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Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Andrew RT Davies
Chair, Economy, Trade, and Rural Affairs Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

5 November 2025

Dear Andrew,

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

Following the introduction of the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill into the Senedd on 03 November 2025, please find attached a copy of the statement of policy intent for the Bill. This document is provided to support the Committee's scrutiny of the Bill.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely,

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

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

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

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

Statement of Policy Intent

Introduction

This document provides an indication of the purpose and current policy intention for the exercise of the powers and duties to make subordinate legislation conferred by the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill (“the Bill”), as introduced to the Senedd on 3 November 2025. It is provided to assist Committees and the Senedd in their scrutiny of the Bill, and to support transparency regarding the intended use of delegated powers.

The powers throughout the Bill are necessary to both enable the scheme to be extended to other types of visitor accommodation, allowing for a phased roll-out and implementation over time; and to provide the flexibility to quickly and smoothly accommodate changes across tourism and related legislation, both of which are in a continuous state of evolution. It also enables flexibility for the detailed policy and operational matters underpinning the exercise of many of the powers and duties set out in this document to be developed in co-operation or collaboration with key stakeholders. The legislation or guidance drafted as a consequence will also be subject to consultation and/or Senedd scrutiny. As such, some elements may be subject to change during development and implementation.

The Welsh Ministers have considered the use of powers in the Bill as set out below and are satisfied they are necessary and justified; and, in relation to regulation-making powers, the justification for the assigned Senedd procedure is set out in table 5.1 of the Explanatory Memorandum.

Overview of the Bill

This is the second of two Bills, which, together with various other legislative and policy changes, forms the final part of a package of measures in support of this Senedd's Programme for Government commitment to *“Take forward actions to cap the number of second homes, bring more homes into common ownership and license holiday lets”*; and to support and promote a sustainable tourism sector and economy in Wales, which is balanced with the needs of local communities.

The purpose of the Bill is to promote the development of tourism in Wales. It does this by:

- Restating and modernising the Welsh Ministers' functions of promoting tourism in Wales, while requiring them to have regard to the potential social impact of tourism and its potential impact on the environment and the Welsh language; and
- Regulating the provision of visitor accommodation in Wales by:
 - o introducing a licensing regime to reassure visitors that accommodation meets the standards they would expect and aligning those standards, in the case of self-catering accommodation, more closely with corresponding standards already applicable to the private rented sector in Wales,
 - o making a standard in relation to the fitness of visitor accommodation a contractual requirement, and
 - o building on the register created by the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 to establish a visitor accommodation directory for the purpose of providing information to the public about visitor accommodation in Wales.

The Bill builds upon its companion Act, the Visitor Accommodation (Register & Levy) Etc. (Wales) Act 2025 (“the VARL Act”), and the register of visitor accommodation providers established under it, to set the legislative foundation for a robust and transparent system of regulation of visitor accommodation in Wales through a licensing scheme. It will also set new advertising and marketing requirements in respect of all registered visitor accommodation in Wales (not only that specified as regulated visitor accommodation), as well as creating a joint duty on the Welsh Ministers and the WRA to create a public directory of visitor accommodation, by bringing together the information required to be published under this Bill and the VARL Act.

A secondary outcome of this Bill will be that for relevant visitor accommodation in the first phase, its regulation will also align more closely with that of the private rented sector, ensuring a more consistent approach to standards and compliance for those premises that are structurally and characteristically similar.

Bill Composition

The Bill contains 5 parts and 2 Schedules:

Part 1 – Provides the overview of the Bill and creates the Code of Welsh law in relation to tourism.

Part 2 – Provides for the restatement and modernisation of extant legislation and Welsh Ministers’ functions relating to tourism, including providing for consequential amendments of the existing legislation (together with Schedule 1), and an explicit power for a Code of Practice relating to tourism.

Part 3 – Provides for the regulation of visitor accommodation, setting out the key components to establish a licensing scheme, including:

- Setting out the key concepts on which the regulatory regime is built, including “regulated visitor accommodation” and “fitness for visitor accommodation”; as well as setting fitness standards and creating a new contractual obligation in relation to ‘fitness’; and
- Creating the licensing scheme and its procedures including applications, licence conditions, compliance and enforcement, appeals, fees, exemptions, and data sharing.

Part 4 – Contains provisions relating to the provision of information to the public about visitor accommodation, including establishing a public visitor accommodation directory and new advertising and marketing requirements.

Part 5 – Contains miscellaneous provisions including standard legislative procedural matters, in addition to a guidance duty and powers to provide for procedures for various matters including offences, penalty notices and special cases (e.g. bodies, partnerships, death, incapacity, business transfer).

