

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

Written Evidence for the Finance Committee

British Holiday & Home Parks Association

Response from the British Holiday & Home Parks Association

The British Holiday & Home Parks Association (“BH&HPA”) is the UK national trade body representing owners and managers of caravan holiday, residential and chalet parks and campsites for tents. This consultation response uses the collective term “park businesses” for our members, whatever form(s) of accommodation they provide. As of January 2025, there are 468 holiday and touring park businesses within BH&HPA membership in Wales providing 59,962 pitches. The holiday parks sector has a long history of offering careers for those seeking to work in the great outdoors and is often the key employer in many coastal and rural communities.

Findings from the UKCCA Economic Benefit Report for Holiday Parks and Campsites in Wales (<https://www.ukcca.org.uk/media/yhhh1nfk/ukcca-wales-report-2024.pdf>) published in February 2024 demonstrated that visitor expenditure generated by holiday parks and campsites in Wales amounts to £1.66bn, which is equivalent to £945.9m GVA and supports 30,726 FTE (full-time equivalent) jobs. Visitors to Welsh holiday parks and campsites stayed 107% longer and spent 14% more than the Welsh tourism averages. Welsh holiday parks and campsites offer a wide range of accommodation options to visitors, which allows it to serve a diverse range of customers’ tastes and budgets. These include touring pitches for caravans, campervans, motorhomes and tents; owner-occupied holiday caravans and lodges; and rented holiday caravans and lodges, apartments, chalets, wigwams, pods and yurts.

Holiday park and campsite operators support their local communities through:

- expenditure – 31% from the total survey sample cumulatively spent £13.4m per year in capital expenditure, operating expenditure, wages and salaries
- local community engagement – including hosting community events, promoting local business and causes, and fundraising for charities
- environmental activities – including support for recycling and biodiversity, water and energy conservation initiatives, renewable energy adoption and participation in the Green Tourism award scheme
- health and wellbeing – including providing cycle paths, promotion of wider community health and fitness sessions and healthy food options provided on-parks

General principles

1. The British Holiday & Home Parks Association (BH&HPA) argues that the Bill, as introduced, will not achieve the Welsh Government’s policy objectives. There is a high likelihood that the legislation will elicit a strong behavioural response from industry stakeholders and visitors, subsequently reducing local government revenues through a decrease in business confidence and activity. The Association argues that any measures which disincentivise private investment and growth of the tourism sector fundamentally opposes Welsh Government’s policy objectives, and that significant changes to the Bill are necessary to avoid negative outcomes for the sector and the wider economy.

2. The Welsh Government's policy objectives focus on the role of visitors in supporting local communities and local infrastructure. Taxation of overnight visitors, who on average spend considerably more than day-visiting tourists, opposes this objective. Research by VisitBritain highlights that every £54,000 spent by tourists in a local economy sustains one full-time equivalent (FTE) job. Overnight visitors spend more time in communities across Wales, with the average overnight trip being 2.7 nights (<https://www.visitbritain.org/research-insights/great-britain-domestic-overnight-trips-latest-results>). There is industry concern that the legislation pushes potential overnight visitors towards day trips. Increased day-tripping opposes the Welsh Government's ambition for sustainable tourism, due to increased congestion on local roads, disrupting local communities whilst increasing carbon emissions.
3. The Welsh Government states in the Bill's Explanatory Memorandum that tourism can lead to social costs caused by a shortage of housing supply as homes are purchased for tourism purposes. The holiday park sector does not diminish local housing stock, instead providing visitors with holiday-use-only accommodation, typically located in rural and/or coastal areas on a dedicated site often located away from residential dwellings and town centres. This subsequently supports the Welsh Government's ambition for sustainable tourism.
4. There is significant industry concern surrounding the proposed spending areas for the proceeds of the levy. BH&HPA understand that the Scottish Government outlined similarly worded legislative avenues for spending, however, some local authorities in Scotland have proposed that wider housing, operational and infrastructure statutory spending obligations relate to tourism. The Welsh Government must ensure that proceeds add to the tourism offering of an area, create net additionality and do not just supplement existing local authority spending obligations. If no tourism additionality is provided by levy revenues, tourism providers within that area will experience higher costs whilst being disadvantaged to areas where no levy is in place.
5. The Visitor Accommodation (Register and Levy) Etc. (Wales) Bill requires all visitor accommodation providers (VAPs) to be listed on a mandatory registration scheme. There remains significant concern that temporary 'pop-up' campsites and unlicensed providers will continue to operate outside the Bill's jurisdiction, whilst the Bill adds more administrative burden to licensed visitor accommodation providers. Industry stakeholders have noted that many local authority licensing departments are under-resourced. The Welsh Government must ensure that temporary 'pop-up' camp sites, overnight motorhome stopover sites and unlicensed providers are included within the legislation for Welsh Government to meet their objectives for sustainable tourism. Guidance for local authorities to assist with registration of temporary campsites may help achieve this objective.

