

FIN(6)-04-25 P17

## VAB128 Caravan and Motorhome Club

---

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 Caravan and Motorhome Club | Evidence from Caravan and Motorhome Club

---

### 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?**
- 

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

The Club maintains that now is not the time for the introduction of a visitor levy when the tourism sector, along with many others, are struggling to operate with rising utility costs and other increasing costs as a result of recent national budgets and policies.

In addition to this, our members are already feeling the strain of the continuing cost of living crisis and are incredibly price sensitive. This has been particularly evident over the past two years with reduced demand, later bookings and the need to incentivise and discount offerings to try and encourage as many overnight stays as possible. There is close scrutiny and comparison with competitive providers within the camping and caravanning sector, but also with the self-catering and overseas markets - with the price of a holiday being a prime determinant of choice.

The Club remains concerned that the introduction of a visitor levy will further impact the behaviour and travel patterns of its membership, which may be to the detriment of

sustainable tourism within Wales. Some of the Club's responses have been raised under previous discussions about the levy, but remain relevant today - and these are set out below, along with potential unintended consequences which may result from the legislation.

The Club strongly advocates that the inclusion of a 'pitch' within the definition of visitor accommodation should be reviewed and ideally exempted; our members are bringing their own accommodation with them to the campsite, and for the same levy to apply as to guests in visitor accommodation is likely to influence and change their usual touring behaviours to the detriment of local communities.

## **The Bill's implementation**

The Regulatory Impact Assessment is set out in Part 2 of the Explanatory Memorandum (<https://senedd.wales/media/g5ipvwvh/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).

The proposal that the levy will apply to individuals of all ages, including children and infants should be reconsidered and is not supported by a Club which encourages the family holiday market, particularly as an affordable means to ensure that holidays and the great outdoors is accessible to many. To impose a tax on children appears not to have been fully considered as part of the impact assessment which covered Children's Rights. Whilst children were consulted, it was documented that there was a potential for a negative impact on children and young people from lower socio-economic backgrounds and as a Club we would argue that this is not inclusive and the taxation of children should be reviewed and potentially exempted. Evidence from other countries who have implemented a visitor levy does not include payment for children, often those below the age of 18.

Families with children often face higher travel expenses and adding a levy for children disproportionately increases the financial burden on families compared to individual travellers or child-free groups. Exempting children could ensure that the levy remains progressive and does not deter lower-income families from visiting Wales. The optics of taxing children could raise moral concerns particularly as they are dependents and not autonomous economic participants.

Many businesses, including the Club, offer an option to pre-pay for their accommodation in advance of arrival (e.g. the balance is auto-collected the night before their stay commences) - which makes it more difficult to capture accurate visitor numbers. The cost of the accommodation e.g. the pitch from our perspective can be more easily reconciled alongside occupancy rates and nights booked, and would be a better approach on which to calculate a levy than on a per person, per night basis. To this end, the Club would certainly advocate that there is also an exemption applied to businesses which fall below a certain threshold for their annual turnover to ensure that small businesses are not penalised and their occupancy does not suffer as a result of visitors/members choosing alternative locations.

### **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).

The tourism sector in Wales as a whole is vulnerable, and whilst it is appreciated that the Government is trying to enable a more equitable arrangement between visitors and residents through the introduction of the levy and provide an additional revenue source for local authorities to re-invest locally into the services and goods which are integral to the visitor experience, the behaviour of visitors and consumer confidence is likely to be impacted as a result of increased charges for visiting Wales and particular regions and locations depending on the levy. There are concerns that our members will make choices about the distances and destinations they choose to travel to, with the potential for the levy on overnight stays providing a disincentive to travel to Wales and instead make decisions to visit destinations without a levy - distorting competition within Wales if some areas apply the levy and others don't. Wales competes with other UK regions and international destinations that do not impose such a levy. This additional cost may discourage our members from choosing Wales, particularly when other options are perceived as more affordable and equally attractive.

The caravan and camping sector is highly seasonal, with some operators relying on a few peak months to sustain their businesses year-round. Even a small reduction in visitor numbers during this period could have consequences for their viability. In particular, our Certificated Locations which are only able to offer a maximum of 5 pitches would find the addition of the levy very impactful.

Caravan and camping holidays are one of the most affordable ways for families and individuals to explore Wales. Introducing a levy would increase costs, potentially pricing out those who rely on budget-friendly accommodation options, thereby reducing accessibility for a wide demographic of visitors.

Many caravan parks and campsites are family-run businesses, deeply embedded in rural and coastal communities. A decline in visitor numbers would have a ripple effect, not only on these businesses but also on local shops, restaurants, and attractions that depend on tourism.