Schedule 1 – Sets out the amendments to the Development of Tourism Act 1969.

Schedule 2 – Sets out amendments to the Register of Visitor Accommodation Providers (under the VARL Act and the Tax Collection and Management (Wales) Act 2016) to ensure legislative and operational consistency between Registration and Licensing.

Other documentation

This document should be read in conjunction with the following:

- The Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill;
- The Explanatory Notes to the Bill; and
- The Explanatory Memorandum to the Bill.

For the purposes of this document, the powers to make subordinate legislation have been grouped into key themes, as follows:

| | Topic | Section | Description or areas covered | Page |
|----------|---|---|--|-------------|
| 1 | Licensing Scheme – Scope – Extension | 5(1)(b), 6(2), 17(1), 19(3), 39(3) and 40(4) | Powers to prescribe additional types of regulated visitor accommodation, amend or prescribe fitness standards, licence conditions and approval requirements, as well as powers to make provision about information sharing and licensing of campsites and caravan sites. | 7 |
| 2 | Licensing Scheme – Licence Conditions | 13(2) and 16(1), | Powers to make provision about insurance and training, | 11 |
| 3 | Licensing Scheme – Application Procedures and other requirements | 25(2) and 27(2) | Powers to make provision about renewal applications, provisional licences. | 13 |
| 4 | Licensing Scheme – Compliance and Enforcement | 23(5), 24(2), 26(1) and 54(5) | Powers to make provision about revocation warnings and notices, remedial notices, amendments to licences and penalty notices. | 15 |
| 5 | Exemptions from Licensing Requirements | 37(2) | Power to make provision about exemptions from licensing requirements. | 19 |
| 6 | Fees in connection with Licensing | 38(1) | Power to make provision about fees in connection with the licensing scheme. | 20 |
| 7 | Application of the Bill to Special Cases | 49, 52(1) and 53(1) | Powers to make provision about partnerships, unincorporated bodies, business transfers, death, incapacity, and insolvency. | 22 |
| 8 | Consequential and Transitional Provision | 56(1) | Powers to make consequential, transitional, or saving provision, etc. | 24 |
| 9 | Development of Tourism & Regulation of Visitor Accommodation - Code of Practice and Guidance | 3(1) and 55(1) | Power to prepare and publish a Code of Practice in relation to tourism matters; and a duty to issue guidance on Parts 3 and 4 and related regulations. | 26 |

1 – Licensing Scheme – Scope – Extension

| Section | Form | Proposal and description of powers | Procedure |
|----------------|-------------|--|------------------|
| 5(1)(b) | Regulations | Power to prescribe additional types of regulated visitor accommodation. | Senedd approval |
| 6(2) | Regulations | Power to make further provision about premises at which regulated visitor accommodation is offered or provided being fit for visitor accommodation. | Senedd approval |
| 17(1) | Regulations | Power to prescribe additional conditions which should apply to licences awarded under this Part. | Senedd approval |
| 19(3) | Regulations | Power to prescribe additional approval requirements which must be met before a licence is awarded. | Senedd approval |
| 39(3) | Regulations | Power to prescribe other bodies between information may be shared for the purposes of the functions under the Bill. | Senedd annulment |
| 40(4) | Regulations | Power to modify the licensing Chapter of the Bill for the purpose of ensuring conditions of a sort currently applicable under licensing regimes for campsites and caravan sites operate as intended if those types of accommodation are brought into the licensing scheme in future. | Senedd annulment |

Overarching policy purpose and intent

The overarching policy intention for these provisions and the powers they contain, collectively, is to allow the Welsh Ministers to extend the scope of the scheme to any and all other types of visitor accommodation in Wales, should the Senedd deem it appropriate. The powers enable the definition of regulated visitor accommodation to be expanded; and for other key parts of the licensing scheme to be updated or adapted to reflect any extension, including the fitness requirements, the licence conditions that may apply, approval requirements for licence applications and bodies with whom the Welsh Ministers are able to share information in relation to their licensing functions. In addition, the powers provide the flexibility to update and adapt the scheme over time, to keep pace with changes

across the visitor accommodation sector, as new risks, technology or best practice is identified, or as associated regulatory legislation is updated to ensure the scheme continues to deliver its intended purpose.

Individual policy purpose and intent

Section 5 provides the core definition of “regulated visitor accommodation”, which underpins the initial scope of the licensing scheme. The purpose of the regulation-making power at **section 5(1)(b)** is to enable the definition to be expanded and adapted over time. The policy intention for this power is for it to be exercised either to expand the scope of the scheme, by extending what is captured within the definition of ‘regulated visitor accommodation’, or to allow the scheme to adapt and keep pace with the visitor accommodation sector, as new types of accommodation emerge in the future.

