

Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill

Health Impact Assessment

Introduction

The Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill (“the Bill”) provides the legislative framework for a licensing scheme for visitor accommodation in Wales, starting with self-catering accommodation. This scheme will support tourism in Wales, by reassuring visitors that accommodation meets the standards they would expect and providing a clear regime for providers.

The licensing scheme will build upon the register of visitor accommodation providers as set out in its companion legislation, the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (“the VARL Act”). Under that Act, the Welsh Revenue Authority (WRA) will establish, maintain and publish the register of providers, which will also detail the type and location of the premises they operate across Wales. This information may be of interest to local authorities, visitors, businesses and researchers, and will inform the future licensing scheme.

The Bill will complement other measures introduced by the Welsh Government to address the challenges arising from a concentration of second homes and short-term holiday lets in particular areas in Wales. A secondary outcome of this Bill will be to align more closely regulation of self-catering visitor accommodation with the regulation of the private rented sector, ensuring consistent standards for that accommodation, and monitoring compliance with those standards.

The Bill also creates a Code of Welsh law on tourism that will incorporate existing legislation on the development of tourism in Wales, with a view to improving the accessibility of tourism legislation.

What decision are you impact assessing?

This Health Impact Assessment considers the effect of the Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill (“the Bill”) on the health of those who operate visitor accommodation and the health of those that live, holiday and work in Wales.

Health Impacts

Overall, the licensing scheme is expected to have only a marginal effect on health, and this effect will not be possible to measure. Isolating the direct impact of the scheme

and any causal effects is significantly challenging and only generalisations can be made.

As explained in the regulatory impact assessment, the licensing scheme will have positive impacts for the tourism industry in Wales and for communities where the industry is concentrated. Tourism brings both positive and negative health impacts and the licensing scheme is not expected to significantly affect overall numbers of visitors.

We cannot predict how the scheme will affect visitor numbers to Wales, but we expect any effect to be small. Even if some visitor accommodation providers leave the sector, so the overall amount of available self-catering visitor accommodation decreases, this could lead to fewer overnight stays by visitors to Wales or, conversely, to improved occupancy rates for remaining providers. It is not possible to predict what proportion of providers might prefer to leave the market rather than comply with statutory requirements. There is no significant evidence of the sector contracting as a result of similar licensing schemes having been introduced in other parts of the UK and beyond.

However introducing the scheme may have an effect on individual accommodation providers, which is discussed further below. We have taken experience elsewhere in the UK into account in developing the proposals for the scheme, to minimise any adverse effects.

Positive Health impacts of Tourism

Health outcomes correspond positively with economic growth. For example, an increase in tourism demand would lead to greater spending - hence a potential for more jobs, more investment, and a higher standard of living. These things in turn have positive impacts on health outcomes such as life expectancy and health life years.¹ A study by Cavicchioli and Pistoressi cited by Predkiewicz et al. suggests that a 1% rise in GDP reduces mortality by 0.27%². We can therefore conclude that should the scheme have a beneficial economic impact, there could be a positive effect on measurable health outcomes.

For context, the seven tourism-related industries accounted for 5.1% of the GVA in Wales in 2022. [link to 2024 Wales Visitor Economy Profile]. Any positive economic growth could therefore represent a positive outcome on health. However, this does not account for how any growth in tourism may impact other industries which could increase, offset or negate any positive impacts. Therefore, it is not possible to say what the objective impact on health would be from an increase or decline in tourism demand.

For those who work in the tourism industry, a positive economic impact would provide for increased tourism spend or demand. This in turn could potentially increase job security and career opportunities within tourism and hospitality, increase wages and

raise living standards. Similarly, an increase in local economic prosperity should improve wages and living standards more generally, which in turn should result in better health outcomes. However, the scope and scale of any benefit would depend on wider economic circumstances, so it is improbable that any impact could be directly measured given the interactions of:

- economic factors (such as taxation, inflation and economic performance) and
- individual factors (health, wealth, income, life circumstances, family, debt etc.).

Public Health Wales publishes a framework of measurable health outcomes and indicators^{iv} aligned to the Wellbeing of Future Generations Act (Wales) 2015 and Welsh Government have an established performance framework for the NHS in Wales^v. Objective measurements relate to that which is directly measurable, for example: mortality rates, access to services, waiting times, life expectancy, demand for health services, investment into health services, health life years and other metrics.

Visitors have an impact on service provision: accidents and injuries which occur whilst visitors are on holiday and require local treatment will impact local health services provided by health boards. It is not possible to quantify these figures and there is a lack of research about the impacts of tourism on the provision of health services. However, as the temporary population increases with visitors, those visitors that require treatment or medical care result in an additional impact on local services.

The data does not distinguish between residents and visitors, nor the reasons behind their use of those services. There may also be other contributory factors that solely relate to the delivery of health services in a particular area, rather than tourism in general or the licensing scheme, such as staffing levels in a particular area, hospital or department.

Negative Health impacts of Tourism

A study by Sari et al. 2021³ suggests that the growth of tourism in an area can generate negative public health and ecosystem impacts ⁴.

