



Llywodraeth Cymru
Welsh Government

PUBLICATION, DOCUMENT

Visitor Accommodation (Register and Levy) Etc. (Wales) Bill: children's rights impact assessment

Children's rights impact assessment of a Bill giving local authorities the choice to introduce a levy on overnight stays in visitor accommodation in their area.

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Overview

The Welsh Government is introducing legislation to enable local authorities to introduce a visitor levy in their areas, which is a priority commitment within the Programme for Government. The levy will be a fair contribution made by visitors and applied to overnight stays in visitor accommodation. It will raise additional funds for local authorities to reinvest in the public services and infrastructure that make tourism a success. Each local authority will have the power to decide to introduce a visitor levy in its area, meaning this will be a new, local levy designed in a way that works for residents, businesses, and visitors. [Details on the Bill can be found here.](#)

The levy has been kept simple but fair in design to help minimise any potential negative impacts; we anticipate it will have a positive impact for local areas that choose to use a levy by generating revenue to support local areas, thereby enhancing the reputation of the destination and supporting the visitor economy.

A statutory register of visitor accommodation providers, covering all defined visitor accommodation in Wales, will support the introduction of a visitor levy and enable better understanding of the sector to help inform future policy interventions.

We undertook a [public consultation for the visitor levy proposals](#) from September – December 2022, the details and outcomes can be found here, alongside [consumer insight research](#) to seek the views of Welsh residents and UK domestic holiday consumers here.

This impact assessment relates to the draft Visitor Accommodation (Register and Levy) Etc.(Wales) Bill and should be considered alongside it.

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Definitions

Exemptions

Accommodation types that will not be subject to a visitor levy.

Local authority/ local authorities

The 22 principal councils in Wales, also referred to as unitary authorities.

Nil-rates

A stay in visitor accommodation which is levied at a rate of £0.

Refunds

When the visitor levy has been passed on to a visitor and the legislation permits them to have the amount subsequently refunded.

Sustainable tourism

Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities. ([United Nations World Tourism Organisation](#)).

Visitor

A person who stays in visitor accommodation.

Visitor accommodation

Visitor accommodation that is defined in the Bill that is subject to a visitor accommodation provider registration.

Visitor accommodation provider

A person/ business who provides or offers to provide visitor accommodation at premises in Wales in the course of trade or business.

Visitor levy

An additional charge on overnight visitor accommodation. This is also referred to in other countries as a tourism tax, accommodation tax, or hotel tax.

WRA

This stands for the Welsh Revenue Authority, a non-ministerial department of Welsh Government that currently deliver the two devolved taxes in Wales: Land Transaction Tax and Landfill Disposals Tax.

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Indicative timeline

2024 Introduction

Bill is introduced to the Senedd for scrutiny. Impact assessments published.

2025 Senedd vote

If the bill passes, receives Royal Assent.

2025 Local discretion

A local authority can commence local consultation and assess the impact of a visitor levy.

2026 Notice period

Likely a 12 month notice period if a local authority decides to introduce a levy.

2026 Registration

Accommodation providers begin registration in areas where levy is to be introduced.

2027 Implementation

Indicative date for visitor levy to be introduced by a local authority.

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1. Introduction

1.1 The Rights of Children and Young Persons (Wales) Measure 2011 places a duty on the Welsh Ministers to pay due regard to the United Nations Convention on the Rights of the Child (UNCRC) and its Optional Protocols when exercising any of their functions.

1.2 The Children's Rights impact assessment (CRIA) considers the effect of the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill ("the Bill") on children in Wales and their rights under the UNCRC.

1.3 In preparing the Bill, consideration was given to whether children and particular groups of children may be affected. This has informed the analysis of how the Bill impacts on the articles of the Convention.

2. Policy objectives

2.1 The Programme for Government commits the Welsh Government to introduce legislation permitting local authorities to raise a visitor levy in their area. The Bill provides a discretionary power enabling local authorities to apply a visitor levy on overnight stays in visitor accommodation. The visitor levy was taken forward as part of the Welsh Government's Co-Operation Agreement with Plaid Cymru from November 2021 to May 2024. This included the policy formulation, consultation, and overall approach to our proposals.

2.2 The overall purpose of the Bill is to provide local authorities with a power to adopt a visitor levy, and use the revenue generated for improving the local services and infrastructure in their area. This will:

- Ensure a more even share of costs to fund local services and infrastructure

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that benefit visitors between resident populations and visitors.

- Provide local authorities with the ability to generate additional revenue that can be invested back into local services and infrastructure that supports tourism.
- Directly support **our ambitions for sustainable tourism**.

2.3 Any potential negative (indirect) impacts on children and young people which could arise from bringing about the legislation are explored in more detail in this assessment. When considering the impacts on the articles of the convention, this impact assessment interconnects with several considerations examined in the visitor levy **socio-economic impact assessment** and **equalities impact assessment**.