Section 6 establishes the concept of, and baseline for, “fitness for visitor accommodation”, which is a key component of the licensing scheme, setting the standards (in conjunction with sections 7 to 13) that must be met for premises containing regulated visitor accommodation to be licensed. The purpose of the regulation-making power at **section 6(2)** is to allow for further or different provision to be made in respect of the fitness standards, as necessary in the future.

The policy intention for this power is to avoid divergence with wider regulatory standards, unless the Senedd considers it to be appropriate, and ensure that the requirements and standards can remain relevant and up to date in the longer term, by removing or updating outdated requirements, or adding new ones to support continuous improvement in standards across the sector. It also ensures different requirements can be included that are appropriate for any new types of visitor accommodation or premises that may be included within the scope of the scheme in the future, and to allow new or existing requirements to be applied appropriately and fairly to different types.

The purpose of the regulation-making power at **section 17(1)** is to allow for further conditions to be prescribed to apply generally to visitor accommodation licences, for the purposes of improving or maintaining standards of visitor accommodation or amenities, or for

the promotion of tourism; and the conditions may be prescribed by reference to various descriptions or characteristics of the accommodation, premises, VAP, visitor or contracts.

In a similar way to the power at section 6(2), the policy intention for this power is to ensure that licence conditions remain relevant and up to date in the longer term to support continuous improvement in standards across the sector. In particular, where additional types of visitor accommodation or premises are brought within the scope of the scheme, it allows further licence conditions to be added, and for new or existing conditions to be applied appropriately and fairly to different types of accommodation, as necessary.

Section 19 sets out the requirements that must be met for a licence to be approved. The purpose of the regulation-making power at **section 19(3)** is to enable the approval requirements and procedures to be amended or updated to reflect changes in requirements in circumstances where the power under section 17(1) is exercised to introduce further conditions on a licence. The policy intent for this power is to update the application process and approval requirements to reflect any new conditions added as a result of the exercise of the power under section 17, to ensure appropriate approval requirements, for example, should additional types of accommodation be brought into the scope of the scheme.

Section 39 facilitates effective regulation, enforcement, and monitoring of compliance, by allowing information to be shared between the Welsh Ministers, in their capacity as the licensing authority, and specified public bodies. The purpose of the regulation-making power at **section 39(3)** is to amend the list of persons specified under that section, to update, remove, or add further persons or bodies as necessary in the future.

The policy intent for this power is to ensure that, where additional types of visitor accommodation are brought into the scope of the scheme in future, or if additional conditions are added, information can be shared between relevant regulators or other partners in support of the effective operation, regulation and monitoring of compliance under the licensing scheme. It also allows the list of persons or bodies to be updated to reflect and respond to any future changes in relevant partners, or in the public sector or wider regulatory landscape, to ensure continued efficacy of the provision and the scheme as a whole.

Section 40 is similar to section 17, in that it provides for further conditions to be specified in respect of a visitor accommodation licence, but on a case by case basis and is limited to circumstances where the power at section 5(1)(b) is exercised to prescribe additional types of regulated visitor accommodation at a campsite or caravan site to which section 269 of the Public Health Act 1936 or Part 1 of the Caravan Sites and Control of Development Act 1960 apply (respectively). Consequently, the purpose of the regulation-making power at **section 40(4)** is to enable Chapter 2 of Part 3 of the Bill to be modified for purposes related to such conditions being specified, to ensure the Bill and licensing scheme can adapt to be applied effectively in such circumstances.

This provision, together with the express provision at section 56(2), recognises the unique position of campsites and caravan sites. The policy intention behind allowing further licence conditions to be specified and applied on a case-by-case basis (with relevant local authority agreement), is that conditions such as those of the type currently applicable under existing licensing regimes for such premises – but which are unlikely to be applicable to other types of visitor accommodation, or suitable for a blanket approach – can be replicated under the Bill and licensing scheme where appropriate. This is intended to allow the Senedd to consider bringing these types of visitor accommodation within the scope of the scheme in the future, or to consolidate those existing licensing regimes, without necessarily having to change their underlying policy or requiring a significant change in the types of conditions which are currently attached to these sorts of sites. .

2 – Licensing Scheme – Licence Conditions

| Section | Form | Proposal and description of powers | Procedure |
|---------|-------------|---|------------------|
| 13(2) | Regulations | Power to prescribe what must be covered by public liability insurance, and the level of cover required. | Senedd annulment |
| 16(1) | Regulations | Power to specify the training requirement which should be met to obtain a licence. | Senedd annulment |

Policy purpose and intent

Section 13 requires adequate public liability insurance in place for all regulated visitor accommodation so that compensation should be available if a person is injured or suffers a loss as a result of, or in connection with, the provision of that accommodation. The purpose of the regulation-making power at **section 13(2)** is to specify any details, such as minimum levels of cover.

