Democracy Service
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Complete Agenda

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

Meeting

EDUCATION AND ECONOMY SCRUTINY COMMITTEE

Date and Time

10.30 am, THURSDAY, 12TH FEBRUARY, 2026

(NOTE: A BRIEFING SESSION WILL BE HELD FOR MEMBERS AT 10.00AM)

Location

Siambr Hywel Dda, Council Offices, Caernarfon and virtually on Zoom

*** NOTE***

This meeting will be webcast

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(DISTRIBUTED 04/02/26)

EDUCATION AND ECONOMY SCRUTINY COMMITTEE

MEMBERSHIP (18)

Plaid Cymru (12)

Councillors

Beca Brown
Dawn Lynne Jones
Olaf Cai Larsen
Huw Rowlands
Rhys Tudur
Geraint Wyn Parry

Jina Gwyrfai
Gareth Tudor Jones
Gwynfor Owen
Dyfrig Siencyn
Sian Williams
[vacant seat]

Independent (6)

Councillors

Elwyn Jones
Beth Lawton
John Pughe Roberts

Gwilym Jones
Dewi Owen
Richard Glyn Roberts

Ex-officio Members

Chair and Vice-Chair of the Council

Other Invited Members

CO-OPTED MEMBERS:

With a vote on education matters only

[vacant seat]	Church in Wales
Colette Owen	The Catholic Church
[vacant seat]	Meirionnydd Parent/Governors Representative
Gweno Glyn Williams	Dwyfor Parent/Governors' Representative
Sharon Roberts	Arfon Parent/Governors' Representative

Without a Vote

Elise Poulter	NEU
Gwilym Jones	NASUWT

A G E N D A

EDUCATION AND ECONOMY SCRUTINY COMMITTEE
11/12/25

Present:

Councillors: Councillor Cai Larsen (Chair)
Councillor Rhys Tudur (Vice-chair)

Councillors: Beca Brown, Jina Gwyrfai, Dawn Lynne Jones, Elwyn Jones, Gareth Tudor Jones, Gwilym Jones, Beth Lawton, Dewi Owen, Geraint Parry, John Pughe Roberts, Richard Glyn Roberts, Huw Llwyd Rowlands, Dyfrig Siencyn and Sian Williams.

Co-opted Members: Colette Owen (Catholic Church), Sharon Roberts (Arfon Parent / Governor Representative), Gwilym Jones (NASUWT) and Gweno Glyn Williams (Dwyfor Parent / Governor Representative).

Officers present: Bethan Adams (Scrutiny Adviser) and Jasmine Jones (Democracy Services Officer).

Present for items 5 and 6 - Councillor Dewi Jones (Cabinet Member for Education), Gwern ap Rhisiart (Head of Education), Debbie Anne Jones (Assistant Head of Education Services), Ffion Edwards Ellis (Assistant Head of Special Education Needs and Inclusion) and Alison Halliday (Assistant Head of Schools' Support).

Present for item 7: Councillor Richard Medwyn Hughes (Cabinet Member for Economy and Community), Sioned Williams (Head of Economy and Community), Roland Wyn Evans (Assistant Head of Culture) and Llyr Beaumont Jones (Assistant Head of Economy and Community).

Present for item 8 - Councillor Huw Wyn Jones (Cabinet Member for Finance), Dewi Aeron Morgan (Head of Finance), Huw Ynyr (Assistant Head of Information Technology), Sian Pugh (Assistant Head of Finance – Sustainability and Developments) and Ffion Madog Evans (Assistant Head of Finance – Accounting and Pensions)

1. APOLOGIES

Apologies were received from Councillor Gwynfor Owen.

2. DECLARATION OF PERSONAL INTEREST

Councillor Gareth Tudor Jones and Sharon Roberts (Arfon Parent / Governor Representative) declared a personal interest in item 7 on the agenda. The members were of the opinion that they were prejudicial interests, and they withdrew from the meeting during the discussion on the item.

Councillor Beth Lawton declared a personal interest in item 7 on the agenda. The member did not consider it to be a prejudicial interest and did not leave the meeting during the discussion.

3. URGENT ITEMS

None to note.

4. MINUTES

The Chair signed the minutes of the previous meeting of this committee held on 16 October 2025 as a true record, subject to adding the name of Councillor Dawn Lynne Jones to the list of apologies.

5. SCHOOLS' STRATEGY

The Cabinet Member for Education presented the report, stating that the draft document before them covered the education department's vision on behalf of schools over the next few years. It was noted that the previous strategy was now dated and ended in 2025, and there was a need for it to be updated due to significant changes over the period. It was explained that the document tried to reflect the fact that the challenges facing the county had changed and had intensified, noting that the strategy referred to the impact of cuts, recruitment challenges and the far-reaching threat of demographic changes across the county.

During the discussion, the following observations were made: -

The member was thanked for the presentation. More details were requested regarding how the challenges of children who are vulnerable to poverty would be considered within the strategy, emphasising the importance that this cohort had a voice within the strategy. In response, it was noted: -

- That an audit had been carried out to try and get cost-friendly schools.
- That data has been collected on this issue and would be shared with schools within the month to enable them to respond and meet the challenges, and to escalate the issue to the top of the priority list.
- That the department recognised that the experiences of children from disadvantaged backgrounds were far worse if they were not supported through the schools.
- That there was room to put a specific heading in relation to children who are vulnerable to poverty, and to give attention to how the needs of children from disadvantaged backgrounds should be addressed, to what extent the current arrangements addressed this and how changing the arrangements would improve the situation.
- Many grants were given to schools to support children from disadvantaged backgrounds, but under the current arrangements headteachers and governing bodies were required to use additional grant monies to support everyone, not necessarily targeting individuals, as the situation was generally difficult.

Pride was expressed that the issue of safeguarding was addressed within the strategy. A view was expressed that safeguarding should be higher within the strategy than heading four, given the importance of safeguarding. It was asked how the 'Our Bravery Brought Justice' report had shaped the strategy. In response, it was agreed that safeguarding was an extremely important issue. It was noted that the list did not reflect any order of priority. It was acknowledged that there was room to change the order of the strategy to place safeguarding at the top of the list.

It was confirmed that this draft of the Schools Strategy had been produced prior to the publication of the 'Our Bravery Brought Justice' report. In relation to learning from the Children's Practice Review, emphasis was placed on the need for the authority and the safeguarding and well-being team to provide more support to schools. The challenge that existed for the department to support 94 schools of all sizes was further emphasised. It was noted that many schools fall into smaller sized categories, resulting in fewer resources and budget. It was stressed that more resources were needed to improve support for schools. It was noted that, following the publication of the report, it was possible to look at the Schools Strategy again through the lens of the report to enrich the strategy.

It was emphasised that this ten-year Schools Strategy would play a major role in restoring the confidence of the county's parents in the safety of their children in schools.

Questions were asked about the recruitment and retention of teachers, particularly in rural areas and in specialist subjects. It was asked whether there was a specific strategy or plan in place for the recruitment of teachers. In response, it was noted: -

- That the recruitment and retention of education staff was a national challenge and broader than Wales alone, the situation was therefore not unique to the county.
- It was difficult to fully quantify the impact of the shortage of teachers on learning and teaching standards across the county, but it was recognised that the shortage was impacting on learners' experience and on the ability of schools to maintain continuity.
- That some teachers, particularly in the secondary sector, face situations where more than one subject would need to be taught beyond their expertise and this could be a barrier to teacher recruitment and retention.
- Concern was expressed about leadership and that a shortage of leaders, deputy headteachers, headteachers and subject leaders in the next generation posed a risk to the resilience of schools.
- That the shortage of heads of departments in the secondary sector was particularly challenging and that the departure of a strong leader could quickly lead to a decline in standards.
- A recruitment challenge in some geographical areas was highlighted, and it was noted that a particular difficulty arose in filling short-term gaps when staff were absent due to illness.

- That arrangements existed in some areas such as Meirionnydd to consider staff who were not fluent in Welsh (but committed to learning) in order to fill gaps. It was noted that this was a concern for the department.
- There was a need to ensure continuous teaching for pupils and that plans were in place to support teachers' language and promote the use of Welsh as part of the response to the challenge.

Concern was expressed about safeguarding and anti-social behaviour, and it was asked what the procedure was when serious incidents occur on school premises, including incidents where there was a risk to safety. In response, it was noted: -

- That school communities generally were facing increasingly challenging behaviour.
- That clear arrangements were in place when there was a safety concern and that the natural step included ensuring immediate safety on school premises.
- That the police were contacted where necessary and this was part of the response when the situation demanded.
- That further action was followed by schools in accordance with arrangements and that support was available through support officers, safeguarding and well-being teams, health and safety teams, and relevant officers within the service.
- Challenging behaviour and incidents were often a reflection of wider social and community issues and work was needed with families and communities alongside the schools' work.

The need to protect teachers within the strategy was emphasised, noting that they were the backbone of our schools. It was noted that the strategy did not place sufficient emphasis on teachers' health and well-being, and that more support needed to be given to teachers within the strategy. The administrative burden was highlighted, and it was noted that workload, preparation, assessment and marking remained a significant issue across sectors. It was asked whether this administrative burden could be reduced to teachers. It was noted that a strategy needed to be looked at to attract more students from universities to become teachers, by ensuring that teachers received fair pay and that their working environment was welcoming and effective. It was questioned whether information could be used to monitor and see if there was an emerging pattern in teacher health in some schools, and whether that information could help target support. In response, the Head of Education noted: -

- That the well-being of teachers and assistants was a core theme of the strategy.
- That the strategy sought to improve the situation within schools overall, and this would consequently improve teachers' well-being.
- Workload challenges varied significantly between schools and expertise due to different circumstances.

- That the pressure of paperwork was mainly created by governing bodies and headteachers and the education department tried not to put extra work pressure on teachers.
- That a headteachers' well-being forum existed, which worked on creating strategies to reduce work pressure for headteachers.

The Cabinet Member for Education stated:

- That teachers and school staff were the backbone of education.
- That Plaid Cymru intended to fill the gap between what was offered to teachers in England and Wales if they were elected to the Senedd.
- That conversations were being held about the salaries of assistants, specifically those who were not paid during the holiday period, but it was stressed that this was a national issue.

They were asked about school governance and why there was no section in the strategy on the role of governors, particularly the role they can play in situations where a problem arises regarding headteachers or senior management. It was asked what the vision for the role of governors over the next decade was. In response, it was noted: -

- There was no intention to exclude governance from the strategy and that a review of school governance arrangements would take place in the next six months by the Welsh Government.
- That the recruitment of governors was a significant challenge as it was a voluntary role that created a huge burden in terms of time and responsibility.
- That governors' support arrangements needed to be empowered and that work was underway to fulfil this.
- That actions were to be taken to add support capacity, including the appointment of an additional School Support Officer.
- Governors often found it difficult to deal with human resource issues, fiscal aspects and safeguarding issues.
- That the value of the role of governors remained clear with the voices of parents and the local community contributing to the development of the curriculum and the direction of schools.
- That there was a willingness to add a specific section on governance to the strategy as it was fine-tuned, outlining the intention to develop the arrangements over the coming months and years.
- That national support was key to ensuring a more robust and less burdensome procedure for governors.

Mobile phones, cyberbullying and digital security were referred to as practical safeguarding issues, and examples of situations were identified where the police had to be involved in a school's response due to serious incidents relating to this area. It was noted that cases were mentioned where some children had to stay at home due to the impact of cyberbullying that started at school, and it was noted that the nature of cyberbullying meant that the impact continued beyond school hours. It was questioned whether the authority could support a county-wide arrangement to ban mobile phones in schools. It was asked whether influencing should be considered at a national level. In response, it was noted: -

- The Authority did not have the power to ban mobile phones across schools, and it was noted that the implementation of such a policy was the decision of individual governing bodies.
- Support and advice would be available to any school who chose to implement a policy to restrict or ban mobile phones.
- There was no intention from the Welsh Government to introduce a national policy to ban the use of mobile phones in schools, and it was emphasised that responsible use was an essential part of the solution as phones were an integral part of everyday life.
- Banning mobile phones may seem simple but did not practically solve all problems, and examples had been identified of arrangements in other countries where locked pouches were used to store phones throughout the day, with some pupils responding by bringing more than one phone to school.
- There was a need to ensure that children and young people understand the impact of their actions on others and to be responsible when using mobile phones.
- It was recognised that the harm could be significant and often occurred regularly.

The document's demographic data was cited as an important basis for the discussion, and it was noted that the data portrayed the impact of depopulation and the consequences on schools. In response, it was noted that there was a 14.7% decrease in the population aged 16-24 in the county between 2011 and 2021. It was emphasised that the trend had a long-term impact on the ability to recruit within the education sector. It was noted that several young people were leaving to study and choosing not to return to work in the county.

The relationship between this strategy and the Language Education Policy work was questioned. It was questioned whether the recruitment situation was jeopardising the ability to realise the ambition of Welsh-medium education provision. The funding of the immersion system and the associated costs were questioned. It was asked whether more resources were needed for specific elements of the strategy to achieve the ambition. An opinion was expressed that the committee should scrutinise the teacher recruitment strategy soon as the challenge was enormous. In response, it was noted: -

- Grants were available to attract individuals to teach through the medium of Welsh, but it was noted that this did not necessarily give the county a unique financial advantage compared to other areas.
- That a greater proportion of the training provision and a means to attract Welsh-medium teachers was needed.
- The recruitment challenge was significant, particularly in some areas.
- That the draft Education Language Policy was a separate document and was about to progress through the decision-making processes.
- That concerns about immersion funding were shared and that there was a desire to see the system funded based on the actual cost.

- Many areas within education and the Council called for more funding, such as transport, and noted that there were significant limitations on the ability to operate without additional resources.
- That correspondence had been sent to the Welsh Government's Education Secretary inviting him to Gwynedd to see the immersion centres.

It was noted that a great deal of work was expected from governing bodies which was a great deal of work for volunteers to handle, especially in secondary schools. It had been noted that there was a great deal of pressure on governors' time and, to some extent, training added to this.

Views were expressed that the Schools Strategy was very commendable, but that there was some distance between the objectives and the reality of the situation in schools, in particular secondary schools. It was recognised that this reality was recognised within the strategy. Transport funding challenges were identified as a significant challenge to health and well-being objectives. It was requested that the impact of transport cuts on pupils going to school in terms of equality and inclusion was revisited, as this had a more significant impact on children from disadvantaged backgrounds. The view was expressed that there was a need to focus within the strategy on literacy as it was an important element to enable young people to succeed in the future.

It was noted that a shortcoming existed in terms of teacher retention. Data from the Education Workforce Council was cited showing that of the cohort of newly qualified teachers in 2015, 40% had left the education profession. It was expressed that hybrid jobs were much more attractive than stricter jobs. It was stressed that the challenge was not just money, but that the way education staff work also needed to be looked at, to attract and retain more teachers.

It was asked about the main advisory groups for the strategy, noting that Estyn should be added to this list. It was questioned why parents had not engaged in any formal way or through the questionnaire. Opinions were expressed that the input of the parents' voice in the school strategy, was not beyond the governing body. In response, it was noted that the strategy was in draft form and engagement was ongoing and schools were encouraged to complete questionnaires and submit responses. It was noted that regular communication had taken place with the schools to encourage involvement and there was a willingness to involve parents more directly in moving forward. It was agreed that the voice of parents was important for the direction of the work and there would be no barriers to involving parents in the next stage of fine-tuning.

An enquiry was made about the arrangements of the School Support Service following regional changes. For clarity, it was asked who was doing what, the capacity of the teams, and the implications of moving to a new system. It was noted that schools felt there was a gap after the end of the School Efficiency Service (GwE) in terms of challenging schools, supporting staff, developing leaders and providing relevant and quality training for teachers and assistants. In response, it was noted: -

- That it was the Welsh Government's decision to end the GwE regional service.
- A period of uncertainty had persisted while waiting for a new national framework to improve and support schools.
- That the new framework had been promised for weeks and was expected to be received before Christmas.
- That the direction of the system would change significantly.
- That the new system would move to a model where schools would be facilitated to support each other. This posed practical challenges given the shortage of leaders, the challenge of recruitment, and the time and resource constraints of school staff.
- It was felt that the new system would not be entirely suitable for Gwynedd and therefore that a team of support officers existed locally, but capacity remained a challenge due to a high number of schools and geographical dispersion.
- The situation in the secondary sector was more challenging due to the difficulty of appointing additional officers.
- Skills officers were available for areas such as literacy, numeracy and digital skills, and it was noted that this arrangement had been adopted to safeguard expertise and meet schools' demand for subject-specific support.
- Uncertainty remained about whether the capacity was sufficient to support all schools in the long term.
- That a briefing note be prepared for Members to explain the arrangements and roles, and it was noted that this responded to the need for practical clarity.

Opinions were expressed that the principles within the strategy were too vague. It was questioned whether this was intentional given the numbers of pupils, and that there was no reference to the number of ages teachers should teach within a single class.

It was agreed that too many responsibilities were placed on the shoulders of governors and this hampered the authority to plan strategically across the county, particularly in relation to headteacher appointments. It was suggested that there was room for a working group level conversation about the experiences of governors.

The need to include faith schools in the discussion was highlighted and their perspectives were relevant to complete the strategy. In response, it was noted that discussions were already taking place with faith school leaders and their views would be included in moving forward.

Views were expressed that the strategy should be more specific identifying measures of success and measuring what had been achieved. In response, it was accepted that there was a lack of certainty and integrity regarding how this would be achieved within certain periods as school situations were dynamic. It was noted that there was an intention to review the school estate as indicators were reviewed and compared every January.

Views were expressed that elements of the strategy would transform how education was delivered to many young people. It was anticipated that the strategy would have a positive impact on the levels of children who de register, particularly within working-class families. Learners with additional learning needs were highlighted and it was noted that the voice of this cohort, and of their parents or advocates, needed to be ensured and was a robust part of the strategy. In response, it was noted: -

- Engagement with children and young people was already happening through a children and young people's forum.
- That it was intended to ensure that a wide range of children from different backgrounds and challenges could contribute.
- That the Children's Commissioner was satisfied with the actions the department was taking to ensure that the child's voice was central.
- That the number of engagement officers needs to be increased.
- That a challenge existed regarding the receipt of adequate additional learning needs resources.
- That the numbers of pupils with additional learning needs were increasing nationally.

An appeal was made for a more prominent space in the Welsh language strategy, noting that it was at the bottom of the values page, it had not been included in the vision on page six, there were no measures of success for the language, and there was no mention of the Welsh language under the sector principles.

It was noted that all the data within the strategy was based on population trends up to the year 2026, but that the Office for National Statistics (ONS) website showed some progress in the trend in 2032 and 2042. It was noted that wider links exist between housing, the economy and the numbers of children, and it was noted that significant developments were needed to reverse the decline. Views were expressed that there was a need to look towards the future in terms of the population data. The need to protect small rural schools who are in trouble, because of the demographic decline, from being closed was emphasised. In response, it was noted: -

- That the demographic trend was stable, and therefore it was necessary to plan according to the reality of the situation.
- It was acknowledged that there was room to strengthen attention to the Welsh language, but it was emphasised that the Language Education Strategy was a separate and an extremely ambitious document.
- More and more schools were falling into the protection policy.
- There was a feeling of unfairness from the perspective of some larger schools compared to the circumstances of smaller schools, as part of their budget funds schools within the protection policy. It was stressed that the strategy sought to address those sentiments through a fair planning approach and principles.
- That the demographic context made the discussion difficult but necessary.

It was asked about the possibility of having a Pupil Referral Unit in south Gwynedd. In response, it was noted that there was a plan in the pipeline for an additional location in south Gwynedd.

It was noted that the use of digital systems to identify safeguarding concerns was excellent practice in the majority of schools in the county, and it was confirmed that this was expected to be the case across all schools by March 2026. It was questioned whether the education department would fund these. In response, it was confirmed that the Education Service would fund these digital systems.

RESOLVED

1. **To welcome the strategy and accept the report noting the comments.**
2. **That the Scrutiny Committee recommended to the Cabinet Member for Education that further information on safeguarding, poverty, social equity, faith schools, access to parents' voice, inclusion, the Welsh language, staff well-being and governance needed to be included in the Schools' Strategy.**
3. **That information about the Schools Support Service would be distributed to members.**
4. **Request that the Education Department ensured that safeguarding was integrated into the department's planning.**
5. **That the Cabinet was aware of the importance of staff well-being to attract and retain staff and should do all that is possible to promote well-being and favourable conditions.**
6. **To ask the Education Department to give full consideration to the Welsh Government's new recommendations regarding governance when they are received.**

6. PERFORMANCE REPORT OF THE CABINET MEMBER FOR EDUCATION

The Cabinet Member for Education presented the report. During the discussion, the following observations were made: -

Questions were asked about the Immersion System's data, specifically how many start the 10-week course but don't complete it. Data on how many withdraw from the process and how many applications are rejected was requested, stating that this would give a more complete picture than the current skill level focused information at the end of the course. In response, it was noted that the data would be provided and there was currently no evidence that withdrawal was a major problem, but it was acknowledged that individual circumstances could vary.

It was asked whether there were plans to develop smaller settings or more bespoke provision for learners who find it difficult to cope in mainstream arrangements due to neurodiversity, mental health or anxiety. It was asked whether it was possible to combine any such units with smaller school sites that face challenges in terms of numbers. In response, it was noted: -

- That inclusion was a core principle, and the vision did not involve moving learners into separate units as an automatic solution.
- The starting point was to strengthen the capacity of mainstream schools and adapt provision, with appropriate staffing levels and training to be able to provide effective support.
- That more resources were needed to adapt mainstream schools to make them suitable for children of all abilities.
- That it was becoming harder to support children of all needs within mainstream schools for a variety of reasons, such as increasingly intense needs.
- Transportation costs and the child's experience of mixing with others are important factors when considering separate provision.

It was asked why there was no obvious reference to the 'Our Bravery Brought Justice' report within the document before them, noting that this was the first education and economy scrutiny meeting since the report was published and the lack of direction could cause public concern. In response, it was noted:-

- That the response to the report currently took up over 80 percent of the department's time, with a focus over several teams responding to the report.
- That other things the department was doing at the same time with the same level of resources, made it increasingly challenging to accomplish these.
- That additional resources had been secured in response to the report and that reporting arrangements to the Programme Board were in place, with further scrutiny of the Programme Board's work due to take place shortly.
- There was a need to ensure that the response work was more visible within formal reports.
- The Committee had an opportunity to discuss the response to the report in full in early January 2026.

The increase in home education since the pandemic was questioned, with concern expressed about safeguarding and how it could be ensured that children receive suitable education. The possibility was raised that the trend could continue to increase. In response, it was noted: -

- That the increase in deregistration levels was a national trend and that Gwynedd's situation was similar to the median nationally.
- That a change in the social contract following the pandemic has played a part.
- Situations where children refuse to attend or find it difficult to cope can lead to parents choosing to deregister as the easier option.
- That a cohort of home education parents do so for the right reasons and do it appropriately, but it was acknowledged that a cohort deregister for a variety of inappropriate reasons, such as avoiding poor attendance outcomes.

- Visits were held and support was offered where possible but there were limitations when families do not engage. The Council did not have powers to enforce entry into a child's home.
- That the department shared the concern about the increase and was doing everything within its powers to mitigate the impacts, and to question why parents were deregistering children and to prevent this from happening initially.
- That the increase raised safeguarding concerns and the department would welcome any action by the government to give the Council more powers to be able to visit children within the home to communicate with them directly.

It was asked whether children being educated at home were mainly from local families or from families who had moved to Gwynedd. It was noted that no definitive answer could be given in the meeting to this question.

It was asked whether the fact that around 30% of pupils do not take advantage of free school meals was a cause for concern, questioning why the measure had been shown as green within the report. It was asked whether the pattern varied between schools or was consistent across the county. In response, it was noted: -

- That there was a wish for every child to take advantage of the offer to ensure they had a nutritious meal every day.
- The indicator was green due to an improvement since the previous year, but it was acknowledged that there was obvious room for improvement.
- There were several possible reasons, including individual preferences and varying patterns where some pupils take school lunch on some days and their own food box on others.
- Patterns varied across the county.
- Arrangements were in place to gather pupils' views and satisfaction about the meals, but responses had been low recently, and it was noted that there was an intention to boost the work to understand barriers and improve provision.

Confusion was noted as to who the author of the report was. In response, it was noted that the Cabinet Member for Education was the author of the report and the information in the document would be amended.

A suggestion was made to send information termly and occasionally to Councillors who are governors, to enable governors to question headteachers about important educational issues and direct them to address a specific area at a governors' meeting, to enable them to act as a critical friend highlighting key areas such as safeguarding, well-being, inclusion and additional learning needs. In response, it was noted that this was a valid point and that there was an opportunity to strengthen this connection. It was noted that the request would be prioritised by the new year.

Concern was raised about the possible link between increased attendance and increased deregistration. The impact of prosecuting families in court, because of low attendance, was questioned, citing the risk that vulnerable families could choose to deregister after receiving warnings, with further implications for support and safeguarding. It was stressed that many parents were deregistering their child as there is no suitable provision for them within schools. In response, it was noted: -

- There was an understanding that some parents were in very difficult situations and felt that they had no other option.
- That the welfare team needs to exercise the ability to take legal action as a last resort, stressing that this does not happen lightly and that broad consideration would be given to medical, mental health and other factors before reaching this stage.
- That there was an increase in attendance following prosecution in many cases, although that would not be true in all cases.
- The aim was to ensure that children are safer by attending regularly.
- Officers within the welfare team carry out visits and offer support to families of children who have deregistered.
- Families who contact us to get support are often able to have a more robust support pathway towards returning to school, where appropriate.
- That arrangements were made to work with other agencies to identify families who are not engaged, and contact would be made with Children's Services as required.
- That building trust with families was a central part of the journey and the work continued to develop.

Concerns were raised about the Youth Service, questioning how much monitoring was taking place in relation to the community clubs. It was questioned why there were low numbers attending some community clubs, and whether it was because the clubs did not offer the most appropriate provision for children in the community. It was questioned how high satisfaction percentages should be interpreted in relation to the participation figures, and whether the service only gets feedback from children who attend rather than children within schools who choose not to attend. In response, it was noted: -

- That the percentages reflected the satisfaction of those who have engaged with the service.
- Participation figures were relatively high in the context of the current population of young people, noting the impact of the demographic decline, but it was acknowledged that there was room for improvement and that there was a desire to increase engagement.
- That work was being done through schools to understand what young people want from the provision, and it was noted that the activities included a social and recreational element as well as an educational element.
- Historic errors had occurred, but improvements were being seen, with an increase in the number of community clubs and work underway to extend provision to more areas.
- There was a need to ensure that provision matched the wishes of young people.

RESOLVED

1. **To accept the report noting the questions on home education, de-registration, use of units, school meals, monitoring arrangements, youth clubs and safeguarding.**
2. **To note the importance of giving a high-profile for safeguarding in documentation for the purpose of providing comfort to the public, and that the matter was prioritised by the authority.**
3. **To ask the Cabinet Member for Education to:**
   - **consider carrying out an exercise to find out why so many children were not taking advantage of free school meals.**
   - **consider whether there were ways of effectively informing governors about how to ask question at meetings of school governing bodies.**
   - **ensure that all steps were taken to avoid de-registration in our schools.**

7. PERFORMANCE REPORT OF THE CABINET MEMBER FOR THE ECONOMY

The Cabinet Member for Economy and Community presented the report noting that since June, services continued to make good progress towards the Council's priority targets and projects within its portfolio. It was noted that several of the projects were on track to deliver results before the end of the financial year.

It was noted that joint work had been taking place with the Welsh Government and neighbouring local authorities to prepare a report for consultation to introduce and establish a tourism levy from March 2026. It was noted that it was intended to hold a more detailed discussion with the Scrutiny Committee in February after assessing the impact of any proposal on the economy and communities of Gwynedd. It was noted that customer satisfaction levels with library and archive services remained high, and it was noted that grants of up to £300,000 had been offered to 69 organisations across Gwynedd to promote culture and events. It was noted that regeneration and community support services had secured an investment of £9.8m for various projects across the county, and it was noted that £370,000 had been allocated through a pilot town and community councils funds under a tight Government timetable. It was noted that 55 councils had responded to the scheme, and it was noted that it was hoped that the fund would be available again in 2026-27 with more notice for councils to be able to respond.

It was noted that Gwynedd Business Week in October provided an opportunity to listen to issues that were important to businesses during a challenging economic period and to celebrate the successes of businesses both large and small. It was noted that £900,000 had been allocated in grants to businesses, and it was noted that the next round would be announced the following week. It was noted that employment support work had helped 48 people in Gwynedd to overcome barriers to work. It was noted that the United Kingdom (UK) Government had announced that the North Wales Artificial Intelligence Zone application had been successful and that the Trawsfynydd site had been named as part of the application. Subject to obtaining planning permission, the Welsh Government would offer the same benefits to the site as the free port sites on Anglesey. It was noted that this development boosted the development of the science park at Trawsfynydd. It was noted that the details of the business case would be presented to the Committee in the new year.

It was noted that good progress had been made with the Parc Padarn developments and that a tourist information centre had been completed, but that a decrease in the number of Byw'n Iach users was a cause for concern. It was noted that the Byw'n Iach Board was responding proactively by adapting the facilities and the proposal. It was noted that a decrease in the number of children receiving swimming lessons through school continued to contribute to an overall reduction, and it was noted that joint work with Byw'n Iach and the Education Department continued to encourage schools and children to attend, noting that there had been a slight increase in recent months. Maritime and harbour staff were thanked for working hard through the winter storms to ensure the county's coasts and ports were safe.

During the discussion, the following observations were made: -

The reality of the employment prospects associated with the science park at Trawsfynydd was questioned, and it was asked whether the establishment of a Small Modular Reactor (SMR) site such as Wylfa would have brought more jobs to the area. In response, it was noted: -

- That historical proposals had been linked to the possibility of SMR development on the site.
- That the policy picture had changed, with the UK Government moving in a different direction in terms of funding and prioritisation, meaning that there was no short-term proposal to develop a SMR in Trawsfynydd.
- The current work focus was on preserving and ensuring the continuation of decommissioning work on site over the next few years, with approximately two hundred jobs currently associated with this work.
- That the decommissioning programme extended to circa 2060.
- That the development of the science park hub was seen as an opportunity to innovate, attract new ideas and identify various opportunities to create future employment, using the infrastructure and skills already on site.
- There was an opportunity to share further details with the Committee on the plans in the coming year.

It was asked what else the service was doing to attract employment to Gwynedd, specifically about the development of a food centre on the Glynllifon site under the North Wales Growth programme. It was further asked whether the opportunities would offer living wage jobs rather than low-wage jobs. In response, it was noted: -

- That the scheme was progressing but needed to be modified for two reasons, namely planning considerations and changes in organisational circumstances.
- Planning feedback had indicated that the on-site food unit element of the original proposal was unlikely to be supported due to an impact on

biodiversity and wildlife, but it was noted that this did not mean that this element would disappear completely as alternative site options would be considered outside Glynllifon.

- The proposal was now being developed through three phases, with the first phase relating to new technology for a milking parlour.
- That there was significant investment (around £2m) in the milking parlour to educate young people and local farmers about future technology.
- Phase two of the development included the establishment of a sheep milk centre, noting that it would be the first of its kind in Wales, with the intention of encouraging the growth of a sector that was expanding in parts of Europe.
- Phase three of the development included the development of a rural innovation hub, with the planning application nearing completion, and it was noted that this centre would be next door to the college and would specialise in technology for agriculture in the future.
- That the whole scheme was an investment of over £10 million.

In terms of attracting investment more widely, it was noted: -

- That the economic strategy sought to identify areas of growth over the next few years to create a basis for attracting investment.
- Developments such as an artificial intelligence zone were likely to increase the interest of companies to locate in the area.
- That discussions were taking place with several companies interested in locating in Gwynedd.
- That skills needed to be made available locally, and the intention to work with colleges to ensure that enough young people were prepared for these fields had been identified.

Questions were asked about monitoring and influencing the quality of jobs within grant schemes, referring to expectations such as paying the living wage and promoting the Welsh language in supported businesses. In response, it was noted that certain conditions were being set as part of the Council's grants, and it was noted that two key conditions included the payment of the living wage and the promotion and use of the Welsh language. It was noted that these were monitored while the programme was live, but it was noted that further monitoring could not be carried out after the grant period (approximately three years) had ended. It was noted that the grants provided a level of influence on businesses, but it was noted that there was uncertainty about the continuation of the funds after March.

An enquiry was made about large and community events across the county noting that some events had grown to such an extent that health and safety requirements, operational arrangements and the reliance on volunteers made it difficult to hold the events, despite their economic benefit to local areas. It was asked whether the department could support the groups organising these events across the county. In response, it was noted: -

- That the service had recognised the importance of events when they were managed safely.

- That an event co-ordinator had been appointed to support organisers through the process of ensuring safe arrangements, including referral to the event safety group where necessary.
- That the Shared Prosperity Fund (SPF) was available to support events across the county, and this also influenced the promotion of principles such as local volunteering, bilingualism, and sustainable tourism.
- There was uncertainty about funding after March, noting that the Council's internal budget was not to support events in the next term, and the situation would depend on the UK Government's decisions.
- Training sessions had been held to support organisers, including a session on severe weather, and it was noted that another session would be held on mountain and coastal safety in partnership with the rescue services.
- That organising events was a challenging area with a number of barriers, and the advisory role was important to help organisers navigate the requirements and liaise with the right departments, noting that a cross-departmental group discussed events to ensure a balance between benefit and risk.

Concerns were noted about the impact of changes to agricultural payments and the implications for rural village economies, citing pressures on the dairy industry from international imports, price uncertainty, and the impact on businesses that depend on agriculture. It was suggested that the department set up a task and finish group in the new year to look at the implications for Gwynedd. In response, it was noted that concerns were regularly raised by agricultural unions and the economic strategy reflected the value of the sector to the Gwynedd economy. A willingness to further discuss what action a local authority can take within the context of international commercial factors that are beyond local control, was noted.

The need for local training to support employment opportunities relating to Wylfa was emphasised, and a personal experience of the need to travel long distances for training in the past, was noted. In response, it was noted that an engineering and construction specialist centre had originally been developed in Llangefni in connection with Wylfa and that the facility was there to support training for construction and engineering for the nuclear sector. It was noted that an officers' meeting regarding Wylfa was scheduled for the following week, and the points about local training would be raised in those discussions.

A question was asked about the development of 10 new units in Minffordd. In response, it was noted that construction had begun and enquiries had been received, but formal agreements would not be given until the construction work was completed. It was noted that there was also a potential link between Minffordd and the science park at Trawsfynydd, and that the two developments could create opportunities for businesses to co-locate. It was noted that local businesses were continuing to look for additional space and historically there had not been enough sites available in the area. Hope was expressed that the units would be suitable to meet the demand.

