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Cabinet Secretary for Finance and Welsh  
Language, Welsh Government

13 December 2024

**Visitor Accommodation (Register and Levy) Etc. (Wales) Bill**

Dear Mark,

Thank you for attending the Committee's meeting on 5 December 2024 and responding to our questions on the Welsh Government's Visitor Accommodation (Register and Levy) Etc. (Wales) Bill.

Following the evidence session, Members agreed to write to you with follow up questions on the issues outlined in the annex to this letter.

It would be helpful to receive your response by 10 January 2025.

Yours sincerely,



Peredur Owen Griffiths MS, Chair, Finance Committee

## Annex: follow up questions after oral evidence session on 5 December 2024

Following the oral evidence session on the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill on 5 December 2024, we would welcome further information on the matters listed below. It would be helpful to receive your response by 10 January 2025.

Welsh Government consultation on proposals for a discretionary visitor levy for local authorities

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When consulting on your proposals for a discretionary visitor levy for local authorities, most respondents were against local autonomy in the tax framework, citing how local autonomy could introduce inconsistencies across different areas and incentivise competition across local authorities.

- 1.** How did these views shape your thinking around your approach to designing the framework for the levy?
- 2.** How have you mitigated these concerns given the proposals in the Bill are based on a local discretionary visitor levy?

An overarching theme from the consultation's summary of responses is the potential for the legislation to place an administrative burden on smaller accommodation providers.

- 3.** In your view, to what extent will the legislation provide administrative challenges to accommodation providers such as individuals running guesthouses and bed and breakfast accommodation?

Respondents to the consultation also highlighted the potential for the levy to have a disproportionate impact on smaller accommodation providers.

- 4.** What analysis have you undertaken to measure the impact on smaller accommodation providers and what support will be given to these providers?

A majority of respondents disagreed with there being a list of visitor accommodation providers available to the tax authority, citing the use of existing systems and registers instead.

- 5.** What consideration did you give to utilising existing sources and why did you feel making provisions in the Bill for a register of visitor accommodation providers would be a more effective approach?

The consultation's summary of responses noted that the charging of a per person, per night levy could place a disproportionate financial burden on low-cost accommodation providers, which could "also disproportionately raise the cost of accommodation used by low-income visitors".

- 6.** Do you agree with this statement and what could be done to ensure low-income visitors are not excluded from overnight stays in Wales?

Respondents highlighted the impact of information provision relating to the levy, including the general resources that would be required to comply with the necessary data requirements, such as investment into updating and reconciling administrative and booking systems.

**7.** Do you anticipate implementation issues for visitor accommodation providers when integrating the levy into their systems?

There was strong support for there being local engagement from organisations such as tourist boards and tourist industry members to help decide how levy revenues are allocated.

**8.** Did you consider including a formal role for local stakeholders in deciding how revenue is spent in the Bill rather than leave it to the discretion of local authorities?

Register of visitor accommodation providers

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During the evidence session you indicated that registration would commence in 2026, focussing “in the first instance on those local authority areas that intend to introduce the visitor levy, and thereafter we will phase registration across Wales” (paragraph 69).

**9.** When do you expect the registration of visitor accommodation providers across all principal councils to be completed?

Accounting for, and payment of, the levy

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In accordance with section 20(2), the deadline for payment of the levy aligns with the filing deadline for the returns.

**10.** Do you think visitor accommodation providers are being allowed sufficient time to pay?

Use of proceeds of levy by principal councils

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Section 23 of the Bill requires the principal council to use the revenues generated by the levy for the purposes of destination management and improvement in its area.

**11.** Do you expect that the proceeds of the levy will be used as additional funding for destination management and improvement and what would stop this funding displacing any existing funding by principal councils for these purposes?

On the appropriate use of the proceeds of the levy by principal councils, during the evidence session you said:

“I think it is for local players to conduct that oversight. It can be done at the council itself, but it can be done by any one of those other broader civic bodies, to challenge the local authority, if they feel that the money is not being applied in line with the purposes set out in the Bill.”  
(paragraph 235)

- 12.** What oversight will the Welsh Government provide in terms of monitoring and evaluating principal councils' use of the proceeds within the 'destination management and improvement' parameters set by Welsh Ministers in the Bill?

#### Introducing, changing or abolishing the levy

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Section 25(3) of the Bill requires the principal council to consult a series of mandatory consultees, or other appropriate persons, on its report and proposals in respect of the levy.

- 13.** As part of the mandatory consultation process on the levy, would you expect principal councils to seek the views of people who do not live, work or study in the principal council's area, for example, regular visitors to the area?

Section 26(3)(a) of the Bill enables the principal council and the WRA to agree to shorten the 12 month period on which the levy would come into effect after publishing a notice of its intention to implement a levy.

- 14.** Why should it be left to the council and the WRA to decide to shorten the implementation period thus giving visitor accommodation providers less time to prepare for the levy's introduction?

#### Schedule 1 – Amendments to the Tax Collection and Management (Wales) Act 2016

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Paragraph 6 requires the WRA to collect the levy and pay net proceeds to the relevant principal council.

- 15.** How will costs be allocated fairly and will collection costs incurred by individual councils depend on the level of take-up of the levy?

Paragraph 14 contains provision about when information is to be regarded as made available to the WRA in relation to WRA assessments.

- 16.** Could you clarify why this is required?

Paragraph 17 removes the requirement for the WRA to seek the approval of the tribunal before issuing a taxpayer notice requiring them to provide information or documents.

- 17.** Does this weaken taxpayer protection?

#### Other issues

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During the evidence session you committed to write to us to confirm whether visitor accommodation providers will be required to itemise the levy on a visitor's bill.

On the Welsh Government's plans for further amendments at Stage 2, you said:

“There is one further important area, which is the area of data sharing. I do anticipate that there will have to be Stage 2 amendments on that. I hope to share a document with the committee. I may not be in a position, as we are with the enforcement processes at this moment, to give you the actual text of the amendments, but I do hope to write to the committee shortly setting out the approach we are taking to data sharing”. (paragraph 148)

We also look forward to receiving further information on your proposed approach to data sharing.