STAA written evidence submission to the Senedd's Economy, Trade and Rural Affairs Committee on the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill

Introduction

The Short Term Accommodation Association (STAA) welcomes the opportunity to submit evidence on the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill. The STAA appreciates the work put into drafting the Bill and accompanying documents. For ease, we have organised our feedback by Bill area. In the feedback, we note the positive aspects of the Bill, particularly where the Welsh Government has sought to learn the lessons of other schemes, as well as set out our members' concerns - these cover the timeline of introduction and implementation of the Bill, the licence application process, application processing timeframes, enforcement, obligations for advertising platforms, and assumptions in the impact assessment amongst other issues.

Feedback

Introduction timeline

The STAA is concerned about the accelerated timeline of the newly introduced Development Bill compared to previous Visitor Levy and Register Act. The Levy and Register Bill was passed in the Senedd in July 2025 and is due to open in Q3/4 of 2026. With this new Bill being introduced in November, the implementation of licensing from 2026/27 (as the impact assessment implies) feels excessively early. Therefore, further clarity on the implementation timings would be helpful. We also worry that, due to the timing of the Bill falling not long before national elections, it will be rushed through stages without allowing time for proper scrutiny. Already, the turnaround for evidence on the Bill has been very short and impeded a detailed consultation of members and additional data collection.

More generally, the STAA finds it premature to introduce a licensing scheme for visitor accommodation before the registration scheme, which has already been legislated for, is implemented and data from it could be used to ensure policy development is evidenced and proportionate. The government itself acknowledges in the explanatory memorandum and impact assessment that it is currently difficult to quantify the STR sector and the impact it has on tourism and local communities due to the lack of available data. We thus call for a delay

in the introduction of a licensing requirement for visitor accommodation providers in order to allow evidence and data from the registration scheme to be utilised.

Scope of the Bill

The criterion of a maximum 31 nights used to define a "visitor accommodation contract" is well received by the industry as it provides helpful clarity over the scope of the Bill. However, the STAA questions the restriction of the scope to 'self-contained properties only'. If the aim of the scheme is to ensure visitors are in safe accommodation, it is necessary to include rooms let out as well and not just self-contained accommodation. We would also note that the definition of "self-contained" references many amenities that need to be provided to the guests on an exclusive basis. This type of definition may lead to a large number of borderline cases and could mean some operators fall outside the licensing requirement unintentionally.

Application process

A first concern over the application process raised by STAA members is the lack of clarity in the respective roles of owners and operators, i.e. which of the two would apply for and be granted a licence and take part in any required training. The Bill should provide the flexibility for operators, such as property managers, to apply for licences and undertake the training on behalf of the owner of the property but it is not clear whether this is allowed under the current proposals. A related point is the lack of guidance over how the licensing scheme would take account of the legality of operating visitor accommodation under a lease or rental agreement.

Secondly, the STAA believes that the "apply and wait" approach to granting licenses to visitor accommodation providers is neither proportionate or cost-effective - this can be observed from the implementation of the licensing scheme in Scotland. All existing hosts in Scotland were required to apply for their licence by October 2023. According to the Short Term Lets Licensing Statistics Scotland to 31 December 2024 (Table 2) 18,149 applications were made in the period from July to September 2023 and 2,049 of those applications (over 11%) were still pending determination as of the end of December 2024 (15-18 months after they were submitted). It would be far better, and would build on learnings from other jurisdictions, if the scheme was structured so that a VAP is granted an automatic licence number on submission of the application with the required documents. This could then be followed by a risk-based approach to document checks and a right to rectify any mistakes before a license is revoked - similar to the process of registering a food business.

Alternatively, the provisional licences referred to in section 27 of the Bill could be expanded to cover existing operators who have submitted their application and supporting documents prior to the implementation date of the licensing scheme to allow them to continue trading (as we saw in Scotland) whilst the scheme administrator processes those applications. Provisional licenses could also be used to provide temporary licenses for special events and occasions. By the standards of schemes in other jurisdictions, the role envisaged for provisional licenses in the draft bill is quite narrow and there is no concept of temporary licenses or temporary exemptions included, which in other areas can provide valuable additional accommodation capacity for events.

Moreover, the explanatory memorandum does not appear to set out any expectations on the assumed timeframe it will take for the administrator to process each application despite sections 20 and 21 of the draft bill requiring decisions to be made "as soon as reasonably practicable". We find this should have been included as a material consideration for both the costs and resources needed to process the projected 30,000 applications each year in the "best estimate" scenario. The anticipated timeframe is also a material consideration that should have been taken into account when considering the proportionality of the proposals to adopt an "apply and wait" application process with annual renewals and calculating the business disruption this could cause or how the administrator may meet the requirements of sections 20 and 21 of the draft Bill to grant or refuse a licence " as soon as reasonably practicable".