Questions were asked about the maritime service at Morfa Bychan, in particular the problems of overnight parking on the beach and the fact that officers did not have enforcement powers. It was asked whether there was a possibility of introducing a by-law to control the situation. In response, it was noted that the beach at Morfa Bychan was among the busiest in the county, and it was noted that seasonal wardens helped to reduce some of the problems over the summer. It was noted that a significant lack of enforcement powers continued, and it was not expected that it would be realistic to introduce a by-law in the short term as the process was lengthy and complex. It was noted that other arrangements would need to be considered noting that there was no easy solution, especially over the winter months although the pressures tended to decrease. It was stressed that an investment to improve the infrastructure and increase capacity on the site was planned for the beginning of the new year to minimise the impact on the village. It was elaborated that the service would regularly review the options in preparation for the next season.

Views were expressed that there was a contrast between the demographic picture showing a significant reduction and the simultaneous discussion of high numbers of jobs being created within the construction and engineering sector. Concern was expressed about the potential for workforce inflow and the impact on housing and community planning. It was questioned whether the county was in a position to plan ahead for this possibility.

In response, it was noted that the developments needed to be put into context, and it was noted that plans on the scale of Wylfa were not envisaged in Gwynedd in the coming years. It was noted that the science park at Trawsfynydd, was in the early stages, and was likely to result in much smaller numbers of jobs, with a more realistic short-term target relating to creating opportunities for local people in the face of an expected reduction in decommissioning over time. It was noted that the development of a potential data centre was being considered, but that construction would take place over a period of about six to eight years, rather than immediately. It was stressed that workforce and skills planning was a critical factor in all plans and that such developments would not be feasible unless the workforce was available. It was confirmed that developments on Ynys Môn were likely to have an impact on the surrounding areas, and that this was part of the wider consideration.

Concern was expressed about the impact of recent tax rulings on tourism and hospitality businesses, citing examples of significant increases in tax bills and the risk of job losses and local supply chain disruptions, including food producers and suppliers. In response, it was noted that the matter was real and affected rural businesses. It was emphasised that what the Council could do in practice was to use the evidence as part of a clear business case for a larger support package for businesses. It was noted that business grants were expiring and there was no certainty of funding after April, and that the combination of the end of grants and tax pressures strengthened the argument for seeking a business support fund in the coming year.

RESOLVED

1. **To accept the report and note the observations.**
2. **To ask the Economy and Community Department to convene a group early in the new year to consider the challenges facing the agricultural industry.**

8. PERFORMANCE REPORT OF THE CABINET MEMBER FOR FINANCE

The report was presented by the Cabinet Member for Finance, highlighting the red and amber indicators. It was noted that one measure within the Income Service remained in the red category, namely the balance of the value of variable debts over six months old at the end of October 2025, and the figure was identified as just under £3.2m. It was elaborated that this was an increase of £1.377m since the end of the previous month and that £1.2m of that increase derived from debts from the Health Board and another local authority. It was noted that the other local authority's debt resulted from an administrative error within the Council when an incorrect order number was given on an invoice. It was confirmed that this issue had been resolved and the debt had been paid.

It was noted that the Health Board's debt continued to be a challenge and the adult service was in discussions with the Health Board in the hope that the debt would be reduced. Attention was drawn to the tax collection service's performance meter 'Current Year Council Tax Collection Rate' which reported in amber and noted that the service had faced significant problems due to the number of staff on long-term sickness. It was elaborated that the situation was improving and the service appeared to have turned a corner and was getting back on track. Concern was expressed that the council and non-domestic tax collection rates were lower in Gwynedd than historically and compared to other authorities in Wales, but doubts were expressed as to whether the way the statistics were reported reflected the full picture. It was noted that, from the internal information, the basic rate of collection of council tax was fairly normal, but it was noted that the shortcomings mainly related to the collection of the council tax premium on long-term empty properties and second homes. It was emphasised that this could change the overall figures. The intention to look at the issue over the coming weeks and months was noted to give a more balanced picture of the situation.

It was noted that, in terms of the Digital Plan, work was progressing well, but particular concern was noted about the risks related to software licensing costs, particularly given the expected increased use of artificial intelligence. A wider expectation within the information technology sector was noted that prices could rise after consumption stabilised, and it was noted that this was an issue that the service would keep a close eye on in the future.

The Head of Finance stated that he was satisfied with the overall performance of the department, although there were a few challenges in some services. It was stressed that plans were in place to address those challenges with the hope that better outcomes would soon follow.

During the discussion, the following observations were made:

A question was asked about the Health Board's debt. It was questioned whether the problem stemmed from conflicts over invoicing or debt agreements, or whether it reflected poor processes or payment delays. In response, it was noted:-

- That the problem had existed for years.
- That there was an element of delay related to systems, but also that most debts relate to the Adult Service.
- Disagreement regularly arose about who should pay what portion of an individual's care.
- That there were rules and contracts to determine the contributions of the Council and the Health Board, but that discussions on these contributions accounted for much of the debt.
- Officers within the Finance Department and the Adults Service were working to maintain the relationship and to put pressure on the Health Board.
- Experience across the six authorities in North Wales had shown that the Health Board, at times, paid the authority that put pressure to bear on that day, leaving the rest waiting.
- Discussions at the level of chief executives and directors of social services were taking place to ensure that the six authorities work more closely together to put constant pressure on the Health Board.

It was asked whether there was any real hope that the debt would reduce given that it was worse than in previous years, or whether it would lead to the eventual writing-off of debts. In response, it was noted: -

- That some debts were close to the threshold where they could come under statutory arrangements for writing-off due to their age, and that was why the service was trying to keep the debts alive to avoid that situation.
- This could be frustrating as the negotiations could appear close to a resolution and then the situation could slip back.
- There was a significant risk of having to write-off some of the Health Board's debt, but even without the Health Board debt, the total debts were still higher than desired.
- That a team of Ffordd Gwynedd support officers and one other officer were working on improving the arrangements and effectiveness of debt collection.
- There was hope that the debt would decrease as these measures came into effect.

Questions were asked about the use of artificial intelligence and whether an action plan and protocol were in place for its use within the Council, noting the possibility of using the technology to provide services more cheaply and efficiently. It was questioned whether the Council was already using artificial intelligence for tasks such as producing complex reports, and the desire for clear control over its use and a plan to embed it in the future was noted. In response, it was noted:-

- That artificial intelligence was becoming more stable within the Digital Plan and that a specific project had been triggered in recent months.
- That the project sought to create case studies on the use of artificial intelligence within the Council's services, with the intention of developing those cases initially and then carrying out more detailed work to ensure safe use and use that made business sense.
- That the work was being carried out in collaboration with a third-party company and that up to six case studies were expected to be developed.
- Limited use of artificial intelligence was already taking place, with a small number of officers using Microsoft Copilot.
- The service had been cautious in the beginning due to doubts about the software's ability with Welsh, but it was noted that this had now improved significantly.
- Technical officers had created a few solutions to read and categorise emails to prioritise work faster.
- That research and testing was ongoing but that use had not yet been widely extended, indicating the intention to move forward gradually.
- That the case study project was intentional to create a business case and to identify potential savings opportunities over time.
- That additional funding had been earmarked to move forward with this work before applying further for funding to expand this.

It was asked about a slippage in some projects within the Digital Plan and questioned whether any project was of greater concern than others, including an example where the project failed to recruit to showcase the Council as a digital employer. In response, it was noted:-

- The Digital Transformation Trainee post was advertised twice to seek the appointment of an officer at postgraduate level, but it was noted that the necessary experience was not available in the market at the time.
- That the degree apprenticeship programme continued and the service was now on the seventh apprentice, and that it was intended to go out again the following year to try and secure the specific resource that had previously failed.
- The project that would cause the most concern should it slip was the human resource and salary management system, noting that it was essential to be able to pay staff and members.
- That the current system expired at the end of December 2026 and detailed preparation and planning work had already been done.
- That letters are sent to potential providers and that there is then a period of silence before confirming an appointment.
- That it was expected for this to be confirmed before Christmas with the intention of starting installation work immediately in the new year.

- The companies considered were experienced companies who had worked with a number of councils, and confidence was expressed in the quality of the options seen.

The completion rate of internal audit work within the 2025-26 work plan was questioned, noting that 47 pieces of work were within the plan, with 16 completed by 31 October (34%). It was asked whether this was in line with what was expected for the period. In response, it was noted that the profile of the scheme was different as much of the work was linked to community councils by agreement. It was noted that the early months of the financial year tended to focus on that work before then focusing on the work of Cyngor Gwynedd. It was therefore noted that the rate did not follow a straight line throughout the year. Confidence was expressed that the scheme would be completed. It was stressed that the Governance and Audit Committee would be monitoring the work.

A question was asked about a milestone stating that the Chief Executive, directors and Head of Finance should meet quarterly to manage the effects of national fiscal cuts, noting that this had not happened in the first half of the year. It was asked whether there was a risk to the Council as a result. In response, it was noted that it was not thought that there was a significant risk, and it was noted that reports on the situation continued to be submitted. It was elaborated that a report had gone to Cabinet and the Governance and Audit Committee in October, and that further reports would go to both committees in January. It was noted that the delivery of the savings plans over the past few years had been high in percentage terms, although it had not always reached 100%. It was stressed that the practical work was continuing in the background, although the desire was to hold more formal meetings.

A question was asked about the recent news regarding the Council's funding, whether an estimate could be given of how it would change the financial outlook. In response, it was noted that the situation needed to be reconsidered following the recent announcements and that each department had been asked to consider what savings would be possible. It was noted that the understanding was that implementing the changes in April 2027 could be more realistic than April 2026, due to the time needed to deliver the plans. It was noted that it was intended to hold workshops in the new year to work pro-actively with Members. It was emphasised that the budget-setting process would go to the Governance and Audit Committee on 5 February, to the Cabinet on 10 February, and to the Council in early March. It was noted that in terms of the level of increase in council tax, more work needed to be done before a final figure could be given, but the possibility of being around 5% without having to make significant cuts was noted. It was noted that, prior to the recent statements, there was a possibility that around 12% would need to be looked at without making cuts, but that the picture had now improved.

There was concern that many farmers were struggling to meet the 182-day threshold for self-catering properties to qualify for non-domestic rates. It was acknowledged that various people had appealed against this, and it was questioned how successful these appeals were and whether this was going to be more of an issue in the coming years. In response, it was noted: -

- That the threshold had changed recently, noting that the previous system allowed a change to the non-domestic rates system after letting for 70 days a year.
- That the Welsh Government had increased the threshold to 182 days, meaning that a letting would be for about half a year to be within the non-domestic rates system; otherwise, the property would revert to council tax arrangements.
- That the first appeals were continuing and the decision as to which list applied would be made through the District Valuer's Office and therefore it was not a Council decision.
- A report would be submitted to the Governance and Audit Committee in January on possible additional exceptions.
- A reference to a policy under provision 13A approved by Cabinet in November, noting that this allowed the Council to look at possible additional exemptions that the Council may choose to introduce, having regard to the risks.
- That the work was being addressed by the finance and the legal service.

RESOLVED

To accept the report and note the observations.

The meeting commenced at 10:30am and concluded at 3:30pm

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Chair

MEETING	**Education and Economy Scrutiny Committee**
DATE	12th February 2026
TITLE	Benefit of the Growth Deal for Gwynedd
REASON TO SCRUTINISE	Matter arising from performance scrutiny
AUTHOR	Hedd Vaughan-Evans, Head of Operations, Ambition North Wales

1. **Why it needs scrutiny**?

1.1 At the Committee's meeting on 16th June 2025, when scrutinising the Cabinet Member for Economy and Community's performance report, concern was noted that Gwynedd is not receiving the expected benefit from the Growth Deal being implemented by Ambition North Wales.

1.2. Reference was made to specific plans for Gwynedd which had now been adapted with particular emphasis on an alternative scheme being developed for the Trawsfynydd site.

2. **What exactly needs scrutiny**?

- What benefit has Gwynedd received as a result of the Growth Deal?
- What are the arrangements for prioritising projects?
- What factors are considered when prioritising projects?
- What is the intention in terms of an alternative scheme to the Trawsfynydd site?
- What is the vision for the long term?

3. Summary and key issues

3.1. This is the performance Cover Report for the North Wales Growth Deal.

3.2. Quarterly reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement. Following consideration by the Economic Well-being Sub-Committee, the reports are shared with Welsh Government, UK Government and the local authority scrutiny committees.

3.3. The report summarises the main highlights from quarter 2 (June to September 2025).

4. Background / Context

4.1. In December 2020, Ambition North Wales and the Welsh and UK Governments agreed the Final Deal Agreement for the North Wales Growth Deal.

4.2. Regular reporting on progress against the North Wales Growth Deal is a requirement of the Final Deal Agreement.

4.3. This report includes two appendices:
- North Wales Growth Deal – Quarter 2 Performance Report
- Portfolio Risk Register – September 2025

4.4. North Wales Growth Deal – Quarter 2 Performance Report

4.4.1. The Quarter 2 performance report provides an overview of progress on the Growth Deal programmes and projects.

4.4.2. During the quarter, the Economic Well-being Sub-Committee approved two business cases. The Business Justification Case for the Sheep Milk Wales project (Glynllifon Rural Economy Hub) and the Full Business Case for the Advanced Wireless project.

4.4.3. The Economic Well-being Sub-Committee also approved two change request, one for additional Growth Deal investment for the Enterprise Engineering and Optics Centre project, and the other for a change in project scope for Responsible Adventure.

4.4.4. The Clean Energy Fund launched on the 10th of July with an event at the Grŵp Llandrillo Menai's Engineering Centre in Rhyl.

4.4.5. The first loan drawdown for the Cydnerth project was processed.

4.4.6. The Joint Venture Agreement with Welsh Government for the Parc Bryn Cegin project was completed and the procurement launched to appoint a main contractor.

4.4.7. The Ecological Mitigation Works contract between Denbighshire County Council and Jones Bros was signed and the initial site clearance works for the construction of two bat barns commenced.

4.4.8. The Quarter 2 performance report includes information on projects reporting against the portfolio delivery profile. Four projects are reporting as red at the end of the quarter and are subject to the portfolio review. The projects reporting red currently are:

- Holyhead Hydrogen Hub – Project under review whilst key outstanding matters and risks are discussed/resolved.
- Western Gateway – Project under review, pending the assessment of the WELTaG Lite report.
- Warren Hall – Project under review, pending the airfield safety case being fully assessed and agreed.
- Holyhead Gateway – Project under review, pending the outcome of Stena Line's commercial negotiations with end user of new port areas.

4.5. Portfolio Risk Register – September 2025

4.5.1. The Portfolio Risk Register is updated on a regular basis by the Portfolio Management Office and reviewed by the Portfolio Board and the Economic Well-being Sub-Committee (previously the North Wales Economic Ambition Board) on a quarterly basis.

4.5.2. The risk register has been fully reviewed by the Portfolio Management Office, with changes recorded in the documents, including mitigating actions and the comments updated.

4.5.3. There was one change to the residual risks this quarter with the residual risk on 'Affordability' decreasing slightly.

4.5.4. While the risk profile has remained stable overall during the past quarter, the risk overall risk profile remains high with four red residual risks including private sector investment, spending objectives, planning and statutory consents and economic context.

5. Consultation

5.1. The Quarterly Performance and Risk Report has been presented to the Ambition North Wales Portfolio Board, and then approved by the Economic Well-being Sub-Committee.

5.2. Statutory Officer Comments were received by the Monitoring Officer and Statutory Finance Officer on the report.

5.3. The Quarterly Performance and Risk Report has been presented to Welsh Government, UK Government and the North Wales Local authorities Scrutiny Committees.

6. Well-being of Future Generation Act (Wales) 2015

6.1. An Assessment against the Future Generations (Wales) Act 2015 is completed for each project as part of the development of their Business Cases.

6.2. Ambition North Wales, through its programmes and projects together with the processes put in place ensures that the Growth Deal achieves a positive impact against the 7 well-being goals.

7. Impact on Characteristics of Equality, Welsh Language and Socio-Economic Duty

7.1. An Integrated Impact Assessment is completed for each project as part of the development of their Business Case.

7.2. The Growth Deal will have a neutral effect on equality against the 11 protected characteristics. All programmes and projects are co-produced through partnerships involving the public and private sectors, research bodies and the regional skills partnership, and focus on engaging with people who are disadvantaged because of gender, disability, ethnicity or age.

7.3. The delivery of the Growth Deal programmes and projects will have a positive impact on the Welsh language, proactively seeking opportunities to promote and facilitate the use of the Welsh language in the region.

8. Next Steps

The North Wales Corporate Joint Committee and the Economic Wellbeing Sub-Group will continue to work collaboratively with partners in the region and both Governments to implement the portfolio of projects that will lead to job creation and inclusive growth. A quarterly performance report will be prepared for the committee to consider if they wish.

Appendix

Appendix 1: Quarter 2 Performance Report
Appendix 2: Portfolio Risk Register – September 2025

Uchelgais Gogledd Cymru
Ambition North Wales

North Wales Growth Deal
Quarterly Performance Report

2025-26 Quarter 2
(July - September 2025)

CONTENTS

01 PORTFOLIO DIRECTOR SUMMARY

This quarter the Economic Well-being Sub-Committee approved two business cases. The Business Justification Case for the Glynllifon Rural Economy Hub Sheep Milk Wales project, and the Full Business Case for the Advanced Wireless project. The Sub-Committee also approved two change requests, one for additional Growth Deal investment for the Enterprise Engineering and Optics Centre project, and the other for a change in project scope for Responsible Adventure. The Sub Committee approved a report to extend the scope of the Land and Property Programme to include transport projects.

The Clean Energy Fund was launched on the 10th July with an event at the Grŵp Llandrillo Menai's Engineering Centre in Rhyl. Over 90 stakeholders attended the event, with an address from Rebecca Evans, Cabinet Secretary for Economy, Energy and Planning. Expressions of Interest are open for the fund, with promotional activities underway.

During August we launched the opportunity for two **Non-Executive Advisors for the Business Advisory Board. Seeking** two private sector leaders to shape the future of our regional economy through the creation of a new Business Advisory Board, a rare opportunity to play a defining role in the region's growth – helping to establish the Board, recruit its members, and provide the strategic leadership that will guide transformative investment and economic development. Interviews have taken place during September, with a recommendation for the appointment due to be presented to the Economic Well-being Committee in October.

We processed the first drawdown of funding for the Cydnerth project. We completed the Joint Venture Agreement with Welsh Government for **Parc Bryn Cegin, Bangor**, with procurement launched to appoint a main contractor.

The Ecological Mitigation Works contract between Denbighshire County Council and Jones Bros has been signed and the initial site clearance works for the construction of two bat barns has commenced.

The Digital Programme has continued with market engagement for the Advanced Wireless project in preparation for completing the grant scheme design. The procurement for the LoRaWAN gateways required for the LPWAN project is complete with initial purchases and subsequent gateway installation to proceed early next quarter..

Work has been ongoing with reserve list projects, with the aim of bringing forward four reserve list projects for a decision to the Economic Well-being Sub Committee in early October.

During July we welcomed the National Infrastructure Commission for Wales to North Wales. With opportunities to discuss both challenges and opportunities in the region, visiting some key infrastructure sites including Holyhead Port, Prosperity Parc and Parc Cybi. It was an opportunity for us to highlight the potential our region holds, now and into the future.

We attended the Eisteddfod in Wrexham, hosting a stand within Pentref Wrecsam. We had the opportunity to talk to a number of people on our stand yesterday, with engaging activities promoting the region for children.

We launched a recruitment campaign to bring in additional capacity within the team. Catherine Evans has started in post as our first Engagement Manager within the Digital Programme. Recruitment to the remaining roles will continue to the end of the year.

Alwen Williams

Chief Executive
Ambition North Wales

02 PROJECT DELIVERY DASHBOARD

	Projects in Delivery (funding committed)	Approved not yet in delivery (funding committed)	Developing business cases (funding ringfenced)	Under Review (funding ringfenced)	Reserve List (unallocated funding)
Number of Projects	6	6	3	4	21
Growth Deal Funding Allocation (£234.85*)	£55.84m	£51.52m	£14.93m	£61.95m	£50.61m
Total Investment	£127.46m	£160.43m	£35.01m	£312.59m	£359.36**
Jobs	836	461	1,048	1,268	920**

** Growth Deal funding shown here does not include £5.15m allocated towards Portfolio Management Office costs*

*** Figures represent the balance of the target to be met by Reserve List projects*

02 BENEFITS DASHBOARD

Job Creation (Target 4,000 new jobs)

New Jobs (Direct and Indirect)	Construction Jobs	Safeguarded Jobs
49	49	TBC

Investment (Target: £1bn Total Investment)

Growth Deal Investment	Total Investment	Revenue Secured
£23,164,812.52	£25,040,328.17	£5,067,058.09

Wider Benefits

Capital Income Levereged	Floorspace Developed	Individuals engaged
£81,016.80	2,349m²	1,499
Actions to strengthen local supply chains	**Students completing qualifications**	**Individuals completing CPD training courses**
18	33	229

03 DIGITAL PROGRAMME PERFORMANCE

Programme Aim

Deliver the step change in digital connectivity needed to ensure North Wales is able to satisfy user demand, maintain pace with the rest of the UK, unlock the potential of priority sectors and sites and underpin a flourishing innovation ecosystem.

RAG Status	Programme Manager Commentary
	• Recruitment for the first 4G+ project Engagement Manager is complete and the second has started this quarter with appointment due early October. Grant scheme design service developed, procurement is underway and due to be completed in October. • Market engagement for the Advanced Wireless project has continued in preparation for completing the grant scheme design. • Procurement for the LoRaWAN gateways required for the LPWAN project is complete with initial purchases and subsequent gateway installation to proceed in early quarter 3. • The Programme has a new Senior Responsible Owner, Ian Jones, Interim Chief Officer Economy and Planning, Wrexham County Borough Council.

Cllr. Nia Jeffreys
Lead Member

Ian Jones
Senior Responsible Owner

Stuart Whitfield
Programme Manager

Green	Delivering to Plan with only minor issues to address (no action required)
Amber	Delivery behind schedule and /moderate issues to address (management action in place)
Red	Delivery significantly behind schedule and/or significant issues to address (urgent action required)

03 DIGITAL PROGRAMME PERFORMANCE

Project (Project Sponsor)		Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Digital Signal Processing Centre Bangor University		• Project in Delivery	• 50% of expenditure for the final phase of equipment is complete with remaining items due by March 2026.	• Delivery of further equipment. • Launch of structured regional business engagement.		• Final phase of purchasing underway. • Project is behind target on additional grant capture.
Connected Key Sites and Corridors Ambition North Wales	4G+	• Approved not yet in delivery	• Procurement and start of grant scheme design. • Recruitment of Engagement Manager role.	• Recruitment of second Engagement Manager role. • Completion of Grant Scheme design and scheme launch.		• Recruitment and Grant Scheme design are on track. • First installation of small cell infrastructure has completed with commissioning due in Quarter 3 with a second deployment now being planned.
Connected Campuses Ambition North Wales	Advanced Wireless	• Approved not yet in delivery	• Economic Well-being Sub-Committee approval of the Full Business Case	• Finalisation of Grant Scheme design. • Recruitment of Project Manager and Engagement Manager.		• Recruitment underway for Engagement Manager role and Project Manager recruitment planned for Q3.
	LPWAN	• Approved not yet in delivery	• Procurement of LoRaWAN gateways. • Final LoRaWAN deployment plans to be submitted.	• Initial purchases and installation of gateways. • Further LoRaWAN deployment plans to be submitted.		• LPWAN progressing with network design advanced and capital procurement being prepared.

04 LOW CARBON ENERGY PROGRAMME PERFORMANCE

Programme Aim

To unlock the economic benefits of transformational low carbon energy projects and position North Wales as a leading UK location for low carbon energy generation, innovation and supply chain investment.

RAG Status	Programme Manager Commentary
	• **Cydnerth** – The first loan drawn completed in July and construction works underway. • **Smart Local Energy (Clean Energy Fund)** – The fund was launched on the 10th July and is now open for Expressions of Interest. Continued promotion events underway.

Cllr Gary Pritchard
Lead Member

Dylan Williams
Senior Responsible Owner

Meghan Davies
Programme Manager

Delivering to Plan with only minor issues to address (no action required)

Delivery behind schedule and /moderate issues to address (management action in place)

Delivery significantly behind schedule and/or significant issues to address (urgent action required)

04 LOW CARBON ENERGY PROGRAMME PERFORMANCE

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Cydnerth (Morlais) Menter Môn	Project in delivery	• First loan drawdown completed in July • Construction work underway • Benefits monitoring underway	• Second loan drawdown of funding planned for October 2025.		• Project has moved into delivery and is progressing well.
Egni Bangor University	Developing the Full Business Case	• Progression of RIBA stage 4 design work • Continued development of Full Business Case	• Continue development of Full Business Case. • Presentation the RIBA stage 4 design work.		• Project is amber due to delay while waiting for a decision on Freeport UK Government funding. Work is now progressing on the Full Business Case.
Smart Local Energy Ambition North Wales	Project in delivery	• Fund launched and open for Expressions of Interest • Promotional events and engagement • Progression of applications through to award	• Promotional events and engagement, including podcast recording. • Progression of applications through to award.		• Project is green as Full Business Case has been approved and the fund launched.
Holyhead Hydrogen Hub Menter Môn	Project under review	• Ongoing discussion between Ambition North Wales, Welsh Government and Department for Energy Security and Net Zero moving closer to an outcome on securing and transferring £4.8m Department for Energy Security and Net Zero funds. • Response on Department for Transport, Renewable Transport Fuel Obligation subsidy consultation to unlock offtake agreement, they will open for an additional round of consultation.	• Menter Môn continued engagement to attract offtakers • Potential confirmation from DESNZ re. £4.8m		• RAG status remains red while key outstanding matters assist resolution: Department for Transport, Renewable Transport Fuel Obligation; Department for Energy Security and Net Zero £4.8m;

05 LAND AND PROPERTY PROGRAMME PERFORMANCE

Programme Aim

To address the shortage of suitable land and properties for business growth and to bring forward sites for housing development. To deliver improvements that stimulate investment in sites and premises in the Port of Holyhead and the wider region. Enables other programmes by ensuring the right land and property infrastructure is available.

RAG Status	Programme Manager Commentary
	• **Parc Bryn Cegin, Bangor -** The query over subsidy support was resolved allowing the Joint Venture Agreement to be completed in late August and procurement of the main contractor to commenced early in September. • **Wrexham Gateway** – The pre application consultation completed and a hybrid Outline Planning Application was submitted for the Project in September. • **Former North Wales Hospital, Denbigh** – Construction of a package of ecological mitigation works on site commenced in July and these are aiming to complete in March 2026.

Cllr Jason McLellan
Lead Member

Andrew Farrow
Senior Responsible Owner

David Mathews
Programme Manager

Delivering to Plan with only minor issues to address (no action required)

Delivery behind schedule and /moderate issues to address (management action in place)

Delivery significantly behind schedule and/or significant issues to address (urgent action required)

05 LAND AND PROPERTY PROGRAMME PERFORMANCE

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Western Gateway, Wrexham Wrexham County Borough Council	Project under review	• The draft WELTaG Lite report has been issued by WSP and the draft recommendations are being considered by the Projects partners.	• The final WeLTAG Lite report by WSP will be issued.		• The red rating reflects the position of the project being placed under review pending the assessment of the WELTaG Lite report and the decision of the Council and Welsh Government on the project proceeding.
Warren Hall, Broughton Welsh Government / Ambition North Wales	Project under review	• Final Airfield safety case report was shared with Airbus UK. WG and their consultants to follow up with meeting with Airbus to agree the content and safety case for development on Warren Hall.	• Welsh Government consultant's report formally approved by Airbus UK.		• Project risk rating at red, pending the airfield safety case being fully assessed and agreed by Airbus UK. Rating also, reflecting current delivery timeline and the uncertainty regarding delivery of benefits.
Former North Wales Hospital, Denbighshire Jones Bros (Ruthin) Limited / Denbighshire County Council	Approved not yet in delivery	• The discussions for the Phase 1 Demolition and Remediation Works between the Council and their development partner have continued. • Denbighshire County Council and Jones Bros commenced construction of a package of Ecological Mitigation Works in July following completion of the Bat Licence for the site with Natural Resources Wales.	• Phase 1 enabling works to commence in October through to December. This will permit demolition and clearance works to commence in January 2026.		• Risk rating remains amber due to the health and safety risks on site due to the condition of the buildings. There is still uncertainty over costs due to the challenging work environment and the difficulty of accurately assessing works.

05 LAND AND PROPERTY PROGRAMME PERFORMANCE

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Parc Bryn Cegin, Bangor Welsh Government / Ambition North Wales	Approved not yet in delivery	• Subsidy control issue agreed. • Joint Venture Agreement completed. • Tender process commenced to appoint a main contractor.	• Complete Invitation to Tender at end of October and appoint main contractor in December.		• Green risk rating retained for the project as it is on schedule for start on site for March/April 2026. Construction timeline is still expected to be 12 months.
Holyhead Gateway Stena Line Ports Limited	Project under review	• Stena have asked to pause the project development pending the outcome of their commercial negotiations with the offshore energy sector.	• On going engagement at Senior Management Level between Stena/Ambition North Wales/Anglesey Council/Welsh Government and UK Government to clarify Stena's intentions.		• Risk rating remains as red as negotiations with end user of new port areas to be completed prior to the project proceeding.
Wrexham Gateway Wrexham County Borough Council	Developing the Outline Business Case	• Hybrid Outline Planning Application submitted by Consultancy Team in September 2025. • Pre-app was submitted in July 2025 and completed consultation in August 2025. • Professional team tender and evaluation by the Council to assist in appointment of a development partner and delivery of the projects Full Business Case ongoing during September.	• Development of the Outline Business Case by the Council to commence with the appointment of consultant. • Further progress on site assembly anticipated.		• Risk rating as green given project is progressing to Outline Business Case/Outline Planning application stage. Steady progress being maintained.

06 AGRI-FOOD AND TOURISM PROGRAMME PERFORMANCE

Programme Aim

The Agri-food and Tourism Programme will optimise employment and training opportunities in North Wales by providing support facilities to ensure that the region has the skills needed to excel and become world leading. The Programme will also ensure prosperity through sustainably maximising our environment and landscape.

RAG Status	Programme Manager Commentary
	• **Responsible Adventure** - The project team presented a Change Request to the Sub-committee in July to outline progress made against the requirements set at the Outline Business Case stage, the removal of the eBus element, the delivery pathway for the Business Case, and an initial proposal for a potential replacement concept to be developed and presented in more detail later in the year. All recommendations were endorsed by the Board. • **Tourism Talent Network** - Progression of the build continues at the Portmeirion site. Zip World has experienced a slight delay due to an upgrade needed on the electricity supply for the site. Theatr Clwyd is near completion of their build. • **Glynllifon Rural Economy Hub** - The Business Justification Case for the Sheep Milk Wales element has been Approved with delegated authority by Sub-Committee. Procurement for this element is nearing completion, marking a key step forward in project delivery.

Cllr Charlie McCoubrey
Lead Member

Sioned Williams
Senior Responsible Owner

Elliw Hughes
Programme Manager

Delivering to Plan with only minor issues to address (no action required)

Delivery behind schedule and /moderate issues to address (management action in place)

Delivery significantly behind schedule and/or significant issues to address (urgent action required)

06 AGRI-FOOD AND TOURISM PROGRAMME PERFORMANCE

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Glynllifon Rural Economy Hub Grŵp Llandrillo Menai	Approved not yet in delivery	• Sheep Milk Wales BJC approved by Economic Well-being Sub-Committee. • Procurement for the main build of the Sheep Milk Wales completed. • Responses received on ITTs and cost engineering exercise underway. • Planning and consents for Sheep Milk Wales completed.	• Signed Funding Agreement for Sheep Milk Wales. • Finalised project costs. • Dairy Development draft Business Justification Case. • Planning for Hub to be submitted. • Full Business Case for the whole project. • First Claim to be submitted.		Amber rating due to project change request approval and main risks identified: • Planning for the hub • Procurement process delays • Financial implications of rising costs • Timescales
Tourism Talent Network Grŵp Llandrillo Menai	Project in delivery	• Claims continue on track. 7 Claims authorised. • Builds progressing well at Portmeirion • Final spoke discussions progressing • Academi Croeso branding soft launch	• Signing of Memorandum of Understanding with National Trust • Signing of back-to-back Funding Agreement with Zip World • Academi Croeso official Launch at Theatr Clwyd.		Amber rating due to the following main risks identified: • Back-to-back agreement not signed with the other spoke. • Slow progress with replacement spoke.
Responsible Adventure Zip World	Developing the Full Business Case.	• Submission of Heritage Impact Assessment to Cyngor Gwynedd / CADW • Removal of eBus network from the project • Continued stakeholder engagement • Preparation of Change Request documents • Procurement closed for the Swing design.	• Change request for Forest World Masterplan • Planning consent for the Swing • Procurement route update • Further stakeholder engagement		Amber rating due to the following risks: • Change in project scope • Planning consent challenges • Timescales delays

07 INNOVATION IN HIGH VALUE MANUFACTURING PROGRAMME PERFORMANCE

Programme Aim

To consolidate North Wales position as a powerful and innovative high value manufacturing cluster, building on existing specialisms and leading expertise to create a higher value, more diverse economic base that supports the transition to a low carbon economy.

RAG Status	Programme Manager Commentary
	• The Enterprise Engineering and Optics Centre project is nearing completion. The new Plas Coch build has officially been named as CanfodAU. Procurement of the remaining equipment items is ongoing, Additional funding approved to enable enhanced offering and reduce time delays. • The **Centre for Environmental Biotechnology** project is following proposed timescales with laboratory facilities at Henfaes now fully refurbished, further equipment is still to arrive. An underspend has been identified and site visit taken place to discuss opportunities.

