



8th February 2024

Welsh Assembly Government
Crown Building
Cathays Park
CARDIFF
CF10 3NQ

Dear

Re: Review of Tourism policies 2024

We have been asked by our members, and the signatories to this letter, if you would be prepared to share your proposed approach to policies which impact on tourism should you be successful in becoming our next First Minister.

Some of these are the responsibility of the Culture, Tourism & Sport Directorate, but their impact extends beyond the industry. Others originate with other Ministers where the effect on tourism is a secondary consideration, but nevertheless serious. The outlook of the First Minister is, therefore, a key factor in the future of these policies and the future of the tourism ecosystem.

Welsh Government's own research shows that last year was a difficult summer and that we are some way off full covid recovery. Business confidence across the UK is extremely variable with a worrying number of accommodation and hospitality businesses closing their doors.

The data from Wales is noticeably disappointing. Wales had the most significant decrease in the birth of new businesses, with 2,580 businesses born in Q2; 2023

compared to 3,465 in Q2 2022, -34%. Survival rates are also lower than in the other nations and English regions.

While the work done by Visit Wales is much appreciated, we recognise that ongoing budget pressures mean they are limited in what they can do. We are dismayed at the further cut of the proposed cut of 14% in this year's revenue budget. This is alongside the cuts to other rural industries and remains less than a third of Visit Scotland's budget (which, itself, has just been cut by 10.8%).

Tourism brings the equivalent of 1/7th of the Welsh Government's annual budget (it was 1/6th pre-pandemic) and is responsible for 5% of our GVA. While statistics vary, it supports between 180,000 and 206,000 jobs throughout Wales, but notably in areas where alternative jobs are not easily come by.

We all want to see sustainable improvement in the number of, and spend by, visitors to Wales, domestic or international. While the tourism industry shares many pressures with others within the Welsh economy, as one reliant on discretionary spend, it is more vulnerable than others; the costs of doing business (including VAT), fuel, the cost of living affecting customers' spending choices, finding staff, mortgage costs, and, of course, the weather.

Uniquely, it also faces the additional anxiety and financial burden of those bespoke policies implemented or announced by the Welsh Government at a time when the environment is particularly competitive post-covid.

The key request from the signatories to this letter is the commitment to a date for a review of the cumulative effect of various policies on tourism and related consumer-facing sectors. We ask that such a review identifies whether measurable progress has been achieved on the primary aims of those policies and for that to be weighed against the measurable impact of those policies on tourism and the wider visitor economy. This includes policies announced, but not yet implemented, such as the visitor levy and statutory licensing.

The immediate request is for a commitment, in your first 100 days in office, to a review of the 182-day policy and its exceptions. (This policy requires local authorities to treat furnished holiday let businesses as second homes for the purpose of local taxation should they fail to meet an occupancy threshold of 182 nights.) As the Welsh Government's position on the primary purpose of the policy varied, we would ask that the review ascertains both (a) how much net additional income has been raised for each local authority as a result of properties becoming liable for council tax rather than

NDR, and (b) whether it has resulted in affordable properties being released and occupied by local people.

By the time you take office, the policy will have been in effect for well over a year and you will be in a position to collect that information. You will also have existing and additional, new information from the industry's self-catering sector and Visit Wales to assist with assessing the impact on the owners of furnished holiday let businesses.

We look forward to hearing from you

Yours sincerely,

Suzy Davies

Suzy Davies

Chair – Wales Tourism Alliance

Gareth Parry, Senior Policy and Communications Officer - Farmers Union of Wales

Ben Edgar-Spier, Head of Regulation and Policy (short term lets) – Sykes Family Holiday Cottages

Alistair Handyside MBE – Chair, PASC UK

Val Hawkins MBE - Chief Executive of MWT Cymru

Phil Godsall – Chair, Historic Houses Cymru

Shoko Doherty - Chief Executive Officer – CEO, Celtic English Academy

Barbara Griffiths – North Wales Holiday Cottages

Jim Jones – Managing Director, North Wales Tourism

Brian Clark - Head of Public Affairs, Member Relations & Research, British Marine

Emma Davies, Executive Assistant – Bluestone Wales

Emma Thornton, Chief Executive - Visit Pembrokeshire Ltd

Katherine Squires, Deputy Director General – British Holiday & Home Parks Association

Emma McQuillan, Head of Governance, Directorate - Caravan and Motorhome Club

Simon McGrath, Head of Communications & ext. relations, Camping & Caravanning Club

Rachel Cilliers, Centre Director at Rock UK Adventure Centres Ltd

Sara Jones, Head of the Welsh Retail Consortium

George Reid, Chair of the South West Wales Tourism Forum and owner of Glangwili Mansion

Victoria Bond, Director – Wales - Country Land and Business Association (CLA)