Arab	0%**	
Other ethnic group	0%**	
Prefer not to say / Don't know / Unspecified	3%**	
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

Note: percentages may not sum to 100% due to rounding

5.45 While interpreting the table above, there are a few points to note:

- The Anglesey visitor ethnicity profile is from 2019, whereas the all-Wales visitor ethnicity profile is from 2024.
- The Anglesey visitor ethnicity profile is across both day and overnight visitors whereas the all-Wales visitor sex profile is for domestic overnight visitors
- Because the Anglesey and Welsh visitor ethnicity profiles are derived from different data sources, the categories are different.

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<sup>14</sup> Domestic GB tourism statistics (overnight trips): annual report 2024. Available [here](#)

<sup>15</sup> Wales Visitor Survey 2019 for Isle of Anglesey County Council

5.46 None the less this suggests that there is a lower proportion of visitors to Anglesey who are from an ethnic minority group, compared to the Wales average.

### ***Employment***

5.47 In terms of employment, the table below show that:

- There are lower proportions of people who are from an ethnic minority group employed in the distribution, hotels and restaurants sector in Anglesey (5%) compared to Wales (12%)
- There are slightly higher proportions of people who are from an ethnic minority group employed in the distribution, hotels and restaurants sector (5%) than the average across all sectors in Anglesey (4%) – this means a change in employment levels could affect his group (albeit any change is likely to be small).

**Table 5-7: Employment of residents by ethnicity<sup>16</sup>**

		Asian, Asian British or Asian Welsh	Black, Black British, Black Welsh, Caribbean or African	Mixed or Multiple ethnic groups	White: English, Welsh, Scottish, Northern Irish or British	White: Irish	White: Gypsy or Irish Traveller, Roma or Other White	Other ethnic group	Total
Distribution, hotels and restaurants	Anglesey	2%	0%	1%	95%	0%	2%	0%	100%
	Wales	4%	1%	1%	88%	0%	5%	1%	100%
Total	Anglesey	1%	0%	1%	96%	1%	2%	0%	100%
	Wales	3%	1%	1%	91%	0%	4%	1%	100%

### ***Gypsy Roma and Traveller sites***

5.48 The WG EQIA notes that Gypsy, Roma and Travellers lifestyle is inherently transient and involves movement across local authority boundaries.

5.49 The WG EQIA mentions that a discussion between Welsh Government officials and Tros Gynnal Plant Cymru highlighted that if the designated permanent and transient sites were exempt from paying a levy then there would unlikely be a significant impact on Gypsy Roma Travellers.

5.50 Furthermore, Gypsy, Roma and Traveller sites that are provided by a local authority or registered social landlord are exempted from a levy. There are no registered sites in Anglesey.

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<sup>16</sup> Office for National Statistics. Census 2021

5.51 The WG EQIA notes that Gypsy Roma Travellers use a number of public and private sites across Wales, including seasonal sites, land suitable for negotiated stopping, mainstream holiday sites for seasonal travel. Members of the Gypsy Roma Traveller community who use visitor accommodation other than for their main or usual place of residence would be subject to the levy.

5.52 The Act provides Welsh Ministers with powers to create new national exemptions should there be evidence of negative impact on any particular group.

### *Asylum seekers and refugees*

5.53 The WG EQIA notes that given asylum seekers will have limited or no recourse to funds, application of a levy could have a negative impact. However, the 2025 Act allows accommodation for asylum seekers arranged by local authorities to be exempt from paying a levy. There is also a refund mechanism to allow charities to recoup the costs from the levy for any eligible stays.

5.54 In September 2025, there were 3,331 asylum seekers in Wales in receipt of Home Office support that were housed in Contingency Accommodation (hotel), Initial Accommodation, Dispersal Accommodation (longer term accommodation) or receiving subsistence only.<sup>17</sup>

5.55 Similarly, in September 2025, 30 asylum seekers in Anglesey in receipt of Home Office support that were housed in Dispersal accommodation.<sup>18</sup>

5.56 The WG EQIA notes that there are difficulties in identifying how many refugees there are in Wales and its entirety as there is lack of data on where refugees settle. Nevertheless, latest evidence suggests that that there were 11 cases of resettlement in Wales in Q2 of 2025 (in Denbighshire, Flintshire, Wrexham, Carmarthenshire and Powys).<sup>19</sup>

5.57 Again, the 2025 Act provides Welsh Ministers with powers to create new national exemptions should there be evidence of negative impact of any particular group.

### *Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV)*

5.58 The WG EQIA sets out the engagement that Welsh Government has undertaken with service providers and survivors to understand the lived experience more fully and understand the levels of these types of scenarios.

5.59 Exemptions and mechanisms for refund have been included in the Act and guidance will be prepared with referred other application process (with regard to the disclosure of personal details).

### *Race – overall conclusion*

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<sup>17</sup> Home Office. Immigration system statistics data tables. Available [here](#)

<sup>18</sup> Home Office. Immigration system statistics data tables. Available [here](#)

<sup>19</sup> Home Office. Immigration system statistics data tables. Available [here](#)

5.60 WG concludes there are 'nil' potential direct impacts with regard to Race. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.

5.61 Visitors to Anglesey and employees in the distribution, hotels and restaurants sector are more likely to be white, than the average across Wales.

5.62 As noted by the WG EQIA, proactive measures can be taken to ensure the benefits of tourism, including the spending of the fund, are distributed more equitably among all segments of the population.

### **Welsh Language**

5.63 The Wellbeing of Future Generations Act states that Welsh public bodies must carry out sustainable development to improve the country's economic, social, environmental and cultural wellbeing. One Wellbeing Goal for achieving this is to create a society that promotes and protects the Welsh language. In accordance with this, this EqIA considers the potential impact of the Visitor Levy on the prevalence of the Welsh language in Anglesey.

5.64 The 2021 Census identifies the prevalence of skills in the Welsh language across Wales. The proportion of residents who have some skill in Welsh (reading, writing, speaking or understanding spoken Welsh) is significantly higher in Anglesey (69%) than across North Wales (39%) and Wales (25%).

5.65 Additionally, the proportion of Anglesey residents who can speak, read and write Welsh (45%) is almost double the average for North Wales (24%) and over three times the regional average (14%).

5.66 This is also identified by the Welsh Language Impact Assessment (WLIA) undertaken by Welsh Government for the Act – it shows that there is a high prevalence (47.7%) of Welsh speakers in the population aged 16 years and over living on the Isle of Anglesey and working in the accommodation and food services industry.

5.67 The WLIA notes that the visitor levy could potentially impact the Welsh language if it were introduced in areas where relatively high proportions of Welsh-speakers work in the accommodation and food services industry. It notes that there could be positive impacts resulting from:

- A boost to the local economy through the spending of the levy leading to an increase in employment in the tourism sector – the Economic Impact Assessment suggested there could be between -31 and +7 jobs so this is likely to be relatively small impact .
- Positive impact in terms of exposure to Welsh language
- 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.

5.68 It also notes some potential negative impact:

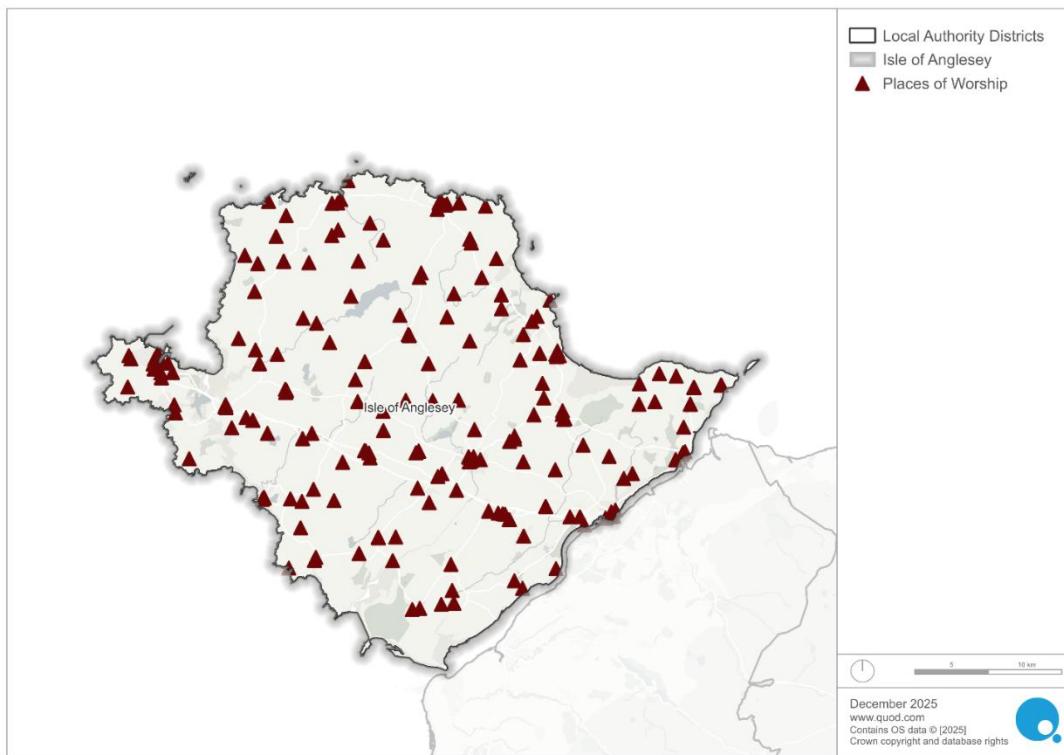
- 5.68.1 The potential negative economic impact of the levy – although as above, there are anticipated to be a maximum of a loss of -31 jobs in a worst case scenario) and so this impact is likely to be relatively minimal.
- 5.68.2 The potential impact on overnight trips that aim to support the Welsh language and Welsh-medium education. This could have education and cultural impacts. However, under 18s will not have to pay the levy when staying in hostel style accommodation or on campsite pitches. Reliefs are applied to overnight stays that are supplied by education providers as part of the supply of a course of study offered to pupils or students.

5.69 Overall, there is strong prevalence of Welsh speakers in Anglesey, including in the tourism sector. A visitor levy in Anglesey could have both positive and negative impacts on the Welsh language. There could be small negative impacts associated with a reduction in visitor spending, or there could be a small increase as a result of the employment supported through spending of the levy. Similarly there could be positive impacts associated with the outcome of the spending of the levy – that will depend on the how the fund is spent (which will be developed including feedback through consultation).

## **Religion and Belief**

- 5.70 The WG EQIA estimated that there were 174,456 domestic tourists that “visited a cathedral, church, abbey or other religious building” in 2023.
- 5.71 The WG EQIA notes that there is no direct correlation between visitor levies and religion, belief or non-belief. It also notes that tourism-related policies or taxes might interact with an individuals’ freedom to practice religion, depending on the nature of the visit. Introducing a visitor levy might affect the affordability of visiting such places, potentially influencing the number of pilgrims or tourists visiting religious sites due to the levy increasing the cost of stay for visitors staying overnight in visitor accommodation.
- 5.72 In undertaking the national level assessment, 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.
- 5.73 The levy would not apply to accommodation that was free of charge. However, the levy will apply to stays in lower rated overnight visitor accommodation (an issue raised through engagement as faith groups often arrange camping trips), although the lower rate may mitigate potential negative impacts.
- 5.74 The equivalent data for number of tourists visiting a religious building in Anglesey is presently unavailable. However, Figure 5-1 shows there are 212 places of worship in Anglesey. Note that mapping of the places of worship is indicative and may not always be complete and there is no clear legal definition of places of worship.

