

## **DTRVA – Tystiolaeth ychwanegol | Additional evidence**

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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**

Ymateb gan: Undeb Amaethwyr Cymru (FUW)

Evidence from: Farmers' Union of Wales (FUW)

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# Farmers' Union of Wales' response to a Welsh Government consultation on a statutory licensing scheme for all visitor accommodation providers in Wales

17th March 2023

## About the FUW

1. The Farmers' Union of Wales (FUW) was established in 1955 to exclusively represent the interests of farmers in Wales. Since 1978 the union has been formally recognised by UK Governments, and subsequently by Welsh Governments, as independently representing those interests.
2. The FUW's Vision is *thriving, sustainable, family farms in Wales*, while the Mission of the Union is *To advance and protect Wales' family farms, both nationally and individually, in order to fulfil the Union's vision.*
3. In addition to its Head Office, which has thirty full-time members of staff, the FUW Group has around 80 members of staff based in twelve regional offices around Wales providing a broad range of services for members.
4. The FUW is a democratic organisation, with policies being formulated following consultation with its twelve County Executive Committees and eleven Standing Committees.

## General comments

5. The general comments provided below refer specifically to FUW members who are genuine small scale holiday accommodation providers having diversified their farm businesses in order to generate additional income.
6. In responses to recent Welsh Government consultations on policies designed to tackle the impacts of second homes and short-term holiday lets, the FUW has emphasised the need to differentiate between genuine accommodation providers and those who both inhabit and let second homes at different times of the year.
7. Robust monitoring and policing of such properties would significantly close this loophole, and it has previously been proposed by the FUW that a statutory registration scheme is introduced in order to closely monitor the number of AirBnB and holiday home type properties in Wales alongside identifying the bureaucratic barriers landlords are facing when attempting to provide for the rented sector.

8. However, there is great concern that what is being proposed by the Welsh Government will be considered as an enforcement tool by creating even more barriers and bureaucratic requirements for genuine accommodation providers.
9. In this context, the FUW clearly expressed its opposition to proposals to introduce a discretionary visitor levy for local authorities in its response to the consultation in December 2022.
10. There is a strong feeling amongst the community of farmers who have diversified into self-catering accommodation that many Welsh Government policies designed with good intention to tackle the impacts of second homes and short-term holiday lets will have a detrimental impact on genuine providers.
11. To that end, the FUW has raised repeatedly the need for the Welsh Government to ensure that such policies do not result in an irreversible impact for the Welsh tourism industry which in turn leads to a sharp increase in the number of
  - a. accommodation providers operating under the radar, or
  - b. empty properties which cannot be used for residential purposes due to planning conditions.
12. In response to a growing number of properties being bought by landlords to rent out, the Welsh Government introduced Rent Smart Wales in 2015 to administer the whole of Wales and grant licences to landlords and agents who are required to comply with the Housing (Wales) Act 2014.
13. However, due to the increased bureaucracy and the growing popularity of AirBnBs, many found it difficult to rent houses out as holiday homes.
14. The FUW believes that this has resulted in many properties - which were originally bought by landlords - being left and unoccupied or sold as second homes which in turn has exacerbated the second home crisis.
15. As such, the FUW is opposed to the proposals to use a similar model to Rent Smart Wales which has clearly created additional barriers for landlords attempting to provide for the rented sector.
16. Furthermore, customer expectations are high for self-catering accommodation and therefore providers are already having to reach high standards in response to the competitive market, and to have any chance of letting their properties for 182 days per 12 month period to be eligible for business rates.
17. It is irresponsible of the Welsh Government to expect to set a licence fee with the intention of the scheme being self-funded when there is no current register available of all accommodation providers in Wales.

18. The FUW strongly believes that the registration scheme should be free for all providers, as is Visit Wales which operates both a quality grading scheme and verification scheme for visitor accommodation.
19. This, in addition to the concerns raised above and the potential demand on resources, should be reflected by the system of compliance and enforcement.
20. The FUW does not have any particular comments in terms of the frequency of applications, whether the scheme is managed nationally or by Local Authorities, or requirements to display registration / licence numbers.

## The Welsh language

21. In the 'Second Homes: Developing new policies in Wales' report, Dr Brooks highlighted that *"the conversion of more dwelling houses into second homes could be very detrimental to the Welsh language as well as being unacceptable from a social justice perspective."*
22. As such, a stark increase in empty properties which cannot be used for residential purposes due to planning conditions would undoubtedly have the same effect on the Welsh language.
23. The Welsh Government's own figures show that 43% of workers within the agriculture, forestry and fishing sectors speak Welsh in comparison with education at 27%, the sector with the second largest percentage share, and 17% for all Welsh workers.
24. This means that the prevalence of Welsh speakers in the agricultural industry is 153% higher than for Wales as a whole and suggests that the impacts predicted by Dr Brooks to be significantly more acute for agricultural and rural areas.
25. Furthermore, in 2019, the agricultural sector was responsible for 3.5% of the Welsh labour force (52,860 persons), compared with 1.1% in England and 2.5% in Scotland. However, it must be noted that the local percentage employed in agriculture in Wales is between 15% and 28% in large areas of Wales.
26. To this end, Dr Brooks' predictions and the data presented in previous FUW consultation responses on the locality of second homes demonstrates a clear case that the impacts associated with such dwellings are likely to be most prominent in rural and designated areas where agriculture is one of, if not the largest employer of local Welsh speaking workers.