



Ein cyf/Our ref: MA-MDFWL-3074-25

Andrew RT Davies MS
Chair
Economy, Trade, and Rural Affairs Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN

27 January 2026

Dear Andrew,

Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill

Further to my letter of 12 January 2026 and the 13 January general principles debate on the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill ("the Bill"), I am writing now to provide you with confirmation of the government responses to each of the 23 recommendations in the Economy, Trade, and Rural Affairs Committee's Stage 1 report.

Recommendation 1

Future Seneddau and governments should not take the timetable afforded to this Bill as a precedent for the making and scrutiny of non-emergency legislation. Such a short timeframe should be avoided unless exceptional circumstances demand otherwise,

Government Response - Noted

As I said during the general principles debate on 13 January, it is inevitable that where Bills are scheduled for the final year of a Senedd term this is going to create time constraints and pressures. The alternative would significantly limit the capacity of future Seneddau to legislate.

Recommendation 2

The Committee recommends that the Senedd, taking into account the recommendations in this report, agrees the general principles of the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Government Response - Noted

I thanked the committee for its recommendation that the Bill be supported at the general principles debate and am pleased that the Bill will now proceed to Stage 2.

Recommendation 3

The Welsh Government should amend the Bill at Stage 2 to make commencement of the licensing scheme subject to further Senedd approval.

Government Response – Reject

Commencement Orders are not subject to Senedd procedure.

Agreeing to this recommendation would mean a further approval would be required in order to implement an Act that the Senedd had already agreed. As such, the Government cannot accept this recommendation.

Recommendation 4

The Welsh Government should amend the Bill at Stage 2 to ensure that commencement of the Bill's provisions can take place no later than the end of the next scheduled Senedd term.

Government Response – Accept in principle

As confirmed in my letter of 12 January, I have now tabled various amendments, including a sunrise provision to commence the Act, if it has not been commenced by March 2030.

Recommendation 5

In his response to this report, the Cabinet Secretary should set out what discussions have taken place, and are planned to take place, with representatives of the tourism industry on proposals for the Bill's implementation.

Government Response – Accept

As I confirmed in my letter of 12 January, and during the general principles debate, Welsh Government officials have throughout the development of the Bill engaged on an ongoing basis with key stakeholders and will continue to do so. See also my response to related recommendation 21 below.

Recommendation 6

In advance of the Stage 1 debate, the Cabinet Secretary should set out what amendments he plans to bring forward at Stage 2.

Government Response – Accept

I set out in detail in my letter of 12 January, and during the general principles debate, my intended Stage 2 amendments, and I have now tabled them.

Recommendation 7

The Welsh Government should amend the Bill at Stage 2 to commit to undertaking and publishing a review of the operation and effect of the provisions in the Bill by no later than April 2034.

Government Response – Accept in principle

As I confirmed in my letter of 12 January, and during the general principles debate, I have now tabled such an amendment.

Recommendation 8

In responding to this report, the Welsh Government should set out what work has been carried out to date on developing the code of practice and associated guidance. Further, the Welsh Government should provide further detail on the anticipated content of the code.

Government Response – Accept

The guidance on the licensing scheme will be produced once the regulations have been drafted. We intend this to be issued well before the scheme is operational.

The code of practice goes far wider than the licensing scheme, but is integral to its operational delivery. Officials have been discussing a Welsh tourism code of practice with those who produce the English equivalent for some time. We would naturally want a code of practice to reflect the up-to-date legislation, so plan to reconsider the options next year.

Recommendation 9

The Welsh Government should consider amending the Bill at Stage 2 to ensure an appropriate minimum time period for Senedd consideration of regulations proposed under section 5.

Government Response – Accept in principle

As I confirmed in my letter of 12 January, and during the general principles debate, I have now tabled an amendment to consult for a minimum period prior to the use of the power under paragraph 5(1)(b).

Recommendation 10

The Welsh Government should ensure that guidance issued under section 55 addresses visitor accommodation providers' obligations in relation to the general fitness standard in section 7.

Government Response – Accept

The future guidance on the scheme will provide more detail on this, as well as other aspects of the regulatory regime under the Bill.

Recommendation 11

The Welsh Government should address waste management and anti-social behaviour issues in its code of practice, to ensure that operators are aware of their responsibilities and, further, should amend the Explanatory Memorandum to set out the licensee's existing obligations relating to the disposal of visitor waste

Government Response – Accept

Officials will address this when the code of practice is produced. In the meantime, I will be amending the Explanatory Memorandum to reflect this recommendation.

Recommendation 12

The Welsh Government should consider including energy performance certificates as an additional standard when exploring future updates to the licensing scheme.

Government Response – Accept

Energy performance policy is the responsibility of the UK Government. However, we will continue to monitor developments in that area, and consider any future potential implications for the licensing system.

Recommendation 13

In advance of the Stage 1 debate, the Cabinet Secretary should confirm whether he intends to bring forward amendments at Stage 2 to in relation to the proposed fire prevention standard in section 9.

Government Response – Accept

As confirmed in my letter of 12 January, and during the general principles debate, I have now tabled such an amendment.

Recommendation 14

The Welsh Revenue Authority should commit to providing regular updates on its work relating to the register and the licensing scheme to a relevant committee of the next Senedd.

