

Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Stage 1 report

March 2025



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

Stage 1 report

March 2025



About the Committee

The Committee was established on 23 June 2021. Its remit can be found at:
www.senedd.wales/SeneddFinance

Current Committee membership:



**Committee Chair:
Peredur Owen Griffiths MS**
Plaid Cymru



Mike Hedges MS
Welsh Labour



Rhianon Passmore MS *
Welsh Labour



Sam Rowlands MS **
Welsh Conservatives

* Rhianon Passmore MS declared a relevant interest during Stage 1 scrutiny of the Bill as her parents have previously had a property with West Wales Cottages.

** Sam Rowlands MS declared a relevant interest during Stage 1 scrutiny of the Bill as a member of the Caravan and Motorhome Club.

The following Member was also a member of the Committee during the scrutiny of the Bill:



Peter Fox MS ***
Welsh Conservatives

*** Peter Fox MS declared a relevant interest during Stage 1 scrutiny of the Bill as a caravan owner.

The following Member attended as a substitute during the scrutiny of the Bill:



Mick Antoniw MS
Welsh Labour

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Recommendations and conclusion

Recommendation 1. The Committee recommends that the Senedd, taking into account the recommendations in this report, agrees the general principles of the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill. Sam Rowlands MS does not support this recommendation.Page 42

Recommendation 2. The Committee recommends that the Welsh Government amends the Bill at Stage 2 to commit to undertaking and publishing a review of the operation and effect of the whole Act no later than four years after Part 2 of the Act comes into force.....Page 43

Recommendation 3. The Committee recommends that guidance for Visitor Accommodation Providers produced by the Welsh Government or the Welsh Revenue Authority is:

- appropriately targeted to both professional and non-professional users; and
- clarifies the applicability of the registration requirements and levy proposals to the individual circumstances notified to the Committee by contributors to our scrutiny of the Bill. Page 47

Recommendation 4. The Committee recommends that, in advance of the Stage 1 debate, the Welsh Government should provide more detail to the Senedd on its policy intentions for the forthcoming statutory licensing Bill, together with an indication of the timescales for implementation should such a Bill be passed by the Senedd.....Page 60

Recommendation 5. The Committee recommends that the Welsh Government should bring forward an amendment to the Bill at Stage 2 to commit to publishing periodic reports analysing data collected from the register of visitor accommodation providers. Such a report should include an analysis of trends in the number and types of providers and accommodation across local authorities year-on-year.....Page 60

Recommendation 6. The Committee recommends that the Welsh Government, working with the Welsh Revenue Authority and relevant stakeholders, provides regular updates to the Senedd on the development of the Welsh Revenue Authority's approach to compliance and enforcement under the Bill, including any steps being taken to ensure that compliance and enforcement activity is

proportionate to the nature and size of the visitor accommodation provider.
.....Page 60

Recommendation 7. The Committee recommends that the Cabinet Secretary should, in advance of the Stage 1 debate and in light of the comments received by the Committee, update the Senedd as to whether he remains of the view that 31 days is the appropriate maximum period for which stays in visitor accommodation in Wales should be subject to the levy..... Page 76

Recommendation 8. The Committee recommends that the Cabinet Secretary takes proactive steps to provide appropriate support to smaller visitor accommodation providers once the Bill comes into force.....Page 77

Recommendation 9. The Committee recommends that the Welsh Government should, in advance of the Stage 1 debate, provide more details about its proposals to strengthen the provisions of the Bill relating to the introduction of a premium.
..... Page 78

Recommendation 10. The Committee recommends that the Welsh Government commits to considering alternative approaches to the charging of premiums in the context of the visitor levy as part of any future assessment of the operation and effect of the Act..... Page 78

Recommendation 11. The Committee recommends that, in advance of the Stage 1 debate, the Welsh Government should provide the Senedd with a summary of any analysis carried out regarding the potential exemption from the levy in relation to:

- under-16s,
- educational trips, and
- bodies with charitable status. Page 79

Recommendation 12. The Committee recommends that, in advance of the Stage 1 debate, the Welsh Government should review its approach to the 30-day deadline for the filing of returns, and provide an update to the Senedd on whether it remains of the view that the proposed timescale is appropriate.
..... Page 85

Recommendation 13. The Committee recommends that the Welsh Government should bring forward amendments at Stage 2 requiring principal councils wishing to introduce the levy to establish a Visitor Forum in line with the approach taken in the Visitor Levy (Scotland) Act 2024, and that:

- membership of the forum should include businesses engaged in tourism, tourist organisations in the principal council's area and other relevant local bodies; and
- principal councils must have regard to any recommendations made by the Visitor Forum when deciding on the use of proceeds of the levy.
.....Page 93

Recommendation 14. The Welsh Government should set out its plans for further work in relation to section 40 and should keep this Committee informed of subsequent discussions. Page 99

Recommendation 15. The Committee recommends that the Cabinet Secretary provides an update on discussions held between the Welsh Government and local authorities on additional ongoing costs associated with introducing the visitor levy and that these changes are made to the Regulatory Impact Assessment after Stage 2..... Page 111

Recommendation 16. The Committee recommends that the Cabinet Secretary works with the Welsh Revenue Authority to assess:

- the variabilities relating to the administrative costs the Welsh Revenue Authority will incur during the implementation of the Bill, and
- whether the Welsh Revenue Authority has sufficient capacity to deal with its additional responsibilities under the Bill,

and reports back to the Committee with details of those findings.

..... Page 112

Recommendation 17. The Committee recommends that the Cabinet Secretary explains the medium to long-term funding model it will use to cover the additional administrative costs falling on the Welsh Revenue Authority as a result of the Bill and that the Regulatory Impact Assessment is updated with these details after Stage 2..... Page 112

Conclusion 1. The Committee is broadly content with the financial implications of the Bill as set out in the Regulatory Impact Assessment, subject to the comments and recommendations in this report. Page 110

1. Introduction

The Bill

1. On 25 November 2024, the Cabinet Secretary for Finance and Welsh Language, Mark Drakeford MS ('the Cabinet Secretary'), introduced the Welsh Government's Visitor Accommodation (Register and Levy) Etc. (Wales) Bill ('the Bill') to the Senedd.¹ On the same day, he laid an accompanying Explanatory Memorandum ('the EM') incorporating the Regulatory Impact Assessment ('RIA') and Explanatory Notes², and made a written statement³.
2. On 26 November 2024, the Cabinet Secretary published a Statement of Policy Intent for Subordinate Legislation⁴ and made an oral statement in Plenary⁵. He also shared indicative additional registration provisions which he intends to table at Stage 2.⁶
3. In accordance with Standing Order 26.9, the Business Committee referred the Bill to the Finance Committee ('the Committee') for Stage 1 scrutiny of the Bill's general principles with a reporting deadline of 21 March 2025.⁷

Terms of reference

4. On 27 November 2024, the Committee agreed its approach to scrutiny, including the terms of reference.

Box 1 Terms of reference

The general principles of the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill and whether there is a need for legislation to deliver the Bill's stated policy objectives, which are to:

¹ Information about the Bill and its passage through the Senedd is available on the [Bill's webpage](#).

² [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum](#),

25 November 2024

³ [Written statement: Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill](#),

25 November 2024

⁴ [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Statement of Policy Intent for Subordinate Legislation](#), 26 November 2024

⁵ [Oral statement: Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill](#), 26 November 2024

⁶ [Letter from the Cabinet Secretary for Finance and Welsh Language: Indicative Stage 2 amendments](#), 26 November 2024

⁷ [Business Committee: Timetable for consideration of the Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill](#), 25 November 2024

- 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.

Any potential barriers to the implementation of the Bill's provisions, and whether the Bill and accompanying Explanatory Memorandum and Regulatory Impact Assessment take adequate account of them.

Whether there are any unintended consequences arising from the Bill.

The Welsh Government's assessment of the financial and other impacts of the Bill as set out in Part 2 of the Explanatory Memorandum.

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).

The balance between the information contained on the face of the Bill and what is left to subordinate legislation.

Any matter related to the quality of the legislation.

The indicative additional registration and enforcement provisions the Welsh Government intends to bring forward at Stage 2.

Our approach

5. On 29 November 2024, the Committee issued a general call for written evidence. To ensure the evidence could inform our oral evidence sessions, the deadline to respond was 10 January 2025. 150 responses were received, as well as additional written evidence from several organisations.⁸

6. The Welsh Government provided a private technical briefing to the Committee on 27 November 2024. 11 oral evidence sessions were held with the

⁸ The written responses we received may be read in full on the [Bill's webpage](#).

Cabinet Secretary and key stakeholders between 5 December 2024 and 12 February 2025.⁹

Scrutiny of the Bill by other Senedd committees

7. In line with its usual practice, the Legislation, Justice and Constitution Committee also scrutinised the Bill. Information about its work, and its conclusions, can be found on the Bill's webpage.¹⁰

⁹ Details of the technical briefing and oral evidence sessions, including links to the transcripts and Senedd.tv broadcasts, are available on the [Bill's webpage](#) and in Annex 1

¹⁰ [Legislation, Justice and Constitution Committee](#)

2. Background and context

Policy objectives

8. The Bill has two broad objectives:

- to give local authorities in Wales a power to charge a levy on overnight visitors staying in visitor accommodation in their area ('the visitor levy'); and
- to establish a register of visitor accommodation providers operating in Wales.

9. The policy aims of the visitor levy are 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 that can support tourism.
- Support the Welsh Government's ambitions for sustainable tourism.

10. The EM notes that the register "will support the administration of the levy" and, further, that it will help "better understand the sector to help inform future policy interventions."¹¹

Background

Visitor levy

11. In 2017, the then Cabinet Secretary for Finance, Mark Drakeford MS, issued a public call for ideas for potential new taxes for Wales.¹²

12. Following engagement with stakeholders through the Welsh Government's Ministerial Tax Advisory Group and official-level Tax Forum, a shortlist of four

¹¹ [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum](#), 25 November 2024, paragraph 3.3.2

¹² [Welsh Government. Press release: Have your say in the development of potential new Welsh taxes](#), 4 July 2027

potential new taxes for Wales was announced in 2018, which included a visitor levy.¹³

13. Welsh Labour’s 2021 manifesto promised to:

“Consult on legislation permitting local authorities to raise a tourism levy, ring fenced to support improving the visitor experience in Wales and to help the local economy.”¹⁴

14. The Welsh Government’s Programme for Government published in 2021 committed to:

“Introduce legislation permitting local authorities to raise a tourism levy.”¹⁵

15. The Co-operation Agreement between the Welsh Government and Plaid Cymru, which was in place between December 2021 and May 2024, included a commitment to:

“Introduce local tourism levies using local government finance reform legislation.”¹⁶

16. The Welsh Government consulted on proposals to provide discretionary powers for local authorities to apply a visitor levy in their areas in 2022.¹⁷

17. In March 2023, the then Minister for Finance and Local Government, Rebecca Evans MS, announced her intention to proceed with legislative proposals.¹⁸

Statutory registration scheme

18. The Welsh Government’s Programme for Government also committed to “take forward actions to... licence holiday lets”¹⁹ and the Co-operation Agreement between the Welsh Government and Plaid Cymru included a commitment to “a statutory licensing scheme for holiday lets”.²⁰

¹³ [Welsh Government, Developing new Welsh taxes](#), 28 June 2018

¹⁴ [Moving Wales Forward, Welsh Labour Manifesto 2021](#)

¹⁵ [Welsh Government, Programme for Government: update](#), 7 December 2021

¹⁶ [Welsh Government, The Cooperation Agreement: 2021](#), December 2021

¹⁷ [Welsh Government, Consultation: Discretionary visitor levy for local authorities](#)

¹⁸ [Welsh Government, Written Statement: Update on proposals for a discretionary visitor levy for Wales](#), 30 March 2023

¹⁹ [Welsh Government, Programme for Government: update](#), 7 December 2021

²⁰ [Welsh Government, The Cooperation Agreement: 2021](#), December 2021

19. The Welsh Government consulted on a statutory licensing scheme for all visitor accommodation providers in Wales in December 2022, including proposals to establish a register of visitor accommodation providers in Wales.²¹

20. In January 2024, the then Deputy Minister for Arts, Sport and Tourism, Dawn Bowden MS, announced plans to move forward with a statutory registration and licensing scheme for all visitor accommodation in Wales.²²

21. In his written statement on the Bill's introduction, the Cabinet Secretary said:

“Through consultation, continued engagement and the discovery work led by the Welsh Revenue Authority, we have received consistent feedback that we need a form of registration in place to support the levy. This has informed our decision to include a national register of all those providing visitor accommodation in Wales within the Bill.”²³

22. Speaking in Plenary, he added that the register “will form the basis of the statutory licensing scheme to which this Government remains committed”.²⁴

23. The Cabinet Secretary later confirmed that the Welsh Government will bring forward a second Bill:

“... the next Bill will be the licensing Bill, and the licensing Bill will require accommodation providers to acquire a licence to operate, and the current intention is to start with an approach where it will be those basic safety-type issues, where you have a legitimate expectation that if you go to some self-contained accommodation it will have those safety licences and requirements in place. So, yes, there will be another Bill, currently expected to be introduced in the autumn, that will deal with that.”²⁵

²¹ [Welsh Government, Consultation: Statutory licensing scheme for all visitor accommodation providers in Wales](#)

²² [Welsh Government, Press release: Plans unveiled for statutory registration and licensing scheme for visitor accommodation in Wales](#), 9 January 2024

²³ [Written statement: Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill](#), 25 November 2024

²⁴ [Oral statement: Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill](#), 26 November 2024

²⁵ [Finance Committee, 12 February 2025, RoP, Paragraph 112](#)

Box 2 Summary of the Bill's provisions

If passed, the Bill will:

- Require visitor accommodation providers in Wales to be registered on a register of visitor accommodation providers.
- Provide local authorities with a discretionary power to charge a visitor levy on overnight stays in visitor accommodation ('the levy').
- Require local authorities to consult before introducing, changing or abolishing the levy.
- Make visitor accommodation providers liable to pay the levy to the Welsh Revenue Authority.
- Provide a basis for the calculation of the levy and its collection.
- Require local authorities to use the net proceeds for the purposes of destination management and improvement in their areas and report on the use of the proceeds.
- Provide the Welsh Ministers with a power to extend the levy to berths and moorings by regulations.

24. The discretionary nature of the levy means that it will be for each individual local authority in Wales to decide whether or not to introduce it in their respective areas.

Economic context

25. According to the Welsh Government's profile of the visitor economy in Wales²⁶:

- The tourism sector accounted for 5.1 per cent of Gross Value Added (GVA) in Wales in 2022 (£3.8 billion).
- The tourism sector accounted for 11.8 per cent of employment (159,000) in Wales in 2022, an increase from 151,000 in 2020 (11.3 per cent of employment in Wales) during which time overall employment levels in Wales remained unchanged. 77 per cent of tourism employment (123,000) was in hospitality. The sub-sector accounting for the largest

²⁶ [Welsh Government, Wales Visitor Economy Profile: 2024](#)

proportion of employment in 2022 was Food and Beveraging Service Activities with 6.8 per cent (91,000) of employment in Wales followed by Accommodation for Visitors with 1.9 per cent (26,000). 55 per cent of employee jobs in tourism in 2022 were part time, compared with just 35 per cent of employee jobs in all industries.

- Tourism enterprises (12,625) accounted for 11.8 per cent of registered enterprises in Wales in 2023. 80 per cent (10,065) of tourism enterprises were in hospitality, accounting for 9.4 per cent of enterprises registered in Wales.

26. The latest Wales Tourism Business Barometer report highlights that tourism operators are “grappling with high costs” and states:

“Tourism operators have seen rising operating costs across a number of areas of their business this year and so it has become harder to remain profitable. The peak summer season is usually the time of year that operators look forward to in terms of making up for less viable months of the year. However, summer visitor levels short of what many businesses hoped for have dampened confidence to make ends meet this year.”²⁷

27. The report notes that 52 per cent of tourism operators are confident of running the business profitably this year, stating that pre-Covid years “used to see around 80 per cent of operators feeling confident at this time of year”.²⁸

28. The EM notes:

“The tourism sector in Wales does not currently have a single source of data to provide an accurate assessment of the volume or types of visitor accommodation available across the country. This lack of information has hindered proper analysis of the impact (both positive and negative) that tourism has for local communities and makes it difficult for local authorities to properly assess and consider what interventions may be beneficial to their communities and visitors.”²⁹

²⁷ Welsh Government. *Wales Tourism Business Barometer 2024: summer wave report*, 8 October 2024, page 14

²⁸ Welsh Government. *Wales Tourism Business Barometer 2024: summer wave report*, 8 October 2024, page 14

²⁹ Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Explanatory Memorandum, 25 November 2024, paragraph 3.2.14

29. However research carried out by Bangor University for the Welsh Government offers a comparative analysis of similar taxes implemented in other countries internationally.³⁰

30. The availability of data is explored further later in this report.

31. In the last few years the Welsh Government has made a number of policy decisions that impact the visitor economy, including:

- From April 2023, the minimum length of time that a self-catering property must be let in order to be liable to pay non-domestic rates (rather than council tax) increased from 70 days (10 weeks) to 182 days (26 weeks) within any 12 month period. The property must also be available for let for at least 252 days (36 weeks) in a 12 month period.³¹
- The reduction in non-domestic rate relief for retail, leisure and hospitality premises (which includes hotels, guest and boarding houses, holiday homes, and caravan parks and sites). In 2023-24, eligible premises received a 75 per cent discount on their non-domestic rates bill.³² For the 2024-25 financial year, the discount was reduced to 40 per cent.³³
- Since April 2023, local authorities have had increased powers to introduce higher discretionary council tax premiums on second homes and long-term empty properties of up to 300 per cent.³⁴ From April 2025, 21 local authorities have indicated they will charge a premium on either or both second homes and long-term empty properties. Two of those local authorities – Cyngor Gwynedd and Pembrokeshire Council – currently apply more than a 100 per cent premium on second homes.³⁵
- Higher rates of Land Transaction Tax in place for the purchase of second homes and on purchases of residential properties by a company.³⁶

³⁰ [Comparative Analysis of the Tax Systems Faced by the Visitor Economies in Selected Countries, Bangor University, November 2022](#)

³¹ [Welsh Government \(Business Wales\), Non-Domestic Rates for Self-Catering Properties in Wales](#)

³² [Welsh Government, Written Statement: Non-domestic rates support for 2023-24,](#)
12 December 2022

³³ [Welsh Government, Written statement: Non-domestic rates support for 2024-25,](#)
13 December 2023

³⁴ [Welsh Government, Guidance for local authorities on council tax premiums on long-term empty properties and second homes,](#) 9 March 2023

³⁵ [Welsh Government, Written Statement: Update on action to address Second Homes and Affordability,](#) 16 October 2024

³⁶ [Welsh Government, Guidance: Higher rates of Land Transaction Tax: introduction,](#)
26 November 2024

- In October 2022, three new use classes were introduced to give local planning authorities the ability to require planning permission to be obtained before changing the use of a primary residential property to a second home, short-term holiday accommodation or specific mixed-use property (Article 4 Direction).³⁷ Cyngor Gwynedd is the first authority to make use of the new power.³⁸
- Since April 2024, all businesses, public and third sector workplaces are required to separate recyclable materials in the same way as households.³⁹

Pilot scheme

32. The Welsh Government had committed to running a pilot scheme in Dwyfor, Gwynedd to trial the introduction of various new measures to manage the number of second homes and short-term lets, and to assess their application and effect on the affordability of housing in the local area.⁴⁰

33. In written evidence to the Economy, Trade and Rural Affairs Committee in March 2022, the Welsh Government stated:

“A short, closed consultation has been completed on the feasibility and potential shape of a statutory licensing or registration scheme for all holiday accommodation, including short-term lets which will inform next steps. We have committed to establishing a voluntary registration scheme in Dwyfor, to draw lessons and to inform the operation of a statutory scheme.”⁴¹

34. However, the Cabinet Secretary confirmed that the scheme did not go forward, and that it was “overtaken by the work on this Bill”. He added:

“... the decision was made some time ago that it was better to concentrate resources on this scheme and that there would

³⁷ [Welsh Government, Written Statement: Changes to planning legislation and policy for second homes and short-term lets](#), 30 September 2022

³⁸ [Cyngor Gwynedd, Press release: Cyngor Gwynedd to introduce Article 4 Direction](#), 16 July 2024

³⁹ [Welsh Government, Changes to workplace recycling: guidance for workplaces](#), 16 April 2024

⁴⁰ [Welsh Government, Guidance: Dwyfor second homes and affordability pilot](#), 13 April 2023

⁴¹ [Welsh Government, Evidence paper: Economy, Transport and Rural Affairs Committee – Tourism, Hospitality and Retail Inquiry](#)

*have been little time for learning from a voluntary register in any case.*⁴²

Consultation

Visitor levy

35. In September 2022, the Welsh Government launched a public consultation on proposals to provide discretionary powers for local authorities to apply a visitor levy in their areas. This included seeking feedback on the possible design options for a visitor levy to support decision making.⁴³

36. The Welsh Government published a summary of responses to the consultation in March 2023.⁴⁴

37. The EM states that the consultation “was extensive in nature” and therefore “a further consultation on a draft bill was not felt to be proportionate”.⁴⁵

Statutory registration scheme

38. The EM notes that a separate, specific consultation has not taken place on a database or register, but that “consultations have been conducted on a broader statutory scheme for visitor accommodation providers”.⁴⁶

39. In 2021, the Welsh Government commissioned Cardiff-based Strategic Research and Insights (SRI) to undertake a scoping exercise in respect of establishing a statutory registration or licensing scheme for all visitor accommodation.⁴⁷ The EM notes that the subsequent report highlighted that “a policy related to tourist accommodation would benefit from having a register of operators and suggested that in some cases such as a tourism levy some form of database would be seen as a necessity.”⁴⁸

⁴² [Finance Committee, RoP, 5 December 2024, paragraph 22](#)

⁴³ [Welsh Government, Consultation on proposals for a discretionary visitor levy for local authorities, 20 September 2022](#)

⁴⁴ [Welsh Government, Discretionary visitor levy for local authorities: Summary of responses](#)

⁴⁵ [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, 25 November 2024, paragraph 4.5.3](#)

⁴⁶ [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, 25 November 2024, paragraph 4.1.5](#)

⁴⁷ [Strategic research & insight, Report: Consultation on Statutory Registration, Welsh Government, December 2021](#)

⁴⁸ [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, 25 November 2024, paragraph 4.1.5](#)

Legislative competence

40. The Welsh Government is satisfied that the Bill is within the legislative competence of the Senedd. The EM states:

“Senedd Cymru (“the Senedd”) has the legislative competence to make the provisions in the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill (“the Bill”) pursuant to Part 4 of the Government of Wales Act 2006 (“GoWA 2006”) as amended by the Wales Act 2017.”⁴⁹

41. The Llywydd issued a statement on 25 November 2024 that, in her opinion, the provisions of the Bill would be within the legislative competence of the Senedd.⁵⁰

⁴⁹ Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Explanatory Memorandum, 25 November 2024, paragraph 2

⁵⁰ Presiding Officer’s Statement on Legislative Competence, 25 November 2024

3. General principles and the need for legislation

General principles of the Bill

42. In accordance with Standing Order 26.10, the Committee's role is to consider the general principles of the Bill and report to the Senedd in order to inform decisions about whether the Bill should proceed to the next stages of the legislative process.

