

DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL CABINET

DATE OF DECISION 17 January 2025

DATE DECISION PUBLISHED 20 January 2025

DATE DECISION WILL COME INTO FORCE and implemented,
unless the decision is called in, in accordance with section 7.25 of
the Gwynedd Council Constitution 27 January 2025

Cabinet Member: Cllr. R Medwyn Hughes, Cabinet Member for Economy and Community

SUBJECT

Cyngor Gwynedd's response to the Senedd Finance Committee consultation on the Visitor Accommodation Bill (Register and Levy) Etc. (Wales)

DECISION

Submit a response as drafted in Appendix 1 to the Senedd Finance Committee for their consultation on the Visitor Accommodation Bill (Register and Levy) Etc. (Wales).

REASON WHY THE DECISION IS NEEDED

Please see attached Officer report

DECLARATIONS OF PERSONAL INTEREST AND ANY RELEVANT DISPENSATIONS APPROVED BY THE COUNCIL'S STANDARDS COMMITTEE

None

ANY CONSULTATIONS UNDERTAKEN PRIOR TO MAKING THE DECISION

Consultation with
Gwynedd Council Statutory Officers

The results of the consultations are reported upon in the attached report

DECISION NOTICE OF AN INDIVIDUAL MEMBER OF GWYNEDD COUNCIL CABINET – OFFICER REPORT

Name and title of Cabinet Member/s:	Cllr. R Medwyn Hughes Cabinet Member for Economy and Community
Name and title of Report Author:	Roland Evans Assistant Head Economy and Community
Date of Decision:	17 January 2025
Signature of Cabinet Member/s :	

Subject : Cyngor Gwynedd's response to the Senedd Finance Committee consultation on the Visitor Accommodation Bill (Register and Levy) Etc. (Wales)

Recommendation for the Decision :

Submit a response as drafted in Appendix 1 to the Senedd Finance Committee for their consultation on the Visitor Accommodation Bill (Register and Levy) Etc. (Wales).

Reason why Decision is needed :

The Senedd Finance Committee is holding a consultation on the Visitor Accommodation Bill (Register and Levy) Etc. (Wales) as part of the process of scrutinising the Bill as it passes through the Senedd.

The Bill was published on 25 November 2024 and the Finance Committee has requested responses to its consultation by 10 January 2025.

Reason and justification behind the Decision :

The Bill sets out regulations for introducing new legislation to register holiday accommodation in Wales as well as introducing legislation that will enable individual local authorities to consult on and introduce a tourism levy in their individual areas.

The Bill is now starting its journey through the parliamentary procedure and there is an opportunity to respond to it through specific consultations by Committees of the Senedd.

A report on the principle of introducing a Levy in Gwynedd will be presented to the Cabinet over the coming months.

The principle of establishing a Tourism Tax and process to register holiday accommodation has been discussed in a number of Cabinet meetings in the past including:

Date	Report	Decision
28-03-23	Cyngor Gwynedd's response to the Visit Wales consultation on establishing a statutory licensing scheme in Wales for holiday accommodation	Support for Cyngor Gwynedd's response to Visit Wales' consultation on establishing a statutory licensing scheme in Wales for holiday accommodation.
15-12-2020	Holiday Homes Research Work	b) In order to assist in maintaining control a submission should also be called for a compulsory licensing scheme for short-term holiday accommodation with responsibility for the local authority to implement
13-03-2018	Welsh Government's Taxation Powers	Tourism Tax Support was expressed to the tax, emphasising that it was seen as a local tax abroad at present. It was added that it was not a very high tax but businesses would need to see the local advantages of doing it. In terms of the proposals, it was noted that there was support for all of them, but that more information was needed and the aspect of a local tax needed to be emphasised.

All these reports and discussions have welcomed the principle of establishing a formal registration procedure for holiday accommodation in Wales - with sufficient resources to manage and administer that.

Establishing a licensing system was one of the main recommendations of the holiday homes research and the pilot carried out in the Dwyfor area.

The principle of implementing a visitor levy has been supported by Cyngor Gwynedd over a number of years.