2.4 This is an initial assessment of the potential impact of the Visitor Levy and the Welsh Government will continue to review and update this document where required during the legislation process. Any future iterations will reflect an increased understanding of these impacts as further evidence becomes available.

2.5 Local authorities will be obligated to undertake their own impact assessments before introducing a levy in their area, based on their local needs and will be required to monitor impacts in their area.

2.6 Evaluation of the levy will evolve, given the levy is discretionary and may take years for local authorities to adopt. However, there are mechanisms in place to monitor the impact over time:

- Local authorities would publish an annual report on the amount of revenue generated and where it is spent to support sustainable tourism.
- The Welsh Government will monitor impact via data such as Visit Wales surveys, the Tourism Barometer, as well as engagement with local authorities and businesses.
- The Welsh Revenue Authority (WRA) will monitor and review the

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effectiveness of levy administration via engagement with local authorities and businesses and will report on amount of revenues collected.

2.7 The Bill's provisions provide for:

- A duty, on the part of Welsh Ministers, to keep a register of visitor accommodation providers in Wales.
- A duty of visitor accommodation providers to be registered: a visitor accommodation provider must be registered in respect of the visitor accommodation provided or offered to provide.
- A power for Welsh Ministers to publish information derived from the register.
- Power to impose a levy: The Bill will provide local authorities with a discretionary power to enable them to charge a visitor levy.
- Basis and calculation of levy: A visitor levy will be a per person per night charge on overnight accommodation. The rate will be set nationally by Welsh Ministers which will ensure consistency across Wales. The levy is not payable at all for stays longer than 31 nights.
- Liability to pay: Liability to collect and remit the levy will lie with the accommodation provider.
- Introduction and administration of L#levy: The Bill ensures local authorities must consult before deciding to introduce a visitor levy.
- Reporting and review: The Bill provides that local authorities must keep a separate account for the visitor levy, report annually on the amount of money collected and how revenues have been used.
- Use of net proceeds: Local authorities must use the net proceeds of a visitor levy to facilitate achievement of objectives that relate to “destination management and improvement”.
- Collection: Liable persons must submit a return every quarter or may submit annually depending on the amount of levy estimated to be collected across the tax year.
- Exemptions, nil rates and refunds: Certain overnight stays will (as detailed in the legal instructions) be excluded, not payable (nil rate) or subject to a refund.
- Enforcement: The WRA will be given enforcement powers including, power

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to obtain information, inspect premises and impose penalties.

- Appeals: The Bill provides regulation making powers for appeals against WRA decisions.
- Power to extend Act to berths and moorings: the Welsh Ministers may, following appropriate consultation, extend the Act to apply to berths and moorings.

2.8 Consideration has been given to the effect of this legislation in relation to the 5 ways of working identified within the **Well-being of Future Generations (Wales) Act**. The visitor levy is intended to contribute to the Well Being of Future Generations Act goal of creating a more equal Wales. Use of a visitor levy will enable this through providing for a more equal share of the costs between resident populations and visitors for shared infrastructure and services.

3. Analysing the evidence and assessing the impact

Using the evidence you have gathered, what impact is your policy likely to have on children and young people? What steps will you take to mitigate and/or reduce any negative effects?

3.1 It is assessed that the overall impact on Children's Rights is not significant and is generally positive. This is due to the generation of additional revenues, which local authorities can use to improve the tourism offer in their area. Revenues will be used to improve a range of amenities that will be beneficial to both residents and visitors.

3.2 While the focus of the Bill is to allow local authorities to introduce a visitor levy in their area, the outcome of a decision to bring in a levy could have an

impact on children and young people, particularly those from lower socio-economic backgrounds.

3.3 To mitigate/ or reduce any negative effects and to ensure a level of progressivity is met so that those on lower incomes are not dissuaded or unable to meet the extra costs associated with the levy, there are two rates set out in the Bill, a lower rate for hostels and campsites and a higher rate for all other accommodation.

3.4 The Welsh Ministers can assess the rates and can revise the visitor levy rates set in legislation should adverse impacts materialize. Furthermore, Ministers can amend which stays are subject to which rate, i.e. lower, higher or nil rate, should evidence emerge of any disproportionate impact.

3.5 Local authorities are also required to consider potential impacts and undertake consultation to inform decision making regarding use of a visitor levy.

4. UNCRC articles or optional protocols which relate to our proposed legislation

Article	Impact
2. Non-discrimination The convention applies to everyone whatever their race, religion, abilities, whatever they think or say and whatever type of family they come from.	Potential impact/ challenge identified at para 4.1. Fully assessing and mitigating against any potential negative impact is difficult at this stage, however plans are in place to keep the policy and impacts under review.

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Article**Impact**

3. Best interests of the child

We have engaged with children and young people via Children in Wales and the Youth Parliament and are planning to re-visit following introduction of the Bill.

All organisations

concerned with children should work towards what is best for each child.