Government Response – Noted

The WRA regularly updates the Finance Committee on its work, and I suggest that future updates should cover its work relating to the register and the licensing scheme. The relevant committee will no doubt be confirmed by the next Senedd.

Recommendation 15

In advance of the Stage 1 debate, the Cabinet Secretary should review the additional evidence provided by the Short Term Accommodation Association and confirm the average number of total licences that Rent Smart Wales deals with each year and the time taken to process applications at present. The Cabinet Secretary should also set out any estimate he has made of the length of time it will take to process and issue the estimated 30,000 visitor accommodation licences that will need to be issued in the first year of operating the licensing scheme.

Government Response – Accept

I confirmed in my letter of 12 January that officials were reviewing the additional evidence shared by the Short Term Accommodation Association and that I would follow up in writing with the Committee.

The Short Term Accommodation Association are right to highlight that the number of applications Rent Smart Wales receive year-on-year is lower than will be the case in the initial implementation of the Bill. I would not, however, draw an equivalence between the application processes. The application process for Rent Smart Wales is different to the one in the Bill: their licensing system requires a fit and proper person test for applicants, and also includes agents. Their compliance activity includes large scale agent audits, which are also not a feature of the licensing system proposed in the Bill. These differences result in a significantly different balance of where and how the compliance activity falls for the approximately 200,000 properties subject to the Rent Smart Wales regime, and I do not agree that the number of applications is the same as the number of licences Rent Smart Wales deals with year-on-year.

Officials have discussed plans for licensing with Rent Smart Wales, including processing applications and compliance checking and, where relevant, this has informed the assumptions made about how long it may take to process applications and to check documents which underpin the analysis presented in the Regulatory Impact Assessment for the Bill.

Recommendation 16

The Welsh Government should amend the Bill at Stage 2 to extend the minimum period for which a visitor accommodation licence may be granted.

Government Response – Accept in principle

As confirmed in my letter of 12 January, and during the general principles debate, I have now tabled an amendment which allows for different licence periods.

Recommendation 17

In advance of the Stage 1 debate, the Cabinet Secretary should provide further information to the Senedd about how the provision for complaints in section 22 is expected to work in practice, including how complaints will be assessed and what the practical effect will be of a complaint being upheld

Government Response – Accept

I provided a detailed response to this recommendation in my letter of 12 January.

Recommendation 18

In advance of the Stage 1 debate, the Welsh Government should update the Committee on discussions with local authorities as to their potential role in the enforcement process, and clarify the potential role Visit Wales might play.

Government Response – Accept

I provided a detailed response to this recommendation in my letter of 12 January.

Recommendation 19

The Welsh Government should bring forward an amendment to the Bill at Stage 2 to provide that the regulations made under section 38 will be subject to the Senedd approval procedure.

Government Response – Accept in principle

As I confirmed in my letter of 12 January, and during the general principles debate, I have now tabled such an amendment.

Recommendation 20

In advance of the Stage 1 debate, the Welsh Government should set out in further detail how the provision in section 42 is intended to work in practice, including its justification for the inclusion of 42(4).

Government Response – Accept

I provided a detailed response to this recommendation in my letter of 12 January.

Recommendation 21

In advance of the Stage 1 debate, the Cabinet Secretary should:

- provide an update on discussions with booking platforms / agents regarding the provisions in sections 46 and 47,
- provide further information on the rationale for extending the proposed offence to bodies other than visitor accommodation providers, and
- provide further information on the specific steps that may need to be taken to establish a defence to the proposed offence.

Government Response – Accept

I provided a detailed response to this recommendation in my letter of 12 January.

Recommendation 22

The Welsh Government should consider tabling an amendment to the Bill at Stage 2 to limit the scope of the advertising and marketing offence in section 47 to visitor accommodation providers only.

Government Response – Reject

I responded to this recommendation during the general principles debate on the Bill.

Recommendation 23

In advance of the Stage 1 debate, the Cabinet Secretary should respond to the specific additional evidence received by the Committee.

Government Response – Accept in principle

I confirmed in my letter of 12 January that analysis of the additional evidence provided to the Committee was ongoing and that I would follow up in writing with any additional clarifications or responses required as a result of that analysis.

Officials have considered the evidence provided, and where I considered changes were necessary as a result, I have tabled amendments to that effect. We will continue to consider the evidence alongside the Bill throughout Stage 2, and will consider whether further amendments are necessary at Stage 3.

Many of the points raised in the additional evidence were discussed during scrutiny, including the policy intention of the Bill, the general fitness standard, and the way we will support continuity of business during the rollout of the scheme, but check documentation before issuing a licence. I addressed many of these points again in the general principles debate. In particular, I have considered these issues with the visitor in mind. For the scheme to achieve its purpose, we have to be able to reassure visitors that the accommodation they book will meet the standards they expect.

I hope this response is useful, and I look forward to continuing to work constructively with the committee during Stage 2.

I am copying this letter to the Chairs of the Legislation, Justice and Constitution Committee, and the Finance Committee for information.

Yours sincerely,

A handwritten signature in black ink, reading 'Mark Drakeford', is displayed within a light grey rectangular border.

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language