



Short Term  
Accommodation  
Association

## **Position on the Welsh Government's Draft Non-Domestic Rating Order 2022 to alter the treatment of self-catering accommodation for local taxation purposes**

**UK Short Term Accommodation Association, April 2022**

Please find the consultation document and list of questions [here](#). For this consultation, we have chosen to only address those questions directly relevant to our industry.

### **Answers to consultation questions**

*Question 1: Does the amending of subsection (2BB) altering reference to '70 days' to now read '182 days', used to define the period a property or aggregated property is required to be actually let, provide clarity? If not, how can it be improved?*

The STAA agrees with the Welsh Government's decision to increase the threshold from 70 days let to 182 days per year. We think that this will make the system more robust, clear, and ensure that only genuine businesses can benefit from business rates taxation. We would define a property to be let when the property is booked and paid for. Considering the introduction of more generous cancellation policies in light of the Covid-19 pandemic, many hosts have experienced cancellations at short notice, leaving the host and property management companies with no income. It would distort the situation if such cancellations would be counted towards the days let. We therefore advise only considering days let that have also been paid for and have not been refunded.

*Question 2: Does the amending of subsection (2BB) altering reference to '140 days' to now read '252 days', used to define the period a property is required to be intended to be available to let and have been available to let provide clarity? If not, how can it be improved?*

We think that the concept of 'availability' is deeply flawed and we would advise against its use. The nature of the modern industry means that owners may well advertise their property for 365 days a year because they are agnostic about precisely when they let the property out. This does not mean that they intend to let it for all of those days. Conversely, the dual threshold creates a potentially perverse situation wherein someone could let a property for 251 nights and still pay council tax, provided they only advertised it for precisely 251 nights. This would clearly represent commercial activity but would not be captured under the present rules. To ensure a fair situation for individuals, businesses, and Welsh communities, we urge the government to remove the 'availability' category entirely and only categorise accommodation based on the days let which is the clearest measure.

*Question 3: Does the wording in Article 3 provide clarity that properties assessed prior to 1 April 2023 are treated on the basis of meeting the current thresholds?*

Yes, we believe it provides sufficient clarity.



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*Question 4: Are there any other issues regarding the practical application of the Draft Order?*

There are no further issues the STAA would like to raise in regard to this.

*Question 5: Do you have any other comments about the drafting of the Draft Order?*

We are fully in support of this measure as we believe it will help close a loophole and ensure taxes are paid into local communities more consistently. We believe the 182-night threshold as a single, simple measure will achieve both clarity and fair taxation to support local communities.

*Question 6: The Welsh Government would like your views on the effects these proposals would have on the Welsh language, specifically on:*

- i. opportunities for people to use Welsh; and*
- ii. on treating the Welsh language no less favourably than English.*

*What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?*

Please see below our answer regarding the Welsh language.

*Question 7: Please also explain how you believe the proposals could be formulated or changed to have:*

- i. positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language; and*
- ii. no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.*

The STAA does not have a specific view. However, we support policies that promote the use of the Welsh language, for example by providing all guest material in both Welsh and English.

*Question 8: We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.*

We have no further comments.