



Eich cyf/Your ref
Ein cyf/Our ref

Mike Hedges MS
Chair, Legislation, Justice and Constitution Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

25 November 2025

Dear Mike,

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

During the session on 10 November, in which I gave evidence as part of your scrutiny of the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill, I committed to respond in writing to any questions the Committee had that were not reached, to aid your scrutiny of the Bill. As such, please find my response below to the questions as set out in your letter of 12 November.

Legislative consent

1. Does the Government consider that any of the provisions of the Bill require the consent of HM The King or the Prince of Wales? If so, when do you anticipate that any required consents will be received?

The Welsh Government is of the view that given the property interests of the Duchy of Cornwall in Wales (which revert to the Crown when there is no Duke of Cornwall) that the consent of the Duke of Cornwall and the King will be required

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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.

in relation to the Bill. We anticipate these consents will be in place to allow the Bill to proceed at Stage 4, should the Senedd approve it.

Development of the Bill

- 2. The Explanatory Memorandum refers to a “paucity of reliable data currently available” regarding the number of self-catering lets available in Wales and “no data available on the characteristics of premises or levels of compliance with the existing statutory obligations”. Why did you conclude that the Bill is needed?**

There has been a significant growth in the “short term let” type of accommodation in recent years. The number of self-catering properties on the non-domestic rating list increased by 60%, from 7,000 to over 11,000, between April 2019 and April 2023.

This growth reflects the contrasting ease of entry to the market. To let a house out to a long-term tenant, you have to register as a landlord, obtain a licence or appoint an agent and ensure that statutory obligations are being met. To let out a property to visitors on a short term basis, it can simply be listed on an on-line platform, and a person can start taking bookings.

Industry bodies tell us that not all providers in the short term let market are aware of their statutory obligations, and as a result they are able to operate at a lower cost than those who do what is required. This was borne out in Scotland. When they introduced a licensing scheme local authorities in Scotland found that a significant number of applicants were not able to produce the documentation which was required.

The case for the legislation is set out in the explanatory memorandum, which includes references to local authority research, academic analysis, thinktank reports, industry analysis, and a House of Commons library report on changing patterns of providing visitor accommodation in England, as well as our own work, all of which contribute to the evidence of need for this Bill.

The limitations of the evidence about compliance, are part of the reason this Bill is needed, and a paucity of specific data is not sufficient reason not to act on the patterns and impacts which are clearly evident.

- 3. You stated in Committee that: “*The Bill has been consulted upon in one way or another in every single year of this Senedd term. There have been a long series of opportunities particularly with the industry itself to make***

sure that the Welsh Government was made aware of people's views and to adapt the proposals to take account of that."

What opportunity, if any, have stakeholders been given to comment on specific proposals as they appear in the Bill?

Stakeholders have been consulted throughout this Senedd term, with regular engagement and specific opportunities for the industry to provide feedback. That feedback has influenced the nature of the Bill that has been introduced.

Officials have discussed key aspects of the Bill with stakeholders and industry bodies in different ways during the lead-up to introduction, including meeting with the Visitor Economy Forum, holding engagement sessions at Regional Tourism Fora meetings, and holding various separate meetings with industry representatives. This is, of course, in addition to the ongoing regular engagement with the sector by both officials and Ministers.

Stage 1 scrutiny provides a further opportunity for stakeholders to share their views. Should the Bill succeed then we will work closely with the sector to shape many of the operational details of the scheme and the development of the regulations and guidance that will underpin it.

4. Did you consider delaying bringing forward the Bill until after the implementation of the registration regime established by Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025?

It was considered, but we chose to bring the registration scheme forward by placing the provisions within the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 ("the VARL Act") instead of in this Bill, as originally intended.

As it stands, we expect all providers to be registered by 2027. If we were to take time to consider the data from registration before bringing legislation to the Senedd, we would be delaying this Bill by at least another three years. This would mean the licensing scheme might not be in place until 2032 or 2033 – straddling another Senedd election, and more than a decade after we committed to deliver it in the Co-operation Agreement.

The Bill is intended to create a fair regulatory playing field, meeting the challenges which are significant enough to justify legislating now.

The licensing scheme set out in the Bill will not be implemented until after the national register is in place, allowing that data to inform and influence operational details, procedures and processes. Introducing the Bill now also allows for more coherent and efficient operational arrangements and implementation of both registration and licensing.