Local authorities will also be expected to engage with their communities before deciding to adopt a levy and monitor its impact overtime.

Members of the Senedd will have opportunity to scrutinise the contents of the bill in detail throughout the legislation process.

The visitor levy proposal and impacts will be kept under review by the Welsh Government and local authorities and amended if necessary by Welsh Ministers as further evidence becomes available.

22. Refugee children

Children who come into a country as refugees should have the same rights as children born in that country.

As stated in the equality impact assessment, the draft bill proposes that stays related to temporary emergency housing arranged by charitable organisations in visitor accommodation for refugees and asylum seekers will be either nil rated or can seek a refund.

Likewise, individuals who have arrived in the UK through Home Office schemes such as asylum seekers and refugees are not subject to the levy.

23. Children with a disability

Children who have any kind of disability should have special care and support so that they can lead full and independent

The overall aim of the levy is to generate additional revenue for local authorities that choose to use a levy, we did not identify direct impacts on children with a disability.

However, there may be an indirect impact through an increase in overall costs for disabled persons who are accompanied by a carer. We have provided for a refund

Article**Impact**

lives

mechanism for disabled persons that require a carer to accompany them as part of their visit.

We understand that disabled people have differing needs, preferences, and experiences of tourism, and are more likely to face various barriers and challenges in accessing and enjoying tourism opportunities.

Prior to implementation, a local authority must give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duty which came into force in 2011 and to all other relevant considerations.

24. Health and health services

A visitor levy could enhance the quality of life if revenues are invested in protecting the environment for future generations.

Children have the right to good quality health care and to clean water, nutritious food and a clean environment so that they will stay healthy. Rich countries should help poorer countries achieve this.

We anticipate a positive impact on children and young people from the generation of additional revenues, which local authorities can use to improve the local services and infrastructure in their area. Revenues could be used to improve a range of amenities that will be beneficial to both residents and visitors.

As noted in the health impact assessment, positive economic impacts of a visitor levy on an area could lead to improved health outcomes due to increased tourism demand, job creation, and investment in local communities.

Negative economic impacts could result in job losses, reduced investment, and lower quality of life, which could negatively affect health.

Tourism can have both positive and negative environmental

Article**Impact**

impacts, such as increased pollution and waste generation. The levy could help mitigate these negative impacts on the environment by funding sustainable tourism initiatives.

With regards to health-related stays for those required to stay overnight to access medical care or respite (or to support family members having care), it will be for the Senedd to decide if such stays are exempt. There are no provisions in the bill to provide reliefs for this type of stay. See para 4.16.

It should be noted that there is support available from some charities and some health boards have facilities on site for families who do need to stay in overnight accommodation for medical reasons, such as Ronald McDonald House that provides accommodation close to Noah's Ark Children's Hospital in Cardiff. Promotion of the help available would help mitigate unintended impact.

The visitor levy proposal and impacts will be kept under review and amended if necessary as further evidence becomes available.

27. Adequate standard of living

Children have a right to a standard of living that is good enough to meet their physical and mental needs. The Government should help families who cannot afford to provide this.

We have engaged with children and young people and will continue to engage following introduction of the Bill.

Local authorities will also be expected to engage with their communities before deciding to adopt a levy and monitor its impact overtime.

Article	Impact
<p>28. Right to an education</p> <p>Children have a right to an education. Discipline in schools should respect children’s human dignity. Primary education should be free. Wealthy countries should help poorer countries achieve this.</p>	<p>There will be indirect impacts due to increased cost of residential school trips arranged by schools, sports, social clubs and/or other educational providers. More detail is provided at paragraph 4.12.</p> <p>The visitor levy proposal and impacts will be kept under review and amended if necessary as further evidence becomes available.</p>
<p>29. Goals of education</p> <p>Education should develop each child’s personality and talents to the full. It should encourage children to respect their parents, their own and other cultures and the environment.</p>	<p>Potentially enhance. The visitor levy strives to promote fairness – a visitor contributes to the local area to support local communities and sustainable tourism.</p> <p>The visitor levy proposal and impacts will be kept under review and amended if necessary as further evidence becomes available.</p>
<p>31. Leisure, play and culture</p> <p>All children have a right to relax and play, and to join in a wide range of activities.</p>	<p>See para 4.12 below for more detail. Potential challenge. There could be increased costs associated with educational and sports trips undertaken by children, however, the precise impact is not measurable. However, we will monitor the impacts of the levy, and it will be expected that local authorities both undertake impact assessments to inform their decision on whether to adopt a levy, and should they choose to, to also monitor the impacts in their areas.</p>

Article 2: (Non-discrimination)

This article of the convention applies to everyone whatever their race, religion, abilities, whatever they think or say and whatever type of family they come from.

Status: Challenges

Explanation

4.1 This article relates to the general wellbeing and consideration given to children. There is likely to be a moderate increase in the cost incurred for overnight stays – including educational or sports trips within those local authorities that introduce a levy.