The policy intention is to establish specific minimum cover requirements for this licence condition, once the breadth and composition of regulated visitor accommodation premises across the sector is known (following the implementation of the registration scheme). This will ensure any requirements set are appropriate for all providers from the outset, whilst ensuring cover is sufficient to meet potential claims, including setting different requirements for different types or sizes of visitor accommodation. It will also allow those requirements to be adapted over time, for example, whether in line with any extension of the scheme or experience of claims.

The purpose of the regulation-making power at **section 16(1)** is to allow provision for a requirement that licence holders complete training as a condition of being granted and holding a licence. This allows the establishment of a baseline whereby every applicant or VAP has had the same information, and as a minimum, has the necessary knowledge or awareness of the requirements under the scheme, in order to support better consistency in application of the requirements at regulated visitor accommodation across Wales. The power also allows the content, delivery mechanism and materials, exemptions or associated fees to be specified, to set different requirements for different types of accommodation or providers, and allows the training to evolve and adapt over time, to remain relevant and in line with the scheme and its requirements.

The policy intention is to set requirements that ensure the training covers the key elements or requirements of the scheme, such as the fitness standards (e.g. fire safety, electrical maintenance, gas etc.), advertising requirements and the provision of information to visitors; alongside other key best practice that may be set out in the Code of Practice. It is also intended that it will include training on the operation of the scheme itself, such as how to use the system, how to apply, and what documentation may be required, at least for the initial and any future implementation phases. In addition, the regulations will provide clarity as to who is required to complete the training, for example, linking in with the powers under section 49 to specify who the requirement applies to where the VAP is a partnership with a large or complex structure.

In terms of developing the training itself, our policy intention is to first assess the initial data from the register to establish the composition of the cohort of relevant VAPs across the sector that may need to obtain a licence for their premises, before making any decisions about the detailed specification of the training, its delivery, or who may or may not need to undertake it. However, we intend to work in collaboration with key stakeholders in the sector in its development, as far as is possible, with the intention of ensuring it not only covers the matters required to fulfil its purpose for the scheme without being overly onerous, but that it also adds value for providers.

3 – Licensing Scheme – Application Procedures and Provisional Licences

| Section | Form | Proposal and description of powers | Procedure |
|---------|-------------|---|------------------|
| 25(2) | Regulations | Duty to make provision about the renewal of licences. | Senedd approval |
| 27(2) | Regulations | Power to make provision for provisional licences. | Senedd annulment |

Policy purpose and intent

Section 25 provides for the expiry (typically after one year) and renewal of licences. The purpose of the duty to make regulations at **section 25(2)** is to require provision to be made about the process for the renewal of licences. The regulations may also include provision for enabling the continuity of licence validity where a renewal application is being determined, as well as the creation of offences to ensure compliance with the requirements under the regulations.

The policy intent for regulations to be made under this provision is to ensure the procedures and application processes for the renewal of a licence are provided for, in a similar way to, and linking in with, initial licence applications as set out under sections 18 to 22 of the Bill, but without requiring the duplication of information already held by the Welsh Ministers under their functions in the Bill. The regulations will also ensure, for the majority of cases, the continuity of a licence during the application process, subject to certain conditions or requirements, such as requiring the application to be submitted in advance of the expiry of the existing licence. Initially, and in the majority of cases, the intention is for renewal to be required annually, in line with the 1-year expiry of the licence as set out on the face of the Bill; with the aim for the process to evolve over time to be as light touch as is possible, whilst ensuring the integrity of the licensing scheme is maintained. The intended objective for this provision is to encourage and ensure ongoing compliance, allowing for regular review of the fitness of regulated visitor accommodation, and to encourage the regular review of information by licence holders.

The purpose of the regulation-making power at **section 27(2)** is to provide for the availability of provisional licences in circumstances where a licence application approval requirement cannot yet be met. The policy intention is to provide for provisional licences to afford the licensing scheme sufficient flexibility to support business continuity, while maintaining transparency and the scheme's integrity.

This is intended to be achieved by permitting provisional licences for circumstances in which, for example, new accommodation is being built, or there is a new VAP of an existing premises who is undertaking major renovations to the visitor accommodation. This would enable applicants or VAPs in these circumstances to offer or advertise their regulated visitor accommodation on a restricted basis, while working towards full compliance with application, approval and licence conditions or requirements. The intention is for those restrictions to include being prohibited from providing the accommodation, and therefore prohibited from allowing visitors to stay, until such time as they are able to meet all of the requirements and they have been granted a full licence.