Cllr David Hughes
Lead Member

Tony Ward
Senior Responsible Owner

Elliw Hughes
Programme Manager

Delivering to Plan with only minor issues to address (no action required)

Delivery behind schedule and /moderate issues to address (management action in place)

Delivery significantly behind schedule and/or significant issues to address (urgent action required)

07 INNOVATION IN HIGH VALUE MANUFACTURING PROGRAMME PERFORMANCE

Project (Project Sponsor)	Project Stage	Key Milestones (this quarter)	Key Milestones (next quarter)	RAG Status	RAG Rationale
Enterprise Engineering and Optics Centre Wrexham University	Project in delivery	• The official name of the Plas Coch building has been revealed as CanfodAU. • Joint event held at the Eisteddfod Genedlaethol to promote the project. • Endorsement given to Optic focused change request for additional funds. • Demolition of building at Plas Coch site to obtain final building certification for the EEOC building. • Final design phase of the OpTIC refurbishment. • Hydrogen lab planning application submission	• Completion of the evaluation report for Plas Coch equipment. • Approval of Business Justification Case for Plas Coch equipment. • Hydrogen lab planning approval. • Procurement for the hydrogen lab • Procurement for optic equipment. • Start of Optic refurbishment.		• Project in delivery and on track • No significant issue within project, project progressing well. Slight delay to project due to procurement/contract finalisation
Centre for Environmental Biotechnology Bangor University	Project in delivery	• Site visit to Henfaes to see the full refurbishment of labs and equipment. • Discuss options for the underspend identified for the project - this is due to lower than anticipated costs and contingency budget line.	• Procurement activity to conclude for items. • Change request for identified underspend. • Site visit		• Project nearing completion of delivery stage. • Underspend identified within project which could implicate claim profile.

08 PROJECT PROGRESS TRACKER

Project		Consenting Stage				Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	Stage 7	Stage 8
		Pre-application stage	Outline planning / Consent	Full planning / Consent	Conditions discharged	Determine the Project context	Preparing the Strategic Outline Case	Preparing the Outline Business Case	Approval of the Outline Business Case	Preparing the Full Business Case	Approval of the Full Business Case	Project implementation and monitoring	Project Evaluation
Digital Signal Processing Centre		No planning required				✓	✓	✓	✓	✓	✓	✓	
Connected Key Sites and Corridors	4G+	Consenting requirements TBC				✓	✓	✓	✓	✓	✓	🕒	
Connected Campuses	LPWAN	No consenting requirements				✓	✓	✓	✓	✓	✓	🕒	
Connected Campuses	Advanced Wireless	No consenting at grant scheme level				✓	✓	✓	✓	✓	✓	🕒	
Cydnerth (Morlais)		✓	✓	✓	🕒	✓	✓	✓	✓	✓	✓	✓	
Egni		✓	✓	🕒		✓	✓	✓	✓	🕒			
Smart Local Energy		No consenting required at fund level				✓	✓	✓	✓	✓	✓	✓	
Holyhead Hydrogen Hub		✓	✓	🕒		*Project under review*							
Holyhead Gateway		✓	✓	✓	🕒	*Project under review*							
Former North Wales Hospital		✓	✓	✓	🕒	✓	✓	✓	✓	✓	✓	🕒	
Western Gateway, Wrexham		🕒				*Project under review*							
Warren Hall, Broughton		🕒				*Project under review*							
Parc Bryn Cegin, Bangor		✓	✓	✓		✓	✓	✓	✓	✓	✓	🕒	
Wrexham Gateway		🕒				✓	✓	🕒					
Glynllifon Rural Economy Hub		✓				✓	✓	✓	✓	✓	✓	🕒	
Tourism Talent Network		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	
Responsible Adventure		✓				✓	✓	✓	✓	🕒			
Centre for Environmental Biotechnology		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	
Enterprise Engineering and Optics		✓	✓	✓	🕒	✓	✓	✓	✓	✓	✓	✓	

09 GROWTH DEAL GRANT EXPENDITURE PROFILE

			Portfolio Business Case 2024 Targets		Approved Project Business Case Targets			Actual	
			Jobs Created (net)	(£M) Total Investment*	OBC/ FBC**	Jobs Created (net)	(£M) Total Investment*	Jobs Created (net)	(£M) Total Investment*
Digital	Digital Signal Processing Centre (DSP)		33	2.96	FBC	40	2.96	25	2.15
Digital	Connected Key Sites and Corridors	4G+	82	10.04	FBC	29	10.15	0	0.05
Digital	Connected Campuses	LPWAN	20	39.04	BJC	20	1.14	0	0
Digital	Connected Campuses	Advanced Wireless	165		FBC	200	37.6	0	0
Low Carbon Energy	Cydnerth (Morlais)		233	13.87	FBC	230	13.8	5	5.36
Low Carbon Energy	Egni		49	3.94	OBC	49	3.94	n/a	n/a
Low Carbon Energy	Smart Local Energy		177	102.00	FBC	193	70	2	0.13
Low Carbon Energy	Holyhead Hydrogen Hub		20	28.77	n/a	n/a	n/a	n/a	n/a
Land and Property	Western Gateway, Wrexham		360	43.36	n/a	n/a	n/a	n/a	n/a
Land and Property	Warren Hall, Broughton		445	69.76	n/a	n/a	n/a	n/a	n/a
Land and Property	Former North Wales Hospital, Denbigh		70	94.70	FBC	70	74.34	0	0
Land and Property	Parc Bryn Cegin, Bangor		47	6.62	FBC	54	17.91	0	0
Land and Property	Holyhead Gateway		647	170.70	n/a	n/a	n/a	n/a	n/a
Land and Property	Wrexham Gateway		150	14.37	n/a	n/a	n/a	n/a	n/a
Agrifood and Tourism	Glynllifon Rural Economy Hub		92	16.79	BJC (partial)	106	19.29	0	0
Agrifood and Tourism	Tourism Talent Network		68	19.03	FBC	68	19.03	0	3.0
Agrifood and Tourism	Responsible Adventure		175	12.40	OBC	290	16.7	n/a	n/a
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre		78	18.12	FBC	90	18.12	2	10.74
Innovation in High Value Manufacturing	Centre for Environmental Biotechnology		65	3.46	BJC	180	3.46	8	1.48
Portfolio Management Office Costs				5.15			5.15	7	2.18
Growth Deal Portfolio Total			Targets		2 OBC 12 FBC	Approved		Delivered	
			3,576	1,123		1,619	313.59	49	25.54

*Total investment shown here includes Portfolio Management Office costs but not the reserve list project
**OBC - Outline Business Case, FBC - Full Business Case
***Data includes OBC and FBC approved information.

10 GROWTH DEAL PROJECTS: GROWTH DEAL CAPITAL FUNDING ALLOCATION PROFILE

Programme	Project	Project Sponsor	Profile 25/26 (£m)	Actual YTD (£m)	Variance (£m)*	Rationale
Digital	Digital Signal Processing Centre	Bangor University	0.00	0.00	0.00	Awaiting on the final claim for the DSP project, Connected Key sites and Corridors and Connected Campuses have the business cases approved, and will start claiming during the year.
	4G+ - Connected Key Sites and Corridors	Ambition North Wales	0.98	0.00	-0.98	
	Connected Campuses	Ambition North Wales	0.80	0.00	0.00	
Low Carbon Energy	Cydnerth (Morlais)	Menter Môn	4.43	5.36	0.93	The first loan drawdown for the Cydnerth project has been processed. The Smart Local Energy project launched in July and started claiming.
	Egni	Bangor University	1.97	0.00	-1.97	
	Smart Local Energy	Ambition North Wales	3.00	0.13	-2.87	
Land and Property	Former North Wales Hospital, Denbigh	Ambition North Wales	3.47	0.00	-3.47	The Former North Wales Hospital and Parc Bryn Cegin projects are moving into delivery and will start claiming in 2025/26.
	Parc Bryn Cegin, Bangor	Ambition North Wales	3.93	0.00	-3.93	
Agri-food and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	0.00	0.00	0.00	The Sheep Milk Wales BJC has been approved. The Tourism Talent Network have started claiming.
	Tourism Talent Network	Grŵp Llandrillo Menai	2.85	0.62	-2.23	
	Responsible Adventure	Zip World	2.30	0.00	-2.30	
Innovation in High Value Manufacturing	Enterprise Engineering and Optics Centre	Wrexham University	4.28	0.93	-3.35	Claims submitted for the EEOC and CEB project.
	Centre for Environmental Biotechnology	Bangor University	0.25	0.39	0.14	
		Portfolio Management Office Costs	**1.35**	**0.41**	**-0.94**	
		Total	**29.61**	**7.84**	**-21.77**	

*Profile 2025/26 – Approved by the Economic Ambition Board
**Only includes project profiled or expected to spend during the financial year

APPENDIX A - PROJECTS SUMMARY

Growth Deal Projects Summary

	Project	Sponsor	Summary
Digital	Digital Signal Processing Centre (DSP)	Bangor University	The project will allow the DSP Centre to expand its presence and remit, integrating fully with the National Strategy Project (NSP) and enable the scaling of key assets including a 5G testbed, research capacity and state-of-the-art equipment.
	Connected Key Sites and Corridors	Ambition North Wales	This project aims to enhance the reliability and quality of mobile services on the main roads and rail routes in North Wales, enabling full-fibre services to key commercial sites across the region. Focussing on developing fibreoptic networks, which are essential for delivering 4G, 5G and gigabit capable broadband.
	Connected Campuses	Ambition North Wales	The project will accelerate the development of a range of digital connectivity options with a current focus at 18 key regional economic sites.
Low Carbon Energy	Cydnerth (Morlais)	Menter Môn	Investing in infrastructure to connect to the National Grid network and monitor marine environmental effects. This will enable an increase in the deployment of turbines by tidal developers and the generation of renewable energy.
	Egni (Low Carbon Energy Centre of Excellence)	Bangor University	Investing in the development of facilities at Bangor University and Menai Science Park, enhancing the North Wales and UK capabilities for innovation in low carbon energy and related areas, helping to create the conditions for new inward investment and business growth in the low carbon energy supply chain in North Wales.
	Smart Local Energy	Ambition North Wales	To help achieve renewable energy, decarbonisation and local ownership targets, the project will support innovative enabling projects and demonstrators that overcome market failures and unlock private and community sector investments in smart local energy solutions.
	Holyhead Hydrogen Hub	Menter Môn	This project will build a green hydrogen production facility at Parc Cybi, Holyhead, producing around 2000+kg/day of green hydrogen, supplying road, maritime and rail transport customers across North Wales.
Land and Property	Western Gateway, Wrexham	Ambition North Wales	Delivery of primary services to enable the site to be brought to the market for sale and development.
	Warren Hall, Broughton	Ambition North Wales	Delivery of primary services to enable the 65-hectare mixed use site to be bought to the market for sale and then development by the private sector.
	Parc Bryn Cegin, Bangor	Ambition North Wales	Provide industrial floor space to meet known demand for units.
	Former North Wales Hospital, Denbigh	Ambition North Wales	The Growth Deal funding will assist in the delivery of a cleared and remediated site with primary services to bring forward a mixed-use commercial and residential development
	Holyhead Gateway	Stena Line	Future proof the Holyhead Port by providing new deep-water heavy loading and cruise facilities, improved vehicular access, guaranteeing the future of the breakwater and providing for the demands of regional energy projects.
	Wrexham Gateway	Wrexham County Borough Council	This project is a sustainable development of a vibrant regenerated area, creating a focal point to support business investment and a multi-modal transportation hub with links to active travel.
Agri-food and Tourism	Glynllifon Rural Economy Hub	Grŵp Llandrillo Menai	The vision is to create a distinctive, world-class Rural Economy Hub at Glynllifon, offering a range of facilities and services to strengthen and enhance the regional economy, specifically through growing the food and drink sector.
	Tourism Talent Network	Grŵp Llandrillo Menai	Future-proofing the pipeline of skills provision and increase commercial benefits from one of the most established sectors in the region. The talent network will stimulate public-private collaboration to coordinate action on skills and product development to transform and accelerate the growth of the tourism and hospitality sector in the region.
	Responsible Adventure	Zip World	A multi-element project as part of a sustainable and eco-tourism package including a new sustainable Cable Car, Slate Explorer including visitor viewing platform, Swing and an eBus Network.
Innovation in High Value Manufacturin g	Centre for Environmental Biotechnology (CEB)	Bangor University	The Centre for Engineering Biotechnology will be a world-leading centre in the discovery and characterisation of novel extremophilic enzymes of industrial relevance. The Centre for Engineering Biotechnology will provide a strong foundation for attracting world-leading researchers, significant public and commercial research funding, and inward investment to Wales.
	Enterprise Engineering & Optics Centre	Wrexham University	The Enterprise Engineering & Optics Centre will provide facilities targeted to boost high-level skills development for the region and enable Small and medium-sized enterprises (SME's) and large businesses to work in partnership with Wrexham Glyndwr University on commercially driven research and development in optics, composites and hydrogen fuel cells.

APPENDIX B – RESERVE LIST PROJECTS SUMMARY

Project	Sponsor	Summary
North Anglesey Sites and Premises	Isle of Anglesey County Council	Delivering 2,200sqm of business space in North Anglesey creating at least 59 jobs, and leveraging the Freeport and low-carbon energy growth.
Peboc Gateway	Isel of Anglesey County Council	Unlocking 6,750sqm of business space in Llangefni, creating at least 186 jobs and maximising benefits of the Anglesey Freeport.
Venue Cymru	Conwy County Borough Council	A project that will expand facilities at Venue Cymru, boost jobs, cut carbon, and attract major shows, conferences, and cultural investment.
Project Prince Knauf	Knauf	Construction of 110kt rock mineral wool plant with submerged arc furnace (SAF), primarily to serve the UK and Ireland markets.
Society 5.0 Manufacturing & Capability Project	Wrexham University	Enhance the Enterprise Engineering and Optics Centre to enable industry to access further world-class high precision engineering resources.
Port of Mostyn	Port of Mostyn	Upgrading berth and regeneration of former industrial site.
Property Fund	Ambition North Wales	A Commercial Property Development Grant to close viability gaps for private sector developers of industrial and office property, with funding also available for similar public sector developments on a Joint Venture Agreement basis.
Business Gateway	Wrexham University	Serving as a bridge between Wrexham University and local industry, fostering collaboration, innovation, job creation and inclusive economic growth.
Parc Bryn Cegin Phase 2	WG/ANW	The delivery of a further 20,000 sq ft of employment units at Parc Bryn Cegin.
Innovation and Growth Fund	Ambition North Wales	To support North Wales businesses in agri-food, tourism, and high-value manufacturing to boost innovation, adopt new tech, and grow regional competitiveness.
Albert Gubay Business School	Bangor University	Construction of the Albert Gubay Business School at Bangor Univeristy.
Padeswood	Welsh Government	
Adventure Parc Snowdonia	Global Shred Ventures	Deliver a nationally significant new visitor experience on the site of the former Adventure Parc Snowdonia facility.
Queens Market Hotel Development	Denbighshire County Council	Provision of mid-range, mid size hotel - a key part of a wider masterplan that is currently being developed for the area.
Move on accommodation St Asaph Business Park	Denbighshire County Council	Development of high-tech industrial units on St. Asaph Business Park.
Bangor Health Hub	Cyngor Gwynedd	To develop an integrated Health and Wellbeing Hub in a vacant former shopping centre in the heart of Bangor city centre.
Quarry Battery	Quarry Battery Co.	A £300m Pumped Storage Hydro / BESS Hybrid scheme in North Wales.
Wrexham Gateway	Wrexham County Borough Council	To address viability and support delivery of the evolving Wrexham Gateway project.
Trawsfynydd	Cwmni Egino / Cyngor Gwynedd	A scheme which will include a building to include office spaces, laboratory spaces (exact specification to be confirmed) and ancillary facilities (meeting space, café/canteen etc), to support the nuclear and low carbon energy industry together with the scientific community, located on Trawsfynydd Site.
New-H2	Wales and West Utilities	This project will help kick-start the hydrogen economy in North Wales by supporting and delivering a hydrogen hub to include the supply and use of hydrogen.
Kinmel Studios	Roger Morris	A project to support the film industry in North Wales.

NORTH WALES GROWTH DEAL PORTFOLIO RISK REGISTER

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R003	21/10/2020	Financial	Affordability	Portfolio Management Office	If projects increase in cost, there is a risk they may not go ahead or project scope may need to be scaled down	5	5	25	↔	Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage costs. Robust performance, risk and financial reporting arrangements will be established for all projects Once Project Business Cases are approved, any additional costs incurred will be the responsibility of the Project Sponsor and alternative funding options will be considered. PMO engaging with sponsors at project level to identify mitigation for cost increases Introduction of new projects introduces further potential for affordability risk, to be managed through business case develeopment.	N/A Monthly N/A Monthly N/A	PMO, Project Sponsor PMO PMO PMO PMO	3	4	12	▼	Open	Risk reviewed. No changes to gross or residual risk scores. The residual risk rating remains high as costs have increased significantly since the Growth Deal was agreed in December 2020. While costs have stabilised at the moment, the Growth Deal funding from government is fixed at the amount agreed in 2020 therefore affordability remains a challenge for project. This is being managed on a project by project basis with some projects able to look at design changes, changes to deliver models and others needing to secure additional funding from other sources.	23/09/2025
R002	21/10/2020	Programme and Project Delivery	Delay	Portfolio Management Office	If there are delays to project delivery, there is a risk this could have an impact on the realisation of benefits or could result in projects not progressing.	5	5	25	↔	Routine reallocation of staff capacity to priority projects Monthly highlight reports to Programme Board with escalation routes to Economic Well Being Sub Committee Programme and project RAID logs in place to record risks and manage issues with mitigation managed at project level. Project business cases and implementation plans to clearly set out risks to project delivery and mitigations. PMO working with sponsors to identify opportunities to minimise delay and where delay is unavoidable minimise impact Quarterly reports to the Economic Wellbeing Sub-Committee and Portfolio Board with specific issues to escalate where necessary. PMO working with sponsors at project-level to identify opportunities to minimise delay and where delay is unavoidable minimise impact	Ongoing Monthly N/A Quarterly In place In place	PMO PMO PMO PMO, Project Sponsor PMO PMO, Project Sponsors	3	4	12	↔	Open	Risk Reviewed. No change to residual risk however minimising delays remains a priority for the PMO. Mitigating capacity risk (R001) will contribute to mitigation however progress is still affected by sponsors OBC and FBC approvals have addressed some delays. Use of PMO resources more flexibly has proven to be effective to accelerate business case development. Risk probability will reduce further if progress is sustained. A number of projects are experiencing delays which will impact on the timing of benefits realisation. Withdrawal of projects from the Portfolio which have experienced sustained delays reflects reduction in residual probability from 4 to 3. Selection of new projects has prioritised deliverability and low risk delay.	23/09/2025
R009	21/10/2020	Regulatory	Planning and Statutory Consents	Portfolio Management Office	If projects do not receive the necessary statutory consents and planning approval, there is a risk that projects will not be delivered and the benefits would not be realised.	5	5	25	↔	Project business cases will set out the consenting requirements for each project and the risks to project delivery Lead Role in PMO assigned for planning Continued engagement with project sponsors and consenting authorities to understand consenting process and risks with support provided where appropriate at project level Lessons learnt review to be delivered following project-level consenting delays Chair and/or Portfolio Director to write to consenting authorities highlighting the impact of delayed decisions when individual project risks are escalated. Refer back to Programme SRO to review risk/issue of Phosphate consenting affecting multiple projects to propose appropriate mitigation. For reserve list projects criteria on planning has been set prior to business case submission ie. no committment of funding until business case approval	N/A N/A N/A In place As required N/A N/A	PMO, Project SROs PMO PMO PMO, Project sponsors Portfolio Director Programme SRO PMO	5	5	25	↔	Open	Risk Reviewed. The process to upgrade water treatment works to mitigate phosphates from their discharges is taking longer and this is now impacting planning applications. No Growth Deal projects affected yet but the Wrexham Gateway has had an outline application submitted. There is an emerging risk associated with SUDS/SABs potentially affecting consenting.Consenting remains a high risk and is being managed at a programme and project level within the Growth Deal.	23/09/2025
R007	21/10/2020	Financial	Private Sector Investment	Portfolio Management Office	If the private sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	5	20	↔	Continued engagement with Project Sponsors and private sector partners and coordination of funder/investors Development of robust project business cases and contractual agreements for Growth Deal funding New investment strategy in place to support PMO engage funders and secure private investment	N/A N/A In place	PMO, Project SROs PMO, Project SROs PMO	4	4	16	↔	Open	No change to residual risk. Securing the private sector investment for the Growth Deal remains a high risk however the position has improved with the creation of the reserve list and subsequent approved business cases. Risk also relates to R020 Subsidy Control.	23/09/2025

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R008	21/10/2020	Financial	Public Sector Investment	Portfolio Management Office	If the public sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.	4	4	16	↔	All Ambition North Wales partners have signed up to the Growth Deal and Governance Agreement. Development of robust project business cases and contractual agreements for Growth Deal funding Support project sponsor applications for other public funding sources where appropriate	Complete N/A As required	NWEAB PMO, Project SROs PMO	3	4	12	↔	Open	Risk reviewed, no changes. A high number of approved FBCs led by public sector sponsors. Risk also relates to R020 Subsidy Control	23/09/2025
R010	21/10/2020	Reputational and Social Impact	Spending Objectives	Portfolio Director	If projects fail to deliver against the portfolio spending objectives, there is a risk that the Growth Deal may not meet its targets in relation to job creation, GVA and investment.	5	4	20	↔	Robust business cases will be developed for each programme and project in line with 5 Case Business Model and will need to set out contribution to portfolio spending objective targets Grant Funding Agreements to contractually commit sponsors to delivery of spending objectives, with regular reporting and monitoring to ensure early intervention where required. Portfolio review and change control process in place. New project process was completed in early 2025 with a reserve list of projects established (total of 21 projects - 17 new projects, and a further 3 projects moved to reserve list). Investment strategy has been developed and approved by the Economic Ambition Board.	N/A Ongoing N/A Complete In place	PMO, Project SROs PMO PMO PMO PMO	4	4	16	↔	Open	No change to Gross and residual risk. While the creation of the Reserve List has mitigated the impact of projects withdrawn and provided momentum with recent business case approvals the risk remains high. Risk to be reviewed following 2025 Portfolio Business Case update	23/09/2025
R015	22/10/2020	Reputational and Social Impact	Benefits Realisation	Portfolio Management Office	If project benefits are not realised, there is a risk that the overall Growth Deal could fail to deliver the benefits set out within business case.	4	4	16	↔	Each programme and project will be responsible for benefits management through a Benefits Realisation Plan. Monthly highlight reports to Programme Board to monitor benefits realisation Procurement Principles adopted with focus on community benefits and social value Benefits Realisation guidance developed and being disseminated to project sponsors for use in project business cases Impact system launched and project teams trained.	N/A Monthly Complete N/A N/A	PMO, Programme and Project SROs PMO PMO PMO PMO	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores. A recent assurance review highlighted the work of the PMO on benefits realisation as good practice which will ensure the structures and systems are in place to help projects realise and report on benefits realisation. Period for benefits realisation continues to reduce however emphasis on deliverability for reserve list projects minimised risk (see R002)	23/09/2025
R001	21/10/2020	Programme and Project Delivery	Capacity	Portfolio Director	If sufficient resources are not in place at portfolio, programme and project level, there is a risk that this could impact on the successful delivery of the deal	4	5	20	↔	Ambition North Wales approved Revenue budget to extend fixed term contracts. Additional procurement, finance, legal and technical capacity to be secured for projects and PMO as required. New consultancy framework to be established Q2 2025/26 PMO engage partners to ensure capacity for delivery and promote recruitment activity Recruitment over Q3/Q4 for Portfolio Director, Project Managers, and other new CJC Roles to increase resources supporting the PMO. Approval from both Governments to increase the top slice from to 2.15% and enabling PMO to draw down additional funding through Growth Deal budget and extend contracts as required PMO resources directed to priority projects to ensure FBC completion.	In place Ongoing Reviewed monthly In place In place In place	PMO PMO PMO, Project Sponsors PMO PMO PMO	3	4	12	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Procurement of additional specialist support e.g. procurement, project management etc is underway following PAR recommendation, residual probability to be reduced once support appointed across these functions.	23/09/2025
R006	21/10/2020	Environmental	Climate Change and Biodiversity	Portfolio Director	If projects do not take account of carbon emissions or biodiversity loss within project level assessments, there is a risk the portfolio could contribute towards the issues of climate change and biodiversity loss	4	3	12	↔	Position statement on Climate Change and Biodiversity adopted by the Economic Ambition Board. Project business cases to demonstrate delivery against the adopted the position. Methodology on how to take account of carbon emissions and biodiversity loss within project business cases now published and shared with all projects. Streamlined methodology for smaller and low risk projects developed with WLGA to be adopted	N/A N/A In place In place	NWEAB PMO, Project SROs PMO PMO	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores. Roll out of methodology and associated training continues	23/09/2025

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R020	03/10/2022	Programme and Project Delivery	Economic Context	Portfolio Management Office	If there are significant changes to the UK economy (e.g. cost of living crisis and the energy security crisis), then the strategic and economic cases for programmes and projects may be adversely impacted	4	5	20	↔	Project business cases and implementation plans to clearly set out the case for projects and the risks to project delivery, including the impact of recent economic developments	N/A	PMO, Project Sponsors	3	5	15	↔	Open	Risk reviewed: No immediate changes however recent changes in global tariffs may present further risks. Increase in NI costs and minimum wage start in Q1 25/26 may impact supply chains across projects for construction and operation. Developing global issues affecting supply chains and energy market likely to affect costs in the short to medium term.	23/09/2025
R018	01/10/2020	Financial	Revenue Funding	Portfolio Management Office and Project Sponsors	If sufficient revenue funding is not in place to support the activities of the PMO and delivery of the Growth Deal, then project delivery and achievement of spending objectives and benefits may be impacted	4	5	20	↔	Economic Ambition Board approved Revenue budget to extend fixed term contracts. Longer term solutions continue to be investigated Partners and project sponsors responsible for sourcing revenue funding to support non-Ambition North Wales led projects PMO working to identify additional funding opportunities for Ambition North Wales led projects PMO capitalises salary costs associated with project delivery where appropriate and in line with guidance. Growth Deal top slice increased to 2.15%, allowing extension of Fixed term contracts SPF bid to 6 local authorities successful.	N/A N/A N/A N/A Complete N/A	PMO PMO, Project SRO PMO, Project SRO PMO PMO PMO	3	4	12	↔	Open	No changes to gross or residual risk scores. Budget for 2025/26 approved by the Economic Ambition Board in February 2025	23/09/2025
R019	01/10/2020	Programme and Project Delivery	Supply Chain & Skills Capacity	Portfolio Management Office	If the regional supply chain does not have the capacity to deliver projects, then projects' delivery could be impacted and regional benefits could be lower.	4	4	16	↔	Project business cases and implementation plans to clearly set out risks to project delivery and mitigations, including supply chain risks. RSP working with PMO to identify regional supply chain / skills challenges and identify mitigations Additional funding secured for skills activity Projects to conduct early market engagement where appropriate	N/A N/A In place N/A	PMO PMO PMO Project Sponsors	3	4	12	↔	Open	No changes to gross or residual risk scores. Close collaboration between the PMO and the RSP on skills and supply chain is key to reducing the probability of this risk. This is an ongoing activity to ensure the capacity and skills are in the region to take advantage of the opportunities through the Growth Deal.	23/09/2025
R020	26/04/2024	Regulatory	Subsidy Control	Portfolio Management Office	Link to Public Sector investment risk R008: If subsidy control assessments cannot be confirmed the approval of funding for projects may be delayed or jeopardised.	3	4	12	↔	Review options for no subsidy investment, e.g. commercial loans Address details and assessment with sponsors at earliest stage (Terms sheet) Legal advice commissioned early on all Subsidy Control assessments Subsidy Control lead and support allocated within PMO	As per SOC-FBC stages	Programme Managers	3	3	9	↔	Open	Risk reviewed. No changes to gross or residual risk scores Challenges in completing 7 Principle assessments being supported by external specialist legal advice but these need to be addressed earlier in the assurance process, e.g. at Terms sheet stage pre OBC completion.	23/09/2025
R016	22/10/2020	Programme and Project Delivery	Assurance	Head of Operations	If agreed assurance processes are not followed, there is a risk that project approval could be impacted and could result in suspension/postponement of government grant payments.	3	5	15	↔	Integrated Assurance and Approval Plan (IAAP) agreed with Welsh and UK Government as part of Final Deal. Continued engagement with Welsh Government Assurance Hub to refine and update the Integrated Assurance and Approval Plan (IAAP) PMO assurance lead to coordinate delivery of assurance in accordance with the IAAP Streamlined approach to assurance introduced for new projects	Complete Quarterly N/A	PMO PMO PMO	2	4	8	↔	Open	Risk reviewed. No changes to gross or residual risk scores. An assurance review in October 2024 resulted in 4 recommendations to be undertaken by the PMO. An action plan will be put into place to address these.	23/09/2025
R017	22/10/2020	Financial	Financial Management	s151 Officer	If appropriate financial arrangements are not put in place, there could be a risk to the delivery of the deal, draw-down of the funding grant and allocation of funds.	3	4	12	↔	Ambition North Wales will utilise existing financial processes of Cyngor Gwynedd as the Host Authority. Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage finances Robust monthly performance, risk and financial reporting arrangements will be established for all projects Robust financial claims process established for the drawdown of funding	N/A N/A Monthly N/A	PMO PMO, Project SRO PMO, Project SRO PMO	2	3	6	↔	Open	No changes to gross or residual risk scores. Residual risk remains low due to the processes in place by Ambition North Wales and the funding agreements with project sponsors.	23/09/2025

Risk ID	Date Raised	Risk Category	Risk Name	Risk Owner	Description of the Risk	Current Gross Risk Rating			Trend	Mitigating Actions	Action Due Dates	Action owner	Residual Risk Rating			Trend	Status (Open / Closed)	Commentary	Date of last update
						P	I	Score					P	I	Score				
R014	22/10/2020	Financial	Fraud	Portfolio Director	If appropriate processes are not put in place and managed, there is a risk that the portfolio could be subject to fraudulent claims resulting in misuse of public funds	4	4	16	↔	Projects to have robust financial monitoring processes in place including due diligence checks on project sponsors and funding recipients. PMO to review claims and applications submitted before passing them onto accountable body for payment Code of conduct and conflicts of interest policy incorporated as part of Governance Agreement 2 Conflict of Interest Register maintained for all programmes, projects and advisory groups.	N/A N/A Complete N/A	PMO PMO Monitoring Officer PMO	2	4	8	↔	Open	No changes to gross or residual risk scores. Residual risk remains low due to the processes in place by Ambition North Wales. A further round of fraud training was held for the PMO and Business Delivery Board in May 2024. From 2025 projects in delivery will include grant/fund schemes will be managed according to PMO's approach to due diligence.	23/09/2025
R013	21/10/2020	Reputational and Social Impact	Political Change	Portfolio Director	If stakeholders are not managed effectively, there is a risk that political change could impact support for the portfolio, programme and projects.	4	4	16	↔	Frequent engagement with UK, Welsh Government and local government politicians and officials. GA2 and Final Deal agreement to confirm commitments of all parties. New members to be briefed on the Growth Deal Portfolio following change to the leadership. . Engagement with new Government Ministers	N/A Complete Complete Ongoing	Ambition North Wales, PMO Ambition North Wales PMO PMO	2	4	8	↔	Open	No changes to gross or residual risk scores. The risk remains low at present. Briefing with new UK ministers is ongoing. Senedd and local elections in 2026 and 2027 mean this risk may increase in the future.	23/09/2025
R021	26/04/2024	Programme and Project Delivery	Transition to CJC	Portfolio Director	Transition of PMO to CJC. If staffing and process arrangements are not managed effectively there is a risk that PMO operations and project delivery may be delayed	3	4	12	↔	TUPE consultation with staff Impact on policies and processes to be reviewed before full transition	Complete	Portfolio Director	2	3	6	↔	Closed	Risk reviewed. Transition completed April 25 No changes to gross or residual risk scores. Work underway to review potential impacts and agreement of policies and processes for the new CJC subject to Economic Ambition Board approval	24/06/2025

MEETING	Education and Economy Scrutiny Committee
DATE	12 February 2026
TITLE	Visitor Levy
REASON TO SCRUTINISE	Impact on Gwynedd
AUTHOR	Roland Evans Assistant Head of Economy and Community Department
CABINET MEMBER	Cllr R Medwyn Hughes

Why it needs scrutiny

The Visitor Accommodation (Register and Levy) Etc. (Wales) Bill gives local councils the option of introducing an overnight visitor levy in visitor accommodation in their area.

The Bill received seal of approval at the Senedd on 8 July 2025.

It is a matter for the local authorities to consult with their local populations before deciding if a visitor levy should be imposed.

A Report will be submitted to the Full Cabinet for a decision whether or not to consult on the matter on 14 May 2026. The matter needs to be scrutinised before making a decision.

What exactly needs scrutiny?

a. What factors are considered when deciding to introduce a Levy or not?
b. How is it intended to consult with communities and businesses?
c. What would be the intention in terms of spending the income that derives from the Levy?

Summary of the Key Matters

In light of approving the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill which allows Local Authorities to adopt a Visitor Levy within their authorities, this report is submitted to the Education and Economy Scrutiny Committee for Members to scrutinise the steps and the considerations that the Authority will need to take following the law, the plans for consulting on adopting the Visitor Levy locally and potential areas of activity that could be supported with income from any Levy in Gwynedd in the future.

Background and Context

1. Background

1.1. On 24 November 2024, the Welsh Government published the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill.

1.2. The Bill was approved by Senedd Cymru on 8 July 2025, and received Royal Assent on 18 September 2025, The Visitor Accommodation (Register and Levy) Etc. (Wales) Bill.

1.3. The Act sets out the requirements for introducing new legislation to register holiday accommodation in Wales and introduces legislation that gives individual local authorities the right to introduce a Visitor Levy in their individual areas.

1.4. Since 2018, the Council has stated its support of the principle of establishing a Visitor Levy in Wales.

1.5. In 2019, research by Cyngor Gwynedd, 'Benefitting from Tourism' identified that a levy would bring the greatest benefits to the area in terms of potential income that could be generated to support the destinations of Gwynedd and Eryri.

1.6. Research Reports on Holiday Homes produced by Cyngor Gwynedd in 2019-2020 identify the need to establish a licensing scheme for short-term holiday lets.

1.7. The financial position of Local Authorities and other public bodies highlights the need to seek to identify new sources of income for supporting the visitor economy and respond to increasing financial challenges to maintain county-wide infrastructure and the opportunities arising from having visitors in our area.

1.8. Over the last five years, the Council and Eryri National Park Authority have worked hand in hand with community, business and public partners to develop the Gwynedd and Eryri 2035 Plan – A plan to support a sustainable visitor economy in the area. The Plan sets out our strategic priorities to ensure a sustainable visitor economy in Gwynedd and Eryri.

1.9. In terms of sector profile and visiting patterns, according to the Beauforts research report in 2019, the majority of visitor groups to Gwynedd are either couples (29%) or family groups with young children (24%). Gwynedd had a slightly higher proportion of family groups with older children visiting Gwynedd than the Welsh average (19% of visitors to Gwynedd had older children or a combination of older and younger children, compared to 12% across Wales as a whole). The average number of people in each party visiting is 4.3 (3.4 adults and 0.9 children), which is slightly higher than the Wales average of 3.7 (2.8 adults and 0.9 children).

