

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3467

Establishing the tourist levy project team

Programme: Boosting London's Growth Sectors

Executive summary:

This Mayoral decision seeks approval to spend up to £492,000 to fund posts, established by the Chief Officer, for a team to scope, research, engage and deliver a tourist levy for London. It also seeks approval to spend up to £300,000 to fund consultancy, research, contingent labour and additional staff roles that might be needed.

It also seeks approval for this project to be added to the Boosting London's growth sectors programme and its delivery plan.

The government's policy is still being developed; and the London policy will need to follow that work. As such, further decisions may be needed once this work has progressed, and the business case has been further developed.

Decision:

That the Mayor approves:

- spending up to £492,000 to fund posts, established by the Chief Officer, for a team to scope and develop a tourist levy for London
- spending up to a further £300,000 to fund consultancy, research, contingent labour and additional staff roles that might be needed in this initial phase
- the addition of this project to the Boosting London's growth sectors programme and its delivery plan.

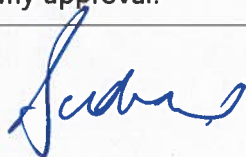
Funding for this project will come from GLA reserves; and subject to consultation and the approval of the levy policy, could be offset against future revenues from the levy.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

18/3/21

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. The government recently announced its intention to introduce an overnight visitor levy. This levy will allow mayoral strategic authorities, such as the GLA, to attach a levy to people staying in hotels, or making short-let stays, in their city or region.
- 1.2. The proposal is currently out to consultation (Gov.uk, [Overnight visitor levy in England: Visitor Levy Consultation](#) (PDF), 26 November 2025). This closed on 18 February 2026.
- 1.3. Considering the announcement and the consultation, the GLA needs to start preparing for the levy's introduction.
- 1.4. To begin delivering this work, the Chief Officer has agreed that a tourist levy project needs to be established. She has appointed the Chief Finance Officer as the senior responsible owner for this project.
- 1.5. A team needs to be built to deliver this work. The following four workstreams will be established in the team:
 - government relations – to work with the government, to ensure that the government policy works for London and Londoners
 - stakeholder relations and communications – to engage with the many stakeholders with an interest in this levy; and ensure their voices are heard in our development work
 - policy – to develop the GLA's proposed policy on the levy, ahead of public consultation of the proposed policy
 - delivery – subject to the outcome of the GLA's consultation, to develop the project; and scope, design and deliver a collection mechanism for the GLA.
- 1.6. The Chief Officer has approved creating five posts (one for each workstream, and a strategic lead). This team will develop these workstreams and build the full project to deliver the levy. The Mayor is asked to approve spending of up to £492,000 to fund this. This amount has been arrived at using grade averages for the roles from the end of February 2026 until the end of February 2027. It also includes staff on-costs. At this stage, we do not yet know the final government position; nor do we have a clear GLA policy position on many of the detailed considerations relating to a levy. This team will work on both.
- 1.7. Approval is also sought for an additional project budget. The exact requirements of this budget are not currently known, but it is expected that some or all the following will require funding:
 - project support resource
 - external research
 - business analysis
 - user research.
- 1.8. This work will be carried out using internal resources, contingent labour or external consultancy. This additional budget would be governed via a project board, established to oversee delivery.
- 1.9. There is an expected need for further resources to support the project, once initial work is complete, and a fuller business case has been developed. A further Mayoral Decision (MD) will be sought at that

point, as appropriate. This may be in the range of £3 million to £5 million, but as this is dependent on delivery models, any estimate, at this stage, is very rough.

1.10. The total budget requested is £792,000.

1.11. The Mayor is asked to approve the addition of the overnight visitor levy in London project to the Boosting London's growth sectors programme and its delivery plan. This delivery plan has the most synergy with the aims and objectives of this work.

2. Objectives and expected outcomes

2.1. London welcomes close to 20 million visitors each year. They come to experience our world-class museums and galleries; visit our historic attractions; and enjoy a vast array of sporting events.

2.2. London is the gateway to the UK – it accounts for over half of all international visits. Giving London the powers to collect and retain a tourist levy would generate sustainable revenue, which can be reinvested into London's economy. This would help to drive growth; create new jobs; and boost the UK's global standing and competitiveness.

2.3. International cities from New York to Paris, and hundreds of smaller cities across the world, have long benefited from such levies. Introducing one in London would level the playing field by ensuring further investment in the capital. This would, in turn, contribute to further growth. A levy could raise significant funds to invest in London's economy. How much a tourism levy would raise is very dependent on the design of the scheme.

2.4. To achieve this levy for London, certain core steps need to be taken. The GLA will lead some of these. For others, the GLA will need to exercise its influence, to ensure the right outcome for London and Londoners. These steps are as follows:

- the UK government's final position is published, following its consultation
- enactment of legislation to grant the relevant powers to London and other Mayoral authorities
- the GLA undertakes a public consultation in London
- subject to the outcome of that consultation, a potential Mayoral Decision asking the Mayor to approve the introduction of the levy in London.

2.5. We have not provided dates for these steps, as we cannot know them yet. However, we intend to complete the steps as quickly as possible.

