



# **GWYNEDD**

## **VISITOR LEVY PROPOSAL**

May 2026

## 1. Gwynedd Visitor Levy: the proposal

Cyngor Gwynedd is considering introducing a Visitor Levy for all eligible holiday accommodation and overnight stays as outlined in the Visitor Accommodation (Register and Levy) Etc. Act (Wales) 2025 within Cyngor Gwynedd's local authority boundaries from 1 October 2027. This will be for all accommodation providers who will have to register on a national register of accommodation providers.

The Levy will be levied at a per person per night rate as outlined in the act. The Levy will be collected by the accommodation provider. The initial rates will be as outlined in the act:

Type of accommodation	Rate (per person, per night)
Tenting campsites and shared bedrooms (hostels and dorm)	£0.75c (children under 18 exempt) £0.90p inc VAT
All other types of holiday accommodation (caravan, glamping, motorhome, self-catering, bed and breakfast, hotel, etc.)	£1.30 £1.56 inc VAT

### Exemptions

You will not be expected to pay the levy if you are:

- Under 18 and staying in a tenting campsite or shared room (such as a hostel or dorm);
- Staying for more than 31 nights in one stay; and
- In emergency or temporary accommodation arranged by a local council.

### Refunds

The following will be eligible to apply for a refund from the Welsh Revenue Authority:

- Disabled people who pay extra levy costs when they have a carer; and
- People fleeing domestic violence.

## **2. Levy Income**

### **Approach**

A variety of data sources were used to estimate the initial income from the Levy for Gwynedd. The following sources were focused on:

- Information and data from the Welsh Government, Visit Wales
- Assessments and research by the Welsh Government
- Great British Tourism Survey data
- International Passenger Survey data
- STEAM data for Gwynedd

The local authority uses STEAM data for its performance monitoring reports. However, it was considered prudent to carry out further analysis to ensure that the data being used was appropriate in determining the overall level of income that the levy would raise.

In particular this was considered because:

- All the data is still based on sample information and subject to error;
- The ability to verify estimates using alternative methods; and
- Consideration of the impact on areas such as Levy exemptions.

It should be noted, however, that STEAM data is data used nationally by the Welsh Government and is one of the common measures of tourism available.

### **Data and research**

It must be highlighted that the national data as well as the local data are open to challenge, and based on samples and multipliers.

STEAM is a tourism economic impact modelling process that measures tourism from the bottom up, through its use of local supply-side data and tourism performance and visitor survey data collection. STEAM is capable of providing robust outputs at a variety of geographical levels and, as such, has been adopted for use across the UK and abroad by tourism boards, local authorities, regional development agencies, national park authorities, and many other public and private sector organisations.

STEAM quantifies the local economic impact of tourism, from overnight and day visitors, by analysing and using a variety of inputs including visitor attraction numbers, tourist accommodation bed stock, attendance at events, occupancy levels, accommodation tariffs, macroeconomic factors, visitor spending levels, transport usage levels and tourism-specific economic multipliers.

STEAM data highlights the following in terms of the value and numbers of the tourism sector for Gwynedd for 2024:

- Economic Impact: £1.785bn
- Number of visits: 7.75m
- Number of visit days: 24.09m
- Total employment: 17,644

The most recent bed stock research carried out by Cyngor Gwynedd in 2019 shows the following with a comparison for 2011. It should be noted that these figures may have changed significantly due to Covid19 and the cost of living situation. A national registration procedure will ensure that up-to-date information is available in the future for these figures:

	2019 Figure	2011 Figure	% Change since 2011
Organisations not including AirBnB	3,212	2,807	+14.4%
AirBnB Organisations*	745	-	-
<b>Total Organisations</b>	<b>3,957</b>	<b>2,807</b>	<b>+40.9%</b>
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Visitor Beds not including AirBnB	132,924	125,273	+6.1%
AirBnB Visitor Beds*	3,661	-	-
<b>Total Visitor Beds</b>	<b>136,585</b>	<b>125,273</b>	<b>+9.0%</b>

Based on the Economic Impact Assessment (see Chapter 8 for further details) the visitor levy would raise approximately £2.8m, of which up to £2.5m would be retained by Cyngor Gwynedd to be spent in the local area (in accordance with the Act), assuming that up to 10% of the revenue is used to cover the operating costs of the Welsh Revenue Authority.

The method set out to calculate this amount allows for a reduction in demand in response to the visitor levy – this reduction results in a slight reduction in revenue, but remains in the range of £2.7m to £2.8m in total, and between £2.4m and £2.5m once the contribution to the operating costs of the Welsh Revenue Authority is excluded.

In fact, the revenue collected could be higher than this for a number of reasons:

- This assumes that the number of visitors is stable based on 2024 data, and that the only change is a decrease in the number of visitors (or nights of stay) as a result of the levy. In fact, Gwynedd's visitor economy could grow (with or without the levy). Gwynedd's tourism market has been growing since the Covid pandemic, and this could continue. There is also evidence of year-on-year growth in tourism in locations that have introduced a visitor tax (see Bangor University's Economic Impact report).
- The visitor levy will enable Cyngor Gwynedd to invest in activities in accordance with the Act, including promoting and supporting the sustainable economic

growth of tourism, and providing, maintaining and improving infrastructure, facilities and services for use by visitors. This investment itself is likely to drive an increase in the number of visitors. Conversely, there could be a decrease in the number of visitors if this investment was not made through the visitor levy.

- STEAM data suggests that Gwynedd's current visitor economy is significantly larger, which would result in higher revenues.