43. The Committee received mixed views on the general principles of the Bill, which are summarised below:

Box 3 Examples of views on the general principles of the Bill⁵¹

"The CTA do not believe that this is a fair and equitable method of raising revenue for the stated aims as 90% of the visitors to Wales are day trippers who will contribute nothing and they bring less income than those who stay in overnight accommodation. Visitor numbers are down and the Welsh economy is sluggish. Wrong tax at the wrong time which will harm businesses and the Welsh economy." (Carmarthenshire Tourist Association, VAB32)

"This tourism levy will be another nail in the coffin of the Welsh Tourism Industry." (Sygun View, VAB69)

"Whilst Visitor Levies work in many European city destinations, there is a risk that this will be seen to our largely domestic visitors as Wales being unwelcoming to visitors." (Events Manager, VAB75)

"Agree with the general principles but it is important that the money raised is used to finance additional activities and not to replace existing funding for tourism related activity." (Individual, VAB85)

"I believe that it is important that tourism should contribute to the local economy but it is important that any legislation does not have the unintended consequence of harming the low cost, non-profit sector of tourist accommodation within Wales." (Mike Gutteridge, VAB100)

⁵¹ Responses may be found in full on the [consultation webpage](#).

“We understand the need for the levy, and we welcome the additional revenue it would raise for reinvestment in local services and infrastructure to support tourism and culture.” (Urdd Gobaith Cymru, VAB103)

“While the Bill’s objectives have the potential to ensure costs for local services are shared more equally between those using them, we have significant concerns about its broad application. The current scope fails to distinguish between commercial tourism operations and small, non-profit, volunteer-run facilities that provide low cost accommodation as part of non-formal youth development and outdoor education programs.” (ScoutsCymru, VAB118)

“Eryri National Park Authority (NPA) are very supportive of the general principle of the proposed Visitor Levy. The “National Park” designation will attract a significant amount of the 5 million annual visitors to this part of north-west Wales. The NPA recognises the huge contribution this industry makes to the local economy (£1.35bn value to the local economy of Gwynedd alone in 2019) and wish to promote and support the industry and help make it as sustainable as possible so that its impacts on local communities are positive.” (Eryri National Park Authority, VAB140)

“On the whole, I agree with and am supportive of the visitor levy. In some ways it is overdue given the challenges at peak times.” (Expeditions Wales, VAB147)

44. Keep Wales Tidy suggested that the general principles of the Bill “significantly support the policy objectives” and that “legislation is needed to achieve these objectives.” It added:

*“A visitor levy is an appropriate method of additional revenue generation due to familiarity across the world with the concept ...”*⁵²

45. The Expedia Group agreed:

*“... the Bill appears to broadly fulfil the stated objectives and we commend the Welsh Government on its engagement with the industry during the process of consultation and drafting.”*⁵³

46. The Welsh Local Government Association (“WLGA”) noted that it was “broadly” in support of introducing a levy:

⁵² Written evidence: [VAB73 – Keep Wales Tidy](#)

⁵³ Written evidence: [VAB117 – Expedia Group](#)

“... particularly because, within what is proposed, there is allowance for local discretion. We believe it has got the ability to deliver a substantial impact on sustainable tourism in terms of supporting that.”⁵⁴

47. It added:

“... we would argue that there is an opportunity here to potentially enhance the visitor experience and make destinations in Wales more attractive.”⁵⁵

48. Pembrokeshire Coast National Park Authority noted support for the Bill and its objectives:

“The Authority is supportive of the principles of the Bill as outlined above. Growing tourism for the good of Wales and using the economic benefits of tourism to improve life for all, is consistent with the Authority’s commitment to Regenerative Tourism.”⁵⁶

49. The South Wales Mountaineering Club was also broadly supportive:

“As a club involved in mountain activities, especially in a honeypot area, we recognise the challenges from the comparatively recent explosion of interest in outdoor activities, and broadly support the principle of revenue from tourism being reinvested into infrastructure to support tourism, on the proviso that any taxation of tourism is ring-fenced for this purpose.”⁵⁷

50. Airbnb said it believed the general principles are “broadly correct for a bill whose primary aim is to introduce a visitor levy”, but it highlighted “significant concern that the introduction of a levy may negatively impact the vitality and competitiveness of tourism in Wales.”⁵⁸

51. Many witnesses raised specific concerns about the potential effects of the Bill on both accommodation providers and the tourism industry in Wales more broadly. We explore these in more detail throughout this report.

⁵⁴ Finance Committee, 30 January 2025, RoP, paragraph 159

⁵⁵ Finance Committee, 30 January 2025, RoP, paragraph 159

⁵⁶ Written evidence: VAB95 – Pembrokeshire Coast National Park Authority

⁵⁷ Written evidence: VAB91 – South Wales Mountaineering Club

⁵⁸ Written evidence: VAB101 – Airbnb

The need for legislation

52. The Committee’s terms of reference included consideration of whether legislation is needed to deliver the Bill’s policy objectives.

53. A number of witnesses questioned the timing of the introduction of the visitor levy. Responses suggested that the tourism economy had still not recovered from the pandemic and high energy costs. Bluestone noted that:

“... businesses and therefore the economy have still not recovered from the pandemic and all the fall-out from that, including the taking on of additional debt. If the introduction of a levy is deemed unavoidable by Welsh Government, then it should at least wait until businesses and the economy have fully recovered.”⁵⁹

54. Wales Tourism Alliance (‘WTA’) stated that: “Welsh tourism provision is more fragile than it has been for many years and the timing of this proposal is adding to the pressure rather than being a small part of relieving it”.⁶⁰

55. The Federation of Small Businesses (‘FSB’) also highlighted the challenges facing the tourism sector in Wales since the pandemic, saying:

“Wales is also the only UK nation to not recover visitor spending levels from 2019, according to the tourism barometer ...”⁶¹

56. Mid Wales Tourism (MWT) Cymru noted that the Bill has been introduced without an updated tourism strategy:

“The tourism strategy has expired now, I believe. So, without that, I don't know what we're trying to achieve with it. We could really do with an updated strategy and then bring in legislation that then is going to complement that, going forward. Are we looking for an increase in visitors, or are we looking for a decrease in visitors at the moment? With the levy at the moment—the information that's come out—we're looking at potentially a decrease between 2 per cent and 10 per cent on visitors. Is that the strategy for Wales?”⁶²

⁵⁹ Written evidence: [Bluestone](#)

⁶⁰ Written evidence: [VAB105 – Wales Tourism Alliance](#)

⁶¹ [Finance Committee, 30 January 2025, RoP, paragraph 507](#)

⁶² [Finance Committee, 5 February 2025, RoP, paragraph 162](#)

57. Evidence pointed to a cumulative impact of the levy and broader government policies on the tourism sector.

58. North Wales Tourism told the Committee that:

“The tourism tax is not an isolated policy but comes atop a wave of decisions perceived as anti-tourism rhetoric. These include the “182 days rule” for self-catering properties, insufficient public facilities, and the widely criticised 20mph speed limits. Together, these measures contribute to a challenging business environment that undermines the sector’s stability. Rising operational costs, reduced disposable income among visitors, and high energy prices compound these pressures.”⁶³

59. Airbnb commented:

“It should also be noted that there have been a number of recent tax changes in Wales with regards to short-term lets, which will have the likely impact of inflating accommodation costs for visitors.”⁶⁴

60. It added:

“This includes: a change in the criteria for short-term let properties to qualify for business rates; the ability for local councils to charge premiums on second homes by up to 300% from April 2023; and the forthcoming abolition of Furnished Holiday Lets Relief.”⁶⁵

61. Witnesses also mentioned the Employers’ National Insurance Contributions (NICs) increase due to be implemented from April 2025, with the FSB saying:

“It should also be noted that these businesses with seasonal employment and more part time staff than other sectors, will likely be disproportionately hit by the increased Employers’ National Insurance Contributions from April 2025.”⁶⁶

62. The Professional Association of Self-Caterers UK (‘PASC UK’) noted policy changes such as the 182-night occupancy rule, implementation of Article 4

⁶³ Written evidence: [VAB55 - North Wales Tourism](#)

⁶⁴ Written evidence: [VAB101 - Airbnb](#)

⁶⁵ Written evidence: [VAB101 - Airbnb](#)

⁶⁶ Written evidence: [VAB139 - Federation of Small Business \(FSB\) Wales](#)

Directions, the scrapping of the Furnished Holiday Lets ('FHL') tax regime, stricter fire regulations, increased employer NICs, a raised minimum wage and reduced business rates relief have greatly reduced the viability of short-term rental businesses, with the levy being yet another burden they will face.⁶⁷

63. Dark Sky Escapes highlighted their concern that: "Policies like the proposed levy and the 182-day rule risk painting Wales as unwelcoming and closed for business."⁶⁸

64. The Bed & Breakfast Association stated that the Welsh Government "would be taking a very high risk in imposing an additional tax on the crucial tourism sector against this background."⁶⁹

65. The British Holiday and Home Park Association ('BH&HPA') agreed, saying:

"... 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."⁷⁰

66. The Cabinet Secretary told us the legislation is needed "to give effect to commitments that were made in the manifesto of my party at the last election, that were contained in the programme for government that formed part of the co-operation agreement".⁷¹ In terms of timing, he added:

"... we are more than halfway through the journey of this idea. In fact, you could say that the genesis of the idea goes back as far as 2009, because it's there in the Gerry Holtham report that was commissioned during the One Wales Government. Now, at that point, we didn't have the power to do it. Now, following the 2017 Act that provided a mechanism to draw down powers to introduce new taxes in Wales—not that we are using those powers, by the way, for this Bill, but, given those new powers—we held a conversation with people in Wales as to how those powers might be used, and one of the ideas that was proposed back then in 2017 was the idea of a tourism levy. For any local authority area that chooses to use the provisions in the Bill, the earliest they could be used is 2027. So, this is not an idea that

⁶⁷ Written evidence: [VAB102 - The Professional Association of Self-Caterers UK](#)

⁶⁸ Written evidence: [VAB137 - Dark Sky Escapes](#)

⁶⁹ Written evidence: [VAB74 - Bed & Breakfast Association \(UK\)](#)

⁷⁰ Written evidence: [VAB119 - British Holiday & Home Parks Association](#)

⁷¹ [Finance Committee, 5 December 2024, RoP, paragraph 11](#)

has been sprung on anybody, nor could it be accused of being rushed through the process—it will be a full decade between the genesis of the idea and its practical application—and now is the point at which we have the legislative opportunity to turn those commitments into practical action on the ground.”⁷²

67. Responding to concerns raised about the cumulative effect of other taxes and government policies, the Cabinet Secretary said:

“Well, I suppose we're familiar with the argument about comparing apples and pears, but that list, I think, is probably the full fruit salad, really, because they're all completely different issues and they do not collide across the whole of the sector. Some of those things will have an impact on some parts of the sector, and some of them will not at all.”⁷³

Visitor levies in other countries

68. The Scottish Government introduced its Visitor Levy (Scotland) Bill in May 2023, which would allow local authorities to apply a levy to be charged on overnight stays in some types of accommodation such as hotels, bed and breakfasts or holiday cottages. The Bill was enacted as the Visitor Levy (Scotland) Act on 5 July 2024.⁷⁴ The Act calculates the levy as a percentage of the cost of the accommodation, with the rate being set by the principal council introducing the levy.

69. The Cabinet Secretary confirmed that conversations were ongoing with the Scottish team working on the Visitor Levy (Scotland) Act 2024 in order to learn from their experience.⁷⁵ A Welsh Government official agreed that it has been a “really useful sharing discussion”, but noted:

“We are different from Scotland, and the tourism markets are different and the local authority needs are different, and that is, I think, partly, how you can see that there's a very different approach, in some ways.”⁷⁶

⁷² Finance Committee, 5 December 2024, RoP, paragraph 12

⁷³ Finance Committee, 12 February 2025, RoP, paragraph 12

⁷⁴ The Scottish Parliament, Visitor Levy (Scotland) Bill

⁷⁵ Finance Committee, 5 December 2024, RoP, paragraph 24

⁷⁶ Finance Committee, 5 December 2024, RoP, paragraph 26

70. Dr Rhys ap Iwylwm and Dr Linda Osti of Bangor University noted that, by their count:

“Wales will become the twenty fourth country in Europe, and the fiftieth worldwide, where tourists are required to make some form of contribution to public coffers via some form of taxation targeted specifically at tourism activities.”⁷⁷

71. They added:

“... there is strong evidence that similar taxes introduced in various destinations around the world have been used effectively to support the sustainable development of tourism in those destinations.”⁷⁸

72. Witnesses were, however, cautious about comparing the proposed visitor levy in Wales with visitor levies implemented in other countries.

73. The Bed & Breakfast Association noted that one difference is “those other countries, in general, have very much lower value added tax than we do here.”⁷⁹

74. The Welsh Association of Visitor Attractions told the Committee:

“We're not Barcelona, we're not Venice, we're not an international destination. Our visitors come, 60 per cent, nearly, from Wales; the rest, mostly, from the UK. We have very few, proportionally, international visitors.”⁸⁰

75. PLANED explained it was difficult to compare parts of Wales with other places in the UK:

“Whilst the argument that a levy already exists in other parts of the UK etc, is a valid one, what is not valid is the comparison. It is easier to travel to places like Manchester and Edinburgh for breaks as the infrastructure makes it easier, more accessible, and timely to do so. Current travel to West Wales is not supported by the same levels and availability of infrastructure, and therefore, those who do so currently, make more effort in

⁷⁷ Written evidence: VAB145 - Dr Rhys ap Iwylwm and Dr Linda Osti, Bangor Business school, Bangor University

⁷⁸ Written evidence: VAB145 - Dr Rhys ap Iwylwm and Dr Linda Osti, Bangor Business school, Bangor University

⁷⁹ Finance Committee, 30 January 2025, RoP, paragraph 562

⁸⁰ Finance Committee, 5 February 2025, RoP, paragraph 43

*terms of costs, time, and planning to make the journey in comparison.*⁸¹

Alternative approaches

Day visitors

76. Bannau Brycheiniog National Park Authority supported the introduction of the levy in principle but noted:

*“88% of the four million visitors we receive annually are day visitors. The proposed levy delivery would mean only 12% of our visitors contributing to local services and the infrastructure to support tourism.”*⁸²

77. The Welsh Beer and Pub Association (‘WBPA’) said the way to boost the visitor economy in Wales is to encourage day visitors to become overnight visitors, thereby encouraging increased spending in local accommodation, hospitality, attractions and entertainment businesses.⁸³

78. Dunoon Hotels Ltd agreed:

*“We should seek to convert day trippers to overnight visitors since the contribution that day trippers make to the destination is much lower than overnight visitors.”*⁸⁴

79. This was supported by FSB who mentioned “it is well documented that overnight visitors spend substantially more locally than day visitors”.⁸⁵

80. However, WBPA noted that the levy would likely achieve the opposite, saying:

*“It is precisely this ambition that this policy would hamper through the imposition of a tax, creating a barrier to growth rather than promoting it.”*⁸⁶

81. Other witnesses commented on the fairness of the levy with there being significantly more day visitors than those staying overnight. PASC UK stated:

⁸¹ Written evidence: [VAB37 - PLANED](#)

⁸² Written evidence: [VAB81 - Bannau Brycheiniog National Park Authority](#)

⁸³ Written evidence: [VAB149 - Welsh Beer and Pub Association \(WBPA\)](#)

⁸⁴ Written evidence: [VAB87 - Dunoon Hotels Ltd](#)

⁸⁵ Written evidence: [VAB139 - Federation of Small Business \(FSB\) Wales](#)

⁸⁶ Written evidence: [VAB149 - Welsh Beer and Pub Association \(WBPA\)](#)

“There are approximately 70 million day trips to Wales annually, of which only 8 million involve overnight stays. As a result, the entire levy is to be paid by the 11% of visitors who stay overnight, creating a grossly unfair situation.”⁸⁷

82. North Wales Holiday Cottages noted that day visitors “will most likely be the beneficiaries of any improved infrastructure resulting from local authority investment but will not have contributed”.⁸⁸

83. Mid Wales Tourism suggested a voluntary levy scheme for day visitors, which “could be well publicised”. It said:

“That fits very well with our culture in mid Wales—you know, do good things. So, that messaging is flipped on its head: not, ‘We’re taxing you coming into Wales’, how about, ‘You’re in here, you want to support the local community’? That messaging could be very different and, potentially, you could have a voluntary scheme, you could put one single system in place that the WRA could collect, and then it could go into the visitor attractions.”⁸⁹

84. The Cabinet Secretary told us the reasoning behind the decision for an overnight charge, as opposed to a day charge, was “essentially practical and pragmatic”. He explained:

“If you are charging people who are staying overnight, you know who they are, you know where they are and it’s possible to add that small amount to their bill. If you were in Saundersfoot, how would you know whether somebody was a visitor, if they were just there for the day, or whether they lived in Saundersfoot and were on the beach?”⁹⁰

85. He later explained further:

“I’m sympathetic to the argument that if there were a practical way of capturing day visitors, then there’s quite a strong case for doing that. And we have looked around the world to see where there are successful examples, and there aren’t many of them. Where they do exist, they tend to be places that have very hard

⁸⁷ Written evidence: [VAB102 - The Professional Association of Self-Caterers UK](#)

⁸⁸ Written evidence: [VAB83 - North Wales Holiday Cottages Ltd](#)

⁸⁹ Finance Committee, 5 February 2025, RoP, paragraph 228

⁹⁰ Finance Committee, 5 December 2024, RoP, paragraph 20

borders, where it's very easy to see whether people are coming for the day or not. Cruise liners are often the example given of how a day-visitor levy can be made to work.

We're not in that position in Wales. We have a very open and very porous border. It's much harder for us to identify day visitors.”⁹¹

Unintended consequences

86. Witnesses suggested a number of unintended consequences that could arise from the Bill, including a detrimental impact on the tourism industry more broadly, a competitive disadvantage for accommodation providers and a potential shift from overnight stays to day visitors.

Overall impact on tourism industry

87. Some witnesses suggested that implementation of the levy could harm the tourism industry, and subsequently the wider economy, in Wales.

