
**CLAIRE WARD
MAYOR OF THE
EAST MIDLANDS**



**EAST MIDLANDS
COMBINED COUNTY
AUTHORITY**

EMCCA Briefing – Overnight Visitor Levy FAQ's

What is the Overnight Visitor Levy?

The Overnight Visitor Levy (OVL) is a proposed small charge on paid overnight accommodation stays in the East Midlands, intended to be introduced by Mayoral Strategic Authorities following legislation expected around May 2026. It aims to create a sustainable funding stream to support the visitor economy and related infrastructure improvements.

For the East Midlands, it would be introduced and overseen by Mayor of the East Midlands, Claire Ward. The Government has consulted on the high-level policy details and plans to report back on their findings in early summer.

Who pays the levy?

The levy is paid by visitors, not by accommodation businesses. It applies to most commercially let accommodation: hotels, B&Bs, self-catering, short-term lets, hostels, campsites, and certain university or religious accommodation. Likely exemptions include emergency accommodation, non-profit shelters, and potentially school groups, uniformed groups.

How much will it be?

The amount hasn't been decided yet. The Government is considering different options, but it's expected to be charged per room, not per person.

Why is the OVL being introduced?

An OVL would establish a predictable, long-term local funding stream for the visitor economy and broader inclusive growth priorities e.g. sustainable transport infrastructure and accessibility improvements. For the East Midlands it will help our plans to grow the visitor economy by at least £1 billion.

What can levy revenue be spent on?

Revenues from the levy are reinvested in economic development activity, including activity which supports visitor economy growth. This could include investment into destination marketing, infrastructure, public realm, culture and events, skills, transport, and mitigation of the impacts of tourism. This activity also supports residents and local communities.

**CLAIRE WARD
MAYOR OF THE
EAST MIDLANDS**



**EAST MIDLANDS
COMBINED COUNTY
AUTHORITY**

Who decides how levy revenue is used?

The Mayor of the East Midlands will work closely with businesses, local authorities and other partners to shape an OVL scheme that works for the East Midlands and supports local businesses. Final decisions would be made by the EMCCA Board, which is chaired by the mayor.

What powers are given to Mayors?

Mayors will be able to introduce a levy, set its rate, define exemptions, and retain revenues for reinvestment across their area.

When could the levy start?

The Government consultation on the principles of an OVL power for Mayors closed in February 2026. Implementation depends on the details of the Government and new legislation being introduced but is unlikely to be before 2028.

Will there be an opportunity for investment ahead of revenue being generated?

Once there is **assurance** around the levy and agreement with places and partners on how it should be invested, EMCCA would be able to use some of its existing investment funds to get plans moving before levy revenue is generated.

Once there is assurance around the levy and agreement between places and partners and how it should be invested, EMCCA would be able to use some of its existing investment funds to get the plans moving before levy revenue is generated.

Does VAT apply?

Under current proposals, VAT applies to the accommodation cost plus the levy. The mayor has raised this directly with government ministers and suggested the levy should be zero-rated or reinvested back into the region.

Will it harm the hospitality sector?

Evidence from international examples shows modest levies do not deter visitors when funds are reinvested visibly. Businesses benefit from infrastructure, marketing, and improved visitor experience.