The Bill's implementation

6. The Bill's Regulatory Impact Assessment lacks consideration for the disproportionate costs to small and micro businesses. There are concerns that, unlike in Scotland, the Welsh Government has not provided detailed modelling of potential economic displacement and considered different levy rates and exemptions to reduce negative impacts on small businesses. Smaller accommodation providers will likely face greater barriers to implementation in Wales, due to the blanket approach to cost considerations taken by the Welsh Government for all visitor accommodation providers.
7. As previously mentioned, a provision of the Bill is that there is a duty for businesses to register. There remains significant concern that temporary 'pop-up' campsites and unlicensed accommodation providers will continue to operate outside the Bill's jurisdiction, placing an additional level of regulation on already licensed holiday providers. The Welsh Government will need an effective means of ensuring that temporary operators are within scope of the Bill.
8. Collection of the levy will present challenges for a modern visitor accommodation sector. The majority of visitor accommodation is advertised and purchased through online booking platforms. The Explanatory Memorandum overlooks the digitalisation of the hospitality market. Further consultation and discussion are required between the Welsh Revenue Authority and large online booking providers.
9. The Welsh Revenue Authority have produced very little information on technological support for SMEs to pay levy funds. 76% of BH&HPA members employ 10 people or fewer. Additionally, some businesses owners in the visitor accommodation sector may not be experienced with digital self-declared tax collection and require detailed user-friendly guidance. An unintended consequence of failing to provide comprehensive guidance is that well-meaning visitor accommodation business owners may unintentionally fail to comply.
10. The introduction of a Welsh tourism levy would significantly disadvantage tourism accommodation providers close to the English border. The lack of a comprehensive geographic impact assessment within the Explanatory Memorandum indicates that the Bill fails to identify regional disparities for businesses close to the Welsh border. Subsequently, any proceeds from the levy must demonstrate a net gain for Wales's tourism offering, particularly in counties close to the English border. The Bill risks substantially disadvantaging holiday park businesses in Powys, Monmouthshire, Denbighshire and Flintshire with dispersion of visitors to holiday parks in England within a close proximity to Wales.
11. There is a risk that the legislation could push motorhome tourists towards irresponsible overnight parking, as opposed to staying on a regulated touring

park. Through discussions with local authorities, the Association understands the challenges for local authorities to manage irresponsible overnight motorhome parking. However, measures within the Bill actively dissuade motorhome tourists from utilising touring parks through taxing individual holidaymakers within the motorhome. An unintended outcome of Bill will likely be an increase in irresponsible overnight motorhome parking in popular tourism destinations in Wales. Irresponsible overnight parking occurs most frequently along seafront parking and in lay-bays. Whilst it could be argued that proceeds from the levy could assist local authorities in tackling irresponsible overnight parking, this would not provide additional net gain for the tourism offering in that locality. To address this issue, the Bill should exempt all accommodation currently considered to be within the lower tier levy rate, to not indirectly incentivise irresponsible camping and overnight parking. The lower tier levy rate does not directly tax accommodation but a pitch where someone would bring their own accommodation. Including accommodation that holidaymakers already own within the levy indirectly encourages holidaymakers to take their accommodation elsewhere, possibly to an unlicensed location. Local authorities could also work with the private sector to incentivise utilising tourism-purposed pitches on licensed touring parks.