88. The Taxpayers' Alliance told us:

“The largest unintended consequence would be a reduction in tourists visiting Wales, which would remove the ability to raise any revenue from this group.”⁹²

89. The Castle Hotel noted its concerns that potential tourists could be deterred by the levy:

“The vast majority of Wales tourism comes from the rest of the UK - there will be incredibly negative headlines across the UK and this sends out an unwelcoming message that will deter tourists.”⁹³

90. Dunoon Hotels Ltd noted:

“Rather than promoting sustainable tourism this tax is likely to jeopardise the very existence of tourism in Wales as private Welsh businesses will find that they have to effectively absorb

⁹¹ Finance Committee, 12 February 2025, RoP, paragraphs 16-17

⁹² Written evidence: VAB80 – Taxpayers' Alliance

⁹³ Written evidence: VAB90 – The Castle Hotel

the tax since the additional costs to the visitor will make Wales uncompetitive in the discretionary tourism market.”⁹⁴

91. Neath Port Talbot Council stated:

“There is a risk that the levy could cause additional costs in areas with low bed stock and where the introduction of the levy may not be financially viable, and would therefore result in adverse impacts of tourism in these communities/ locations as no funding will be available to deliver the destination management measures required.”⁹⁵

92. Witnesses also warned of the potential impact of the levy on local supply chains, should it deter visitors. West Wales Holiday Cottages noted:

“Small operators, obviously, of local accommodation use the local plumbers, they use all of the local tradesmen, local cafes and everything. That would damage the local economy.”⁹⁶

93. Bluestone gave a specific example of impact on supply chain from its perspective:

“Without naming him, I have a butcher in Narberth that I spend £0.5 million a year with. We have 600 suppliers in Pembrokeshire alone. It's fair to say that they cost me more than if I was buying nationally. ... I can't pay people less, but I could probably buy cheaper food supplies and some other things. We spend £5.5 million in Pembrokeshire, Carmarthenshire and Ceredigion, but we spend £8.5 million in Wales, and I spend £17 million a year on payroll, but we will be having to look at and remove some of the local supply chain, which will impact businesses in Pembrokeshire very detrimentally.”⁹⁷

94. PLANED noted a particular impact on rural communities:

“... if we see a drop in visitor numbers, which is the risk that many people allude to, then that ripple effect is going to impact on households within our communities. And where you

⁹⁴ Written evidence: [VAB87 – Dunoon Hotels Ltd](#)

⁹⁵ Written evidence: [VAB86 – Neath Port Talbot Council](#)

⁹⁶ [Finance Committee, 30 January 2025, RoP, paragraph 356](#)

⁹⁷ [Finance Committee, 30 January 2025, RoP, paragraph 666](#)

look at rural communities, particularly in areas where there is a considerable lack of infrastructure, there is going to be a detrimental effect unless we look at a way in which we can safeguard the jobs and the skills through a proper implementation of any levy, should that proceed.”⁹⁸

Competitiveness of businesses

95. BH&HPA suggested the levy would “significantly disadvantage tourism accommodation providers close to the English border”. It said:

“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.”⁹⁹

96. Bluestone agreed, stating “it will be harder to compete with businesses in England that will not be charging a levy”. It noted:

“We tend to market to areas within a 4-hour drive time so are likely to lose a proportion of our Welsh and English customers living on the border when there are clear levy-free alternatives. Good examples being Center Parcs in Longleat as a competing resort, and Devon & Cornwall as a competing destination.”¹⁰⁰

97. The Caravan and Motorhome Club noted the same concerns saying that the levy would not only impact on the competitiveness of businesses in Wales with UK regions and internationally but also within Wales itself “if some areas apply the levy and others don’t”.¹⁰¹

98. Bannau Brycheiniog National Park Authority noted their particular concern regarding the “impact of optional levy introduction”. It explained:

“For example, if Local Authorities on the periphery of the National Park chose not to implement the levy this could attract additional visitors to stay in their region, but to travel into the National Park. The impacts of these visitors would be felt inside the Park, but there will be no income generated to deal with those impacts. As is already the case with council tax

⁹⁸ Finance Committee, 5 February 2025, RoP, paragraph 180

⁹⁹ Written evidence: [VAB119 - British Holiday & Home Parks Association](#)

¹⁰⁰ Written evidence: [Bluestone](#)

¹⁰¹ Written evidence: [VAB128 - Caravan and Motorhome Club](#)

supplements on second homes, we could have a situation where some of the eight Local Authorities choose to charge the levy while others do not, resulting in neighbouring businesses within the Park boundaries, but in different Authorities being asked to charge different rates. This would lead to inequity between businesses within the Park. This situation would be unsatisfactory and would not meet the principle of fairness which the Welsh Government has set out.”¹⁰²

Shift from overnight to day visitors

99. A range of witnesses mentioned the levy could potentially shift behaviours from staying overnight towards making day trips instead. Newport City Council said:

“We could see an increase in day visitors and a decrease in overnight stays which would be detrimental to the overall tourism offer and impact investor confidence in new facilities and developments.”¹⁰³

100. Youth Hostel Association (‘YHA’) noted that “there are around 8.4 million overnight stays in Wales each year, with an average spend of about £240 per person per night. There are around 60 million day visitors, with an average spend of £42 a day.” It warned:

“If the levy has the impact of decreasing the number of overnight guests and potentially increasing the number of day visits, it has very obviously the impact of decreasing the overall spend in the economy.”¹⁰⁴

Unauthorised locations

101. BH&HPA said an unintended outcome of the Bill would likely be an increase in irresponsible overnight motorhome parking in popular tourism destinations in Wales. It noted:

“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

¹⁰² Written evidence: [VAB81 - Bannau Brycheiniog \(Brecon Beacons\) National Park Authority](#)

¹⁰³ Written evidence: [VAB98 - Newport City Council](#)

¹⁰⁴ [Finance Committee, 30 January 2025, RoP, paragraph 535](#)

*irresponsible overnight parking, this would not provide additional net gain for the tourism offering in that locality.*¹⁰⁵

102. This was echoed by the Caravan and Motorhome Club who referred to irresponsible overnight camping in unauthorised areas, or unregulated campsites may be an unintended consequence.¹⁰⁶

103. It added that irresponsible overnight camping or unregulated campsites 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.¹⁰⁷

104. This was echoed by Bannau Brycheiniog National Park Authority, who noted:

*“A further unintended consequence may be to increase numbers wild camping across all the National Parks in Wales, where low-income individuals, families and groups feel that they are unable to afford/do not want to pay the levy.”*¹⁰⁸

Economic impact assessment

105. Some witnesses were critical of the Welsh Government’s assessment of the economic impacts of the Bill.

106. A report by Professor Calvin Jones, commissioned by the Welsh Government, set out the potential economic and greenhouse gas impacts of a visitor levy in Wales.¹⁰⁹ The report noted the potential economic impact of the visitor levy is estimated by drawing on academic and other literature that suggests a range of potential visitor responses. One of the assumptions in the analysis is that the visitor levy is applied equally across all Welsh local authorities.

107. Professor Jones’ report shows that economy-wide visitor levy-related trip expenditure related losses in Welsh economic output (in 2023 terms) range from an estimated £16.1m in the most optimistic scenario to £47.5m in the pessimistic scenario. This reduction in demand arises mostly from businesses directly serving

¹⁰⁵ Written evidence: [VAB119 - British Holiday & Home Parks Association](#)

¹⁰⁶ Written evidence: [VAB128 Caravan and Motorhome Club](#)

¹⁰⁷ Written evidence: [VAB128 - Caravan and Motorhome Club](#)

¹⁰⁸ Written evidence: [VAB81 - Bannau Brycheiniog National Park Authority](#)

¹⁰⁹ [The Potential Economic & Greenhouse Gas Impacts of a Visitor Levy in Wales, Calvin Jones, April 2024](#)

visitors, i.e. largely in hospitality and transport but also includes along their supply chains and via induced income effects.¹¹⁰

108. The Taxpayers Alliance suggested:

“The Welsh government’s assessment does not adequately recognise the dynamic impacts of the bill on Welsh businesses and tourism to Wales in its entirety.”¹¹¹

109. Other witnesses acknowledged the difficulty in assessing the financial impacts:

“Assessing the financial costs and benefits of this Bill has been difficult, as the range of outcomes clearly demonstrates.”¹¹²

110. Powys County Council noted that some elements of the assessments had been based on estimates:

“A wide range of impact assessment have been completed and published, and there is a huge volume of data that has been considered in the creation of this bill. However, numerous components are based on estimates and assumptions, so how accurate the assessments are is open to question.”¹¹³

111. The Association of Welsh Agents found it difficult to comment on the economic consequences of the levy given the economic impact assessment had to make “enormous assumptions” in order to draw some sort of conclusions. However, it said:

“These [economic impact assessment] conclusions seem to show no net gain and some job losses. That does not appear to be a good outcome for Welsh tourism overall, Local authorities may benefit from increased spending power, but local residents are in danger of losing their livelihoods.”¹¹⁴

112. Mid Wales Tourism noted that the levy could result in 730 private-sector job losses, costing the economy £47.5 million annually. It said:

¹¹⁰ [The Potential Economic & Greenhouse Gas Impacts of a Visitor Levy in Wales](#), Calvin Jones, April 2024.

¹¹¹ Written evidence: [VAB80 – Taxpayers’ Alliance](#)

¹¹² Written evidence: [VAB81 – Bannau Brycheiniog National Park Authority](#)

¹¹³ Written evidence: [VAB99 – Powys County Council](#)

¹¹⁴ Written evidence: [VAB146 – Association of Welsh Agents](#)

“While it may create 360 public-sector jobs costing £13 million this shift from private to public roles imposes a long-term burden on taxpayers without generating net economic growth.”¹¹⁵

113. PASC UK also commented on the potential job losses, saying:

“There's a horrible statistic in the economic impact assessment. It gives three measures of whether it goes well, not very well, or badly. And if it goes badly, it will cost 730 private sector jobs: 730 private sector jobs is what the Welsh economic impact assessment says on that. I'll just leave you with that fact. That is unbelievable, when the actual gain that's being proposed on this is so small. The Welsh Government should be looking to create 730 jobs, not get rid of 730 jobs.”¹¹⁶

114. North Wales Tourism noted how the “Welsh Government’s own analysis has warned of the potential for significant job losses and a decline in revenue”. It said:

“These findings are particularly troubling given the ongoing struggles of the tourism sector in the wake of the Covid-19 pandemic. The introduction of a tourism tax would likely amplify these difficulties, further delaying recovery and growth.”¹¹⁷

115. The Welsh Association of Visitor Attractions also highlighted the decrease in output, Gross Value Added (GVA) and jobs, saying “show me the economic sense of this exercise”.¹¹⁸

116. It later suggested that not enough emphasis had been put on the “likely impact of the lower spend that will occur”:

“... if you take money off a family for the levy, they've got that much less to spend. So, to put it in simple terms, as one accommodation provider said to me, 'Well, if they're now going to be handing over £25 as a levy, they haven't got that to spend with me on the retail side of my business in the shop, buying extra ice creams.' All that will go. So, our level of visitor spend and collection will drop, and I think that that needs to be taken

¹¹⁵ Written evidence: [VAB135 – Mid Wales Tourism / MWT Cymru](#)

¹¹⁶ [Finance Committee, 30 January 2025, RoP, paragraph 492](#)

¹¹⁷ Written evidence: [VAB55 – North Wales Tourism](#)

¹¹⁸ Written evidence: [VAB42 - Welsh Association of Visitor Attractions](#)

*into account in the assessment of the data of the inputs and outputs that Professor Calvin Jones looked at.*¹¹⁹

117. WTA also stated:

*“... we do not believe that any visitor levy should be introduced where the Welsh Government’s own research shows that it will result in a net loss of jobs even in the best case scenario.”*¹²⁰

118. Responding to these concerns, the Cabinet Secretary said:

*“Professor Jones’s report deals with a set of complex considerations. It has, inevitably, to make a series of assumptions and deal with a series of uncertainties. It assumes, for example, that all 22 local authorities have adopted the levy from day one. It assumes that all the costs are passed directly to the visitor, and we know that that won’t be the case—some accommodation providers will make different choices. ... It’s not a set of predictions. It’s very clear, it’s not—. It wasn’t asked to do that, doesn’t attempt to do that, and, within the report, there are three different scenarios. There is a scenario where there’s a weak response by consumers to these changes, where there’s a neutral response and where there’s a strong response.”*¹²¹

Subordinate legislation

119. The Committee received mixed views on the balance between what is on the face of the Bill and what is left to subordinate legislation.

120. One respondent to the consultation suggested:

*“The balance leans too heavily towards subordinate legislation, leaving significant aspects, such as levy exemptions and premium caps, to future determination.”*¹²²

121. The Carmarthenshire Tourism Association stated that “the delegated powers give enormous opportunity for vast changes to the Bill as it currently stands.” It added:

¹¹⁹ Finance Committee, 30 January 2025, RoP, paragraph 89.

¹²⁰ Written evidence: VAB105 – Wales Tourism Alliance

¹²¹ Finance Committee, 12 February 2025, RoP, paragraph 68

¹²² Written evidence: VAB100 – Mike Gutteridge

"It is appreciated that tweaks etc. will have to be made but in essence the whole design of the levy could be changed over time including the intention of the registration system turning in to a permissive licencing scheme a few years down the line at as yet undetermined costs to the businesses who are already facing severe financial challenges."¹²³

122. Powys County Council did not agree, saying:

"The circumstances why the powers to introduce subordinate legislation are necessary are outlined in detail in the bill and are considered to be appropriate."¹²⁴

123. The Chartered Institute of Taxation ('CIOT') and its Low Incomes Tax Reform Group set out their view that secondary legislation "should generally be reserved for administrative matters and for the setting of rates." They added:

"The regulatory powers appear to fall within that latter category and therefore seem, in our view, to be generally appropriate. We note that the more rigorous draft affirmative procedure is required in cases where the regulatory power affects the defining components of the levy and exposure to penalties."¹²⁵

Post-implementation review

124. The EM notes that a formal post implementation review "will be difficult to commit to" due to the discretionary nature of the levy. However, it sets out that the effectiveness of schemes adopted by local authorities "shall be monitored and assessed over time and how this will be done will likely evolve as the scheme progresses and evidence emerges."¹²⁶

125. The EM further notes that:

"Officials will develop guidance for local authorities setting out advice and best practice for monitoring and evaluating the impact of the levy."

¹²³ Written evidence: [VAB32 - Carmarthenshire Tourism Association](#)

¹²⁴ Written evidence: [VAB99 - Powys County Council](#)

¹²⁵ Written evidence: [VAB84 - Chartered Institute of Taxation and its Low Incomes Tax Reform Group](#)

¹²⁶ [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum](#), 25 November 2024, paragraph 10.1

The outcome of the legislation will also be monitored on an ongoing basis, with a combination of methods, including monitoring the Welsh economy and supply/demand indicators.”¹²⁷

126. CIOT agreed with this approach:

“We note and support the recognition that proportionate post-implementation review is required with a focus on assessing the administrative burdens on businesses and that comprehensive data is central to evaluating the effectiveness of the levy in achieving the objectives.”¹²⁸

127. The Pembrokeshire Coast National Park Authority suggested:

“... data from early adopters of the visitor levy will need to be disseminated widely so that the WRA business model can adapt accordingly. In addition, it would be useful to include the costs for an associated communications campaign and any specific costs for change and training activities, as these will underpin delivery.”¹²⁹

128. Sanctuary Coalition Cymru told us that by reviewing impacts post-implementation, “the Welsh Government can ensure the policy achieves its goals without undermining vital social welfare efforts”.¹³⁰

Committee View

129. The Committee has heard a range of views and thanks all those who informed scrutiny of this Bill.

130. It is clear that there remains some scepticism within the Welsh tourism industry as to the benefits of the levy, with some witnesses suggesting that the legislation could fail to achieve its policy intention and have a detrimental impact on the industry. We also note the concerns voiced to us in relation to the “cumulative effect” of other government policies on the tourism sector. This

¹²⁷ [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum](#), 25 November 2024, paragraphs 10.2 – 10.3

¹²⁸ Written evidence: [VAB84 - Chartered Institute of Taxation and its Low Incomes Tax Reform Group](#)

¹²⁹ Written evidence: [VAB95 - Pembrokeshire Coast National Park Authority](#)

¹³⁰ Written evidence: [VAB113 - Sanctuary Coalition Cymru](#)

indicates that there is work to be done to gain the trust of the industry in order for the policy proposed in the Bill to be successful.

131. Notwithstanding the concerns expressed about the levy, the majority of the Committee has been persuaded that the introduction of a visitor levy has the potential to improve infrastructure and services within local areas. Such improvements would benefit both tourists and the local economy, if the proceeds of the levy are used strategically and through collaboration with local partners.

132. We acknowledge the views of contributors to our work that the levy has the potential to deter visitors and to reduce Wales's competitiveness. We note the concerns over unintended consequences that witnesses suggest may arise from the Bill's implementation, including a shift from overnight to day visitors, issues with non-compliance, and the pressures these could put on local services. However, we are also mindful of the evidence received indicating that visitor levies are a familiar concept across the world which give rise to tangible benefits. Given the modest nature of the proposals in this Bill, the Committee does not believe its introduction will disincentivise visitors.

133. The Committee notes the findings of Professor Calvin Jones of Cardiff Business School and the range of expenditure-related losses in Welsh economic output under both optimistic and pessimistic scenarios. However, we also recognise, as highlighted by the Cabinet Secretary, that Professor Jones's findings are based on a series of assumptions and deal with a range of uncertainties.

134. As considered further in Chapter 5, there was widespread agreement within the evidence we received about the need for a register, and in particular about its potential to improve the data available relating to visitor accommodation providers. We believe that the establishment of a register will enrich the data available in this area and help to inform future policy development in the context of Welsh tourism.

135. However, there are some aspects of the policy proposed in the Bill which the Committee believes would benefit from refinement during the Bill's passage through the Senedd. This report details our consideration of each of the provisions within the Bill and our subsequent recommendations, which seek to make the improvements we believe are needed to strengthen this legislation.

136. The majority of the Committee agrees with the general principles of the Bill. Sam Rowlands MS does not support this recommendation.

Recommendation 1. The Committee recommends that the Senedd, taking into account the recommendations in this report, agrees the general principles of the

Visitor Accommodation (Register and Levy) Etc. (Wales) Bill. Sam Rowlands MS does not support this recommendation.

137. The Committee acknowledges the challenges in setting a formal timescale for post-implementation review discussed in the Explanatory Memorandum. However, understanding both the impact of mandatory registration of visitor accommodation providers and the effectiveness of any “early adopter” visitor levy schemes implemented by principal councils will be crucial to the long term success of the policy. It could also positively contribute to the effectiveness of decisions being made by principal councils considering whether to introduce the levy in their areas. Therefore, the Committee would like to see a more formal commitment to post-implementation review set out on the face of the Bill, and for this to take place no later than four years after Part 2 of the Act comes into force, which we believe is sufficient time to assess the Bill’s practical application.

138. Separately, the Committee acknowledges the pressures of wider government policies on the tourist sector. The Welsh Government should monitor and assess the impact of these policies, combined with the levy, as part of any post-implementation review.

Recommendation 2. The Committee recommends that the Welsh Government amends the Bill at Stage 2 to commit to undertaking and publishing a review of the operation and effect of the whole Act no later than four years after Part 2 of the Act comes into force.

4. Definition of visitor accommodation and visitor accommodation providers

139. Section 2 defines "visitor accommodation" for both the register of visitor accommodation and the visitor levy. It details what is visitor accommodation, along with exceptions. It also contains a regulation-making power for the Welsh Ministers to amend the list of visitor accommodation.

140. Section 2(1) defines visitor accommodation for the purpose of the Bill. It includes:

- hotels, guesthouses, bed and breakfasts, or other similar accommodation;
- youth hostels, bunkhouses, or other similar accommodation;
- a pitch or area for camping, or for a mobile home that is not situated permanently or semi permanently in one place;
- accommodation at campsites, caravan sites, holiday parks, holiday resorts or at other similar places;
- mobile homes or vessels or other vehicles permanently or semi permanently situated in one place and made available on a short term basis for business or leisure travel or, educational trips;
- self-catering accommodation made available on a short term basis for business, leisure, or educational trips;
- any other kind of accommodation made available on a short-term basis for business, leisure, or educational trips.

141. Section 2(2) of the Bill excludes certain types of accommodation from being considered visitor accommodation if it is:

- on a Gypsy and Traveller site;
- in a mobile home or vessel that is not permanently or semi permanently situated in one place.

142. Section 2(3) provides that, for the purposes of the Bill, accommodation is made available on a short term basis if it is made available for stays of 31 nights or less. The Cabinet Secretary told us that, in deciding on the threshold of 31 days,

the Welsh Government had relied on “definitions that are already well-known and are in practical use”.¹³¹

143. Section 3 states that, for the purposes of the Bill, a person is a visitor accommodation provider if, in the course of a trade or business, they provide or offer to provide visitor accommodation at premises in Wales that allows one or more people to stay at the accommodation for at least one night, and that they are the occupier of the premises.

144. A number of mountaineering clubs, individuals, the British Mountaineering Council, and ScoutsCymru all raised concerns about the definition of accommodation providers. They noted:

“... ambiguities within the definition of ‘visitor accommodation’ make it unclear whether the bill is targeted at non-commercial providers, causing confusion and unintended consequences. ... It is still unclear to those seeking to understand the potential impact of the bill what constitutes operating “in the course of trade or business.” For example, would a scout hut charging a nominal fee to cover maintenance costs qualify as a business? This distinction needs clearer guidance to avoid unintended inclusion, and ambiguity could lead to inconsistent applications of the levy.”¹³²

145. ScoutsCymru stated:

“In our view the bill does not accurately reflect the diversity and unique needs of all of the varying types of accommodation providers in Wales, nor does it appropriately consider the capacity of all of them to deliver revenue via the visitor levy.”¹³³

146. They went on to call for facilities whose primary purpose is not accommodation provision, for example, Scout halls and huts, church and community halls when used for sleep overs and camping, to be excluded from the Bill.¹³⁴

¹³¹ Finance Committee, 5 December 2024, RoP, paragraph 36

¹³² Written evidence: VAB72 – Individual; VAB92 – Chamois Mountaineering Club Ltd; VAB94 – Individual; VAB96 – Joanne Miles; VAB100 – Mike Gutteridge; VAB108 – Richard Smith; VAB110 – Shrewsbury Mountaineering Club; VAB118 – ScoutsCymru; VAB125 – British Mountaineering Council; VAB129 – Oread Mountaineering Club; VAB133 – Robert Townsend

¹³³ Written evidence: VAB118 – ScoutsCymru

¹³⁴ Written evidence: VAB118 – ScoutsCymru

147. A Welsh Government official suggested there would be “a lot for guidance”, but noted that church halls would unlikely be captured by the levy’s provisions, adding:

“... if there's not an exchange of consideration, there's no regularity of trade, they're not advertising to other members of the public and things like that.”¹³⁵

Committee View

148. The Committee notes the definitions of visitor accommodation and visitor accommodation providers contained within the Bill. We also note that, under section 9 of the Bill, an overnight stay in visitor accommodation takes place for the purposes of the levy for contracted stays of 31 nights or less.

149. The Committee has heard concerns raised by mountaineering organisations, ScoutsCymru and others in relation to the definition of visitor accommodation. We acknowledge that the Bill has generated some uncertainty and that these obligations may create complexities for organisations seeking to establish whether the provisions of the Bill would apply to their specific arrangements. We also note that some organisations are run predominantly by volunteers who may not have access to significant professional support.

150. The Committee notes the assurances provided by an official accompanying the Cabinet Secretary that guidance will be provided to visitor accommodation providers and that facilities such as church halls would unlikely be captured by the levy’s provisions.

151. The Committee believes that clear guidance will be essential to help those in the voluntary sector understand their responsibilities, and to minimise the administrative burden placed on them. This will involve close working with the Welsh Revenue Authority (‘WRA’) as the register and levy are implemented.

Recommendation 3. The Committee recommends that guidance for Visitor Accommodation Providers produced by the Welsh Government or the Welsh Revenue Authority is:

- appropriately targeted to both professional and non-professional users; and

¹³⁵ Finance Committee, 12 February 2025, RoP, paragraph 124

- clarifies the applicability of the registration requirements and levy proposals to the individual circumstances notified to the Committee by contributors to our scrutiny of the Bill.