	<b>Main Analysis</b> Core scenario (elasticity of -0.74)	<b>STEAM</b> (elasticity of -0.74)
<b>Revenue (excluding VAT)</b>	<b>£2.8m</b> <i>£2.5m including contribution to WRA</i>	<b>£12.4m</b> <i>£11.2m including contribution to WRA</i>

### **Proposed Levy Budget in Gwynedd 2027/28**

It is suggested that the proposed budget for Gwynedd should be calculated on a conservative figure of **£2.5m** in the first year that the Levy is implemented locally, but it is anticipated that this figure will be higher given the gaps in the data and the huge difference between the data figures used. It is only when a Levy is implemented in Gwynedd that we will know, with certainty, how much money will be collected.

### 3. Proposals for the use of Levy income in Gwynedd

Use of the Levy is restricted for the purposes of 'destination management and improvement'. In the Welsh context the following areas are highlighted in the act:

- a. mitigate the impact that visitors have;
- b. maintain and promote the use of the Welsh language;
- c. promote and support the sustainable economic growth of tourism and other forms of travel;
- d. provide, maintain and improve infrastructure, facilities and services for visitor use (whether or not they are also for use by local people).

The act states that local authorities must give details at the end of a financial year in a publication highlighting how much income has been collected and how that income has been invested in order to manage and improve a destination.

Given that Cyngor Gwynedd, Eryri National Park Authority and Conwy County Borough Council have adopted the Gwynedd and Eryri 2035 Strategic Plan (G+E2035) which identifies a clear vision, principles and objectives to support a sustainable visitor economy in the area – these priorities are intended to be used to prioritise investments from the levy in Gwynedd.

Our vision within the plan is:

***"A visitor economy for the benefit and well-being of the people, environment, language and culture of Gwynedd and Eryri".***

3 principles have been agreed to realise the vision:

1. Celebrate, Respect and Protect our Communities, Language, Culture and Heritage
2. Maintain and Respect our Environment
3. Ensure that the benefits to the communities of Gwynedd and Eryri outweigh any disadvantages

An Annual Action Plan is being developed to implement the Strategic Plan in response to Gwynedd residents' questionnaire on tourism, the Gwynedd business questionnaire as well as the work of Ardal Ni plans and priority workshops held with members of the Gwynedd and Eryri 2035 Partnership.

In Gwynedd levy investment schemes could focus on some of the following activities:

Principle and Objective of G+E2035	Examples of potential activity that could be funded through the Levy in Gwynedd
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<p><b>Celebrate, Respect and Protect our Communities, Language, Culture and Heritage:</b></p> <ul style="list-style-type: none"> <li>• A visitor economy in the ownership of our communities with an emphasis on pride in one's area</li> <li>• A visitor economy that is world-leading in Heritage, Language, Culture and the Outdoors</li> </ul>	<ul style="list-style-type: none"> <li>✓ Campaigns to promote culture and the Welsh language</li> <li>✓ Promoting a sense of place and a Welsh Offer for businesses via training</li> <li>✓ Projects to conserve built and living cultural heritage</li> <li>✓ Support for the Slate Landscape World Heritage Site and its activities</li> <li>✓ Support cultural activities and events</li> <li>✓ Support the Welsh Language</li> </ul>
<p><b>Maintain and Respect our Environment</b></p> <ul style="list-style-type: none"> <li>• A visitor economy that respects our natural and built environment and considers the implications of visitor economy developments on our environment today and in the future</li> <li>• A visitor economy that is world-leading in sustainable and low carbon developments and infrastructure and when responding to the climate change emergency</li> </ul>	<ul style="list-style-type: none"> <li>✓ Improved public transport to serve communities and individuals who want to commute to work – extra buses and later in the evening</li> <li>✓ Basic infrastructure (bins / refuse collection / toilets / street hygiene etc.)</li> <li>✓ Maintain popular routes and create new ones.</li> <li>✓ Protect habitats e.g. seas and waters</li> <li>✓ Bespoke interpretation</li> <li>✓ Support for environmental conservation projects</li> <li>✓ Campaigns and support for a plastic-free sector</li> <li>✓ Car charging points</li> <li>✓ Bathing water or clean beaches schemes.</li> </ul>
<p><b>Ensuring that the benefits to the communities of the area outweigh any disadvantages</b></p> <ul style="list-style-type: none"> <li>• A visitor economy that ensures that infrastructure and resources contribute towards the well-being of the community all year round</li> <li>• A visitor economy that thrives for the well-being of Gwynedd residents and businesses and that offers quality employment opportunities for local people all year round</li> <li>• A visitor economy that promotes local ownership and supports local supply chains and produce</li> </ul>	<ul style="list-style-type: none"> <li>✓ Grant packages to support businesses, events and communities</li> <li>✓ Visitor campaigns to extend the season, promote the area's special qualities and encourage respect and safety.</li> <li>✓ Develop bespoke packages and tours to visit the area and reduce pressure on busy areas</li> <li>✓ Support for e.g. Mountain and maritime Rescue Teams</li> <li>✓ Improve infrastructure e.g. toilets, Arosfan (overnight stay scheme), car parks, stations, access to location etc.</li> </ul>

	<ul style="list-style-type: none"><li>✓ Extend the hours of wardens or enforcement officers</li><li>✓ Promote or support regenerative tourism efforts, i.e. Tourism that has a positive impact on local communities and the environment.</li><li>✓ Training or development of skills or activity related to tourism.</li><li>✓ Develop a local produce package</li><li>✓ Schemes to support sustainable tourism growth.</li><li>✓ Provide information to visitors.</li></ul>
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#### **4. Establishing a Visitor Levy Partnership Forum in Gwynedd**

Local Authorities introducing a Levy in their area are expected to establish a Levy Partnership Forum to discuss issues relating to the Levy locally. In particular, the Forum is expected to provide information and advice on how investment from the Levy income should be prioritised for destination management and improvement in the area.