1.10. It must be recognised that a number of voices are raising concerns about the state of the visitor economy in the wake of Covid-19, the 182-day rule, the Article 4 Directive and the cost-of-living crisis. The Council has held discussions on the principle of establishing and implementing a Levy in the past with the sector and intends to continue to do so.

1.11. *Promoting our Culture* and a *Sustainable Visitor Economy* have been included as priority projects in the Cyngor Gwynedd Plan under the A Prosperous Gwynedd Priority. Considering national legislation on the Visitor Levy and consulting through the Gwynedd and Eryri Partnership 2035 (G&E2035) is one of the milestones for year 3 of the Plan.

2. The Visitor Accommodation (Registration and Levy) Etc. Wales Act

2.1. All Visitor Accommodation Providers in Wales will be required to register their premises and some of these details will be made available to the public. All holiday lets will have to register even if a Local Authority does not choose to adopt the Levy in their area.

2.2. The Welsh Revenue Authority (WRA) will manage the Register and manage the collection of the Levy on behalf of Local Authorities. Cyngor Gwynedd will have no role in the operation of the registration, enforcement and levy collection procedure.

2.3. Powers are given to local authorities to levy a visitor levy by resolution of the Full Council. The Act currently attributes the decisions to the Full Council and there are no delegation rights attached to this.

2.4. Revenues collected through the Levy will be spent by local authorities on managing sustainable destinations.

2.5. Visitor Accommodation Providers file returns to the WRA and pay the Visitor Levy based on the number of stays per person, per night.

2.6. The Act ascribes levy scales. The rates are £1.30 (£1.56 with VAT) per night charged across Wales unless at a campsite pitch or hostel which is subject to a lower rate of 75p (90p with VAT) per night.

2.7. There are limited exceptions to the visitor levy

   a. young people under the age of 18 from the lowest rate of levy (hostels, campsite pitches or shared rooms);
   b. anyone who stays more than 31 nights in a single booking; and
   c. emergency or temporary housing arranged by the local authority.

3. Decision-making process, outline timetable and considerations

3.1. The Full Council will have to decide on the introduction of a Visitor Levy in Gwynedd.

3.2. Before doing so, certain steps based on statute or Statutory Guidance need to be implemented:

   a. The WRA must be notified of the intention.
   b. Publish a report setting out its proposals which sets out an estimate of the levy output, information on how the output is intended to be used and the Council's proposals for membership of the Levy Board. (Appendix 1 – Gwynedd Levy Proposal)
   c. The report must be submitted to the WRA.
   d. A statutory consultation must be held.
   e. In addition to and in accordance with the Statutory Guidance, it is necessary to prepare an Economic, Social and Environmental Impact Assessment. (Appendix 2)
   f. It is also of course required to prepare general impact assessments in terms of Equality, the Welsh Language etc.

These will be part of the package that will go to the Council as it decides on going to consultation.

3.3. At present, the position of other counties in Wales varies in relation to the Levy with some already indicating that they will not consult on the introduction of a levy in the short / medium term (Powys / Pembrokeshire) and others have started consultation (Cardiff).

3.4. Discussions have taken place over the last few months with the Isle of Anglesey County Council and Conwy County Borough Council to co-ordinate the timetable and consultation work on the Levy and also to work together on commissioning Impact Assessments. The three counties will work together to ensure that our consultation and decision-making schedules are aligned.

3.5. The Act provides that a Levy may be introduced from 1 April or 1 October in any financial year – but 12 months' notice must be given following consultation and a decision by the Full Council.

3.6. 1 April 2027 is the earliest that the Levy can be introduced in Wales. Due to the need to undertake meaningful public consultation and to coincide with pre-election periods, it will not be possible for Cyngor Gwynedd to act to this timetable.

3.7. Should the Council decide before 30 September 2026 to adopt the Levy – it could be introduced from 1 October 2027 following 12 months' notice.

4. Assessment of the Levy in Gwynedd and research and information

4.1. It must be noted that the quality and reliability of the data available at a national level not to mention the Gwynedd level in order to assess the impact of the introduction of a Levy is extremely challenging and limited as it does not exist in many cases.

4.2. For a number of years the Council has considered how visitors could make a contribution to supporting a sustainable visiting economy in the County – including the previously referred to Benefit from Tourism project. Of all the possible options considered at the time – from a voluntary donation from visitors, the establishment of a Tourism Business Improvement Area to the establishment of a Visitor Levy – the Levy proved to be the most effective means of generating income to support a sustainable visitor economy in the area as it was then assumed that it could raise up to £9m of additional income per annum (based on STEAM 2017 visitor data (Scarborough Tourism Economic Assessment Monitor)).

4.3. As a local context, Gwynedd's STEAM data (which also has warnings/caveats and is an international model to assess trends in visitor numbers and economic contribution) highlights the following for 2024:
Economic Impact: £1.785bn
Number of visits: 7.75m
Number of visiting days: 24.09m
Total employment: 17,644

4.4. Taking into account the research undertaken by the Welsh Government in the development of the bill, as well as previous research and draft guidance that has been received from the Government, the Department for Economy and Community is working with the Isle of Anglesey County Council and Conwy County Borough

Council and has commissioned Quod to assess the economic impact of the introduction of a Levy in our areas.

4.5. The jointly commissioned impact assessment follows Welsh Government guidance and uses similar models used by the Government in the development of national impact assessments. The data used is based on International Passenger Survey and Great British Tourism Survey figures for the years 2022-2024. Consideration is also given to STEAM data as part of the assessment.

4.6. This research focuses on:

a. The research and studies prepared by the Welsh Government in their assessment
b. Review of any other existing studies
c. Impact assessment at Gwynedd level – but with many conditions and caveats.
d. Cross-referencing back to Government work Conclusion on the possible impact.
e. Review of the draft impact assessment following the consultation process
f. The economic impact assessment concludes that the effects of the levy would be relatively small on Gwynedd the following is noted

4.7. The Economic Impact Assessment concludes that the effects of the Levy on Gwynedd will be relatively small. The following is noted:

a. The evidence base on the economic impact of visitor levies is relatively limited, due to a lack of relevant evidence on the effects of visitor levies from other locations, together with gaps and uncertainties in the data. As a result, the national assessment includes a significant number of assumptions (caveats) and relies on wide ranges of estimates. An assessment at local level faces additional challenges, due to more pronounced data gaps and an even less developed evidence base on the impacts of visitor levies at local level (compared to the national level).
b. The main assumptions and caveats relevant to the local level assessment are as follows:
   - There is significant uncertainty regarding the elasticity of demand. While this is already the case at an all Wales level, the uncertainty is even more pronounced when applied at the Gwynedd level.
   - There are different data sources used to estimate the current size of Gwynedd's visitor economy. The primary analysis uses the International Passenger Survey (IPS) and the Great British Tourism Survey (GBTS), in line with the Welsh Government's assessment and guidance provided to local authorities. STEAM data indicates a substantially larger visitor economy, and the implications of this are noted in the report.
   - At national level, it is reasonable to expect that the majority of visitor expenditure is retained within Wales. This is not necessarily the case at a smaller geographic level; for example, some expenditure by visitors to Gwynedd may occur in Conwy or on Anglesey (and vice versa).
   - Similarly, it is likely that a higher level of economic leakage will be associated with expenditure funded through the levy, as some businesses benefiting from levy funded contracts may be located outside Gwynedd.

- The national level assessment necessarily assumes that the levy would be introduced across Wales. At the Gwynedd level, the impacts will differ depending on whether Gwynedd alone introduces the levy or whether neighbouring authorities also implement it.

c. As a result, the Gwynedd level assessment is appropriately caveated and should be read in the context of data gaps and the relatively limited evidence base, particularly at local level.

d. Nevertheless, there is confidence that the impact on Gwynedd would be relatively small in terms of employment and Gross Value Added (GVA). A broadly similar approach to that used by the Welsh Government has been adopted in order to define the likely "bookends" for the range of impacts.

e. Within this primary analysis, the assumptions made are generally conservative in terms of assessing economic impact (that is, they tend to overestimate potential negative impacts). For example, it is assumed that Gwynedd loses all visitor expenditure, whereas in reality some of this expenditure would have occurred outside Gwynedd in any case (for example, when visitors staying in Gwynedd spend money in neighbouring local authority areas on day trips). It is also assumed that there is some leakage of economic activity outside Gwynedd as a result of levy expenditure, while simultaneously assuming that Gwynedd businesses do not benefit from contracts arising from visitor levy expenditure in other local authority areas.

f. Similarly, the analysis assumes no growth in the visitor economy and allows for a reduction in visitor numbers as a result of introducing the levy. In practice, if the visitor economy were to grow, the funding raised through the levy would increase, and levy funded expenditure itself could stimulate higher levels of tourism through an improved visitor experience. This would help to maintain and enhance Gwynedd's competitiveness as a tourism destination. There is evidence of year on year growth in visitor numbers in other locations where visitor levies have been introduced.

g. Any growth in the visitor economy would also offset any losses to the economy (in terms of jobs and GVA) arising from visitors who do not come as a result of the levy, and would also increase the revenue generated by the levy.

h. Nevertheless, on the basis of this approach, the impacts of the levy are estimated to be relatively small. Even under these conservative assumptions (i.e. assumptions that may overestimate any negative impacts), it is estimated that the levy could result in:

- A change in employment of between –50 and +21 jobs, equivalent to a loss of approximately –0.1% or an increase of around 0.04% of employment in Gwynedd;
- A change in annual GVA of between –£2.7 million and +£0.4 million, equivalent to a loss of approximately –0.1% or an increase of less than 0.01% of the Gwynedd economy; and
- Annual revenue of between £2.4 million and £2.8 million.

i. This range, which spans from a relatively small negative impact to a relatively small positive impact, reflects the findings of the Welsh Government's assessment, which also concluded that the national level impact is likely to fall between a small negative and a small positive effect.

j. STEAM data estimates that Gwynedd's current tourism economy is substantially larger than that indicated by the IPS and GBTS. If STEAM data were used, the impacts of the levy would be approximately four to five times greater. This underlines the uncertainty in the data and, therefore, the inherent uncertainty involved in forecasting the impacts of the levy.

4.8. A draft impact integrated assessment has been prepared and highlights that some negative impacts could arise from adopting a Visitor Levy in Gwynedd. However, reinvesting the income generated by the levy has the potential to support positive outcomes for the industry, our communities, the environment and the Welsh language.By operating through the Gwynedd and Eryri 2035 Partnership structure, it will be possible to act inclusively and to monitor the implementation of the levy and its operational priorities through new indicators, and to consider and respond to any negative impacts on protected groups.

5. The public consultation

5.1. Should the Council support a public consultation on the principle of adopting a Visitor Levy in Gwynedd, this work would be led by the Tourism, Marketing and Events Service with the support of the Communications and Legal Services.

5.2. A Local Authority is expected to undertake a consultation process based on the "Gunning" public consultation principles before deciding whether to introduce the 12-month notice to implement the Levy.

5.3. The consultation should set out the case for introducing a levy outlining the potential benefits and offer suggestions on how the levy could be invested for the benefit of the local area, businesses, residents and visitors. As with all consultations, the process will need to ensure that sufficient information is included to allow for intelligent consideration and response. It is also a means of obtaining contribution towards the assessments and reports that will go before the Council when considering the adoption of the levy.

5.4. In the case of Gwynedd, subject to the Council's decision at its meeting on 14 May 2026, the consultation period would take place over 10 weeks between May and July 2026. It is a statutory requirement to consult with:

a. Local People
b. Town and Community Councils
c. County Councils bordering Gwynedd
d. Eryri National Park Authority
e. North Wales Corporate Joint Committee
f. Bodies representing tourism businesses or businesses engaged in tourism-related activities, promoting or facilitating tourism in the council area of the main council area;

g. Prospective members of the Levy Board if they are not already included in this list.

5.5. Consultation will be carried out through the following methods which will include:

a. On-line questionnaire for businesses, residents and visitors
b. Focus groups with business and community representatives invited to discuss
c. One-to-one interviews
d. Special events (one in each of the three areas of Gwynedd and one on-line)
e. Pop-up sessions within the 3 areas of Gwynedd
f. Meetings of the Gwynedd and Eryri Partnership 2035
g. Information shared through Cyngor Gwynedd Levy section on website

5.6. While much of the above can be achieved with existing resources – facilitation and organisation, analysis and reporting elements will be commissioned to support the process.

5.7. The results of the consultation will serve as consideration for the final impact assessments as well as taking into account the Council's decision on whether or not to adopt the Levy.

6. Communication and Engagement Plan

6.1. Should there be a decision to consult publicly, it is intended to establish formal arrangements for engagement on and communication of, the Act in Gwynedd.

6.2. The establishment of a Communications and Engagement Plan would create formal arrangements within the Council and with partners to communicate and engage on the development of the overnight accommodation registration scheme and the Levy within Gwynedd. It is expected that the Welsh Government and the WRA will provide statutory guidance in due course but, a draft is available which is currently being used as guidance.

7. Possible use of the Visitor Levy and Operation

7.1. The Act identifies specific areas for the future investment (allocation) of Levy funds for the purposes of managing and improving destinations in its area, including:

a. mitigating the impact that visitors have;
b. maintaining and promoting the use of the Welsh language;
c. promoting and supporting the sustainable economic growth of tourism and other forms of travel;
d. providing, maintaining and improving infrastructure, facilities and services for visitor use (whether or not they are also for use by local people)."

7.2. The Welsh Government and the WRA are expected to issue further guidance on these assigned areas.

7.3. Given that we have adopted the Gwynedd and Eryri Strategic Plan 2035 which identifies a clear vision, principles and objectives to support a sustainable visitor economy in the area – it would be sensible to use these priorities (which are aligned with the assigned areas) to prioritise investments from the levy in Gwynedd in order to realise our vision.

Report on the use of levy earnings:

7.4. A principal council must publish an annual report on the amount of earnings from the Levy and how these earnings have been used by the Council to manage and improve destinations.

Levy partnership forums:

7.5. The Act requires the establishment of a local Levy Partnership Forum to provide information and advice on how earnings from the Levy can be used and to provide information and advice if a Council wishes to add an additional amount to the Levy locally (premium).

7.6. If it is decided to implement the Levy, given that we have established the Gwynedd and Eryri 2035 Partnership, it is reasonable to propose that elements of this partnership should act as a 'Levy Partnership Forum' in Gwynedd to offer guidance.

Resources and investment

7.7. Information regarding the amount of income that could be collected in Gwynedd varies depending on the data used. As shown in the Impact Assessment Report, this could range from £2.8m at a conservative, pessimistic level, up to £12.4m if STEAM data is used, which is likely to overestimate.

7.8. The Welsh Government has agreed to contribute towards the costs of establishing the Levy in Wales so that the administrative costs of the Levy do not exceed a maximum of 10% of the resources collected within a Local Authority (therefore between £200,800 and £1.2m if the above figures are used).

7.9. There are considerations locally in terms of the likely costs of administrating the partnership and the fund that will be available to invest in the area due to the Levy - an approximation of these costs makes a total of around £100,000 a year. This cost could be paid through Levy earnings.

7.10. In light of the Welsh Government's draft statutory guidelines for the consultation process and a decision to introduce the Levy in local areas, it is suggested that additional resources will be required by the Economy and Community Department to undertake this work. These additional resources would contribute to the commissioning of impact assessments, coordinating the consultation process, analysing solutions, coordinating and establishing arrangements for the Levy's investment frameworks.

7.11. The Economy and Community Department will employ a Levy Project Manager to develop any proposals locally and to co-ordinate the consultation and Levy development process.

7.12. It is intended to reimburse these initial costs through the Levy if it is established in the future.

7.13. Given the administration and management costs, Gwynedd could see an annual income of around £5.3m from the establishment of a Visitor Levy in the County.

7.14. Naturally, the sector, communities, stakeholders and visitors will be keen to see significant investment, and this could include projects such as:

Principle and Objective of G+E2035	**Examples of potential activity that could be funded through the Levy in Gwynedd**
Celebrate, Respect and Protect our Communities, Language, Culture and Heritage: → A visitor economy in the ownership of our communities with an emphasis on pride in one's area → A visitor economy that is world-leading in Heritage, Language, Culture and the Outdoors	✓ Campaigns to promote culture and the Welsh language ✓ Promote a Sense of place and the Welsh Offer for businesses via training ✓ Projects to conserve built and living cultural heritage ✓ Support for the Slate Landscape World Heritage Site and its activities ✓ Supporting a programme of cultural events ✓ Encourage more use of the Welsh language in our communities
Maintain and Respect our Environment → A visitor economy that respects our natural and built environment and considers the implications of visitor economy developments on our environment today and in the future → A visitor economy that is world-leading in sustainable and low carbon developments and infrastructure and when responding to the climate change emergency	✓ Better public transport to serve communities – extra buses and later in the evening ✓ Basic infrastructure (bins / refuse collection / toilets / street hygiene etc.) ✓ Maintain popular routes and create new ones. ✓ Protect habitats e.g. seas and waters, uplands etc. ✓ Bespoke interpretation of our environment and habitats ✓ Support for environmental conservation projects ✓ Campaigns and support for a plastic-free sector
Ensuring that the benefits to the communities of the area outweigh any disadvantages → A visitor economy that ensures that infrastructure and resources	✓ Visitor campaigns to extend the season, promote the area's special qualities and encourage respect and safety.

contribute towards the well-being of the community all year round → A visitor economy that thrives for the well-being of Gwynedd residents and businesses and that offers quality employment opportunities for local people all year round → A visitor economy that promotes local ownership and supports local supply chains and produce	✓ Develop bespoke packages and tours to visit the area and reduce pressure on busy areas ✓ Support for e.g. Mountain and Coast Rescue Teams ✓ Grant packages to support businesses, events and communities ✓ Improve infrastructure e.g. Aros-fan (overnight stay scheme), car parks, stations etc. ✓ Extend warden hours ✓ Promote or support regenerative tourism efforts, i.e. Tourism that has a positive impact on local communities and the environment. ✓ Training or development of skills or activity related to tourism. ✓ Developing a local produce package and local supply chains ✓ Support for Businesses

8. Other considerations

8.1. The Welsh Government has already announced that its Brilliant Basics programme to invest in tourism infrastructure will not run beyond 2027. This has been an important fund for Gwynedd and has invested in new car parks, toilets, footpaths and facilities such as 'Aros-fan'.

8.2. We need assurances from the Welsh Government that the introduction of a Levy in an area will not affect our annual settlement, the enhanced population grant or our ability to access funds to support tourism and destination management in the future.

8.3. There has been criticism that the sector is under siege, that Cyngor Gwynedd is anti-tourism and that the introduction of a levy will turn visitors away from the area overnight. The impact studies will explore this area – but information at a local level is difficult to gather, although evidence from other areas that have introduced a levy suggests that it does not have an impact on visitor numbers.

8.4. It should be noted that the UK Government is now legislating to allow Mayors in England to introduce a Visitor Levy in city regions in England.

8.5. In the future, if a decision is made to introduce a Visitor Levy, it is possible to give 12 months' notice, following consultation, to withdraw the Levy in a local area.

8.6. It should be recognised that the tourism sector is exposed to changes in visiting patterns which are influenced by wider local and global factors, and that it is impossible to predict a consistent pattern from one year to the next.

9. The Well-being of Future Generations (Wales) Act 2015

9.1. There is a duty to act in accordance with the principle of sustainable development, which is to seek to ensure that the needs of the present are met without jeopardising the ability of future generations to meet their needs.

9.2. In acting in accordance with this general duty the Council needs to take into account the importance of long-term impact, being integrated, inclusive, collaborative and preventative in the development and implementation of the proposal in question.

9.3. In accordance with the requirements of the Act, Cyngor Gwynedd has adopted well-being objectives. Particular attention is drawn to the following objectives which the Visitor Levy could support if adopted:

- A PROSPEROUS GWYNEDD - Strengthening the economy and supporting the people of Gwynedd to earn a worthy wage
- A WELSH GWYNEDD - Ensuring that we give every possible opportunity for our residents to use the Welsh language in the community.
- A GREEN GWYNEDD - Protecting the county's natural beauty, and responding positively to the climate change crisis
- AN EFFICIENT GWYNEDD - Putting the people of Gwynedd first and treating them fairly and ensuring that the Council performs effectively and efficiently

10. Impact on Equality Characteristics, the Welsh Language and the Socio-Economic Duty

Economic, environmental and equality impact assessments will be submitted as part of the considerations for a decision to consult in May 2026. These will be reviewed following the public consultation and will receive full consideration when a decision on whether to introduce a Visitor Levy in Gwynedd is made by the Full Council in September 2026.

11. Next Steps

Timetable	Action
14 May '26	Full Council decides to consult publicly Commission consultation support and feedback analysis if supported
May '26 – July '26	Public consultation 15 May 2026 - 24 July 2026
July – August 2026	Consider the results of the Public Consultation and any modifications to the Impact Assessments
24 September 2026	Full Council Decision on whether or not to adopt the Levy in Gwynedd
30 September 2026	Issue a 12-month official Notice to the WRA if Cyngor Gwynedd decides to adopt the Levy
1 October 2027	Levy in operation in Gwynedd
30 June 2028	First payment of the Levy to Cyngor Gwynedd – approx. £2.65m

Background Information

Reports to Cyngor Gwynedd Committees:

Date	Report	Decision
28-03-23	Response paper to the Welsh Government's consultation on establishing a statutory registration procedure.	Support for Cyngor Gwynedd's response to the Visit Wales consultation on establishing a statutory licensing scheme in Wales for holiday lets.
15-12-2020	Holiday Homes Research	b) To assist in retaining control there should also be a call for the introduction of a compulsory licensing scheme for short-term holiday lets which would be the responsibility of the local authority to implement it
13-03-2018	Welsh Government's Taxation Powers	Cabinet will be given the opportunity to discuss the Welsh Government's intention to introduce new taxes and consider whether it wishes to express an opinion on the proposals.

Senedd Cymru's Finance Committee and evidence from Cyngor Gwynedd (30/01/25)
Gwynedd and Eryri Plan 2035

Appendices

ARDOLL YMWELWYR GWYNEDD VISITOR LEVY

<u>DRAFT</u> February 2026 Proposal

1. **Gwynedd Visitor Levy: the proposal**
Cyngor Gwynedd is considering introducing a Visitor Levy for all eligible holiday lets and overnight stays as outlined in the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 within Cyngor Gwynedd's local authority boundaries from 1 October 2027. This will be for all accommodation providers who will be required to register on a national register of accommodation providers.
The Levy will be charged at a per person per night rate as outlined in the act. The Levy will be collected by the accommodation provider. The initial rates will be as set out in the Act:

Type of accommodation	Rate (per person, per night)
Campsites and caravans and shared bedrooms (such as hostels and dorms)	£0.75p £0.90p inc. VAT
All other types of holiday accommodation	£1.30 £1.56 inc. VAT

Exceptions
You will not be expected to pay the levy if you are:
- Under 18 and staying in a campsite pitch or shared room (such as a hostel or dormitory);
- Staying for more than 31 nights in a single booking;
- In emergency or temporary accommodation arranged by a local council.

Refunds

The following will be eligible to apply for a refund from the Welsh Revenue Authority:

- Disabled people who pay extra levy costs when they have a carer; and
- People fleeing domestic violence.

2. Levy Income

Approach

A variety of data sources were used in order to estimate the initial revenue of the Levy for Gwynedd. The analysis focused on the following sources:

- Information and data from the Welsh Government and Visit Wales
- Assessments and research by the Welsh Government
- Data from the Great British Tourism Survey
- Data from the International Passenger Survey
- STEAM data for Gwynedd

The local authority uses STEAM data for its performance monitoring reports. However, it was considered prudent to undertake further analysis to ensure that the data being used is appropriate when determining the overall level of income that the levy would generate.

In particular, this was considered because:

- All of the data continues to be based on sample information and is subject to error;
- The ability to verify estimates using alternative methods; and
- Consideration of the impact on areas such as Levy exemptions.

It should be noted, however, that STEAM data is data used nationally by the Welsh Government and is one of the standard tourism measures available.

Data and research

It must be highlighted that both the national and local data are open to challenge and are based on samples and multipliers.

STEAM is a tourism economic impact modelling process that measures tourism from the bottom up, through its use of local supply-side data, tourism performance data, and visitor survey data collection. STEAM is able to provide robust outputs across a range of geographical levels and, as such, has been adopted for use across the United Kingdom and internationally by tourism boards, local authorities, regional development agencies, national park authorities, and many other public and private sector organisations.

STEAM quantifies the local economic impact of tourism, from overnight visitors and day visitors, by analysing and using a wide range of inputs including visitor attraction numbers, tourist accommodation bed stock, event attendance, occupancy levels, accommodation tariffs, macroeconomic factors, visitor spending levels, transport usage levels, and tourism-specific economic multipliers.

STEAM data highlights the following in terms of the value and scale of the tourism sector in Gwynedd for 2024:

- Economic Impact: £1.785bn
- Number of visits: 7.75m
- Number of visitor days: 24.09m
- Total employment: 17,644

The most recent accommodation bed stock research undertaken by Cyngor Gwynedd in 2019 shows the following, with a comparison to 2011. It should be noted that these figures may have changed significantly as a result of Covid-19 and the cost-of-living situation. A national registration scheme will ensure that up-to-date information is available in the future:

	Number 2019	**Number 2011**	**% Change since 2011**
Establishments not including AirBnB	3,212	2,807	+14.4%
AirBnB	745	-	-
Total Establishments	**3,957**	**2,807**	**+40.9%**
		■	
Visitor Beds not including AirBnB	132,924	125,273	+6.1%
Visitor Beds AirBnB	3,661	-	-
Cyfanswm Gwelyau Ymwelwyr	**136,585**	**125,273**	**+9.0%**

Based on the current number of visitors (measured by the number of overnight stays), the visitor levy would generate approximately £2.8 million, of which up to £2.5 million would be retained by Cyngor Gwynedd to be spent locally (in accordance with the Act), assuming that up to 10% of the revenue is used to cover Welsh Government operating costs.

The methodology used to calculate this figure allows for a reduction in demand in response to the visitor levy. This reduction results in a small decrease in revenue; however, total revenue remains between £2.7 million and £2.8 million, and between £2.4 million and £2.5 million once the contribution towards Welsh Government operating costs has been excluded.

In practice, the revenue collected could be higher than this for a number of reasons:

- This estimate assumes that visitor numbers remain stable based on 2024 data, with the only change being a reduction in visitor numbers (or overnight stays) as a result of the levy. In reality, Gwynedd's visitor economy could grow (with or without the levy). The tourism market in Gwynedd has been growing since the Covid pandemic, and this growth may continue. There is also evidence of yearonyear growth in tourism in locations that have introduced a visitor levy (see Bangor University's Economic Impact Assessment).

- The visitor levy would enable Cyngor Gwynedd to invest in activities in line with the Act, including promoting and supporting sustainable tourismled economic growth, and providing, maintaining and improving infrastructure, facilities and services for visitors. This investment is itself likely to stimulate an increase in visitor numbers. Conversely, there could be a reduction in visitor numbers if such investment were not made through the visitor levy.
- STEAM data suggests that Gwynedd's current visitor economy is significantly larger, which would result in higher revenue.

	Main analysis Core scenario (elasticity of -0.74)	**STEAM** (elasticity of -0.74)
Revenue (excl VAT)	**£2.8m** *£2.5m accounting for contribution to WG*	**£12.4m** *£11.2m accounting for contribution to WG*

Proposed Visitor Levy Budget in Gwynedd 2027/28

It is proposed that the indicative budget for Gwynedd should be calculated on a conservative figure of £2.5 million in the first year of local implementation of the Levy. However, it is anticipated that this figure will be higher, given the gaps in the data and the significant differences between the datasets used.

3. **Proposals for the use of Levy income in Gwynedd**
   Use of the Levy is restricted to the purposes of 'destination management and improvement'. In the Welsh context the following areas are highlighted in the Act:
   a. mitigate the impact that visitors have;
   b. maintain and promote the use of the Welsh language;
   c. promote and support the sustainable economic growth of tourism and other forms of travel;
   d. provide, maintain and improve infrastructure, facilities and services for visitor use (whether or not they are also for use by local people).

   The Act states that local authorities must provide details at the end of a financial year in a publication highlighting how much income has been collected and how that income has been invested in order to manage and improve a destination.

   Given that Cyngor Gwynedd, Eryri National Park Authority and Conwy County Borough Council have adopted the Gwynedd and Eryri 2035 Strategic Plan (G+E2035) which identifies a clear vision, principles and objectives to support a sustainable visitor economy in the area – these priorities are intended to be used to prioritise levy investments in Gwynedd.

   Our vision within the scheme is:

   "A visitor economy for the benefit and well-being of the people, environment, language and culture of Gwynedd and Eryri".

   3 principles have been agreed to realise the vision:

1. Celebrate, Respect and Protect our Communities, Language, Culture and Heritage
2. Maintain and Respect our Environment
3. Ensure that the benefits to the communities of Gwynedd and Eryri outweigh any disadvantages

The following table outlines our principles and objectives in G+E2035 alongside the areas assigned by the Levy:

Principle and Objective of G+E2035	**The Levy's specific assigned areas**
Celebrate, Respect and Protect our Communities, Language, Culture and Heritage: • A visitor economy in the ownership of our communities	• mitigate the impact that visitors have; • maintain and promote the use of the Welsh language; • provide, maintain and improve infrastructure, facilities and services for visitor use (whether or not they are also for use by local people).

with an emphasis on pride in one's area • A visitor economy that is world-leading in Heritage, Language, Culture and the Outdoors	
Maintain and Respect our Environment • A visitor economy that respects our natural and built environment and considers the implications of visitor economy developments on our environment today and in the future • A visitor economy that is world-leading in sustainable and low carbon developments and infrastructure and when responding to the climate change emergency	• mitigate the impact that visitors have; • promote and support the sustainable economic growth of tourism and other forms of travel; • provide, maintain and improve infrastructure, facilities and services for visitor use (whether or not they are also for use by local people).
Ensuring that the benefits to the communities of the area outweigh any disadvantages • A visitor economy that ensures that infrastructure and resources contribute towards the well-being of the community all year round • A visitor economy that thrives for the well-being of Gwynedd residents and businesses and that offers quality employment opportunities for local people all year round • A visitor economy that promotes local ownership and supports local supply chains and produce	• mitigate the impact that visitors have; • promote and support the sustainable economic growth of tourism and other forms of travel; • provide, maintain and improve infrastructure, facilities and services for visitor use (whether or not they are also for use by local people).

An Annual Action Plan is being developed to implement the Strategic Plan in response to Gwynedd residents' questionnaire on tourism, the Gwynedd business questionnaire as well as the work of Ardal Ni plans and priority workshops held with members of the Gwynedd and Eryri 2035 Partnership.

In Gwynedd, levy investment schemes could focus on some of the following activities that operate on the principles:

Principle and Objective of G+E2035	**Examples of potential activity that could be funded through the Levy in Gwynedd**

Celebrate, Respect and Protect our Communities, Language, Culture and Heritage: • A visitor economy in the ownership of our communities with an emphasis on pride in one's area • A visitor economy that is world-leading in Heritage, Language, Culture and the Outdoors	✓ Campaigns to promote culture and the Welsh language ✓ Promote Sense of place and the Welsh Offer for businesses via training ✓ Projects to conserve built and living cultural heritage ✓ Support for the Slate Landscape World Heritage Site and its activities ✓ Support cultural activities and events ✓ Support use of Welsh language
Maintain and Respect our Environment • A visitor economy that respects our natural and built environment and considers the implications of visitor economy developments on our environment today and in the future • A visitor economy that is world-leading in sustainable and low carbon developments and infrastructure and when responding to the climate change emergency	✓ Improved public transport to serve communities and individuals who want to commute to work – extra buses and later in the evening ✓ Basic infrastructure (bins / refuse collection / toilets / street hygiene etc.) ✓ Maintain popular routes and create new ones. ✓ Protect habitats e.g. seas and waters ✓ Bespoke interpretation ✓ Support for environmental conservation projects ✓ Campaigns and support for a plastic-free sector ✓ Car charging points ✓ Bathing water or clean beaches schemes.
Ensuring that the benefits to the communities of the area outweigh any disadvantages • A visitor economy that ensures that infrastructure and resources contribute towards the well-being of the community all year round • A visitor economy that thrives for the well-being of Gwynedd residents and businesses and that offers quality	✓ Visitor campaigns to extend the season, promote the area's special qualities and encourage respect and safety. ✓ Develop bespoke packages and tours to visit the area and reduce pressure on busy areas ✓ Support for e.g. Mountain and maritime Rescue Teams ✓ Grant packages to support businesses, events and communities

employment opportunities for local people all year round • A visitor economy that promotes local ownership and supports local supply chains and produce	✓ Improving infrastructure e.g. toilets, Aros-fan (overnight stay scheme), car parks, stations, access to location etc. ✓ Extend warden hours ✓ Promote or support regenerative tourism efforts, i.e. Tourism that has a positive impact on local communities and the environment. ✓ Training or development of skills or activity related to tourism. ✓ Developing a local produce package ✓ Schemes to support sustainable tourism growth. ✓ Provide information to visitors.

4. Establishing a Visitor Levy Partnership Forum in Gwynedd

Local Authorities introducing a Levy in their area are expected to establish a Levy Partnership Forum to discuss issues relating to the Levy locally. Specifically, the Forum is expected to provide information and advice on how to prioritise investment of the Levy income for the management and improvement of a resort in the area.

The Forum's views should inform the decision-making process regarding the investment of the Levy income, and the Council should take into account any information or advice provided by the Forum in making decisions.

A Local Authority must take reasonable steps to ensure that the Forum is made up of representatives from

- Organisations representing businesses working in tourism, or operating in related activities within the main Council area;
- Organisations that promote or facilitate tourism in the main Council area;
- Other relevant local bodies and representatives with an interest in tourism or visitor accommodation in the main Council area that the council feels are relevant.

Proposed membership of the Gwynedd Visitor Levy Partnership Forum

The Gwynedd and Eryri 2035 Partnership has already been established in Gwynedd to support a sustainable visiting economy in the area. As this partnership also includes Conwy County Borough Council, it is proposed to create a sub-group of this partnership to operate as the Visitor Levy Partnership Forum for Gwynedd. The sub-group will be aware of the strategic priorities of Gwynedd & Eryri 2035 and the relevant action plans.

