

## **DTRVA 17 Country Land and Business Association (CLA Cymru)**

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Senedd Cymru | Welsh Parliament

Pwyllgor yr Economi, Masnach a Materion Gwledig | Economy, Trade, and Rural Affairs Committee

Bil Datblygu Twristiaeth a Rheoleiddio Llety Ymwelwyr (Cymru) | Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill

Evidence from Country Land and Business Association (CLA Cymru)

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### **1. What are your views on the general principles of the Bill, and whether there is a need for legislation to deliver the stated policy intention?**

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

The CLA continue to agree with the creation of a registration scheme instead of the intended license scheme. The tourism sector has long called for a registration scheme, which will allow for a fair industry, ensuring that all providers have an equal chance of succeeding. By enforcing a comprehensive registration scheme, this could also ensure all holiday let providers are updated on any changes from Welsh Government or their local authority in a timely manner. Furthermore, by a registration scheme providing data to Welsh Government, this will highlight to how vitally important the activity of providing rural holiday accommodation to tourists of Wales is to the Welsh economy.

A licensing scheme would not result in an increase in standards as booking platform reviews are the key drivers for customers booking holiday accommodation. Accommodation providers are driven to have high standards by customers, not by licensing inspections. We propose that an alternative to a licensing scheme would be a comprehensive registration scheme. A comprehensive registration scheme would support Welsh Government by collecting a database which gives a better understanding of the range of accommodation in Wales. VAPs would still be required to provide evidence that they hold all the relevant safety standards, without the severity of a licensing scheme.

The exclusive aim of only licensing self-catered accommodation currently, is a concern for the CLA. A large majority of rural holiday accommodation providers are self-catered accommodation, putting an additional burden on rural business owners. The impact that previously implemented policies is having, is showing the stress levels within the industry are at their highest. These policies will hit rural areas hardest, when they rely so heavily on tourism for income and jobs.

Industry leaders have this week pushed Welsh Government to slow down on its approach as the feeling is that the scheme is being rushed through, with costs that are wholly unrealistic and currently shows more problems than necessary. We support this.

We support a system that creates a level playing field for all providers, but we urge Welsh Government to prioritise proportionate, low-burden implementation to avoid unintended costs that could have a negative impact and potentially push small operators out of business.

## **2. What are your views on the Bill's provisions, including whether they are workable and will deliver the stated policy intention?**

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

We disagree, CLA Cymru believes that a comprehensive registration scheme would help to develop a level playing field, and would deliver the policy intention, this being without having to extend this scheme to a license. The view is that a statutory licensing scheme is not necessary to achieve that goal.

The introduction of a licensing scheme will only mean that business owners who have been encouraged to diversify after the loss of Basic Payment Scheme (BPS) will face additional barriers to diversification. The process of obtaining a license concerns accommodation providers as significant power will be given to the authorising agency. There would have to be sufficient safeguards in place to ensure the fair management of the awarding and revoking licensing process. We do not believe that local authorities have the resource to administer this affectively.

## **3. In your view, are there any potential barriers to the implementation of the Bill's provisions?**

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

Key questions remain around compliance costs, training needs, and enforcement measures to protect compliant businesses, and ensuring minimum standards are reasonable and consistent. Integrating this system with the visitor levy into a single, user-friendly national digital platform would be a game-changer for easing the regulatory burden on businesses. With a tight timeline, we call for robust consultation to deliver a high-quality framework that truly supports Wales's tourism businesses, especially those that are within rural communities.

## **4. Do you feel there will be any unintended consequences arising from the Bill?**

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

There is major concern within the industry that the introduction of excessive red tape, and with the feeling that tourism and hospitality in Wales is being bled dry without reinvestment, it's only a matter of time before businesses start eyeing relocation to competitor destinations. We know safety must come first, but overregulation on top of the bombardment of new and proposed policies risks stifling Wales's economic success stories.

## **5. What are your views on the Welsh Government's assessment of the financial and other impacts of the Bill as set out in Part 2 of the Explanatory Memorandum?**

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

We are glad to see that the concerns that we expressed with yourselves have been brought forwards in the Rural Proofing impact assessment. However, it is a concern to the CLA that within the assessment, it states that Welsh Government is 'unable to safely predict whether licensing and raising safety standards will affect visitor numbers'. When it comes to rural and coastal areas, tourism is a big economic contributor providing a much bigger proportion of employment and investment in the local economy.

As discussed, the impact that this policy could have on rural businesses, differs to that of their urban counterparts. This being potentially higher energy and transport costs, as well as further challenges for recruitment.

Furthermore, these smaller rural businesses tend to operate at low profit margins and often lack significant economic buffers. Small changes can mean they may be less able to absorb the impact of any price changes and additional administrative costs.

Therefore, the associated administration of the license may be more burdensome for these businesses, especially those with less sophisticated systems. This burden is increased for those businesses who are less digitally enabled.

The assessment found that the cost of compliance, combined with other factors currently affecting the viability of maintaining a visitor accommodation business, may cause some VAPs to exit the market thus reducing the number of available premises for visitors to occupy. This concerns the CLA, as the industry is already under so much pressure, where true businesses are being forced out of the industry following recently implemented policies, for this policy to exacerbate the issue.

## **6. What are your views on the appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Part 1: Chapter 5 of the Explanatory Memorandum)?**

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

None

**7. Are there any other issues you would like to raise about the Bill and the Explanatory Memorandum or any related matters?**

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

None