- 5. In Committee, you stated that “the vast bulk of licenses will be issued through as automatic a process as possible by the Welsh Revenue Authority”, but that, “In the minority of cases where a more direct form of inspection or intervention is needed”, the Bill leaves it open for the Welsh Government to work with local authorities or with Visit Wales to physically inspect premises. Why hasn’t this been clarified in advance of the Bill being introduced, and why has this not been included in more detail on the face of the Bill?**

The Bill is clear that the licensing scheme is the responsibility of the Welsh Ministers and the Welsh Government, as I set out in my letter to the Economy, Trade and Rural Affairs Committee on 18 November, in order to maintain a national scheme and provide strategic oversight at a national level.

What the Bill allows for is flexibility to make the most efficient and effective arrangements to deliver that legislation in practice. This allows us to work with a range of partners to consider where others might deliver some of those functions on our behalf. It avoids creating a rigid framework so that, as operational plans develop, we are able to maximise opportunities and efficiencies, and exploit synergies, such as with registration and the levy to deliver the Bill if the Senedd chooses to pass it.

In practice Welsh Government and the Welsh Revenue Authority (WRA) will work together to ensure the registration and licensing systems are as seamless as possible for the user, WRA and the licensing authority. I would like to see a single system for visitor accommodation providers to manage their registration, licensing and levy matters in one place, reducing duplication. That is the basis we are working upon, so that the registration system managed by the WRA can be expanded to support the licensing scheme in the future.

We are also considering how large a role technology such as artificial intelligence may be able to play in the application process, which will shape the scale of the team needed to process applications, and the types of decisions they will need to make. We anticipate the majority of applications to be straightforward, and the more we are able to automate via the IT system, the better for all involved.

In what we expect to be a small number of cases, which are more complex and potentially require a physical inspection, we will work with local authorities to explore whether it would make sense for them to support us with those functions. Similarly, we will work with Visit Wales to consider what role they might play in supporting the licensing scheme.

Delegated powers

6. During our meeting on 10 November, in response to a question about whether the Bill strikes the right balance between what is on the face of the Bill and what is provided for in terms of delegated powers, you stated that:
- “Sometimes there are things where you might put something on the face of the Bill that actually create a straitjacket for the industry, and where regulations allow a different level of engagement with the industry. Most of the regulations we are talking about will be subject to consultation further to Senedd affirmation, and where the flexibility the regulations allow means that the Bill and its requirements will work better for the industry itself. Sometimes there've been choices between the two aspects you've suggested where my view was, I'd resolve them in favour of what I think works for the industry, rather than the clarity that I know the Senedd would sometimes like to see...”*

Please can you provide us with any examples of specific provisions in the Bill that either reflect requests from the tourism industry to defer detail to regulations rather than placing it on the face of the Bill, or that support your belief that this would be their preferred approach?

The industry has been clear with us in our engagement on the Bill that they want the licensing process to be simple and straightforward for providers who are doing the right things. The industry has asked for flexibility in how the scheme will operate; and in some areas, this can only be achieved by leaving the detail to regulations. This will allow us to work closely with the industry in the development of some of the operational practicalities, whilst still providing the Senedd with oversight of the scheme.

In terms of specific examples, I provided one during our session. Namely, the renewal of licences. Other examples include the training requirement and provisional licences. These are areas where the sector raised points during their engagement with officials, particularly in relation to business continuity and minimising bureaucracy. These views have influenced the decision to take powers to work with the sector in detail to develop operational processes and make regulations to propose to the Senedd. This will allow us to work with the sector take advantage of future advances in technology and fulfil our wish to keep things as light-touch as possible.

The specific justifications for other powers taken are varied, but follow a similar theme – they provide the flexibility to ensure an agile scheme that works in practice, enable the scheme to be extended to other types of visitor accommodation in future, or, in some cases, relate to similar powers under the VARL Act, recognising the interaction between registration and licensing. The

justification and policy intention for all of these powers has been set out in the Statement of Policy Intent, shared with Committees on 5 November.

7. Please could you explain the Government's justification for taking the Henry VIII powers in the following sections:

These are powers which can only be exercised with the approval of the Senedd. Their exercise is not at the discretion of the Welsh Ministers. Overall, they are intended to reduce the need for repeated new primary legislation to address minor matters, while still preserving parliamentary oversight.

a-c Sections 6(2), 17(1) and 19(3)

As set out in group one of the Statement of Policy Intent, the overarching policy intent for these provisions, alongside other relevant provisions, such as the power under section 5(1)(b) to prescribe additional descriptions of regulated visitor accommodation, collectively, is to allow the Welsh Ministers to extend the scope of the scheme to any other types of visitor accommodation in Wales, should the Senedd deem it appropriate.