Proposed Forum Members

Co-Chairs of Gwynedd + Eryri 2035 (x2)

Community enterprise sector representative

Tourism sector representative

Local Destination Management Partnership / Group representative

Town or Community Council representative x3

Gwynedd Culture Network representative

North Wales Skills Partnership representative

Transport for Wales / Gwynedd representative

Eryri National Park Authority representative

North Wales Tourism representative

Mid Wales Tourism representative

Cyngor Gwynedd Officers (x2)

The Leader of Cyngor Gwynedd

Cyngor Gwynedd Cabinet Member for Economy and Community

Observer: Visit Wales + Welsh Revenue Authority

The Welsh Government Guidance states that the Forum should act as a platform to promote collaborative discussions and to provide useful insight and recommendations on how best to use the income generated by the Levy. This approach will ensure a transparent and equitable use of resources, reflecting the needs and priorities of the tourism sector and local communities.

Efficient and transparent arrangements will need to be ensured in terms of governance and in order to declare interests in any recommendations made by the Forum.

Final decisions on the use of the Levy income will be the responsibility of the elected members of Cyngor Gwynedd.

5. Terms of reference of the Levy Partnership Forum

The Gwynedd Levy Partnership Forum will be a sub-group of the Gwynedd and Eryri 2035 Partnership (G&E2035), the area's Sustainable Visiting Economy Partnership.

The Forum will meet to:
- Act as a platform for collaborative discussions about the Levy
- Provide an insight into the operation of the Levy in Gwynedd
- Identify priorities from the G&E2035 Action Plan to recommend their funding and realisation through Levy income
- Identify any other schemes or priorities to be recommended for implementation through Levy income
- Monitor the implementation of the Levy in Gwynedd and to receive reports on investments made through the Levy
- Review the annual Levy Monitoring Report and recommend its publication
- Provide views on the Levy communication programme in Gwynedd
- Overseeing the Terms of Reference and Membership of the Partnership Forum

The Forum will be expected to consider the vision, principles and an action plan for Gwynedd and Eryri 2035 when making recommendations for the investment of visitor levy income in Gwynedd:

"A visitor economy for the benefit and well-being of the people, environment, language and culture of Gwynedd and Eryri".

Principles:
1. Celebrate, Respect and Protect our Communities, Language, Culture and Heritage
2. Maintain and Respect our Environment
3. Ensure that the benefits to Gwynedd and Eryri communities outweigh any disadvantages

Frequency of Meetings

Meetings are held twice a year – to be reviewed as required.

Task and finish or thematic groups can be held as needed.

Chairing

The meetings will be co-chaired by the co-chairs of the G&E2035 Partnership

Secretariat and Implementation

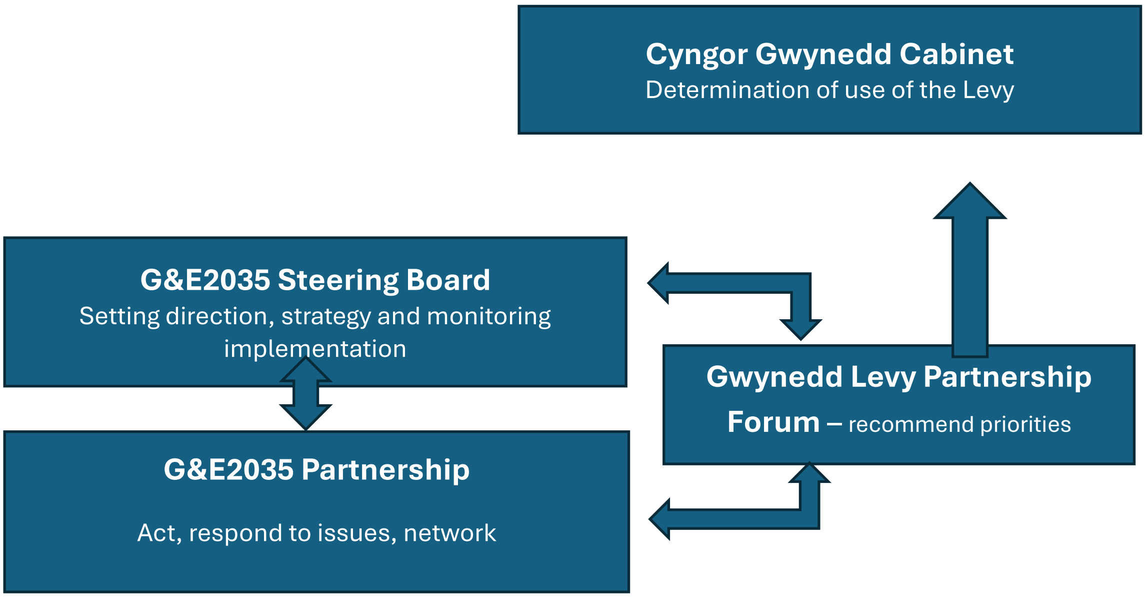
The Partnership Forum secretariat will be provided by Cyngor Gwynedd's Tourism, Marketing and Events Service.

Where practicable, the meeting agenda and papers will be circulated to members seven days in advance of a meeting.

Where practicable, summary Action Points will be circulated to members within seven days of holding a meeting.

Collaboration structure

The proposed implementation and decision structure is outlined below:



Final decisions on projects to be funded through the Levy will be made by Cyngor Gwynedd's Cabinet Members when considering the recommendations of the Partnership Forum.

6. **Annual Reports**
Local Authorities are expected to publish a report in each financial year in which they have received the Levy income. The annual report must:
- State how income from the Levy is earmarked;
- State the total amount of income collected through the Levy and received by the Local Authority;
- State the net revenue received after costs have been taken into account;
- Provide details of how the income of the year in question has been invested for destination management and improvement;
- Provide an assessment of the impact of those projects on businesses and communities;
- Consideration could be given to including details of how money is intended to be invested in the future – particularly in cases where income is carried over to another financial year.

An annual report is expected to be published as soon as possible after 30 June following a financial year on the Local Authority's website.

Monitoring and evaluation

Once a Levy is operational in an area, a Local Authority will need to assess the impact of the Levy on its area to ensure there are no adverse or negative side effects. The Guidance states that Local Authorities can monitor impact through a number of methods including:

- A cost-benefit analysis of the projects, programmes or activities funded through the Levy.
- Surveys, interviews and stakeholder engagement (e.g. Feedback from the Partnership Forum).
- Analysis of trends, consideration of visitor numbers and flow.
- Analysis of trends of visitor accommodation provision in the area.

Indicators at a local level will need to be considered for Levy investment decisions. These may be in line with indicators that have been identified and are being developed for the G&E2035 Plan:

GE01	% of the County's residents surveyed who stated that tourism in their area has a positive result
GE02	% of the County's residents surveyed who believed that tourism has a positive influence on the Welsh language and culture
GE03	% of businesses and visitor economy enterprises that have been awarded a GandE2035 Sustainable Tourism Champion accreditation
GE04	Number of individuals registered on the Gwynedd and Eryri Ambassador scheme

GE05	% of the County's residents who were surveyed state that tourism has a negative influence on the environment and nature
GE06	Number of Sherpa service users (seeking to identify further transport and environment measures)
GE07	Overnight visitor spend
GE08	Day visitor spend
GE09	Number employed within the tourism sector

It will also be necessary to monitor:

- Total numbers of visitors staying overnight
- Hotel occupancy rates

Indicators for investments from Levy income in Gwynedd could vary based on the priorities that will be supported, but could include for example:

- Number of projects to support a sustainable visitor economy (culture / language / environment / tourism regeneration)
- Number of sustainable visitor economy support grants allocated
- Total £ investment attracted through projects funded through the Levy
- Number of campaigns promoting supported G&E2035 principles
- Reach of supported campaigns
- Additional expenditure from supported campaigns
- Visitor satisfaction to Gwynedd
- Km of routes created or improved
- Number of additional opening hours of public toilets
- Number of additional bus services created
- Attendance at events and training held through Levy income
- etc.

7. **Consultation Process**

A Local Authority is expected to undertake a consultation process based on the "Gunning" public consultation principles before submitting a 12-month notice.

The consultation should set out the case for introducing a levy outlining the potential benefits and offer suggestions on how the levy could be invested for the benefit of the local area, businesses, residents and visitors. The guidance states that:

- The consultation must be at a formative stage;
- Sufficient information is provided to allow for intelligent consideration and response;
- Adequate time is given for consideration and response;
- The decision-making body must conscientiously take into account the responses from the consultation.

The consultation materials must be clear and accessible, timescales should be realistic and feedback should be genuinely considered when formulating the final policy. A Local Authority should then consult with communities about its proposals to consider the responses when making a decision on the adoption of the Levy.

This document is the Gwynedd Visitor Levy Proposal.

The consultees

The Guidance identifies the following as mandatory consultees that should be included:

- **Local people**, i.e. people who live, work or study in the Local Authority area.
- **Community Councils** in the Local Authority area.
- **Public services board** (according to Section 4 of the Well-being of Future Generations (Wales) Act 2015 for the Local Authority area).
- **The principal council for an area adjoining the consulting council**, i.e. neighbouring councils, so that they are aware of the plans. The authorities may also wish to consider whether there are any opportunities for collaboration. In the case of Gwynedd this includes Anglesey, Conwy, Denbighshire and Powys.
- **National Park Authority** for a National Park any part of which is in the Local Authority area
- **Corporate Joint Committee** which includes as a member at least one senior executive member of the principal council.
- **Organisations representing businesses working in the tourism sector**, or participating in tourism-related activities, in the main council area; and/or promote or facilitate tourism in the council area.
- **Where there is a proposal to introduce the levy**, the consultation should include all persons identified in the report by virtue of section 47(5)(c) of the Act (which refers to the proposed membership of the visitor levy partnership forum) who is not otherwise a mandatory adviser.

Consultation framework

In the case of Gwynedd the consultation period would take place over 10 weeks between May and July 2026 and would include:

- Online questionnaire for businesses, residents and visitors
- Focus groups with business and community representatives invited to discuss
- One-to-one interviews
- Special events (one in each of the 3 areas of Gwynedd and one on-line)
- Pop-up and drop-in sessions within the 3 areas of Gwynedd
- Meetings of the Gwynedd and Eryri Partnership 2035

The results of the consultation will serve as consideration for the final impact assessments as well as taking into account the Council's decision on whether or not to adopt the Levy.

Communications and Engagement Plan

A Communications and Engagement Plan is planned to establish formal arrangements within the Council and with partners to communicate and engage on the development of the overnight accommodation registration procedure and the Levy within Gwynedd.

It is expected that the Welsh Government and the WRA will provide statutory guidance in due course but, a draft is available which is currently being used as guidance.

8. Local Impact Assessments

Economic Impact

The introduction of a Visitor Levy could have three competing effects on the local economy:

- Projects and programmes funded through the levy could support growth in the visitor economy;
- The introduction of a levy has the potential to reduce demand for accommodation; and
- The administrative costs of the levy have a negative impact on the tourism sector.

The overarching objective should be to ensure that the benefits of the scheme outweigh the negative impacts. This suggests that:

- Expenditure should focus on areas that increase tourism;
- The level of the levy should be set to ensure that impacts on demand are minimal; and
- Administrative costs are kept to a minimum.

In relation to the first point, it is also important to ensure that the levy delivers additionality in terms of expenditure.

<u>Importance of the Visitor Economy to the Gwynedd Economy</u>

The visitor economy is important to the economy of Gwynedd.

Gwynedd and Eryri are home to iconic natural and heritage attractions, including Yr Wyddfa (Snowdon), the National Park, the Llŷn Area of Outstanding Natural Beauty (AONB), one of the longest sections of the Wales Coast Path, Blue Flag beaches and marinas, the largest forest in North Wales, over 100 lakes, World Heritage Sites, and the Dyfi Biosphere.

There are 17 National Nature Reserves in Eryri—more than in any other national park in Wales—and 56 Sites of Special Scientific Interest. This exceptional biodiversity reflects the diversity of the landscape, geology, climate and land management practices. The richness of plant and animal life is fundamental to the history, culture, language, economy and ongoing wellbeing of everyone who lives in and visits the area.

The area is home to a number of highquality businesses, attractions and food and drink producers that have invested heavily over the past decade, providing unique experiences for residents and visitors. Two of the county’s strongest tourism sectors are outdoor tourism and heritage tourism.
The area is a stronghold of the Welsh language, with over 69% of the population fluent in Welsh according to the 2011 Census.

For centuries, the area has attracted visitors drawn to its natural and built environment and its communities. Today, there is a need to review priorities for the future of the visitor economy, to work differently, and to develop a new approach.

The visitor economy makes an important contribution to the economy and communities of Gwynedd and Eryri. However, this contribution must be balanced and sustainable in order to protect communities, the environment, language and culture for future generations. Data and research highlight the need for a better balance within the visitor economy and the wider economy in Gwynedd and Eryri National Park.

As part of the development of the Gwynedd Visitor Levy Proposal, an Economic Impact Assessment was commissioned to assess the potential effects of introducing a levy locally.

In terms of the scale of the sector in Gwynedd, Welsh Government analysis uses data from the Great British Tourism Survey (GBTS) and the International Passenger Survey (IPS) for the period 2022 to 2024—these are also the datasets recommended to local authorities.

This results in an average of 0.87 million visits, with 3.6 million overnight stays, supporting £250 million in visitor expenditure. It should be noted that this includes all trips, including those staying in accommodation that does not fall within the scope of the levy (for example, staying with friends and family).

This dataset shows a reduction in the number of overnight stays and expenditure compared to preCovid averages (2017–2019) and the data used in the Welsh Government's consultation document. This reduction may be partly due to changes in data collection methodology, but also reflects a genuine decline in tourism in Gwynedd.

However, using the 2022–24 average does not take account of more recent growth (or potential future growth) in overnight stays and expenditure. As a result, a sensitivity test using 2024 overnight stay and expenditure data is included.

A further sensitivity test is also included using STEAM data, which shows significantly higher visitor numbers and expenditure. While this is likely to overestimate the impact of the levy, it is included for completeness and because the rural nature of Gwynedd may mean that GBTS and IPS data underestimate visitor numbers.

It must be noted that the quality and reliability of data available—both nationally and at Gwynedd level—for assessing the impact of introducing a levy is extremely challenging and limited, as such data does not exist in many cases.

For several years, the Council has considered how visitors could contribute to supporting a sustainable visitor economy in the county, including the previously referenced *Elwa o Dwristiaeth* project. Of all the options considered at the time—from voluntary visitor contributions, to establishing a Tourism Business Improvement District, to introducing a Visitor Levy—the levy emerged as the most effective means of securing income to support a sustainable visitor economy locally. At that time, it was estimated that it could raise up to £9 million per year in additional income (based on 2017 STEAM visitor data).

As local context, Gwynedd STEAM data (which includes warnings and caveats and is an internationally recognised model for assessing visitor trends and economic contribution) highlights the following for 2024:

- Economic impact: £1.785 billion
- Number of visits: 7.75 million
- Number of visitor days: 24.09 million
- Total employment: 17,644

Taking into account research undertaken by the Welsh Government during the development of the Bill, alongside previous research and draft guidance received from the Government, the Economy and Community Department has worked jointly with Isle of Anglesey County Council and Conwy County Borough Council to commission Quod to assess the economic impact of introducing a Visitor Levy in their areas. The findings have been informed by input and expertise from Bangor University Business School, drawing on international models of levy implementation and their economic impacts on communities.

The jointly commissioned impact assessment follows Welsh Government guidance and uses models similar to those employed by the Government in developing national impact assessments. The data used is based on figures from the International Passenger Survey and the Great British Tourism Survey for the years 2022–2024, with STEAM data also considered as part of the assessment.
The research focuses on:

- Research and studies prepared by the Welsh Government as part of its assessment;
- A review of any other existing studies;
- An economic impact assessment at Gwynedd level, subject to significant assumptions and caveats;
- Cross-referencing with Welsh Government work;
- Conclusions on the potential impact; and
- Reviewing the draft impact assessment in light of the consultation process.

The economic impact assessment concludes that the effects of the levy on Gwynedd would be relatively small. The following is noted:

The evidence base on the economic impact of visitor levies is relatively limited, due to a lack of relevant evidence on the effects of visitor levies from other locations, together with gaps and uncertainties in the data. As a result, the national assessment includes a significant number of assumptions (caveats) and relies on wide ranges of estimates. An assessment at local level faces additional challenges, due to more pronounced data gaps and an even less developed evidence base on the impacts of visitor levies at local level (compared to the national level).
The main assumptions and caveats relevant to the locallevel assessment are as follows:

- *There is significant uncertainty regarding the elasticity of demand. While this is already the case at an allWales level, the uncertainty is even more pronounced when applied at the Gwynedd level.*
- *There are different data sources used to estimate the current size of Gwynedd's visitor economy. The primary analysis uses the* ***International Passenger Survey (IPS)*** *and the* ***Great British Tourism Survey (GBTS)****, in line with the Welsh Government's assessment and guidance provided to local authorities.* ***STEAM data*** *indicates a substantially larger visitor economy, and the implications of this are noted in the report.*
- *At national level, it is reasonable to expect that the majority of visitor expenditure is retained within Wales. This is not necessarily the case at a smaller geographic level; for example, some expenditure by visitors to Gwynedd may occur in Conwy or on Anglesey (and vice versa).*
- *Similarly, it is likely that a higher level of economic leakage will be associated with expenditure funded through the levy, as some businesses benefiting from levyfunded contracts may be located outside Gwynedd.*
- *The national level assessment necessarily assumes that the levy would be introduced across Wales. At the Gwynedd level, the impacts will differ depending on whether Gwynedd alone introduces the levy or whether neighbouring authorities also implement it.*

As a result, the Gwynedd-level assessment is appropriately caveated and should be read in the context of data gaps and the relatively limited evidence base, particularly at local level.

Nevertheless, there is confidence that the impact on Gwynedd would be relatively small in terms of employment and Gross Value Added (GVA). A broadly similar approach to that used by the Welsh Government has been adopted in order to define the likely "bookends" for the range of impacts.

Within this primary analysis, the assumptions made are generally conservative in terms of assessing economic impact (that is, they tend to overestimate potential negative impacts). For example, it is assumed that Gwynedd loses all visitor expenditure, whereas in reality some of this expenditure would have occurred outside Gwynedd in any case (for example, when visitors staying in Gwynedd spend money in neighbouring local authority areas on day trips). It is also assumed that there is some leakage of economic activity outside Gwynedd as a result of levy expenditure, while simultaneously assuming that Gwynedd businesses do not benefit from contracts arising from visitor levy expenditure in other local authority areas.

Similarly, the analysis assumes no growth in the visitor economy and allows for a reduction in visitor numbers as a result of introducing the levy. In practice, if the visitor economy were to grow, the funding raised through the levy would increase, and levyfunded expenditure itself could stimulate higher levels of tourism through an improved visitor experience. This would help to maintain and enhance Gwynedd's competitiveness as a tourism destination. There is evidence of yearonyear growth in visitor numbers in other locations where visitor levies have been introduced.

Any growth in the visitor economy would also offset any losses to the economy (in terms of jobs and GVA) arising from visitors who do not come as a result of the levy, and would also increase the revenue generated by the levy.

Nevertheless, on the basis of this approach, the impacts of the levy are estimated to be relatively small. Even under these conservative assumptions (i.e. assumptions that may overestimate any negative impacts), it is estimated that the levy could result in:

- *A change in employment of between **–50 and +21 jobs**, equivalent to a loss of approximately **–0.1%** or an increase of around **0.04%** of employment in Gwynedd;*
- *A change in annual GVA of between **–£2.7 million and +£0.4 million**, equivalent to a loss of approximately **–0.1%** or an increase of less than **0.01%** of the Gwynedd economy; and*
- *Annual revenue of between **£2.4 million and £2.8 million**.*

This range, which spans from a relatively small negative impact to a relatively small positive impact, reflects the findings of the Welsh Government's assessment, which also concluded that the nationallevel impact is likely to fall between a small negative and a small positive effect.

*STEAM data estimates that Gwynedd's current tourism economy is substantially larger than that indicated by the IPS and GBTS. If STEAM data were used, the impacts of the levy would be approximately **four to five times greater**. This underlines the uncertainty in the data and, therefore, the inherent uncertainty involved in forecasting the impacts of the levy.*

9. Equality and Language Impact Assessment

Quod was commissioned to advise on the potential impacts on groups that share protected characteristics.

The table below summarises the findings of the Equality Impact Assessment against protected characteristics.

Protected characteristic	Potential impacts	Potential mitigation where required
Age	WG concludes there are 'nil' potential direct impacts with regard to Age once mitigation (including the under-18 exemption for lower bound accommodation) is taken into account. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA. There are possible impacts related to a higher proportion of older visitors to Gwynedd, and a young workforce, but any impacts of the levy are likely to be small – and will to some extent be offset by the spending of the levy.	Under 18s are excluded from the levy for lower-rated stays Future use of the levy
Disability	The WG EQIA identified that it could be construed as indirect discrimination to apply a visitor levy to carers accompanying a disabled person requiring care as part of their visit but that the option (not including an exemption) was a proportionate response. Once mitigation (including refund for person in receipt of a disability benefit) is	Refund mechanism for persons in receipt of a disability benefit who are accompanied by a person providing care, support or assistance. Future use of the levy

	included, no other impacts were identified and it is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	
Gender reassignment	WG concludes there are 'nil' potential direct impacts with regard to Gender reassignment. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	Stays in private hospitals are exempt from a levy.
Marriage and civil partnership	WG concludes there are 'nil' potential direct impacts with regard to Marriage and Civil Partnership. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	No potential impacts identified
Pregnancy and maternity	WG concludes there are 'nil' potential direct impacts with regard to Pregnancy and maternity. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	No potential impacts identified
Race	Visitors to Gwynedd and employees in the distribution, hotels and restaurants sector are more likely to be white, than the average across Wales. WG concludes there are 'nil' potential direct impacts with regard to Race. It is	Gypsy, Roma and Travellers sites provided by a local authority or registered social landlord are exempt from a levy. Exemptions / refunds are available for vulnerable groups, e.g. asylum seekers

	not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	and those fleeing domestic abuse Future use of the levy
Religion and belief	WG concludes there are 'nil' potential direct impacts with regard to Religion and Belief. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	The WRA will offer non-digital processes to accommodate those whose faith may restrict digital engagement. Free accommodation exempt from a levy and stays in lower rated accommodation have a lower levy charge. Future use of the levy
Sex	WG concludes there are 'nil' potential direct impacts with regard to Sex. There are no Gwynedd specific characteristics that would change the findings of the WG EQIA. It is not anticipated that there would be a disproportionate or differential impact in Gwynedd as a result of the levy on females (or males) working in the tourist sector.	No potential impacts identified
Sexual orientation	WG concludes there are 'nil' potential direct impacts with regard to Sexual Orientation. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA	No potential impacts identified
Welsh Language	According to the Welsh Government's assessment,	Use of the Levy in future to support Welsh and use of

	impacts on the Welsh language could arise if the levy were to reduce the competitiveness and profitability of the tourism sector, which employs Welsh speakers, including by discouraging visitors from undertaking educational visits to destinations in Wales. The levy could also support the tourism industry and employment opportunities or initiatives in Welsh-speaking regions. Overall, it is likely that there would be **very little or no measurable impact** on the use of the Welsh language as a result of the levy, other than the possibility that there may be fewer opportunities to use Welsh if there were a reduction in demand. There is **no evidence** to suggest that people would leave their communities as a result of a visitor levy.	Welsh in communities and businesses.
Socio-economic disadvantage	According to the Welsh Government's integrated assessment, higher taxes could deter budget travellers or individuals on lower incomes from visiting areas that adopt a levy, potentially raising concerns about fairness and inclusivity. However, the levy has been designed with two rates, applied per person per night. The standard rate will be £1.30 for most types of accommodation, while a	Welsh Ministers may assess and amend the rates set out in the legislation in order to mitigate impacts. Future use of the Levy will support improvements to the local area, by using the revenue to help maintain and regenerate local services and infrastructure.

	lower rate of £0.75 will apply to hostels and camping sites. The introduction of a lower rate recognises that the cost of these types of accommodation is lower compared to others. In addition, young people under the age of 18 will not be included in the charge calculated for the visitor levy in lowerrate accommodation stays. This means that they will not be required to pay the levy when it is passed on by the accommodation provider, as they are not included in the levy calculation (i.e. there is no levy to be passed on).	

10. Well-being of Future Generations Act Impact Assessment

There is a duty to act in accordance with the principle of sustainable development, namely to seek to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

In acting in accordance with this overarching duty, the Council must consider the importance of longterm impact, integration, inclusion, collaboration and prevention when developing and implementing the proposal under consideration.

In line with the requirements of the Act, Cyngor Gwynedd has adopted wellbeing objectives. Particular attention is drawn to the following objectives that the Visitor Levy could support if it were to be adopted:

- **A Prosperous Gwynedd** – Strengthening the economy and supporting Gwynedd residents to earn fair and decent wages.
- **A Welsh-speaking Gwynedd** – Ensuring that we provide every possible opportunity for residents to use the Welsh language within the community.
- **A Green Gwynedd** – Safeguarding the county’s natural beauty and responding positively to the climate change emergency.
- **An Efficient Gwynedd** – Putting Gwynedd residents first by treating them fairly and ensuring that the Council performs effectively and efficiently.

Quod

DRAFT Equality Impact Assessment

Visitor Levy Proposal for Cyngor Gwynedd

JANUARY 2026

Contents

1 Introduction

1.1 This Equality Impact Assessment (EQIA) considers the potential equality impacts related to Cyngor Gwynedd imposing a visitor levy. This document provides information Cyngor Gwynedd to support their consideration of imposing a visitor levy with regard to its Public Sector Equality Duty (PSED).

Overview of the Visitor Levy

1.2 The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (the '2025 Act') gives councils in Wales the choice to introduce a charge on overnight stays. Known as a 'visitor levy', councils can choose to introduce the levy in their area from April 2027.

1.3 The levy is chargeable at two separate rates:

- Campsite pitches and shared rooms (hostels and dormitories): 75p per person, per night
- All other types of visitor accommodation: £1.30 per person, per night

1.4 There are exemptions[1]; Visitors will not pay the visitor levy if they are:

- under 18 years of age and staying on a campsite pitch or in shared rooms (such as a hostel or a dormitories)
- staying for more than 31 nights in a single booking
- in emergency or temporary housing arranged by the local council

1.5 The funds from the levy will be reinvested for the purposes of destination management and improvement in the area. Section 44 of the 2025 Act stipulates that councils must use the proceeds of the levy for:

- mitigating the impact of visitors;
- maintaining and promoting use of the Welsh language;
- promoting and supporting the sustainable economic growth of tourism and other kinds of travel;
- providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people).

Purpose of this Equality Impact Assessment

1.6 In considering whether to impose a visitor levy, Cyngor Gwynedd is required to consider potential equality effects that may relate to the protected characteristics under the 2010 Equality Act (the '2010 Act').[2] The purpose of this EQIA is to provide information to assist the council in its role as the local authority when discharging its PSED.

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[1] The visitor levy: a small contribution for a lasting legacy. Available here
[2] The Equality Act 2010.

1.7 **Section 2** of this report provides context by setting out the legislative context and explains the methodology applied in this EQIA, considering both disproportionate and differential effects.

1.8 The Welsh Government has already conducted an EQIA of imposing a visitor levy across Wales.[3] **Section 3** summarises the findings of this EQIA.

1.9 **Section 4** looks at the effect of imposing a visitor levy in Gwynedd and the potential ways in which these effects may interact with protected characteristics.

1.10 A separate **Economic Impact Assessment** has been conducted – this is cross-referenced where relevant in this EQIA.

[3] Welsh Government, 2025. Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025: Equality Impact Assessment here

2 Legislative Context

2.1 The 2010 Act forms the basis of anti-discrimination law in Great Britain. Section 4 of the 2010 Act defines various protected characteristics which are covered by the Act:

- Age;
- Disability;
- Gender reassignment;
- Marriage and civil partnership;
- Pregnancy and maternity;
- Race;
- Religion and belief;
- Sex
- Sexual orientation

2.2 The 2010 Act requires authorities to have due regard to equality considerations when exercising their functions. This Public Sector Equality Duty (PSED) requires public authorities to have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other that is prohibited by or under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and those that do not share it.

2.3 The need to advance equality of opportunity includes the need to (as set out in Section 149 (3) of the 2010 Act):

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

3 Methodology

Approach

3.1 All interventions will have a range of impacts, with potentially both positive and negative impacts.

3.2 Everyone affected by an intervention will have some protected characteristics as defined by the 2010 Act, and there will be varying degrees of intersectionality (such as age, race and sex), and people will not all be equally affected. That does not however, necessarily constitute an equality effect.

3.3 To identify which effects are relevant to equality considerations, equality assessments distinguish equality effects as those that have either a disproportionate or differential effect upon persons who share a relevant protected characteristic compared to persons who do not share it, as explained below:

- **Disproportionate**: there may be a disproportionate equality effect where people with a particular protected characteristic make up a greater proportion of those affected than in the wider population.
- **Differential**: there may be a differential equality effect where people with a protected characteristic are affected differentially to the general population as a result of vulnerabilities or restrictions they face because of that protected characteristic.

3.4 The scale and significance of such impacts cannot always be quantified. Therefore, the consideration of equality effects includes a descriptive analysis of the potential impacts and identifying whether such impacts are adverse or beneficial.

3.5 Equality effects are complex and impacts are difficult to accurately and comprehensively predict. People's protected characteristics are personal and not always known, and not all of the people who will live near, work in or visit the area in future are already there today. For this reason, the EQIA can only consider effects that can reasonably be foreseen.

3.6 Any decision taken by a public body may involve a need to consider and balance a range of both positive and negative effects of different types. There may be reasonable mitigation measures that can eliminate or reduce some disproportionate or differential equality effects, but some impacts may not always be avoidable.

Scope of Assessment

3.7 The main objective of an EQIA is to provide Cyngor Gwynedd with information, with regard to the likely impact on the protected characteristics identified in the 2010 Equality Act, to inform their decision making.

3.8 There are three broad groups of people who may be affected by the visitor levy:

- Those who are (or may be in the future) employed in tourism jobs (or related sectors) whose employment may be affected by the introduction of the levy – this equally applies to business owners who may be affected.

- Residents who live in the area who may be affected by the introduction of the levy – through change in visitor numbers and / or who benefit from the investment of the levy spending

- Visitors (or others who are staying overnight) who are required to pay the levy

3.9 Within these groups there will be people with different protected characteristics and there will be varying degrees of intersectionality.

3.10 The starting point for the assessment is the Welsh Government all-Wales level EQIA[4] (WG EQIA), including the assessment, consultation / engagement and mitigation. We then consider whether there are any Gwynedd specific characteristics that may alter the findings of the WGIA and lead to disproportionate or differential effects.

[4] Welsh Government, 2025. Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025: Equality Impact Assessment here

4 Summary of the Welsh Government national level EQIA

4.1 The WG EQIA draws on a range of statistical data and figures on all protected characteristics and engagement with stakeholders including charities, disability groups and faith organisations to identify and (where possible) mitigate potential negative equality impacts.

4.2 The WG EQIA states that:

> ***'The overall aim of the levy is to generate additional revenue for local authorities that choose to use a levy and it is not expected there are "direct" impacts on those with protected characteristics.'***

4.3 The assessment identified that a visitor levy will affect local authorities, visitors, local residents and businesses where a levy is implemented, either directly or indirectly. A 'direct impact' of the visitor levy was defined as any potential impact of having to pay or charging the levy. An 'indirect impact' was defined as potential impacts due to the existence of a levy.

4.4 The WG EQIA acknowledges that existing research on the impacts of introducing a visitor levy on protected characteristics is limited so uses qualitative information and some data to make inferences as to potential "indirect" impacts. The same caveats apply to the local assessment.

Overall position on refunds and exemptions

4.5 Welsh Government conducted formal engagement on the Act, including with regard to exemptions. Generally, those in favour of applying exemptions to certain groups typically did so on the basis that:

4.5.1 exemptions should be applied to promote fairness and equality of outcome by supporting groups with protected characteristics, and

4.5.2 that certain groups should not be classified as visitors and therefore, should not be imposed upon a levy.

4.6 Those who disagreed with applying exemptions, did so on the basis that exemptions could introduce complexities, increase administrative burden for tax authorities and visitor accommodation providers, and could be unfair since all visitors benefit from the visitor services and infrastructure.

4.7 Ultimately, Welsh Government is clear that there needs to be a clear policy basis for a reduced rate or exemption based on protected characteristics. The approach is therefore to minimise the use of exemption but to include a lower levy rate.

4.8 To ensure a level of progressivity is met and 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 visitor accommodation.

4.9 The Welsh Ministers can assess and revise the visitor levy rates that are set in legislation should adverse impacts materialise.

4.10 The legislation sets out two categories of stays in relation to the levy, that will be either, exempted or refunded:

- **Exemptions** include stays arranged by local authorities, those who are homeless, accommodation for asylum seekers, private hospitals, approved premises, care homes and gypsy and traveller sites.
- **Refunds** may be provided where it is not possible to provide an exemption. This includes stays where there is a risk to the health, safety or welfare if an individual stayed at their sole or main residence, where an individual was homeless (and the stay was not exempt), and stays by those in receipt of a disability benefit where the person was accompanied by a person providing care, support or assistance.

4.11 Exemptions are made for the following groups and situations:

- Overnight stays at a gypsy and traveller site
- Home office arranged stays as part of their statutory obligations.
- Local authority arranged emergency stays in visitor accommodation as part of their duties under the Housing Act (Wales) 2014.
- Ministry of Justice arranged stays as part of their statutory obligations.
- Those under the age of 18 are not included in the calculable charge for lower-rated stays.

4.12 Similarly, refunds are available in cases where it is not possible to provide an exemption, such as:

- Stays related to temporary emergency housing arranged by charitable organisations in visitor accommodation on behalf of homeless people including those fleeing domestic abuse and asylum seekers.
- Disabled persons in receipt of a qualifying disability benefit who has paid visitor levy whilst staying in visitor accommodation and who are accompanied by a carer.
- Stays where there is a risk to the health, safety or welfare if an individual stayed at their sole or main residence (for example stays arranged by charities for vulnerable persons or where fire, flood or other disaster has rendered a property uninhabitable or where emergency services have advised not to stay at the property for such reasons).

4.13 As part of the consultation process, Welsh government officials engaged with policy teams in Welsh Government and the third sector to gain a better understanding of the lived experiences of vulnerable groups requiring visitor accommodation.

4.14 As a result of this engagement, the following actions were undertaken with respect to exemptions and refunds:

- Exemptions:
  - Making clear in the 2025 Act, the types of stays in visitor accommodation not subject to a visitor levy to ensure policy aims are realised

  - Ability to introduce new, modify or remove exemptions should there be emerging evidence of any disproportionate impact.
- Refunds – ability to add to the list of scenarios in which a refund may apply, should emerging evidence suggest so.

Protected characteristics

4.15 Table 4-1 below summarises the impact on each protected characteristic and measures to mitigate the impacts in the WG EQIA.