The Forum's views should inform the decision-making process regarding the investment of the Levy income and the Council should take into account any information or advice provided by the Forum in making decisions.

A Local Authority must take reasonable steps to ensure that the Forum is made up of representatives from:

- Organisations representing businesses working in tourism, or operating in related activities within the main Council area;
- Organisations that promote or facilitate tourism in the main Council area; and
- Other relevant local bodies and representatives with an interest in tourism or visitor accommodation in the main Council area that the council feels are relevant.

The Gwynedd and Eryri 2035 Partnership has already been established in Gwynedd to support a sustainable visitor economy in the area.

The Partnership is open to anyone interested in the visitor economy in Gwynedd and includes representatives from the private, community and public sectors.

The Gwynedd and Eryri 2035 Partnership meets to:

- Be a voice to ensure ownership of the Gwynedd and Eryri Sustainable Visitor Economy Plan by the main stakeholders of the visitor economy.
- Discuss, give opinions and monitor the implementation of the Gwynedd and Eryri Sustainable Visitor Economy Plan 2035, its indicators and its Action Plan.
- Be a sector liaison forum and share information with the sector;
- Identify Priorities and issues to report to the Action Group;
- Be a voice for the sector in prioritising any funding opportunities that may be available;
- Oversee the Terms of Reference and Membership of the Partnership modifying it as necessary with the approval of the Steering Board;
- Give the sector a voice on the Strategic Board where appropriate to ensure the successful implementation of the Plan and its implementation structures.

The Partnership is independent of Cyngor Gwynedd and Eryri National Park but is a formal part of the operating structure reporting to the Strategic Board.

The Partnership will be expected to comment and make recommendations on the implementation of the Gwynedd and Eryri 2035 Plan, its implementation structures and the priorities of the Levy to the Strategic Board through the Co-Chairs or Co-Vice-Chairs.

### **Identify Levy Investment Priorities**

It is planned to hold an annual discussion/workshop within the G&E2035 Partnership in order to identify potential priorities and projects for investing the Levy. Priorities and projects will be influenced by:

- Gwynedd Residents' Survey
- Gwynedd Business Survey
- Feedback from 'Ardal Ni' (Our Area) Forums
- Visitor Survey (when held)
- Partnership members' views on current issues
- Identified strategic priorities



### **Proposed membership of the Gwynedd Visitor Levy Partnership Forum**

The Partnership's voice and the priorities/projects raised in the workshop will be summarised and packaged for discussion, amendment and agreement as recommendations in the Strategic Board for presentation to the Cabinet of Cyngor Gwynedd.

As the Strategic Board also covers part of Conwy, Conwy County Borough Council will not be involved in this prioritisation discussion – although the priorities could also apply to the Conwy Levy Partnership Forum if they establish a Levy in the county.

**Proposed Forum Members** (formerly the G&E2035 Strategic Board **excluding** a formal voice for Conwy)

Gwynedd + Eryri 2035 Co-Chairs (x2) – representing the whole partnership

The Leader of Cyngor Gwynedd

Cyngor Gwynedd Cabinet Member for Economy and Community

Chair of Eryri National Park Authority

Chief Executive, Eryri National Park Authority

North Wales Tourism Representative

Mid Wales Tourism Representative

Cyngor Gwynedd Officers (x2)

Eryri National Park Authority Officers (x2)

Observers: Visit Wales + Welsh Revenue Authority

Final decisions on the use of the Levy income will be the responsibility of the elected members of the Cabinet of Cyngor Gwynedd considering the recommendations of the G&E2035 Strategic Board.

Annual schedule of meetings:

<b>Month</b>	<b>Group</b>	<b>Purpose</b>
November	G&E 2035 Partnership	Review previous term. Scoping workshop and identify priorities for the future.
March	G&E2035 Strategic Board	Agree recommendations, priorities and projects to be submitted to Cyngor Gwynedd's Cabinet. Report on the implementation of the Levy.
May	G&E 2035 Partnership	Report on the implementation of the action plan. Report on the implementation of Levy and income. Share this season's information. Training
September	G&E2035 Strategic Board	Monitor the progress of implementation. Report on the implementation of the Levy. Identify potential strategic issues that may be prioritised in the future.

**Identification of Levy priorities using existing structures:**

**Cyngor Gwynedd Cabinet**  
Determine the priorities

**G&E 2035 Strategic Board**  
Agree and recommend priorities

**Gwynedd and Eryri 2035 Partnership**  
Annual workshop to identify issues and potential responses

**5. Annual Reports**

Local Authorities are expected to publish a report in each financial year in which they have received the Levy income. The annual report must:

- State how income from the Levy is earmarked;
- State the total amount of income collected through the Levy and received by the Local Authority;
- State the net revenue received after costs have been taken into account;
- Provide details of how the income of the year in question has been invested for destination management and improvement;
- Provide an assessment of the impact of those projects on businesses and communities;
- Consideration could be given to including details of how money is intended to be invested in the future – particularly in cases where income is carried over to another financial year.

An annual report is expected to be published as soon as possible after 30 June following a financial year on the Local Authority's website.

#### Monitoring and evaluation

Once a Levy is operational in an area, a Local Authority will need to assess the impact of the Levy on its area to ensure there are no adverse or negative side effects. The Guidance states that Local Authorities can monitor impact through a number of methods including:

- A cost-benefit analysis of the projects, programmes or activities funded through the Levy.
- Surveys, interviews and stakeholder engagement (e.g. Feedback from the Partnership Forum).
- Analysis of trends, consideration of visitor numbers and flow.
- Analysis of trends of visitor accommodation provision in the area.

