

FIN(6)-04-25 P4

VAB83 North Wales Holiday Cottages Ltd

Senedd Cymru | Welsh Parliament

Y Pwyllgor Cyllid | Finance Committee

Bil Llety Ymwelwyr (Cofrestr ac Ardoll) Etc. (Cymru) | Visitor Accommodation (Register and Levy) Etc. (Wales) Bill

Ymateb gan **North Wales Holiday Cottages Ltd** | Evidence from North Wales Holiday Cottages Ltd

General principles

1. What are your views on the general principles of the Bill and the need for legislation to deliver the Welsh Government's stated policy objective, which is to:

- **ensure a more even share of costs to fund local services and infrastructure that benefit visitors between resident populations and visitors;**
 - **provide local authorities with the ability to generate additional revenue that can be invested back into local services and infrastructure to support tourism;**
 - **support the Welsh Government's ambitions for sustainable tourism?**
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(We would be grateful if you could keep your answer to around 500 words).

Lack of consultation with tourism businesses prior to the announcement that a Levy was to be introduced in the form of a 'bed tax' was disappointing. Just because this is the form of levy applied in some other countries or areas doesn't mean it has to be the best for Wales. Consultation at the earliest possible point could have resulted in an innovative different form of visitor tax that would have been more acceptable to both visitors and businesses, and still bring in revenue for Welsh Government/Local Authorities.

There are far more day visitors coming into Wales every year than those staying overnight, yet they will not be affected by this levy. They will most likely be the beneficiaries of any improved infrastructure resulting from local authority investment but will not have contributed.

Sustainable tourism is often interpreted as reduced numbers of visitors coming to an area, but improved facilities could have the opposite effect, bringing in more day visitors. For businesses to be sustainable they need to make a living for the owners of the business and any employees. Reduced numbers of overnight visitors will not help many small businesses.

I have accepted that a levy is to be introduced as a bed tax, and have worked with Welsh Government and Welsh Revenue Authority staff on the Visitor Levy Consultation Group to ensure that it will be the best possible outcome for businesses, visitors and local authorities alike.

The Bill's implementation

The Regulatory Impact Assessment is set out in Part 2 of the Explanatory Memorandum (<https://senedd.wales/media/g5ipwvwh/pri-ld16812-em-e.pdf>). This includes the Welsh Government's assessments of the financial and other impacts of the Bill and its implementation.

2. Are there any potential barriers to the implementation of the Bill's provisions? If so, what are they, and are they adequately taken into account in the Bill and accompanying Explanatory Memorandum and Regulatory Impact Assessment?

(We would be grateful if you could keep your answer to around 500 words).

There has long been a need for a form of statutory registration of those offering tourist accommodation. The inclusion of registration within the Bill is good, but ideally it should have been in place and implemented well before the start of any thoughts of an accommodation levy, not at the same time. The current proposal for registration is a simple list, with no requirement for businesses to prove that they meet statutory legal requirements regarding fire regulations, landlords gas certification and liability insurance (for example). I do not know how Visit Wales are planning to set up the registration scheme, but it is highly likely that many operators, especially those who offer accommodation for just a few days or weeks a year will continue to operate under the radar, avoid registration and then going forward avoid contributing their levy. How can we be certain that everyone offering overnight accommodation will be registered? I don't think either Visit Wales or individual local authorities have a proper knowledge of the providers in their administration.

3. Are any unintended consequences likely to arise from the Bill?

(We would be grateful if you could keep your answer to around 500 words).

Already there are many areas where visitor numbers are high and local businesses such as shops and cafes are highly dependent on such visitors. Over some winter months this can result in a vicious circle. The smaller tourist shops and cafes close because there are fewer visitors to sustain them during the day when local residents are at work. But potential overnight visitors are put off booking to stay, because there are so few local facilities open for them to enjoy. If people are deterred from staying overnight this could be made worse, to the extent that businesses not directly tourism related could have to close.

Improved infrastructure such as car parks, toilets and tourist information could as stated previously increase the number of day visitors, consequentially causing traffic problems as they drive into and out of the area for both locals and other visitors.

4. What are your views on the Welsh Government's assessment of the financial and other impacts of the Bill?

(We would be grateful if you could keep your answer to around 500 words).

I find it difficult to comment on this. The economic impact assessment carried out by Cardiff University has had to make enormous assumptions in order to draw some sort of conclusions. These conclusions seem to show no net gain and some job losses. That does not appear to be a good outcome overall, Local authorities may benefit from increased spending power, but local residents are in danger of losing their livelihoods.

Subordinate legislation

The powers to make subordinate legislation are set out in Part 1: Chapter 5 of the Explanatory Memorandum (<https://senedd.wales/media/g5ipwvwh/pri-ld16812-em-e.pdf>).

The Welsh Government has also set out its statement of policy intent for subordinate legislation (<https://business.senedd.wales/documents/s155951/Statement%20of%20Policy%20Intent.pdf>).

5. What are your views on the balance between the information contained on the face of the Bill and what is left to subordinate legislation? Are the powers for Welsh Ministers to make subordinate legislation appropriate?

(We would be grateful if you could keep your answer to around 500 words).

I am concerned that the subordinate legislation could lead to changes without proper consultation, with subsequent unintended consequences.

Other considerations

6. Do you have any views on matters related to the quality of the legislation?

(We would be grateful if you could keep your answer to around 500 words).

I do not have the knowledge to comment on the quality of legislation.

7. On 26 November, the Cabinet Secretary wrote to the Finance Committee with some indicative additional registration and enforcement provisions

(<https://business.senedd.wales/documents/s155952/Letter%20from%20the%20Cabinet%20Secretary%20for%20Finance%20and%20Welsh%20Language%20Indicative%20Stage%202%20amendments%20that%20.pdf>) he intends to bring forward at Stage 2 of

the legislative process

([https://senedd.wales/NAfW%20Documents/Assembly%20Business%20section%20documents/Guide%20to%20the%20Legislative%20Process/Guide to the Legislative Process-eng.pdf](https://senedd.wales/NAfW%20Documents/Assembly%20Business%20section%20documents/Guide%20to%20the%20Legislative%20Process/Guide%20to%20the%20Legislative%20Process-eng.pdf)).

Do you have any views on the indicative additional registration and enforcement provisions the Welsh Government intends to bring forward at Stage 2?

(We would be grateful if you could keep your answer to around 500 words).

8. Are there any other issues that you would like to raise about the Bill, the accompanying Explanatory Memorandum and Regulatory Impact Assessment, or any related matters?

(We would be grateful if you could keep your answer to around 500 words).

In all consultation prior to publication of the Bill there has never been any mention of the possibility for an authority to apply a premium to the levy. This has come from nowhere as far as tourism businesses are concerned and has no place in the Bill. It is of considerable concern that such a clause can be introduced against all guidance offered by the industry during consultation meetings. This has echoes of the introduction of the 182 days let requirement for self catering businesses in order that they can qualify for non-domestic rates instead of council tax. In that case there was consultation, around a thousand responses, the vast majority supporting a raise in the number of days let to 105 or 120 but a very small number saying 182 days. What is the point of consulting if responses are ignored and minority ideas are adopted?