Table 4-1: Impact on protected characteristics – WG EQIA

Protected characteristic	Potential Impact	Mitigation
Age	No direct negative or positive impacts. Some secondary impacts identified for children and young people. The ability to pay a levy may affect those with lower incomes, e.g. younger or lower people differently.	Under 18s are excluded from the levy for lower-rated stays.
Disability	It could be construed as indirect discrimination to apply a visitor levy to carers accompanying a disabled person requiring care as part of their visit. This is because disabled persons requiring a carer would potentially face additional costs due to the levy applying to the carer, should those additional costs be incurred by the disabled person.	Refund mechanism for persons in receipt of a disability benefit who are accompanied by a person providing care, support or assistance.
Gender reassignment	No direct negative impact.	Stays in private hospitals are exempt from a levy.
Marriage and civil partnership	No direct negative impact	
Pregnancy and maternity	No direct negative impact.	
Race	No direct negative impact	Gypsy, Roma and Travellers sites provided by a local authority or registered social landlord are exempt from a levy. Exemptions / refunds are available for vulnerable groups, e.g. asylum seekers and those fleeing domestic abuse
Religion and belief	No direct negative impact. The levy may affect affordability for religious tourism but free accommodation is exempt.	The Welsh Revenue Authority (WRA) will offer non-digital processes to accommodate those whose faith may restrict digital engagement. Free accommodation exempt from a levy and stays in lower rated

Protected characteristic	Potential Impact	Mitigation
		accommodation have a lower levy charge. Revenue generated from the levy could be used for the preservation and maintenance of religious sites.
Sex	No direct negative impact.	
Sexual orientation	No direct negative impact.	

4.16 As a result of the stakeholder engagement, additional mitigation measures that will be implemented include:

- Local authorities publishing a report on the amount of revenue generated and how the revenue has been / will be used for the purposes of destination and improvement in the local area where it is spent (reflected in Section 45 of the 2025 Act)
- Welsh Ministers carrying out a review of the operation and effect of the 2025 Act and publishing a review on a 5-year cycle (reflected in Section 63 of the 2025 Act)
- Monitoring the use of data such as Visit Wales surveys, the Tourism Barometer and engagement with local authorities and businesses.
- WRA monitoring and reviewing the effectiveness of levy administration through engagement with local authorities and businesses and reporting on the amount of revenues collected.

4.17 The findings of this national level assessment and the mitigation measures are considered below where appropriate.

5 Local equality impact assessment

5.1 The following section provides baseline data on the demographics of the local population and visitors with respect to the protected characteristics as defined by the 2010 Act where available data exists. It also provides a comparison against baseline demographic data for Wales with respect to the protected characteristics.

5.2 Consultation with stakeholders is forecast to commence in early 2026. Comments through the consultation process will inform the next stage of the EQIA (as appropriate).

5.3 Mitigation measures and recommendations set out within the EQIA draw upon those presented in the WG EQIA already conducted by the Welsh Government of imposing a levy across Wales and those mentioned in the 2025 Act.

Protected Characteristics

Age

5.4 The potential impact with respect to age is considered for:

- Visitors
- Local population in terms of employment

Visitors

5.5 The WG EQIA noted that 'It may be that those at ages typically associated with lower incomes (for instance, younger people), are less able to afford the extra cost of visitor accommodation'.

5.6 Those under the age of 18 staying in lower rated stays are not required to pay the levy for lower rated stays. This will help mitigate any potential negative effects on young people as they may be more likely to stay in lower rated visitor accommodation (although the WG EQIA notes that there is no data to confirm this assertion).

5.7 The WG EQIA also notes that extra costs might not discourage those earning less to go on holiday, but it might alter behaviour in other ways, such as staying for a shorter period or spending less.

5.8 The WG EQIA does not specifically consider the potential impact on older people.

5.9 Table 5-1 below shows the age distribution of visitors to Gwynedd and Wales. There appears to be a smaller proportion of younger visitors to Gwynedd than to Wales as a whole and a larger population of older people (although the data is not like for like).

5.10 While interpreting the table, it should be noted that:

- The Gwynedd visitor age profile is from 2019, whereas the all-Wales visitor age profile is from 2024.

- The Gwynedd visitor age profile is across both day and overnight visitors whereas the all-Wales visitor age profile is for overnight visitors

Table 5-1: Age profile of visitors

	16 – 24	25 – 34	35 – 44	45 – 54	55 – 64	65+
Gwynedd (% of visitors)[5]	3	18	22	24	18	15
Wales (% of trips)[6]	20	27	19	13	13*	7*

Note: where a figure is followed with a single asterisk, the base size is below 100 and the figure should be treated as indicative.

5.11 The extent to which there is likely to be a differential impact on young people is (in part) mitigated by the exemption for under-18s from the lower band of the Levy. There does not appear to be a disproportionate impact (as the data suggests there are fewer young Welsh visitors to Gwynedd than Wales as a whole).

5.12 A higher proportion of older visitors to Gwynedd could lead to disproportionate impact as a result adverse impact of the increase in the cost of the trip. On the other hand, the WG EQIA also notes the following benefits, which is relevant to visitors and residents (emphasis added):

5.12.1 'The additional revenue could <u>also indirectly benefit older</u> and younger residents by improving the overall quality of life in the community, should the funds be used to enhance infrastructure, making the destination more accessible for more people'.

5.12.2 'The funds could also support cultural preservation efforts, which could help to protect and promote local heritage and traditions, <u>benefiting older people who may have a deeper connection to these cultural elements</u>12, and conversely younger people by maintaining or creating new facilities for younger generations to use'

Employment

5.13 The WG EQIA notes that those employed in tourism often have jobs that are more insecure, i.e. part-time working or spending less time working for the same employer. Additionally, those employed in the tourism sector are generally younger.

5.14 The WG EQIA also draws on the national level economic impact assessment and notes the impact of a visitor levy on employment as being between +100 FTE jobs to around -400 FTE jobs. The range arises due to the uncertainty in the extent to which a downturn in demand for tourism services will be offset by expenditure of visitor levy revenues.

5.15 The equivalent number for Gwynedd is between -50 and +21 FTE jobs (refer to the Economic Impact Assessment for more data). Any loss of jobs could be felt disproportionately by young people.

5.16 The WG EQIA noted that 38% of tourism workers were aged between 16-29 in 2022 across Wales. More recent data shows that over the period July 2024 – June 2025, 26% of Welsh residents worked in the Distribution, hotels and restaurants sector were aged between 16-24.[7]

[5] Wales Visitor Survey 2019 for Gwynedd Council. Available here
[6] Domestic GB tourism statistics (overnight trips): annual report 2024. Available here
[7] Office for National Statistics. Annual Population Survey

This is the same as in Gwynedd where the equivalent figure is also 26%. There are particularly high proportion of people ages 16-19 (16%) working in the sector in Gwynedd, compared to the Welsh average (10%).

Table 5-2: Employment by age (Distribution, hotels and restaurants)[8] – resident (July 2024 – June 2025) [9]

Age group	Gwynedd	Wales
16 – 19	800 (16%)	24,400 (10%)
20 – 24	1,300 (10%)	34,300 (15%)
25 – 49	6,300 (47%)	97,200 (43%)
50+	5,200 (37%)	70,500 (31%)
Total	**13,400 (100%)**	**226,400 (100%)**

5.17 While there could be a disproportionate effect (due to higher likelihood of young people being employed in the tourism sector), the magnitude of any negative effect is likely to be very small – there are is a maximum reduction of 50 FTE jobs, equivalent to loss of 0.1% of employment in Gwynedd, and that is a worst case scenario. There could also be a positive effect (estimated of up to 21 FTE jobs).

5.18 The WG EQIA also notes that ‘should the additional revenue raised stimulate improvements to the local infrastructure and services, this could see an increase in visitors to the area, spurring more employment opportunities in the tourism sector’.

Age overall

5.19 WG concludes there are ‘nil’ potential direct impacts with regard to Age once mitigation (including the under-18 exemption for lower bound accommodation) is taken into account.

5.20 There are possible impacts related to a higher proportion of older visitors to Gwynedd, and a young workforce, but any impacts of the levy are likely to be small – and will to some extent be offset by the spending of the levy. Therefore, it is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.

5.21 A further assessment of the likely impact on younger or older people could be carried out once further information is available on how the fund will be spent.

Sex

5.22 The potential impact with respect to sex is considered for:

- Visitors
- Local population in terms of employment

[8] *Ibid*
[9] *Ibid*

Visitors

5.23 Provisions in the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, and do not make any distinction based on sex.

5.24 The WG EQIA notes that studies have reported men being more amenable to paying a visitor levy - this may be due to the interaction of gender and income, where women have lower incomes on average than men

5.25 While interpreting the table below, it should be noted that:

- The Gwynedd visitor profile is from 2019, whereas the all-Wales visitor profile is from 2024.
- The Gwynedd visitor profile is across both day and overnight visitors whereas the all-Wales visitor profile is for domestic overnight visitors.

5.26 Table 5-3 below shows that there are similar proportions of female and male visitors visiting Gwynedd and Wales as a whole (although the data is not like for like) and in both cases there is a larger proportion of female visitors

5.27 While interpreting the table below, it should be noted that:

- The Gwynedd visitor profile is from 2019, whereas the all-Wales visitor profile is from 2024.
- The Gwynedd visitor profile is across both day and overnight visitors whereas the all-Wales visitor profile is for domestic overnight visitors.

Table 5-3: Visitor distribution by sex

	Gwynedd[10]	Wales[11]
Female	58%	59%
Male	42%	40%
All persons	**100%**	**100%**

NB that percentages may not sum to 100% due to rounding

5.28 The WG EQIA also notes that surveys suggest that:

- A majority (58%) of respondents agreed that tourists should contribute towards the costs of maintaining and investing in the destinations they stay in. Very few (13%) disagreed
- There was agreement that tourists should contribute to maintaining and investing in destinations and this correlates strongly with social grade and 'financial means'

5.29 WG concludes there are 'nil' potential direct impacts with regard to Sex. There are no Gwynedd specific characteristics that would change the findings of the WG EQIA.

Employment

[10] Wales Visitor Survey 2019 for Gwynedd Council. Available here
[11] Domestic GB tourism statistics (overnight trips): annual report 2024. Available here

5.30 In terms of employment, The WG EQIA also notes that across Europe, the share of women in the tourism workforce is also often higher. However, Table 5-4 below shows that the employment in Distribution, Hotels and Restaurants is roughly split evenly between men and women in both Gwynedd and Wales.

Table 5-4: Employment by sex (Distribution, Hotels and Restaurants)[12]

	Gwynedd	Wales
Female	5,613 (50%)	132,116 (49%)
Male	5,720 (50%)	137,360 (51%)
All persons	**11,333 (100%)**	**269,476 (100%)**

5.31 It is not anticipated that there would be a disproportionate or differential impact in Gwynedd as a result of the levy on females (or males) working in the tourist sector.

Marriage and Civil Partnership

5.32 Provisions in the 2025 Act are not expected to have any impact on marriage and civil partnership characteristic. Overnight visitor accommodation for weddings / civil partnership ceremonies will be subject to a levy.

5.33 WG concludes there are 'nil' potential direct impacts with regard to Marriage and Civil Partnership. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.

Gender Reassignment

5.34 Provisions of the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, do not make distinction based on gender reassignment.

5.35 However, consideration in the 2025 Act is given to those requiring medical treatment for gender reassignment process and private hospital stays do not get charged a levy.

5.36 WG concludes there are 'nil' potential direct impacts with regard to Gender reassignment. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.

Sexual Orientation

5.37 Provisions in the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, do not make distinction based on sexual orientation.

Visitors

[12] Office for National Statistics. Census 2021

5.38 Evidence suggests that 10% of trips taken to Wales were undertaken by LGBTQ+ visitors from January to December 2024.[13] The WG EQIA notes that there is no evidence to suggest that visitors with this sexual orientation characteristics would be disadvantaged through the provisions of the 2025 Act. The equivalent data for Gwynedd is presently unavailable.

Employment

5.39 terms of employment, the table below show that:

- There are similar proportions of bisexual and gay or lesbian workers employed in the distribution, hotels and restaurants sector in Gwynedd (4%) compared to Wales (4%)
- There are slightly higher proportions of bisexual and gay or lesbian workers employed in the distribution, hotels and restaurants sector (4%) than the average across all sectors in Gwynedd (2%).

Table 5-5: Employment of residents by Sexual Orientation in Gwynedd[14]

		Straight or Heterosexual	Gay or Lesbian	Bisexual	All other sexual orientations	Not answered	TOTAL
Distribution, hotels and restaurants	Gwynedd	89%	2%	2%	0%	7%	100%
	Wales	90%	2%	2%	0%	6%	100%
All sectors	Gwynedd	91%	1%	1%	0%	7%	100%
	Wales	91%	2%	1%	0%	5%	100%

Sexual Orientation – overall

5.40 WG concludes there are 'nil' potential direct impacts with regard to Sexual Orientation. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA

Race

5.41 Provisions in the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, do not make distinction based on race.

5.42 As the WG EQIA notes, the impact of visitor levies on race can vary depending on specific contexts and implementation approaches, and where the revenue raised is spent. Proactive measures can be taken to ensure that the benefits of tourism are distributed more equitably among all segments of the population, with community engagement and inclusive decision-making processes being crucial to address potential negative impacts on minority ethnic groups.

[13] Domestic GB tourism statistics (overnight trips): annual report 2024. Available here
[14] Office for National Statistics. Census 2021

5.43 As set out in Section 5, there is a refund mechanism that allows for refunds where groups are be housed in visitor accommodation temporarily and this is paid for by a supporting charity, in emergency situations

Visitors

5.44 Table 5-6 below shows the ethnicity profile of domestic Wales overnight tourism in 2024 and the ethnicity profile of visitors to Gwynedd.

Table 5-6: Ethnicity profile of visitor trips and visitors

Ethnicity of respondent	Wales (% of trips)[15]	Gwynedd (% of visitors)[16]
White	80%	97%
Mixed / Multiple ethnic groups	3%**	3%
Asian / Asian British	6%*	
Black / African / Caribbean / Black British	7%*	
Chinese	0%**	
Arab	0%**	
Other ethnic group	0%**	
Prefer not to say / Don't know / Unspecified	3%**	
Total	**100%**	**100%**

Note: where a figure is followed with a single asterisk, the base size is below 100 and the figure should be treated as indicative. Where a figure is followed with a double asterisk, the base size is below 30 and users are advised to not use this estimate.
Note: percentages may not sum to 100% due to rounding

5.45 While interpreting the table above, it should be noted that:

- The Gwynedd visitor profile is from 2019, whereas the all-Wales visitor profile is from 2024.
- The Gwynedd visitor profile is across both day and overnight visitors whereas the all-Wales visitor profile is for domestic overnight visitors
- Because the Gwynedd and Welsh visitor profiles are derived from different data sources, the categories are slightly different.

5.46 None the less this suggests that the is a lower proportion of visitors to Gwynedd who are from an ethnic minority group, compared to the Wales average.

Employment

5.47 In terms of employment, the table below show that:

[15] Domestic GB tourism statistics (overnight trips): annual report 2024. Available here
[16] Wales Visitor Survey 2019 for Gwynedd Council. Available here

- There are lower proportions of people who are from an ethnic minority group employed in the distribution, hotels and restaurants sector in Gwynedd (9%) compared to Wales (12%)
- There are slightly higher proportions of people who are from an ethnic minority group employed in the distribution, hotels and restaurants sector (9%) than the average across all sectors in Gwynedd (7%) – this means a change in employment levels could affect this group (albeit any change is likely to be small).

Table 5-7: Employment of residents by ethnicity[17]

		Asian, Asian British or Asian Welsh	Black, Black British, Black Welsh, Caribbean or African	Mixed or Multiple ethnic groups	White: English, Welsh, Scottish, Northern Irish or British	White: Irish	White: Gypsy or Irish Traveller, Roma or Other White	Other ethnic group	Total
Distribution, hotels and restaurants	Gwynedd	3%	0%	1%	91%	0%	4%	1%	100%
	Wales	4%	1%	1%	88%	0%	5%	1%	100%
Total	Gwynedd	2%	0%	1%	93%	1%	3%	0%	100%
	Wales	3%	1%	1%	91%	0%	4%	1%	100%

Gypsy Roma and Traveller sites

5.48 The WG EQIA also notes that Gypsy, Roma and Travellers lifestyle is inherently transient and involves movement across local authority boundaries.

5.49 The WG EQIA mentions that a discussion between Welsh Government officials and Tros Gynnal Plant Cymru highlighted that if the designated permanent and transient sites were exempt from paying a levy then there would unlikely be a significant impact on Gypsy Roma Travellers.

5.50 Gypsy, Roma and Traveller sites that are provided by a local authority or registered social landlord are exempted from a levy. There were 12 registered pitches in Gwynedd in the last count (January 2025), although it should be noted that data collection has paused to allow for a review of the process.

5.51 The WG EQIA notes that Gypsy Roma Travellers use a number of public and private sites across Wales, including seasonal sites, land suitable for negotiated stopping, mainstream holiday sites for seasonal travel. Members of the Gypsy Roma Traveller community who use

[17] Office for National Statistics. Census 2021

visitor accommodation other than for their main of usual place of residence would be subject to the levy.

5.52 The Act provides Welsh Ministers with powers to create new national exemptions should there be evidence of negative impact on any particular group.

Asylum seekers and refugees

5.53 The WG EQIA notes that given asylum seekers will have limited or no recourse to funds, application of a levy could have a negative impact. However, the 2025 Act allows accommodation for asylum seekers arranged by local authorities to be exempt from paying a levy. There is also a refund mechanism to allow charities to recoup the costs from the levy for any eligible stays.

5.54 In September 2025, there were 3,331 asylum seekers in Wales in receipt of Home Office support that were housed in Contingency Accommodation (hotel), Initial Accommodation, Dispersal Accommodation (longer term accommodation) or receiving subsistence only.[18]

5.55 Similarly, in September 2025, 44 asylum seekers in Gwynedd in receipt of Home Office support that were housed in Dispersal accommodation.[19]

5.56 The WG EQIA notes that there are difficulties in identifying how many refugees there are in Wales and its entirety as there is lack of data on where refugees settle. Nevertheless, latest evidence suggests that that there were 11 cases of resettlement in Wales in Q2 of 2025 (in Denbighshire, Flintshire, Wrexham, Carmarthenshire and Powys).[20]

5.57 Again, the 2025 Act provides Welsh Ministers with powers to create new national exemptions should there be evidence of negative impact of any particular group.

Race – overall conclusion

5.58 WG concludes there are ‘nil’ potential direct impacts with regard to Race. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.

5.59 Visitors to Gwynedd and employees in the distribution, hotels and restaurants sector are more likely to be white, than the average across Wales.

5.60 As noted by the WG EQIA, proactive measures can be taken to ensure the benefits of tourism, including the spending of the fund, are distributed more equitably among all segments of the population.

Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV)

[18] Home Office. Immigration system statistics data tables. Available here
[19] Home Office. Immigration system statistics data tables. Available here
[20] Home Office. Immigration system statistics data tables. Available here

5.61 The WG EQIA sets out the engagement that Welsh Government has undertaken with service providers and survivors to understand the lived experience more fully and understand the levels of these types of scenarios.

5.62 Exemptions and mechanisms for refund have been included in the Act and guidance will be prepared with regard to the application process (with regard to the disclosure of personal details). Further information is set out in Section 4.

Welsh Language

5.63 The Wellbeing of Future Generations Act states that Welsh public bodies must carry out sustainable development to improve the country's economic, social, environmental and cultural wellbeing. One Wellbeing Goal for achieving this is to create a society that promotes and protects the Welsh language. In accordance with this, this EqIA considers the potential impact of the Visitor Levy on the prevalence of the Welsh language in Gwynedd.

5.64 The 2021 Census identifies the prevalence of skills in the Welsh language across Wales. The proportion of residents who have some skill in Welsh (reading, writing, speaking or understanding spoken Welsh) is significantly higher in Gwynedd (74%) than across Wales (25%).

5.65 Additionally, the proportion of Gwynedd residents who can speak, read and write Welsh (55%) is almost four times the Welsh average (14%).

5.66 This is also identified by the Welsh Language Impact Assessment (WLIA)[21] undertaken by Welsh Government for the Act – it shows that there is a high prevalence 52.9%) of Welsh speakers in the population aged 16 years and over living on the Gwynedd and working in the accommodation and food services industry.

5.67 The WLIA specifically notes that Gwynedd could be affected as a result of a levy given it has both the highest proportion of Welsh-speakers and the highest number of nights spent by domestic visitor of any local authority:

'Were a visitor levy to be introduced in Gwynedd and as a result, the levy impacts on the Welsh language, the impact could therefore be greater in Gwynedd when compared to other local authorities.'

5.68 The WLIA notes that the visitor levy could potentially impact the Welsh language if it were introduced in areas where high proportions of Welsh-speakers work in the accommodation and food services industry. It notes that there could be positive impacts resulting from:

- A boost to the local economy through the spending of the levy leading to an increase in employment in the tourism sector – the Economic Impact Assessment suggested there could be between -50 and +21 FTE jobs so this is likely to be relatively small impact .

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[21] https://www.gov.wales/sites/default/files/publications/2025-09/visitor-accommodation-register-and-levy-wales-act-2025-welsh-language-impact-assessment.pdf

- Positive impact in terms of exposure to Welsh language

- Use the revenue from the levy to promote and support the Welsh language or to fund initiatives that improve the infrastructure and services in areas which currently have a relatively high percentage of Welsh-speakers. This could promote the visibility, vitality, and viability of the Welsh language, as well as increase the awareness and appreciation of visitors and residents alike.

5.69 It also notes some potential negative impact:

5.69.1 The potential negative economic impact of the levy – although as above, there are anticipated to be a maximum of a loss of -50 FTE jobs in a worst case scenario equivalent (which is equivalent to a loss of 0.1% of employment in Gwynedd) and so this impact is likely to be relatively minimal.

5.69.2 The potential impact on overnight trips that aim to support the Welsh language and Welsh-medium education. This could have education and cultural impacts. However, under 18s will not have to pay the levy when staying in hostel style accommodation or on campsite pitches. Reliefs are applied to overnight stays that are supplied by education providers as part of the supply of a course of study offered to pupils or students.

5.70 Overall, there is a very strong prevalence of Welsh speakers in Gwynedd, including in the tourism sector. A visitor levy in Gwynedd could have both positive and negative impacts on the Welsh language. There could be small negative impacts associated with a reduction in visitor spending, or there could be a small increase as a result of the employment supported through spending of the levy. Similarly there could be positive impacts associated with the outcome of the spending of the levy – that will depend on the how the fund is spent (which will be developed including feedback through consultation).

Religion and Belief

5.71 The WG EQIA estimated that there were 174,456 domestic tourists that “visited a cathedral, church, abbey or other religious building” in 2023.

5.72 The WG EQIA notes that there is no direct correlation between visitor levies and religion, belief or non-belief. It also notes that tourism-related policies or taxes might interact with an individuals’ freedom to practice religion, depending on the nature of the visit. Introducing a visitor levy might affect the affordability of visiting such places, potentially influencing the number of pilgrims or tourists visiting religious sites due to the levy increasing the cost of stay for visitors staying overnight in visitor accommodation.

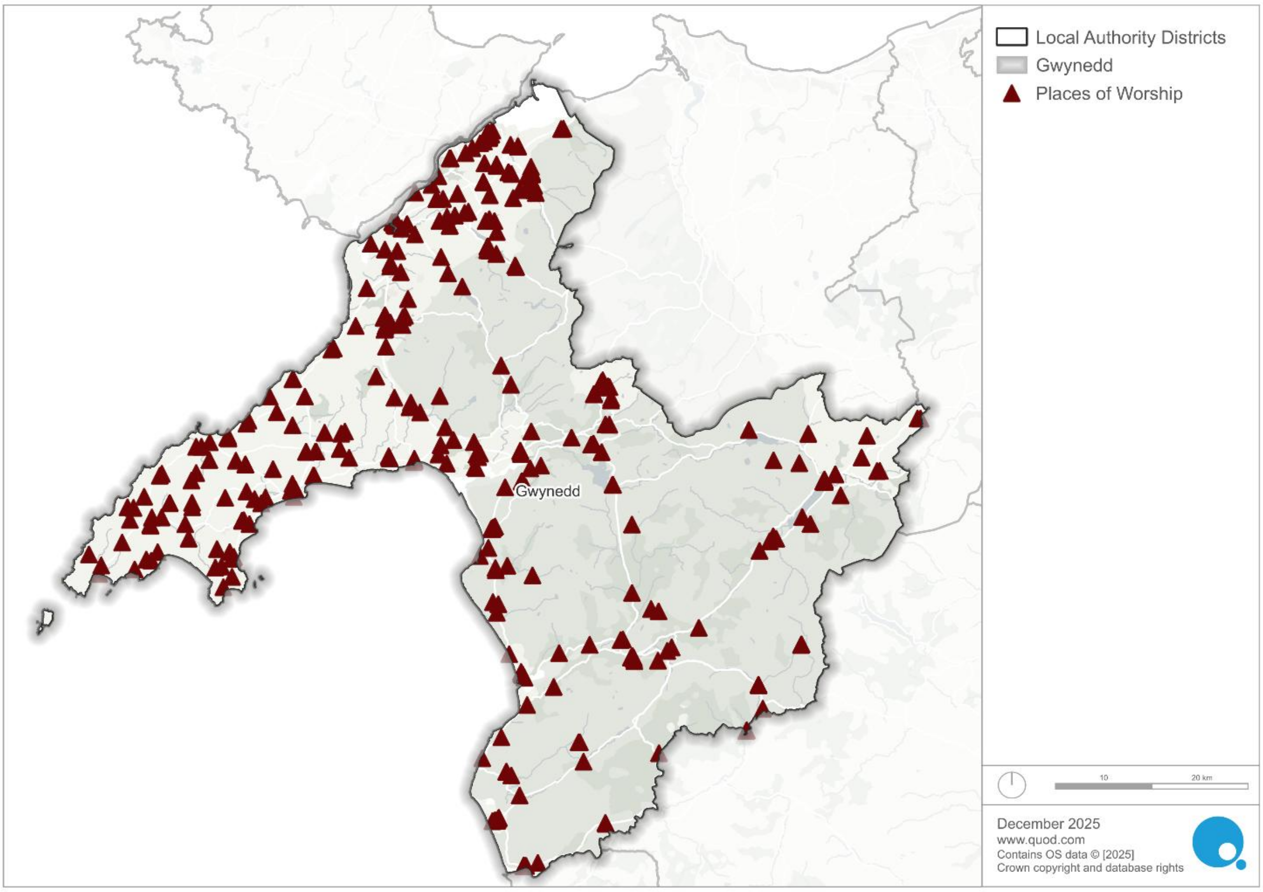
5.73 In undertaking the national level assessment, Welsh Government officials met with the Inter-faith Council for Wales in 2023 and also received a response to a further request for feedback in June 2024 via their representation in the Third Sector Partnership Group.

5.74 The levy would not apply to accommodation that was free of charge. However, the levy will apply to stays in lower rated overnight visitor accommodation (an issue raised through engagement as faith groups often arrange camping trips), although the lower rate may mitigate potential negative impacts.

5.75 The equivalent data for number of tourists visiting a religious building in Gwynedd is presently unavailable.

5.76 However, Figure 5-1 shows there are 350 places of worship in Gwynedd. Note that mapping of the places of worship is indicative and may not always be complete and there is no clear legal definition of places of worship.

Figure 5-1: Places of worship in Gwynedd



5.77 There may be an adverse impact on those who do not engage with digital processes as part of their faith. To mitigate any potential impact there will be a non-digital service when required.

5.78 WG concludes there are 'nil' potential direct impacts with regard to Religion and Belief. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.

Disability

5.79 Provisions in the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence and do not make any distinction based on disability.

Population

5.80 There were approximately 22,500 people who were disabled under the Equality Act in Gwynedd in 2021 accounting for 19.2% of the total population - lower than the Welsh average of 21.6%.[22]

Visitors

5.81 The WG EQIA identified that according to historic evidence, there may be some scenarios where disabled people may face higher costs for staying in visitor accommodation and identified some barriers and challenges for disabled people including:

- Environmental barriers: The UK Disability Survey research report 2021 showed that 57% of disabled people reported being unable to go on holiday due to accessibility issues, i.e. access into public buildings.
- There is a lack of information and awareness about the availability and quantity of accessible tourism facilities and services, and the rights and entitlements of disabled people as tourists. Information on accessible destinations is a key factor in increasing tourism opportunities among disabled individuals.
- Booking a holiday may lead to extra costs due to a lack of availability of accessible and affordable accommodation and transport options, especially in rural and remote areas, and during peak seasons. In a recent survey by Leonard Chesire Disability, published in Enable Magazine, 8 in 10 disabled people said they faced barriers and difficulties staying at UK hotels and resorts. Over 70% flagged issues finding accessible rooms. Costs of accessible accommodation are also a common barrier to taking a break for around 6 in 10 survey respondents, with accessible rooms often seen as more expensive.

5.82 The WG EQIA noted a number of other challenges including:

- Limited choices and opportunities for disabled people and those with impairments - that can affect their quality and satisfaction with their tourism experiences.
- Lack of accessibility for some disabled people in campsites and hostels leading to further strain on travel budgets – this is mitigated to some extent by the lower rate in the legislation
- Additional cost and or limited options for people who need a carer, specialist equipment or guide dog

5.83 Recognising that there is an overall lack of data and evidence, Welsh Government officials met with representatives from Disability Wales, Autistic UK and the Fair Treatment for the Women of Wales in formulating the WG EQIA.

5.84 The WG EQIA identified that it could be construed as indirect discrimination to apply a visitor levy to carers accompanying a disabled person requiring care as part of their visit.

5.85 WG EQIA considers a number of options for refunds for both disabled people and carers. Ultimately, the option including in the Act was to issue refunds for disabled people in receipt of a qualifying disability benefit who has paid a visitor levy while staying in a visitor accommodation and accompanied by a person providing care.

[22] Census 2021

5.86 The WG EQIA acknowledges (in part because it does not include carers) that this option does ‘not fully eliminating the risks of indirect discrimination, it was perceived to be a proportionate response which balances the need to address the indirect discrimination but also ensure the integrity and efficiency of the tax system’.

5.87 In terms of tourism activity, 31% of all trips to Wales include somebody who is disabled or has an impairment. Additionally, 20% of all overnight trips taken to Wales from January to December 2024 were by those taking care of people with medical conditions.[23] Some of these trips relate to says with friends and family in their own homes rather than visitor accommodation and it does not mean that these visitors were accompanying the person they care for rather that they simply have this type of caring responsibility.

5.88 The equivalent data for Gwynedd is presently unavailable.

Employers and employment

5.89 The WG EQIA also notes the WRA will collect and manage levy. For accommodation providers, it is anticipated that the day-to-day operation of the levy will have minimal impact on business owners who have visual and / or hearing impairments due to the multiple ways a person can interact with the WRA – digital system for filing and remitting returns to the WRA alongside the provision of a telephone and paper service, where necessary.

5.90 Additionally, the WG EQIA notes that disabled workers are more likely to end up in insecure work than non-disabled workers. Of the workers working in tourism in Wales, 18% are disabled – a similar proportion to the average across all industries.[24]

5.91 The equivalent data for Gwynedd is presently unavailable.

Disability overall

5.92 The WG EQIA identified that it could be construed as indirect discrimination to apply a visitor levy to carers accompanying a disabled person requiring care as part of their visit but that the option (not including an exemption) was a proportionate response.

5.93 Once mitigation (including refund for person in receipt of a disability benefit) is included, no other impacts were identified and it is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.

5.94 It is also noted that Ysbyty Gwynedd is a hospital located in Gwynedd but as above hospital stays are exempt from the levy.

5.95 Proactive measures can be taken to ensure the benefits of tourism, including the spending of the fund, are distributed more equitably among all segments of the population – this could include measures to improving accessibility for disabled people to tourist sites.

Pregnancy and maternity

[23] Domestic GB tourism statistics (overnight trips): annual report 2024. Available here
[24] Welsh Government. Welsh tourism sector business and labour market statistics. Available here

5.96 Provisions in the 2025 Act apply to all visitors staying in overnight visitor accommodation that is not their usual place of residence, do not make distinction based on pregnancy and maternity.

5.97 The ONS does not provide statistics on the number of people who are pregnant. Therefore, this baseline analysis considered live birth data[25] as a proxy. The latest available data from 2024 indicate the general fertility rate[26] is lower (42.7) in Gwynedd than the average for Wales (45.7).

5.98 Agani, it is noted that Ysbyty Gwynedd is a hospital located in Gwynedd but as above hospital stays are exempt from the levy.

5.99 WG concludes there are 'nil' potential direct impacts with regard to Pregnancy and maternity. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.

Deprivation

5.100 While deprivation is not classified as a protected characteristic under the 2010 Act, it is considered due to its intersecting nature with different protected characteristics.

5.101 The Welsh Government's Index of Multiple Deprivation (2025) combines indicators including a range of social, economic, and housing factors, to yield a deprivation score for all areas across Wales (Lower Layer Super Output Areas [LSOAs]). There are eight domains of deprivation that are investigated:

- Income
- Employment
- Health
- Education
- Access to services
- Housing
- Community safety
- Physical environment

5.102 All areas are ranked relative to one another according to their level of deprivation. Figure 5-2 below shows the relative levels of deprivation in Gwynedd – areas shown in red are within the 10% most deprived, areas in orange are within the 10% - 20% most deprived areas and areas in yellow are within the 20% - 30% most deprived.