We note that Rent Smart Wales claims licenses take up to 8 weeks to process (source). This is despite the fact that these applications appear to be less onerous to process with no document uploads and, according to our analysis of table 4.2 in the Evaluation of Rent Smart Wales: final report, 2025, only an average of 1,496 landlord licenses has been issued per quarter from Q1 2019 to Q1 2024, which would equate to issuing an average of 5,984 landlord licenses per annum. As the explanatory memorandum assumes a "best estimate" of 30,000 short term lets that would need annual licenses, it is essential to understand how a more onerous scheme, with c. 5 times the amount of landlord licences required annually than by Rent Smart Wales, can be delivered within an appropriate response timeframe and at low cost. These concerns are exacerbated by the small size of the proposed team of just 30-35 staff members (as assumed in paragraph 8.47 of the draft explanatory memorandum, "EM") processing applications.

The STAA would thus like to inquire whether the Welsh Government has reviewed the resources required by Cardiff Council to administer the Rent Smart Scheme and the number of team members currently working within that scheme. Accordingly, information regarding the size of that team and the average time length of processing a new landlord license application should be included in the memorandum.

Application fees

The STAA is worried that assumptions about fees do not appear to be robust when compared to the Scottish licensing scheme or the Welsh Government's own lighter touch Rent Smart Scheme.

For example, in paragraph 8.31 of the explanatory memorandum it assumes an average application fee of £75 per annum per premises. However, the current online fee for Rent Smart Wales (for long term landlords) is £254, despite the fact that the Rent Smart Scheme looks to be less onerous on the administrator as it appears to be self-declaratory (see Landlord licence application form). Paragraph 7.20 of the explanatory memorandum (commenting on preferred option of operation) suggests document uploads will be included in the application process. This would obviously create more costs in terms of checking the documentation (depending at the level at which these checks take place). It would also introduce increased document storage costs, exceeding those incurred by Rent Smart Wales. Therefore, we cannot see how the assumption of a £75 application fee (just 30% of the Rent Smart Wales fee) is accurate or robust if the established and lighter touch self-declaratory Rent Smart Wales scheme currently commands a fee of £254.

The assumed application fee of £75 also seems to ignore comparable evidence readily available in Scotland and risks repeating the mistaken underestimations the Scottish Government made in their impact assessment. Paragraph 122 of the Scottish BRIA estimated indicative fees of between £214 and £436 - already significantly higher than those estimated and assumed in the Welsh Government's impact assessment. Moreover, in practice new application fees in Edinburgh are starting from £653 and reaching up to £6,000 (see Short term let licence application fees – The City of Edinburgh Council).

The assumed application fee of £75 is thus clearly much lower than either the Rent Smart Wales fee which is 3.4 times higher or the Scottish estimates (which already underestimated costs).

Impact assessment

As noted above, while we find it a noteworthy idea to draw on experience from operating Rent Smart Wales, we are concerned that lessons from the scheme have not been given full and proper consideration, especially in relation to fee assumptions and timeframes and resources required for processing applications. In particular, inaccurate estimates for application fees undermine the robustness of the impact assessment as a whole. We would be interested to hear the Welsh Government's view as to how the data is robust enough to appropriately consider this Bill's compatibility with the European Convention on Human Rights ("ECHR"), particularly Article 1 Protocol 1, and whether that advice considers the compatibility if the actual application fees exceed those assumed in the impact assessment.

In addition to this, we find that the estimates on Public Liability costs in (para 8.34 EM) as £200-£300 per year are very light. While we tend to agree that public liability should be required, this lack of understanding of the true costs of these policies add further doubts to the robustness of the research in the impact assessment and provide further evidence it is being rushed.

More broadly, we are concerned by a tendency to present assumptions and anecdotal evidence about the impact of STRs on housing availability as fact in the Explanatory Memorandum. Examples include references used to substantiate claims which do not point to a causal relationship, the argument that long-term landlords are moving into the short-term sector due to the perception that it is 'easy', or the claim that STRs are not meeting regulatory standards.

Indeed, we would respectfully suggest that if the impact assessment for the draft bill considerably underestimates both the cost of licenses and the amount of time licenses will take to be considered, then members of the Senedd are being asked to make a decision without the appropriate evidence, and the draft bill should be rejected. We would note that without the registration scheme up and running, there is also no authoritative figure for the number of STRs in Wales, so any calculations on impact are based on flawed data. The alternative, of waiting until we have the data from the registration scheme to develop the licensing policy (if indeed one is needed) is open to the Government.