Declarations of personal interest by any Cabinet Member consulted with and any relevant dispensations approved by the Standards Committee

None

Any consultations undertaken prior to making the decision :

Head of Finance

I am satisfied that the draft response to the consultation that appears in the appendix is a fair reflection of previous discussions about a visitor levy and licensing scheme. While there is the possibility of significant additional income for the Council should the visitor levy be adopted, that must be weighed against the cost of introducing the scheme, and potentially the impact on the

visitor industry locally. However, the decision sought on this notice does not commit the Council to additional expenditure.

Monitoring Officer

The Cabinet has already declared its support for the principle of implementing a visitor levy. This response expands on these issues. The final form of the legislation will be up to the Senedd and the comments are an appropriate response to the consultation.

Local Member/s

Not relevant

Cyngor Gwynedd's response to the Senedd Finance Committee consultation on the Visitor Accommodation Bill (Register and Levy) Etc. (Wales)

1. What is your opinion about the general principles of the Bill and the need for legislation to achieve the policy objective identified by the Welsh Government?

In principle Cyngor Gwynedd welcomes the the draft bill and the need for legislation in this area. The Council has indicated its support for the principle of introducing this type of policy and legislation since 2018.

Tourism and the visitor economy is an important industry and employer in Gwynedd and contributes significantly to the local economy. Having said that, the pressure on local communities and services as a result of tourism is also an issue that receives constant attention when consulting with our communities.

Since 2018 Cyngor Gwynedd has been reviewing the visitor economy area and now we have a sustainable visitor economy plan developed in partnership with Eryri National Park and Conwy County Borough Council which is the Gwynedd and Eryri 2035 Plan.

Some areas of clarity are needed:

- a. What support will the Welsh Revenue Authority expect to receive from Local Authorities in registering, monitoring and enforcing the registration procedure?
- b. What support will the Welsh Revenue Authority expect to receive from Local Authorities in monitoring and enforcing the Levy?
- c. What is the intention and timetable in terms of establishing a licensing regime for holiday accommodation? What will be the implications on Cyngor Gwynedd of any licensing procedure?
- d. Resources: In addition to consultation costs and annual reporting on the use of the Levy, Gwynedd Council highlights that there will be costs that are not included in the Explanatory Memorandum in terms of:
 - i. Administration of funds that come to the area as a result of any Levy;
 - ii. The administration costs of any partnership that will be responsible for recommending priorities to fund projects to support the visitor economy in the area;
 - iii. The costs of communicating and marketing the benefits and investments that will be made in the area as a result of the Levy.
- e. Cyngor Gwynedd calls on the Welsh Government and Senedd to consider whether it is appropriate to charge a visitor levy on children and young people under 16 years of age.

2. Are there any potential obstacles to implementing the provisions of the Bill? If so, what are these and do the Bill and the accompanying Explanatory Memorandum and Regulatory Impact Assessment take sufficient account of them?

Some areas of clarity are needed:

- a. What support will the Welsh Revenue Authority expect to receive from Local Authorities in registering, monitoring and enforcing the registration procedure?
- b. What support will the Welsh Revenue Authority expect to receive from Local Authorities in monitoring and enforcing the Levy?
- c. What is the intention and timetable in terms of establishing a licensing regime for holiday accommodation? What will be the implications on Cyngor Gwynedd of any licensing procedure?
- d. Resources: In addition to consultation costs and annual reporting on the use of the Levy, Cyngor Gwynedd highlights that there will be costs that are not included in the Explanatory Memorandum in terms of:
 - i. Administration of funds that come to the area as a result of any Levy;
 - ii. The administration costs of any partnership that will be responsible for recommending priorities to fund projects to support the visitor economy in the area;
 - iii. The costs of communicating and marketing the benefits and investments that will be made in the area as a result of the Levy.

3. Are there any unintended consequences likely to arise from the Bill?

Gwynedd Council has held 2 discussion sessions with local businesses during 2024 to discuss the potential of adopting a Levy locally. Many have voiced concern about negative side effects that may arise as a result of establishing a Levy on the tourism sector in general - especially following the 182 day Rule, Article 4, Covid-19 and the cost of living crisis.

