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Author: Lynda Powell, Town Clerk  
Committee: Full Council: 30<sup>th</sup> January 2024  
Agenda Item: 88 Voluntary Tourism Investment Scheme  
Date: 24.1.2024

**1 Purpose.** To consider a request from St Ives Town Council to contribute to a feasibility study into the development of a visitor payback scheme.

**2 Decision Required.** Councillors are asked to consider the options at 5.

**3 Background**

3.1 A number of National Park Authorities and cities such as Liverpool and Manchester have implemented voluntary schemes whereby a visitor is asked to pay a small amount to support specific local projects.

3.2 Schemes in England can only be voluntary as there is no legislation to permit local authorities to levy a tourist tax. Scotland has introduced legislation to allow a tourist tax to be paid by users of short stay accommodation and the Welsh government is also investigating introducing legislation. Tourism taxes are more common in European countries and countries with a high number of visitors such as Thailand, the Caribbean Islands, Japan, Malaysia and New Zealand.

3.3 The Mayor, Deputy Mayor and Town Clerk along with other Town and Parish Councils attended a meeting hosted by St Ives Town Council. The meeting discussed the possibility of working together on a feasibility study to understand how a tourism payback scheme might be implemented by Town and Parish Councils in Cornwall.

3.4 St Ives have held some initial conversations with accommodation providers and traders who were supportive of a voluntary levy if this meant more job opportunities, additional housing, delivery of health and wellbeing initiatives and more access to training. St Ives have calculated that if each of their visitors contributed £5 this would raise £1 million pounds.

3.5 The Finance and Strategy Committee considered this request at their meeting on the 22<sup>nd</sup> January 2023 and recommended that it be considered by Full Council.

**4. Feasibility Study**

4.1 St Ives have received a quote for a feasibility study from the Real Ideas Company. The feasibility study would cover:

- **Background research** – desk and liaison-based research into relevant related schemes that operate beyond legislative frameworks, in the UK and internationally – what worked, what didn't, lessons learnt.
- **Working with people** – direct, often face-to-face engagement with stakeholders will be vital, particularly with accommodation providers, public and community services, and to an extent visitors. To include focus groups, surveying and one-to-one liaison.
- **Technical** – exploration, analysis and recommendations into key technical areas of a possible scheme, with a particular focus on payment systems and structures, technology and incentives.
- **Governance** - exploration, analysis and recommendations into a potential governance structure for receiving and distributing funds and ongoing management the scheme.
- **Financial** - exploration, analysis and recommendations, to consider key areas, including implications for VAT, tax and gift aid.
- **Reporting and presentation** – the provision of a summative report, presentation and slide deck

4.2 Real Ideas have quoted £25,300 for completing the feasibility study.

4.3 St Ives have suggested that Councils wishing to be a partner in this study should budget £5,000. They are looking at other sources of funding and the final cost for each partner will depend on the number of towns and parishes who wish to be involved.

## 5. Options

5.1 Agree to be a partner in the project at a maximum cost of £5,000.

5.2 Wait as legislation might be introduced by a new government that permits a tourism tax to be levied.

5.3 Council may consider that a voluntary tourism tax is not suitable for Looe.