4 – Licensing Scheme – Compliance and Enforcement

| Section | Form | Proposal and description of powers | Procedure |
|---------|-------------|---|------------------|
| 23(5) | Regulations | Power to provide for circumstances in which the Welsh Ministers may warn a licence holder that their licence could be revoked, and circumstances in which a serious breach requires immediately revocation. | Senedd annulment |
| 24(2) | Regulations | Duty to make regulations about remedial notices for licences. | Senedd annulment |
| 26(1) | Regulations | Power to prescribe circumstances in which licences may be amended, and relevant procedures. | Senedd approval |
| 54(5) | Regulations | Power to specify the levels of, and procedures for, penalty notices which can be charged as an alternative to prosecution for offences under the Bill. | Senedd approval |

Overarching policy purpose and intent

The overarching purpose for these provisions and the powers they contain, primarily, is to set out the detailed procedures and requirements that underpin the compliance and enforcement part of the licensing scheme, as well as providing flexibility for any future extension to the scheme. Consequently, the collective policy intention for these provisions is to ensure those detailed procedures are developed in a way that enable the scheme to operate, first and foremost, on the basis of informing, educating and encouraging compliance. Where there are issues of non-compliance; whether it be a person committing an offence, or a licence holder breaching a licence condition; each element of the scheme’s compliance and enforcement provisions are intended to work together coherently to deal with such situations appropriately, efficiently and effectively.

The procedures will ensure those who have breached their licence conditions or committed offences are provided with reasons or explanations, and in the majority of cases, will be offered opportunities to remedy problems, or avoid escalation or prosecution, via the issuing of penalty or remedial notices or warnings. It will also include fair notice periods for action to be taken, as well as the right of

appeal against certain decisions. And, where unusual, emergency or particularly serious situations arise, the intention is to ensure sufficient flexibility to enable swift action to be taken.

As such, the intention is to ensure the procedures are transparent and fair, but robust enough to maintain the integrity of the scheme.

Individual policy purpose and intent

Section 23 sets out the circumstances and procedures for the revocation of a licence where a licence holder breaches a condition of their licence and the breach is likely to persist or be repeated, or where the licence holder agrees to the revocation. Consequently, the purpose of the regulation-making power at **section 23(5)** is to allow for provision to be made that enables circumstances to be prescribed in which, either, advance notice or a warning may be given to the licence holder that their licence may be revoked should a known or suspected breach continue or be repeated; or where a revocation may take effect immediately.

The policy intent for this power is to put the expectation that providers should first be informed of their obligations on a statutory basis, without leaving it fully to operational discretion. The intention therefore is to prescribe the circumstances where notice or warning may be given, for example, for less serious or minor breaches, or for first time breaches. This will ensure the scheme is able to operate on an education and encouragement approach as a first step, whilst retaining the flexibility to deal with more serious or repeated breaches. At the other end of the scale, the intention is to prescribe the circumstances in which immediate revocation may be used. This will be reserved for more specific circumstances, for example, in urgent or emergency situations, or where the breach is of a level of severity that the risk to visitors is so great that it would not be appropriate to continue to allow visitors at the accommodation. The intention is that this will usually be in circumstances where another regulatory body has issued a prohibition notice, and they are not legally permitted to continue to operate.

The purpose of the duty at **section 24(2)** is to require regulations to be made that provide the circumstances in which, and procedures to be followed when, a remedial notice must be issued to enable a licence holder to remedy an issue at their accommodation where there has been a breach of their licence conditions, prior to revocation proceedings being initiated under section 23. The policy intention for these regulations is to require remedial notices as the first step in dealing with the vast majority of circumstances and

cases where there is a known or suspected breach, whilst retaining the ability afforded by the power at section 23(5) as set out above to deal with emergency or serious situations. For example, they may be used where the breach is an ongoing issue, such as a broken smoke alarm. The notice would require the issue to be rectified within a reasonable timeframe, and it is likely that it will require the licence holder to provide evidence that the issue has been rectified to prevent any further action or escalation of enforcement. The regulations may also set out the circumstances in which the notice may temporarily prohibit visitors from residing at the accommodation until the breach has been rectified, where the breach creates a risk of serious harm to visitors but it may not be appropriate to proceed to permanent revocation.