4.2 This may have a disproportionate impact on children and young people from lower socioeconomic backgrounds, whose families may already find it more challenging to finance such trips.

4.3 To reduce the risk of the levy becoming a barrier to socio-economically disadvantaged persons staying in overnight visitor accommodation in Wales, the Welsh Ministers can review the rates alongside overall market conditions and will monitor to ensure they meet policy objectives and are fair.

Increased cost of an overnight stay

4.4 In recognition that higher taxes might deter budget travellers or individuals with lower incomes, the rate structure in the Bill has been designed with two rates, a lower rate and a higher rate. The rates are applied per person per night, at £1.25 for most visitor accommodation types, and a lower rate for hostels and camp sites at £0.75. The lower rate has been introduced to recognise that these

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visitor accommodation types are, on average, provided at lower cost compared to others. Noting this reduces the regressive nature of the levy, the aim is to keep the tax as simple as possible to administer from a compliance perspective meaning it will be more cost effective over the longer term.

4.5 Based on £0.75 lower rate for hostels and campsites and an average stay of 3 nights, this would equate to an average increase in costs of £2.25 + VAT per person (£2.45). And based on a £1.25 rate and average stay length of 3 nights, this would equate to an average increase in cost of £3.75 + VAT per person (£4.50) if the levy is passed onto visitors from visitor accommodation providers (which we expect it will).

4.6 There is therefore likely to be a moderate increase in the cost incurred for overnight stays if the levy is passed onto visitors – including educational or sports trips within those local authorities that introduce a levy. It is likely that visitors will factor in budget and affordability when deciding where to go on holiday and may choose to stay in other locations where the levy is not imposed or reduce the length of their stay to minimise the additional cost.

4.7 The levy would be part of the overall cost of a visit, as would all the constituent costs such as travel, accommodation, food and drinks, entertainment etc. The levy would represent a small percentage of the overall expenditure.

Re-investment by local authorities

4.8 A visitor levy of £1.25 per person per night levied on visitors staying in visitor accommodation in Wales could raise up to £33 million per annum. As it will be for each local authority to decide whether to introduce a levy or not, it is not possible to determine the exact amount of revenues a levy would raise. The figure of £33 million assumes a visitor levy applied across the entirety of Wales. Exact revenues will be variable according to the local authority areas that choose to apply it.

4.9 The impact of visitor levies on children and young people depends on how the revenue is used and whether the associated costs create economic challenges or benefits for families or businesses. Careful planning and consideration of the potential consequences are crucial to ensuring a balanced approach that benefits both the local community and future generations. It will be for local authorities, in undertaking consultation and engagement with their communities to decide where to spend the revenue raised by the levy.

4.10 Should the introduction of a visitor levy result in fewer tourists coming to a local area in Wales that applies a levy, this reduction in tourism could have indirect economic consequences for the local community, affecting job opportunities for young people and/or their parents which could in turn impact on household incomes. Conversely, if those visitors chose to stay in an area where the levy was not in place it is possible that job opportunities in that area might increase.

4.11 The Economic Impact Assessment commissioned to accompany the legislation sets out three scenarios of a strong, neutral or weak behavioural reaction, representing a very small percentage of visitors who choose not to visit Wales due to use of a levy. There is a comparatively small impact on jobs should there be an adverse behavioural reaction. This is largely off-set by gains in a higher value set of employment activity.

Article 28

Children have a right to an education and article 31: All children have a right to relax and play, and to join in a wide range of activities.

Status: Challenges

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Explanation

4.12 There could be increased costs associated with educational and sports trips undertaken by children, however, the precise impact is not measurable. There may be financial support available from local authorities for school trips. The **School Essentials Grant** can help cover the costs of school activities, including school trips. Families with children in reception to year 11 on lower incomes and receiving certain benefits can apply for this grant. Learners who are currently eligible for free school meals can apply, all looked after children qualify for the grant, whether they receive free school meals or not (**Children in Wales**).

4.13 We will monitor the impacts of the levy, and it will be expected that local authorities both undertake impact assessments to inform their decision on whether to adopt a levy, and should they choose to, to also monitor the impacts in their areas. There is limited policy rationale why children should be relieved from the visitor levy. A child is a visitor even if the purpose of their trip is educational, therefore there is still an impact, and a cost associated to the local area. Additionally, a visitor levy is a consumption-based tax and therefore there is limited rationale for reliefs given that consumption of a holiday or visit is based on choice.

4.14 All visitors have an impact on an area. It would be potentially discriminatory if the legislation required identification (ID) to be presented to enable any relief. This is because not all children will hold ID, and they are less likely to do so in comparison to adults. Requiring an ID check for domestic overnight stays in Wales would represent a disproportionate administrative burden and issues around handling sensitive information which and may cause significant challenges for visitor accommodation providers.