Figure 5-1: Places of worship in Anglesey



5.75 There may be an adverse impact on those who do not engage with digital processes as part of their faith. To mitigate any potential impact there will be a non-digital service when required.

5.76 WG concludes there are 'nil' potential direct impacts with regard to Religion and Belief. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.

## Disability

5.77 Provisions in the 2025 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 disability.

### Population

5.78 There were about 24,250 people who were disabled under the Equality Act in Anglesey accounting for 20.7% of the total population – this is lower than the Welsh average of 21.6%.<sup>20</sup>

### Visitors

5.79 The WG EQIA identified that according to historic evidence, there may be some scenarios where disabled people may face higher costs for staying in visitor accommodation and identified some barriers and challenges for disabled people including:

<sup>20</sup> Census 2021

- Environmental barriers: The UK Disability Survey research report 2021 showed that 57% of disabled people reported being unable to go on holiday due to accessibility issues, i.e. access into public buildings.
- There is a lack of information and awareness about the availability and quantity 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.
- 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 Cheshire 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.

5.80 The WG EQIA noted a number of other challenges including

- Limited choices and opportunities for disabled people and those with impairments - that can affect their quality and satisfaction with their tourism experiences.
- Lack of accessibility for some disabled people in campsites and hostels leading to further strain on travel budgets – this is mitigated to some extent by the lower rate in the legislation
- Additional cost and or limited options for people who need a carer, specialist equipment or guide dog

5.81 Recognising that there is an overall lack of data and evidence, Welsh Government officials met with representatives from Disability Wales, Autistic UK and the Fair Treatment for the Women of Wales in formulating the WG EQIA.

5.82 The WG EQIA 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.

5.83 WG EQIA considers a number of options for refunds for both disabled people and carers. Ultimately, the option including in the Act was to issue refunds for disabled people in receipt of a qualifying disability benefit who has paid a visitor levy while staying in a visitor accommodation and accompanied by a person providing care. The WG EQIA acknowledges (in part because it does not include carers) that this option does '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'.

5.84 In terms of tourism activity, 31% of all trips to Wales include somebody who is disabled or has an impairment. Additionally, 20% of all overnight trips taken to Wales from January to December 2024 were by those taking care of people with medical conditions.<sup>21</sup> Some of these trips relate to stays with friends and family in their own homes rather than visitor accommodation and it does

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<sup>21</sup> Domestic GB tourism statistics (overnight trips): annual report 2024. Available [here](#)

not mean that these visitors were accompanying the person they care for rather than they simply have this type of caring responsibility. The equivalent data for Anglesey is presently unavailable.

### *Employers and employment*

5.85 The WG EQIA also notes the WRA will collect and manage levy. For accommodation providers, it is anticipated that the day-to-day operation of the levy will have minimal impact on business owners who have visual and / or hearing impairments due to the multiple ways a person can interact with the WRA – digital system for filing and remitting returns to the WRA alongside the provision of a telephone and paper service, where necessary.

5.86 Additionally, the WG EQIA notes that disabled workers are more likely to end up in insecure work than non-disabled workers. Of the workers working in tourism in Wales, 18% are disabled – a similar proportion to the average across all industries.<sup>22</sup>

5.87 The equivalent data for Anglesey is presently unavailable.

### *Disability overall*

5.88 The WG EQIA 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 but that the option (not including an exemption) was a proportionate response.

5.89 Once mitigation (including refund for person in receipt of a disability benefit) is included, no other impacts were identified and it is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.

5.90 Proactive measures can be taken to ensure the benefits of tourism, including the spending of the fund, are distributed more equitably among all segments of the population – this could include measures to improving accessibility for disabled people to tourist sites.

### *Pregnancy and maternity*

5.91 Provisions in the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, do not make distinction based on pregnancy and maternity.

5.92 The ONS does not provide statistics on the number of people who are pregnant. Therefore, this baseline analysis considered live birth data<sup>23</sup> as a proxy. The latest available data from 2024 indicate the general fertility rate<sup>24</sup> is higher (48.6) in Anglesey than the average for Wales (45.7).

5.93 WG concludes there are 'nil' potential direct impacts with regard to Pregnancy and maternity. While there is a higher fertility rate in Anglesey, It is not anticipated that this would change the finding of 'nil' impact.

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<sup>22</sup> Welsh Government. Welsh tourism sector business and labour market statistics. Available [here](#)

<sup>23</sup> Office for National Statistics, 2024. Live Births.

<sup>24</sup> Office for National Statistics, 2021. Census.

## Deprivation

5.94 While deprivation is not classified as a protected characteristic under the 2010 Act, it is considered due to its intersecting nature with different protected characteristics.

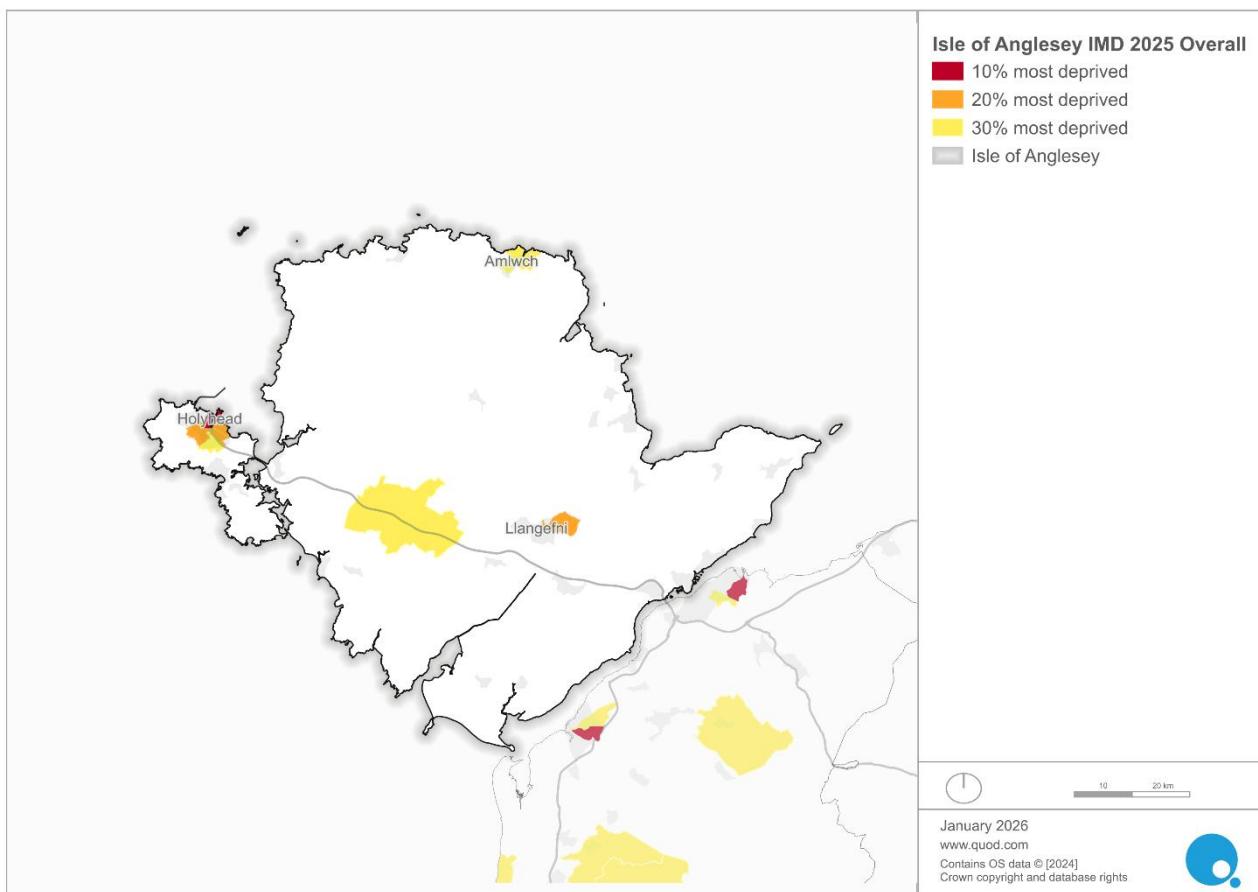
5.95 The Welsh Government's Index of Multiple Deprivation (2025) combines indicators including a range of social, economic, and housing factors, to yield a deprivation score for all areas across Wales (Lower Layer Super Output Areas [LSOAs]). There are eight domains of deprivation that are investigated:

- Income
- Employment
- Health
- Education
- Access to services
- Housing
- Community safety
- Physical environment

5.96 All areas are ranked relative to one another according to their level of deprivation. Figure 5-2 below shows the relative levels of deprivation in Anglesey – areas shown in red are within the 10% most deprived, areas in orange are within the 10% - 20% most deprived areas and areas in yellow are within the 20% - 30% most deprived.

5.97 As shown in Figure 5-2, there are some areas in Anglesey that are within the 10% - 20% and 20% - 30% most deprived areas in Wales and a small area that falls amongst the top 10% most deprived areas.

Figure 5-2: IMD map for Anglesey



5.98 The use funds from the levy will be reinvested for the purposes of destination management and improvement in the area, including providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people), and mitigating the impact of visitors. Depending on the use of the fund, it could reduce deprivation (or indicators of deprivation) as a result of investment.

## Summary of impact on groups who share a protected characteristic

5.99 Table 5-8 below summarises the findings of the equality impact assessment against protected characteristics.

**Table 5-8: Summary of impacts**

Protected characteristic	Potential impacts	Potential mitigation where required
Age	<p>WG concludes there are 'nil' potential direct impacts with regard to Age once mitigation (including the under-18 exemption for lower bound accommodation) is taken into account. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.</p> <p>There are possible impacts related to a higher proportion of older visitors to Anglesey, and a young workforce, but any impacts of the levy are likely to be small – and will to some extent be offset by the spending of the levy.</p>	<p>Under 18s are excluded from the levy for lower-rated stays</p> <p>Future use of the levy</p>
Disability	<p>The WG EQIA 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 but that the option (not including an exemption) was a proportionate response.</p> <p>Once mitigation (including refund for person in receipt of a disability benefit) is included, no other impacts were identified and it is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.</p>	<p>Refund mechanism for persons in receipt of a disability benefit who are accompanied by a person providing care, support or assistance.</p> <p>Future use of the levy</p>
Gender reassignment	WG concludes there are 'nil' potential direct impacts with regard to Gender reassignment. It is not anticipated that there would be any Anglesey	Stays in private hospitals (e.g. as part of a person's gender reassignment process) are exempt from a levy.