Indicators at a local level will need to be considered for Levy investment decisions. These may be in line with indicators that have been identified and are being developed for the G&E2035 Plan:

<b>GE01</b>	% of the County's residents surveyed who stated that tourism in their area has a positive result
<b>GE02</b>	% of the County's residents surveyed who believed that tourism has a positive influence on the Welsh language and culture
<b>GE03</b>	% of businesses and visitor economy enterprises that have been awarded a GandE2035 Sustainable Tourism Champion accreditation
<b>GE04</b>	Number of individuals registered on the Gwynedd and Eryri Ambassador scheme

<b>GE05</b>	% of the County's residents who were surveyed state that tourism has a negative influence on the environment and nature
<b>GE06</b>	Number of Sherpa service users (seeking to identify further transport and environment measures)
<b>GE07</b>	Overnight visitor spend
<b>GE08</b>	Day visitor spend
<b>GE09</b>	Number employed within the tourism sector

It will also be necessary to monitor:

- Total numbers of visitors staying overnight
- Hotel occupancy rates

Indicators for investments from Levy income in Gwynedd could vary based on the priorities that will be supported, but could include for example:

- Number of projects to support a sustainable visitor economy (culture / language / environment / tourism regeneration)
- Number of sustainable visitor economy support grants allocated
- Total £ investment attracted through projects funded through the Levy
- Number of campaigns promoting supported G&E2035 principles
- Reach of supported campaigns
- Additional expenditure from supported campaigns
- Satisfaction of visitors to Gwynedd
- Km of routes created or improved
- Number of additional opening hours of public toilets
- Number of additional bus services created
- Attendance at events and training held through Levy income
- etc.

## 6. Consultation Process

A Local Authority is expected to undertake a consultation process based on the "Gunning" public consultation principles before submitting a 12 month notice.

The consultation should set out the case for introducing a levy outlining the potential benefits and offer suggestions on how the levy could be invested for the benefit of the local area, businesses, residents and visitors. The guidance states that:

- The consultation must be at a formative stage;
- Sufficient information is provided to allow for intelligent consideration and response;
- Adequate time is given for consideration and response;
- The decision-making body must conscientiously take into account the responses from the consultation.

The consultation materials must be clear and accessible, timescales should be realistic and feedback should be genuinely considered when formulating the final policy. A Local Authority should then consult with communities about its proposals to consider the responses when making a decision on the adoption of the Levy.

This document is the Gwynedd Visitor Levy Proposal.

### The consultees

The Guidance identifies the following as mandatory consultees that should be included:

- **Local people**, i.e. people who live, work or study in the Local Authority area.
- **Community Councils** in the Local Authority area.
- **Public services board** (according to Section 4 of the Well-being of Future Generations (Wales) Act 2015 for the Local Authority area).
- **The principal council for an area adjoining the consulting council**, i.e. neighbouring councils, so that they are aware of the plans. The authorities may also wish to consider whether there are any opportunities for collaboration. In the case of Gwynedd this includes Anglesey, Conwy, Denbighshire and Powys.
- **National Park Authority** for a National Park any part of which is in the Local Authority area
- **Corporate Joint Committee** which includes as a member at least one senior executive member of the principal council.
- **Organisations representing businesses working in the tourism sector**, or participating in tourism-related activities, in the principal council area; and/or promote or facilitate tourism in the council area.
- **Where there is a proposal to introduce the levy**, the consultation should include all persons identified in the report by virtue of section 47(5)(c) of the Act (which refers to

the proposed membership of the visitor levy partnership forum) who is not otherwise a mandatory adviser.

### **Consultation framework**

In the case of Gwynedd the consultation period would take place over 08 weeks between May and July 2026 and would include:

- Online questionnaire for businesses, residents and visitors
- Special events (one in each of the 3 areas of Gwynedd and one on-line)
- Pop-up and drop-in sessions within the 3 areas of Gwynedd
- Gwynedd and Eryri 2035 Partnership Meeting

The results of the consultation will serve as consideration for the final impact assessments as well as taking into account the Council's decision on whether or not to adopt the Levy.

### **Communication and Engagement Plan**

A Communication and Engagement Plan is planned to establish formal arrangements within the Council and with partners to communicate and engage on the development of the overnight accommodation registration procedure and the Levy within Gwynedd.

The Welsh Government and the WRA have provide statutory guidance to address this area.

## 7. Local Impact Assessments

### Economic Impact

The introduction of a Visitor Levy could have three conflicting effects on the local economy:

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

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

- Spending should focus on those fields that increase sustainable tourism;
- The level of the Levy should be set to ensure that the effects on demand are small; and
- Administrative costs are reduced.

On the first point, it is also important to ensure that the Levy achieves additionality in terms of expenditure.

### The importance of the visitor economy to the economy of Gwynedd

The visitor economy sector is important to the economy of Gwynedd.

Gwynedd and Eryri are home to iconic natural and heritage attractions, which include Yr Wyddfa, the National Park, the Llŷn Area of Outstanding Natural Beauty (AONB), one of the longest sections of the Wales Coast Path, blue flag beaches and marinas, the largest forest in North Wales, over 100 lakes, World Heritage Sites and the Dyfi Biosphere.

There are 17 National Nature Reserves in Eryri; more than in any other national park in Wales; and 56 Sites of Special Scientific Interest. The vast biodiversity reflects the variety of the landscape, geology, climate and land management methods. The wealth of plants and animals is fundamental to the history, culture, language, economy and continual well-being of everyone who lives in and visits the area.