4.15 Children will be accompanied by an adult who would have made the 'booking', and it is this person who has entered into a contract for the provision

of overnight visitor accommodation from a visitor accommodation provider and therefore responsible for paying Policy on exemptions and reliefs

4.16 The visitor levy in Wales has been designed to be simple in application for visitors and visitor accommodation providers.

Policy on exemptions and reliefs

4.17 We have considered reliefs for children and young people in recognition that visitor levies in other destinations across Europe are often applied. Whilst data on younger travellers is limited, initial estimates suggest that a complete relief for those under 16 could potentially reduce levy revenues by around a third. A relief for children could also increase the complexity and collection costs for enforcement. If there was a wish to recoup this reduction in revenues, then rates for those over 16 would need to rise for the reduction in revenues prompted by the relief, to be broadly offset. It is important to emphasise that behavioural impacts are more likely to materialise if rates represent a higher proportion for the cost of accommodation. We have therefore limited the application of reliefs and taken the approach of a broad tax base but set at lower rates, when compared to many similar levies overseas.

4.18 With a low rate, and a simplified levy design, we aim to maximise the efficiency of tax collection, which is important - given the low yield of the levy compared to other taxes.

4.19 Potential nil rates were considered during the consultation only where there was clear rationale for doing so. The rationale applied for nil rates are:

- If the stay was not by choice and it is fulfilling a basic housing requirement in lieu of an individuals' usual place of residence not being suitable to habit or lack of other residence.
- That application of the levy would be disproportionate on the basis that it

was fulfilling the requirement under point.

4.20 Accommodation arranged by a local authority for children and young people in care or in temporary accommodation will not be charged a levy.

4.21 Most stays are elected by those who are staying in visitor accommodation. There is exchange of money in return for a temporary licence to occupy the visitor accommodation. It is individual choice to stay in a destination, within visitor accommodation that aligns with their requirements. Hence, the visitor levy is a consumption-based tax, therefore reliefs should be minimal as visitors are electing to stay and therefore accept the costs associated with doing so and are aware of these in advance.

4.22 The visitor levy for Wales will apply to children and young people. If evidence becomes available that a levy has a negative and disproportionate impact on children and young people once a levy has been implemented by a local authority, then there is scope within the legislation for nil rates to be reviewed and amended as necessary by Welsh Ministers.

Exemptions for education/residential trips

4.23 Stays by students in student accommodation, halls of residence or residential accommodation, for example those boarding at private schools or in full time higher education at university or other tertiary education establishment are not classed as visitor accommodation and therefore the levy will not apply. .

4.24 Residential school trips arranged by schools, sports, social clubs and/or other educational providers, would be subject to a visitor levy should the trip take place in a local authority area that charges a levy and if they stay in accommodation that is defined as visitor accommodation in the Bill. The charge is part of the cost of the stay as are all the other constituent parts of the cost. There is **specific guidance** that schools must consider when booking school

trips which highlights that affordability must be considered and those in receipt of certain benefits are exempt from paying the cost of board and lodging.

4.25 Following feedback from the consultation exercise, we have also set lower rates for hostel style and campsite accommodation. This is because this type of visitor accommodation offering is more affordable in comparison to other types of visitor accommodation.

4.26 As stated in the Welsh Language Impact Assessment, a review of school spending in Wales undertaken in 2020 by the Welsh Government found that primary schools spend 5% of their budgets on other non-staff costs and secondary schools 7%. This covers costs such as transport to school trips and office expenses ([Review of school spending in Wales](#)). Schools are permitted to charge for boarding and residential lodging costs however the guidance is clear that they should consider affordability and make it clear that those in receipt of certain benefits are relieved from paying ([Charging for school activities: guidance for governing bodies and head teachers](#)). The cost of the levy could potentially increase the costs of a visit should a residential trip take place within a local authority area that charges a levy. Schools may in turn pass that additional cost on to families. However, the totality of cost would need to be factored into affordability considerations as part of normal planning considerations for these types of visits.

4.27 As a levy is discretionary for local authorities, this does not necessarily mean the costs of school residential trips would increase for all visitors to Wales. Tourism is substitutable and visitors will determine where to stay, for how long, how they may travel and when they may visit. These factors may predominantly be influenced by budgets (levels of disposable income, income elasticities) and costs (e.g. total trip cost, price elasticities). Therefore, it would be challenging to ascertain that a visitor levy in isolation would change visitor behaviour, which would include those trips booked by educational authorities.

4.28 It is not expected that use of a visitor levy would negatively impact

residential visits to Urdd centres, however this is not possible to determine given the uncertainty as to which local authorities may use a visitor levy and extent of any behavioural response.

4.29 Should the costs of residential trips to Urdd centres increase, this may adversely impact visitor numbers and use of this visitor accommodation. Given that residential accommodation is one cost element only of an overall trip cost, it will be challenging to identify that a visitor levy by itself has driven any potential behavioural change, as other linked costs may rise or fall.