Protected characteristic	Potential impacts	Potential mitigation where required
	specific characteristics that would change the findings of the WG EQIA.	
Marriage and civil partnership	<p>WG concludes there are 'nil' potential direct impacts with regard to Marriage and Civil Partnership.</p> <p>It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.</p>	No potential impacts identified
Pregnancy and maternity	WG concludes there are 'nil' potential direct impacts with regard to Pregnancy and maternity. While there is a higher fertility rate in Anglesey, It is not anticipated that this would change the finding of 'nil' impact.	No potential impacts identified
Race	<p>WG concludes there are 'nil' potential direct impacts with regard to Race. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.</p> <p>Visitors to Anglesey and employees in the distribution, hotels and restaurants sector are more likely to be white, than the average across Wales.</p>	<p>Gypsy, Roma and Travellers sites provided by a local authority or registered social landlord are exempt from a levy.</p> <p>Exemptions / refunds are available for vulnerable groups, e.g. asylum seekers and those fleeing domestic abuse</p> <p>Future use of the levy</p>
Religion and belief	WG concludes there are 'nil' potential direct impacts with regard to Religion and Belief. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA.	<p>The Welsh Revenue Authority (WRA) will offer non-digital processes to accommodate those whose faith may restrict digital engagement.</p> <p>Free accommodation exempt from a levy and stays in lower rated accommodation have a lower levy charge.</p> <p>Future use of the levy</p>
Sex		No potential impacts identified

Protected characteristic	Potential impacts	Potential mitigation where required
	<p>WG concludes there are 'nil' potential direct impacts with regard to Sex. There are no Anglesey specific characteristics that would change the findings of the WG EQIA.</p> <p>It is not anticipated that there would be a disproportionate or differential impact in Anglesey as a result of the levy on females (or males) working in the tourist sector.</p>	
Sexual orientation	<p>WG concludes there are 'nil' potential direct impacts with regard to Sexual Orientation. It is not anticipated that there would be any Anglesey specific characteristics that would change the findings of the WG EQIA</p>	No potential impacts identified



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YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

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# Economic Impact Assessment of the Visitor Levy

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# 1 Executive Summary

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- 1.1 The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (the 'Act') gives councils in Wales the choice to introduce a charge on overnight stays. Known as a 'visitor levy', councils can choose to introduce the levy in their area from April 2027.
- 1.2 The Isle of Anglesey County Council is considering introducing a visitor levy – this Economic Assessment seeks to determine the potential economic impact of doing so.
- 1.3 There have been a number of studies to support the Welsh Government's decision to implement the Act. This report reviews these reports to determine the applicability of applying the same approach at a more local level.
- 1.4 The evidence base on the economic impact of visitor levies is relatively immature and so even the national assessment is heavily caveated and relies on wide ranges – there are further complications with a local assessment as a result of gaps in data and an even more immature evidence base on the local impact of visitor levies (as opposed to national). The key caveats relevant to the local level assessment are:
  - There are significant uncertainties in the elasticities of demand – this is the case at a Welsh level and is even more acute when applied at an Anglesey level.
  - At a national level, the majority of visitor spending can reasonably be expected to be captured in Wales. That is not the case at a smaller area – for example, some spending of someone who visits Anglesey may be in Gwynedd (and vice versa).
  - Similarly, the spending of the levy will also have a higher level of leakage as some businesses who benefit from contracts through the spending of the levy may not be based in Anglesey.
  - The national level assessment (necessarily) assumed that the levy will be imposed across all of Wales – at an Anglesey level, there will be different impacts if one local authority implements the charge, but its neighbouring authorities do not, compared to if all neighbouring authorities implement the charge.
- 1.5 Therefore, the Anglesey level assessment is appropriately caveated, and should be read in the context of relatively limited evidence base, particularly at the local level.
- 1.6 Nonetheless, we are confident that the impact on the Anglesey will be relatively small in terms of both the impact on employment and GVA. We have applied a broadly similar approach to the Welsh Government analysis to establish bookends for the likely range of these impacts.
- 1.7 The analysis is generally conservative (pessimistic) in terms of the approach to assessing the impact on the economy. It assumes the Anglesey suffers all the loss of visitor spending, when in reality some of the spending will be lost from outside of Anglesey. It also assumes that Anglesey businesses gain only half of the spending from the levy (as it assumed that 50% of the visitor levy spending will be spent in businesses outside of Anglesey), while also assuming that Anglesey businesses do not benefit from contracts that result from the spending of visitor levies from other local authorities.

1.8 Even with these conservative assumptions (i.e. assumptions that could overestimate any negative impact) it is estimated that the levy could result in:

- A change in employment of between -31 and +7 FTE jobs. This is between a loss of -0.17% or an increase of 0.04% of employment in Anglesey.
- A change in annual GVA could be between -£2.1m and +£0.09m. This is equivalent to between a loss of -0.14% and an increase of 0.01% of Anglesey's economy.

1.9 This range from a relatively small negative impact to a relatively small positive impact reflect the findings of the Welsh Government Appraisal which also concluded a small negative to small positive impact at a national scale.

## 2 Introduction

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### An overview of the Visitor Levy

- 2.1 The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (the 'Act') gives councils in Wales the choice to introduce a charge on overnight stays. Known as a 'visitor levy', councils can choose to introduce the levy in their area from April 2027.
- 2.2 The levy is chargeable at two separate rates:
  - Campsite pitches and shared rooms (hostels and dormitories): 75p per person, per night
  - All other types of visitor accommodation: £1.30 per person, per night
- 2.3 There are exemptions<sup>1</sup>; Visitors will not pay the visitor levy if they 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
  - in emergency or temporary housing arranged by the local council
- 2.4 The funds from the levy will be reinvested for the purposes of destination management and improvement in the area. Section 44 of the Act stipulates that councils must use the proceeds of the levy for:
  - mitigating the impact of visitors;
  - maintaining and promoting use of the Welsh language;
  - promoting and 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 purpose of this report

- 2.5 The Isle of Anglesey is seeking to determine the potential economic impact of introducing a visitor levy.
- 2.6 The starting point is to review the work undertaken by Welsh Government to understand the economic impacts of the Act at a national level, and the extent to which the approach could be applicable at a more local level.

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<sup>1</sup> <http://gov.wales/visitor-levy-small-contribution-lasting-legacy>

2.7 The evidence base on the economic impact of visitor levies is relatively immature and so even the national assessment is heavily caveated and relies on wide ranges.

2.8 These limitations would be even more pronounced at local level. The key caveats relevant to the local level assessment are:

- There is uncertainty over how much of the levy is passed to consumers (modelled only as 0% or 100%)
- There are significant uncertainties in the elasticities of demand – this is the case at a Welsh level and is even more acute when applied at an Anglesey level.
- At a national level, the majority of visitor spending can reasonably be expected to be captured in Wales. That is not the case at a smaller area – for example, some spending of someone who visits Anglesey may be in Gwynedd (and vice versa).
- Similarly, the spending of the levy will also have a higher level of leakage as some businesses who benefit from contracts through the spending of the levy may not be based in Anglesey.
- The national level assessment (necessarily) assumed that the levy will be imposed across all of Wales – at an Anglesey level, there will be different impacts if one local authority implements the charge, but its neighbouring authorities do not, compared to if all neighbouring authorities implement the charge.

2.9 The local (Anglesey) level assessment is therefore appropriately caveated and should be read in the context of relatively limited evidence base, particularly at the local level.

2.10 The remainder of the report covers:

- A review of the work undertaken by the Welsh Government to understand the economic impact of the Act (Section 3)
- A wider literature review to understand the extent to which evidence exists that would allow for the Wales wide approach to be undertaken at a smaller geographical scale (Section 4)
- Caveated Anglesey level economic impact assessment (Section 5)
- Cross checking with the Welsh Government Analysis, accounting for the relative importance of tourism to Anglesey (Section 6)
- Conclusion (Section 7)

### 3 Studies to support the Welsh Government Act – Economic Impact

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- 3.1 There have been a number of studies to support the Welsh Government's decision to introduce the Act. These include:
  - Evidence review of elasticities relevant to a visitor levy in Wales, Alma Economics, 2022
  - The Potential Economic & Greenhouse Gas Impacts of a Visitor Levy in Wales, Cardiff Business School & Welsh Government, 2024 - referred to in this report as the Welsh Government 2024 analysis
  - Revised analysis of the potential economic and greenhouse gas impacts of a visitor levy, Welsh Government, 2025 - referred to in this report as the Welsh Government 2025 analysis
  - Review of impacts of visitor levies in global destination, Bangor University 2024
- 3.2 These reports are undertaken at an all Wales level and are heavily caveated.

#### **Evidence review of elasticities relevant to a visitor levy in Wales, Alma Economics, 2022**

- 3.3 Alma Economics undertook a Rapid Evidence Assessment (REA) which reviewed the literature on elasticities relevant to a visitor levy in Wales.
- 3.4 It sought to estimate the price elasticity of demand of tourism and accommodation in particular. Price Elasticity of Demand (PED) is the measure of responsiveness of the demand for a good or service when its price changes. A negative PED denotes a decrease in quantity demanded when price increases. A high elasticity of demand indicates that the quantity demanded of a good or service is highly responsive to changes in its price, meaning a small price change can lead to a significant change in demand. Inelastic (or low elastic) demand is when demand is not responsive to price.
- 3.5 The report identified a high level of uncertainty and significant evidence gaps. Even where relevant evidence was found, there was a large variation in the magnitude of estimates of elasticities and there were no studies that provided Wales specific estimates and only a small minority of studies considered the UK market.
- 3.6 There were significant variations in the findings for tourism – while the majority of studies (70%) found that tourism was inelastic, there were some studies that reported elastic demand. The average mid-range PED across all studies was -0.7 and the median was -0.9. This means that for a 1% increase in the price of a good or service leads to a 0.7% reduction in demand.
- 3.7 There were only two studies that specifically considered accommodation – those showed it to be price inelastic (at -0.7). The report includes a caveat that these should be interpreted with caution given the limited number of studies. At least one of these reports was specifically based on international tourism – and so will be less relevant to a domestic market.

- 3.8 The review (by the report's own admission) provided very little evidence addressing the more nuanced research questions, including (i) insight into the drivers of visitor behaviour, (ii) the impact of visitor levies or similar on tourism demand, and (iii) how the explored elasticities may vary depending on the characteristics of tourists (e.g., based on protected characteristics).
- 3.9 The report itself is also clear that these studies provided very little evidence differences that might occur at a sub-regional level, with most studies focusing on national impacts and / or international tourism.

### **The Potential Economic & Greenhouse Gas Impacts of a Visitor Levy in Wales, Cardiff Business School & Welsh Government, 2024**

- 3.10 This report estimates the economic and greenhouse gas emissions impact of the levy at an all-Wales level. We have reviewed it to understand the extent to which a similar method could be used to estimate the impact of a levy in individual Local Authorities.

- 3.11 The report includes two scenarios:

- i. 100% levy is passed on from business to consumers.
- ii. 100% levy is absorbed by the business

- 3.12 The analysis does not account for supply-side changes, such as providers exiting the market due to the levy.

#### ***100% Levy is passed on from business to consumers***

- 3.13 The study calculates the likely impact on the study in three scenarios (optimistic, neutral and pessimistic) based on a range of elasticities taken from the Alma study. It applies these to different visitor segments (two domestic with different spending patterns and overseas visitors). This results in a change in consumer demand for each segment.
- 3.14 The report uses elasticities from the Alma Economics study which (as above) has significant uncertainty, data gaps, and is largely based on international tourism and national effects. The issue of applying national elasticities will be more problematic at a Local Authority level than it would be at an all-Wales level.
- 3.15 The study assumes that the price elasticity of demand feeds through directly into the economy – i.e. the increase in the levy results in a reduction in demand (within the study area) which means a reduction in total trip spending (also in the study area). This could be due to either people not visiting the study area or visiting the study area for a shorter period of time as a result of the levy.
- 3.16 The model then uses Input-Output tables to determine the likely impact of the Welsh Economy.

#### ***100% Levy is absorbed by the business***

- 3.17 This scenario assumes that there is no change to visitors or revenues and that businesses absorb all of the costs. The report assumes that there are no supply side changes – i.e. no business exits the market, or are put off entering the market in future, instead the levy is taken from the output of the businesses.

3.18 It assumes that there are no losses in employment and only decreases in salary (and other elements of output). This is likely to underestimate the employment loss since – in reality, a loss of revenue would result in a reduction in staff as well as a reduction in salaries.