12. An overarching unintended consequence of the Bill is the discouragement of domestic tourism to Wales. Tourism levies in Europe often target international visitors to gain revenue where over-tourism is unsustainable for local infrastructure. Holiday parks predominantly attract domestic tourism and adding additional taxes would make it even less likely that these tourists will holiday in the Wales. Visit Wales Market Demand Study 2024 only surveyed UK domestic tourists, highlighting the importance of domestic tourism to the Welsh visitor economy. This differs considerably from tourism destinations in Europe which typically are visited by international tourists. For the Bill to avoid the unintended consequence of fewer visitors, proceeds from the levy must provide net additionality to support tourism.
13. Whilst the Welsh Government have taken into account the cost of internal staff at the Welsh Revenue Authority, it is unclear how enforcement of the levy be costed in relation to enforcement against temporary campsites.
14. The Committee should be aware that this legislation will not act in isolation and that the collective legislative agenda against established licensed tourism accommodation providers may result in further job losses for Welsh communities.
15. The levy will disproportionately impact larger families and domestic tourists. This should be recognised further within Welsh Government's socio-economic impact reporting. There is a risk that the levy could disproportionately impact rural Wales's visitor economy more so than urban centres such as Cardiff and Swansea, if domestic tourism were to decline as a result of the legislation.

16. A touring pitch on a campsite can cost between £10-£30 per night¹. For a family of five taking their annual week's camping holiday in Wales, the additional cost of the tourism levy represents the equivalent of an additional night's stay:

Family Holiday on Holiday Park in rural Wales

Average pitch fee on a holiday park = £25 per night

Tourism levy for a family of five at £0.75 = £3.75 per night

Seven nights at £3.75 per night = £26.25 (plus VAT £5.25 = £31.50)

Percentage of overall cost increase for accommodation per night = 15%

Businessperson in 4-star hotel in Cardiff

Average cost of 4-star hotel accommodation = £100 (average taken from Booking.com)

Tourism levy for a businessperson at £1.25 per night

Percentage of overall cost increase for accommodation per night = 1.25%

17. The tourism levy, in its proposed current form represents a regressive tax on families with children and will have a social impact on children's wellbeing with families having to reconsider whether they can afford to take a week's camping holiday in Wales. BH&HPA is strongly opposed to a 'Family Holiday Tax'.
18. Visitors are already feeling the strain of increasing travel and accommodation costs. Adding yet another levy risks driving tourists away from Wales altogether, either toward more affordable domestic destinations or international alternatives. This will not only affect larger operators but also devastate smaller, family-run businesses that depend on tourism to survive. The ripple effects will be felt across the economy — from local suppliers and contractors to cultural attractions. This may also substantially impact employment opportunities in rural and coastal communities.

Subordinate legislation

19. The Bill does not expand on the "premium" that local authorities can utilise. There is significant concern that local authorities could utilise the premium to charge significantly more than the levies within the legislation. As the Bill will significantly impact the sector, it is critical for visitor accommodation providers to gain a greater understanding of the proposed premiums that local authorities could utilise.

Key information necessary for the sector include:

- what the cost increases are for a possible premium

- whether premiums will be collected similarly to the proposed levy
 - the frequency at which local authorities can charge a premium
 - the lead time and communications necessary for businesses to be informed of any premiums
 - potential case study examples of where Welsh Government envisage a premium being used and how the premiums will work.
20. BH&HPA firmly argue that the Bill should contain substantially more detail on the proposed premiums, having not included premiums within Welsh Governments socio-economic modelling for the legislation.
21. Further detail should be contained within the Bill outlining that local authorities should be accountable to Welsh Ministers to demonstrate added value of the levy. As introduced, the legislation requires local authorities to provide a report to the Welsh Government on what the proceeds of the levy have been spent on. BH&HPA argue that further information is needed within the face of the Bill, to hold local authorities to account on ringfencing and that meaningful spending of funds provides additionality. Welsh Ministers' powers only refer to details of reporting within the Bill. The legislation should allow for policymakers to scrutinise and hold local authorities accountable for mismanagement of levy revenues, if local authorities have failed to demonstrate tourism additionality.