5. Register of visitor accommodation providers

Duties in relation to a register of visitor accommodation providers

152. Section 4(1) places a duty on the Welsh Ministers to keep a register of visitor accommodation providers. Section 4(2) states the register must include the following:

- the name of the visitor accommodation provider;
- any trading name used by the visitor accommodation provider;
- the proper address of the visitor accommodation provider;
- a statement as to whether the visitor accommodation provider is an individual, a partnership, a body corporate or an unincorporated body;
- the type of accommodation;
- the name, address and principal council area of the premises at which that visitor accommodation is provided.

153. In relation to the register, the Cabinet Secretary told us that:

“Having all visitor accommodation providers registered through a statutory registration scheme is of benefit for the visitor levy. This is because more effective estimates of the tax base can be made to inform a local authorities decision making regarding use of a levy. Furthermore, it will provide valuable information in regard to ongoing decision making and policy development for the levy.”¹³⁶

154. Section 4(5) of the Bill provides the Welsh Ministers with a regulation making power enabling them to add, vary or remove a description of the information to be contained in the register.

155. Section 5(1) states that visitor accommodation providers (as defined in section 3) must be registered in respect of each premises in Wales at which visitor accommodation is provided (or offered).

¹³⁶ Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025

156. Section 5(2) gives the Welsh Ministers power to make regulations exempting certain descriptions of visitor accommodation provider. This could be by reference to:

- the type of visitor accommodation provided;
- the nature or content of the contracts under which the accommodation is provided;
- the nature, status or any particular characteristic of the visitor accommodation provider;
- the nature, status or any particular characteristic of the people to whom the visitor accommodation provider provides accommodation; or
- any other matter.

157. Section 6 allows the Welsh Ministers to publish any information derived from the register of visitor accommodation providers. This includes, but is not limited to, names and addresses of visitor accommodation premises in Wales, the type of accommodation provided, and registered details of visitor accommodation providers.

158. Section 7 confers a regulation-making power on the Welsh Ministers to make supplementary provision regarding the register and registration requirements. This may include:

- provision for partnerships and unincorporated bodies;
- registration procedures, (including variation and cancellation of registration);
- data sharing; and
- enforcement measures, including offences or penalties for non-compliance, reviews and appeals.

159. In correspondence, the Cabinet Secretary stated:

“The Welsh Revenue Authority (WRA) will also develop operational guidance for taxpayers, and a centralised system for collection and management. We will continue to explore

*opportunities to ensure ease of use and understanding of the register and levy when designing the service ...*¹³⁷

160. The Cabinet Secretary further noted that “we intend to make clear through amendments at Stage 2 that the WRA will be the keeper of the register”.¹³⁸

161. We heard broad support for the proposal to introduce a registration scheme for visitor accommodation providers, although some witnesses questioned the timing of its implementation, suggesting that data from a register should be collected to enable local authorities to make more informed decisions regarding the potential introduction of a visitor levy.

Box 4 Examples of views on the proposal to introduce a registration scheme¹³⁹

“I feel the registration of operators is a good idea and a small fee to support the cost of administration of the register is a good idea. However the compilation of a register, may infer recourse to the regulator for compliance breaches if the register is not maintained.” (Lucas Boissevain, VAB9)

“A register of Businesses providing accommodation will ensure a level playing field for Hospitality businesses. The register needs to be cheap and simple to use and comprehensive in its scope.” (Llandudno Hospitality Association, VAB49)

“The inclusion of registration within the Bill is good, but ideally it should have been in place and implemented well before the start of any thoughts of an accommodation levy, not at the same time.” (North Wales Holiday Cottages, VAB83)

“... we strongly welcome the proposal to introduce a registration scheme for visitor accommodation providers (VAPs). A simple, light-touch registration scheme would ensure that there is a single set of clear rules and an implementation timeline that would apply to all VAPs in Wales.” (Airbnb, VAB101)

162. Powys County Council noted the benefits of a register from a principal council point of view:

“Establishing a register of visitor accommodation in Wales will be beneficial in establishing a level playing field for all operators. From the perspective of the Local Authority, a

¹³⁷ Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025

¹³⁸ Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025

¹³⁹ Responses may be found in full on the [consultation webpage](#).

*comprehensive, regularly updated list of all visitor accommodation provides us with better intelligence about the sector and ensures we can reach all providers with key messages.*¹⁴⁰

163. UK Hospitality Cymru described the register as a “massive opportunity” and added that “the essence of it is that we need to encourage people to participate as quickly and as simply as possible”.¹⁴¹

164. The WRA agreed that the register was an opportunity and noted:

*“... actually having those data available of who’s here, registered already, in terms of then being able to make sure that the correct tax is being paid is really helpful. So, to some degree, it’s kind of work that we would need to make sure is happening anyway.”*¹⁴²

165. It added:

*“... having the visitor levy registration together should create a much, much simpler experience for accommodation providers, and it will make the visitor levy very simple, because all of the information required for the return is effectively within the registration.”*¹⁴³

166. While Airbnb expressed support for the register, it noted “the bill only gives minimal details about how the system will work, and grants ministers wide powers to decide what additional information should be required from VAPs in order to register.”¹⁴⁴

167. Isle of Anglesey County Council also called for further detail:

*“There is an expectancy that the register will require considerable monitoring and potential additional burden on our public protection team. Clarity on this would benefit our ability to make a fully informed decision.”*¹⁴⁵

¹⁴⁰ Written evidence: [VAB99 – Powys County Council](#)

¹⁴¹ [Finance Committee, 5 February 2025, RoP, paragraph 114](#)

¹⁴² [Finance Committee, 30 January 2025, RoP, paragraph 33](#)

¹⁴³ [Finance Committee, 30 January 2025, RoP, paragraph 36](#)

¹⁴⁴ Written evidence: [VAB101 – Airbnb](#)

¹⁴⁵ Written evidence: [VAB136 – Isle of Anglesey County Council](#)

168. Airbnb noted:

“The legislation allows for a local authority to introduce a levy even prior to the registration scheme being launched. This is despite the fact that information in the register will be crucial to local authorities when deciding whether to introduce a levy. Given the Welsh Government’s view that the registration scheme is an important component of the levy, it is a significant omission that there is no requirement to utilise the evidence base provided by the register in any consideration of whether there should be a visitor levy.”¹⁴⁶

169. Conwy County Borough Council suggested:

“Visitor Registration and Licensing Scheme (VR&LS) should have been implemented in advance of a VAL and not in parallel.”¹⁴⁷

170. BH&HPA mentioned that although the Bill requires all accommodation providers to be registered there remains significant concern that temporary ‘pop-up’ campsites and unlicensed providers will continue to operate outside the Bill’s jurisdiction. It suggested:

“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.”¹⁴⁸

171. The Welsh Association of Visitor Attractions questioned what happens when demand increases, noting that:

“When there’s a surge in demand, you have something happen, which is called ‘pop-up accommodation’. ... If you go in to a big event in Cardiff, you can see people on their phones finding accommodation anywhere, and people literally letting out their properties just for one night, and there are thousands of instances like that. Take that back to the Urdd, for instance, there is a historic pattern there of people letting their houses

¹⁴⁶ Airbnb, [additional written evidence](#)

¹⁴⁷ Written evidence: [VAB79 – Conwy County Borough Council](#)

¹⁴⁸ Written evidence: [VAB119 – British Holiday & Home Parks Association](#)

out. There doesn't seem to be any mechanism for dealing with that."¹⁴⁹

172. The Caravan and Motorhome Club also mentioned the need to capture pop-up campsites, saying:

*"There does however need to be a system for capturing those who currently fall outside of these requirements and are subsequently not captured in any analysis, such as pop-up campsites which are operational under permitted development rights."*¹⁵⁰

173. WTA noted the Welsh Government has "deferred the policy of 'weeding out' unregulated opportunists operating in the self-catering market, something which needed to be achieved before asking professional self-catering businesses to charge and collect a levy". It added:

*"Without this, the self-catering section of the levy register will be both incomplete (as it is easy for the more unscrupulous to avoid) and no guarantee of safe and legal operators."*¹⁵¹

174. In terms of timing, the Cabinet Secretary told us:

*"No final decisions have been made regarding the timescales for roll-out to all principal council areas, but the intention is for all visitor accommodation providers to be registered by 2028."*¹⁵²

175. He later confirmed:

*"Our commitment is to undertake the practical work of registration first in those areas most likely to take up the levy. So, by the time local authorities further down the pipeline make their decision, they will have the data."*¹⁵³

176. The Cabinet Secretary also acknowledged the concerns around unregulated providers:

¹⁴⁹ Finance Committee, 5 February 2025, RoP, paragraph 139

¹⁵⁰ Caravan and Motorhome Club, additional written evidence

¹⁵¹ Written evidence: VAB105 – Wales Tourism Alliance

¹⁵² Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025

¹⁵³ Finance Committee, 12 February 2025, RoP, paragraph 64

“The nature of some accommodation is helpful. A pop-up campsite or caravan site is visible, isn’t it? It’s there for anyone to see. And a lot of the work that we have been doing as a Government in this whole area is about trying to make sure that we support legitimate businesses who do all the right things, pay all the things you expect them to, and, if you don’t have proper regulation and oversight, can then get undercut by people who don’t do the right things. So, I would expect legitimate businesses to be alerting the system to the fact that there are, very clearly, people operating in a way that’s outside the new law. It is more complicated, I agree, when people just let out a room in the house a few times in the year, but the law will still require them to register and to pay.”¹⁵⁴

Enforcement

177. The Association of Welsh Agents mentioned the potential for providers to avoid registering their business. It commented:

“I think it is highly likely that many operators, especially those who offer accommodation for just a few days or weeks a year do not have this certification, will not be aware of the need to register, and will continue to operate under the radar, avoid registration and then going forward could avoid contributing their levy.”¹⁵⁵

178. It added:

“How can we be certain that everyone offering overnight accommodation will be registered? I don’t think either Visit Wales or individual local authorities have any true knowledge of the accommodation providers in their administration.”¹⁵⁶

179. Snowdonia Hospitality and Leisure suggested:

“Enforcement will be patchy at best, poor at worst with only responsible businesses registering. These business are likely to

¹⁵⁴ Finance Committee, 12 February 2025, RoP, paragraph 101

¹⁵⁵ Written evidence: VAB146 - Association of Welsh Agents

¹⁵⁶ Written evidence: VAB146 - Association of Welsh Agents

*be already registered for business rates and VAT and therefore registration is just another tier of cost and administration.*¹⁵⁷

180. When asked about enforcement, the WLGA said:

*"I certainly think there's more detail to be worked through, not least in the expectation that the enforcement duty falls on regulatory services within councils. The same people are responsible for food hygiene checks, noise pollution et cetera. It's a Cardiff-operated shared service with the Vale of Glamorgan and Bridgend."*¹⁵⁸

181. It added:

*"It's a very effective, well-run service, but also a very busy one, so there would certainly need to be capacity building done within that organisation, and that would come at a cost. So, I think you're correct to identify it as a point of detail that we'll need to be looking at over the next two years."*¹⁵⁹

182. Bluestone raised concerns over the resource proposed for compliance and enforcement:

*"The collection, the compliance, the remittance, the refunds, the enforcement, is an enormous area, and I read somewhere that they were proposing that two and a half full-time equivalents were going to manage this in a year. Well, I mean, it's going to take an army of people, a mass of hardware, and an incredibly sophisticated software package to actually regulate this."*¹⁶⁰

183. WTA echoed these concerns, stating:

*"Well, they're [WRA] saying they need two and a half FTEs to cover collection, compliance, remittance and enforcement. Well, even at the low end of 16,000 units here, that's an awful lot of work to get through for two and a half people, I would suggest."*¹⁶¹

¹⁵⁷ Written evidence: [VAB20 - Snowdonia Hospitality & Leisure](#)

¹⁵⁸ [Finance Committee, 30 January 2025, RoP, paragraph 283](#)

¹⁵⁹ [Finance Committee, 30 January 2025, RoP, paragraph 283](#)

¹⁶⁰ [Finance Committee, 30 January 2025, RoP, paragraph 640](#)

¹⁶¹ [Finance Committee, 5 February 2025, RoP, paragraph 110](#)

184. It added:

“... I know when I was chair of Mid Wales Tourism, I think them and north Wales, they’ve got about four people running the Visit Wales helpline, so you’re already in a position where that isn’t right, so there’s an extra cost, or there could potentially be extra cost there.”¹⁶²

185. Mid Wales Tourism asked for more clarity around arrangements for enforcement:

“... one thing I would like to see in the policy is that enforcement, more details about that. Whose actual responsibility is it for the registration? Is it the WRA? Is it the local authorities?”¹⁶³

186. The Association of Welsh Agents suggested that registration could be linked with marketing:

“... in the process of registration, you end up with a number, which has to be displayed for all marketing—in other words, you can't do any marketing, you can't offer yourself, until you've got a registration number.”¹⁶⁴

187. The WRA suggested that the fact the register would be published would help with issues of non-compliance:

“... so it will be very clear who, in each local authority area, has signed up and potentially who hasn't. We also have good relationships with local authorities and we'll look to build on them and use their local knowledge and expertise to help us in that non-compliance.”¹⁶⁵

188. The Cabinet Secretary noted that the WRA’s approach to enforcement was “under development”. He added:

“I expect the WRA to take the same approach that we are familiar with from other public services who have an enforcement role.”¹⁶⁶

¹⁶² Finance Committee, 5 February 2025, RoP, paragraph 110

¹⁶³ Finance Committee, 5 February 2025, RoP, paragraph 328

¹⁶⁴ Finance Committee, 30 January 2025, RoP, paragraph 392

¹⁶⁵ Finance Committee, 30 January 2025, RoP, paragraph 77

¹⁶⁶ Finance Committee, 12 February 2025, RoP, paragraph 105

189. The Cabinet Secretary further explained:

“... education and engagement before you get to enforcement, and that will be the basic approach that I would expect the WRA to take with a new tax where everybody is having to get used to new things. They will not take a heavy-handed approach to enforcement. The first thing is just to make sure that people have understood and know what the right thing is. There comes a point at which, if you know that people are persistently and knowingly evading the responsibilities that they have, enforcement action will be required. But that's the approach I expect the WRA to take, particularly in the early stages of something that's new.”¹⁶⁷

Penalties relating to registration (indicative Welsh Government amendments at Stage 2)

190. On 26 November 2024, a day after the Bill's introduction, the Cabinet Secretary wrote to the Committee enclosing a statement of policy intent together with indicative registration provisions which, the letter notes, the Government intends to table at Stage 2. The Cabinet Secretary further noted that these documents were provided “to support the Committee's scrutiny of the Bill”.¹⁶⁸

191. The additional provisions supplied by the Welsh Government propose the establishment of a system of penalties for visitor accommodation providers failing to comply with the requirement to register or failing to provide information to correct inaccuracies in the register.¹⁶⁹

192. The provisions also contain rights of appeal to a tribunal on penalty decisions and further regulation-making powers for the Welsh Ministers to make provision regarding penalty amounts and assessment.¹⁷⁰

193. Powys County Council suggested that the proposed penalties “are clearly set out and proportionate.”¹⁷¹

¹⁶⁷ Finance Committee, 12 February 2025, RoP, paragraph 107

¹⁶⁸ Letter from the Cabinet Secretary for Finance and Welsh Language: Indicative Stage 2 amendments, 26 November 2024

¹⁶⁹ Letter from the Cabinet Secretary for Finance and Welsh Language: Indicative Stage 2 amendments, 26 November 2024

¹⁷⁰ Letter from the Cabinet Secretary for Finance and Welsh Language: Indicative Stage 2 amendments, 26 November 2024

¹⁷¹ Written evidence: VAB99 – Powys County Council

194. Airbnb noted the proposed penalty of £300 multiplied by the number of premises for those who have failed to register as a VAP, or the £300 penalty for failing to provide information to correct inaccuracies on the register, is broadly in line with penalties or failure to comply with similar schemes internationally, though it is on the higher end of the scale.¹⁷²

195. Airbnb encouraged the Welsh Government to look at a sliding scale of penalties proportionate to any offence, with lower amounts for where any breach is administrative, or the result of honest error.¹⁷³

196. West Wales Holiday Cottages also noted for section 7D it is “essential to define what constitutes ‘special circumstances’ and provide details on how the appeal process will operate to ensure fairness and transparency”.¹⁷⁴

197. Airbnb echoed this by saying the Welsh Government needs to publish in due course a non-exhaustive list of scenarios that would meet the definition of “special circumstances” in section 7D and a “reasonable excuse” in section 7C.¹⁷⁵

198. UKHospitality Cymru suggested that:

*“... consideration be given to a light touch and educational approach in the first instance rather than immediate enforcement and penalty action in the case of genuine errors or lack of awareness”.*¹⁷⁶

199. ScoutsCymru expressed concern at the additional provisions:

*“The additional provisions for registration and enforcement, particularly the number and severity of the penalties suggested, are very concerning and do not consider the administrative burden the Bill places on small, non-profit, low cost, volunteer managed accommodations.”*¹⁷⁷

200. Cytun shared the concern, stating in their written evidence:

“We regret that these provisions were not part of the Bill that was introduced. We are concerned about the threat of

¹⁷² Written evidence: [VAB101 - Airbnb](#)

¹⁷³ Written evidence: [VAB101 - Airbnb](#)

¹⁷⁴ Written evidence: [VAB93 - West Wales Holiday Cottages](#)

¹⁷⁵ Written evidence: [VAB101 - Airbnb](#)

¹⁷⁶ Written evidence: [VAB97 - UKHospitality Cymru](#)

¹⁷⁷ Written evidence: [VAB118 - ScoutsCymru](#)

*significant penalties for charities and small businesses for minor administrative errors.*¹⁷⁸

201. Sanctuary Coalition Cymru said:

*"The inclusion of a "reasonable excuse" clause is a positive step, but clearer guidance is needed to ensure charities understand their obligations and can comply consistently."*¹⁷⁹

The Welsh Government's proposed approach to data sharing

202. On 5 December 2024, the Cabinet Secretary confirmed that he was anticipating bringing forward Stage 2 amendments relating to data sharing.¹⁸⁰

203. In subsequent correspondence, the Cabinet Secretary confirmed the Welsh Government's policy aims in this area, stating that:

*"By the end of Stage 2 the Bill will provide clarity as to what the WRA's powers will be relating to the register, which will ... include a power to collect other information that the WRA considers appropriate. This power could include information in relation to capacity or seasonality data as this will support the development of accurate utilisation statistics and estimations of leviable amounts which could be collected. We are also exploring what other information the register can hold in the future, for example licensing information."*¹⁸¹

Committee View

204. The Committee notes the support throughout the evidence for the introduction of a register of visitor accommodation providers, and we agree that it will benefit the implementation of the visitor levy and inform ongoing decision making and policy development regarding its use.

205. Many witnesses emphasised that the register has the potential to level the playing field among accommodation providers, suggesting in particular that it should include details about how providers are complying with relevant regulations. We note that the Welsh Government intends to bring forward a

¹⁷⁸ Written evidence: [VAB3 - Cytun - Churches together in Wales](#)

¹⁷⁹ Written evidence: [VAB113 - Sanctuary Coalition Cymru \(formerly Welsh Refugee Coalition\)](#)

¹⁸⁰ [Finance Committee, 5 December 2024, RoP, paragraph 148](#)

¹⁸¹ [Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025](#)

separate Bill on licensing in the autumn term, which we anticipate may address some of the issues raised by witnesses.

Recommendation 4. The Committee recommends that, in advance of the Stage 1 debate, the Welsh Government should provide more detail to the Senedd on its policy intentions for the forthcoming statutory licensing Bill, together with an indication of the timescales for implementation should such a Bill be passed by the Senedd.

206. It is clear that the register will increase the available data relating to accommodation providers. This will both support the levy and provide a firmer source of data about the visitor accommodation landscape in Wales. In turn, the Committee believes that this will contribute to an identified need to better understand the sector as a whole. We believe this is a key benefit of the Bill and that data from the register should be analysed periodically and reported to the Senedd.

Recommendation 5. The Committee recommends that the Welsh Government should bring forward an amendment to the Bill at Stage 2 to commit to publishing periodic reports analysing data collected from the register of visitor accommodation providers. Such a report should include an analysis of trends in the number and types of providers and accommodation across local authorities year-on-year.

207. The Committee notes the WRA's explanation of its anticipated approach to enforcement and recognises that the finer detail is still to be developed. We acknowledge the WRA's experience in administering devolved taxes to date, however the implementation of this Bill will require interacting with a broader range of stakeholders, whose needs will need to be taken into account. We noted the potential for unintended consequences earlier in the report in connection with non-compliance and unregulated accommodation providers. Effective compliance and a clear, proportionate approach to enforcement will be key in gaining the confidence of the industry and securing successful implementation of the levy. The Committee believes that implementation of the register will require careful monitoring to ensure that it is operating effectively.

Recommendation 6. The Committee recommends that the Welsh Government, working with the Welsh Revenue Authority and relevant stakeholders, provides regular updates to the Senedd on the development of the Welsh Revenue Authority's approach to compliance and enforcement under the Bill, including any steps being taken to ensure that compliance and enforcement activity is proportionate to the nature and size of the visitor accommodation provider.

Penalties relating to registration

208. Whilst the Committee would have preferred to see the indicative registration provisions (and any other known policy intentions) incorporated into the Bill before introduction and reflected in the impact assessment and cost estimates, it is grateful to the Cabinet Secretary for providing details of the proposals to allow for their consideration. The Committee believes the proposed penalty approach in relation to non-compliance with the registration requirements in Part 2 of the Bill to be reasonable.

6. Visitor levy: application, operation and rates of levy

Principal council's power to introduce a visitor levy in its area

209. Section 8 sets out that a principal council may charge a levy on overnight stays in visitor accommodation located in its area. The levy is to be collected and managed by the WRA on behalf of a principal council. The WRA must collect and manage the levy in accordance with the provisions of the Bill and the Tax Collection and Management (Wales) Act 2016 (the '2016 Act').