### ***Issues and Caveats***

3.19 The report itself highlights significant caveats:

- **Price Elasticity Uncertainty:** as above, there are significant uncertainties in the elasticities – this is the case at a Welsh level and will become even more acute if used at a smaller study area.
- **Accommodation Supply:** as above, the model does not account for supply-side changes, such as providers exiting the market due to the levy.
- **Pass-Through Assumptions:** as above, the report assesses the ‘book ends’ of the likely impact by assessing the impact if the levy is passed on to visitors or absorbed by businesses – it does not seek to assess the extent to which one is more or less likely.
- **In-Wales Costs:** The analysis only includes in Wales costs and so it likely underestimates the total costs of the trip, particularly for international trips. This will therefore overestimate the reduction in international trips post levy (and so presents a worst-case scenario)
- **Base-Year Constraints:** The levy is modelled on 2019 tourism data due to data limitations, with rates adjusted for inflation.
- **Future inflation:** Future inflation and sector changes are not included – it is effectively a snapshot in time in a given year.
- **Administrative costs:** The analysis does not include any frictional or administrative costs that any new Levy might engender.

## **Revised analysis of the potential economic and greenhouse gas impacts of a visitor levy, Welsh Government, 2025**

3.20 This report updated the previous work for two sets of rates. One of those sets of rates (£1.30 standard / £0.75 lower) was subsequently used in the Act. The analysis also excluded children and young people staying in Lower Band accommodation, since they are excluded from the Levy.

3.21 The report used similar methodology as the original but noted that: ‘Constraints on time and access to data architectures mean a full, and fully comparable, reworking of the 2024 impact assessment is not possible’.

3.22 The results of the analysis at a Welsh level are set out in Table 3.1.

Table 3.1: Summary of likely impacts in Welsh Government report

			Likely range
Employment	Passing Levy onto visitors	FTEs	-400 to 100
	Businesses absorb levy	FTEs	360
Annual GVA (£m)	Passing Levy onto visitors		-£7.5m to +£11.1m
	Businesses absorb levy		-£32.3m

## Review of impacts of visitor levies in global destination, Bangor University 2024

3.23 Bangor University undertook a review of international evidence on the environmental, social, and cultural impacts of visitor levies in various global destinations. The report then provided recommendations of the Welsh Government on the implementation of the levy.

3.24 The report identified five case studies / areas which had implemented visitor levies that had similarities to Wales in terms of the reliance on the tourism sector and / or their social, cultural and/or environmental context. This meant that the case studies included places that, like Wales, were reliant on their tourism industry.

3.25 The report focused on the implementation of the levy – including what the levy can be spent on, the decision making process and authority, local accountability, the scope of project and activities funded, the impact of the funded projects (noting a lack of evidence) and the need for transparency, accountability, monitoring and evaluation.

3.26 It did not focus on the impact of the levy on the tourism sector specifically, although there were some takeaways that do inform our report:

- There is limited evidence on the effects of tourism taxes: '**A comprehensive assessment of the impacts of tourism taxes remains limited**, despite their clear motivations for implementation'.
- In general, there has been continued **year-on year growth in tourism in locations that have introduced a visitor levy** (although we cannot know what the counterfactual would have been without a levy).
- **Some locations choose to vary the tax during different seasons** – for example, the Balearic Islands have implemented two separate visitor levies: €0.25 – €1 per person per night in low season (November – April) and €1 – €4 per person per night in high season (May – October).<sup>2</sup> **While others do not:** in Mareo and San Martin, where seasonality is high (visitor numbers in the four busiest months are over ten times those in the quietest four months), a flat visitor levy has been imposed throughout the year (€1.50 – €3.50 per person per night).
- Some locations (Catalonia / Barcelona and the Balearic Islands) **vary by accommodation type / quality** (including different rates for different hotel 'star' quality). While **others do**

<sup>2</sup> Welsh Government, 2024. Review of visitor levies in global destinations [here](#)

**not have as much differentiation:** Iceland initially introduced a flat rate and subsequently split the rate into three broad categories camping, hotels, and cruise ships.

## Conclusions and implications for our study

3.27 The work undertaken to support the Welsh Government has highlighted that there are gaps in the evidence base for understanding the economic impact of the Visitor Levy. This means that the Welsh level economic impact study is necessarily caveated and includes wide ranges / book ends for the likely impact.

3.28 Applying the Welsh Government approach at a more local area level would have the same caveats and issues – and some of the issues would be more acute at a smaller study area.

3.29 The detail is set out above, but the key issues include:

- **There is limited applicable evidence on the Price Elasticity of Demand** – both Welsh Government economic appraisals use the PEDs from the Alma Study which are largely national studies for international tourism. There are no Welsh specific studies and only two that specifically look at accommodation (rather than tourism as a whole). The issue of using these elasticities become even more acute at a smaller study area since it is not clear that national elasticities hold at a sub-regional level.
- The analysis does **not take a view on the extent to which the levy is passed on** - it has book end for the impact of 0% or 100% of the levy being passed onto consumers.
- It also does **not allow for supply side changes** – i.e. it does not allow for the potential some businesses are deterred from entering or leave the market. In the scenario where all of the levy is passed on to businesses, it is assumed that there is no loss in employment (only a loss in wages).
- **There is very little evidence addressing the more nuanced questions**, including (i) insight into the drivers of visitor behaviour, (ii) the impact of visitor levies or similar on tourism demand, and (iii) how the explored elasticities may vary depending on the characteristics of tourists (e.g., based on protected characteristics). **This means the analysis makes mostly linear assumptions based on averages.** This also makes it difficult to apply local characteristic to the study (and so to adapt the methodology in the national assessment to a more local level).
- **It does not include out of Wales costs** which likely underestimates the total cost of the trip, particularly for international trips. This will therefore overestimate the reduction in international trips post levy (and so presents a worst-case scenario). This will be the same at a local authority area level (although will be offset to some extent by spending outside of the local authority area).
- The analysis does not consider what visitor spending that is 'lost' as a result of the levy is spent on instead – this could be day trips (instead of overnight trips) or Welsh residents spending money on other things (instead of holidaying within Wales). This approach is again likely to be worst case scenario in terms of the impact of the levy on the Welsh economy. This is likely to be less relevant at Anglesey level than the Welsh level as those visiting Anglesey (who are put off by the levy) are unlikely to also live in Anglesey (whereas a Welsh resident may also holiday in Wales – for example, a Cardiff resident may spend money in Cardiff rather than holiday in Anglesey).

## 4 Further literature review

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- 4.1 We conducted a further literature review to understand the extent to which evidence exists that would
  - Allow for the Wales wide approach to be adapted for a local level assessment.
  - Fill the evidence gaps identified above
- 4.2 There was limited additional evidence above what was used in the work to support the Welsh Government when implementing the Act.
- 4.3 There were various other examples where there has been continued year-on year growth in tourism in locations that have introduced a visitor levy (although as above we cannot know what the counterfactual would have been without a levy).
- 4.4 The other questions the literature review sought to answer were:
  - To what extent does a visitor levy get passed on to visitors?
  - How does the impact of a visitor levy change with seasonality or popularity of a destination?
  - How does the cost of accommodation / trip change the impact of the levy? There was no additional evidence found to answer this question.
  - Do visitors adjust their wider trip spending if they bear the cost of the levy?

### To what extent does a visitor levy get passed on to visitors?

- 4.5 The extent to which a visitor levy gets passed on to consumers will determine whether it is consumers or accommodation providers who will bear the cost of the levy. As set out above the Welsh government economic appraisal does not take a view on this but tests book ends for 0% to 100% pass on.
- 4.6 The literature provides mixed evidence on the rate of pass-through (the extent to which businesses pass on changes in tax as changes in price to consumers) of a visitor levy or other tax mechanisms.
- 4.7 We looked at various tax mechanisms to determine pass-through rates:
  - A review of lodging taxes in US cities showed that a lodging tax is unlikely to be fully passed on to the visitors – about 86% of tax paid is by visitors and the remaining 14% is absorbed by accommodation providers in the form of lower accommodation rates or reduced occupancy.<sup>3</sup>
  - The European Commission study found that there was a high degree of pass-through in the long run but also had example of where taxes were not passed through. For example a

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<sup>3</sup> Hudson, S., Meng, F., So, K. K. F., Smith, S., Li, J., & Qi, R. (2021). The effect of lodging tax increases on US destinations. *Tourism Economics*, 27(1), 205-219. Available [here](#)

case study of Disneyland Paris indicated they were unlikely to pass on VAT rate increases in 2014 to visitors due to the high price sensitivity of visitors. This meant Disneyland absorbed the cost of the VAT increase to mitigate the impact on visitor numbers and expenditure.<sup>4</sup>

- A study looking at the pass through of air passenger taxes on airfares across Europe estimated air passenger tax pass-through rates from 20% to 56%.<sup>5</sup> The same study mentions that the consumer share of the tax burden from a French VAT-reform was between 57% and 77%.

4.8 The literature review therefore does not provide clear evidence for different the level of pass-through rates that could be used – and so we maintain the approach in the Welsh Government Assessment of using bookends.

### How does the impact of a visitor levy change with seasonality or popularity of a destination?

4.9 There are limited studies that have quantified PEDs for different seasons but several studies state that demand for tourism is less elastic in the high seasons compared to the low seasons.<sup>6</sup>

- The report on the balancing of revenue and demand in the hotel industry in Dubai<sup>7</sup> found that demand elasticity is much higher in the low seasons (and lower in high season). That is likely to be driven significantly by international travel – the report found that local hotels do not face strong seasonality as much international hotels do.
- The report on the price elasticities for accommodation services in Prague showed that visitors are less elastic during the high seasons than they are throughout the year with PEDs of -0.22 to 0.78 in the high seasons vs PEDs of -0.10 to -0.54 throughout the year. The positive PEDs in the high season suggest that the expected price-demand relationship may not always hold.<sup>8</sup>

4.10 The European Commission study found that there were higher elasticity of demand in destinations with close substitutes. It showed that European countries in proximity still exhibit differences in PEDs due to the type of seasonal tourism offering. Spain had inelastic demand because several destinations in Spain offer sun-and-beach experiences meaning there is a high degree of substitutability between these destinations. Italy also exhibited inelastic demand because of its offering of non-coastal tourism and so was less seasonally impacted. France exhibited slightly inelastic demand due to widespread implementation of tourism taxes. The PEDs during peak season (summer) are:

- France had PEDs ranging from -0.068 to -1.042
- Spain had PEDs ranging from -0.018 to -0.719

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<sup>4</sup> European Commission, 2017. The Impact of Taxes on the Competitiveness of European Tourism [here](#)

<sup>5</sup> Wozny, F. (2024). *Tax incidence in heterogeneous markets: The pass-through of air passenger taxes on airfares* (No. 16783). IZA Discussion Papers. Available [here](#)

<sup>6</sup> Baždar Gašljević, T., Maradin, D., & Cerović, L. (2023). Price Elasticity of Demand For Hotel Services On The Business Example Of Two Hotels In The Republic Of Croatia. *Journal of accounting and management*, 13(1), 1-14. Available [here](#)

<sup>7</sup> Alrawabdeh, W. (2021). Seasonal balancing of revenue and demand in hotel industry: the case of Dubai City. *Journal of Revenue and Pricing Management*, 21(1), 36. Available [here](#)

<sup>8</sup> Petříček, M., & Chalupa, Š. (2020). PRICE ELASTICITY OF DEMAND FOR ACCOMODATION SERVICES—EMPIRICAL APPLICATION IN PRAGUE. *Ad Alta: Journal of Interdisciplinary Research*, 10(1). Available [here](#)

- Italy had PEDs ranging from -0.002 to -0.224<sup>9</sup>

4.11 Separately, the study of lodging tax increases on US destinations showed that approximately 49% of travellers altered their plans due to high travel taxes by reducing spending, staying somewhere cheaper and visiting during low season.<sup>10</sup>

4.12 While the literature review highlighted some further evidence on seasonality, not sufficiently to be able to determine how Anglesey would differ from the Welsh Average.