The purpose of the regulation-making power at **section 26(1)** is to allow provision to be made which sets out the circumstances and procedures for amending a visitor accommodation licence, either upon application by the licence holder, or by the Welsh Ministers in their capacity as licensing authority, including when amendments can be made without an application or agreement in certain circumstances. The policy intention for this provision is to provide for amendments to licences to allow flexibility for both the licence holder and the Welsh Ministers to amend licences to reflect changes in circumstances, for example, where there are changes to the description or maximum capacity of the accommodation provided at the premises

The intention is also to provide that amendments may be made as part of the compliance and enforcement process, so as to provide additional flexibility and fairness in the scheme where there are breaches of licence conditions. This would provide a similar process to that for revocations, including linking in with the requirements for remedial notices. This would enable circumstances to be dealt with where, for example, there is an issue with a particular unit or type of accommodation at a premises that cannot easily be rectified; and whilst it would not be appropriate to allow that accommodation to remain licensed, it may equally not be reasonable or appropriate to revoke the licence for the entire premises if the issue is confined and does not affect other parts of the premises. In circumstances such as these, a licence could be amended to remove specific units or types of accommodation from the licence for that premises, allowing the licence holder to continue to offer and provide the remaining accommodation without detriment.

Finally, it is also intended that provision will be made to allow, and set out the procedures for, additional or new units, or types of accommodation to be added to existing licences. This will allow for future changes across the sector or for individual licence holders,

as well as in the event of any extension to the scope of the scheme to other types of visitor accommodation. It is also intended to allow licences to be amended so as not to disadvantage or discourage existing licence holders from making improvements, diversifying or expanding the visitor accommodation offer at their premises in the future.

Section 54 introduces a system of penalty notices as an alternative to prosecution for offences committed under the Bill. The purpose of the regulation-making power at **section 54(5)** is to set out the specific details in relation to penalty notices, including their form and content, the amounts to be paid and payment methods, as well as the circumstances and procedures regarding the withdrawal of a penalty. The policy intention for this power is to provide for an efficient and effective means of enforcement for offences in certain circumstances, and to encourage future compliance as a result by offering the opportunity to avoid prosecution by paying a specified sum. The policy intention, therefore, is for a transparent and adaptable penalty notice system which is also fair and proportionate by providing, for example, different or scaled fine levels depending on, and appropriate to, the offence and the scale on which it is committed. The power will also be exercised over time in cases where different types of accommodation are brought into the scope of the scheme; or, if future evidence suggests that the levels of the fines are not sufficiently discouraging non-compliance, and are therefore not sufficient to support the integrity of the licensing scheme.

5 – Exemptions from Licensing Requirements

| Section | Form | Proposal and description of powers | Procedure |
|---------|-------------|--|------------------|
| 37(2) | Regulations | Power to prescribe exemptions from licensing requirements. | Senedd annulment |

Policy purpose and intent

The purpose of the regulation-making power at **section 37(2)** is to enable provision to be made to exempt a person or type of visitor accommodation of a prescribed description from licensing requirements under the Chapter 2 of Part 3 of the Bill, where they are also exempt from the requirement to register under Part 2 of the VARL Act, by virtue of regulations made under section 5(2) of that Act. This is to ensure consistency in application of both the legislation across this Bill and the VARL Act, and the schemes they establish. The policy intention for this power is in order to avoid a scenario arising, for example, where the Senedd has agreed a person should be exempt from the requirement to register under the VARL Act, but they remain subject to licensing requirements which require them to do so.

6 – Fees in connection with Licensing

| Section | Form | Proposal and description of powers | Procedure |
|---------|-------------|--|-------------------------|
| 38(1) | Regulations | Power to set fees in respect of functions relating to licensing under Chapter 2 of Part 3, or any regulations made under it. | Senedd annulment |

Policy Purpose & Intent:

The purpose of the regulation-making power at **section 38(1)** is to enable provision to be made about fees for licensing and related functions under Chapter 2 of Part 3 of the Bill, or any regulations made under it. In particular, it allows for generic or specific fees for any of the matters or functions set out within or under those provisions; for example, the ability to set fee amounts or structures - with different fee amounts for different types or sizes of accommodation or VAP, to set out circumstances in which there may be refunds, waivers or reductions in or for those fees, as well as specifying the general processes and procedures for fees, including payment methods, deadlines, debt recovery and appeals against fee decisions.

The policy intent for this power is to set annual licence fees, as well as other ad-hoc fees for other matters. For example, fees could be set for applications and for training (in conjunction with the power at section 16). The intention is that any fees set will be both appropriate and proportionate, whilst being sufficient to cover the costs of administering the function to which the fee relates, and eventually, together with the annual licence fee, to cover the cost of administering the scheme overall. An appropriate fee structure will be developed in line with the model of cost recovery described in the Regulatory Impact Assessment and fees will need to be set at a level which reflects the expected cost of administering the scheme.