Application and operation of the levy

210. Section 9(1) defines what is an overnight stay in visitor accommodation for the purposes of a levy becoming payable and includes exceptions to the circumstances in which an overnight stay is deemed to take place. An overnight stay in visitor accommodation occurs when individuals reside for one or more nights under a contract, the accommodation is provided in the course of a trade or business, and it is not their main residence. Exceptions include contracted stays longer than 31 nights and accommodation arranged under specific legislation relating to immigration, asylum, bail or probation.

211. Section 9(5) enables the Welsh Ministers, through regulations, to amend the descriptions of circumstances in which an overnight stay in visitor accommodation does or does not occur.

212. Airbnb suggested the legislation should include a list of situations which cannot be amended by ministers, saying:

"... this should include clarifying that local authorities can not apply seasonal or geographical variation to the levy (i.e., only apply the levy at certain times of the year, or only apply the levy in certain places within their boundaries)."¹⁸²

213. Section 10 sets out that the person who is liable to pay the levy is the visitor accommodation provider. The point at which the liability to pay the levy arises is when a person commences their stay at the accommodation.

214. Airbnb set out its view that:

¹⁸² Written evidence: [VAB101 - Airbnb](#)

“... it may be helpful to change the point at which the liability for the levy arises. At the moment, it's tied to the time of entering the property rather than the time of payment. Now, tying it to the time of payment is generally easier for operators because it's easier to implement, it's easier to track any alterations to the booking, and it allows remittance of the tax in the same accounting period that it is collected from a guest.”¹⁸³

215. Section 11 outlines the method for calculating the amount of levy that is chargeable in respect of a stay. The amount of levy is calculated by firstly establishing the number of persons entitled to stay and multiplying that number by the total number of nights they are entitled to stay. That number is then multiplied by the appropriate rate.

31-day rule

216. FSB mentioned the “31 day” rule for determining whether an overnight stay takes place and is therefore chargeable to the levy, saying this was “very high”. It noted:

“One would expect that the longer a tourist's stay the more benefits and spend accrues and so the higher the 'value' locally. As such, one would expect that after a few nights there are diminishing returns here and one would want to encourage longer stays, not disincentivise them, especially for larger families.”¹⁸⁴

217. It suggested that with WRA collecting centrally, being able to claim back the levy in total if in a stay of 10 continual nights or more in Wales would seem a rational step, and the WRA could look to administer this with receipts accordingly, saying:

“This may provide an incentive for more value to be put into the community spend. This step should be explored.”¹⁸⁵

218. The Cabinet Secretary told us the Welsh Government “wanted to “distinguish between people who were not really visitors in the sense that the Bill is meant to capture”. He added:

¹⁸³ Finance Committee, 30 January 2025, RoP, paragraph 408

¹⁸⁴ Written evidence: VAB139 - Federation of Small Business (FSB) Wales

¹⁸⁵ Written evidence: VAB139 - Federation of Small Business (FSB) Wales

“... 31 days we thought was a reasonable break point to demarcate people who are using accommodation for work reasons.”¹⁸⁶

Additional administrative burden

219. A common theme from the evidence was the potential for the Bill to place additional administrative burden on accommodation providers collecting and paying the levy.

220. The Association of Welsh Agents mentioned additional costs for purchasing “new computer software for booking systems to take the levy into account”, with the potential for applying different levy charges across principal council areas adding further administrative complexities.¹⁸⁷

221. Bluestone also highlighted the need “to make costly amendments to our website, booking platform, accountancy software, and mode of operation to accommodate the proposed levy”. It added:

“Where changes are made to our software and processes, we would also need to invest in the training of our staff to facilitate these changes.”¹⁸⁸

222. Comments were made about the profile of accommodation providers in the sector. PASC UK noted the majority of self-catering activity involves small micro-businesses, saying:

“The administrative burden that the levy will impose on these small businesses is significant, and the age demographic indicates a need for additional support during both the registration process and the collection of the levy.”¹⁸⁹

223. MWT Cymru also said that over 90 per cent of accommodation providers in Wales are small micro businesses. It stated:

“These businesses often operate with manual systems and minimal staff, making the additional workload of calculating, collecting, and submitting the levy unmanageable.”¹⁹⁰

¹⁸⁶ Finance Committee, 12 February 2025, RoP, paragraph 219

¹⁸⁷ Written evidence: [VAB146 - Association of Welsh Agents](#)

¹⁸⁸ Written evidence: [Bluestone](#)

¹⁸⁹ Written evidence: [VAB102 - The Professional Association of Self-Caterers UK](#)

¹⁹⁰ Written evidence: [VAB135 - Mid Wales Tourism / MWT Cymru](#)

224. Cwmdu Campsite noted particular challenges for the camping industry:

“It requires all tourism businesses to have electronic records of their guests - this is absolutely not the norm in the camping industry where things are often still done in paper diaries and bookings taken over the phone. The Welsh government should consider giving businesses two years once this levy is confirmed, to digitize their booking systems.”¹⁹¹

225. The Cabinet Secretary told the Committee:

“We have designed the visitor levy to be as simple and straightforward as possible in application for both visitor accommodation providers and visitors. The WRA has undertaken user engagement and discovery work and will continue to engage with the sector to ensure things run smoothly. Joining up the registration and levy systems will ensure reduced administrative burden for providers.”¹⁹²

226. He added:

“Smaller providers who collect less than £1000 of visitor levy per annum will be able to choose to file returns and make payments annually. This limits any additional administrative burden on our smaller providers.”¹⁹³

Levy rates

Rates of the levy

227. Section 12(1) sets out the three rates of the levy; the lower rate is £0.75, the higher rate is £1.25 and the nil rate. Section 12(2) gives the Welsh Ministers the power to change the lower, higher or both rates through regulations.

228. Section 13 defines which types of visitor accommodation are subject to the lower, higher or nil rates of the levy. Section 13(1) notes the lower rate applies to stays in hostels and those staying in tents on campsites. Section 13(2) states the higher rate applies to all other types of visitor accommodation (unless the nil rate applies).

¹⁹¹ Written evidence: [VAB68 - Cwmdu Campsite](#)

¹⁹² [Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025](#)

¹⁹³ [Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025](#)

229. Section 13(3) also applies a nil rate to overnight stays provided or arranged by a local housing authority within visitor accommodation for those who are homeless.

230. Section 13(4)-(5) provides regulation-making powers to the Welsh Ministers to add new types, or amend or remove existing types of visitor accommodation to which each rate applies; set out evidence requirements that must be met before a provider can apply the nil or lower rates; and make arrangements for and relating to the issuing of vouchers for the purpose of proving that the nil rate applies to a particular overnight stay in visitor accommodation.

231. The Cabinet Secretary told the Committee that the rates were chosen for reasons of “simplicity and fairness”. He added:

“It’s to try to recognise the fact that people with fewer resources at their disposal tend to use the cheaper accommodation when they go on holiday. The essential distinction we’ve used is where people are going to shared accommodation rather than sole-use accommodation, self-contained accommodation. So, campsites and hostels, by their nature, tend to have shared cooking facilities, shared showering facilities, and so on—those we’ll charge at the lower rate. Because on the whole—it’s a broad generalisation, I know—but on the whole, people with fewer resources at their disposal tend to use those sorts of accommodations. So, we keep two rates for those issues of fairness, only two because of simplicity and to keep the rate as low as possible.”¹⁹⁴

Asymmetric impact of levy

232. The Committee heard evidence which suggested there would be a disproportionate impact of the levy on providers offering different types of accommodation and visitors. Due to the legislation applying a fixed-rate levy, witnesses noted this would have a greater effect on providers who offer budget accommodation.

233. PASC UK highlighted the disproportionate price increases for different types of accommodation, saying:

“We have a most amazing range of very low-cost, very good quality, clean accommodation in Wales, and they will be

¹⁹⁴ Finance Committee, 5 December 2024, RoP, paragraph 169

having to charge a disproportionately high amount of tax. So, if you book a very expensive hotel in Cardiff as a businessman, you'll be paying about 1 per cent, but if you're a low-income family going to a lodge in mid Wales in the autumn half term, you'll be paying about 17 per cent, and that is why we find it really, really threatening to our small businesses that offer that kind of accommodation, and the impact on those families on low incomes.”¹⁹⁵

234. Evidence from Velvet and Jasmine Cottage supported this view, suggesting that the Bill “will disproportionately affect smaller businesses.” They added:

“I can see how that it is simple for the Welsh government to implement, far less paperwork than a proportional rate. For an expensive hotel in Cardiff, it's a negligible amount too. However, for a North Wales holiday cottage sleeping 4 and charging £65/night in Winter, it's a 10% tax, on top of all the other costs.”¹⁹⁶

235. Emma McQuillan from the Caravan and Motorhome Club also provided an example. She stated:

“If I could just give you a specific example: a £30 pitch for one night with two adults and two children, plus the VAT that would be charged on the levy, equates to a 12 per cent visitor levy.”¹⁹⁷

236. She added:

“Now, if you compare that to a single businessman in accommodation, it's less than 1 per cent of what he's paying—a businessman or woman—it's less than 1 per cent of what they're paying, for the visitor levy. So, we're trying to make sure that our members are fairly represented and that the low-cost economy option of a holiday is not diminished.”¹⁹⁸

237. YHA believed that further consideration should be given to excluding the hostel or budget accommodation markets, or to providing adequate safeguards

¹⁹⁵ Finance Committee, 30 January 2025, RoP, paragraph 333

¹⁹⁶ Written evidence: VAB59 – Velvet and Jasmine Cottage

¹⁹⁷ Finance Committee, 30 January 2025, RoP, paragraph 737

¹⁹⁸ Finance Committee, 30 January 2025, RoP, paragraph 737

to ensure any levy does not disproportionately impact visitor opportunities for those on lower incomes. It added:

“Based on outline detail provided, YHA estimates that the levy will result in a cost of accommodation increase of around 5% per overnight. We would need to pass on the additional levy to our customers. This will deter budget travellers.”¹⁹⁹

238. Conwy County Borough Council suggested:

“Proposed 2 tier charging system divides the sector in an unfair way. Glamping sites can easily cost far more than a B&B or small Hotel. Some hotels charge many times the rate charged by smaller hotels. If a campsite or hostel pays less, why should a £70 per night B&B pay the same as a £700 per night hotel? The level of the Levy needs further discussion.”²⁰⁰

Adding a premium to the levy rate

239. Section 14 enables a principal council to add an additional levy amount (a premium) to the lower and/or the higher rate of the levy that will apply in its area, and permits the Welsh Ministers, through regulations, to limit the amount of premium that a principal council may charge.

240. Witnesses expressed concern about the amount of information available relating to the premium, and some suggested that the Bill marked the first time that the notion of a premium had been introduced. North Wales Holiday Cottages told the Committee:

“In all consultation prior to publication of the Bill there has never been any mention of the possibility for an authority to apply a premium to the levy.”²⁰¹

241. It added:

“It is of considerable concern that such a clause can be introduced against all guidance offered by the industry during consultation meetings. To now see the possibility of some areas

¹⁹⁹ Written evidence: [VAB144 – Youth Hostel Association](#)

²⁰⁰ Written evidence: [VAB79 – Conwy County Borough Council](#)

²⁰¹ Written evidence: [VAB83 – North Wales Holiday Cottages Ltd](#)

charging even more than the basic levy is galling when it has never been put to consultation groups.”²⁰²

242. Other evidence pointed to a lack of detail in the Bill relating to the premium. Visit Pembrokeshire said the initial concern was “just that it wasn't mentioned in the initial consultation.” It further noted:

“... if that were to be introduced, I think there needs to be more detail in terms of what the business case would need to be from a local authority to introduce a premium—you know, what are the criteria?—so, more detail to give broad stakeholders the confidence that that would be really well informed and it would be needed, and also that there would be some robust consultation on that.”²⁰³

243. The Caravan and Motorhome Club said:

“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.”²⁰⁴

244. The WLGA felt local authorities needed more information from the Welsh Government on a premium, saying “we have to be very sure about how we will interpret section 14 [Adding a premium to the levy rate]”. It added:

“There is no reference there, as far as I can see, to the approach to charging the levy, as you heard earlier, nor a need for the Minister to consult with the local authorities on the scale of any premium. So, there is more work to be done here.”²⁰⁵

245. WTA stated the premium adds a level of complexity that is not discussed anywhere in the EM nor in any of the Impact Assessments. It suggested the introduction of a potential premium would have the following impacts:

- It introduces unnecessary complexity and uncertainty into what is purported to be a “simple and straightforward” scheme.

²⁰² Written evidence: [VAB83 - North Wales Holiday Cottages Ltd](#)

²⁰³ [Finance Committee, 5 February 2025, RoP, paragraph 290](#)

²⁰⁴ Written evidence: [VAB128 - Caravan and Motorhome Club](#)

²⁰⁵ [Finance Committee, 30 January 2025, RoP, paragraph 188](#)

- It does not appear to be included within the scope of the programme design and implementation.
- It has the potential to make the levy more unfair whereas the Welsh Government has always said that it wants the levy to be fair.²⁰⁶

246. Airbnb agreed that a premium would add complexity, which would increase administrative costs for accommodation providers who run multiple accommodation units across different local authorities. It recommended that the “power to apply a premium should be removed from the Bill”.²⁰⁷

247. PASC UK also felt the application of a premium would cause confusion for both accommodation providers and tourists as well as increasing administrative costs, saying:

“Accommodation providers with properties in multiple locations may face the added complexity of implementing different pricing structures depending on local policies, further increasing administrative costs.”²⁰⁸

248. The WLGA suggested that a premium “may be appropriate” in certain circumstances, including “around major events”.²⁰⁹ Responding to whether it would like to see flexibility within the legislation to allow the premium to target a specific area or specific type of property, the WLGA told the Committee:

“I guess what we are saying is, as currently drafted, we probably haven't got the clarity yet in terms of whether we would have the scale of flexibilities that you've just described there. But we would be arguing the case that that's what we need, as well as a permissive approach from the Government that the power to apply a premium or not apply a premium and the geography, et cetera, rests with the local council, rather than something that has to be gone to the Government for on a case-by-case basis.”²¹⁰

249. When asked what modelling the Welsh Government had done of the potential impacts of local authorities applying a premium, the Cabinet Secretary told the Committee:

²⁰⁶ Written evidence: [VAB105 - Wales Tourism Alliance](#)

²⁰⁷ Written evidence: [VAB101 - Airbnb](#)

²⁰⁸ Written evidence: [VAB102 - The Professional Association of Self-Caterers UK](#)

²⁰⁹ [Finance Committee, 30 January 2025, RoP, paragraph 180](#)

²¹⁰ [Finance Committee, 30 January 2025, RoP, paragraph 183](#)

“There's not a great deal of modelling because we don't have the granular detail available to make that assessment. I do not expect councils to use this power in the early days of the levy. If there were to be signs of the power being used in a non-reasonable way, the Bill provides Welsh Ministers with the power to set the premium.”²¹¹

250. The Cabinet Secretary later confirmed that he was:

“... giving some thought with officials in advance of Stage 2 as to whether the Bill needs to provide for a stronger framework for how premiums could be introduced and when they could be introduced.”²¹²

251. In terms of the structure of a premium, and whether it should be applied at different times or in different locations within a county, the Cabinet Secretary noted his concern about “complexity of ease and understanding.” He added:

“If you are an accommodation provider and you're operating within one county, and a different part of the county has a different premium—. This is certainly going to add to the administrative burden that's on the provider.”²¹³

Application for repayment of amount equivalent to the levy

252. Section 15 outlines the process for applying for a repayment of an amount equivalent to the levy payable for an overnight stay in visitor accommodation.

253. Section 15(1) notes that a person may apply to the WRA for repayment if they provided consideration for an overnight stay in visitor accommodation if:

- the person stayed in the accommodation because they were unable to reside in their sole or main residence due to a risk to their health, safety, or welfare;
- the accommodation was provided to a person who was homeless at the time of the stay (within the meaning of section 55 of the Housing (Wales) Act 2014); or

²¹¹ Finance Committee, 5 December 2024, RoP, paragraph 177

²¹² Finance Committee, 12 February 2025, RoP, paragraph 159

²¹³ Finance Committee, 12 February 2025, RoP, paragraph 160

- the person who stayed overnight was receiving a disability benefit and was accompanied by another person.

254. Section 15(2) requires an application for a repayment of an amount equivalent to the levy to be made within 30 days of the last day the person was entitled to stay in the accommodation.

255. Section 15(5) defines the benefits an individual accompanied on an overnight stay by another person would be required to receive in order to be eligible to apply for repayment.

256. Section 15(6) gives the Welsh Ministers powers through regulations to add, remove, or change descriptions of circumstances for making an application or to amend the definition of ‘disability benefit’.

257. CIOT suggested that the 30 day requirement seemed “very short”, adding that:

“We are concerned that the requirement to make a repayment application within 30 days of the end of the stay seems very short particularly in view of the likely circumstances of those people eligible to make a claim. Those who have stayed in visitor accommodation due to homelessness for example, may simply not be in a position to make a digital repayment claim online within 30 days, or to incur postage costs that outweigh the benefit of making a claim.”²¹⁴

258. The Cabinet Secretary told the Committee he considered 30 days to be “adequate time”. He explained:

“I think it's important to remember, in a number of these refunds, that it is very likely that the individual—because the refund is there because the person is vulnerable in some way—will be getting support from some organisation.”²¹⁵

²¹⁴ Written evidence: [VAB84 - Chartered Institute of Taxation and its Low Incomes Tax Reform Group](#)

²¹⁵ [Finance Committee, 5 December 2024, RoP, paragraph 212](#)

Exemptions

259. Evidence submitted by witnesses proposed a range of exemptions to consider including in the legislation, including charities, educational trips, and children and young people.

260. ScoutsCymru told us:

“The Bill's current framework lacks sufficient detail regarding exemptions and considerations for non-profit, volunteer-led accommodation providers where overnight stays are not their primary purpose.”²¹⁶

261. Responding to a suggestion of exemptions more broadly, the Cabinet Secretary told the Committee:

“We're back to one of those basic trade-offs and bargains. I said to you at the very beginning that this is a broad-based tax with a low charge, at the lower end of what you would find anywhere else. If you narrow the base, the only way that you can sustain the take from the tax is to put the charge up.”²¹⁷

Children and young people

262. A large number of witnesses agreed that children and young people should be exempt from being charged the levy.

263. West Wales Holiday Cottages highlighted the significant financial burden families face given children are included in the levy. It emphasised that “children should also be exempt from the levy”.²¹⁸

264. YHA noted there are several known examples of ‘tourism taxes’ applying in other countries with exemptions for young people.²¹⁹

265. BH&HPA noted “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”. It said:

“The majority of European visitor levies apply a discount or exempt children, with most countries discounting under 18s

²¹⁶ Written evidence: [VAB118 - ScoutsCymru](#)

²¹⁷ [Finance Committee, 12 February 2025, RoP, paragraph 179](#)

²¹⁸ Written evidence: [VAB93 - West Wales Holiday Cottages](#)

²¹⁹ Written evidence: [VAB144 - Youth Hostels Association](#)

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.”²²⁰

266. The Cabinet Secretary acknowledged the call for children and young people to be exempt from paying the levy, however he noted the impact this would potentially have on the overall amount raised:

“I think that our figures show that if you took all of those under 16, of compulsory school age and below, out of the levy, the £33.3 million that our modelling suggests that you would collect goes down to £21.3 million.”²²¹

267. A Welsh Government official suggested that, should young people under the age of 16 be exempt from the levy, the levy rates might need to be set at “about £1 on the lower rate and then £2 on the higher rate”.²²²

Educational trips and establishments

268. Children in Wales called for educational school trips to be fully exempt from any visitor levy introduced by local authorities. It said:

“Learners engaging in organised residential school trips in support of their education are not ‘tourists’ or ‘holidaymakers’ and should not be classified as such.”²²³

269. The Children’s Commissioner for Wales noted that “many children in Wales already face barriers to attending residential / educational trips” and called for “all residential / educational trips to be exempt from the levy”.²²⁴

270. Urdd Gobaith Cymru echoed this call, suggesting that the Bill should be amended to include an exemption for “educational and wellbeing residential stays for children and young people (0-25 years) traveling independently without parents / family carers”. It added:

“We are concerned that charging the levy may have the negative effect of depriving children and young people of the

²²⁰ Written evidence: [VAB119 - British Holiday & Home Parks Association](#)

²²¹ [Finance Committee, 12 February 2025, RoP, paragraph 180](#)

²²² [Finance Committee, 12 February 2025, RoP, paragraph 193](#)

²²³ Written evidence: [VAB88 - Children in Wales](#)

²²⁴ Written evidence: [VAB112 - Children's Commissioner for Wales](#)

residential experience, as fewer groups of children and young people from schools and youth organisations will be able to visit the centres.”²²⁵

271. The Cabinet Secretary agreed that there were “merits in the argument” for excluding educational settings or educational visits, but reiterated that:

“Every time you take a group of people out of the levy, you erode the base, and that has an impact on the amounts of money that will be raised, and that has an impact on the amount of money that those who are left paying the levy are charged.”²²⁶

Charitable status

272. YHA felt that non-commercial bodies such as not-for-profit, educational or social enterprise organisations should also be exempt. It said:

“I guess you might consider more broadly if a charitable organisation exists, what current exemptions it has in relation to financial burdens. For us as an organisation, we don't pay business rates. We have rate relief of about 99 per cent, I think, of business rates. For us, that's a cost of around £1,000 a year within Wales.”²²⁷

273. The Children’s Commissioner for Wales argued that stays related to temporary emergency housing arranged by charitable organisations in visitor accommodation for refugees and asylum seekers “should be exempt and that charitable organisations should be protected from the administrative burden of seeking refunds.”²²⁸

274. This was echoed by Sanctuary Coalition Cymru, who said:

“Temporary accommodation used by homelessness charities should be explicitly exempt from the levy.”²²⁹

275. The Cabinet Secretary told us that the same arguments as already stated for exemptions apply, but noted:

²²⁵ Written evidence: [VAB103 – Urdd Gobaith Cymru](#)

²²⁶ [Finance Committee, 12 February 2025, RoP, paragraph 207](#)

²²⁷ [Finance Committee, 30 January 2025, RoP, paragraph 595](#)

²²⁸ Written evidence: [VAB112 – Children’s Commissioner for Wales](#)

²²⁹ Written evidence: [VAB113 – Sanctuary Coalition Cymru \(formerly Welsh Refugee Coalition\)](#)

“... charities—it’s a catch-all term for a very, very diverse sector with different legal bases and so on. It can sound straightforward and it can become very complicated when you actually have to, in legal terms, define who you mean.”²³⁰

Pitches

276. Emma McQuillan from The Caravan and Motorhome Club advocated for a pitch to be exempted given members are bringing their accommodation with them. She explained:

“So, the definition of a pitch as visitor accommodation is quite tenuous, to compare it with the likes of fixed accommodation.”²³¹

277. She added:

“In Edinburgh, the original draft of their scheme exempted pitches, albeit they have been put back in. Their original rationale for that exemption was because it stemmed when a fixed rate was envisaged for the levy, rather than a percentage, and the low-cost nature of campsites meant there would be an unfair imbalance in terms of proportionality of the overall cost. This would be the case in Wales with the proposal as it stands.”²³²

Committee View

31 day rule

278. The Committee notes the Cabinet Secretary’s rationale for choosing 31 nights as the maximum number of nights for which a contracted stay is treated as a visit and therefore chargeable to the levy. However, the Committee is also mindful of the need to avoid disincentivising longer stays at visitor accommodation within Wales and calls on the Welsh Government to reflect on the approach taken in the Bill.