## Do visitors adjust their wider trip spending if they bear the cost of the levy?

4.13 While the study of lodging tax increases on US destinations<sup>11</sup> mentioned above showed that visitors responded to a levy by decreasing their spending, the study did not quantify to what extent visitors reduce their spending. And overall, the literature is not clear about how visitors would adjust their wider trip spending if they bear the cost of the levy.

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<sup>9</sup> Heffer-Flaata, H., Voltes-Dorta, A., & Suau-Sanchez, P. (2021). The impact of accommodation taxes on outbound travel demand from the United Kingdom to European destinations. *Journal of Travel Research*, 60(4), 749-760. Available [here](#)

<sup>10</sup> Hudson, S., Meng, F., So, K. K. F., Smith, S., Li, J., & Qi, R. (2021). The effect of lodging tax increases on US destinations. *Tourism Economics*, 27(1), 205-219. Available [here](#)

<sup>11</sup> Ibid

## 5 Caveated Anglesey level economic impact assessment

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- 5.1 As set out in the previous sections, there is insufficient evidence to be able to robustly and accurately model the precise impact of the levy, or what how different scenarios would impact the magnitude of the effect (for example, whether other local authorities also implement a levy).
- 5.2 Therefore, we have taken a twin track approach to provide book ends (broadly following the Welsh Government approach) and sense checks for the likely range of the effect:
  - Caveated reproduction of the Welsh Government approach. This is set out in Section 5.
  - Cross checking with the Welsh Government Analysis, accounting for the relative importance of tourism to Anglesey. This is set out in this Section 6.

### Caveated reproduction of the Welsh Government approach

- 5.3 We have taken a similar approach to the Welsh Government 2025 analysis to estimate the impacts at the Anglesey level – as in the Welsh Government approach this includes ‘bookends’ with two scenarios, one where 0% of the Levy being absorbed by businesses and another where 100% being absorbed by businesses
- 5.4 The approach is caveated because – as set out in Section 3, there are caveats within the Welsh Government report that also apply here and are in some cases more exaggerated in a local level assessment.
- 5.5 The key caveats that are relevant to the local level assessment are:
  - At a national level, the majority of visitor spending can reasonably be expected to be captured in Wales. That is not the case at a smaller area – for example, some spending of someone who visits Anglesey may be in Gwynedd (and vice versa). For the purposes of this assessment, we assume that all spending is ‘lost’ from Anglesey and so this a worst-case scenario in terms of the impact on the visitor economy.
  - Similarly, the spending of the levy will also have a higher level of leakage as some businesses who benefit from contracts through the spending of the levy may not be based in Anglesey. To be conservative we have assumed a high level (50%) of leakage and tested a lower leakage as a sensitivity test.
  - The Welsh Government analysis assume that a change in the price of tourism (i.e. the levy) results in a decrease in demand for tourism. It does not consider changes in visitor spending patterns within the trip (for example reducing other trip costs by the cost of the levy). This is likely to be worst case scenario in respect to the impact of the levy on the Welsh economy (assuming that the PED picks up all of the change in visitor behaviour). The same approach is taken in the local assessment – again this is likely to be worst case.
  - There are significant uncertainties in the elasticities – this is the case at a Welsh level and is even more acute if used at a smaller study area. There is no alternative evidence and so we have used the range of elasticities of demand used in the Welsh Government assessment.

- The national level assessment (necessarily) assumed that the levy will be imposed across all of Wales – there will be different impacts if one local authority implements the charge, but its neighbouring authorities do not, compared to if all neighbouring authorities implement the charge. It is not possible to accurately assess what the impact of different combination of local authorities introducing the levy is, but the effect on the magnitude of the impact is considered.
- The scenario where the levy is passes onto businesses does not account for supply-side changes, such as providers exiting the market due to the levy.
- It also does not account for reductions in employment and assumes that the savings are found within the ‘value add’ of the businesses operations. In reality, it would likely result in a reduction of jobs too.

5.6 As with the Welsh Government analysis, the analysis does not include inflation (it considers the annual impact if the levy was in place in 2024 – the latest year for which data is available), it does not include administration costs, and it does not include costs that are outside of Wales (this means the analysis likely slightly overestimates the impact of the levy, particularly for international visitors – for whom out of Wales costs will be higher).

5.7 Given the lack of evidence, there are assumptions (such as elasticities of demand) where we have not sought to make the assumptions Anglesey specific – but instead have indicated whether the estimates are likely to under or overestimate the impacts, and provided sensitivity tests as appropriate.

5.8 It has been assumed that VAT will be included on the Visitor Levy.

## Visitor levy passed entirely on to tourists

5.9 This section assumes that 100% of the visitor levy is passed on to consumers. It first considers the impact of the loss of visitor spending and then considers the extent to which the spending of the levy itself would offset the loss.

### The impact of the potential loss of visitor spending

5.10 According to the Great British Tourism Survey, there were 0.28m domestic overnight visitors to Anglesey per year – who spend an average of 4 nights and spend £305 per person per trip.

Table 5.1: Domestic overnight visits to Anglesey

	Total (GBTS) (avg over 2022-2024)
Total visits to Anglesey by domestic overnight visitors	0.28m
Total Anglesey domestic bed nights	1.142m
Average trip length (nights)	4.0
Total Anglesey domestic overnight expenditure (including VAT)	£86.33m
Cost per trip (including VAT)	£305
Cost per night (including VAT)	£76

5.11 The data is not available by accommodation type for Anglesey – i.e. whether those visitors are in the lower band or standard band accommodation for the purposes of the visitor levy.

5.12 However, we can make assumptions on the split based on two datasets:

- Data on the number of bed spaces by accommodation type by local authority – this can be compared to the total bed nights for the GBTS.
- Data on the split of visitors between lower band or standard band accommodation in Conwy and Gwynedd

5.13 Comparing these dataset suggests that that Anglesey has higher occupancy rates than neighbouring local authorities (Gwynedd or Conwy).

5.14 This results in a two scenarios – (1) a lower bound scenario which assumes the same ratio between bed spaces and bed nights in Gwynedd and then scales to meet the Anglesey total bed nights. (2) A core scenario which assumes that the ratio of bed spaces to occupants remains the same for lower band accommodation and the higher occupancy rate in Anglesey is as a result of higher occupancy in standard accommodation. The lower bound scenario is included as a sensitivity test later in this section.

Table 5.2: Domestic overnight visits to Anglesey – split between accommodation types are estimated

UK-resident visitors	Lower bound - (lower standard accommodation)			Core		
	Standard Band (est)	Lower Band (est)	TOTAL (GBTS)	Standard Band (est)	Lower Band (est)	TOTAL (GBTS)
Visitors (trips)	143,800	139,638	283,438	240,710	42,728	283,438
Bed nights	565,204	576,915	1,142,120	950,284	191,836	1,142,120
Average trip length (nights)	3.9	4.1	4.0	3.9	4.5	4.0
Overnight expenditure	£50.57m	£35.76m	£86.33m	£76.23m	£10.09m	£86.33m
Cost per trip	£352	£256	£305	£317	£236	£305
Cost per night	£89	£62	£76	£80	£53	£76

5.15 The Welsh Government 2025 analysis estimated that 22% of those in the Lower Band accommodation were children and so we exempt from the levy. It is assumed that this assumption holds at an Anglesey level – were the proportion of children to be lower the impact of the levy would be higher, and conversely were the proportion of children to be higher the magnitude of the impact of the levy would be smaller.

5.16 The table below include only eligible visitors (i.e. it excludes children visiting lower band accommodation) and also includes the international visitor data (take from the international visitor survey).

5.17 Note that all international visitors are assumed to stay in standard accommodation and so pay the levy. Were there to be children in lower bound accommodation within this group, the magnitude impact of the levy would be smaller.

Table 5.3: All eligible overnight visits to Anglesey – split between accommodation types and visitor type – core scenario

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	International
Eligible overnight visits	240,710	33,328	41,497
Eligible Anglesey bed nights	950,284	149,632	218,434
Average trip length (nights)	3.9	4.5	5.3
Eligible Anglesey overnight expenditure (inc VAT)	£76.23m	£7.87m	£25.03m
Cost per trip	£317	£236	£603
Cost per night	£80	£53	115

5.18 The levy is £1.30 per person, per night for standard accommodation and 75p for lower band accommodation. It is assumed that VAT is charged and so those costs increase to £1.56 and 90p. Based on the average trip length and the total cost per trip, it is estimated that the visitor levy would be between 1.1% and 2.3% of the trip cost depending on trip / visitor type.

5.19 The elasticity is assumed to be -0.74. This is in line with the Welsh Government (2025) appraisal (for the neutral scenario). We have also tested the more pessimistic elasticity (-1.12) and more optimistic elasticity (-0.38) from the Welsh Government appraisal – this range is presented at the end this section.

5.20 As is set out above, there is very little evidence on local level elasticities as a result of visitor levies – the relatively limited analysis that exists is based on national evidence. In the absence of more locally specific evidence the range of multipliers has been applied.

5.21 It should also be noted that elasticity of demand in Anglesey will be affected (to some extent) by whether neighbouring local authorities also introduce the visitor levy – if Anglesey is the only local authority to introduce the levy, the impact on visitor behaviour will likely to be higher (as visitors may choose to go to Gwynedd or Conwy instead) whereas if more local authorities introduce a charge, the impact is likely to be lower.

5.22 Using the neutral multiplier (-0.74) results in a reduction in demand of between 0.8% and 1.7% depending on trip / visitor type.

**Table 5.4: Change in demand as a result of the levy – core scenario**

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	International
Levy per person per night (ex VAT)	£1.30	£0.75	£1.30
Levy per person per night (inc VAT)	£1.56	£0.90	£1.56
Average trip length (nights)	3.9	4.5	5.3
Avg per-trip expenditure (inc VAT)	£317	£236	£603
Per trip Visitor Levy:			
a) As a % of trip cost	1.7%	2.3%	1.1%
b) Elasticity	-0.74	-0.74	-0.74
Percentage change in consumer demand (a x b)	-1.3%	-1.7%	-0.8%

5.23 This reduction in demand results in a £1.3m reduction in spending by visitors per year (including VAT) and £1.1m (excluding VAT).

5.24 Not all of that spend would have been spent in Anglesey - some would have been spent in other local authorities (either day trips or on the journey) but to be conservative it is assumed that all

of the loss is felt in Anglesey. This will overestimate the (negative) impact on the Anglesey economy.

**Table 5.4: Loss in trip expenditure – core scenario**

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	Overseas visitors (Standard Band)	Total
Eligible Anglesey overnight expenditure (inc VAT)	£76.2	£7.9	£25.0	£109.1
Percentage change in demand	-1.3%	-1.7%	-0.8%	
Post-trip Visitor Levy Expenditure (£m) (inc VAT)	£75.2	£7.7	£24.8	£107.8
Gross Trip Expenditure Losses (direct) (£m)	-£0.98	-£0.13	-£0.21	-£1.3
<b>Gross Trip Expenditure Losses (direct) (£m)</b>	<b>-£0.82</b>	<b>-£0.11</b>	<b>-£0.17</b>	<b>-£1.10</b>

5.25 Based on Welsh Government multipliers for ‘accommodation and food’ – indirect and induced effects are also included. Again, these would not all have been felt in Anglesey and so this is likely to overestimate (the negative) impact of the loss of expenditure as a result of the levy.

