

Dear Minister

In response to the recent question from Luke Fletcher MS about our suggestion that there was a lack of engagement with smaller tourism businesses, you expressed 'surprise and disappointment' at these comments, claiming you had "has seen an awful lot" of the Wales Tourism Alliance in "regular, regular" meetings.

You will see from the evidence I have given in the number of Senedd Committee inquiries that I have acknowledged and welcomed the excellent level of engagement WTA and other industry representatives had with Welsh Government at the height of the pandemic. Those meetings gave Welsh Government the best, real-time information which produced speedy support and which helped many businesses survive.

Since May, we have also been party to the updates prior to the First Minister announcing changes to the covid restrictions, but just one Visitor Economy Forum; recovery was the main subject at that. Another Visitor Economy Forum has (since my first giving evidence) been timetabled for this week. I have asked for tourism tax to go on the agenda. Had I known about the changes to NDR thresholds at that time, I'd have asked for that to go on it too.

Engagement has changed considerably since covid has been better controlled. We accept that a weekly two-hour meeting is not longer necessary, but we would very much appreciate more meaningful engagement than we are currently getting, perhaps more along the lines of UK Hospitality, FSB and Welsh Retail Consortium. This has become urgent as policy developments in other government departments are affecting this part of your portfolio deeply.

We have not had the opportunity to speak to you directly about tourism tax and the change in the council tax/business rates threshold. As our de facto Tourism Minister, we really need to see you as soon as possible to bring you evidence to help you champion the industry, and hear how you are fighting its corner in these two important policy areas.

Indeed, I did issue an invitation last year, when it was not clear whether you or Dawn Bowden was leading on this. More recently we have given you the option to set the date for the next Tourism CPG so that you could attend. We noted that you were not free until sometime into the future and that you have asked some of your officials to attend our next one instead.

While I thank you for that, WTA has not had a meeting with you since you took office. I would be grateful if you could forward me some dates as soon as possible, so that as a matter of urgency we can discuss the **Ministerial Contact and the Technical Consultation on the draft Non-Domestic Rating (Amendment of Definition of Domestic Property) (Wales) Order 2022**. The consultation closes on April 12th and we need to be sure of your understanding and, hopefully, your advocacy within government, to reach a more realistic Order.

The self-catering sector - and this is wider than the WTA membership - has been taken wholly by surprise by the Welsh Government's decision to raise the number of occupancy days from 70 to 182 days in order to be regarded as a non domestic rated business.

On behalf of the sector, which is trying to distinguish its professional offer from the casual letting practice carried out by second home owners, we proactively suggested that the threshold level of occupancy days should be raised. We offered the view that parity with HMRC's threshold (105 days) would be appropriate as one already recognised by a taxation authority.

We note that in the Welsh Government's summary of consultation responses, the most common response to the question about an appropriate threshold was the same as ours. **Only 9 responses** indicated the threshold should be raised to 182 days.

We already have evidence to show that a significant majority of businesses will not reach the proposed threshold. These will either have to migrate to the council tax regime (subject to their planning permission conditions) and so fall outside any planned business registration scheme, or close because they are in areas where the new council tax premium is introduced.

We are struggling to understand how the figure of 182 days has been reached and, it seems to have been reached without any analysis of (a) the effect on the tourism economy in rural areas or (b) which types of accommodation would be 'released' back onto the property market at a locally affordable price.

Please could you discuss this issue as a matter of urgency with your colleague, the Climate Change Minister, and maybe we could have a joint meeting to discuss please as pressure from the industry is building, preferably before 12th April.

Again, since giving my evidence to a Committee, I and my colleague have had the opportunity to discuss first steps on tourism tax with officials from the Minister for Finance and Local Government's department. We have submitted a list of questions on the back of that, some relating to economic impact assessments; we attach that for your convenience and on the basis that we would also be grateful to discuss that subject with you before too long.

With so much cross-fertilisation between policies affecting tourism, we would very much appreciate meeting our own Minister to support your efforts to defend the industry at this hectic time.

Best Wishes

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