There are a number of high standard businesses, attractions and food and drink producers here that have invested heavily over the past decade providing unique experiences for residents and visitors. The outdoor and heritage sectors are two of the county's strongest sectors.

The area is a stronghold of the Welsh language with over 64% of the population speaking Welsh fluently according to the 2021 census.

For centuries, the area has attracted visitors who have been fascinated by our natural and built environment and our communities.

The visitor economy has an important contribution to make to the economy and communities of Gwynedd and Eryri - this contribution needs to be balanced and sustainable in order to protect our communities, our environment, language and culture for future generations. Data and research highlight the need for a better balance in the visitor economy and within the economy generally in the Gwynedd and Eryri National Park area.

As part of the development of the Gwynedd Levy Proposal, an Economic Impact Assessment was commissioned to assess the impact of introducing a Levy locally.

In terms of the size of the sector in Gwynedd, the Welsh Government's analysis uses the Great Britain Tourism Survey (GBTS) and the International Passenger Survey (IPS) for the period 2022 to 2024 – this is also the guidance provided to local authorities.

This results in an average of 0.87 million visits, with 3.6 million bed nights, supporting £250 million of spending. It should be noted that this includes all journeys, including those staying in accommodation that is not covered by the levy (for example, staying with friends and family).

It should be noted that this dataset showed a decrease in the number of bed nights and expenditure compared to pre-Covid averages (2017–2019) and the data used in the Welsh Government Consultation Document. This decrease could be partly due to a change in the data collection methodology, but it is also due to a real decrease in tourism in Gwynedd.

However, using the 2022–24 average does not take into account the more recent growth (or potential future growth) in the number of bednights and spending. Therefore, a sensitivity test using 2024 bednights and spending data is included.

Also included is a sensitivity test using STEAM data, which has much higher visitor numbers and levels of expenditure – this is likely to overestimate the impact of the levy, but it is included for completeness, and because it is noted that the rural nature of Gwynedd could mean that the GBTS and IPS underestimate visitor numbers.

It must be noted that the quality and reliability of the data available at a national level not to mention the Gwynedd level in order to assess the impact of the introduction of a Levy is extremely challenging and limited as it does not exist in many cases.

For a number of years the Council has considered how visitors could make a contribution to supporting a sustainable visitor economy in the County – including the Benefiting from Tourism project during 2019. Of all the possible options considered at

the time – from voluntary donation from visitors, the establishment of a Tourism Business Improvement District to the establishment of a Visitor Levy – the Levy proved to be the most effective means of generating income to support a sustainable visitor economy in the area as it was then assumed that it could raise up to £9m of additional income per annum (based on STEAM 2017 (Scarborough Tourism Economic Activity Monitor) visitor data).

Taking into account the research undertaken by the Welsh Government in the development of the bill, as well as previous research and draft guidance that has been received from the Government, the Economy and Community Department is working with the Isle of Anglesey County Council and Conwy County Borough Council and has commissioned an economic impact assessment of introducing a Levy in our areas. The results consider research from Bangor University's Business School into models of levy implementation in international destinations on economic impact on those communities

The jointly commissioned impact assessment follows Welsh Government guidance and uses similar models used by the Government in the development of national impact assessments. The data used is based on International Passenger Survey and Great British Tourism Survey figures for the years 2022-2024. Consideration is also given to STEAM data as part of the assessment.

This research focuses on:

- The research and studies prepared by the Welsh Government in its assessment
- Review of any other existing studies
- Impact assessment at Gwynedd level – but with many conditions and caveats.
- Cross-referencing back to Government work
- Conclusion on the possible impact.
- Review of the draft impact assessment following the consultation process

The economic impact assessment concludes that the effects of the levy on Gwynedd would be relatively small. The following are noted:

*The evidence base on the economic impact of visitor levies is relatively limited, due to a lack of relevant evidence of the impact of visitor levies from elsewhere, coupled with gaps and uncertainty in the data. As a result, the national assessment includes a significant number of caveats and relies on wide ranges of estimates. Assessment at local level faces further challenges, as a result of more prominent data gaps and an even less advanced evidence base on the impact of visitor levies at local level (compared to the national level).*

*The main conditions/caveats relevant to the assessment at a local level are:*

- *There is significant uncertainty about the elasticity of demand. While this is already the case at an all-Wales level, the uncertainty is even more evident when applied at the Gwynedd level.*
- *There are various data sources for estimating the current size of Gwynedd's visitor economy. The main analysis uses the International Passenger Survey (IPS) and the Great British Tourism Survey (GBTS), in line with the Welsh Government's assessment and guidance provided to local authorities. STEAM data shows a significantly larger visitor economy; the implications of this are set out in the report.*
- *At a national level, it can reasonably be expected that the majority of visitor spending will be kept within Wales. This is not necessarily the case at the level of a smaller area; for example, some spending by visitors to Gwynedd may take place in Conwy or Anglesey (and vice versa).*
- *Similarly, it is likely that a higher level of leakage will be associated with levy-funded expenditure, as some businesses benefiting from levy-funded contracts may be located outside Gwynedd.*
- *The assessment at a national level (necessarily) assumes that the levy will be introduced throughout Wales. At the Gwynedd level, the effects will differ depending on whether the levy is introduced by only one local authority, or whether neighbouring authorities also implement it.*

*Therefore, the assessment at Gwynedd level is appropriately conditioned, and should be read in the context of the gaps in the data and the relatively limited evidence base, particularly at a local level.*