5.26 We apply both a type 1 (which captures direct and indirect effects) and type 2 multipliers (which capture direct, indirect and induced effects) for accommodation and food<sup>12</sup> – this is used as a proxy for all spending and it likely to capture the majority of the spending patterns.

5.27 This results in a loss of between £0.8m and £0.9m of annual GVA per year – which results in the loss of between 22 and 25 FTE jobs.

**Table 5.5: Loss in annual GVA and employment as a result of loss of visitor spending – core scenario**

	Type 1	Type 2
Change in direct annual output (exl VAT)	-£1.1m	-£1.1m
Multiplier	1.23	1.39
Change in total annual output	-£1.4m	-£1.5m
Ratio of Output to GVA	0.58	0.58
<b>Change in annual GVA</b>	<b>-£0.8m</b>	<b>-£0.9m</b>
GVA per FTE (accom and food) in Anglesey	£35,492	£35,492
<b>Change in FTE Employment</b>	<b>-22</b>	<b>-25</b>

<sup>12</sup> This is based on Welsh Government Indicative economic multipliers (input-output tables): 2019

## The impact of the Visitor Levy spending

5.28 The visitor levy will result in an increase in economic activity. The visitor levy can be spent on:

- mitigating the impact of visitors;
- maintaining and promoting use of the Welsh language;
- promoting and 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)

5.29 For the purpose of this assessment, it is assumed that the impact is felt equally across different sectors of the economy (and so Anglesey averages have been used). This could be updated when further information on the type of investment that the visitor levy is spent on is available.

5.30 The Levy would result in £1.6m of additional spending (see Table 5.6) – this accounts for the reduction in demand as a result of the levy and excludes children from the lower band accommodation. Not all of this will be spent with Anglesey employers and so a 50% leakage is applied. This is an conservative estimate (and is likely to overstate leakage) - a lower leakages is included in a sensitivity test.

5.31 Again, we apply type 1 and type 2 multipliers and a ratio of GVA to output<sup>13</sup> – this result in an increase of approximately £0.5m in annual GVA in Anglesey supporting 6-7 FTE jobs (see Table 5.7).

**Table 5.6: Loss in trip expenditure and levy revenue – core scenario**

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	Overseas visitors (Standard Band)	Total
Post-levy in scope bed-nights (million)	0.94	0.15	0.22	£1.3
Levy per person per night (ex VAT)	£1.30	£0.75	£1.30	
<b>Visitor Levy Revenue (ex VAT) (£m)</b>	<b>£1.2</b>	<b>£0.1</b>	<b>£0.3</b>	<b>£1.6</b>
Visitor Levy Revenue (inc VAT) (£m)	£1.48	£0.13	£0.34	£2.0

<sup>13</sup> Multiplier and ratio based on Welsh Government Indicative economic multipliers (input-output tables): 2019

Table 5.7: increase in annual GVA and employment as a result of spending of the Visitor Levy – core scenario

	Low Scenario - Type 1	High Scenario - Type 2
Visitors Levy revenue (ex VAT) – direct output	£1.6m	£1.6m
Leakage	50%	50%
Visitors Levy revenue (ex VAT) in Anglesey – direct output	£0.8m	£0.8m
Multiplier	1.21	1.33
Change in total output (including direct etc) in Anglesey	£1.0m	£1.1m
Ratio of Output to GVA	0.5	0.5
<b>Change in GVA in Anglesey</b>	<b>£0.50m</b>	<b>£0.55m</b>
GVA per FTE across all industries (Anglesey)	£80,541	£80,541
<b>Change in FTE Employment in Anglesey</b>	<b>6</b>	<b>7</b>

### Total impact of the Levy

5.32 The combined impact of the levy is the loss of visitor spending plus the increase economic activity as a result of the levy spending in Anglesey.

5.33 In the core scenario that is anticipated to be a £0.3m loss of annual GVA (which is a 0.02% decrease in Anglesey's annual GVA) and the loss of 16 to 18 jobs (which is 0.1% of the Anglesey workforce). Even the core scenario is relatively conservative (pessimistic) as it assumes the Anglesey suffers all of the loss of visitor spending, and only half of the gain from the spending of the levy.

5.34 The core scenario is based on an elasticity of -0.74. Applying Welsh Government's optimistic elasticity (0.38) reduces the impact to the loss of 5-6 jobs and results in an increase in annual GVA of £0.1m.

5.35 Applying a more pessimistic elasticity (-1.12) results in a larger loss of up to 31 jobs and £0.8m annual loss in annual GVA.

Table 5.8: Change in annual GVA and employment combined effect – core scenario

	Lower Bound (based on elasticities)	Core (based on elasticities)	Higher bound (based on elasticities)
<b>Change in annual GVA</b>	<b>-£0.7m to -£0.8m</b>	<b>-£0.3m</b>	<b>£0.09m</b>
Anglesey GVA (2023)	£1,455m	£1,455m	£1,455m
Approx percent of Anglesey Economy GVA	-0.05% to -0.06%	-0.02%	0.01%
<b>Change in FTE Employment</b>	<b>-28 to -31 jobs</b>	<b>-16 to -18 jobs</b>	<b>-5 to -6 jobs</b>
Anglesey FTE Total	18,065	18,065	18,065

Approximate percent of Anglesey Workforce	-0.15% to -0.17%	-0.09% to -0.10%	-0.03%
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*Sensitivity test and impacts of assumptions*

5.36 There are a number of assumptions made above which effect the scale of the impact. The key assumption are set out in the table below, alongside the implications for the magnitude of the impact.

5.37 Two additional sensitivity tests are carried out below – those are set out in Table 5.10.

Table 5.9: Implications of assumptions on likely magnitude of impact

	Sensitivity test	Implication
Split of visitors is as per lower bound in Table 5.2: Lower proportion in standard accommodation	Yes	Tested in sensitivity test – <b>very little change to magnitude of impact</b>
Proportion of children in standard accommodation is higher than 22%	No	Lower impact in terms of loss of visitor expenditure (as more children, who are exempt) + Lower impact in terms of spending of levy = <b>Lower magnitude of impact</b>
Proportion of children in standard accommodation is lower than 22%	No	Higher impact in terms of loss of visitor expenditure (as fewer children, who are exempt) + Higher impact in terms of spending of levy = <b>Higher magnitude of impact</b>
More pessimistic elasticity of demand	Included in Table 5.8 (lower bound)	Included in lower bound above = <b>Higher magnitude of impact</b>
More optimistic elasticity of demand	Included in Table 5.8 (higher bound)	Included in higher bound above = <b>Lower magnitude of impact</b>
Anglesey only local authority to introduce levy	Not explicitly	Not explicitly but likely to be closer to 'more pessimistic elasticity of demand' = <b>Higher magnitude of impact</b>
Anglesey and neighbouring authorities local authority to introduce levy	Not explicitly	Not explicitly but likely to be closer to 'more optimistic elasticity of demand' = <b>Lower magnitude of impact</b>
Lower level (25%) of leakage is applied	Yes	Tested in sensitivity test = <b>Lower magnitude of impact</b>

Table 5.10: Sensitivity tests

	Core	Lower proportion in standard accommodation	Lower level (25%) of leakage is applied
Change in annual GVA	-£0.3m	-£0.3m to -£0.4m	-£0.05m to -£0.08m
Anglesey GVA (2023)	£1,455m	£1,455m	£1,455m
Approx percent of Anglesey Economy GVA	-0.02%	-0.02% to 0.03%	< -0.01%
Change in FTE Employment	<b>-16 to -18 jobs</b>	<b>-16 to -18 jobs</b>	<b>-13 to -15 jobs</b>
Anglesey FTE Total	18,065	18,065	18,065
Approximate percent of Anglesey Workforce	-0.09% to -0.10%	-0.09% to -0.10%	-0.07% to -0.08%

## Visitor levy entirely borne by the accommodation provider

5.38 This scenario assumes that businesses absorb the cost of the Visitor Levy which means that there is no change to the level of visitors to Anglesey. This means that the businesses absorb £1.96m including VAT (this is worst case as some businesses will pass VAT on).

*Table 5.11: Total cost to be absorbed by the business*

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	International	TOTAL
Eligible Anglesey bed nights	0.95m	0.15m	0.2m	1.3m
Levy per person per night (inc VAT)	£1.56	£0.90	£1.56	
Total cost to be absorbed	£1.48m	£0.13m	£0.34m	£1.96m

5.39 Businesses absorb £1.96m of additional cost and this is paid for business revenues – the Welsh Government appraisal assumes that this is ‘found’ from within the value added and so in the same as GVA. In reality, it would likely there would also be some reduction in jobs.

5.40 The Welsh Government appraisal also assumes that neither input prices change, nor do visitor volumes, nor economic scale. This means that there are no ‘Type 1’ supply chain multiplier effects. There are however some indirect effects consequent on the Levy squeeze, reducing income to be spent (in part) across the Anglesey economy and so a multiplier of 1.3 is applied to include direct and induced, but excludes indirect GVA. This results in a loss of £2.6m in annual GVA.

*Table 5.12: Change in annual GVA due to impact of Levy being absorbed by the business*

	TOTAL
Direct annual GVA	-£1.96m
Multiplier (direct and induced, excludes indirect)	1.3
Total annual GVA	-£2.6m

5.41 As set out above, the spending of the levy is expected to result in an increase of £0.5m in GVA per year and an increase of 6 to 7 jobs (accounting for leakage of 50%). This results in a combined impact of a loss of £2.1m in annual GVA and an increase in 6-7 jobs.

*Table 5.13: Change in annual GVA and employment combined effect – core scenario*

	Annual GVA	Employment
Change due to impact of Levy being absorbed by the business	-£2.6m	0
Change due to spending of the Levy being	£0.5m	6-7 jobs
<b>Net change</b>	<b>-£2.1m</b>	<b>6-7 jobs</b>

5.42 A sensitivity shows that if leakage were reduced to 25%, the reduction in annual GVA would reduce from -£2.1m to -£1.9m, and the employment change would increase from 6-7 jobs to 9-10 jobs.