Licence renewal

We appreciate the approach to a streamlined annual renewal process (para 7.22 EM)

provided that it is (i) low cost and (ii) light touch. However, we retain a number of concerns and questions on the license renewal process.

Given the apply and wait approach is being proposed to licensing, we do not think it is realistic or fair on businesses to ask them to reapply for a license every year, as this would greatly increase the cost of compliance for VAPs (especially in light of our expectation that application fees will be higher than current estimates). It is also unlikely there will be substantial changes in the conditions of a property within this period. Short Term Rentals generally take bookings up to two years in advance and an annual renewal process, potentially taking some weeks/months to complete, would cause a lot of uncertainty for business owners and travellers, which would be repeated every year.

The Bill makes provision for licenses to be granted for periods longer than one year but does not provide any further detail. One option would be to have licenses last for a period of 3-5 years. An issue is that longer licenses will produce skewed data which local authorities would not be able to use in making other policy decisions (for instance, data would not account for VAPs which ceased operations). Another proposal would be to make the renewal process automatic after the initial application process, with licenses automatically granted (unless previously revoked) at a lower fee and a risk-based approach to checking .

Whilst we note paragraph 10.11 of the draft explanatory memorandum confirms the Welsh Government are satisfied the Bill's provisions are compatible with Article 1 Protocol 1 of the ECHR., we would appreciate further clarification on how that conclusion has been reached if an operator does not have certainty they will be automatically granted a renewal provided they are not in breach of the conditions. Renewal is a paramount concern in a sector where bookings can be taken up to 2 years in advance. Whilst the explanatory memorandum refers to a "streamlined" renewal process (para 7.22), if an annual re-application approach is pursued, the Bill should be amended to make it clear a license will be automatically renewed each year for VAPs following a renewal application unless the licence itself has been validly and lawfully revoked. Businesses need certainty that the Bill will not disproportionately interfere with the peaceful enjoyment of their property.

Marketing and advertising

We observed a lack of detail on the proposed operation of section 47 (offences relating to advertising and marketing of premises) for platforms, agents and property managers and how easy it will be for them to verify registration numbers. As platforms and agents clearly

cannot be expected to check a register manually for each listing, further clarification on this is required as well as a full assessment of the costs they would incur. We also understand that this section carries a duty to ensure that registration numbers are displayed in respect of all types of VAP, even if they are not within scope of the licensing scheme. This seems like potentially an unintended consequence of the wording, as given the licensing scheme only covers STRs, there is little value to consumers in knowing the registration number of a hotel.

Moreover, the explanatory memorandum notes that listings must include "advice on how to access information regarding the premises on the visitor accommodation directory". We would welcome further clarification on what this would mean in practice for booking sites as well as on details such as wording, phrasing, positioning, and location (e.g. loading pages), bearing in mind such an inclusion would require product changes to global platforms. We would also question whether this disclaimer is really necessary, given that a registration number would be clearly displayed (and therefore indicate that a registration scheme is in place, which a traveller could then look up if they are concerned or interested).

Administration and enforcement

The STAA welcomes the choice to have a national administrator of the licensing scheme as it will avoid the inefficiencies of a fragmentalised approach.

We also welcome the balanced approach to non-compliance, in particular the reference in paragraph 10.36 of the draft explanatory memorandum to a "stepped" escalatory approach, with a commitment to educate first and provide opportunities to remedy the situation before further action.

Members have also noted the need for further clarification around information notices issued to OTAs pursuant to a licence determination and related penalties. This sounds like a Section 33 offence (failure to comply with an information notice), but clarification would be helpful as the other offences (except for Section 47) seem intended for individual VAPs rather than platforms.

Code of practice

We would welcome further information on how the code of practice will work and what might be in it. A suggestion is that this could be built in as a check box on the license application.

Training requirements

We feel that required training is ultimately unnecessary. The majority of VAPs have been working in the sector for a long time and already comply fully with the licensing conditions as they are existing legal requirements. Therefore, we fail to see the value of mandatory training which VAPs will have to pay for (around £25 for half a day), further adding to their costs. Guidance or simply publishing and promoting a clear Code of Practice should be sufficient and by working with the STR sector this can achieve the aim of raising standards (if that is indeed the aim of the training requirement).

Conclusion

We hope the Committee will consider the issues set out above. Ultimately, we believe the draft bill needs significant refinement for it to be supported by the sector. The STAA remains grateful for the opportunity to provide evidence and willing to continue to engage throughout bill passage. Our experience working closely with the Governments of Scotland and England on similar topics of licensing and registration has provided us with valuable insights which are always happy to share. The STAA has enjoyed a constructive and collaborative relationship with policy stakeholders in Wales and we are keen to ensure it is maintained.