Recommendation 7. The Committee recommends that the Cabinet Secretary should, in advance of the Stage 1 debate and in light of the comments received by the Committee, update the Senedd as to whether he remains of the view that 31

²³⁰ Finance Committee, 12 February 2025, RoP, paragraph 214

²³¹ Finance Committee, 30 January 2025, RoP, paragraph 737

²³² Finance Committee, 30 January 2025, RoP, paragraph 737

days is the appropriate maximum period for which stays in visitor accommodation in Wales should be subject to the levy.

Additional administrative burden

279. The Committee notes the administrative and financial impact on visitor accommodation providers arising from the Bill and recognises in particular that a number of these providers may be microbusinesses who often manage without dedicated administrative support. The Committee also acknowledges the assurances provided by the Cabinet Secretary that the Bill creates a system for operating the levy that is proportionate and designed to limit any additional administrative burden on smaller providers. Nonetheless, given the strength of feeling expressed by visitor accommodation providers on this issue, we believe that the Welsh Government should take proactive steps to ensure that providers are aware of the support and guidance available to them, once the Bill comes into force.

Recommendation 8. The Committee recommends that the Cabinet Secretary takes proactive steps to provide appropriate support to smaller visitor accommodation providers once the Bill comes into force.

Levy rates

280. While the Committee acknowledges the Cabinet Secretary's reasoning in applying the principles of "simplicity and fairness" in choosing fixed levy rates, we also note the concerns of a range of witnesses that the rates have the potential to disproportionately impact certain types of accommodation, particularly those providers offering budget accommodation. The Committee notes evidence from witnesses who suggested that this approach would amount to a 10-12 per cent levy on lower cost accommodation and campsites, which would make a substantial difference to large or lower-income families, and could lead to the unintended effect of deterring visitors.

281. Whilst the Committee notes that other countries have adopted a percentage-based approach to setting a visitor levy, the majority of the Committee acknowledges the Cabinet Secretary's view that a fixed rate aligns with the Welsh Government's policy aims of simplicity and fairness.

Application of a premium

282. The introduction of the concept of a premium in the Bill has caused some consternation within the industry. The Committee also heard concerns about a lack of engagement between the Welsh Government and the tourism sector on

this particular proposal. While we accept that a premium could provide local authorities with an additional lever to generate funds to support local priorities, we also note that it has the potential to create divergence across principal council areas, and seems at odds with the intention of designing a levy with simplicity in mind. However the majority of the Committee is persuaded that the premium element of the Bill should remain, particularly given that the decision whether or not to introduce a premium would reside with principal councils.

283. We welcome the Cabinet Secretary's willingness to consider changes at Stage 2 with the aim of providing a stronger framework for how premiums could be introduced.

Recommendation 9. The Committee recommends that the Welsh Government should, in advance of the Stage 1 debate, provide more details about its proposals to strengthen the provisions of the Bill relating to the introduction of a premium.

284. The Committee heard some support for a premium being used on a time-limited basis, for example to support specific events in a principal council's area. Although the Committee agrees with the approach taken to premiums in this Bill, it considers that this is a policy area which should be kept under review and considered as part of the Welsh Government's assessment of the operation and effect of the Act, in line with our second recommendation on post-implementation review.

Recommendation 10. The Committee recommends that the Welsh Government commits to considering alternative approaches to the charging of premiums in the context of the visitor levy as part of any future assessment of the operation and effect of the Act.

Exemptions

285. There was support throughout the evidence received for specific exemptions to be made to those subject to the levy, with the majority focused on exemptions for children and young people, educational visits, and charitable organisations.

286. The Committee recognises the impact on revenue that would occur should exemptions to the levy be applied, and we also note the Cabinet Secretary's comments about the challenges that arise in terms of defining educational settings and charities on the face of the Bill. Doing so could lead to unintended consequences and create uncertainty for accommodation providers.

287. However, in the case of under 16s, an exemption could be more straightforward to administer, and such an exemption would also naturally

impact on a proportion of educational visits and settings. We welcome the work already conducted by the Welsh Government to understand the financial implications of applying such an exemption and call for such details to be published in advance of the Stage 1 debate.

Recommendation 11. The Committee recommends that, in advance of the Stage 1 debate, the Welsh Government should provide the Senedd with a summary of any analysis carried out regarding the potential exemption from the levy in relation to:

- under-16s,
- educational trips, and
- bodies with charitable status.

7. Visitor levy: accounting for, and payment of, the levy

288. Chapter 2 of Part 3 of the Bill deals with the requirements relating to returns and payment of the levy, and collection and management of the levy by the WRA.

289. Section 16 requires a visitor accommodation provider to make a return to the WRA for each accounting period they are operating a visitor accommodation business (whether or not any overnight stays have taken place in that period).

290. Section 16(3) states the return must contain an assessment of the amount of levy payable for the accounting period and also either a declaration by the provider that the information in the return is correct or for the provider's agent to certify that the provider has made such a declaration to that effect.

291. Section 16(4) notes a return must be made by the visitor accommodation provider and sent to the WRA by the filing date for the return. The filing date depends upon whether the visitor accommodation provider is obliged to send in annual or quarterly returns (see section 17 below).

292. Section 16(5) establishes filing dates for annual returns, the filing date is 30 April in the financial year following the end of the financial year to which it relates. For quarterly returns the filing date is the last day of the month following the end of the accounting period.

293. Section 17(1) notes that visitor accommodation providers may choose to make annual or quarterly returns for a financial year if their expected levy liability does not exceed £1,000. If a provider's levy liability is expected to exceed £1,000 for that year, or exceeded £1,000 in the previous year, they must make quarterly returns.

294. Section 17(3) enables the Welsh Ministers, through regulations, to amend the annual or quarterly filing amount threshold and specify the information a visitor accommodation provider must provide to the WRA if they wish to make annual returns.

295. The South Wales Mountaineering Club noted concern at the timescales for filing returns:

“We are particularly concerned about the requirement to file returns within 30 days of a financial year, and the prospect of quarterly reporting. This will create a deplorable impact on

volunteers. We note for comparison that Charity Commission returns have a 10-month period for those required to report."²³³

296. The Chamois Mountaineering Club Ltd agreed that “volunteer-run accommodations such as scout huts, and mountain bothies and huts will struggle to meet 30-day return and payment deadlines”.²³⁴

297. ScoutsCymru suggested:

*“The proposed 30-day window for returns and payments, demonstrates a clear lack of understanding of volunteer-run organisations' operational realities.”*²³⁵

298. Sykes Cottages noted the challenges presented by the 30-day return:

*“If we do returns for operators and we suspect we'll have to, we've only got 30 days each quarter to create returns, send it to each owner, get an affirmative declaration from every operator in a levy area with their agreement that the info in return is correct, for us to report back.”*²³⁶

299. The Cabinet Secretary told the Committee that the 30-day return timeframe “is consistent with the wider tax system”. He added:

*“This provides consistency for annual and quarterly filers, and visitor accommodation providers will work towards one deadline for payment and filing. This also minimises the number of deadlines visitor accommodation providers will need to keep track of. The return process will be straightforward as the levy is a simple tax. The WRA will work closely with visitor accommodation providers at every stage to promote compliance through an educative approach in line with the WRA's 'Our Approach', a Welsh way of doing tax.”*²³⁷

300. Section 18 defines the accounting period for annual returns as the financial year and further defines the accounting period in specific circumstances where a person commences or ceases leviable operations during a financial year.

²³³ Written evidence: [VAB91 – South Wales Mountaineering Club](#)

²³⁴ Written evidence: [VAB92 – The Chamois Mountaineering Club Ltd](#)

²³⁵ Written evidence: [VAB118 – ScoutsCymru](#)

²³⁶ Written evidence: [VAB122 – Sykes Holiday Cottages](#)

²³⁷ [Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025](#)

301. Section 19 defines the accounting period for visitor accommodation providers making quarterly returns by reference to a calendar quarter. In accordance with subsection (4), this means a period of 3 months ending with 31 March, 30 June, 30 September or 31 December.

302. Section 19(3) notes that if a provider commences leviable operations during a calendar quarter, the first accounting period begins on the start date of operations and ends at the next calendar quarter date.

303. Section 20 details the rules for payment of the visitor levy to the WRA by visitor accommodation providers. Visitor accommodation providers must pay the levy amount specified in their return by the filing date.

304. The section also directs to additional provisions in the 2016 Act that address levy payments required to be made by visitor accommodation providers in other situations, such as corrections to a tax return, amendments made to a tax return during or after the completion of an enquiry, WRA determinations and assessments.

305. A Welsh Government official told the Committee that the WRA has:

*"... already done quite a lot of discovery work with the sector, including designing some prototypes of what the returns will look like, making sure that they've talked that through with visitor accommodation providers, so that they understand how they can adapt the returns to make sure that they suit the visitor accommodation providers, and to understand a little bit more about the sector, so that they are making it as easy to use as possible."*²³⁸

Collection and management of the levy by the Welsh Revenue Authority

306. Section 21 introduces Schedule 1 to the Bill which contains amendments to the 2016 Act. The 2016 Act establishes a framework for the collection and management of devolved taxes in Wales by the WRA, which became operational in 2018. The provisions in Schedule 1 to the Bill extend the functions of the WRA so that its remit also includes collection and management of the levy and makes other miscellaneous amendments to that Act.

²³⁸ Finance Committee, 12 February 2025, RoP, paragraph 91

307. Paragraph 2 of the Schedule amends the 2016 Act to allow the WRA to manage and collect the levy.

308. The Cabinet Secretary told the Committee:

*"I think the WRA has been a success story, and I think it is the right moment for the WRA itself to be able to step into some new responsibilities and to demonstrate that the success it's had elsewhere can be replicated in this new area."*²³⁹

309. The WRA confirmed that it had been "engaging extensively with local authorities in collaboration with the Welsh Treasury". It said:

"We are developing a service level agreement that will be in place, so that the local authorities understand what our obligations are in running the tax, and we're working with them to develop that SLA, because, obviously, we don't want to develop that in isolation. We're also developing a stakeholder team, and their role is to go out and engage with local authorities, support them in the consultation and provide information about what the tax means for them, what it means for accommodation providers, what it means for visitors, so that we can provide a single point of clarity, really, as to what each local authority is sort of obliging themselves to if they opt in to the visitors levy."

310. It added:

*"... during the administration of the levy, we'll be sharing information about the accommodation providers in their area as well. Also, they'll have access to the register as well, so they'll have an understanding of what's going on in their area."*²⁴⁰

311. Paragraph 5 includes a new permitted disclosure of "protected taxpayer information" for the purposes of the WRA's functions.

312. The WRA confirmed:

²³⁹ Finance Committee, 5 December 2024, RoP, paragraph 228

²⁴⁰ Finance Committee, 30 January 2025, RoP, paragraphs 27-28

“... we would only ever disclose PTI when there's a real need to do so and there's no other way. We take that protection of taxpayer information very seriously.”²⁴¹

313. It later added:

“... we have to balance not putting protected taxpayer information on a publicly available register with providing enough information that the register is not just a useless document for people, so there is that that we are working through carefully.”²⁴²

314. Paragraph 17 removes the requirement for the WRA to seek the approval of the tribunal before issuing a notice to a taxpayer requiring them to provide information or produce documents. This changed rule will apply to both the visitor levy and the devolved taxes.

315. The WRA told the Committee that the effect of removing the WRA needing to go to the tribunal is “administrative efficiency”. It added:

“So, you remove that burden, it speeds up an enquiry and it allows us to move to a formal information notice, should the need arise. We hope it still wouldn't arise—we'd still try to work collaboratively and co-operatively to get information that we required. So, yes, it would just be administrative efficiency, basically; it wouldn't change our approach at all. Where there is a formal information notice, then there's a formal right of appeal against that information notice by the taxpayer, which would then be referred to the tribunal, if they felt that we were asking for information that we shouldn't be.”²⁴³

316. Paragraph 23 introduces a penalty point based regime for the late filing of visitor levy returns.

317. Paragraph 25 introduces rules for financial penalties when a visitor accommodation provider fails to pay the visitor levy to the WRA by the due date.

²⁴¹ Finance Committee, 30 January 2025, RoP, paragraph 88

²⁴² Finance Committee, 30 January 2025, RoP, paragraph 92

²⁴³ Finance Committee, 30 January 2025, RoP, paragraph 96

Committee View

318. The Committee notes the proposal for the WRA to be responsible for the collection and management of the levy and we believe that the WRA is the appropriate body to assume that role. We also welcome the sensible administrative changes proposed by the Bill in relation to the WRA's existing collection and management duties.

319. We note the concerns raised by witnesses in relation to the timescales for filing returns. While we acknowledge the Cabinet Secretary's view that 30 days is consistent with the wider tax system, the Committee believes the Welsh Government should give this further consideration, particularly given that the levy will be a new form of local taxation in Wales.

Recommendation 12. The Committee recommends that, in advance of the Stage 1 debate, the Welsh Government should review its approach to the 30-day deadline for the filing of returns, and provide an update to the Senedd on whether it remains of the view that the proposed timescale is appropriate.

320. While we welcome the proposed proactive role of WRA in supporting councils and acknowledge the work that has been carried out to date, we have noted concerns elsewhere in the report about the cost estimates relating to the WRA and the capacity of WRA to fulfil the role expected of them.

321. To ensure success of the levy, it will also be essential for the WRA to proactively engage with visitor accommodation providers.

8. Visitor levy: use of proceeds of the levy by principal councils

322. Sections 22 to 24 set out requirements in respect of the use of proceeds of the levy.

323. Section 22 requires a principal council that has introduced a visitor levy to maintain a separate account for the net proceeds of that levy paid to it by the WRA.

324. Section 23 requires the principal council to use the revenues generated by the levy for the purposes of destination management and improvement in its area. It also provides a non-exhaustive list of the types of spending by the principal council that will meet the requirement for spending on destination management and improvement, which includes:

- mitigating the impact of visitors;
- maintaining and promoting use of the Welsh language;
- promoting and supporting the sustainable economic growth of tourism and other kinds of travel;
- providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people).

325. Section 24 places a responsibility on a principal council to publish a report on the proceeds of the levy for each financial year the levy has effect in its area, which must include information about the amount of levy collected, the proceeds of the levy (after the costs of collection are deducted by the WRA) and how the proceeds have been or will be spent on destination management and improvement.

326. Section 24(4) also enables the Welsh Ministers to set out requirements through regulations for the principal council's reports, and to change the number of reports that must be published for a financial year, the frequency of publication and the date by which they must be published.

327. Witnesses raised concerns regarding the spending areas outlined in the Bill, and whether the levy revenue would create additionality for the tourist sector, which are summarised below.

Levy spending

328. Several witnesses were concerned about the breadth of the spending areas set out in section 23 of the Bill. WBPA felt the areas were too broad, saying:

*"... we feel it will lead to local authorities using the funds for expenditure that does not directly support local tourism businesses. Instead, we have concerns that levy funds will invariably be used to cover the costs of facilities and infrastructure that are primarily for local residents rather than the tourist economy and the businesses that operate within it."*²⁴⁴

329. FSB stated that "there's nothing to be said against the principles of those duties, but they are very, very, very broad".²⁴⁵

330. UKHospitality Cymru agreed, stating:

*"It is our view that the classifications are very broad and do not specify assistance to tourism and services relating to tourism. For instance, while being fully supportive of all efforts to defend and support the Welsh language, we strongly disagree that this levy should be used for those purposes."*²⁴⁶

331. It added that the Welsh Government should include "specific clauses that limit local authority spending to areas that can be seen to directly benefit the tourism sector".²⁴⁷

332. Conwy County Borough Council stated:

*"... the current scope for spending the income raised from the Levy is very broad and could result in funds being absorbed by general local authority spending (roads infrastructure etc.) as opposed to improving the visitor and community infrastructure."*²⁴⁸

333. However, Visit Pembrokeshire welcomed the flexibility in the areas set out in section 23, saying:

²⁴⁴ Written evidence: [VAB149 - Welsh Beer and Pub Association \(WBPA\)](#)

²⁴⁵ [Finance Committee, 30 January 2025, RoP, paragraph 545](#)

²⁴⁶ Written evidence: [VAB97 - UKHospitality Cymru](#)

²⁴⁷ Written evidence: [VAB97 - UKHospitality Cymru](#)

²⁴⁸ Written evidence: [VAB79 - Conwy County Borough Council](#)

*"I think it's important to have that flexibility, because every destination is different, and this levy can respond to the particular challenges in that local destination. So, it's important that it has that flexibility of interpretation, but where you've got the safeguards is that governance and influencing model in terms of how it's spent."*²⁴⁹

334. WPBA felt that "whatever mechanism you're using for allocating the expenditure of the levy monies, there needs to be accountability, representation and transparency".²⁵⁰

335. One witness suggested that "clear plans for Tourism need to be developed by each authority to prove the need for additional revenue for this area".²⁵¹

336. Dr Linda Osti highlighted the importance of the industry being aware of any added value:

*"We have noticed that when the industry can see the added value of the tax on top of what was done before, then it's much more accepted than otherwise. So, it's also the way that the revenues from the tax are spent and the way that there is accountability, explanation and reporting. That helps the acceptance by stakeholders."*²⁵²

337. The Cabinet Secretary described the spending areas as set out in section 23 as "a form of soft hypothecation". He noted:

*"I think circumstances differ between one local authority and another, and the right thing to spend it on in one place to support the tourism industry will be different in another local authority."*²⁵³

Additionality of levy revenue

338. Many witnesses raised concerns that revenue from the levy would displace local authority funding already targeted at the tourism sector.

339. Keep Wales Tidy suggested:

²⁴⁹ Finance Committee, 30 January 2025, RoP, paragraph 248

²⁵⁰ Finance Committee, 30 January 2025, RoP, paragraph 548

²⁵¹ Written evidence: VAB45 – Berin Jones

²⁵² Finance Committee, 23 January 2025, RoP, paragraph 213

²⁵³ Finance Committee, 5 December 2024, RoP, paragraph 230

“The Bill lacks any provisions for the levy revenue to be an “additionality” to existing local authority budgets designated to tourism purposes. This raises concerns that it will end up replacing existing funding and result in the tourism sector and development of sustainable tourism being no better off than before the levy.”²⁵⁴

340. PASC UK did not believe that the Bill adequately ensures that levy funds will provide additional support for tourism rather than being diverted to general local government spending. It commented that:

“Although the funds are intended for destination management and improvement, we believe they will likely replace existing spending in these areas, freeing up resources to be used for unrelated purposes.”²⁵⁵

341. This was echoed by West Wales Holiday Cottages who had “concerns about the transparency and accountability of how the collected funds will be used”. It added:

“Without clear assurances that the money will be reinvested directly into tourism-related infrastructure and services, there is scepticism about whether the levy will benefit the industry or simply add further burden on both visitors and local businesses.”²⁵⁶

342. BH&HPA said there is significant industry concern surrounding the proposed spending areas for the proceeds of the levy. It stated:

“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.”²⁵⁷

343. It recommended 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”.

344. The Chamois Mountaineering Club Ltd said:

²⁵⁴ Written evidence: [VAB73 - Keep Wales Tidy](#)

²⁵⁵ Written evidence: [VAB102 - The Professional Association of Self-Caterers UK](#)

²⁵⁶ Written evidence: [VAB93 - West Wales Holiday Cottages](#)

²⁵⁷ Written evidence: [VAB119 - British Holiday & Home Parks Association](#)

“We are concerned about the ring-fencing of revenue – clear mechanisms are needed to ensure that revenue is reinvested transparently into services that benefit both visitors and local communities.”²⁵⁸

345. The Cabinet Secretary told us:

“We expect that proceeds of the levy would be additional funding, not displacing existing funds. The Bill at section 25 sets out that principal councils must consult before introduction of a levy, and we expect that any such consultation should include consideration of the use of the revenues.”²⁵⁹

346. He added:

“We have a high trust relationship with local authorities. Ultimately, locally elected officials must make spending decisions and account for those spending decisions.