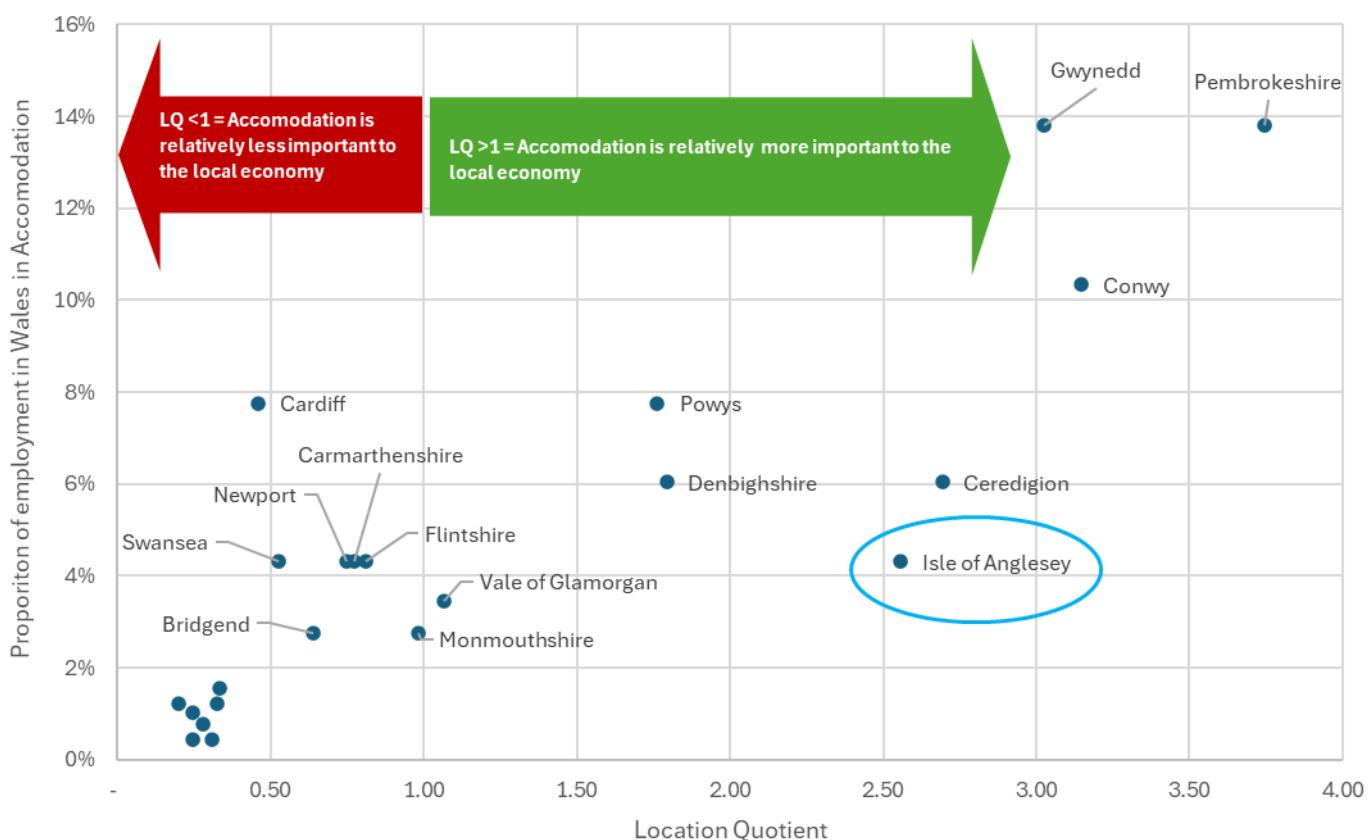
Table 5.14: Sensitivity tests

	Annual GVA	Employment
Core	-£2.1m	6-7 jobs
Lower proportion in standard accommodation	-£1.9m	9-10 jobs

## 6 Cross checking with the Welsh Government Analysis, accounting for the relative importance of tourism to Anglesey

- 6.1 We have therefore also conducted 'sense checks' which uses the overall impact of the Visitor Levy on the Welsh economy (from the Welsh Government analysis) to estimate the likely impact on Anglesey. Note this does not address the caveats with the Welsh Government analysis, or its applicability at a more local level, but it does provide additional confidence in the analysis.
- 6.2 First, it should be noted that while Anglesey has a relatively small proportion of the overall Welsh tourism market (and therefore employment), its economy is disproportionately reliant on it. This is shown in Figure 5.1 which shows that Anglesey has just over 4% of Wales' total employment in Accommodation but that it has a location quotient of 2.54 which means that accommodation is disproportionately important to the local economy.

Figure 5.1: Accommodation employment in Wales -Location Quotient and proportion of employment in Wales



- 6.3 The table below shows that based on a number of different measures (employment, bed spaces, visitors); the Anglesey tourism sector is between 3% and 7% of the Welsh tourism economy.

Table 6.1: Anglesey tourism sector as a proportion of Wales total

	Proportion of Welsh total tourism sector
Employment in Accommodation	4.3%
Employment in Accommodation and Food	3.1%
Bedspaces	5.2%
Number of domestic visitors	3.7%
Number of international visitors (excl own home and family and friends)	6.6%

6.4 As a sense check, we have applied this to the findings of the Welsh Government 2024 Appraisal, which found that:

- Across Wales, the Levy would result in between a loss of 100 and -400 jobs
- And a change in annual GVA of between -£7.5m and an increase of £11.1m

6.5 If we applied the range above (3% to 7%) we would expect an impact of between -12 and plus 7 jobs and a change in GVA of between a loss of £0.53m and a gain of £0.78m. This compares to the estimates in Section 5 of -6 to -31 FTEs<sup>14</sup> and between a loss of £0.8m to a gain of £0.09m in annual GVA.

6.6 This approach of pro-rating the Welsh Government analysis would be expected to be higher than the analysis set in Section 5 because prorating the Welsh Government analysis assumes that Anglesey claims its (relative) share of the spending of the visitor levy (once non-regional spending is accounted for).

6.7 The analysis in Section 5 assume that there is leakage of the spending of the Anglesey levy outside of Anglesey and does not account for Anglesey business 'gaining' as a result of the levy from other local authorities (for example an Anglesey business being employed on a project in Gwynedd paid for by the levy).

6.8 It should be noted that these estimates are only indicative – the approached are not like for like. Nonetheless the similarity of the figures provides confidence in the analysis set out in Section 5.

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<sup>14</sup> Note this is comparing jobs and FTEs so it's not comparing like for like

Table 6.2: Cross checking compared to Welsh Government Approach - 100% of the Levy passed on

			Pessimistic	Core	Optimistic
Employment	WG approach - Welsh level	Jobs	-400	-140	100
	WG approach - Anglesey level 3%	Jobs	-12	-4.2	3
	WG approach - Anglesey level 7%	Jobs	-28	-9.8	7
	Caveated Anglesey approach (passing Levy onto visitors) – Section 5	FTEs	-28 to -31	-16 to -18	-5 to -6
Annual GVA (£m)	WG approach - Welsh level		-7.5	2.1	11.1
	WG approach - Anglesey level 3%		-0.23	0.06	0.33
	WG approach - Anglesey level 7%		-0.53	0.15	0.78
	Caveated Anglesey approach (passing Levy onto visitors) – Section 5		-0.8	-0.3	0.09

6.9 Taking the same approach for the scenario where businesses absorb the levy, then applying the 3% to 7% range would result in between 11 and 25 additional jobs (compared to 6-7 in Section 5) and between -£1.0m and -£2.3m (compared to -£2.1m in Section 5). Again, it would be expected to be lower given the leakage applied to the spending of the levy.

Table 6.3: Cross checking compared to Welsh Government Approach – 0% of the levy passed on

			Core
Employment	WG approach - Welsh level	Jobs	360
	WG approach - Anglesey level 3%	Jobs	11
	WG approach - Anglesey level 7%	Jobs	25
	Caveated Anglesey approach (businesses absorb) – Section 5	FTEs	6-7
Annual GVA	WG approach - Welsh level		-£32.3m
	WG approach - Anglesey level 3%		-£1.0m
	WG approach - Anglesey level 7%		-£2.3m
	Caveated Anglesey approach (businesses absorb) – Section 5		-£2.1m

## 7 Conclusion

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7.1 The evidence on the impact of visitor levies on local economies is relatively limited, and there are some gaps in data, and therefore this appraisal should be read in that light.

7.2 We have sought to replicate the appraisal methods used by Welsh Government, making them relevant at a local level where possible, and including assumption and caveats transparently. We have also added sensitivity tests and sense checks to add robustness to the appraisal.

7.3 Despite the caveats associated with the evidence base and methodology, we are confident that the impact on the Anglesey will be relatively small in terms of both the impact on employment and annual GVA,

7.4 It is anticipated even with conservative assumptions (i.e. assumptions that could overestimate the negative impact) that:

- A change in employment could be between -31 and +7 – this is between a loss of -0.17% or an increase of 0.04% of employment in Anglesey.
- A change in annual GVA could be between -£2.1m and +£0.09m – this is equivalent to between a loss of -0.14% and an increase of 0.01% of Anglesey's economy.

Table 7.1: Summary of likely impacts

			Likely range
Employment	Caveated Anglesey approach (passing Levy onto visitors)	FTEs	-31 to -5
	Caveated Anglesey approach (businesses absorb)	FTEs	6-7
	<b>Combined range</b>	FTEs	-31 to +7
Annual GVA (£m)	Caveated Anglesey approach (passing Levy onto visitors)		-£0.8 to +£0.09m
	Caveated Anglesey approach (businesses absorb) – Section 5		-£2.1m
	<b>Combined range</b>		-£2.1m to +£0.09m



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# Evaluation of the Potential Impacts of the Visitor Levy on the Welsh Language

[ynysmon.llyw.cymru](http://ynysmon.llyw.cymru) [anglesey.gov.wales](http://anglesey.gov.wales)

# **Evaluation of the Potential Impact of the Visitor Levy on the Welsh Language**

## **1.0 Purpose**

To outline the potential impacts of the introduction of the visitor levy on the Welsh Language including positive and negative indicators.

## **2.0 Introduction**

This evaluation examines how a Visitor Levy—an overnight accommodation charge enabled by the Visitor Accommodation (Register and Levy) (Wales) Act 2025—may affect the Welsh language on Anglesey. The assessment brings together current data on the linguistic situation, trends in the tourism sector, and opportunities for the levy to support Welsh language vitality.

The Welsh Government has undertaken a national Welsh Language Impact Assessment and this is available via the following hyperlink –

[Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Act 2025: Welsh Language Impact Assessment](#)

They also undertook a consultation exercise as part of this assessment. 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.

## **3.0 Overview of the importance of the Welsh Language on Anglesey**

- Historically a heartland of the Welsh language, Anglesey remains one of the strongest Welsh-speaking areas in Wales.
- The Annual Population Survey identifies Anglesey as having one of the highest percentages of Welsh speakers (62.5%) in Wales.
- Menter Iaith Môn data notes that approximately 57% of residents speak Welsh, with several wards—particularly in Llangefni—recording over 80% Welsh speakers.
- 2021 Census data indicates that 47.7% of employees aged of 16 in the accommodation and food sectors are Welsh speaking.

## **4.0 Potential Positive Impacts of the Visitor Levy on the Welsh Language**

### **4.1 Strengthening Welsh Language Infrastructure and Promotion**

Levy-funded improvements could support:

- Community initiatives promoting Welsh language use
- Local cultural events, festivals, and Welsh-medium visitor experiences
- Grants to organisations delivering Welsh-medium services

#### **4.2 Supporting Sustainable Tourism That Respects Welsh Identity**

Visitor levies internationally have helped fund:

- Cultural programming
- Interpretation and signage in minority languages
- Preservation of local heritage

These could strengthen Welsh identity in the visitor experience.

#### **4.3 Mitigating Pressures on Welsh-speaking Communities**

Funding could target:

- Managing tourism pressures in communities with high proportions of Welsh speakers.
- Infrastructure (paths, car parks, public services) that currently strain community cohesion.

#### **4.4 Economic Opportunities for Welsh Speakers**

If the visitor levy boosts economic resilience in areas with relatively high rates of overnight stays where Welsh-speakers are prevalent, it could help support the delivery of one of 'Cymraeg 2050' objectives: creating favourable conditions for the Welsh language to thrive.

Tourism employment can be enriched with:

- Welsh-medium customer service training
- Encouragement for tourism businesses to use Welsh in branding
- Alignment with existing schemes (e.g. ARFOR) that link language and economic development.

## **5.0 Potential Negative Impacts**

### **5.1 Perceived Additional Burdens on Tourism Operators**

If not well-communicated, some businesses may view the levy as a deterrent to visitors, though research shows small levies rarely impact demand. This could indirectly affect Welsh-speaking employment in the sector.