Use of visitor levy revenue by local authorities

4.30 The local authority must use the proceeds of the levy for the purposes of destination management and improvement in its area, which includes mitigating the impact of visitors, promoting the Welsh language, supporting sustainable tourism and travel, and providing and improving infrastructure, facilities and services for visitors and local people.

4.31 Projects funded via levies aim to protect sensitive and ecologically valuable landscapes, upgrade visitor amenities footpaths and signs, protect endangered species, enhance visitor access through opening new car parks, walking and cycling.

4.32 Each local authority will make its own decisions on how the revenues are spent to develop sustainable destination management in their area. Guidance is being produced which will set out best practices in governance and collaboration. Feedback from stakeholders, including from children and young people through further engagement, will inform what is included in guidance for local authorities.

4.33 An annual report must be produced by local authorities to inform people about the amount collected and received by the local authority and how the

revenues from the levy have been, or will be, spent. The report should provide an understanding of impact those projects have had on businesses and local communities.

5. Gathering evidence and engaging with children and young people

Public consultation

5.1 The [consultation on a visitor levy](#) ran from September to December 2022, and a summary of responses can be found [here](#). The consultation document was available in a young person/ community version and an easy read version. Officials ensured that stakeholders were aware of the different formats available on launching the consultation. An explainer video was produced targeting young people and housed on our YouTube channel and played before engagement with children and young people. 126 responses were received in the alternative formats. Comments in favour focused on the impact of visitors on communities such as:

“Visitors have a huge impact on our services and infrastructure that we as residents pay for so it is only right that they should be asked to contribute. The money can be used to improve facilities, infrastructure and the environment thus making the future visit better for them and more sustainable for the future.” ”

5.2 One respondent felt the levy could be a useful tool in bringing more tourists into an area and therefore having a positive impact on the local economy:

“This could be an important source of income for local areas, and could

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encourage communities to attract visitors (if communities see the benefit of the levy!)” ”

Those against the introduction of a levy mentioned increased costs and the impact on businesses:

“ “I have a caravan in Wales and if this is introduced it will be too expensive for me and my family to visit, we will move it to a location in England.” ”

On reliefs, Question 10 asked: Are there any other reliefs that we should consider? 36% (318 out of the 1,087 respondents) agreed that children and young people should be relieved from a levy.

However, the second most frequently raised theme for those supporting additional reliefs was concerns that applying the levy to children would not be appropriate. These respondents typically viewed that it would be unfair to apply a levy to children, with many of their visits likely to be for educational purposes.

“ “[...] supports a number of organisations with volunteer-led activities for youth and young people helping them to access the outdoors - and these activities/young people should also be exempt from the levy. For example, educational and residential visits; the Duke of Edinburgh Award Scheme; Scouts and Guides.” ”

(Accommodation provider)

“ “Children need residential trips as part of their education and therefore should be exempt to not add additional costs to these trips.” ”

(Accommodation provider)

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5.3 Specialist accommodation

Another exemption suggested by some respondents to the consultation was related to specialist accommodation providers. These respondents typically viewed that care centres for individuals with learning difficulties, and physical or mental health needs should not be burdened with the levy as this accommodation type is not related to tourism and generates value for society.

“ “Specialist accommodation that gives respite care, e.g. centres that care for children or adults with learning difficulties, dementia or severe health problems. Specialist accommodation that has facilities treating medical conditions or with specialist facilities or services, e.g. holiday centres with dialysis facilities, hospice care.” ”

(Local authority).

Stays within Care homes or accommodation that provides respite care are not defined as visitor accommodation in the Bill, and therefore the levy will not apply.

5.4 Welsh language

The last prevalent theme raised in response to this question was concerns that Welsh families would be displaced, leading to fewer people learning and speaking Welsh. Some respondents highlighted that the introduction of the levy would have adverse effects on local economies and on visitor accommodation providers, leading to families relocating to other countries. These responses then suggested that families will attend schools not teaching Welsh and will therefore have limited opportunities to practice Welsh.

“Consideration needs to be given to what alternative work is available should

both primary and secondary visitor economy jobs disappear or reduce in value. [...]. That is an issue for Welsh-speakers or, indeed, English speakers whose own young families would have been attending Welsh-medium schools had they not had to leave to find work. A lack of work is itself a lack of opportunity to use Welsh every day.” (Tourism industry body)

“ “The overall effect of a tourism tax will result in fewer tourists to Wales, resulting in less income for local businesses and so make people unemployed. Due to the lack of alternative jobs people who currently speak Welsh will not have work and will move away to find it. This will lead to a decline in Welsh speakers and fewer children in the schools learning Welsh.” ”

(Local authority)

A representative of the Urdd provided feedback on the proposals given that almost 25,000 visit Llangrannog Camp annually, a levy could also impact on many Welsh youth groups who organise residential stays in Wales. They noted the potential adverse effects on Urdd centres and on the income of families, in addition to school budgets.

