# Angela Rayner backs new powers for councils to introduce tourist tax amid government divide



Angela Rayner, the deputy prime minister and Secretary of the Ministry of Housing, Communities and Local Government, is reportedly advocating for new powers to enable local councils in England to impose a tourist tax on hotel stays. This push for devolved authority comes amid growing calls from several local leaders who argue that visitor levies could provide crucial funding to support tourism infrastructure and ease the pressures on popular destinations.

The Government’s recent Devolution Bill has included proposals for granting such powers, with Ms Rayner backing their inclusion despite opposition from Chancellor Rachel Reeves and Treasury officials who are concerned about the possible negative impact on hospitality businesses. Shadow Chancellor Mel Stride criticised these measures, warning that additional taxes such as a levy on hotel stays could "hit hospitality hard," reflecting broader tensions within the government over balancing economic growth with fiscal policies.

Tourism remains a vital pillar of the UK economy, contributing significantly as the country's third-largest service export. In 2023, the UK ranked as the seventh most visited country globally, with a record 43 million foreign visits expected. Domestic travel also fuels demand on city infrastructure like transport and public services, intensifying the debate over how to manage sustainable tourism growth.

Local leaders from key cities have voiced strong support for the introduction of visitor taxes. The Labour mayor of Greater Manchester, Andy Burnham, is among those urging the government to enable councils to levy charges on tourists. Similarly, Sadiq Khan, the mayor of London, has publicly endorsed an accommodation tax on hotel stays and short-term rentals such as Airbnbs. He highlighted that visitors to cities like Paris and Berlin often accept small extra charges and argued that any funds raised in London should be reinvested locally to enhance the environment around tourist sites and boost the city’s economy.

A coalition of mayors, including leaders from Liverpool, Manchester, Leeds, Newcastle, Birmingham, and West Yorkshire, has also called for legislation in the English Devolution Bill or a specific Finance Bill to empower local authorities to design and administer visitor levies. These measures are seen as tools to unlock vital revenue streams for tourism and cultural infrastructure, reducing dependence on central government funds and allowing for more tailored regional growth strategies.

Outside the major urban centres, there is similar momentum. David Skaith, the elected mayor of York and North Yorkshire, advocates for a county-wide modest visitor tax, pointing to the success of comparable levies in many European cities. Leaders from Bath & North East Somerset and Cambridge councils have sent formal requests to the government for a roundtable discussion on sustainable tourism, suggesting that modest visitor charges could support both residents and visitors by funding public services and preserving cultural heritage. However, official government statements maintain that there are currently no plans to introduce a broad tourism tax in England, noting that some options, like the Accommodation Business Improvement District model, already allow for levies on overnight stays.

In contrast, Scotland has implemented such measures more decisively. Since 2024, Scottish councils have had the legal authority to impose visitor levies, and Edinburgh is set to become the first UK city to enforce this with a 5% tourist tax beginning July 2026. The city council estimates this will generate up to £50 million annually, aimed at improving infrastructure and supporting sustainable tourism. While some Edinburgh businesses have expressed concerns about potential impacts on visitor numbers, supporters argue the levy is essential to maintaining the city’s appeal and quality of life for locals and tourists alike. This example from Scotland underpins arguments for similar schemes across England, highlighting a growing trend among UK cities to explore visitor taxes as a tool for managing the economic and social pressures of high tourism demand.

Overall, the debate over tourist taxes in England reflects wider discussions about local government autonomy, economic resilience, and the long-term sustainability of tourism-dependent areas. As the central government weighs the economic implications, local leaders continue to press for means to generate essential funding and shape policies that best fit their communities.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.independent.co.uk/travel/news-and-advice/england-tourist-tax-angela-rayner-rachel-reeves-b2793567.html), [[2]](https://www.theguardian.com/uk-news/2025/jun/03/tourism-tax-england-mayors), [[6]](https://feeds.bbci.co.uk/news/articles/cy7n3yxrmm4o)
* Paragraph 2 – [[1]](https://www.independent.co.uk/travel/news-and-advice/england-tourist-tax-angela-rayner-rachel-reeves-b2793567.html)
* Paragraph 3 – [[1]](https://www.independent.co.uk/travel/news-and-advice/england-tourist-tax-angela-rayner-rachel-reeves-b2793567.html), [[2]](https://www.theguardian.com/uk-news/2025/jun/03/tourism-tax-england-mayors), [[3]](https://www.standard.co.uk/news/london/sadiq-khan-london-tourism-tax-overnight-charge-levy-hotels-airbnb-b1217917.html)
* Paragraph 4 – [[2]](https://www.theguardian.com/uk-news/2025/jun/03/tourism-tax-england-mayors), [[3]](https://www.standard.co.uk/news/london/sadiq-khan-london-tourism-tax-overnight-charge-levy-hotels-airbnb-b1217917.html), [[4]](https://www.bbc.co.uk/news/articles/c77rep44j6no)
* Paragraph 5 – [[1]](https://www.independent.co.uk/travel/news-and-advice/england-tourist-tax-angela-rayner-rachel-reeves-b2793567.html), [[6]](https://feeds.bbci.co.uk/news/articles/cy7n3yxrmm4o), [[4]](https://www.bbc.co.uk/news/articles/c77rep44j6no)
* Paragraph 6 – [[5]](https://www.bbc.co.uk/news/articles/cz0l9xp5ldzo), [[7]](https://www.theguardian.com/travel/2024/nov/24/millions-of-tourists-in-uk-could-be-asked-to-pay-local-visitor-levy)
* Paragraph 7 – [[1]](https://www.independent.co.uk/travel/news-and-advice/england-tourist-tax-angela-rayner-rachel-reeves-b2793567.html), [[2]](https://www.theguardian.com/uk-news/2025/jun/03/tourism-tax-england-mayors), [[4]](https://www.bbc.co.uk/news/articles/c77rep44j6no)