*However, we are confident that the impact on Gwynedd will be relatively small, both in terms of employment and Gross Value Added (GVA). We have adopted an approach broadly similar to the Welsh Government's analysis in order to determine the bookends for the likely range of these effects.*

*Within this main analysis, the assumptions made are generally conservative in assessing the impact on the economy (i.e. they tend to overestimate the potential negative impact). For example, it is assumed that Gwynedd loses all visitor spending, when some of that expenditure would in fact have taken place outside Gwynedd (for example, when visitors staying in Gwynedd spend money in other local authorities on day trips). It is also assumed that there is some loss of economic activity outside Gwynedd as a result of levy spending, whilst at the same time assuming that Gwynedd businesses do not benefit from contracts arising from visitor levy expenditure in other local authorities.*

*Similarly, the analysis assumes that there is no growth in the visitor economy and allows for a decrease in the number of visitors as a result of the introduction of the levy. In practice, if the visitor economy were to grow, the funding raised through the*

*levy would increase, and the expenditure of the levy itself could stimulate higher tourism through a better visitor experience. This would help maintain and enhance Gwynedd's competitiveness as a tourist destination. There is evidence of year-on-year growth in visitors at other locations where visitor levies have been introduced.*

*Any growth in the visitor economy would also offset any losses to the economy (in terms of jobs and GVA) arising from visitors who do not come as a result of the levy, and would also increase the revenue raised through the levy.*

*Nevertheless, on the basis of this approach, the effects of the levy are estimated to be relatively small. Even with these conservative assumptions (i.e. assumptions that could overestimate any negative impact), it is estimated that the levy could lead to:*

*Change in employment between -50 and +21 jobs – equivalent to a loss of around -0.1% or an increase of around 0.04% of employment in Gwynedd.*

*Change in annual GVA between -£2.7m and +£0.4m per annum – equivalent to a loss of around -0.1% or an increase of less than 0.01% of Gwynedd's economy.*

*Annual revenues of between £2.4m and £2.8m.*

*This range, which ranges from a relatively small negative impact to a relatively small positive impact, reflects the findings of the Welsh Government's Assessment, which also concluded that the impact on a national scale is likely to be between a small negative impact and a small positive impact.*

*STEAM data estimates that Gwynedd's current tourism economy is significantly larger than that indicated by the IPS and GBTS; if STEAM data were used, the effects of the levy would be about 4 to 5 times greater. This underlines the uncertainty in the data, and therefore the inherent uncertainty in predicting the impact of the levy.*

## **8. Equality and Language Impact Assessment**

The table below summarises the findings of the equality impact assessment against protected characteristics:

Protected characteristic	Possible impacts	Possible mitigation where necessary
Age	<p>The Welsh Government concludes that there are 'no' potential direct effects in terms of Age once mitigating measures (including the under 18 exception for lower limit accommodation) are considered. It is not anticipated that there would be any Gwynedd specific characteristics that would alter the findings of the Welsh Government Equality Impact Assessment (WG EQIA.)</p> <p>Potential impacts are associated with a higher proportion of older visitors to Gwynedd, and a young workforce, but any effects of the levy are likely to be small – and will be to some extent offset by the levy expenditure.</p>	<p>People under the age of 18 are exempt from the levy for lower-rate stays.</p> <p>Future use of the levy</p>
Disability	<p>WG EQIA noted that it could be interpreted as indirect discrimination to charge a visitor levy on carers travelling with a disabled person in need of care as part of their visit but that the option (excluding an exemption) was a proportionate response.</p> <p>Once a mitigation measure (including a refund for a person in receipt of disability benefit) has been included, no other impacts have been identified and it is not anticipated that there would be any Gwynedd specific characteristics that would alter WG EQIA findings.</p>	<p>A refund mechanism for people in receipt of disability benefit who are travelling with a person providing care, support or assistance.</p> <p>Future use of the levy</p>
Gender reassignment	<p>The Welsh Government concludes that there are 'no' potential direct effects in terms of gender reassignment. It is not anticipated that there would be any Gwynedd specific characteristics that would alter the findings of WG EQIA.</p>	<p>Stays in private hospitals are exempt from the levy.</p>

Protected characteristic	Possible impacts	Possible mitigation where necessary
Marriage and civil partnership	<p>The Welsh Government concludes that there are 'no' potential direct effects in terms of Marriage and Civil Partnership.</p> <p>It is not anticipated that there would be any Gwynedd specific characteristics that would alter the findings of WG EQIA.</p>	No potential impacts were identified
Pregnancy and maternity	<p>The Welsh Government concludes that there are 'no' potential direct effects in relation to Pregnancy and Maternity. It is not anticipated that there would be any Gwynedd specific characteristics that would alter the findings of WG EQIA.</p>	No potential impacts were identified
Race	<p>Visitors to Gwynedd and workers in the delivery, hotels and restaurants sector are more likely to be white, than the Welsh average.</p> <p>The Welsh Government concludes that there are 'no' potential direct effects in terms of Race. It is not anticipated that there would be any Gwynedd specific characteristics that would alter the findings of WG EQIA.</p>	<p>Gypsy, Roma and Traveller sites provided by a local authority or registered social landlord are exempt from the 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>