Communication will be essential in terms of the Levy and getting clear messages about the purpose of the Levy and how it is intended to be invested locally for the benefit of communities, businesses and the environment. Any Levy registration and administration arrangements must be as simple and proportionate as possible without creating a significant additional administrative burden on the sector.

4. What do you think of the Welsh Government's assessment of the financial and other effects of the Bill? (as set out in Part 2 of the Explanatory Memorandum)

Comprehensive assessments have been provided for the effects of the bill.

Cyngor Gwynedd is concerned about the high administrative costs for the Levy - especially if a large number of Local Authorities do not adopt it. In this case, a Levy could cost more to implement than the resources that will be received for investment

in an area. Should there be a minimum number of Local Authorities that need to commit to the Levy before setting it up?

Is it possible to vary the establishment and administration costs pro-rata to match the numbers of Local Authorities and Visitor Accommodation Providers? This could make the process more affordable.

In addition to consultation costs and annual reporting on the use of the Levy, Cyngor Gwynedd highlights that there will be additional costs that are not included in the Explanatory Memorandum in terms of:

- a. Administration of funds that come to the area as a result of any Levy;
- b. The administration costs of any partnership that will be responsible for recommending priorities to fund projects to support the visitor economy in the area;
- c. Communication and marketing costs of the benefits and investments that will be made in the area as a result of the Levy.

5. What do you think of the balance that has been struck between the information on the face of the Bill and what has been left for secondary legislation? Are the powers for Welsh Ministers to make secondary legislation appropriate? (as set out in Part 1: Chapter 5 of the Explanatory Memorandum).

It is believed that the powers for secondary legislation are appropriate - but it should be ensured that Local Authorities are also consulted with if there are any changes or secondary legislation that will affect their responsibilities or possible income and additional costs that may arise from the Levy.

6. Do you have any opinion about issues related to the quality of the legislation?

There is one reference in the legislation to Scotland - it is assumed that this is a mistake and that 'Wales' should be referred to in this part.

30 (2) But anything required to be done or permitted to be done by each partner may be done instead by any one or more of them; and if the partnership's principal place of business is in **Scotland**, it may also be done by any other person authorized by the partnership.

7. On 26 November, the Cabinet Secretary wrote to the Finance Committee with some additional indicative registration and enforcement provisions which he intends to introduce in Stage 2 of the legislative process. Do you have any views on the indicative additional registration and enforcement provisions that the Welsh Government intends to introduce in Phase 2?

Cyngor Gwynedd welcomes the further clarity in terms of the registration and enforcement provisions which are included in the statement of policy intent. The Council feels that the information is clear and fair and welcomes the opportunity for

Visitor Accommodation Providers to be able to challenge penalties in certain circumstances.

8. Would you like to note any other issues regarding the Bill or the Explanatory Memorandum and the accompanying Regulatory Impact Assessment, or any related issues?

Cyngor Gwynedd calls on the Welsh Government to continue funding destination and town centre infrastructure investments as well as marketing for the future and not to replace these budgets if a Levy comes into force in an area.

Cyngor Gwynedd also reiterates the points that have already been noted in this response, namely:

- a. What support will the Welsh Revenue Authority expect to receive from Local Authorities in registering, monitoring and enforcing the registration procedure?
- b. What support will the Welsh Revenue Authority expect to receive from Local Authorities in monitoring and enforcing the Levy?
- c. What is the intention and timetable in terms of establishing a licensing regime for holiday accommodation? What will be the implications on Cyngor Gwynedd of any licensing procedure?
- d. Resources: In addition to consultation costs and annual reporting on the use of the Levy, Cyngor Gwynedd highlights that there will be costs that are not included in the Explanatory Memorandum in terms of:
 - i. Administration of funds that come to the area as a result of any Levy;
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- e. Cyngor Gwynedd calls on the Welsh Government and Senedd to consider whether it is appropriate to charge a visitor levy on children and young people under 16 years of age.