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## Bibliography

1. <https://www.independent.co.uk/travel/news-and-advice/england-tourist-tax-angela-rayner-rachel-reeves-b2793567.html> - Please view link - unable to able to access data
2. <https://www.theguardian.com/uk-news/2025/jun/03/tourism-tax-england-mayors> - A coalition of mayors from across England, led by Liverpool City Region Mayor Steve Rotheram, is urging the government to grant local authorities the power to implement a visitor levy. This move aims to generate income from tourism, empower regional growth, and reduce dependence on central government funding. The mayors suggest that such a levy could unlock vital funding for tourism and cultural infrastructure, benefiting cities like Liverpool, Manchester, Leeds, Newcastle, Birmingham, and London. They advocate for including enabling legislation in the forthcoming English Devolution Bill or a specific Finance Bill to allow local authorities to design and introduce a locally administered visitor levy.
3. <https://www.standard.co.uk/news/london/sadiq-khan-london-tourism-tax-overnight-charge-levy-hotels-airbnb-b1217917.html> - London Mayor Sadiq Khan has expressed support for a 'tourist tax' in the capital, which would see visitors charged extra for stays in hotels and Airbnbs. He noted that many travellers 'don’t really mind paying the few extra euros' when visiting cities like Paris and Berlin. Khan believes that the government should grant London the power to implement an accommodation levy, with the revenue used to improve the environment around tourist areas and encourage more visitors. He emphasised the importance of ensuring that the funds raised are spent locally to benefit both residents and visitors.
4. <https://www.bbc.co.uk/news/articles/c77rep44j6no> - David Skaith, the elected mayor of York and North Yorkshire, has backed calls for a tourist tax to help fund public services and maintain tourist hotspots. He suggests a county-wide levy, stating that a modest visitor tax, similar to those in many European cities, would allow for investment in public services and keep popular destinations attractive for both residents and visitors. The government has responded by stating there are no plans to grant local authorities in England the power to introduce tourism taxes, though existing models like the Accommodation Business Improvement District allow for overnight levies.
5. <https://www.bbc.co.uk/news/articles/cz0l9xp5ldzo> - Edinburgh City Council has voted in favour of implementing a 5% tourist tax, set to take effect from 24 July 2026. The levy will apply to hotels, bed and breakfasts, self-catering accommodations, and properties listed on platforms like Airbnb. The revenue is intended to fund infrastructure improvements. Council leader Jane Meagher described the tax as a significant opportunity to invest in the city, though some businesses have expressed concerns that it may deter visitors and that the implementation is being rushed.
6. <https://feeds.bbci.co.uk/news/articles/cy7n3yxrmm4o> - Leaders of Bath & North East Somerset Council and Cambridge City Council have called for the introduction of a tourist tax system. They argue that both cities are under strain due to tourism and that a modest visitor levy would allow for investment in public services and maintain the attractiveness of these heritage cities. The government has responded by stating there are no plans to introduce a tourist tax system in England, though existing models like the Accommodation Business Improvement District allow for overnight levies.
7. <https://www.theguardian.com/travel/2024/nov/24/millions-of-tourists-in-uk-could-be-asked-to-pay-local-visitor-levy> - Nearly half of Scotland’s local councils are considering implementing a mandatory levy on overnight stays, known as a tourist tax, to manage the surge in visitors overwhelming popular destinations. Edinburgh is set to become the first UK city to enforce such a levy in July 2026, expecting to raise up to £50 million annually. The funds are intended to support infrastructure improvements and sustainable tourism. While some businesses express concerns about potential negative impacts on tourism, proponents argue that the tax is necessary to maintain and enhance the visitor experience.