

Mark Drakeford AS/MS
Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA-MDFWL-3074-25

Peredur Owen Griffiths MS
Chair
Finance Committee
Senedd Cymru
Cardiff Bay
Cardiff
CF99 1SN

9 January 2026

Dear Peredur,

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

Thank you to you and the Committee for your detailed scrutiny of the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill, your report, published on 17 December 2025, and the accompanying recommendations.

I have set out the Government's response to the Committee's recommendations in the Annex to this letter, and I look forward to discussing the Bill further at the general principles debate on 13 January.

I am copying this letter to the Chairs of the Economy, Trade, and Rural Affairs Committee, and the Legislation, Justice and Constitution Committee for information.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

Mark Drakeford AS/MS
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.

Annex

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

Finance Committee – Stage 1 Report Recommendation Responses

| Recommendation | Response | Comment |
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| <p>Recommendation 1: The Committee recommends that the Cabinet Secretary clarifies which body or bodies he proposes will undertake licensing authority functions in a revised Regulatory Impact Assessment after Stage 2, including an assessment of the financial implications for these delivery partners.</p> | Accept | <p>The RIA as drafted sets out the best estimate of the cost of administering the licensing system in the Bill irrespective of where those functions fall, given this is subject to ongoing discussions with delivery partners and the development of the digital system to underpin the scheme, and the cost of administering the scheme will be met through licence fees. The RIA uses Welsh Government pay scales to model the anticipated administrative cost of the scheme to reflect the legislative default that it is the responsibility of the Welsh Ministers. The RIA will be updated following Stage 2 to set out more clearly my assumptions as to where some of these functions may be carried out.</p> |
| <p>Recommendation 2: The Committee recommends that the Cabinet Secretary updates the Regulatory Impact Assessment after Stage 2 to reflect the £430,000 investment in 2025-26 to support the Welsh Revenue Authority’s discovery work to align the register and licensing systems.</p> | Accept | <p>An RIA for a Bill does not usually include costs incurred as part of the policy development and preparation for implementation before the Bill receives Royal Assent. However, given the interaction between this Bill and the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025, the RIA will be updated following Stage 2 to reflect those costs being incurred on discovery work for the licensing system during this financial year.</p> |
| <p>Recommendation 3: The Committee recommends that the Cabinet Secretary conducts a sensitivity analysis in relation to the number of compliance cases per year that will require inspection showing the potential range of costs, and includes this information in a revised Regulatory Impact Assessment after Stage 2.</p> | Accept | <p>The RIA provides a range of indicative operational costs for administering the licensing system, and highlights the impact this may have on the licence fee, depending on the number of premises requiring a licence. This provides an indication of the sensitivity of the licence fee both to administrative cost and scale of the sector. The RIA will be updated following Stage 2 to highlight more specifically how the administrative cost varies with changes in assumptions about the number of compliance cases requiring inspections.</p> |

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Annex

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| <p>Recommendation 4: The Committee recommends that, as part of the postimplementation review, the Welsh Government quantifies the benefits arising from the Bill.</p> | <p>Accept in principle.</p> | <p>I would expect to quantify the measurable benefits arising from the Bill as part of the post-implementation review, and we are already considering what baseline data may be needed to do so effectively. As part of this exercise, we will need to consider which impacts on the visitor accommodation and wider tourism sector can be attributed to the Bill and which may be a result of other regulatory interventions or wider market or economic forces.</p> |
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