In terms of the annual licence fee, the Regulatory Impact Assessment set out a best estimate of an average of £75 per premises. The licence fee structure will need to be determined once the composition of the regulated visitor accommodation cohort of the sector is understood from the registration data. This will help us to develop a structure that not only takes the scheme's estimated running costs into consideration, but one that is fair for all licence holders. For example, consideration will need to be given to whether setting a flat

fee per premises is fair and proportionate for VAPs or licence holders, given the potential breadth and variation of premises sizes and compositions across the sector. As such, the fee may be based, for example, on the type of premises or its accommodation, by using a flat rate per unit of visitor accommodation, or by using bandings or scales depending on the number of units at a premises. These are options that will be considered as part of the development of regulations, and the consultation requirement ensures the sector will have the opportunity to have their views considered. The power will also enable the fee structure to be reviewed and revised, as necessary, should other types of accommodation be brought within the scope of the scheme in the future.

7 – Application of the Bill to Special Cases

| Section | Form | Proposal and description of powers | Procedure |
|---------|-------------|--|-----------------|
| 49 | Regulations | Power to make further provision about how the Bill applies to partnerships or unincorporated bodies. | Senedd approval |
| 52(1) | Regulations | Power to make provision in relation to death, incapacity or insolvency of a visitor accommodation provider. | Senedd approval |
| 53(1) | Regulations | Power to make provision to ensure continuity in the application of the Bill where a VAP has or is a business being transferred as a going concern. | Senedd approval |

Policy Purpose and Intent:

The provision in each of these sections mirror that in corresponding powers under the VARL Act. The policy intention for these powers, collectively, is to provide flexibility for the Welsh Ministers to ensure the procedures and processes in each of these various scenarios can be considered holistically across both the Bill and the VARL Act; that the practical implications for both the registration and licensing schemes established under them can be aligned where required; and, where additional procedures are required in respect of licensed premises or licence holders, this can be achieved without detriment to the registration scheme. The policy purpose and intent for each individual provision is as set out below:

The purpose of the regulation-making power at **section 49** is to add to, amend, or clarify how the Bill applies to partnerships and unincorporated bodies, ensuring there is flexibility to address new or unforeseen business structures. Partnerships and unincorporated bodies can have complex structures, and the initial provisions may not cover every scenario as business practices evolve. The policy intention of this power is to enable the Welsh Ministers to adapt the legislative framework and the scheme to respond to new types of business arrangements, as practical issues arise in the application of the Bill or the VARL Act to partnerships and unincorporated bodies during implementation or over time, and to prevent any loopholes developing that could undermine the efficacy of the licensing scheme. It also allows flexibility to clarify roles or responsibilities for specific requirements under the licensing scheme where there is

ambiguity due to complex or large structures, for example, linking in with the power under section 16, to specify who may or may not be required to undertake training.

The purpose of the regulation-making power at **section 52** is to address situations where a VAP dies, becomes incapacitated, or becomes insolvent. The policy intention is to establish and provide clarity on the processes and procedures that would need to be followed in such circumstances (including, for example, where a VAP's estate is subject to probate) and to allow for accommodation to continue to be provided whilst future arrangements for the accommodation are determined. Without such provision, there would be uncertainty for the VAP, their representatives and their families, as well as visitors, as to any liabilities or obligations and how, or whether they are able, to continue providing the visitor accommodation in the immediate term.

The purpose of the regulation-making power at **section 53** is to establish and provide clarity on the processes and procedures for ensuring continuity when a business is transferred to another person as a going concern, including the transfer of licences, and any relevant liabilities or obligations. The aim is to ensure not only continuity of provision of accommodation, but that there is no regulatory gap or loss of accountability, ensuring the integrity of the licensing scheme is maintained in such circumstances.

8 – Consequential and Transitional Provision

| Section | Form | Proposal and description of powers | Procedure |
|---------|-------------|--|--|
| 56(1) | Regulations | Power to make provision, which is incidental or supplementary to, or consequential on the Bill, or to make transitional or savings provision in connection with any provision of the Bill. | Senedd approval if amending, modifying or repealing any primary legislation. Otherwise, Senedd annulment |

Policy purpose and intent

The purpose of the regulation-making power at **section 56(1)** is to enable provision to be made that is incidental, supplementary, or consequential to any provision of the Bill, to make transitional or saving provision in connection with it, and to amend, modify, repeal, or revoke provisions under this or other enactments. This is a standard and routine regulation making power, particularly for complex legislation. It is consistent with other Acts of the Senedd, and is designed to ensure that the Bill can be implemented effectively. Its main purposes are:

- Incidental, Supplementary, or Consequential Provision: To allow the Welsh Ministers to address any technical, minor, or unforeseen circumstances or issues that arise as a result of the Bill.
- Transitional or Saving Provision: To manage the transition to the new legislative framework established by the Bill.