Protected characteristic	Possible impacts	Possible mitigation where necessary
Religion and belief	<p>The Welsh Government concludes that there are 'no' potential direct impacts in relation to Religion and Belief. It is not anticipated that there would be any Gwynedd specific characteristics that would alter the findings of WG EQIA.</p>	<p>The Welsh Revenue Authority (WRA) will offer non-digital processes to cater for those whose faith may limit digital engagement.</p> <p>Free accommodation is exempt from levy and there is a lower levy on stays in lower rate accommodation.</p> <p>Future use of the levy</p>
Gender	<p>The Welsh Government concludes that there are 'no' potential direct effects in relation to Gender. There are no characteristics specific to Gwynedd that would change the WG EQIA findings.</p> <p>It is not anticipated that there would be a disproportionate or discriminatory impact in Gwynedd as a result of the levy on women (or men) working in the tourism sector.</p>	<p>No potential impacts were identified</p>
Sexual orientation	<p>The Welsh Government concludes that there are 'no' potential direct effects in terms of Sexual Orientation. It is not anticipated that there would be any Gwynedd specific characteristics that would alter the findings of WG EQIA.</p>	<p>No potential impacts were identified</p>

Protected characteristic	Possible impacts	Possible mitigation where necessary
Language	<p>According to the Welsh Government assessment, impacts on the Welsh language could appear if the levy reduces the competitiveness and profitability of the tourism sector, which employs Welsh-speakers, including those visitors from holding educational visits to destinations in Wales.</p> <p>The levy could support the tourism industry and employment opportunities or enterprises in Welsh language regions.</p> <p>It is likely that there will be a very small impact/no measurable impact due to the levy on the use of Welsh except for realising that there may be fewer opportunities to use Welsh should there be a loss in terms of the demand. There is no evidence to show that people will leave their communities due to the tourism levy.</p>	<p>Future use of the levy to support the Welsh language and the use of the Welsh language in our communities and businesses</p>

Protected characteristic	Possible impacts	Possible mitigation where necessary
Socio-economic Disadvantage	<p>According to the Welsh Government integrated assessment, higher taxes may prevent travellers who are on a budget or individuals on a lower income from visiting areas that adopt a levy, raising possible concerns about fairness and inclusivity. However, the levy has been planned with two rates that will be applied per person, per night. The basic rate will be £1.30 for most types of accommodation and the lower rate for hostels and camp-sites will be £0.75. Adding a lower rate acknowledges that the cost of this type of accommodation is lower compared to others. In addition, young people aged under 18 years of age will not be included in the fee calculated for the tourist levy for lower-rate stays. This means that they will not have to pay the levy when it is transferred by a provided that will not be included in the levy's calculations (i.e. there is no levy to transfer).</p>	<p>Welsh Ministers can assess and change the rates set out in the legislation to mitigate impacts.</p> <p>Future use of the Levy to support improvements to the local area, by using the revenue to help maintain and regenerate local services and infrastructure.</p>

### Environmental Impact Assessment

Gwynedd is home to a wide range of environmentally sensitive assets, including:

- Areas of outstanding natural beauty and landscapes of national importance.
- Fragile ecosystems subject to seasonal pressures due to high numbers of visitors.
- Historic towns and villages where over-tourism can affect the quality of the living environment and built heritage.

The Council's documents already recognise that these pressures need to be managed in order to ensure the long-term sustainability of Gwynedd's visitor economy.

997 Gwynedd residents responded to the Gwynedd Residents' Questionnaire: Views on Tourism in 2025. Of the 380 that believed that tourism had a negative impact the following responses were noted relevant to the Environment:

- 26.1% believe that tourism has a negative influence on the environment and nature
- 31.4% believe that tourism has a negative influence on the cleanliness of public spaces
- 31.6% believe tourism has a negative influence on litter

If a Levy were to be established in Gwynedd, priority would be given to Environmental Schemes from the choice of potential investment areas (Environmental/Community/Culture and Language/Infrastructure/Destination Management).

## **Potential Environmental Impacts**

### **Positive Impacts**

The introduction of a Visitor Levy could generate a number of environmental benefits, including:

- Better management of popular destinations, by investing in infrastructure such as paths, waste facilities and sanitation facilities.
- Investing in landscape conservation, biodiversity and natural heritage, mitigating damage resulting from over-tourism.
- Encouraging more sustainable tourism, by shifting the focus from growth in numbers to the value and quality of the visitor experience.
- Improving the public transport links offer to locals and visitors.

The proposed use of the income to improve the local environment has been highlighted in the Council's presentations and papers on the levy.

### **Potential Negative Impacts**

There may be some negative impacts or indirect risks, including:

- Changes in visitor patterns, which could shift pressure towards less-prepared areas if visitors are looking for cheaper options.
- A risk that a slight reduction in the number of visitors could lead to indirect economic consequences, with potential implications for continued investment in environmental management if income is not clearly ring-fenced.

In addition to the impacts noted above, there is a risk that the introduction of a Visitor Levy on overnight stays could reinforce some inappropriate tourism behaviours, if not implemented alongside appropriate control and enforcement measures. Specifically:

- A potential increase in unauthorised wild camping, particularly in environmentally sensitive areas, which can lead to:
  - Damage to natural habitats and biodiversity.
  - An increase in waste, human excrement and water pollution.
  - Additional pressure on footpaths, common land and protected sites.
- Illegal parking of motor homes and camper vans overnight, especially on narrow lanes, in coastal areas and near popular destinations, with the following consequences:
  - A negative visual impact on the landscape and natural heritage.
  - Blocking access for local residents, emergency services and agricultural activity.
  - Additional pressure on local facilities not designed for overnight stays.

- A risk that some visitors, in attempting to avoid the costs of registered accommodation, may move towards unregulated types of stays, undermining the aims of the levy in terms of:
  - Creating a more sustainable visitor economy.
  - Ensuring that visitors contribute fairly to the costs of managing and maintaining the environment.

These problems have already been recognised as part of the wider discussion about tourism management and visitor pressure on Gwynedd's communities, and without appropriate intervention they could increase as a result of unintentional behavioural changes.