The justification for the Henry VIII powers within these provisions, therefore, is to ensure the legislation can be considered holistically in these circumstances. The powers enable key parts of the licensing scheme to be updated or adapted to reflect any extension to the scope of the scheme, including the fitness requirements, the licence conditions that may apply, and the approval requirements for licence applications in light of any changes to the conditions. 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, and avoid divergence with wider regulatory standards or legislation, unless it is deemed appropriate. In this way they are necessary to ensure the scheme continues to deliver its intended purpose.

d. Section 25(2)

This provision is to ensure the procedures and application processes for the renewal of a licence are provided for, without requiring the duplication of information already held by the licensing authority. The regulations will also provide for the continuity of a licence during the renewal process. Setting these processes and procedures out in regulations also allows the renewal process to evolve over time, allowing for a more nuanced and responsive approach in consultation with stakeholders, and to take advantage of advances in technology

or lessons learned over time, streamlining the process and reducing requirements of providers, wherever possible.

The justification for the Henry VIII power in this provision is as that set out above for sections 6, 17 and 19. It will ensure adaptations to the scheme can be considered holistically, without the need for primary legislation to make minor or technical changes to ensure the scheme remains fit for purpose.

e. Section 49

Partnerships and unincorporated bodies can have complex structures, and the initial provisions may not cover every scenario as business practices evolve. The policy intention for this power, and consequently, the justification for the inclusion of Henry VIII powers within it, is to enable the Welsh Ministers to adapt the legislative framework and the licensing scheme it creates. In this way it will be possible 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. This power replicates corresponding powers under the VARL Act and is necessary to ensure parity between that Act and this Bill, given registration is a licence condition.

f. Section 56(1)

This provision, including the Henry VIII power it contains, is a standard provision in complex legislation such as this, primarily for the purposes of giving effect to the Bill, and ensuring that its effect in practice is as intended. It is particularly important in this Bill, given its interaction and interdependencies with the VARL Act.

Clarity and effect of proposals

- 8. The Bill states that it will form part of a code of Welsh law relating to tourism. We note your comments and the comments of your official made on 10 November. In relation to the proposed code, you stated that the code will make relevant law relating to tourism “available in one place”, and your official later stated that “everything is published together in one place, and described as a code”. From a practical point of view:**

a. Where can a user find a standard definition of what the Welsh Government means by a code?

The publication arrangements for Welsh legislation remain the responsibility of the King's Printer for Wales. However, by also publishing on a Welsh Government website such as Cyfraith Cymru, we will be able to co-locate all of the legislation that forms part of a Code on one webpage.

Cyfraith Cymru already includes an explanation of what a code of Welsh law is, what it means, and the intended purpose of such codes via their page on [the future of Welsh law](#). And, for the purposes of the Tourism code, we will include information in the tourism context, should the Bill be passed by the Senedd.

b. What changes, if any, will legislation.gov.uk make to their website so that a user knows that a tourism code exists, whether legislation is part of that code, and how to find other legislation that is part of the same code?

We are still in the relatively early stages of creating codes of Welsh law in this way, and the Welsh Government will continue to work with the National Archives (who manage legislation.gov.uk) to ensure, as far as is possible, that all codes of Welsh law are clearly presented and accessible to users.

However, the primary source of legislation and information on codes, at least in the immediate future, will be Cyfraith Cymru; and we will ensure this is promoted in any communications and engagement with the tourism sector and the wider public, so that people are able to easily find the code and all relevant legislation and information contained within it, made under it, or related to it. The intention is that Cyfraith Cymru will create a "one stop shop" for tourism legislation, allowing users to see, at a glance, the legislation in the code, explanatory material, guidance and signposts to any other legislation that may be relevant.

9. Section 39(4) of the Bill provides that disclosure of information between the Welsh Ministers and the list of bodies in subsection (3) does not breach obligations of confidence or "any other restriction on the disclosure of information (however imposed)". What types of restriction would this provision override and why is it necessary?

Subsection 39(4) has been included to make clear that a visitor accommodation provider cannot restrict the ability of information to be shared, where this is necessary for the effective co-operation between relevant regulators, and there is otherwise a lawful basis for doing so. It is necessary to ensure information can be shared between the licensing authority and other regulators to facilitate compliance, enforcement and the consideration of applications.