2.6. The tourist levy project team will be responsible for the GLA's role in all the above, and the interaction between them. The team will:

- plan the work
- ensure we have the right resources in place for each stage
- develop the business case (updating it as we go)
- deliver against the plan.

2.7. Our outcome will be the GLA collecting a tourist levy, allowing for the investment envisaged by the policy.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and GLA are subject to the public sector equality duty and must have due regard to the need to:
 - eliminate unlawful discrimination, harassment and victimisation and any conduct that is prohibited by or under the Equality Act
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. The “protected characteristics” are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or is connected to a protected; take steps to meet the different needs of such people; and encourage them to participate in public life or in any other activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without one.
- 3.3. An equalities impact assessment of any proposed overnight visitor levy in London will be carried out as appropriate.
- 3.4. At this stage, we do not envisage any equalities impacts from this initial recruitment and project development activity. However, we will keep this under review and ensure that all recruitment activity complies with the GLA’s high standards in this regard.

4. Other considerations

- 4.1. This project will be part of the Boosting London’s growth sectors programme. It will contribute towards delivering the following London-level outcomes, which are part of the programme’s remit:
 - stable, long-term economic growth that benefits all of London’s communities (the programme’s core London-level outcome)
 - London is an attractive and high-quality destination for visitors
 - London is a world-leading global city.
- 4.2. To manage this project, we will develop a project governance structure. This will incorporate oversight from key senior officers at the GLA; and ensure representation from the Mayor’s Office throughout the scoping and delivery.
- 4.3. Other Mayoral authorities will be developing their own proposals for responding to the new powers. We intend to keep close working relationships with them; and look for opportunities where collaboration – for example, engaging with the government or, more significantly, developing collection mechanisms – might benefit London.
- 4.4. As yet, a full project plan and risk register does not exist for the project. The incoming resources will support this work. We will come forward with a new MD once this work has been developed and we have recommendations on key issues such as the collection mechanism.
- 4.5. There are no conflicts of interest to note from any officer involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Approval is sought to spend up to £792,000, to set up a team that will begin scoping and research work to put a London tourist levy into place. The proposed spend is split over two financial years:
- 2025-26: around £47,000 for staffing costs
 - 2026-27: around £745,000 for staffing and non-pay costs.
- 5.2. The costs for both years will be funded from GLA reserves, specifically the Revenue Grant Unapplied reserve. It should be noted, the costs for 2025-26 will be financed via an in-year adjustment from reserves and the 2026-27 allocation has been built into the 2026-27 GLA budget. Approval for any funding requirements beyond the initial scoping stage will be sought, as appropriate, in a further MD; this will reflect updated estimates for the cost of implementing the levy.
- 5.3. Subject to the outcome of the consultation and policy development work, these and future costs may be repaid from through Tourist Levy income.

6. Legal comments

- 6.1. The government plans to introduce a new discretionary power for mayors in England, including the Mayor of London, to levy a charge on paid overnight stays in commercially let visitor accommodation. The government consultation sought views on how this new discretionary power should be implemented.
- 6.2. Under section 30(1) of the Greater London Authority Act 1999 (GLA Act), the Mayor acting on behalf of the GLA has the power to do anything that he considers will further any one or more of the GLA's principal purposes. The principal purposes are the promotion of:
- economic development and wealth creation
 - social development
 - improvement of the environment in Greater London.
- 6.3. In determining whether, or how, to exercise his general power in section 30(1) to make these decisions, the Mayor is required to have regard to the effect of making them on:
- the health of persons in Greater London
 - health inequalities between persons living in Greater London
 - the achievement of sustainable development in the UK
 - climate change and the consequences of it.
- 6.4. The Mayor is required to exercise his general power in a way that he considers is best calculated to promote or contribute to those objectives, and will best further the promotion of the Mayor's other statutory purposes.
- 6.5. Section 32(1) of the GLA Act 1999 (the GLA Act) provides that the section 30(1) power is exercisable only after consultation with such bodies or persons as the GLA may consider appropriate.
- 6.6. The Mayor must also comply with the Public Sector Equality Duty. To this end, the Mayor should have particular regard to section 3 of this decision form.
- 6.7. Under section 67(2) of the Greater London Authority Act, the GLA's Head of Paid Service (the GLA Chief Officer), after consultation with the Mayor and Assembly, and having regard to the resources

available and the priorities of the GLA, may appoint such staff as they consider necessary for the proper discharge of the GLA's functions.

- 6.8. Should there be any procurement activities undertaken in relation to any external consultancy services that may be required, officers must comply with the requirements of the GLA's Funding Code and the Procurement Act 2023. Furthermore, officers are reminded to put in place appropriate agreements between the GLA and external service provider.

7. Planned delivery approach and next steps

- 7.1. Upon approval, we will recruit the team and speed up the work on developing a project plan, options appraisal and business case for the next phases of the work.

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Strategic Programmes

Does this decision seek approval for activity falling within the remit of a programme delivery plan? Yes – to be added to Boosting London’s growth sectors

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? No

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? No

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Gareth Young has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Fay Hammond has reviewed the request and is satisfied it is correct and consistent with the Mayor’s plans and priorities.

✓

Mayoral Adviser:

Richard Watts has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 23 February 2026.

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Fay Hammond

Date

26 February 2026

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature

D. Bellamy

Date

26 February 2026