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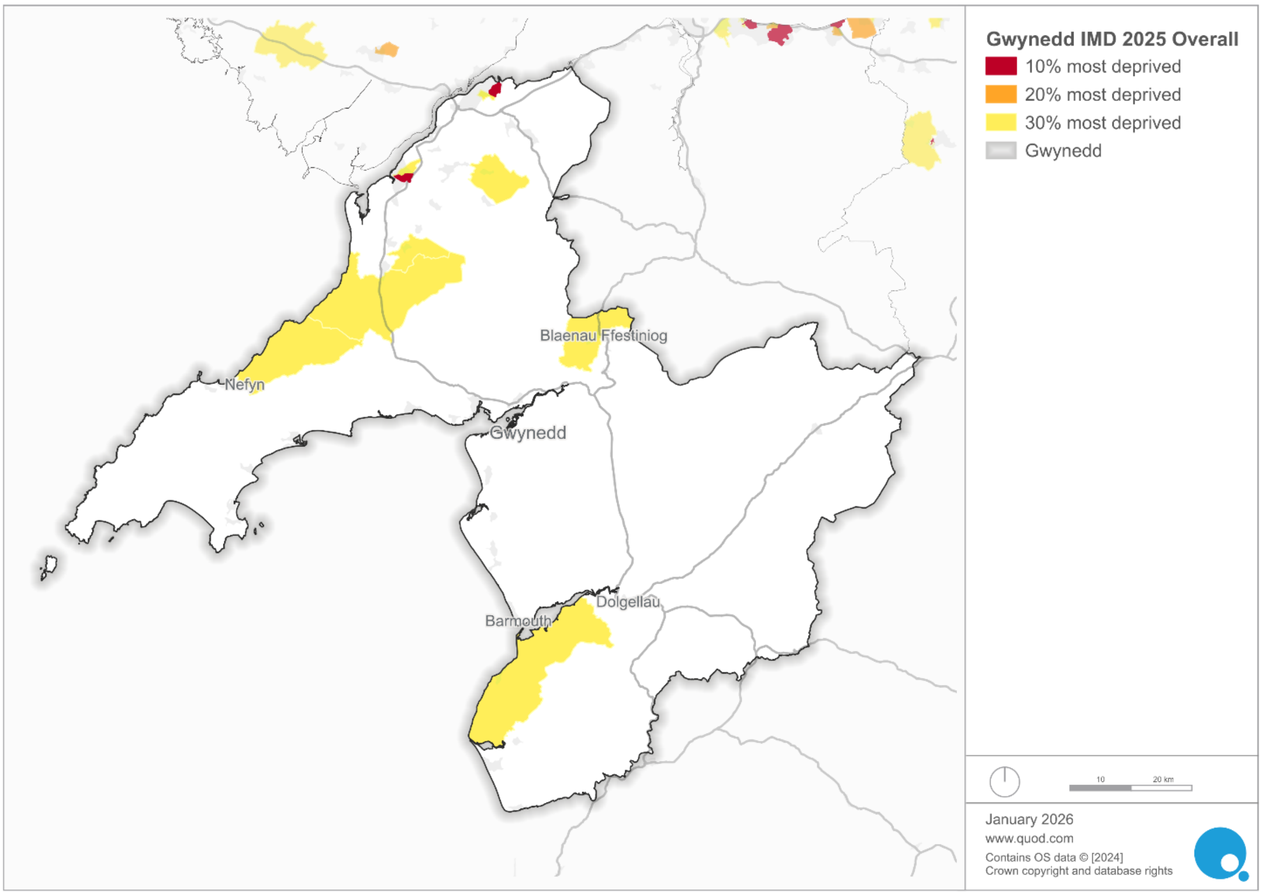
[25] Office for National Statistics, 2024. Live Births.
[26] Office for National Statistics, 2021. Census.

5.103 As shown in Figure 5-2, there are some areas in Gwynedd that are within the 20% - 30% most deprived areas in Wales and small areas in Bangor and Caernarfon that fall amongst the top 10% most deprived areas in Wales.

Figure 5-2: IMD map for Gwynedd



5.104 The use funds from the levy will be reinvested for the purposes of destination management and improvement in the area, including providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people), and mitigating the impact of visitors. Depending on the use of the fund, it could reduce deprivation (or indicators of deprivation) as a result of investment.

Summary of impact on groups who share a protected characteristic

5.105 Table 5-8 below summarises the findings of the equality impact assessment against protected characteristics.

Table 5-8: Summary of impacts

Protected characteristic	Potential impacts	Potential mitigation where required
Age	WG concludes there are 'nil' potential direct impacts with regard to Age once mitigation (including the under-18 exemption for lower bound accommodation) is taken into account. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA. There are possible impacts related to a higher proportion of older visitors to Gwynedd, and a young workforce, but any impacts of the levy are likely to be small – and will to some extent be offset by the spending of the levy.	Under 18s are excluded from the levy for lower-rated stays Future use of the levy
Disability	The WG EQIA identified that it could be construed as indirect discrimination to apply a visitor levy to carers accompanying a disabled person requiring care as part of their visit but that the option (not including an exemption) was a proportionate response. Once mitigation (including refund for person in receipt of a disability benefit) is included, no other impacts were identified and it is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	Refund mechanism for persons in receipt of a disability benefit who are accompanied by a person providing care, support or assistance. Future use of the levy
Gender reassignment	WG concludes there are 'nil' potential direct impacts with regard to Gender reassignment. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	Stays in private hospitals are exempt from a levy.
Marriage and civil partnership	WG concludes there are 'nil' potential direct impacts with regard to Marriage and Civil Partnership. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	No potential impacts identified

Protected characteristic	Potential impacts	Potential mitigation where required
Pregnancy and maternity	WG concludes there are 'nil' potential direct impacts with regard to Pregnancy and maternity. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	No potential impacts identified
Race	Visitors to Gwynedd and employees in the distribution, hotels and restaurants sector are more likely to be white, than the average across Wales. WG concludes there are 'nil' potential direct impacts with regard to Race. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	Gypsy, Roma and Travellers sites provided by a local authority or registered social landlord are exempt from a levy. Exemptions / refunds are available for vulnerable groups, e.g. asylum seekers and those fleeing domestic abuse Future use of the levy
Religion and belief	WG concludes there are 'nil' potential direct impacts with regard to Religion and Belief. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA.	The WRA will offer non-digital processes to accommodate those whose faith may restrict digital engagement. Free accommodation exempt from a levy and stays in lower rated accommodation have a lower levy charge. Future use of the levy
Sex	WG concludes there are 'nil' potential direct impacts with regard to Sex. There are no Gwynedd specific characteristics that would change the findings of the WG EQIA. It is not anticipated that there would be a disproportionate or differential impact in Gwynedd as a result of the levy on females (or males) working in the tourist sector.	No potential impacts identified

Protected characteristic	Potential impacts	Potential mitigation where required
Sexual orientation	WG concludes there are ‘nil’ potential direct impacts with regard to Sexual Orientation. It is not anticipated that there would be any Gwynedd specific characteristics that would change the findings of the WG EQIA	No potential impacts identified

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Gwynedd Visitor Levy Economic Impact Assesment

JANUARY 2026

Contents

1 Executive Summary

1.1 The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (the 'Act') gives councils in Wales the choice to introduce a charge on overnight stays. Known as a 'visitor levy', councils can choose to introduce the levy in their area from April 2027.

1.2 Cyngor Gwynedd is considering introducing a visitor levy – this Economic Assessment seeks to determine the potential economic impact of doing so.

1.3 There have been a number of studies to support the Welsh Government's decision to implement the Act. This report reviews these reports to determine the applicability of applying the same approach at a more local level.

1.4 The evidence base on the economic impact of visitor levies is relatively limited, due to a lack of applicable evidence of the impact of visitor levies from elsewhere, and there are gaps and uncertainties in data. This means that the national assessment is heavily caveated and relies on wide ranges – there are further complications with a local assessment as a result of gaps in data and an even more immature evidence base on the local impact of visitor levies (as opposed to national).

1.5 The key caveats relevant to the local level assessment are:

- There are significant uncertainties in the elasticities of demand – this is the case at a Welsh level and is even more acute when applied at a Gwynedd level.
- There are different data sources for the current size of the Gwynedd visitor economy. The main analysis uses the International Passenger Survey (IPS) and the Great British Tourism Survey (GBTS) – this is in line with the Welsh Government Appraisal and guidance provided to local authorities. STEAM data reports a much larger current visitor economy – the implications of this is set out in the report.
- At a national level, the majority of visitor spending can reasonably be expected to be captured in Wales. That is not the case at a smaller area – for example, some spending of someone who visits Gwynedd may be in Conwy or Anglesey (and vice versa).
- Similarly, the spending of the levy will also have a higher level of leakage as some businesses who benefit from contracts through the spending of the levy may not be based in Gwynedd.
- The national level assessment (necessarily) assumed that the levy will be imposed across all of Wales – at a Gwynedd level, there will be different impacts if one local authority implements the charge, but its neighbouring authorities do not, compared to if all neighbouring authorities implement the charge.

1.6 Therefore, the Gwynedd level assessment is appropriately caveated, and should be read in the context of gaps in the data and the relatively limited evidence base, particularly at the local level.

1.7 Nonetheless, we are confident that the impact on Gwynedd will be relatively small in terms of both the impact on employment and GVA. We have applied a broadly similar approach to the Welsh Government analysis to establish bookends for the likely range of these impacts.

1.8 Within this main analysis, the assumptions are generally conservative in terms of the approach to assessing the impact on the economy (i.e. they verge on overestimating the negative impact). For example, we assumes the Gwynedd suffers all the loss of visitor spending, when in reality some of the spending will be lost from outside of Gwynedd (as people staying in Gwynedd spend money in other local authorities on day trips). It also assumes that there is leakage of economic activity from the spending of the levy outside of Gwynedd while also assuming that Gwynedd businesses do not benefit from contracts that result from the spending of visitor levies from other local authorities.

1.9 Similarly, the analysis assumes there is no growth in the visitor economy and allows for a reduction in visitors in response to the introduction of the levy. In practice, if the visitor economy grows then the funding raised by the levy will increase, and indeed the levy spending could drive higher tourism through an improved visitor experience. This would help to maintain and improve Gwynedd's competitiveness as a tourist destination. There is evidence of year on year growth in visitors in other locations where visitor levies have been introduced.

1.10 Any growth in the visitor economy would also offset any losses to the economy (jobs and GVA) as a result of the visitors who do not come as a result of the levy and result increase the levy revenue.

1.11 Nonetheless, based on this approach, the impacts of the levy are estimated to be relatively small. It is estimated that the levy could result in:

- A change in employment could be between -50 and +21 – this is between a loss of -0.1% or an increase of 0.04% of employment in Gwynedd.
- A change in annual GVA could be between -£2.7m and +£0.4m per annum – this is equivalent to between a loss of -0.1% and an increase 0.01% of Gwynedd's economy.
- A revenue of between £2.4m to £2.8m per annum

1.12 This range from a relatively small negative impact to a relatively small positive impact reflect the findings of the Welsh Government Appraisal which also concluded a small negative to small positive impact at a national scale.

1.13 The STEAM data estimates the current Gwynedd tourist economy to be much larger than the IPS and GBTC – the impacts of the levy would be approximately 4 to 5 times larger if the STEAM data were used instead. This highlights the uncertainty in the data and therefore the inherent uncertainty in forecasting the impact of the levy.

2 Introduction

An overview of the Visitor Levy

2.1 The Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (the 'Act') gives councils in Wales the choice to introduce a charge on overnight stays. Known as a 'visitor levy', councils can choose to introduce the levy in their area from April 2027.

2.2 The levy is chargeable at two separate rates:

- Campsite pitches and shared rooms (hostels and dormitories): 75p per person, per night
- All other types of visitor accommodation: £1.30 per person, per night

2.3 There are exemptions[1]; Visitors will not pay the visitor levy if they are:

- under 18 years of age and staying on a campsite pitch or in shared rooms (such as a hostel or a dormitories)
- staying for more than 31 nights in a single booking
- in emergency or temporary housing arranged by the local council

2.4 The funds from the levy will be reinvested for the purposes of destination management and improvement in the area. Section 44 of the Act stipulates that councils must use the proceeds of the levy for:

- mitigating the impact of visitors;
- maintaining and promoting use of the Welsh language;
- promoting and supporting the sustainable economic growth of tourism and other kinds of travel;
- providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people).

The purpose of this report

2.5 Cyngor Gwynedd is seeking to determine the potential economic impact of introducing a visitor levy.

2.6 This report is phase two of a two phase process. Part one was joint commission between the local authorities of Gwynedd, Anglesey and Conwy which reviewed the data availability and evidence base that could be used in the individual Economic Impact Assessments. This means (as far as possible and appropriate) there is a uniform approach to the data review and analysis

[1] http://gov.wales/visitor-levy-small-contribution-lasting-legacy

to feed into the consultation process. This Economic Impact Assement for Cyngor Gwynedd is stand alone and includes the relevent information from the phase one study.

2.7 Section 3 of this report reviews the work undertaken by Welsh Government to understand the economic impacts of the Act at a national level, and the extent to which the approach could be applicable at a more local level.

2.8 The evidence base on the economic impact of visitor levies is relatively limited, due to a lack of applicable evidence of the impact of visitor levies from elsewhere, and there are gaps and uncertainties in data. Therefore even the national assessment is heavily caveated and relies on wide ranges. These limitations would be even more pronounced at local level.

2.9 The key caveats relevant to the local level assessment are:

- There is uncertainty over how much of the levy is passed to consumers (modelled as 'bookends' at only as 0% or 100%)
- There are significant uncertainties in the elasticities of demand – this is the case at a Welsh level and is even more acute when applied at a Gwynedd level.
- There are different data sources for the current level of visitors, bed nights and spend. The main analysis uses the International Passenger Survey and the Great British Tourism Survey (GBTS) – this is in line with the Welsh Government Appraisal and guidance provided to local authorities. Using STEAM data reports a much larger current visitor economy and therefore a larger impact – this means that there is a large range of potential impact and highlights the inherent uncertainty in the forecasting.
- At a national level, the majority of visitor spending can reasonably be expected to be captured in Wales. That is not the case at a smaller area – for example, some spending of someone who visits Gwynedd may be in Anglesey or Conwy (and vice versa).
- Similarly, the spending of the levy will also have a higher level of leakage as some businesses who benefit from contracts through the spending of the levy may not be based in Gwynedd.
- The national level assessment (necessarily) assumed that the levy will be imposed across all of Wales – at a Gwynedd level, there will be different impacts if one local authority implements the charge, but its neighbouring authorities do not, compared to if all neighbouring authorities implement the charge.

2.10 The local (Gwynedd) level assessment is therefore appropriately caveated and should be read in the context of uncertainty in data and relatively limited evidence base, particularly at the local level.

2.11 An updated report will be produced if further data become available or further data / feedback received through the consultation process would meaningfully change the conclusions of the economic impact assessment.

2.12 The remainder of the report covers:

- A review of the work undertaken by the Welsh Government to understand the economic impact of the Act (Section 3)

- A wider literature review to understand the extent to which evidence exists that would allow for the Wales wide approach to be undertaken at a smaller geographical scale (Section 4)
- Caveated Gwynedd level economic impact assessment (Section 5)
- Cross checking with the Welsh Government Analysis, accounting for the relative importance of tourism to Gwynedd (Section 6)
- Conclusion (Section 7)

3 Studies to support the Welsh Government Act – Economic Impact

3.1 There have been a number of studies to support the Welsh Government's decision to introduce the Act. These include:

- Evidence review of elasticities relevant to a visitor levy in Wales, Alma Economics, 2022
- The Potential Economic & Greenhouse Gas Impacts of a Visitor Levy in Wales, Cardiff Business School & Welsh Government, 2024 - referred to in this report as the Welsh Government 2024 analysis
- Revised analysis of the potential economic and greenhouse gas impacts of a visitor levy, Welsh Government, 2025 - referred to in this report as the Welsh Government 2025 analysis
- Review of impacts of visitor levies in global destination, Bangor University 2024

3.2 These reports are undertaken at an all Wales level and are heavily caveated.

Evidence review of elasticities relevant to a visitor levy in Wales, Alma Economics, 2022

3.3 Alma Economics undertook a Rapid Evidence Assessment (REA) which reviewed the literature on elasticities relevant to a visitor levy in Wales.

3.4 It sought to estimate the price elasticity of demand of tourism and accommodation in particular. Price Elasticity of Demand (PED) is the measure of responsiveness of the demand for a good or service when its price changes. A negative PED denotes a decrease in quantity demanded when price increases. A high elasticity of demand indicates that the quantity demanded of a good or service is highly responsive to changes in its price, meaning a small price change can lead to a significant change in demand. Inelastic (or low elastic) demand is when demand is not responsible to price.

3.5 The report identified a high level of uncertainty and significant evidence gaps. Even where relevant evidence was found, there was a large variation in the magnitude of estimates of elasticities and there were no studies that provided Wales specific estimates and only a small minority of studies considered the UK market.

3.6 There were significant variations in the findings for tourism – while the majority of studies (70%) found that tourism was inelastic, there were some studies that reported elastic demand. The average mid-range PED across all studies was -0.7 and the median was -0.9. Thes means that for a 1% increase in the price of a good or service leads to a 0.7% reduction in demand.

3.7 There were only two studies that specifically considered accommodation – those showed it to be price inelastic (at -0.7). The report includes a caveat that these should be interpreted with caution given the limited number of studies. At least one of these reports was specifically based on international tourism – and so will be less relevant to a domestic market.

3.8 The review (by the report's own admission) provided very little evidence of addressing the more nuanced research questions, including (i) insight into the drivers of visitor behaviour, (ii) the impact of visitor levies or similar on tourism demand, and (iii) how the explored elasticities may vary depending on the characteristics of tourists (e.g., based on protected characteristics).

3.9 The report itself is also clear that these studies provided very little evidence differences that might occur at a sub-regional level, with most studies focusing on national impacts and / or international tourism.

The Potential Economic & Greenhouse Gas Impacts of a Visitor Levy in Wales, Cardiff Business School & Welsh Government, 2024

3.10 This report estimates the economic and greenhouse gas emissions impact of the levy at an all-Wales level. We have reviewed it to understand the extent to which a similar method could be used to estimate the impact of a levy in individual Local Authorities.

3.11 The report includes two scenarios:

i. 100% levy is passed on from business to consumers.

ii. 100% levy is absorbed by the business

3.12 The analysis does not account for supply-side changes, such as providers exiting the market due to the levy.

100% Levy is passed on from business to consumers

3.13 The study calculates the likely impact on the study in three scenarios (optimistic, neutral and pessimistic) based on a range of elasticities taken from the Alma study. It applies these to different visitor segments (two domestic with different spending patterns and overseas visitors). This results in a change in consumer demand for each segment.

3.14 The report uses elasticities from the Alma Economics study which (as above) has significant uncertainty, data gaps, and is largely based on international tourism and national effects. The issue of applying national elasticities will be more problematic at a Local Authority level than it would be at an all-Wales level.

3.15 The study assumes that the price elasticity of demand feeds through directly into the economy – i.e. the increase in the levy results in a reduction in demand (within the study area) which means a reduction in total trip spending (also in the study area). This could be due to either people not visiting the study area or visiting the study area for a shorter period of time as a result of the levy.

3.16 The model then uses Input-Output tables to determine the likely impact of the Welsh Economy.

100% Levy is absorbed by the business

3.17 This scenario assumes that there is no change to visitors or revenues and that businesses absorb all of the costs. The report assumes that there are no supply side changes – i.e. no business exits the market, or are put off entering the market in future, instead the levy is taken from the output of the businesses.

3.18 It assumes that there are no losses in employment and only decreases in salary (and other elements of output). This is likely to underestimate the employment loss since – in reality, a loss of revenue would result in a reduction in staff as well as a reduction in salaries.

Issues and Caveats

3.19 The report itself highlights significant caveats:

- **Price Elasticity Uncertainty**: as above, there are significant uncertainties in the elasticities – this is the case at a Welsh level and will become even more acute if used at a smaller study area.
- **Accommodation Supply**: as above, the model does not account for supply-side changes, such as providers exiting the market due to the levy.
- **Pass-Through Assumptions**: as above, the report assesses the 'book ends' of the likely impact by assessing the impact if the levy is passed on to visitors or absorbed by businesses – it does not seek to assess the extent to which one is more or less likely.
- **In-Wales Costs**: The analysis only includes in Wales costs and so it likely underestimates the total costs of the trip, particularly for international trips. This will therefore overestimate the reduction in international trips post levy (and so presents a worst-case scenario)
- **Base-Year Constraints**: The levy is modelled on 2019 tourism data due to data limitations, with rates adjusted for inflation.
- **Future inflation**: Future inflation and sector changes are not included – it is effectively a snapshot in time in a given year.
- **Administrative costs**: The analysis does not include any frictional or administrative costs that any new Levy might engender.

Revised analysis of the potential economic and greenhouse gas impacts of a visitor levy, Welsh Government, 2025

3.20 This report updated the previous work for two sets of rates. One of those sets of rates (£1.30 standard / £0.75 lower) was subsequently used in the Act. The analysis also excluded children and young people staying in Lower Band accommodation, since they are excluded from the Levy.

3.21 The report used similar methodology as the original but noted that: 'Constraints on time and access to data architectures mean a full, and fully comparable, reworking of the 2024 impact assessment is not possible'.

3.22 The results of the analysis at a Welsh level are set out in Table 3.1.

Table 3.1: Summary of likely impacts in Welsh Government report

			Likely range
Employment	Passing Levy onto visitors	FTEs	-400 to 100
	Businesses absorb levy	FTEs	360
Annual GVA (£m)	Passing Levy onto visitors		-£7.5m to +£11.1m
	Businesses absorb levy		-£32.3m

Review of impacts of visitor levies in global destination, Bangor University 2024

3.23 Bangor University undertook a review of international evidence on the environmental, social, and cultural impacts of visitor levies in various global destinations. The report then provided recommendations of the Welsh Government on the implementation of the levy.

3.24 The report identified five case studies / areas which had implemented visitor levies that had similarities to Wales in terms of the reliance on the tourism sector and / or their social, cultural and/or environmental context. This meant that the case studies included places that, like Wales, were reliant on their tourism industry.

3.25 The report focused on the implementation of the levy – including what the levy can be spent on, the decision making process and authority, local accountability, the scope of project and activities funded, the impact of the funded projects (noting a lack of evidence) and the need for transparency, accountability, monitoring and evaluation.

3.26 It did not focus on the impact of the levy on the tourism sector specifically, although there were some takeaways that do inform our report:

- There is limited evidence on the effects of tourism taxes: 'A **comprehensive assessment of the impacts of tourism taxes remains limited**, despite their clear motivations for implementation'.
- In general, there has been continued **year-on year growth in tourism in locations that have introduced a visitor levy** (although we cannot know what the counterfactual would have been without a levy).
- **Some locations choose to vary the tax during different seasons** – for example, the Balearic Islands have implemented two separate visitor levies: €0.25 – €1 per person per night in low season (November – April) and €1 – €4 per person per night in high season (May – October).[2] **While others do not:** in Mareo and San Martin, where seasonality is high (visitor numbers in the four busiest months are over ten times those in the quietest four months), a flat visitor levy has been imposed throughout the year (€1.50 – €3.50 per person per night).
- Some locations (Catalonia / Barcelona and the Balearic Islands) **vary by accommodation type / quality** (including different rates for different hotel 'star' quality. While **others do not have as much differentiation**: Iceland initially introduced a flat

[2] Welsh Government, 2024. Review of visitor levies in global destinations here

rate and subsequently split the rate into three broad categories camping, hotels, and cruise ships.

Conclusions and implications for our study

3.27 The work undertaken to support the Welsh Government has highlighted that there are gaps in the evidence base for understanding the economic impact of the Visitor Levy. This means that the Welsh level economic impact study is necessarily caveated and includes wide ranges / book ends for the likely impact.

3.28 Applying the Welsh Government approach at a more local area level would have the same caveats and issues – and some of the issues would be more acute at a smaller study area.

3.29 The detail is set out above, but the key issues include:

- **There is limited applicable evidence on the Price Elasticity of Demand** – both Welsh Government economic appraisals use the PEDs from the Alma Study which are largely national studies for international tourism. There are no Welsh specific studies and only two that specifically look at accommodation (rather than tourism as a whole). The issue of using these elasticities become even more acute at a smaller study area since it is not clear that national elasticities hold at a sub-regional level.
- The analysis does **not take a view on the extent to which the levy is passed on** - it has book end for the impact of 0% or 100% of the levy being passed onto consumers.
- It also does **not allow for supply side changes** – i.e. it does not allow for the potential some businesses are deterred from entering or leave the market. In the scenario where all of the levy is passed on to businesses, it is assumed that there is no loss in employment (only a loss in wages).
- **There is very little evidence addressing the more nuanced questions**, including (i) insight into the drivers of visitor behaviour, (ii) the impact of visitor levies or similar on tourism demand, and (iii) how the explored elasticities may vary depending on the characteristics of tourists (e.g., based on protected characteristics). **This means the analysis makes mostly linear assumptions based on averages.** This also makes it difficult to apply local characteristic to the study (and so to adapt the methodology in the national assessment to a more local level).
- It **does not include out of country costs** which likely underestimates the total cost of the trip, particularly for international trips. This will therefore overestimate the reduction in international trips post levy (and so presents a worst-case scenario).
- The analysis does not consider what visitor spending that is 'lost' as a result of the levy is spent on instead – this could be day trips (instead of overnight trips) or Welsh residents spending money on other things (instead of holidaying within Wales). This approach is again likely to be worst case scenario in terms of the impact of the levy on the Welsh economy. This is likely to be less relevant at Gwynedd level than the Welsh level as those visiting Gwynedd (who are put off by the levy) are unlikely to also live in Gwynedd (whereas a Welsh resident may also holiday in Wales – for example, a Cardiff resident may spend money in Cardiff rather than holiday in Gwynedd).

4 Further literature review

4.1 We conducted a further literature review to understand the extent to which evidence exists that would

- Allow for the Wales wide approach to be adapted for a local level assessment.
- Fill the evidence gaps identified above

4.2 There was limited additional evidence above what was used in the work to support the Welsh Government when implementing the Act.

4.3 There were various other examples where there has been continued year-on year growth in tourism in locations that have introduced a visitor levy (although as above we cannot know what the counterfactual would have been without a levy).

4.4 The other questions the literature review sought to answer were:

- To what extent does a visitor levy get passed on to visitors?
- How does the impact of a visitor levy change with seasonality or popularity of a destination?
- How does the does the cost of accommodation / trip change the impact of the levy? There was no additional evidence found to answer this question.
- Do visitors adjust their wider trip spending if they bear the cost of the levy?

To what extent does a visitor levy get passed on to visitors?

4.5 The extent to which a visitor levy gets passed on to consumers will determine whether it is consumers or accommodation providers who will bear the cost of the levy. As set out above the Welsh government economic appraisal does not take a view on this but tests book ends for 0% to 100% pass on.

4.6 The literature provides mixed evidence on the rate of pass-through (the extent to which businesses pass on changes in tax as changes in price to consumers) of a visitor levy or other tax mechanisms.

4.7 We looked at various tax mechanisms to determine pass-through rates:

- A review of lodging taxes in US cities showed that a lodging tax is unlikely to be fully passed on to the visitors – about 86% of tax paid is by visitors and the remaining 14% is absorbed by accommodation providers in the form of lower accommodation rates or reduced occupancy.[3]

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[3] Hudson, S., Meng, F., So, K. K. F., Smith, S., Li, J., & Qi, R. (2021). The effect of lodging tax increases on US destinations. *Tourism Economics*, *27*(1), 205-219. Available here

- The European Commission study found that there was a high degree of pass-through in the long run but also had example of where taxes were not passed through. For example a case study of Disneyland Paris indicated they were unlikely to pass on VAT rate increases in 2014 to visitors due to the high price sensitivity of visitors. This meant Disneyland absorbed the cost of the VAT increase to mitigate the impact on visitor numbers and expenditure.[4]
- A study looking at the pass through of air passenger taxes on airfares across Europe estimated air passenger tax pass-through rates from 20% to 56%.[5] The same study mentions that the consumer share of the tax burden from a French VAT-reform was between 57% and 77%.

4.8 The literature review therefore does not provide clear evidence for the different level of pass-through rates that could be used – and so we maintain the approach in the Welsh Government Assessment of using bookends.

How does the impact of a visitor levy change with seasonality or popularity of a destination?

4.9 There are limited studies that have quantified PEDs for different seasons but several studies state that demand for tourism is less elastic in the high seasons compared to the low seasons.[6]

- The report on the balancing of revenue and demand in the hotel industry in Dubai7 found that demand elasticity is much higher in the low seasons (and lower in high season). That is likely to be driven significantly by international travel – the report found that local hotels do not face strong seasonality as much international hotels do.
- The report on the price elasticities for accommodation services in Prague showed that visitors are less elastic during the high seasons than they are throughout the year with PEDs of -0.22 to 0.78 in the high seasons vs PEDs of -0.10 to -0.54 throughout the year. The positive PEDs in the high season suggest that the expected price-demand relationship may not always hold.[8]

4.10 The European Commission study found thar there were higher elasticity of demand in destinations with close substitutes. It showed that European countries in proximity still exhibit differences in PEDs due to the type of seasonal tourism offering.

4.11 Separately, the study of lodging tax increases on US destinations showed that approximately 49% of travellers altered their plans due to high travel taxes by reducing spending, staying somewhere cheaper and visiting during low season.[9]

4.12 While the literature review highlighted some further evidence on seasonality, not sufficiently to be able to determine how Gwynedd would differ from the Welsh Average.

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[4] European Commission, 2017. The Impact of Taxes on the Competitiveness of European Tourism here

[5] Wozny, F. (2024). *Tax incidence in heterogeneous markets: The pass-through of air passenger taxes on airfares* (No. 16783). IZA Discussion Papers. Available here

[6] Baždar Gašljević, T., Maradin, D., & Cerović, L. (2023). Price Elasticity of Demand For Hotel Services On The Business Example Of Two Hotels In The Republic Of Croatia. *Journal of accounting and management*, *13*(1), 1-14. Available here

[7] Alrawabdeh, W. (2021). Seasonal balancing of revenue and demand in hotel industry: the case of Dubai City. *Journal of Revenue and Pricing Management*, *21*(1), 36. Available here

[8] Petříček, M., & Chalupa, Š. (2020). PRICE ELASTICITY OF DEMAND FOR ACCOMODATION SERVICES–EMPIRICAL APPLICATION IN PRAGUE. *Ad Alta: Journal of Interdisciplinary Research*, *10*(1). Available here

[9] Hudson, S., Meng, F., So, K. K. F., Smith, S., Li, J., & Qi, R. (2021). The effect of lodging tax increases on US destinations. *Tourism Economics*, *27*(1), 205-219. Available here

Do visitors adjust their wider trip spending if they bear the cost of the levy?

4.13 While the study of lodging tax increases on US destinations[10] mentioned above showed that visitors responded to a levy by decreasing their spending, the study did not quantify to what extent visitors reduce their spending. And overall, the literature is not clear about how visitors would adjust their wider trip spending if they bear the cost of the levy.

[10] Ibid

5 Caveated Gwynedd level economic impact assessment

5.1 As set out in the previous sections, there is insufficient evidence to be able to robustly and accurately model the precise impact of the levy, or what how different scenarios would impact the magnitude of the effect (for example, whether other local authorities also implement a levy).

5.2 Therefore, we have taken a twin track approach to provide book ends (broadly following the Welsh Government approach) and sense checks for the likely range of the effect:

- Caveated reproduction of the Welsh Government approach. This is set out in Section 5.
- Cross checking with the Welsh Government Analysis, accounting for the relative importance of tourism to Gwynedd. This is set out in this Section 6.

Caveated reproduction of the Welsh Government approach

5.3 We have taken a similar approach to the Welsh Government 2025 analysis to estimate the impacts at the Gwynedd level – as in the Welsh Government approach this includes 'bookends' with two scenarios, one where 100% of the Levy being absorbed by businesses and another where 100% being absorbed by businesses

5.4 The approach is caveated because – as set out in Section 3, there are caveats within the Welsh Government report that also apply here and are in some cases more exaggerated in a local level assessment.

5.5 The key caveats that are relevant to the local level assessment are:

- At a national level, the majority of visitor spending can reasonably be expected to be captured in Wales. That is not the case at a smaller area – for example, some spending of someone who visits Gwynedd may be in Anglesey or Conwy (and vice versa). For the purposes of this assessment, we assume that all spending is 'lost' from Gwynedd and so this a worst-case scenario in terms of the impact on the visitor economy.
- Similarly, the spending of the levy will also have a higher level of leakage as some businesses who benefit from contracts through the spending of the levy may not be based in Gwynedd.
- There are different data sources for the current size of the Gwynedd visitor economy – this is set out in more detail below.
- The Welsh Government analysis assume that a change in the price of tourism (i.e. the levy) results in a decrease in demand for tourism. It does not consider changes in visitor spending patterns within the trip (for example reducing other trip costs by the cost of the levy). This is likely to be worst case scenario in respect to the impact of the levy on the Welsh economy (assuming that the PED picks up all of the change in visitor behaviour). The same approach is taken in the local assessment – again this is likely to be worst case.

- There are significant uncertainties in the elasticities – this is the case at a Welsh level and is even more acute if used at a smaller study area. There is no alternative evidence for a more robust assessment and so we have used the range of elasticities of demand used in the Welsh Government assessment.
- The national level assessment (necessarily) assumed that the levy will be imposed across all of Wales – there will be different impacts if one local authority implements the charge, but its neighbouring authorities do not, compared to if all neighbouring authorities implement the charge. It is not possible to accurately assess what the impact of different combination of local authorities introducing the levy is, but the effect on the magnitude of the impact is considered.
- The scenario where the levy is passed onto businesses does not account for supply-side changes, such as providers exiting the market due to the levy.
- It also does not account for reductions in employment and assumes that the savings are found within the 'value add' of the businesses operations. In reality, it would likely result in a reduction of jobs too.

5.6 As with the Welsh Government analysis, the analysis does not include inflation (it considers the annual impact if the levy was in place in 2024 – the latest year for which data is available), it does not include administration costs on businesses, and it does not include costs that are outside of Wales (this means the analysis likely slightly overestimates the impact of the levy, particularly for international visitors – for whom out of Wales costs will be higher).

5.7 Given the lack of evidence, there are assumptions (such as elasticities of demand) where we have not sought to make the assumptions Gwynedd specific – but instead have indicated whether the estimates are likely to under or overestimate the impacts, and provided sensitivity tests as appropriate.

5.8 It has been assumed that VAT will be included on the Visitor Levy.

Estimating the current number of visitor economy

5.9 In order to estimate the impact of the visitor levy, we first need to estimate the size of the visitor economy (the number of visitors, and nights stayed, and the spending that they support).

5.10 The Welsh Government analysis uses the Great British Tourism Survey (GBTS) and International Passenger Survey (IPS) for 2022 to 2024 – this is also the guidance that has been provided to local authorities.

5.11 This results in an average of 0.87m visits staying 3.6m bed nights and supporting £250m of spend. Note this is all trips including those that are staying in accommodation that is not included in the levy (for example staying with friends and family).

5.12 It should be noted that this data set has seen a reduction in bed nights and spend compared to pre Covid averages (2017-2019) and the data used in the Welsh Government Consultation

Document[11]. This decrease may be partly due to a change in methodology in the data collection but is also as a result of an actual decrease in tourism in Gwynedd.

5.13 However using the 2022-24 average does not account for the more recent (or indeed future) growth in bed nights and spend. Therefore a sensitivity test is included with the 2024 bed nights and spend.

5.14 A sensitivity test is also included to include the STEAM data which has a much higher visitor numbers and spend data – this is likely to overestimate the impact of the levy but is included for completeness, and because it is noted that the rural nature of Gwynedd may mean that the GTBS and the IPS may underestimate visitor numbers.