However, the provisions under section 39 need to be read alongside section 183A of the Data Protection Act, as set out under 39(5). This emphasises that all processing of personal data must take place lawfully, and in line with data protection legislation.

10. Section 46 prohibits advertising or marketing visitor accommodation at premises without including certain information in a manner and form specified by the Welsh Ministers. How will those requirements be specified in practice and why did you decide not to specify requirements in regulations?

The Bill clearly specifies the information which must be included. This is a registration number, and information about how to access the visitor accommodation directory to find out more about it. Specifying exactly how this is provided in guidance rather than regulations gives us the room to work in detail with platforms and booking agencies to ensure the required information is communicated as clearly and effectively as possible to the visitor.

Visitor accommodation is advertised in a wide variety of ways, on many different types of platforms and in many formats. We need to work through the practical solutions for all involved, without creating an unreasonable administrative burden. This is a detailed operational matter which, I concluded, was not best navigated through regulations.

11. Section 47 creates an offence for failing to comply with the requirements for advertising visitor accommodation in section 46. Could a letting agent or online booking platform be criminalised for non-compliance with section 46? Or just a visitor accommodation provider?

This offence would apply to any platform advertising or otherwise marketing visitor accommodation. I do not think it is unreasonable to expect booking platforms to take responsibility for publishing accurate information. The registration number and associated information will be available through the public register, and latterly the Directory of Visitor Accommodation, for anybody to check.

It is not the purpose of the Bill to punish people who have made mistakes, but it does seek to create a robust system that gives visitors confidence in accommodation they book in Wales. The advertising requirements play a central role in that. It shows all visitors to Wales that their accommodation is operating within a clear regulatory system, and anyone seeking to advertise their visitor

accommodation in Wales should very quickly find out that they cannot do so without registering and, if necessary, obtaining a licence.

This provision will apply to all registered visitor accommodation, not just self-contained self-catering visitor accommodation.

The point at which this provision is commenced will be determined as implementation plans are developed, to ensure a smooth implementation and transition to the new scheme. We will work with booking platforms and destination management organisations to consider the timing and any additional specific transitional arrangements in this regard. This would ensure the scheme has time to bed in, and provides the opportunity to work with booking platforms and the industry, as well as WRA, to put processes in place that are reasonable, sensible and practical. These advertising requirements are an integral part of the way the scheme works, and its consistency with the corresponding enforcement regime across the rest of the Bill reflects that.

Other questions

12. Why has the Cabinet Secretary chosen not to include a provision on the face of the Bill that requires the Welsh Ministers to undertake a post-implementation review?

While there is no explicit provision for a post-implementation review on the face of the Bill, the Welsh Government is committed to reviewing the legislation after implementation to ensure it is operating effectively, as set out in the Explanatory Memorandum.

In addition, following on from the scrutiny of the Bill, the licensing authority and the scheme will remain the responsibility of the Welsh Ministers, who are already subject to all the normal avenues of Senedd scrutiny.

I would also want the terms and timing of any review to be dictated by what could best improve the service we offer visitors and visitor accommodation providers, and the legislative framework to promote tourism in Wales, rather than an arbitrary deadline. Similarly, the responsible Committees in the next Senedd and its successors will also be able to conduct their own inquiries.

I would, however, welcome the Committee's view as to whether they felt the Bill should specify specific aspects of the scheme which should be considered in the review.

13. Are you expecting to bring any particular amendments to the Bill forward at Stage 2?

We always continue to review legislation after it has been introduced, and it is likely that we will identify some areas where the intention of the Bill could be made clearer, to ensure it is interpreted as intended, and has the intended effect. I therefore expect to bring forward some amendments at Stage 2 for this purpose.

I will also, of course, consider the recommendations from all the Committees who consider the Bill during this stage of scrutiny, and whether I need to bring forward any amendments to the Bill at Stage 2 as a result.

14. Should the Bill be passed and enacted, when do you envisage the licensing scheme being implemented?

We expect the national register to be in force in 2027, which should enable the licensing scheme to be operational during 2029/30.

I am copying this letter to the Chairs of the Finance and Economy, Trade and Rural Affairs Committees, for their information.

Yours sincerely,

A handwritten signature in dark ink, reading "Mark Drakeford". The signature is written in a cursive, slightly slanted style. The letters are connected, with "Mark" and "Drakeford" written as one continuous word. The ink is dark and the background is white.

Mark Drakeford AS/MS

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