

**P-04-599 Impact of Domestic Rating on Self Catering Accommodation –
Correspondence from Wales Tourism Alliance to the Chair, 09.01.2015**

Dear William,

Non-Domestic Rating (Definition of Domestic Property) (Wales) Order 2010: The IRRV Report and the 70 Day Rule.

We were aware of the report's commissioning, were consulted by IRRV and duly responded, as were WASCO – Wales Association of Self Catering Operators – and I believe other Tourism Membership organisations across Wales. With regard to Mr Harris and his co-signatories, if he was a member of one of the Tourism membership organisations, I think it likely at some point he would have received a communication. In any event, it is not for us to defend the Welsh Government's communique on this issue!

Beyond this though, we are in broad agreement with some of the sentiment expressed. The situation to date as far as our enquiries are concerned is as follows:

The Welsh Assembly Government appointed the Institute of Revenues, Rating and Valuation to investigate the circumstances which led to the original change in legislation. This was following a brief press campaign in Autumn 2013 (which involved some of our members) to which Carl Sargeant AM (CS) and Edwina Hart's (EH) offices responded by commissioning the IRRV report – which was welcomed by us. The Inland Revenue and Ratings Agency were then charged with looking into the consequential impact, together with recommendations as to how the proposals may work fairly and effectively. A report was then submitted in January 2014 to the Ministers by the IRRV with five options for the future implementation of the order. The Welsh Government then launched a further brief consultation on the IRRV findings which ended 19 March 14. The findings were then published on the Welsh Government website. The first two options were to have a 3/5 year rolling assessment as to the number of days, so that you can average out 70 days p/a. The 2nd option (favoured by WTA) was to choose the best year out of 3 years.

Following this final consultation, we then had an assurance in April 14, further to us writing to Carl Sargeant's office, that the Ministers were considering the IRRV options – 'Welsh Ministers are now considering the potential options for amending the 2010 Order along with the pros and cons and associated costs of each option' –

Gavin Elias (Housing Policy Division). CS's office also mentioned that in doing so, account will be taken of the proposed amendments that may be required to the Housing Bill regarding council tax on second homes. We have also again in the meantime (20th June 14) written to CS's office and received a response (Joanna Lawler) which simply directed us back to the WG web pages? Whilst I am not sure what impact the IRRV proposals were on the Housing Bill, now enacted of course, I assume this has been sorted internally.

We also contacted WG again to ask whether there has been any movement on the issue as we had received reports that some councils are using the ruling to charge legitimate businesses for domestic rates. WASCO have also done the same. After chasing via Visit Wales, we also received a further response on the 15th October 2014 from Joanna Valentine of the Local Govt. Finance and Public Service Division of the Welsh Government which stated

'Work is currently on-going regarding the potential amendments to the Non-Domestic Rating (Definition of Domestic Property) (Wales) Order 2010 following the IRRV report and subsequent consultation. We are working closely with Welsh Government lawyers on this matter and have taken advice from specialists such as the Valuation Office Agency and Her Majesty's Revenue and Customs, to ensure that any measures taken ensure the original intention of the Order are maintained whilst addressing the issues that genuine business have raised. As you can appreciate, any potential amending provisions need to be carefully considered to ensure they have the desired effect, and do not result in any further unintended consequences. Initial advice from lawyers required significant additional work to be undertaken. We hope to be in a position to put further advice to Minister's very shortly but cannot advise when any decision will be taken as this is a matter for Ministers'.

So we still have yet to hear a final decision on the matter. I believe that WASCO received another response from Edwina Hart AM, yesterday again stating they were still looking into the potential impact of the report's recommendations.

Best wishes,

Adrian

Adrian D. Greason-Walker

Wales Tourism Alliance