Other considerations

22. While the Explanatory Memorandum includes estimates of levy revenues, it assumes previous statistics, when we are seeing a downturn in visitor numbers. There is no comprehensive analysis on how the levy, and other external forces, might affect visitor numbers, occupancy rates, or average spending per visitor. Subsequently, it reflects that the Bill is being imposed on the private sector without due consideration for the most important variables for visitor accommodation providers.
23. The Explanatory Memorandum does not provide sufficient detail on how the levy might impact business competitiveness with neighbouring regions or countries that do not have similar levies. This applies to within Wales, if not all Welsh local authorities decide to adopt a visitor levy, as well as bordering English counties. Guidance alongside the legislation should outline the possible implications of adopting a levy if neighbouring regions are more competitive.
24. The socio-economic modelling does not examine whether the levy could impact ancillary businesses who are reliant on tourism, such as restaurants, transport operators, and shops. Tourism accommodation providers, including holiday parks, directly and indirectly support the communities in which they are located. The legislation fails to consider the impact on the wider tourism economy.

25. The Welsh Government's socio-economic modelling did not examine how the legislation would impact different types of visitor accommodation provider. There are considerable differences in the revenue streams of holiday parks, touring parks and other tourism accommodation businesses. The Welsh Government's modelling and research should have considered the different types of visitor accommodation provider and how a levy may impact different sectors. The importance of such research is that different types of visitor accommodation attract different demographics of customers. There is concern that the holiday parks sector may be more negatively impacted than accommodation providers who offer business travel accommodation or attract high-spending international visitors.
26. BH&HPA argues that consultation with tourism operators by the Welsh Government was not extensive. Subsequently, this has negatively impacted business confidence.
27. As holiday and touring parks have needed a Site Licence to operate since the Caravan Sites and Control of Development Act 1960, all such businesses will already be registered with the local authority. Any additional registration requirement for regulated businesses such as holiday parks and campsites are an undue burden on many SMEs and creates additional bureaucracy for local authorities.
28. The levy applies to individuals of all ages, including children and infants. The notion that small children should be taxed for their visit is an unsympathetic approach by the Welsh Government. Young children often share rooms with guardians and should not be in scope of taxation.
29. Across Europe, the majority of countries who have adopted tourism/occupancy levies do not impose the tax on children (https://single-market-economy.ec.europa.eu/publications/study-impact-taxes-competitiveness-european-tourism-eu-tourism-tax-tool_en).
30. The majority of European visitor levies apply a discount or exempt children, with most countries discounting under 18s and a few countries exempting under 12s. For the Welsh Government to tax children, or not even apply a discount, would fall outside normal European practices for visitor levies. BH&HPA firmly believe that children should be exempt from the legislation.
31. The tourism levy, in its proposed current form represents a regressive tax on individuals, including children, and will have a social impact on children's wellbeing with families having to reconsider whether they can afford to take a week's camping holiday in Wales. BH&HPA is strongly opposed to a 'Family Holiday Tax'.

32. BH&HPA are concerned about the practical difficulties in treating a holiday caravan owner, who sublets their private caravan, in the same manner as a regulated business. The Welsh Revenue Authority may struggle to capture all private holiday caravan owners who may occasionally sublet their privately owned caravan, particularly if private owners choose to advertise the accommodation through social media. Measures to counter this may prove to be unduly burdensome on private individuals and local authorities. It could also create poor relations between the park owner and caravan owner if the park owner is expected to monitor this. This may result in a holiday caravan owner choosing to leave, further impacting the business's income and secondary spend within the local community. BH&HPA would strongly advise exempting private owners of holiday caravans from the legislation.

We welcome the opportunity to work with the Finance Committee to scrutinise the legislation. Please contact us if we can provide additional information. We would be pleased to arrange a visit to a holiday park or facilitate a stakeholder forum with BH&HPA members, if this would be useful to ministers and their advisers.

ⁱ Pitchup.com website: <https://www.pitchup.com/campsites/Wales/>