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Liverpool Implements New Visitor Levy to Fund Tourism Growth

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Liverpool has become the latest UK city to introduce a visitor levy, with hoteliers voting to impose a £2-per-room, per-night charge on overnight stays. The decision, backed by 59% of 83 hotels in a ballot organised by Accommodation BID, is expected to generate around £9.2 million over four years, with £6.7 million allocated to bolster the city's visitor economy. The levy, dubbed the City Visitor Charge, took effect on 1 June 2025 and is collected by hotels and serviced accommodation providers at check-in or check-out.

The move follows Manchester's lead, which in April 2023 became the first UK city to implement a £1-per-room, per-night charge, raising £2.8 million in its first year. Edinburgh has also joined the trend, introducing a 5% visitor levy on overnight stays from January 2026, projected to bring in £50 million annually. However, concerns have been raised about the misuse of such funds. Tourism leaders, speaking to *The i Paper*, warned that cash-strapped councils, such as Edinburgh's, might divert these levies to plug budget deficits rather than enhance visitor amenities. Edinburgh Council has promised that £5 million of its levy will support housing and "tourism mitigation" efforts.

In Liverpool, the funds will be managed by Accommodation BID, part of Liverpool BID Company, which represents over 800 businesses in the city centre. A transparent business plan is required to outline how the revenue will be spent, ensuring accountability. Marcus Magee, chair of Accommodation BID, hailed the ballot as a "major step" in empowering the hospitality sector to shape Liverpool's visitor economy. "This levy is crucial to the vibrancy and economy of the city," he said in a recent interview.

Bill Addy, chief executive of Liverpool BID Company, echoed this sentiment, stating, "The £2 levy will help Liverpool attract bigger events, drawing more visitors and boosting local businesses." He pointed to European cities like Venice and Barcelona, where similar levies have funded significant tourism investments. Venice operates a two-tiered system, with day visitors paying a €5 access fee during peak periods and overnight guests charged between €1 and €5 per night, depending on accommodation type and season. Barcelona's tourist tax, capped at €7.5 per night, came into effect on 1 April 2024 after a phased increase approved in 2022.

Elsewhere in the UK, London's Mayor Sadiq Khan has expressed interest in exploring a visitor levy, telling the BBC he is "happy to look into" Manchester's experience and European models. No formal proposal has been tabled, but the idea is gaining traction. In Bristol, the Liberal Democrat group, despite not holding power, has proposed a £2-per-night charge as an "innovative revenue stream" to support local tourism, but no formal consultation or policy is in place yet.

Critics, however, argue that such levies risk deterring visitors, particularly as councils face mounting financial pressures. With the Labour government's fiscal policies already straining local budgets, there's a real concern that these charges could be siphoned off to address shortfalls rather than deliver promised improvements. Liverpool's scheme, if managed

transparently, could set a precedent for balancing tourism growth with economic responsibility.

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