The levy has the potential to unintentionally encourage unauthorised camping by increasing the costs of accommodation at formal campsites and encouraging budget-conscious tourers to seek alternative, unregulated options. This could potentially increase pressure on popular tourist destinations such as national parks, beaches and other rural, scenic locations which already experience demand and lead to increased environmental damage, littering and strain on local communities which is the objective of the levy to avoid.

In addition to this, irresponsible overnight camping in unauthorised areas, or unregulated campsites may be an unintended consequence and the legislation is not clear about how local authority run car parks offering overnight camping pitches would fall within or without the scope of the visitor levy. The Club has particular concerns not only about the safety features of local authority car parks being made available for motorhomes to park overnight, and adequate facilities made available for them, but this is likely to be exacerbated with visitors choosing this as a cheaper alternative. The Club would encourage cooperation with local authorities that could try to address and promote the use of properly constituted caravan parks and campsites.

#### **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).

This is a challenging issue because it creates another cost and an administrative burden on businesses who already have numerous other regulatory and licensing requirements upon them to fulfil, including the collection of VAT. For larger businesses, this would require adjustments to, or the introduction of, booking systems and staff resourcing to administer the collection - yet for small and/or independent businesses, this could potentially be a disproportionate burden which they are unable to accommodate and could be put at risk of operating as a result.

The Club certifies 2,300 Certificated Locations in the UK - and 275 of these are located in Wales. These are small independently run businesses, often ancillary to farming or other land based activity, which allow for up to 5 touring pitches for caravans and motorhomes to stay overnight on their land, with minimal provision of basic facilities. These are an economical option to our members which operate with low or

minimal resources and to expect these to be the collection agent for a taxation is likely to be unpopular with the operators. Similarly, the Club organises rally events, 75 were run in Wales during 2024, which are again a cheaper alternative to staying on a Club site, available to the membership to enjoy the great outdoors with minimal facilities - and these are organised and run by our volunteer network. To expect them to administer and collect the monies for the levy will be an added responsibility that they are likely to be unwilling to support; and which could put in jeopardy the rally pastime in Wales and drive our volunteers to seek alternative venues outside of Wales.

These Certificated Locations (CLs) have a limited ability to generate sufficient turnover with a maximum of only 5 pitches available per night; and any levy is likely to be disproportionate to the low price that can be charged for a basic pitch provision in comparison to higher cost accommodation options. Perhaps businesses which fall below a certain threshold for their annual turnover, and/or number of nights charged for should be exempted. The same would apply to Club rallies which have limited ability to generate revenue.

Whilst the legislation appears to be very transparent in setting what appears to be low rates for the levy, with the lower rate of £0.75 (which applies to campsites) and the higher rate at £1.25, the opportunity for a local authority to then choose to apply a premium as an additional amount is of particular concern, with what appears to be no limitation or guidance as to the appropriate level at which this premium could be set. Whilst it is appreciated that the flexibility may help local councils better address their specific needs, it could also lead to unintended consequences that undermine the levy's objectives. As an element of the legislation which was not apparent during earlier discussions or consultations, the industry should receive clear guidance about how any premium could be introduced and what the cost increases are likely to be, as well as how it will be administered as part of, or separate to the levy. As an example, the difference between the lower and higher rates is disproportionate to the difference between the prices of the visitor accommodation to which it applies.

## **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).

**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).

To ensure that the legislation is effective, it is essential that it uses clear definitions and precise terminology that cannot easily be misinterpreted. As has previously been cited in this response, within the Club itself there are numerous small businesses operating as CLs, and in the sector more widely, many campsite operators are small family run businesses. There is a concern that without clarity of who falls within the remit of the legislation through clear definitions, some could inadvertently fail to understand their need to comply. This is particularly relevant also within the section which determines the enforcement and penalties for failing to meet the requirements of the Act.

To add to this, many inexperienced business owners within the sector may find it difficult to administer the processes involved in self-declared tax collection without clear instructions, and it is recommended that consideration be given to making systems as straightforward and practical to administer as possible.

**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_to_the_Legislative_Process-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).

As a representative organisation of the caravan and camping sector, the Club would comment that there is the potential for the levy to disproportionately impact the revenue streams of these businesses in contrast to other types of accommodation provider whose demographics enable a higher spend on their tourist activities, and who are less likely to notice the impact of the levy on the overall cost of their overnight stay.

There is minimal analysis and evidence within the Explanatory Memorandum on how the levy might affect visitor numbers, occupancy rates and the spend per visitor within any sectors of the tourism industry.

The Club fulfils active representation on the Wales Tourism Alliance Executive Committee and Council and welcomes the opportunity to discuss the implications of the Bill further.