The annual visitor levy report plus their statement of accounts provided by local authorities will give sufficient detail as to the impact of the visitor levy.”²⁶⁰

Tourism sector engagement

347. Witnesses felt the Bill could be strengthened to ensure the involvement of the tourism sector in determining how the levy revenues are spent. FSB sought clarity on how stakeholders would be engaged in the allocation process with Dr Llyr ap Gareth mentioning a forum included in Scottish legislation. He stated:

“And I think it’s important to note in the Scottish Bill ... that there needs to be a visitor levy forum that represents businesses in the sector and communities. Now, we would like for there to be something that allows that participation and also decision making for the tourism providers to decide where that money goes, because that brings people into the system, that you’re looking into where the tourism development is happening.”²⁶¹

348. He added:

²⁵⁸ Written evidence: [VAB92 – The Chamois Mountaineering Club Ltd](#)

²⁵⁹ [Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025](#)

²⁶⁰ [Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025](#)

²⁶¹ [Finance Committee, 30 January 2025, RoP, paragraph 522](#)

"I think, at the moment, the danger is that, if it's local authorities deciding what destination management means, that could create a level of distrust between—. You know, 'Is this money actually going towards things that benefit our sector?'"²⁶²

349. Carmarthen Tourist Association suggested that "a joint board of both council officials and the business community be formed in each area choosing to introduce the levy".²⁶³

350. The National Park Authorities argued that they should be involved in discussions around spending of the levy. Pembrokeshire Coast National Park Authority stated:

"We ask that National Park Authorities [NPAs] are key partners in the decision to implement a levy and are involved in decisions around how the funds will be spent, as well as ensuring NPAs receive a proportion of the income from levy."²⁶⁴

351. Eryri National Park Authority pointed to the establishment of a 'Visitor Economy Partnership' in its area:

"In Eryri, we are working towards the possibility of the Visitor Levy having established a Visitor Economy Partnership (under the Gwynedd and Eryri Sustainable Visitor Economy Plan) which includes key representatives from the sector and community alongside Cyngor Gwynedd and Conwy. As a Partnership, we believe this is a strong and capable vehicle for delivery of the investment from a Visitor Levy. This Partnership addresses the concerns which we hear regularly from those in the Tourism Sector that they feel disempowered to decide or ensure that the proceeds from the Levy will be invested back into the local Visitor Economy, Support for structures such as this from Welsh Government would be welcome as the delivery of the Levy develops."²⁶⁵

352. PLANED suggested:

"Funds raised from any Levy that is applied, whilst set in theory by the local authority applicable, should see the funds be

²⁶² Finance Committee, 30 January 2025, RoP, paragraph 522

²⁶³ Written evidence: [VAB32 – Carmarthenshire Tourist Association](#)

²⁶⁴ Written evidence: [VAB95 – Pembrokeshire Coast National Park Authority](#)

²⁶⁵ Written evidence: [VAB140 – Eryri National Park Authority](#)

allocated and agreed by a panel of interested parties and community based organisations, as it is the communities who supply the labour, skills, supplies, and general welcome for those tourism businesses and organisations, which in turn support our communities through the foundational and circular economy model.”²⁶⁶

353. The Cabinet Secretary noted the existence of a visitor economy forum, regional forums and local forums as examples of where the tourism industry already gets together, and questioned the benefit of creating a new forum in addition to these existing structures. He suggested:

“... it'll be the same people in the room now having another meeting to get into their diaries, whereas adding this to an agenda of an existing meeting would be a more straightforward, more cost-effective in terms of people's time way of making sure that the voice of the industry is heard.”²⁶⁷

354. However, he added:

“I would certainly want to make sure that the voice of the industry continues to be heard, not just on the decision itself, but on how money that is collected is then deployed for the purposes set out in the Bill.”²⁶⁸

Committee View

355. The Committee notes the range of views expressed regarding the areas listed under section 23 indicating the types of spending by principal councils that would meet the requirement for spending on destination management and improvement. We also note the Cabinet Secretary's view of the provision as “a form of soft hypothecation”. Whilst the Committee acknowledges the concerns raised by respondents about the breadth of the areas included, we conclude that the approach provides the necessary flexibility to deliver the policy intention.

356. As noted earlier in this report, gaining the trust of the tourism industry and local partners will be pivotal in the success or otherwise of implementation of the levy. The Committee notes the concerns raised by witnesses that the levy could replace existing funding by local authorities. We welcome the Cabinet Secretary's

²⁶⁶ Written evidence: [VAB37 - PLANED](#)

²⁶⁷ [Finance Committee, 12 February 2025, RoP, paragraph 42](#)

²⁶⁸ [Finance Committee, 12 February 2025, RoP, paragraph 44](#)

confirmation that the proceeds of the levy are intended to provide additional funding, not displace existing funds, and that the Bill requires principal councils to consult on the use of revenues before introducing the levy.

357. The Committee agrees with witnesses that bringing local industry representatives together with the principal council to discuss the use of the proceeds of the levy in the local area would be a positive way to strengthen trust, improve buy-in and to build confidence in what a principal council would be setting out to achieve through implementation of the levy. We note the evidence received which referred to the approach taken in Scotland and the establishment of a mandatory visitor levy forum representing businesses in the sector and communities. We believe there are merits to adopting this approach in Wales. Such collaboration could help to address concerns about hypothecation and allow for a constructive approach to agreeing priorities for levy spending in a local area based on an enhanced understanding by the principal council of local needs.

358. The Committee believes that adopting a formal requirement for a visitor levy forum would:

- strengthen relationships between principal councils and their stakeholders;
- guarantee a voice for relevant local bodies in the process of deciding on allocation of visitor levy proceeds;
- address concerns expressed by the industry over the need to play a part in the process; and
- shine a light on the decisions being taken by principal councils to help ensure that levy proceeds represent additional investment in local priorities benefitting the tourism sector or area.

Recommendation 13. The Committee recommends that the Welsh Government should bring forward amendments at Stage 2 requiring principal councils wishing to introduce the levy to establish a Visitor Forum in line with the approach taken in the Visitor Levy (Scotland) Act 2024, and that:

- membership of the forum should include businesses engaged in tourism, tourist organisations in the principal council's area and other relevant local bodies; and
- principal councils must have regard to any recommendations made by the Visitor Forum when deciding on the use of proceeds of the levy.

9. Other issues

Visitor levy: introducing, changing or abolishing the levy

359. Section 25 provides the steps a principal council must take before it introduces, changes or abolishes the levy, or any premium, within its area.

360. Section 25(3) notes the principal council must notify the WRA of its intentions in respect to the levy and publish a report that sets out the relevant proposals and their anticipated financial implications. The principal council must also send its report to the WRA.

361. In accordance with section 25(3), the principal council must consult a series of mandatory consultees, or other appropriate persons, on its report and proposals in respect of the levy. Those consultees include:

- local people;
- town and community councils;
- the public services board for the principal council's area;
- principal councils for a contiguous area;
- relevant national parks authorities;
- corporate joint committees which the principal council is a member of; and
- organisations that represent businesses that work in tourism, or are engaged in activities related to tourism or that promote tourism in the principal council's area.

362. The Cabinet Secretary told the Committee:

"We anticipate that consultations for the visitor levy will be publicised and accessible for those wishing to respond to a local authority's consultation who do not live, work or study in the council's area will be able to do so."

Local authorities must consult such persons as they consider appropriate and may wish to seek views of visitors as part of their consultation, but this is not required.”²⁶⁹

363. Keep Wales Tidy expressed concern about “the potential for a disproportionate response rate from tourism-related businesses that could bias local outcomes on whether to introduce a levy in each local authority.” They suggested:

“We would recommend that the Bill or accompanying guidance for local authorities considers this and provides advice on a consistent weighting of responses to ensure a fair approach across different stakeholders. We would suggest that this can be taken further by providing a local consultation template to local authorities (which could be modified to fit local circumstances) to ensure fairness and transparency for all views, to avoid questions that could promote one-sided narratives and to include questions that highlight the benefits of a levy to ensure more local buy-in.”²⁷⁰

364. The principal council must, following the consultation, consider its proposal having regard to the responses received. Section 25(6) notes the principal council must then notify the WRA of its intention whether to proceed with its proposals in relation to the levy, publish a final report confirming whether it will proceed with the proposals (or revised proposals), and send that report to the WRA. The final report must also include a summary of the consultation responses.

365. Section 26 prescribes the process for introducing, changing, or abolishing the visitor levy (or premium) by a principal council after it complies with the requirements of section 25.

366. Section 27 provides for the effect of the introduction of or change to the levy on existing overnight stays, including that levy does not apply if the relevant contract for the overnight stay was made before the date that the principal council decided to introduce the levy.

Miscellaneous provision relating to the levy

367. Section 36 permits visitor accommodation providers to make arrangements for one or more persons to collect and pay the levy to the WRA or make visitor levy

²⁶⁹ Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025

²⁷⁰ Written evidence: VAB73 - Keep Wales Tidy

returns on their behalf (this may include, for example, online travel agents or accountants).

368. The section confirms that arrangements can be made for a third party to collect sums, file visitor levy returns and issue repayments in those circumstances.

369. A Welsh Government official told us:

“We've had quite a lot of engagement with Airbnb and the other online booking platforms. The nice thing is there are opportunities to learn from places all around the world. So, their feedback, actually, was really useful also to understand how it's worked in other places. They are so familiar with tourism taxes and visitor levies, which is very helpful. So, for those visitor accommodation providers, they can choose to use Airbnb, if they use that platform, to help them to make the payments to the WRA, but the liability still—. The levy is due from the visitor accommodation provider, but they can work with these online booking platforms to help them with their payments.”²⁷¹

370. Section 37 provides the Welsh Ministers with a regulation making power to impose requirements on visitor accommodation providers in relation to the invoicing of the visitors' stay and provision of information in relation to the levy's existence, nature and amount.

371. The Welsh Ministers by regulations may also impose civil sanctions, including financial penalties, discretionary requirements, stop notices and enforcement undertakings on those visitor accommodation providers who fail to comply with the requirements set out in any regulations made under this section and also make provisions for appeals against such civil sanctions.

372. Airbnb suggested:

“... it is unclear what steps VAPs may be required to take, how such an obligation could be met, what the statutory process would be for ministers to utilise this power, and how onerous any measures might be.”²⁷²

373. The Cabinet Secretary told the Committee:

²⁷¹ Finance Committee, 5 December 2024, RoP, paragraph 285

²⁷² Airbnb, additional written evidence

“There is a regulation making power included in section 37 which may be used to require visitor accommodation providers to itemise the levy on a visitor’s bill.

Good practice by visitor accommodation providers would be to itemise the visitor levy where the charge is passed on to visitors, however as a minimum we would expect the charge to be indicated through any booking process, advertisement or displayed within the premises. These are not requirements in the Bill and it will be for visitor accommodation providers to decide how best to display or notify that a visitor levy applies.”²⁷³

374. In separate correspondence to the Legislation, Justice and Constitution Committee, the Cabinet Secretary noted:

“We have included this regulation making power should any confusion, misinformation or inaccuracies occur when providers charge the levy to visitors. We have no current intention to exercise this power, but it may be necessary in the future.”²⁷⁴

Miscellaneous and general provisions

Guidance issued by the Welsh Ministers

375. Section 39 permits the Welsh Ministers to issue guidance on the Act and any regulations made under it. Should the Welsh Ministers decide to publish guidance, this section also places a duty on them to consult such persons as they consider appropriate.

376. A principal council must have regard to any guidance issued under this section when considering whether to exercise or when exercising a function related to its levy.

Power to extend Act to berths and moorings

377. Section 40 states that the Welsh Ministers may, by regulations, amend the Bill (if enacted) and the 2016 Act to extend the levy (or registration requirements) to berths and moorings provided for vessels. Such regulations would be subject to the draft affirmative procedure.

²⁷³ Letter from the Cabinet Secretary for Finance and Welsh Language, 7 January 2025

²⁷⁴ Letter from the Cabinet Secretary for Finance and Welsh Language to the Legislation, Justice and Constitution Committee, 5 February 2025

378. The WTA suggested that the inclusion of this power “creates unnecessary uncertainty which will have negative impacts on the industry”.²⁷⁵

379. British Marine Wales suggested that the Bill could have adverse consequences on recreational boating:

“Unless the meaning of ‘Visitor Accommodation’ is tightened (Part 1, 2) and the Bill makes clear that berths and moorings used by recreational craft will be exempt from any future extension of the Act (Section 40) the legislation will unfairly damage the leisure marine industry which is distinct from the visitor accommodation sector.”²⁷⁶

380. It explained:

“Unlike land-based visitors travelling and staying overnight in Wales, people participating in recreational boating – which is a sport and leisure activity – have little impact on the services and infrastructure that the Visitor Levy is designed to help fund, i.e. local authority roads, car parks, public conveniences etc.”²⁷⁷

381. The Royal Yachting Association Cymru Wales agreed with British Marine Wales, stating:

“... it will inadvertently draw sport into a fundamentally different policy area with cause undue concern for the Welsh recreational boaters and undermine the role this sector can play in nurturing sustainable tourism.”²⁷⁸

382. The Cabinet Secretary told the Committee:

“... in any Bill, you come to a point where you haven't been able to work your way through all the policy implications of a particular course of action, which is why this Bill doesn't propose, at this point, extending the levy to those forms of activity, but provides Welsh Ministers with the power to do so in the future, should Ministers decide to do so, when more policy

²⁷⁵ Written evidence: [VAB105 – Wales Tourism Alliance](#)

²⁷⁶ Written evidence: [VAB142 – British Marine Wales](#)

²⁷⁷ Written evidence: [VAB142 – British Marine Wales](#)

²⁷⁸ Written evidence: [VAB123 – Royal Yachting Association Cymru Wales](#)

*work has been concluded and further conversations with the industry have been carried out.*²⁷⁹

383. Adding that:

*“We will do that and if Welsh Ministers are in a position to bring forward sensible regulation to capture the people we think, in a fairness sense, should be captured without unintended consequences, then the Bill allows Ministers to do that. ... But the principle, I definitely do not concede the principle that it is wrong in principle that this sort of activity shouldn't be captured.”*²⁸⁰

Committee View

384. The Committee notes the power to extend the levy (or registration requirements) to berths and moorings provided for vessels. We note the concerns raised by respondents in relation to these provisions and the Cabinet Secretary's acknowledgement that further work is needed in this area. Furthermore, we note that any regulations made under section 40 would be subject to the draft affirmative procedure, ensuring their scrutiny in the Senedd, and in this case we find this regulation-making power to be appropriate.

Recommendation 14. The Welsh Government should set out its plans for further work in relation to section 40 and should keep this Committee informed of subsequent discussions.

²⁷⁹ Finance Committee, 12 February 2025, RoP, paragraphs 228-229

²⁸⁰ Finance Committee, 12 February 2025, RoP, paragraphs 228-229

10. Financial implications

385. The Regulatory Impact Assessment (RIA) sets-out a summary of costs over a ten-year appraisal period from 2025-26 to 2034-35.²⁸¹ The estimated total cost of the Bill is between £313.9 million to £576.6 million. The RIA notes there are no additional costs relating to the “business as usual” option.²⁸²

Table 1. Costs associated with the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill²⁸³

Cost Description	Cost (£ million)
Administrative Costs	
Transitional Costs	7.7 – 10.6
Recurrent Costs	22.9 – 32.0
Total Costs	30.6 – 42.6
Compliance Costs	
Transitional Costs	5.2 – 38.7
Recurrent Costs	278.1 – 495.3
Total Costs	283.3 – 534.0
Total Bill Costs	313.9 – 576.6

386. The costs associated with the Bill are predicted to fall on the following stakeholders:

- Welsh Government;
- Visitor Accommodation Providers (VAPs);
- Visitors;
- Local Authorities; and
- Welsh Revenue Authority.

²⁸¹ Welsh Government, Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Explanatory Memorandum, November 2024, page 47.

²⁸² Welsh Government, Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Explanatory Memorandum, November 2024, page 54.

²⁸³ Welsh Government, Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Explanatory Memorandum, November 2024, page 47.

387. In explaining why the RIA included a significant range for the total costs of the Bill, the Cabinet Secretary recognised that “there's a wide margin of appreciation between those figures”, but that:

“... it's there because we cannot know at this point how many local authorities will decide to take up the permissive power that the Bill provides. When it could be one and it could be 22, the costs that are driven in those circumstances are very different. And not only is it different depending on the number of local authorities, but local authorities themselves vary hugely in terms of size, scale, the make-up of the visitor accommodation in their areas, and so on.”²⁸⁴

388. Adding that:

“... we've provided the best range we can, acknowledging that it is a wide range, but they are the best estimates we have, using the data we have available, and given the unknown nature of take-up of the Bill”.²⁸⁵

Welsh Government

389. The RIA states that the Welsh Government will incur transitional costs for:

- producing guidance for local authorities on operationalisation of the visitor levy;
- communication and marketing activity for registration and the visitor levy; and
- post-implementation monitoring and evaluation.²⁸⁶

390. The RIA states transitional costs for Welsh Government to develop guidance, communications and marketing and post-implementation evaluation are in the range of £94,000 – £154,000 in 2025-2026, up to £50,000 in 2026-27 and between £20,000 – £70,000 per annum from 2027-2028 onwards. The combined

²⁸⁴ Finance Committee, RoP, 5 December 2024, paragraph 253

²⁸⁵ Finance Committee, RoP, 5 December 2024, paragraph 253

²⁸⁶ Welsh Government, Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Explanatory Memorandum, November 2024, page 74

cost for this element is: £254,000 to £764,000 over a ten-year period from 2025-2035.²⁸⁷

391. It is estimated that a public information campaign for the registration scheme would cost in the region of £50,000 to £100,000 based on other Welsh Government campaigns on the same scale.²⁸⁸

392. A budget of around £30,000 to £50,000 is required to support communications activity and public information and awareness campaigns for local authorities who chose to implement the levy. This is expected to be an annual cost which will be incurred from 2026- 27 onwards.²⁸⁹

Visitor accommodation providers

393. The RIA notes aggregate costs for existing visitor accommodation providers to register under the Bill range between £40,000 and £815,000, with ongoing costs estimated to be between £3,000 and £163,000 per annum.²⁹⁰ For the visitor levy, aggregate costs suggest a maximum upfront cost for visitor accommodation providers collectively of between £5.1 million and £37.9 million and annual ongoing costs of between £1.76 million and £28.8 million.

394. The RIA further notes that, as the Bill introduces a discretionary power to implement a visitor levy on overnight stays and that only some of Wales's local authorities may introduce a visitor levy, the costs presented "are therefore likely to over-estimate the actual cost".²⁹¹

395. Comments relating to the additional costs placed on visitor accommodation providers featured in a number of consultation responses. YHA stated that:

"Initial estimates show that the bill as proposed would incur an additional financial liability of around £90,000 annually – a cost we cannot afford to absorb. It is also unclear whether the

²⁸⁷ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 48](#)

²⁸⁸ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 75](#)

²⁸⁹ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 75](#)

²⁹⁰ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 49](#)

²⁹¹ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 57](#)

legislation would allow for Local Authorities to impose further costs via Licensing or registration fees.”²⁹²

396. PASC UK said in relation to the registration requirements that:

“Progressing the legislation in the absence of precise knowledge about the number of providers—given the Welsh Government’s own estimates range between 16,000 and 55,000—introduces significant uncertainties. When the estimated number of providers is not currently known within a factor of three, any extrapolation of the financial implications becomes highly unreliable and little more than guesswork.”²⁹³

397. The Welsh Government acknowledges the uncertainty of these costs, with the RIA stating that:

“The precise costs are highly uncertain given the lack of any direct comparator and the uncertainty regarding the exact number of establishments operating in Wales.”²⁹⁴

398. The RIA adds that addressing this issue is “one of the reasons a register of visitor accommodation is included within the legislation”.²⁹⁵

399. The Cabinet Secretary reiterated this point, telling the Committee that the “production of the Bill exposed ... the paucity of reliable data and the volatility of data as well”, but that:

“... the Bill solves that problem, because the Bill creates the register, and once the register is in place we will have accurate, comprehensive and up-to-date information, far, far better than we’ve had up until now.”²⁹⁶

400. When asked how the Welsh Government plans to support VAPs in dealing with the additional financial burdens created by the Bill, the Cabinet Secretary stated that:

²⁹² [Written Evidence, Youth Hostel Association](#)

²⁹³ [Written Evidence, Professional Association of Self-Caterers UK Visitors](#)

²⁹⁴ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 48](#)

²⁹⁵ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 56](#)

²⁹⁶ [Finance Committee, RoP, 12 February 2025, paragraphs 60-62](#)

“... we designed the system to make sure that the burden on the smallest providers is the least it can be. If you take in less than £1,000 through the levy in a single year, you've only got to make one return in the year. You don't have to make that return yourself, you can do it through an agent or an accountant or however you manage your business normally.”²⁹⁷

401. The Cabinet Secretary also explained that the WRA was chosen to support the implementation of the Bill “Because the WRA does have a very particular operating model that is designed to help the person using the system to get it right first time”, adding that:

“We've introduced a points system ... which is designed to be proportionate, so people who make mistakes don't find themselves clobbered with punitive amounts of money, but are allowed the time they will need to get used to the new system. That's particularly with those microbusinesses in mind, to make sure that this is as easy and straightforward a system and a process that we can make.”²⁹⁸

Visitors

402. The Bill legislates for a fixed rate based on a per person per night of 75 pence per person for tents on campsites and hostel accommodation and £1.25 per person for all other accommodation types. Based on assumptions made in the RIA, if the levy was implemented by all local authorities in Wales, it is estimated that the levy could raise up to £33 million per year in revenue, which would be incurred by visitors.²⁹⁹

403. When asked how the Welsh Government had calculated the £33 million in revenue that the levy could generate per year, the Cabinet Secretary said that:

“... what we have done is used a three-year average, based on data provided up to 2019. We've tried to find a way round the fact that, in the post-COVID era, data has become more volatile, and, particularly, the lower level you go down, the more unreliable it becomes. So, we've used the data from the period when things were more stable, more reliable, and taken a

²⁹⁷ [Finance Committee, RoP, 12 February 2025, paragraphs 84-88](#)

²⁹⁸ [Finance Committee, RoP, 12 February 2025, paragraphs 84-88](#)

²⁹⁹ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 80](#)

three-year average, so we iron out any variability between years, and we think that that is a more reliable way of providing information and that's how we got to the £33 million.”³⁰⁰

404. When asked whether the Welsh Government had undertaken any analysis to understand the impact the levy could have on larger families in particular, the Cabinet Secretary stated that:

“... my view would be that a levy is no different at all here than any other component that a family would face, because a solo visitor going to the cafe buys one bag of chips, and a family of five has to find food for five people. So, everything that a family does will be scalable in terms of the costs that they incur, and the visitor levy is absolutely no different in that way ... It adds, but so does everything else you do if you're a family of that size. It will become just part of the way that you prepare.”³⁰¹

405. The Cabinet Secretary also stated that:

“There is some evidence that larger families tend to use the less expensive part of the accommodation, which is another reason why we have that differential, the 75p rate for campsites and so on. So, there is some recognition in the Bill that larger families mitigate the costs they face by using cheaper forms of tourism accommodation ...”³⁰²

Local authorities

406. The Bill sets a requirement for local authorities to conduct a consultation and assess impacts before a decision to implement a visitor levy is made, and there is a requirement for a 12-month notification period for visitor accommodation providers and visitors (which could be shortened by agreement between the principal authority and WRA).³⁰³ The RIA states:

“... costs to local authorities have been estimated through a joint exercise between Welsh Government and individual local authorities, to identify and establish a range of initial estimates

³⁰⁰ Finance Committee, RoP, 5 December 2024, paragraph 255

³⁰¹ Finance Committee, RoP, 5 December 2024, paragraph 257

³⁰² Finance Committee, RoP, 5 December 2024, paragraph 257

³⁰³ Welsh Government, Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Explanatory Memorandum, November 2024, page 77

for the likely administrative and compliance costs associated with a visitor levy.”³⁰⁴

407. The RIA notes if all 22 local authorities were to consult on and implement the levy, upfront administration costs would be between £220,000 and £880,000 with annual ongoing costs of between £22,000 and £110,000. This has been deemed an overestimation due to not all local authorities implementing the levy.³⁰⁵

408. The combined cost for this element is £396,000 to £1.76 million over a ten-year period from 2025-2035, with one-off costs assumed to be incurred in 2025-26 and 2026-27 and the annual ongoing costs incurred from 2027-28.