6. Findings from research

6.1 The Welsh Government commissioned Bangor University to analyse non-economic impacts of visitor levies overseas. There was no evidence available from extensive desk research on the impact of visitor levies pertaining to children and young people.

6.2 The report identified that there are varying approaches taken in jurisdictions overseas, with a patchwork of reliefs or reduced rates applied based on varying

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characteristics. Children and young people are exempt or subject to a reduced rate in some destinations. Some areas do apply the visitor levy to children and young people however definitions are variable. For example, reliefs can be for those aged 12 and below, 16 and below or 18 and below or other permutations.

6.3 Occupancy tax rates vary across EU member states and cities, with different tax bases, tax rates, and VAT rates on hotel accommodation. **One example is Barcelona** – the city and Catalonia have a tourism tax which has exempted children under 16, providing they are able to prove their age via official documentation such as an identity card or passport. We do not have a similar identity card system in the UK.

Other data

6.4 In 2022, 48% of overnight trips taken in Wales by GB residents included a child or children in the trip party (**Domestic GB tourism statistics**). The most recent data from the International Passenger survey noted that children under 16 made up 3.4% of international visitors to the UK in Q2 2022 (Travelpac data from the International Passenger Survey including data on age and sex of travellers, purpose and length of trip, and spending).

6.5 The DWP's Households below average income survey collects data on children experiencing material deprivation in terms of lacking different items and services. The **2020-2021 data** shows that 27% of children in the UK are in families that want but cannot afford at least one week's holiday away from home with family.

6.6 As discussed, a visitor levy would add to the cost of a family holiday. This may make a holiday to destinations that apply a visitor levy more unaffordable compared to destinations that do not apply a levy. However, it is a local authority decision to introduce a visitor levy, and it is not imposed across Wales. Therefore, it is not possible to determine whether application of a visitor levy

would make a holiday to Wales more unaffordable as visitors may choose to stay in other locations in Wales where the levy is not imposed or reduce the length of their stay to minimise the additional cost, or reduce spending in other aspects of their trip.

7. Engagement with stakeholders

Children in Wales

7.1 In May 2022, policy officials held an event with Children in Wales, engaging with children and young people between 11 and 17 years old, seeking their opinions on the visitor levy through discussions and a role-play exercise. A digital animation targeting young people hosted on Welsh Government's YouTube Channel was produced to introduce the session.

7.2 Children and young people at the session raised the following issues:

- The need for the levy to consider reliefs for children and people living in Wales.
- The Welsh Government should draw on best practice from other countries.
- There was concern about visitors less able to afford the levy, such as those from low-income households.
- They were also keen that the money was spent transparently and that it was reinvested into local communities.

7.3 Officials re-engaged with 28 children and young people aged between 11 and 18 at an in-person Children in Wales event in Llanwrtyd Wells, in February 2024. This provided a guided and interactive means for young people to find out more about the levy and express views on how they thought the levy might impact on them.

7.4 Officials will arrange for further engagement following introduction of the Bill.

7.5 Children and young people at the session raised the following points:

- Overall, there was consensus in favour of introducing a visitor levy in Wales, emphasising that transparency and visibility around the levy would be crucial so that people could see where the money was being spent - and that it was spent on tourism, not on education for example. If used in the right way, the levy would benefit communities and visitors.
- Concerns the levy might discourage families on low income or large groups to go on holiday in Wales or local authority areas that adopt the levy.
- Concerns that businesses might be impacted by the local area attracting fewer visitors.
- The levy might improve facilities which might in turn encourage more tourists.
- One participant had a disability and a therapy dog accompanying her. She was concerned that accommodation for her needs to be met is already more expensive than standard accommodation. The added cost on her stay seems unfair and would 'sting.'
- One participant suggested that the levy should be means tested, people on lower incomes shouldn't have to pay the same as wealthy people.
- One participant suggested the rate should be more during peak times, not all year round.
- Potential positives raised were that revenue could be used to improve facilities and public services such as public toilets, particularly accessible facilities which were often closed out of season due to lack of funds.
- Recommendation that the rates should be higher during peak times, not all year round.
- Suggestions that citizens of Wales (people paying tax in Wales) should not have to pay.
- A number thought that neither children nor elderly people should have to pay, and that those on Universal Credit/benefits, students, and disabled people, should also be exempt.

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- They also expressed the opinion that the homeless, Gypsy Roma Travellers, refugees should likewise be exempt from paying the levy.
- One participant felt that a levy could help the environment as it could mean more free bus travel in tourist areas. Public transport is lacking in some regions and more bus stops and buses would be a positive.
- Further feedback was that transparency is crucial on where money is spent, so that it is definitely spent on tourism. If it is used in the right way, it would benefit communities. How revenue is spent needs to be communicated clearly.