Visitor levy passed entirely on to tourists

5.15 This section assumes that 100% of the visitor levy is passed on to consumers. It first considers the impact of the loss of visitor spending and then considers the extent to which the spending of the levy itself would offset the loss.

The impact of the potential loss of visitor spending

5.16 In the main analysis we use the average annual data from the GTBS and IPS for 2022 to 2024

5.17 Including both international and domestic tourists who stay in accommodation that is eligible for the levy, it is estimated that there are approximately 0.67m overnight visitors to Gwynedd per year – who spend an average of 3.9 nights and spend £307 per person per trip.

5.18 Note that since this does not include those who are staying in accommodation that would be exempt from the levy the 0.87m visits set out above reduces 0.67m visits (and bed nights and spend also reduce)[12].

Table 5.1: All eligible overnight visits to Gwynedd – split between accommodation types and visitor type – core scenario (2022 to 2024)

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	Overseas visitors (Standard Band)	Total (avg over 2022-2024)
Total visits by overnight visitors ('000)	398	227	50	674
Total Gwynedd bed nights ('000)	1,450	868	305	2,623
Average trip length (nights)	3.6	3.8	6.2	3.9

[11] *Welsh Government Consultation Document: Consultation on proposals for a discretionary Visitor Levy for local authorities Compendium of visitor and visitor accommodation provider data sources 2022*
[12] For Great British Tourism Survey we exclude those staying in 'other accommodation' and for the International Passenger Survey we exclude those who are staying in their own home or staying for free with friends and family

Total Gwynedd overnight expenditure (including VAT)	£129m	£54m	£24m	£207m
Cost per trip (including VAT)	£324	£236	£485	£307
Cost per night (including VAT)	£89	£62	£79	£79

Source: Great British Tourism Survey and International Passenger Survey

5.19 The Welsh Government 2025 analysis estimated that 22% of those in the Lower Band accommodation are children and so are exempt from the levy. It is assumed that this assumption holds at a Gwynedd level – were the proportion of children to be lower the impact of the levy would be higher, and conversely were the proportion of children to be higher the magnitude of the impact of the levy would be smaller.

5.20 The table below include only eligible visitors (i.e. it excludes children visiting lower band accommodation).

5.21 Note that all international visitors are assumed to stay in standard accommodation and so pay the levy – this is consistent with the Welsh Government analysis. Were there to be children in lower bound accommodation within this group, the magnitude impact of the levy would be smaller).

Table 5.2: All eligible overnight visits to Gwynedd – split between accommodation types and visitor type – core scenario

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	International	Total
Eligible overnight visits ('000)	398	177	50	625
Eligible Gwynedd bed nights ('000)	1,450	677	305	2,432
Average trip length (nights)	3.6	3.8	6.2	3.9
Eligible Gwynedd overnight expenditure (inc VAT)	£129m	£42m	£24m	£195m
Cost per trip	£324	£236	£485	£312
Cost per night	£89	£62	£79	£80

5.22 The levy is £1.30 per person, per night for standard accommodation and 75p for lower band accommodation. It is assumed that VAT is charged and so those costs increase to £1.56 and 90p. Based on the average trip length and the total cost per trip, it is estimated that the visitor levy would be between 1.5% and 2.0% of the trip cost depending on trip / visitor type.

5.23 The elasticity is assumed to be -0.74. This is in line with the Welsh Government (2025) appraisal (for the neutral scenario). We have also tested the more pessimistic elasticity (-1.12) and more optimistic elasticity (-0.38) from the Welsh Government appraisal – this range is presented at the end this section.

5.24 As is set out above, there is very little evidence on local level elasticities as a result of visitor levies – the relatively limited analysis that exists is based on national evidence. In the absence of more locally specific evidence the range of multipliers has been applied.

5.25 It should also be noted that elasticity of demand in Gwynedd will be affected (to some extent) by whether neighbouring local authorities also introduce the visitor levy – if Gwynedd is the only local authority to introduce the levy, the impact on visitor behaviour will likely to be higher (as visitors may choose to go to other local authorities instead) whereas if more local authorities introduce a charge, the impact is likely to be lower.

5.26 Using the neutral multiplier (-0.74) results in a reduction in demand of between 1.1% and 1.5% depending on trip / visitor type.

Table 5.3: Change in demand as a result of the levy – core scenario

	UK-resident visitors (Standard Band)	**UK-resident visitors (Lower Band)**	**International**
Levy per person per night (ex VAT)	£1.30	£0.75	£1.30
Levy per person per night (inc VAT)	£1.56	£0.90	£1.56
Average trip length (nights)	3.6	3.8	6.2
Avg per-trip expenditure (inc VAT)	£324	£236	£485
Per trip Visitor Levy:	£5.68	£3.45	£9.61
a) As a % of trip cost	**1.8%**	**1.5%**	**2.0%**
b) Elasticity	-0.74	-0.74	-0.74
Percentage change in consumer demand (a x b)	**-1.3%**	**-1.1%**	**-1.5%**

5.27 This reduction in demand results in a £2.5m reduction in spending by visitors per year (including VAT) and £2.1m (excluding VAT).

5.28 Not all of that spend would have been spent in Gwynedd - some would have been spent in other local authorities (either day trips or on the journey) but to be conservative it is assumed that all of the loss is felt in Gwynedd. This will overestimate the (negative) impact on the Gwynedd economy.

Table 5.4: Loss in trip expenditure – core scenario

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	Overseas visitors (Standard Band)	Total
Eligible Gwynedd overnight expenditure (inc VAT)	£129m	£42m	£24m	£195m
Percentage change in demand	-1.3%	-1.1%	-1.5%	
Post-trip Visitor Levy Expenditure (£m) (inc VAT)	£127	£41	£24m	£192
Gross Trip Expenditure Losses (direct) (£m) - including VAT	-£1.7	-£0.5	-£0.4	-£2.5
Gross Trip Expenditure Losses (direct) (£m) - excluding VAT	**-£1.4**	**-£0.4**	**-£0.3**	**-£2.1**

5.29 Based on Welsh Government multipliers for 'accommodation and food' – indirect and induced effects are also included. Again, these would not all have been felt in Gwynedd and so this is likely to overestimate (the negative) impact of the loss of expenditure as a result of the levy.

5.30 We apply both a type 1 (which captures direct and indirect effects) and type 2 multipliers (which capture direct, indirect and induced effects) for accommodation and food[13] – this is used as a proxy for all spending and is likely to capture the majority of the spending patterns.

5.31 This results in a loss of between £1.5m and £1.7m of annual GVA per year – which results in the loss of between 42 and 47 FTE jobs.

Table 5.5: Loss in annual GVA and employment as a result of loss of visitor spending – core scenario

	Type 1	Type 2
Change in direct annual output (exl VAT)	-£2.1m	-£2.1m
Multiplier (accommodation and food)	1.23	1.39
Change in total annual output	-£2.5m	-£2.9m
Ratio of Output to GVA (accommodation and food)	0.58	0.58
Change in annual GVA	**-£1.5m**	**-£1.7m**
GVA per FTE (accom and food) in Gwynedd	£35,525	£35,525
Change in FTE Employment	**-42**	**-47**

[13] This is based on Welsh Government Indicative economic multipliers (input-output tables): 2019

The impact of the Visitor Levy spending

5.32 The visitor levy will result in an increase in economic activity. The visitor levy can be spent on:

- mitigating the impact of visitors;
- maintaining and promoting use of the Welsh language;
- promoting and supporting the sustainable economic growth of tourism and other kinds of travel;
- providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people)

5.33 For the purpose of this assessment, it is assumed that the impact is felt equally across different sectors of the economy (and so Gwynedd averages have been used). This could be updated when further information on the type of investment that the visitor levy is spent on is available.

5.34 The Levy would result in £2.8m of revenue excluding VAT (see Table 5.6) – this accounts for the reduction in demand as a result of the levy and excludes children from the lower band accommodation.

5.35 Not all of this will be spent with Gwynedd employers, since:

- Up to 10% will go to Welsh Government to cover operating costs – in main analysis it is assumed that the full 10% is taken by Welsh Government, but a sensitivity test is included to reduce this to 0% (to give the full range of 0% to 10%).
- A further 25% leakage is applied to allow for the spending of the Gwynedd levy to be spent on companies outside of Gwynedd. This is a conservative estimate since leakage is anticipated to be very low – the spending of the fund would be carried out by Cyngor Gwynedd in line with its sustainable tourism principles. Spending is likely to include spending on destinations and communities in Gwynedd including destination management, regeneration and public realm projects, and events. This means that spend would be with local contractors and businesses as far as possible. The nature of the spending (relatively small contracts) means that it is more likely to be delivered by local businesses and less likely to attract businesses from further afield. There may also be local grants for businesses (which themselves would support economic activity) which would be largely spent within the county. Nonetheless a higher leakage of 45% is included as a sensitivity test.

5.36 Again, we apply type 1 and type 2 multipliers and a ratio of GVA to output[14] – this result in an increase of approximately £1.1m to £1.3m in annual GVA in Gwynedd supporting 19 to 21 FTE jobs (see Table 5.7).

[14] Multiplier and ratio based on Welsh Government Indicative economic multipliers (input-output tables): 2019

Table 5.6: Levy revenue – core scenario

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	Overseas visitors (Standard Band)	Total
Post-levy eligible bed-nights accounting for reduced demand ('000)	1,431	670	301	2,401
Levy per person per night (ex VAT)	£1.30	£0.75	£1.30	
Visitor Levy Revenue (ex VAT)	**£1.9m**	**£0.5m**	**£0.4m**	**£2.8m**
Visitor Levy Revenue (inc VAT)	£2.2m	£0.6m	£0.5m	£3.3m

Table 5.7: increase in annual GVA and employment as a result of spending of the Visitor Levy – core scenario

	Low Scenario - Type 1	High Scenario - Type 2
Visitors Levy revenue (ex VAT) – direct output	£2.8m	£2.8m
Excluding 10% that goes to WG operating cost	£2.5m	£2.5m
Leakage	25%	25%
Visitors Levy revenue (ex VAT) in Gwynedd – direct output	£1.9m	£1.9m
Multiplier (all sectors)	1.21	1.33
Change in total output (including direct etc) in Gwynedd	£2.2m	£2.5m
Ratio of Output to GVA (all sectors)	0.5	0.5
Change in GVA in Gwynedd	**£1.1m**	**£1.3m**
GVA per FTE across all sectors (Gwynedd)	£58,615	£58,615
Change in FTE Employment in Gwynedd	**19**	**21**

Total impact of the Levy

5.37 The combined impact of the levy is the loss of visitor spending plus the increase economic activity as a result of the levy spending in Gwynedd.

5.38 In the core scenario that is anticipated to be a £0.3m to £0.4m loss of annual GVA (which is a 0.01% decrease in Gwynedd's annual GVA) and the loss of 22 to 26 jobs (which is 0.05% of the Gwynedd's employment).

Table 5.8: Change in annual GVA and employment combined effect – core scenario

		Core (based on elasticities)
GVA	Decrease due to loss of spending	-£1.5m to -1.7m
	Increase due to spending of the levy	+£1.1m to +£1.3m
	Change in annual GVA	**-£0.3m to -£0.4m**
	Gwynedd GVA (2023)	£2,842m
	Approx percent of Gwynedd Economy GVA	-0.01%
Employment	Decrease due to loss of spending	-42 to -47 jobs
	Increase due to spending of the levy	+19 to +21 jobs
	Change in FTE Employment	**-22 to -26 jobs**
	Gwynedd FTE Total	48,485
	Approximate percent of Gwynedd employment	-0.05%

5.39 The core scenario is based on an elasticity of -0.74. Applying Welsh Government's optimistic elasticity (-0.38) reduces the impact to the loss of 2 to 3 jobs and results in an increase in annual GVA of £0.4m.

5.40 Applying a more pessimistic elasticity (-1.12) results in a larger loss of up to 56 jobs and up to £1.6m annual loss in annual GVA.

Table 5.9: Change in annual GVA and employment combined effect

	Lower Bound (based on elasticities)	Core (based on elasticities)	Higher bound (based on elasticities)
Decrease due to loss of spending	-£2.2m to -£2.5m	-£1.5m to -£1.7m	-£0.8m to -£0.9m
Increase due to spending of the levy	+£1.1m to +£1.2m	+£1.1m to +£1.3m	+£1.1m to +£1.3m
Change in annual GVA	**-£1.1m to -£1.3m**	**-£0.3m to -£0.4m**	**£0.4m**
Gwynedd GVA (2023)	£2,842m	£2,842m	£2,842m
Approx percent of Gwynedd Economy GVA	-0.04% to -0.05%	-0.01%	0.01%
Decrease due to loss of spending	-63 to -71 jobs	-42 to -47 jobs	-21 to -24 jobs

Increase due to spending of the levy	+19 to +21 jobs	+19 to +21 jobs	+20 to +22 jobs
Change in FTE Employment	**-44 to -50 jobs**	**-22 to -26 jobs**	**-2 to -3 jobs**
Gwynedd FTE Total	48,485	48,485	48,485
Approximate percent of Gwynedd employment	-0.09% to -0.1%	-0.05%	-0.01%

5.41 Table 5.10 sets out the total levy revenue collected in each scenario – note the economic activity supported by these activities is included in the GVA impacts set above but is included here for clarity.

5.42 Based on the current number of visitors (bed nights) the levy would raise £2.8m, of which up to £2.5m would be retained by Cyngor Gwynedd to spend in the local area (in line with the Act) assuming that up to 10% of the revenue covers Welsh Government operating costs.

5.43 The approach set out in the previous analysis allows for a reduction in demand in response to the visitor levy – this reduction results in the revenue falling slightly but it remains between £2.7m and £2.8m in total, and between £2.4m and £2.5m once the contribution to Welsh Government operating costs have been excluded.

5.44 In reality, the revenue collected could be higher than this for a number of reasons:

- This assumes that the number of visitors is static as of 2024 data – and the only change is a reduction in visitors (or bed nights) as a result of the levy. In reality the visitor economy may grow (with or without the levy). The Gwynedd tourism market has been growing post Covid and this may continue. There is also evidence year-on year growth in tourism in locations that have introduced a visitor levy (refer to the Bangor University report as summarised in Section 3).
- The levy will allow Cyngor Gwynedd to invest in activities in line with the Act, including promoting and supporting the sustainable economic growth of tourism, and providing, maintaining and improving infrastructure, facilities and services for use by visitors. This investment is itself likely to drive an increase in visitor numbers. Conversely there could be a fall in visitors without the investment in the levy.
- STEAM data suggests a much more significant current visitor economy in Gwynedd – this would result in a larger revenue – this is set out in more detail in the sensitivity test in the next section.

Table 5.10: Revenue estimates

		UK-resident visitors (Standard Band)	**UK-resident visitors (Lower Band)**	**Overseas visitors (Standard Band)**	**Total**	**Reduced by 10% to WG for operating costs**
Levy per night (excl VAT)		£1.30	£0.75	£1.30		
No reduction in demand	In scope bed nights	1.45m	0.68m	0.31m	2.43m	
	Revenue (excl VAT)	£1.88m	£0.51m	£0.40m	£2.79m	£2.51m

Core	In scope bed nights	1.43m	0.67m	0.30m	2.40m	
	Revenue (excl VAT)	£1.86m	£0.50m	£0.39m	£2.75m	£2.48m
Optimistic	In scope bed nights	1.44m	0.67m	0.30m	2.42m	
	Revenue (excl VAT)	£1.87m	£0.50m	£0.39m	£2.77m	£2.49m
Pessimistic	In scope bed nights	1.42m	0.67m	0.30m	2.39m	
	Revenue (excl VAT)	£1.85m	£0.50m	£0.39m	£2.74m	£2.46m

Sensitivity test and impacts of assumptions

5.45 There are a number of assumptions made above which effect the scale of the impact. The key assumption are set out in the table below, alongside the implications for the magnitude of the impact. Additional sensitivity tests are also carried out – those are set out in Table 5.12 and Table 13..

5.46 As set out above, there are a number of different sources for estimating the current size of Gwynedd's tourist economy. The main analysis presented above uses the GBTS and IPS for average annual data for 2022 to 2024 – this is in line with the approach used by Welsh Government and also the guidance that has been provided to local authorities.

5.47 The annual figure for 2024 is higher than the average annual figures for 2022-24 (reflecting a recovering post-covid market) and so we have added the 2024 figures as a sensitivity test.

5.48 STEAM data estimates a much bigger tourism market in Gwynedd – this is set out in more detail, including a sensitivity test, below.

Table 5.11: Implications of assumptions on likely magnitude of impact

	Sensitivity test	**Implication**
Contribution to WG operating costs reduced to 0%	Yes – Table 5.12	Tested in sensitivity test – **very little change to magnitude of impact**
Higher level (45%) of leakage is applied	Yes – Table 5.12	Tested in sensitivity test = **Slightly higher magnitude of impact**
Using 2024 GTBS and IPS data (instead of 2022 to 2024 average)	Yes – Table 5.12	Tested in sensitivity test = **Slightly higher magnitude of impact**
Using STEAM data	Yes – Table 5.13	Tested in sensitivity test = **Higher magnitude of impact**
Proportion of children in standard accommodation is higher than 22%	No	Lower impact in terms of loss of visitor expenditure (as more children, who are exempt) + Lower impact in terms of spending of levy = **Lower magnitude of impact**

Proportion of children in standard accommodation is lower than 22%	No	Higher impact in terms of loss of visitor expenditure (as fewer children, who are exempt) + Higher impact in terms of spending of levy = **Higher magnitude of impact**
More pessimistic elasticity of demand	Included in Table 5.9 (lower bound)	Included in lower bound above = **Higher magnitude of impact**
More optimistic elasticity of demand	Included in Table 5.9 (higher bound)	Included in higher bound above = **Lower magnitude of impact**
Cyngor Gwynedd only local authority to introduce levy	Not explicitly	Not explicitly but likely to be closer to 'more pessimistic elasticity of demand' = **Higher magnitude of impact**
Cyngor Gwynedd and neighbouring local authorities to introduce levy	Not explicitly	Not explicitly but likely to be closer to 'more optimistic elasticity of demand' = **Lower magnitude of impact**
Less than 100% of spending is 'lost' from Gwynedd	No	Lower impact in terms of loss of visitor expenditure = **Lower magnitude of impact**

Table 5.12: Sensitivity tests

	Core	**Contribution to WG operating costs reduced to 0%**	**Higher level (45%) of leakage is applied**	**Using 2024 GTBS and IPS data**
Change in annual GVA	**-£0.3m to -£0.4m**	**-£0.2m to -£0.3m**	**-£0.6m to -£0.7m**	**-£0.4m to -£0.5m**
Gwynedd GVA (2023)	£2,842m	£2,842m	£2,842m	£2,842m
Approx percent of Gwynedd Economy GVA	-0.01%	-0.01%	-0.02% to -0.03%	-0.01% to -0.02%
Change in FTE Employment	**-22 to -26 jobs**	**-20 to -23 jobs**	**-27 to -31 jobs**	**-25 to -29 jobs**
Gwynedd FTE Total	48,485	48,485	48,485	48,485
Approximate percent of Gwynedd employment	-0.05%	-0.04% to -0.05%	-0.06%	-0.05% to -0.06%

5.49 STEAM data reports a much higher tourism sector in Gwynedd. In 2024 there were estimated to be 4.1m visitors, staying 20.4m nights and spending over £1bn. That is approximately 4 to 5 times bigger than the tourism market in Gwynedd based on the IPS and the GTBS.

5.50 The sensitivity test below estimates the likely impact of the levy based on the STEAM numbers, this is likely to overestimate the impact of the levy but is included for completeness and in recognition that the rural nature of Gwynedd may mean that the GTBS and the IPS may underestimate visitor numbers. This Steam analysis provides a bookend in terms of:

5.50.1 Worst case in terms of impact on employment and GVA – this results in a reduction of between 100 and 116 jobs (approximately 0.2% of Gwynedd's economy) and up to £1.9m GVA (up to 0.07%).

5.50.2 Best case in terms of available revenue spending – this increases to £11.2m (after accounting for contribution to Welsh Government operating costs). This is likely to be a very best case scenario in terms of revenue funding.

5.51 Note that this analysis is based on the core scenario (i.e. an elasticity of -0.74). Applying Welsh Government's range of elasticity (-0.38 to -1.12) would results in a wider range of impacts using the STEAM data,

5.52 The main analysis (following the Welsh Government approach and guidance) remains the preferred approach but the STEAM data demonstrates the uncertainty (and potentially top end) of the likely impact.

Table 5.13: Change in annual GVA and employment combined effect

	Main analysis Core scenario (elasticity of -0.74)	**STEAM** (elasticity of -0.74)
Decrease due to loss of spending	-£1.5m to -£1.7m	-£6.7m to -£0.6m
Increase due to spending of the levy	+£1.1m to +£1.3m	+£5.2m to +£5.7m
Change in annual GVA	**-£0.3m to -£0.4m**	**-£1.5m to -£1.9m**
Gwynedd GVA (2023)	£2,842m	£2,842m
Approx percent of Gwynedd Economy GVA	-0.01%	-0.05% to -0.07%
Decrease due to loss of spending	-42 to -47 jobs	-188 to -212
Increase due to spending of the levy	+19 to +21 jobs	+88 to 97
Change in FTE Employment	**-22 to -26 jobs**	**-100 to -116**
Gwynedd FTE Total	48,485	48,485
Approximate percent of Gwynedd employment	-0.05%	-0.2%
Revenue (excl VAT)	**£2.8m** *£2.5m accounting for contribution to WG*	**£12.4m** *£11.2m accounting for contribution to WG*

Visitor levy entirely borne by the accommodation provider

5.53 This scenario assumes that businesses absorb the cost of the Visitor Levy which means that there is no change to the level of visitors to Gwynedd. This means that the businesses absorb £3.3m including VAT (this is worst case as some businesses will pass VAT on).

Table 5.11: Total cost to be absorbed by the business

	UK-resident visitors (Standard Band)	UK-resident visitors (Lower Band)	International	TOTAL
Eligible bed nights (no reduction in demand) ('000)	1,450	677	305	2,432
Levy per person per night (inc VAT)	£1.56	£0.90	£1.56	
Total levy = total cost to be absorbed	**£2.3m**	**£0.6m**	**£0.5m**	**£3.3m**

5.54 Businesses absorb £3.3m of additional cost and this is paid for business revenues – the Welsh Government appraisal assumes that this is 'found' from within the value added and so in the same as GVA. In reality, it would likely there would also be some reduction in jobs.

5.55 The Welsh Government appraisal also assumes that neither input prices change, nor do visitor volumes, nor economic scale. This means that there are no 'Type 1' supply chain multiplier effects. There are however some indirect effects consequent on the Levy squeeze, reducing income to be spent (in part) across the Gwynedd economy and so a multiplier of 1.2 is applied to include direct and induced, but excludes indirect GVA. This results in a loss of £3.9m in annual GVA.

Table 5.12: Change in annual GVA due to impact of Levy being absorbed by the business

	TOTAL
Direct annual GVA	-£3.3m
Multiplier (direct and induced, excludes indirect)	1.16
Total annual GVA	-£3.9m

5.56 As set out above, the spending of the levy is expected to result in an increase of £1.1m to £1.3m in GVA per year in the core scenario and an increase of 19 to 21 jobs (accounting for contribution to WG operating costs and leakage). This results in a combined impact of a loss of £2.7m in annual GVA and an increase in 19 to 21 jobs.

Table 5.13: Change in annual GVA and employment combined effect – core scenario[15]

	Annual GVA	Employment
Change due to impact of Levy being absorbed by the business	-£3.9m	0
Change due to spending of the Levy being	+£1.1m to +£1.3m	19 to 21 jobs
Net change	**-£2.7m**	**19 to 21 jobs**
Proportion of Gwynedd economy	-0.1%	0.04%

5.57 The relevant sensitivities set out above are included in the table below. The higher leakage, change in contribution to Welsh Government operating costs and approach to VAT changes results in a jobs impact of between 14 and 24 jobs and a loss of between -£2.0m and -£3.0m of annual GVA.

5.58 Again the STEAM data has a much larger impact (driven by a larger current tourist economy) and shows the bookends (both positive and negative) of potential impacts.

Table 5.14: Sensitivity tests

	Annual GVA	Employment
Core	**-£2.7m**	**19 to 21 jobs**
Higher level (45%) of leakage is applied	-£3.0m	14 to 16 jobs
Contribution to WG operating costs reduced to 0%	-£2.5m	22 to 24 jobs
Businesses do not 'absorb VAT'	-£2.0m	19 to 21 jobs
STEAM	-£12.0m	88 to 97 jobs

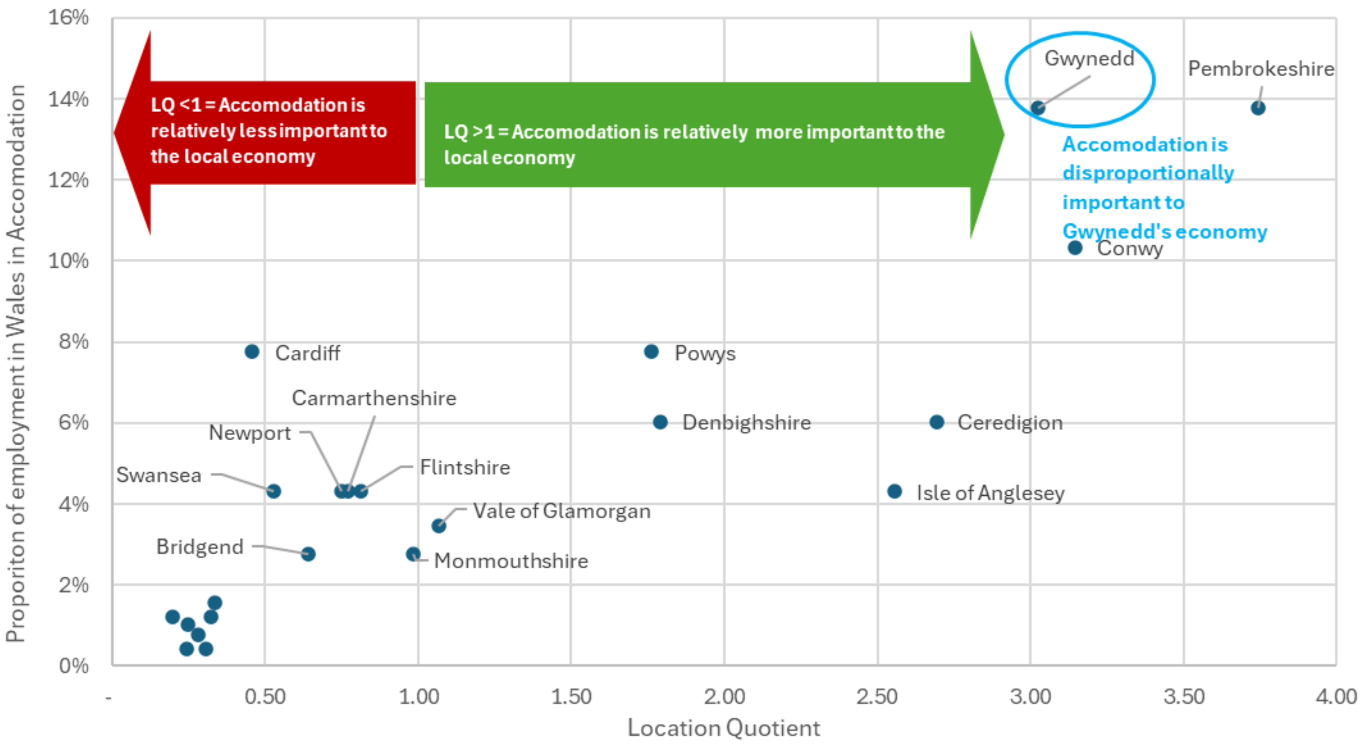
[15] The range of different elasticities makes negligible difference to the bound presented in this table.

6 Cross checking with the Welsh Government Analysis, accounting for the relative importance of tourism to Gwynedd

6.1 We have conducted 'sense checks' which uses the overall impact of the Visitor Levy on the Welsh economy (from the Welsh Government analysis) to estimate the likely impact on Gwynedd. Note this does not address the caveats with the Welsh Government analysis, or its applicability at a more local level, but it does provide additional confidence in the analysis.

6.2 First, it should be noted that Gwynedd has a significant proportion of the overall Welsh tourism market (and therefore employment) and the economy is disproportionately reliant on it. This is shown in Figure 6.1 which shows that Gwynedd has just under 14% of Wales' total employment in Accommodation but that it has a location quotient of 3.0 which means that accommodation is disproportionately important to the local economy.

Figure 6.1: Accommodation employment in Wales -Location Quotient and proportion of employment in Wales



6.3 The table below shows that based on a number of different measures (employment, visitor nights and spend); the Gwynedd tourism sector is between 7% and 15% of the Welsh tourism economy.

Table 6.1: Gwynedd tourism sector as a proportion of Wales total

	Proportion of Welsh total tourism sector
Employment in Accommodation (BRES 2024)	14%
Employment in Accommodation and Food (BRES 2024)	7%
Domestic - nights (all trip types)	15%
Domestic - spend (all trip types)	11%
International - nights (excl own home and family and friends)	10%
International - spend (excl own home and family and friends)	8%

6.4 As a sense check, we have applied this to the findings of the Welsh Government 2024 Appraisal. In the appraisal that passed on 100% of the levy to the customer, it found that:

- Across Wales, the Levy would result in between a loss of 100 and -400 jobs
- And a change in annual GVA of between -£7.5m and an increase of £11.1m

6.5 If we applied the range above (7% to 15%) we would expect an impact of between -60 and plus 15 jobs and a change in GVA of between a loss of £1.1m and a gain of £1.7m. This compares to the estimates in Section 5 of -2 to -50 FTEs[16] and between a loss of £1.3m to a gain of £0.4m in annual GVA.

6.6 This approach of pro-rating the Welsh Government analysis would be expected to be higher than the analysis set in Section 5 because prorating the Welsh Government analysis assumes that Gwynedd claims its (relative) share of the spending of the visitor levy (once non-regional spending is accounted for).

6.7 The analysis in Section 5 assume that there is leakage of the spending of the Gwynedd levy outside of Gwynedd and does not account for Gwynedd business 'gaining' as a result of the levy from other local authorities (for example a Gwynedd business being employed on a project in Anglesey or Conwy paid for by the levy).

6.8 It should be noted that these estimates are only indicative – the approaches are not like for like. Nonetheless the similarity of the figures provides confidence in the analysis set out in Section 5.

[16] Note this is comparing jobs and FTEs so it's not comparing like for like

Table 6.2: Cross checking compared to Welsh Government Approach - 100% of the Levy passed on

		Pessimistic	Core	Optimistic
Employment	*WG approach - Welsh level*	*-400*	*-140*	*100*
	WG approach - Gwynedd level 7%	-28	-10	7
	WG approach - Gwynedd level 15%	-60	-21	15
	Caveated Gwynedd approach (passing Levy onto visitors) – Section 5	**-44 to -50 jobs**	**-22 to -26 jobs**	**-2 to -3 jobs**
Annual GVA (£m)	*WG approach - Welsh level*	*-7.5*	*2.1*	*11.1*
	WG approach - Gwynedd level 7%	-0.5	0.1	0.8
	WG approach - Gwynedd level 15%	-1.1	0.3	1.7
	Caveated Gwynedd approach (passing Levy onto visitors) – Section 5	**-£1.1m to -£1.3m**	**-£0.3m to -£0.4m**	**£0.4m**

6.9 Taking the same approach for the scenario where businesses absorb the levy, then applying the 7% to 15% range would result in between 25 and 54 additional jobs (compared to 19 to 21 in Section 5) and between -£2.3m and -£4.8m (compared to -£2.7m in Section 5).

Table 6.3: Cross checking compared to Welsh Government Approach – 0% of the levy passed on

			Core
Employment	WG approach - Welsh level	Jobs	360
	WG approach - Gwynedd level 7%	Jobs	25
	WG approach - Gwynedd level 15%	Jobs	54
	Caveated approach (businesses absorb) – Section 5	FTEs	**19 to 21 jobs**
Annual GVA	WG approach - Welsh level		-£32.3m
	WG approach - Gwynedd level 7%		-£2.3m
	WG approach - Gwynedd level 15%		-£4.8m
	Caveated approach (businesses absorb) – Section 5		**-£2.7m**

7 Conclusion

7.1 The evidence on the impact of visitor levies on local economies is relatively limited, and there are some significant gaps and uncertainty in the data. Therefore this appraisal should be read in that light.

7.2 We have sought to replicate the appraisal methods used by Welsh Government, making them relevant at a local level where possible, and including assumption and caveats transparently. We have also added sensitivity tests and sense checks to add robustness to the appraisal.

7.3 Despite the caveats associated with the evidence base and methodology, we are confident that the impact on the Gwynedd economy will be relatively small in terms of both the impact on employment and annual GVA. The table below reflects the likely range using the IPS and the GTBS (in line with the approach used by Welsh Government).

7.4 This analysis is relatively conservative in that it assumes there is no growth in the visitor economy and allows for a reduction in response to the levy. In practice, if the visitor economy grows then the funding raised by the levy will increase, and indeed the levy spending could drive higher tourism through an improved visitor experience. There is evidence of year on year growth in other locations where visitor levies have been introduced.

7.5 Any growth in the visitor economy would also offset any losses to the economy (jobs and GVA) as a result of the visitors who do not come as a result of the levy and result increase the levy revenue.

Table 7.1: Summary of likely impacts

			Main analysis - Core scenario	**Main analysis - Likely range[17]**
Employment	Caveated approach (passing Levy onto visitors)	FTEs	-22 to -26 jobs	-50 to -2 jobs
	Caveated approach (businesses absorb)	FTEs	19 to 21 jobs	19 to 21 jobs
	Combined range	FTEs	**-26 to 21 jobs**	**-50 to 21 jobs**
Annual GVA (£m)	Caveated approach (passing Levy onto visitors)		-£0.3m to -£0.4m	-£1.3m to £0.4m
	Caveated approach (businesses absorb)		-£2.7m	-£2.7m
	Combined range		**-£2.7m to -£0.3m**	**-£2.7m to +£0.4m**
Revenue	**Combined range**			**£2.4m to £2.8m**

7.6 The STEAM data estimates the current Gwynedd visitor economy is 4 to 5 times larger than the IPS / GBTS data – therefore using the STEAM data results in significantly higher impacts.

[17] This includes a range of pessimistic to optimistic based on the elasticities in the Welsh Government analysis

For example the change in jobs is -26 to +21 in the core scenario of the main analysis, and this becomes -116 to +97 using the STEAM data. Similarly the revenue increases to £11.2m (although note this is likely to be an overestimate). This highlights the uncertainty in the data and therefore the inherent uncertainty in forecasting the impact of the levy.