It also expressly specifies under 56(2) that where regulations are made under section 5(1) prescribing a description of (regulated) visitor accommodation to which section 269 of the Public Health Act 1936, or Part 1 of the Caravan Sites and Control of Development Act 1960 apply (campsites and caravan sites, respectively); the powers at section 56(1) include the ability to disapply those provisions in relation to Wales. These express provisions, alongside the general power to amend the Bill or other enactments are necessary, not only for the purposes of implementation, but to ensure clarity, consistency and coherence across the statute book. Where these powers are exercised to amend the Bill or other primary legislation, the Senedd will be provided the opportunity to scrutinise and vote on those regulations.

The policy intention for this power, in the first instance, is to enable transitional arrangements to be developed and put in place to support the implementation of the Bill, ensuring it can be implemented appropriately and effectively, and without detriment, whilst ensuring continuity of provision and minimising disruption as far as is possible to individual VAPs or applicants, visitors, or the sector as a whole. For example, ensuring existing VAPs whose accommodation would be subject to licensing are able to continue operating during the implementation period, particularly whilst the scheme and its operations bed-in and applications are being considered.

In the longer term, the intention is that it would be used for similar purposes as those set out above, as and when the scheme extends to other types of visitor accommodation in the future, in conjunction with the powers as set out under section 1 – ‘Licensing Scheme – Scope – Extension’ at page 7. Over and above those circumstances, this power would only be used for matters such as:

- clarifying ambiguities or making technical adjustments to ensure the Bill operates as intended;
- making changes to deal with unforeseen circumstances arising from, or as a consequence of, the wider implementation of the Bill or the VARL Act,
- making changes to deal with amendments or updates to legislation elsewhere that may impact the efficacy of the Bill or licensing scheme; or,
- as a result of the development of regulations as provided in powers elsewhere in the Bill.

9 – Development of Tourism and Regulation of Visitor Accommodation – Code of Practice and Guidance

| Section | Form | Proposal and description of powers | Procedure |
|---------|------------------|---|--------------|
| 3(1) | Code of Practice | Power to issue a code of practice in relation to best practice guidance on tourism. | No procedure |
| 55(1) | Guidance | Duty to issue guidance on the operation of the regulatory regime created by the Bill. | No procedure |

Policy purpose and intent

The purpose of the power at **section 3(1)** is to provide an express power to issue a Code of Practice as part of the restatement of functions under the Development of Tourism Act 1969, with the policy intention of developing a broad suite of best practice guidance for businesses and visitor accommodation providers across the tourism sector in Wales.

The purpose of the duty under **section 55(1)** is to require guidance to be issued by the Welsh Ministers in relation to Parts 3 and 4 of the Bill, and any regulations made under those Parts. Parts 3 and 4 contain the provisions under which the licensing scheme will be established for the purposes of the regulation of visitor accommodation. The policy intention is for this guidance to provide clarity, guidance and support for providers, and those associated with providing, or offering to provide, regulated visitor accommodation in Wales. It will include the various aspects of the operation of the licensing scheme, such as the processes, requirements and consequences for non-compliance, alongside any relevant guidance on key aspect such as fitness standards and contract terms, in order to support compliance. The guidance will also be updated in line with any updates to, or extension of, the scheme or its requirements over time.

Once the licensing scheme is implemented, the policy intention is for the guidance on the licensing scheme and any Code of Practice in relation to tourism to eventually sit side by side, creating a single suite of information, guidance and best practice for tourism businesses and providers across the sector in Wales, both existing and prospective. The policy intention is for it to:

- Support those involved in providing or offering to provide regulated visitor accommodation by encompassing the statutory guidance on licensing and the regulation of visitor accommodation as required under section 55;
- Support those who provide or offer to provide other types of visitor accommodation (not regulated self-catering accommodation), by raising awareness of the standards and requirements of the scheme to other parts of the visitor accommodation sector as best practice, irrespective of any future extension of the scheme;
- Support businesses and providers of tourist attractions, amenities, facilities and services in Wales, as well as visitor accommodation, by providing best practice guidance on broader matters such as those suggested under section 3(2) of the Bill;
- Support businesses and providers of tourist attractions, amenities, facilities and services in Wales, as well as visitor accommodation, by providing or signposting to other information or guidance, to promote and improve awareness of, or compliance with, a range of other relevant best practice or statutory requirements under other legislation or regulatory regimes; and
- Provide information to visitors and the public about the licensing scheme, the standards required of regulated visitor accommodation in Wales, and the public visitor accommodation directory, in order to both promote transparency and raise awareness, and enhance the efficacy of the scheme in the process.

Together, this suite of information and guidance will help drive standards across the tourism sector and visitor economy, and support the Welsh Ministers' wider functions in promoting the development of tourism in Wales.