### **Mitigation and Improvement Measures**

In order to reduce negative impacts and reinforce environmental benefits, it is recommended:

- To earmark a certain proportion of the levy income for environmental projects and destination management.
- To regularly monitor the impacts of the levy on visitor flow and environmental pressures, adapting policies if necessary.
- To work in partnership with local communities, environmental organisations and the tourism sector to ensure investments target the areas of greatest need.
- To use the levy income on designated motor home parking schemes, improved enforcement and management, and sustainable camping infrastructure where appropriate.

The intention to establish local governance and partnership arrangements has already been identified in the policy work related to the levy.

The assessment shows that the Visitor Levy in Gwynedd has the potential to have a significant positive impact on the environment, provided that the income collected is strategically and transparently invested in destination management and the protection of natural assets.

With appropriate mitigation measures, it can be ensured that the levy contributes to a sustainable visitor economy that protects the environment for the benefit of present and future generations.

### **Social Impact Assessment**

Gwynedd is a county:

- With communities of strong Welsh identity, language and culture
- That experiences significant seasonal pressures in some areas due to high levels of visits
- Where tourism contributes positively to employment, but can also:

- Increase pressures on local services
- Impact on housing affordability and community cohesion
- Create tensions between the needs of visitors and residents
- 997 Gwynedd residents responded to the Gwynedd Residents' Questionnaire: Views on Tourism in 2025, noting the following responses relevant to social elements:
  - 69.5% live in a community that is frequently visited by tourists
  - 74.1% believe that tourism has more positive consequences than negative consequences on their community
  - 85.7% believe there is a positive influence on the local economy
  - 83.2% believe there is a positive influence on employment
  - 67.1% believe there is a positive influence on community vitality
  - 59.9% believe there is a positive influence on the quality of life
  - 21.2% believe there is a neutral influence on the quality of life
  - 39.4% believe there is a positive influence on the Welsh language and culture
  - 35% believe there is a neutral influence on the Welsh language and culture
- Among the 380 who believed there was a negative influence on their community, these were the main issues:
  - 67.1% - Traffic Issues
  - 63.9% - Parking Issues
  - 53.8% - Loss of available housing in communities in favour of short-term accommodation
  - 50.5% - house price increases
  - 48.5% - crowds of people
  - 38.3% - losing the authenticity of your area, weakening its local identity, language and way of life
  - 27.5% - an increase in the cost of living
  - 28.8% - safety issues, disrespectful behaviour
  - 21.7% - noise
  - 21.9% - light pollution

## **Potential Positive Social Impacts**

### **Benefit for Local Communities**

- Creating a dedicated source of income to invest in:

- Community infrastructure
- Public spaces, town centres and villages
- Cultural and community activities

### **Improved Community Well-being**

- Reinvesting the income can help:
  - Manage visitor pressures
  - Improve the quality of life of residents in popular areas
  - Support local initiatives that strengthen social cohesion

### **Supporting the Welsh Language and Local Culture**

- The potential to target investment in:
  - Cultural enterprises
  - Community events
  - Infrastructure that strengthens social use of the Welsh language

### **Potential Negative Social Impacts and Risks**

#### **Fairness and Inclusion**

- The Levy could:
  - Disproportionately affect lower-income visitors or budget travellers
  - Create concerns about the affordability of holidays, particularly for families or certain groups (a risk also identified by the Welsh Government)

#### **Impact on Small Businesses**

- Small or community accommodation businesses:
  - They could be concerned about the impact on demand if visitors choose not to visit Gwynedd
  - Communication, support and consistency may be required to clarify the purpose of the Levy

#### **Community Perception**

- Without clear communication, there could be a risk:
  - For the Levy to be seen as a "tourism tax" rather than a community investment mechanism

### **Impact on Protected Groups**

- **Disabled People:** Refund provisions reduce potential negative impacts
- **Young People:** Investing in local services and facilities can create an indirect benefit
- **Older People:** Better infrastructure and public spaces can support well-being
- **Low Income Groups::** The risk of a negative impact on affordability requires ongoing monitoring

### **Mitigation and Consolidation Measures**

The following measures are proposed:

- Rigorous and ongoing community consultation on investment priorities
- Clear communication that the Levy income is:
  - Being kept locally
  - Being invested for the benefit of communities and well-being
- Regular monitoring of social impact in reviewing the Levy

Creating a Gwynedd Levy Partnership Forum to ensure community participation

All impact assessments will be reviewed following the public consultation and will receive full consideration when a decision on whether to introduce a Visitor Levy in Gwynedd is made by the Full Council in September 2026.

## 9. Well-being of Future Generations Act Impact Assessment

There is a duty to act in accordance with the principle of sustainable development, which is to seek to ensure that the needs of the present are met without jeopardising the ability of future generations to meet their needs.

In acting in accordance with this general duty the Council needs to take into account the importance of long-term impact, being integrated, inclusive, collaborative and preventative in the development and implementation of the proposal in question.

In accordance with the requirements of the Act, Cyngor Gwynedd has adopted well-being objectives. Particular attention is drawn to the following objectives which the Visitor Levy could support if adopted:

**A PROSPEROUS GWYNEDD** - Strengthening the economy and supporting the people of Gwynedd to earn a worthy wage

**A WELSH-SPEAKING GWYNEDD** - Ensure that we give every possible opportunity for our residents to use the Welsh language in the community.

**A GREEN GWYNEDD** - Protecting the county's natural beauty, and responding positively to the climate change crisis

**AN EFFICIENT GWYNEDD** - Putting the people of Gwynedd first and treating them fairly and ensuring that the Council performs effectively and efficiently

## 10. Contact Details

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