### **5.2 Risk of Insufficient Reinvestment in Welsh Language Priorities**

If the allocation of levy proceeds does not consider linguistic well-being, an opportunity to strengthen Welsh use in tourism spaces may be lost.

### **5.3 Continued Pressure from High Visitor Numbers**

If levy funds are not channelled effectively, increased visitor pressure could still exacerbate demographic challenges identified in coastal communities.

## **6.0 Opportunities to Maximise Welsh Language Benefits**

To ensure strong positive impacts, Isle of Anglesey County Council could:

### **6.1 Ring-fence a Portion of Levy Revenue for Welsh Language Initiatives**

Examples:

- Welsh language community-use programmes
- Youth engagement in Welsh-medium cultural tourism
- Street-level signage and bilingual interpretation improvements

### **6.2 Develop Welsh Language Tourism Experiences**

Working with Menter Iaith Môn and local businesses:

- Expand Welsh-learning visitor experiences
- Support tours, trails, and storytelling through Welsh
- Encourage businesses to obtain the “Cynnig Cymraeg” accreditation

### **6.3 Provide Business Support and Training**

Levy revenue could support:

- Free or subsidised Welsh language training
- Bilingual branding support for tourism operators

These strengthen Welsh-medium capacity in the visitor economy.

## 7.0 Conclusion

Introducing a Visitor Levy on Anglesey has the potential to positively impact the Welsh language—provided funds are strategically invested. Anglesey's strong linguistic foundation, combined with targeted reinvestment, can:

- Enhance the visibility and everyday use of Welsh
- Strengthen community cohesion amid demographic pressures
- Support a sustainable tourism model that respects and promotes local language and culture

The levy represents a significant opportunity to align economic activity with cultural preservation and linguistic vitality.



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# Evaluation of the Potential Impacts of the Visitor Levy on the Environment

Destination  
Regulation and Economic Development

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## **Evaluation of Potential Impacts of the Visitor Levy on the Environment of Anglesey**

### **1.0 Purpose**

To outline the potential impacts of the introduction of the visitor levy on the Welsh Language including positive and negative indicators.

### **2.0 Introduction**

Anglesey's tourism offer draws heavily on the availability of high-quality natural resources and healthy ecosystems.

The main visitor usage is centred upon the island's National Landscape which encompasses large parts of Anglesey's dramatic coastline. It includes most of the island's cliffs and beaches, and much of the farmland and forests that form the backdrop to the island's coast. Anglesey maintains its status as a popular holiday destination for its expansive beaches and hidden coves. But it is also, crucially, a working landscape of farms and villages, with a varied and thriving rural and coastal economy.

- The Anglesey National Landscape (AONB) has one of the most distinctive, attractive and varied landscapes in the British Isles. It was designated as an AONB in 1966 to protect the aesthetic appeal and variety of the island's coastal landscape and habitats from inappropriate development.
- The areas designated in Anglesey are approximately 83 square miles in extent and lie along the coast of the island with breaks around the urban areas and in the vicinity of Wylfa. The coastline of Anglesey, many stretches of which are isolated, contributes much to the island's appeal. Rugged cliffs, sandy bays, marshes, dunes, the sheltered shores of Menai Strait and the windswept slopes of Holyhead and Bodafon mountains give great variety of scene.
- The AONB is predominantly a coastal designation, covering most of Anglesey's 201 kilometre coastline. It includes Holyhead Mountain and Mynydd Bodafon, along with substantial areas of land which form the essential backdrop to the coast. The total coverage of the AONB is approximately 221sq kms (22,100 hectares).

Ynys Mon National landscapes accommodates 5SACs, 3 SPAs, 1 NNRs, 32 SSSIs, and 3 LNRs

The National Landscape also encompasses the UNESCO-recognised Geo Mon Global Geopark, and is working towards Dark Sky Reserve status. It boasts one of the highest densities of Scheduled Ancient Monuments of all national Landscapes and historic landscapes, alongside iconic sites such as Ynys Llanddwyn and the cliffs of Gogarth on Ynys Cybi.

Visitors come to engage with Anglesey's areas of natural beauty, and to explore the natural environment that Wales has to offer. It is perceived as a destination for outdoor activities – a perception which is supported by the green and natural environment

While the introduction of a visitor levy itself is not intended to directly impact the environment, there may be secondary impacts from its introduction, should there be a rise or fall in tourism demand for areas that introduce a levy.

The intention of the visitor levy is not to change visitor behaviour, although additional resource to develop regenerative tourism models, and through educating visitors about the importance of the natural environment. If there is a fall in visitor numbers to Wales because of the introduction of the levy, this may in turn, have a reduction in some of the negative impacts of tourism on natural resources, which are discussed in more detail below.

### **3.0 Impacts of Over Tourism**

Tourism generally can impact negatively on natural resources through over-tourism – for example, the large numbers of visitors who visit environmentally sensitive sites including Newborough Warren and Ynys Llanddwyn, Holyhead Mountain and Y Fenai, or large volumes of people visiting the beaches during good weather.

There are numerous consequences from these activities, such as increases in litter, physical damage to the natural environment (for instance to footpaths from walkers), or heightened levels of pollution from increased traffic and parking. A recent study undertaken by Natural Resources Wales looked at key visitor areas, comparing the lockdown period in June 2020 with the busy tourist season that followed in June 2021. Although only a snapshot, the assessment showed that the increase in tourist numbers in 2021 had a negative impact on biodiversity.

#### **3.1 Main Impacts of Tourism on the Natural Environment**

- Littering and waste management challenges, as visitor numbers increase so does the amount of litter and impact on waste management services.
- Congestion, where transport infrastructure is unable to support visitor traffic in popular destinations
- Carbon emissions, caused by tourism related travel, estimated to account for 5% of all carbon emissions globally in 2016

- Soil and footpath erosion, as large volumes of tourists visit popular tourist sites tourism offer in Wales could be adversely impacted as natural environments decline and are inevitably affected by increasing footfall and traffic.

#### **4.0 Potential Positive Impacts of the Levy on the Natural Environment**

The Welsh Government suggest that positive impacts are anticipated across the Welsh economy as the tax revenue is re-spent by local authorities across Wales.

The Act proposes that the revenue is spent on projects related to destination management and improvement which includes actions that:

- mitigates the impact of visitors.
- maintains and promotes the use of the Welsh language.
- promotes and supports the sustainable economic growth of tourism and other kinds of travel.
- provide, maintain and improve infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people).

However, how local authorities using a levy intend to use the revenues will be up to elected officials in consultation with their local areas. Therefore, the revenues raised by the levy may be used to address some of these impacts, helping to ensure resources are sustainability managed. This could be done by using revenues from the levy to help preserve areas, fund local conservation projects, or mitigate the impacts of tourism – though the scale and nature of any benefits would depend on exact projects or activity funded by local authorities.

#### **5.0 Examples of Visitor Levy Funding Positive Environmental Work**

Visitor levies are used successfully in more than 40 countries and travel destinations worldwide and there are several examples of destinations that have used the revenues generated by a levy to benefit and enhance the natural environment.

New Zealand funded 10 projects in 2019-20 through its International Visitor Conservation and Tourism Levy. These projects aim to protect sensitive and ecologically valuable landscapes, upgrade visitor amenities footpaths and signs and protect endangered species.

In Iceland, a place well known for its unique environment, its natural attractions are viewed as its primary appeal to tourists. The Tourist Site Protection Fund (TSPF) finance projects that involve access to and preservation of natural tourist attractions. Typical projects include the construction of footpaths and trails; access ramps, bridges, and handrails; viewing platforms and safety barriers; parking and toilet facilities; and signage and information boards

A further example is the Black Forest community of Münstertal, who have successfully used part of its local tourist tax to promote traditional agricultural measures such as open farming, helping support nature and species protection whilst also preserving and enhancing the attractiveness of the area for tourists

There are clear benefits that a visitor levy in Wales could provide. Use of public spaces and services are integral to the overall visitor experience. Investing and maintaining these can improve the reputation of the destination benefiting visitors, residents, businesses, and Wales' natural resources.

The introduction of a levy could help address some of national challenges and opportunities for the sustainable management of natural resources, however, as previously noted, this will depend on how local authorities implementing the levy choose to spend the additional revenue.

## **6.0 Impacts on Biodiversity**

Direct impact of visitor behaviour on biodiversity is hard to accurately determine, however disturbance to wildlife from activities is unfortunately reasonably common with birds such as Chough and seabird colonies and marine life such as Dolphins most often impacted. Trampling of rare flora is also well recorded.

Biodiversity is not a direct aspect of the decision making in relation to the visitor levy, however given that the revenues arising from these taxes can be directed to fund specific projects that support the visitor economy, these could include managing any negative impacts of tourism such as environmental degradation.

Local authorities will have responsibility for spend and must account for biodiversity factors as part of their decision making in accordance with their duties under the Environment (Wales) Act 2016 Part 133.

## **7.0 Impact of Fewer Visitors**

Should fewer visitors come to Wales (or a specific local authority within Wales), then this could see a reduction in Greenhouse Gas Emissions (GHGs)<sup>34</sup>, lower levels of littering and biodiversity erosion in that area (depending on how both businesses and visitors respond). It is well recognised that tourism can impact tourist destinations in both positive and negative ways, encompassing economic, socio-cultural and environmental dimensions.

The revenues generated by a levy could be used to support this resource gap, relating directly to the maintenance and restoration of local natural environments and supporting facilities to ensure that visitors want to return to Wales, thereby potentially

increasing the levels of revenue as more tourists return to Wales over the long term and as a consequence the funding available to spend on improving the local area.

Additionally, although unintended, if visitor numbers decreased in some areas this may have a positive environmental impact including reducing pollution and other negative externalities of tourism.

There may be different impacts on different local authorities depending on the number of tourists in each area.

Alternatively, enhancing an area and its amenities using the revenue from the levy might attract more visitors, so there may be a higher amount of environmental impact, but this is difficult to estimate.

Or, if the introduction of the levy leads to visitors opting for day visits, this may exacerbate the negative environmental impacts associated with day tourism, without the funding of the revenue to help mitigate these impacts (given the charge is on overnight stays). An example could be increased traffic and pollution at hot spots including Britannia Bridge, Newborough village and in and around villages such as Benllech.

This scenario could be evident if the Levy was introduced in one authority but not in a neighbouring authority so potentially causing an increase in staying visitors in the authority who chose to adopt, and an increase in day visitors in the authority who opted to adopt the Levy.

If the enabling conditions for tourism are not protected, then this could lead to a decline in visitor numbers. The landscape and natural beauty that attracts visitors to Anglesey is that which can be most impacted by visitors. If funding is not available to ameliorate impacts, then there could be an impact on tourism attractors leading to a longer-term decline for tourism.

Additionally, some areas may wish to enhance their local offering or services provided to tackle unique local issues to the benefit of visitors and residents but lack the resources available to currently do this.

## **8.0 Conclusion**

The expectation is that the introduction of the visitor Levy could have both positive and negative impacts on the natural environment of Anglesey. If income generated is targeted at enhancements to alleviate visitor pressures, restore nature, and develop a regenerative tourism model, then the Levy could significantly enhance the environment.

Given the importance of the environment and natural beauty to attracting visitors to Anglesey, it is important that provision to protect and enhance these assets is available

so that the tourism offer does not diminish. The Levy could fulfil part of this enabling function.

If overnight visitor numbers are seen to reduce this could have a positive impact from an environmental perspective in terms reducing impacts of unsustainable visitor numbers on sites of environmental importance and neighbouring communities.

Conversely an increase in day visitors may be seen which would potentially offset these gains and reduce economic gain and the resource to manage the environmental assets effectively.