Youth Parliament

7.6 Post consultation, officials surveyed members of the Welsh Youth Parliament in December 2023. One response suggested the levy could be of use to local authorities, particularly those popular with tourists. They suggested that funds raised by the levy could be invested in improving local infrastructure, facilities, and attractions, as well as protecting the wildlife and environment. The respondent acknowledged that tourism had both negative and positive impacts, with problems caused by over-tourism such as congestion and damage to the environment but at the same time was good for local businesses.

7.7 The respondent felt that people (of any age) should pay the levy if they earned over a certain threshold of income, and that people using private transport should be also liable to pay, but people using public transport (train and buses) should be liable for a reduced amount.

7.8 However, they did not think that people from Wales, who were visiting another area of Wales, should pay the levy as Welsh people should be entitled to enjoy everything good about their own country. The respondent also proposed that pensioners who earned under a certain threshold should be exempt.

Consider whether any EU Citizens Rights (as referenced in the Equality Impact Assessment) relate to young people up to the age of 18

7.9 It is not considered that the Bill will have specific impact upon EU, EEA or Swiss citizens (whose rights are protected by the Citizens Rights Agreements) compared to other persons living in Wales, including those up to the age of 18.

8. Ministerial advice and decision

How will your analysis of these impacts inform your ministerial advice?

8.1 The advice to ministers is to introduce the Bill in the autumn of 2024, with a summary of the analysis detailed in the Bill's Explanatory Memorandum. The CRIA has been agreed by the Deputy Director for Tax Strategy and Intergovernmental Relations in Welsh Treasury. The CRIA findings have been agreed by ministers.

9. Publication of the CRIA

The CRIA will be published on in the autumn of 2024 on the Welsh Government website.

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10. Communicating with children and young people

If you have sought children and young people's views on your proposal, how will you inform them of the outcome?

10.1 Participants did want to learn more about the levy and suggested a number of ways the Welsh Government could keep them informed:

- TV News e.g. Newsround
- Social media (YouTube adverts)
- Emails
- Government website/ social media
- Senedd tv
- Polls and surveys featuring the concept
- Newspapers
- Spotify adverts – audio adverts
- Podcasts for Welsh Government policies
- People attending schools to inform children of the policy
- Going back to Children in Wales when the policy has been announced
- Producing an information flyer with the key facts to explain contents of the Bill, targeting children and young people.

10.2 On publishing this impact assessment on the Welsh Government website, we will write to the Youth Parliament and to Children in Wales. We will follow up with engagement to discuss the contents of the Bill.

11. Monitoring and review

Please outline what monitoring and review mechanism you will put in place to review this CRIA

11.1 The visitor levy is a local tax. Those local authorities which choose to introduce a levy will be responsible for reviewing the impact of the levy in their area. Local authorities will be required to publish an annual report detailing how the proceeds of the levy for the financial year in question have been or will be used by the council, and how that use is for the purposes of destination management and improvement in the council's area.

11.2 Setting out a timeline for formal post implementation review is difficult as it may take several years for local authorities to sign up for the scheme. Therefore, evaluating the efficacy of the scheme will evolve over time.

11.3 It is not possible to determine whether the levy will have an impact on the numbers of visitor numbers, given the uncertainty as to which local authorities may use a visitor levy and extent of any behavioural response.

11.4 The Bill sets out a requirement for local authorities to prepare and publish annually, a report on the amount of revenue generated from the levy and information on how the levy has been used towards sustainable destination management purposes.

11.5 Officials will develop guidance for local authorities setting out advice and best practice for monitoring and evaluating the impact of the levy.

11.6 The outcome of the legislation will be monitored on an ongoing basis, with a combination of methods, including monitoring the Welsh economy and supply/demand indicators. Use of existing data gathered from the relevant Visit Wales surveys, Tourism Barometer and additional engagement with local authorities

and the tourism sector to understand the effectiveness of the legislation. The Welsh Ministers have the ability to revise the rates should adverse impacts materialise.

11.7 It is anticipated that the Welsh Revenue Authority will continually monitor and review the effectiveness of the levy administration through regular engagement with local authorities and tourism businesses. Alongside this, they will consider what data to report on, such as the amount of revenues collected.

11.8 The Welsh Government will evaluate the impact of the legislation and continually monitor for any adverse impacts. Regulations may be laid in the future should negative or disproportionate impacts materialise and be identified.

11.9 Officials will revisit the published version of their CRIA, rename it as a review of the original CRIA, and update the evidence of impact. The reviewed impact assessment would be presented to Ministers with any proposals to amend the policy, practice or guidance. This review CRIA would also be published.

12. Following this review, are there any revisions required to the policy or its implementation?

12.1 The guidance developed will align with existing statutory obligations for a Local Authority to give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duty which came into force in 2011. This includes ‘consideration of how its policy meets the requirements of the Well-being of Future Generations (Wales) Act 2015 and contribute specifically to the objectives of a prosperous Wales; a more equal Wales; and a Wales of cohesive communities.’

12.2 On implementation of a levy, should evidence of negative impacts

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materialise, the Welsh Ministers can create new or modify existing reliefs.

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