409. The RIA recognises that there is a degree of uncertainty relating to costs for local authorities resulting from the Bill, stating that:

“The cost of any consultation exercise is likely to vary depending on the format of the consultation, the number of questions asked, the number of responses received, the number of face-to-face engagements undertaken and whether the consultation is undertaken in-house or is contracted out to a third party. Therefore, there is some degree of uncertainty over the costs that might arise for a given local authority.”³⁰⁶

410. It adds:

“The requirement to conduct impact assessments will also add to the decision-making costs for local authorities.”³⁰⁷

411. Isle of Anglesey County Council suggested that further clarity was needed about the expected set up of consultation:

“The information provided to date indicates that there will be one-off costs in relation to the introduction of the levy including consultation and engagement, reporting and governance.

³⁰⁴ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 77](#)

³⁰⁵ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 48](#)

³⁰⁶ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 78](#)

³⁰⁷ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 78](#)

*Clarity on whether Welsh Government will financially support this set up cost would be beneficial.*³⁰⁸

412. The WLGA welcomed the recognition in the RIA that there will be some one-off costs for councils who choose to introduce the levy and that these areas include:

*“... local consultation and engagement, and establishing the required governance, audit and reporting processes; and systems to manage how the revenue from the levy will be spent., including producing an annual report.”*³⁰⁹

413. However, there was concern that “these up-front costs will need to be financed within existing council budgets”.³¹⁰

414. The WLGA further noted that the Welsh Government’s estimated costs to an individual council wishing to introduce the levy “seem too low and require further thought and refinement”.³¹¹ It added in subsequent correspondence that:

*“It does not seem that the costs for a council to prepare, introduce and enforce the levy have been wholly factored in by the Welsh Government. Those councils that decide to introduce the levy will need additional resources ...”*³¹²

415. Concluding that “It’s not possible to quantify the actual costs for a council to undertake these activities at this stage”.³¹³

416. In response to the WLGA’s evidence, the Cabinet Secretary stated that:

*“I was mildly surprised by it because the figures that we have used in the production of the Bill are the figures that we have taken from local authorities.”*³¹⁴

³⁰⁸ Written evidence: [VAB136 - Isle of Anglesey County Council](#)

³⁰⁹ [Written Evidence, Welsh Local Government Association](#)

³¹⁰ [Written Evidence, Welsh Local Government Association](#)

³¹¹ [Written Evidence, Welsh Local Government Association](#)

³¹² [Response from the Welsh Local Government Association to a question that wasn't reached during an evidence session on the Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill - 6 February 2025](#)

³¹³ [Response from the Welsh Local Government Association to a question that wasn't reached during an evidence session on the Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill - 6 February 2025](#)

³¹⁴ [Finance Committee, RoP, 12 February 2025, paragraph 62](#)

417. The Cabinet Secretary added that the wide variation in costs for local authorities was “completely understandable” given that “our local authorities are very different in size, and they're quite different in nature”, and also stated that:

“What I'm happy to say today ... is that we will be producing an updated RIA as part of the Bill's process, we'll have further discussions with the WLGA on this point, and if they do have further, more detailed information about the additional costs, we'll make sure that those are reflected in the updated documentation.”³¹⁵

418. In terms of the one-off costs incurred by local authorities wishing to introduce the levy, the Cabinet Secretary stated that:

“I don't think myself ... that it is unreasonable to ask local authorities to bear the cost of consultation on a measure that is going to lead to a new income stream for them.”³¹⁶

419. Adding that:

“... we are going to be providing significant sums of money from the Government through the WRA to help local authorities to make a good start on all of this.”³¹⁷

Welsh Revenue Authority

420. The RIA states that the total administrative costs for the WRA to develop, collect and manage the levy over a ten-year period range from £17.123 million to £22.670 million. In relation to the introduction of a register, the RIA notes:

“... whilst it is intended the register will be a function of Welsh Ministers, on the assumption it is delegated to the WRA, they have suggested total costs to develop and operate the register over a 10 year period range from £12.823m - £17.402m.”³¹⁸

³¹⁵ Finance Committee, RoP, 12 February 2025, paragraphs 60-62

³¹⁶ Finance Committee, RoP, 12 February 2025, paragraph 79

³¹⁷ Finance Committee, RoP, 12 February 2025, paragraph 79

³¹⁸ Welsh Government, Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: Explanatory Memorandum, November 2024, page 48

421. The combined cost range for the collection and management of the visitor levy and operation and maintenance of the register is: £29.946 million - £40.072 million over a ten-year period from 2025 - 2035.³¹⁹

422. When asked about the financial impact that the levy would have, the WRA told the Committee:

“Take-up is quite a key element to how expensive it will be ... The more local authorities that opt in for the visitor levy, then the lower the cost for everything becomes.”³²⁰

423. Another variability was whether the WRA could develop in-house digital expertise to implement the levy or rely on third parties or IT suppliers to build the systems but that “there's a little bit of risk in that, in that we might not be able to recruit all the skills that we need because the digital market is very competitive”.³²¹

424. The WRA added that:

“... there are some parts of the services where we still don't know how they might operate. For example, debt collection ... [and] things like refunds ... Again, we don't know how that's going to pan out over time, but the ambition is that we automate as much of that as possible to reduce the cost. But until we actually try to do it we don't know how much we can mitigate this cost.”³²²

425. The WLGA expressed concerns around the costs of implementing and managing the register by the WRA, which it noted are “very high and run the risk of Welsh Government having to meet costs if the levy is not widely introduced”.³²³

426. The WLGA also highlighted that, if a number of councils choose not to implement the levy, it will significantly affect the amount raised yet the ongoing costs of operating the levy by the WRA will still need to be met. They explained that:

“... unless we have greater clarity and greater certainty on how any administration costs to an implementing council would be capped. You're not going to introduce a levy to raise £4 million if

³¹⁹ [Welsh Government, Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill: Explanatory Memorandum, November 2024, page 48](#)

³²⁰ [Finance Committee, RoP, 30 January 2025, paragraph 109](#)

³²¹ [Finance Committee, RoP, 30 January 2025, paragraph 113](#)

³²² [Finance Committee, RoP, 30 January 2025, paragraph 113](#)

³²³ [Written Evidence, Welsh Local Government Association](#)

£3.5 million is retained centrally to cover the cost. So, yes, clarity around that, and I think WRA recognise this, that they would need to show value for money and demonstrate how they could manage down the costs of administration.”³²⁴

427. The Cabinet Secretary confirmed that “it is a commitment of the Government that the Government will fund the WRA for those costs in the early years” and that:

“In the early stages, in order to make sure local authorities don't end up with almost everything they raise being spent on the administration, the Government will step in. Over time, those costs will be shared more equally, and if every local authority in Wales were participating I would expect the whole of the costs to be reasonably enough accommodatable by local authorities.”³²⁵

Committee View

428. The Committee notes the wide range of costs provided within the RIA as well as the reasons outlined by the Cabinet Secretary in explaining why estimates were presented in this way. We believe this is a reasonable approach given that the number of local authorities who will introduce the levy is currently unknown. We also welcome that the Welsh Government has set out cost estimates in relation to all options considered within the RIA, in line with its recommendation on the Welsh Language and Education (Wales) Bill³²⁶ and its own guidance as set out in the Legislation Handbook.³²⁷

Conclusion 1. The Committee is broadly content with the financial implications of the Bill as set out in the Regulatory Impact Assessment, subject to the comments and recommendations in this report.

429. As mentioned elsewhere in the report, the Committee has concerns about the shortfalls in the data available on the number of visitor accommodation providers in Wales and that this has resulted in a degree of uncertainty about the collective financial impact of the Bill on those providers. Although, as mentioned in Chapter 5, the Committee recognises that the introduction of a register will go

³²⁴ Finance Committee, RoP, 30 January 2025, paragraph 239

³²⁵ Finance Committee, RoP, 12 February 2025

³²⁶ Finance Committee, Financial Implications of the Welsh Language and Education (Wales) Bill, December 2024, Recommendation 2

³²⁷ Welsh Government, Legislation Handbook on Senedd Bills, September 2024, page 48

some way to addressing gaps in this area, the lack of immediate data is disappointing, particularly its impact on the costs outlined in the RIA.

430. The Committee notes the financial impact on local authorities arising from the Bill, both in terms of the one-off costs and ongoing administrative costs. We also note the evidence received from the WLGA which indicates that the estimated costs to an individual council wishing to introduce the levy seem too low and require further thought and refinement.

431. The Committee is heartened by the swift action taken by the Cabinet Secretary in seeking to understand and address these concerns. We also welcome that discussions on these issues are ongoing and ask for the outcome of these to be reflected in a revised RIA at the earliest opportunity.

Recommendation 15. The Committee recommends that the Cabinet Secretary provides an update on discussions held between the Welsh Government and local authorities on additional ongoing costs associated with introducing the visitor levy and that these changes are made to the Regulatory Impact Assessment after Stage 2.

432. The Committee notes the costs falling on the WRA arising from the Bill and the number of variables affecting these estimates, namely whether the WRA is able to develop in-house expertise or rely on third parties to build systems supporting the administration of the levy and whether these will be automated or not. We also note with concern that the operation of some of the WRA's services to support the administration of the Bill remains unclear, and we seek further clarity on whether the WRA has sufficient capacity to deal with the additional responsibilities arising from the Bill.

433. The Committee shares the WLGA's concerns that the costs of operating the levy by the WRA will still need to be met by the Welsh Government, even if the amounts raised are not as high as anticipated. We are assured by the Cabinet Secretary's commitment to fund the WRA's administration costs in the early stages of the levy's implementation, but call for further clarity on how these costs will be managed in the medium to long term.

Recommendation 16. The Committee recommends that the Cabinet Secretary works with the Welsh Revenue Authority to assess:

- the variabilities relating to the administrative costs the Welsh Revenue Authority will incur during the implementation of the Bill, and

- whether the Welsh Revenue Authority has sufficient capacity to deal with its additional responsibilities under the Bill,

and reports back to the Committee with details of those findings.

Recommendation 17. The Committee recommends that the Cabinet Secretary explains the medium to long-term funding model it will use to cover the additional administrative costs falling on the Welsh Revenue Authority as a result of the Bill and that the Regulatory Impact Assessment is updated with these details after Stage 2.

Annex 1: List of oral evidence sessions

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the [Committee's website](#).

Date	Name and Organisation
<p>5 December 2024</p>	<p>Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language, Welsh Government</p> <p>Anna Adams, Deputy Director, Tax Strategy & Intergovernmental Relations, Welsh Government</p> <p>Emma Anderson, Solicitor, Education (Schools), Culture, Media, Sport and Tourism Team, Welsh Government</p> <p>Nick Lambert, Senior Lawyer, Treasury and Procurement Team, Legal Services Department, Welsh Government</p>
<p>23 January 2025</p>	<p>Dr Linda Osti, Senior Lecturer in Tourism Management, Bangor Business School, Bangor University</p> <p>Dr Rhys ap Gwilym, Senior Lecturer in Economics, Bangor Business School, Bangor University</p> <p>Professor Calvin Jones, Professor of Economics, Cardiff Business School, Cardiff University</p>
<p>30 January 2025</p>	<p>Anthony Pritchard, Chief Digital Officer, Welsh Revenue Authority</p> <p>Dyfed Alsop, Chief Executive, Welsh Revenue Authority</p> <p>Rebecca Godfrey, Chief Operating Officer, Welsh Revenue Authority</p> <p>Huw Thomas, Visitor Economy Spokesperson and Leader of Cardiff Council, Welsh Local Government Association</p> <p>R. Medwyn Hughes, Cabinet Member Economy and Community, Gwynedd Council</p>

Date	Name and Organisation
	<p>Rob Stewart, Deputy Leader, Economy Spokesperson and Leader of Swansea Council, Welsh Local Government Association</p> <p>Roland Evans, Assistant Head of Economy and Community, Gwynedd Council</p> <p>Alistair Handyside, Executive Chair, Professional Association of Self-Caterers UK</p> <p>Andrew Green, Policy Manager Pub Operations, Welsh Beer and Pub Association</p> <p>Barbara Griffiths, North Wales Holiday Cottages, representing the Association of Welsh Agents</p> <p>Carl Thomson, Public Policy Manager, Airbnb</p> <p>David Weston, Chair, Bed & breakfast Association (UK)</p> <p>Dr Llŷr ap Gareth, Head of Policy, Federation of Small Businesses</p> <p>Emma McQuillan, Head of Governance, Caravan and Motorhome Club</p> <p>Katherine Squires, Director of Policy and Public Affairs, British Holiday & Home Parks Association</p> <p>Lisa Stopher, Managing Director, West Wales Holiday Cottages</p> <p>Matthew Teasdale, Operations & Partnerships Manager: Wales & Chester, Youth Hostels Association</p> <p>William McNamara, Chief Executive Officer, Bluestone National Park Resort</p>
<p>5 February 2025</p>	<p>David Chapman, UK Hospitality Cymru</p> <p>Emma Thornton, Chief Executive, Visit Pembrokeshire</p> <p>Iwan Thomas, Chief Executive, PLANED</p> <p>Jim Jones, Managing Director, North Wales Tourism</p> <p>Rowland Rees-Evans, Chair, Wales Tourism Alliance</p> <p>Roy Church, Co-chair, Welsh Association of Visitor Attractions</p>

Date	Name and Organisation
	<p>Zoë Hawkins, Chief Executive, MWT Cymru</p>
<p>12 February 2025</p>	<p>Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language, Welsh Government</p> <p>Anna Adams, Deputy Director, Tax Strategy & Intergovernmental Relations, Welsh Government</p> <p>Emma Anderson, Solicitor, Education (Schools), Culture, Media, Sport and Tourism Team, Welsh Government</p> <p>Nick Lambert, Senior Lawyer, Treasury and Procurement Team, Legal Services Department, Welsh Government</p> <p>David Greenhough, Head of Visitor Levy, Tax Strategy and Intergovernmental Relations, Welsh Government</p>

Annex 2: List of written evidence

The following people and organisations provided written evidence to the Committee. All [consultation responses](#) and additional written information can be viewed on the [Committee's website](#).

Reference	Organisation
VAB1	Creu Cymru
VAB2	Individual
VAB3	Cytun - Churches together in Wales
VAB4	Spencer Jones
VAB5	David Jones
VAB6	The Anchorage self catering Aberporth
VAB7	Individual
VAB8	Daniel Wilde
VAB9	Lucas Boissevain
VAB10	Arete Outdoor Centre
VAB11	Plas Dol y Moch Outdoor Education Centre
VAB12	Aled Edwards
VAB13	Adam Haynes
VAB14	Individual
VAB15	Caerphilly County Borough Council
VAB16	Individual
VAB17	Individual
VAB18	Tony Durham
VAB19	Mrs Evans
VAB20	Snowdonia Hospitality and Leisure Limited
VAB21	Littlepentrebarn
VAB22	Individual

Reference	Organisation
VAB23	Furnished holiday let owner
VAB24	Bear Holiday Homes
VAB25	Individual
VAB26	Neil Smith
VAB27	Individual
VAB28	Cynghordy Estate
VAB29	Roger Broome
VAB30	Individual
VAB31	Individual
VAB32	Carmarthenshire Tourism Association
VAB33	Bala-Backpackers
VAB34	Guest house
VAB35	Y Talbot
VAB36	Individual
VAB37	PLANED
VAB38	Simon Billington
VAB39	Individual
VAB40	Holiday Cottage Manager
VAB41	Individual
VAB42	Welsh Association of Visitor Attractions
VAB43	Ashford Price, Dan-yr-Ogof Caves
VAB44	Glan y Mor Hotel
VAB45	Berin Jones
VAB46	The Owls Bed and Breakfast
VAB47	Individual
VAB48	Elan Oaks Camping and Caravan Site
VAB49	Llandudno Hospitality Association
VAB50	Individual
VAB51	Margaret Kinlay

Reference	Organisation
VAB52	Philip Ryan
VAB53	Penny Robinson
VAB54	Plas Panteidal Chalet Park
VAB55	North Wales Tourism
VAB56	Jacquie Hatfield
VAB57	Individual
VAB58	Historic Houses Wales
VAB59	Velvet and Jasmine Cottage
VAB60	Paul
VAB61	Individual
VAB62	Bryn Elltyd
VAB63	Evans Hotel Ltd
VAB64	Individual
VAB65	Individual
VAB66	Chris Davies
VAB67	Individual
VAB68	Cwmdu Campsite
VAB69	Sygun View
VAB70	Robert Griffith Roberts
VAB71	Flintshire County Council
VAB72	Individual
VAB73	Keep Wales Tidy
VAB74	Bed & Breakfast Association (UK)
VAB75	Events Manager
VAB76	Adam James
VAB77	Individual
VAB78	Individual
VAB79	Conwy County Borough Council
VAB80	TaxPayers' Alliance

Reference	Organisation
VAB81	Bannau Brycheiniog (Brecon Beacons) National Park
VAB82	Fiona Buchan
VAB83	North Wales Holiday Cottages Ltd
VAB84	Chartered Institute of Taxation and its Low Incomes Tax Reform Group
VAB85	Individual
VAB86	Neath Port Talbot Council
VAB87	Dunoon Hotels Ltd
VAB88	Children in Wales
VAB89	Individual
VAB90	The Castle Hotel
VAB91	South Wales Mountaineering Club
VAB92	The Chamois Mountaineering Club Ltd
VAB93	West Wales Holiday Cottages
VAB94	Individual
VAB95	Pembrokeshire Coast National Park Authority
VAB96	Joanne Miles
VAB97	UK Hospitality Cymru
VAB98	Newport City Council
VAB99	Powys County Council
VAB100	Mike Gutteridge
VAB101	Airbnb
VAB102	The Professional Association of Self-Caterers UK
VAB103	Urdd Gobaith Cymru
VAB104	Policy Wise (Open University)
VAB105	Wales Tourism Alliance
VAB106	Individual
VAB107	Gloucestershire Mountaineering Club
VAB108	Richard Smith
VAB109	Clogwyn Mountaineering Club

Reference	Organisation
VAB110	Shrewsbury Mountaineering Club
VAB111	Individual
VAB112	Children's Commissioner for Wales
VAB113	Sanctuary Coalition Cymru (formerly Welsh Refugee Coalition)
VAB114	STAA (Short Term Accommodation Association)
VAB115	Ramblers Cymru
VAB116	Owner
VAB117	Expedia Group
VAB118	ScoutsCymru
VAB119	British Holiday & Home Parks Association
VAB120	Edward Dawson
VAB121	Tara-Jane Sutcliffe
VAB122	Sykes Holiday Cottages
VAB123	Royal Yachting Association Cymru Wales
VAB124	The Language Society
VAB125	British Mountaineering Council
VAB126	London Mountaineering Club
VAB127	Owner - Operator
VAB128	Caravan and Motorhome Club
VAB129	Oread Mountaineering Club
VAB130	FOR Cardiff
VAB131	Country Land & Business Association (CLA Cymru)
VAB132	Mynydd Climbing Club
VAB133	Robert Townsend
VAB134	Barsby Associates
VAB135	Mid Wales Tourism / MWT Cymru
VAB136	Isle of Anglesey County Council
VAB137	Dark Sky Escapes
VAB138	Visit Pembrokeshire

Reference	Organisation
VAB139	Federation of Small Businesses (FSB) Wales
VAB140	Eryri National Park Authority
VAB141	Age Cymru
VAB142	British Marine Wales
VAB143	Gary and Jane Soltys
VAB144	Youth Hostel Association (YHA)
VAB145	Dr Rhys ap Gwilym and Dr Linda Osti - Bangor Business School, Bangor University
VAB146	Association of Welsh Agents
VAB147	Expeditions Wales
VAB148	Gwynedd Council
VAB149	Welsh Beer and Pub Association (WBPA)
VAB150	Welsh Local Government Association

Additional Information

Title	Date
Airbnb - additional written evidence	January 2025
Bluestone - written evidence	January 2025
British Holiday and Home Parks Association - additional written evidence	January 2025
ScoutsCymru - additional written evidence	January 2025
Caravan and Motorhome Club - additional written evidence	January 2025