Should the carrying capacity of a destination be exceeded then this can lead to over-tourism which may pose additional risks to residents such as increased pollution, traffic, overcrowding and waste generation. These negative aspects can increase the risks of contagious diseases spreading, reduce air quality, increase emissions, and cause environmental damage. These factors contribute to negative health outcomes⁵, with the link between poor air quality and health being well established.

Similarly, tourism often generates more traffic. Therefore, growth in tourism requires greater expenditure and management on public services such as waste management, traffic control measures, car parking, road maintenance and public transport.

The licensing scheme may improve scope to tackle some of these issues, through training and best practice, as discussed below.

Positive health impacts of the licensing scheme

As explained above, we can conclude that should the licensing scheme have a beneficial economic impact, there could be a positive effect on measurable health outcomes.

The scheme may also have potential positive benefit of improved safety and peace of mind for visitors. This is because visitor accommodation providers (VAPs) will be required to meet the requirements and conditions of a licence. The initial focus will be on key safety matters, which could improve safety in some homes and/or safety for visitors.

There could also be positive outcomes for public health in residents, not just visitors, due to the requirements of the licence, particularly those relating to safety. This is more likely where the premises subject to a licence are also used as holiday/second homes by Welsh residents, or dual-purpose premises which are used as visitor accommodation but are also the main or primary residence of the VAP and their family.

As set out above and in the regulatory impact assessment, it would not be possible to quantify or measure any impact, or whether the causal effect of that impact is the licensing scheme (either directly, solely or otherwise).

As part of the licensing scheme, through the training and linking in with best-practice sustainable tourism initiatives, the licensing authority may be able to promote initiatives or ways for improvement in areas such as green energy, carbon use reduction and recycling or waste reduction, which could help to mitigate the impact of tourism on the environment and hence public health.

The licensing scheme will be closely linked with the national register of accommodation providers in Wales under the Visitor Accommodation (Register and levy) Etc.(Wales) Act (VARL Act). Together, these could help communications with the tourism sector in the event of a public health emergency. One of the areas examined by the Covid-19 Inquiry UK in Module 2B⁶ was the public health communications in Wales in relation to controlling the spread of the virus. We await the report on the module.

Negative impacts of the scheme

The scheme is not expected to have significant negative health impacts, although we do acknowledge the potential stress of any change on individual operators. Conversely, the Professional Association of Self Caterers (PASC) have highlighted in evidence to the Senedd during the Scrutiny of the VARL Act that the licensing scheme would be welcomed in Wales, provided it is not too onerous.

One potential issue is unfamiliarity with digital systems, which we know some people can find stressful. We will ensure support mechanisms are put in place for those VAPs that may find the digital system a struggle. However, as it will be linked to the registration scheme, which will already be operational (and providing digital support), the risk of many VAPs struggling with the digital licensing system is thought to be extremely low.

The Scottish experience

There is evidence of a negative impact on the stress levels and mental health of tourism operators and their families following the introduction of the Short Term Let Licensing Scheme in Scotland.

According to a survey undertaken by the Association of Scotland's Self-Caterers (ASSC) in 2024⁷ that *'across Scotland, over two-thirds (68%) had either experienced a 'negative' or 'extremely negative' impact on their mental health and wellbeing from recent regulatory change'*. This was particularly acute in Edinburgh where around 90% of operators had seen a negative or extremely negative impact.

Several respondents highlighted the emotional toll, such as sleeplessness, anxiety, stress-related health issues, and feelings of helplessness, especially with the uncertainty of future income and business viability. Many respondents also mentioned the high cost of compliance, administrative burdens, and delays in licensing applications, particularly for those relying on self-catering as their primary income.

However, whilst the scheme in Scotland is similar in nature to this scheme, there are key differences, particularly in terms of planning, which seemed to be a driving factor in the results of that survey. We have taken account of the findings of that survey in the proposals made in the Bill.

Additionally, it could be inferred that the data from surveys about such matters is not wholly reliable, as those who are displeased are more likely to respond (and respond negatively), than those who are content and facing no relevant issues.

Conclusion

In conclusion, the extent of any positive or negative impacts on health stemming from a licensing scheme are dependent on multiple factors, and are anticipated to be small. Additionally, any inference of positive or negative health impacts requires a series of assumptions to be made based on the potential economic or demand impact for tourism within a destination, or on the behavioural reaction of VAPs and visitors.

It is not possible to definitively identify or measure direct positive or negative health impacts from the licensing scheme. Instead, inferences have been made based on available information, which is limited. These are key limitations to consider when reading this assessment.

The proposed licensing scheme may therefore have positive or negative health impacts.

The positive impacts include improved health outcomes from any positive economic effect. Additionally, the potential positive impacts on the health and well-being of those who use or live in visitor accommodation due to improvements in the premises resulting from the requirements of the licensing scheme.

The potential negative health impacts are the opposite, a decline in health outcomes from a negative economic impact. Additionally, the risk of a negative impact on the mental health and well-being of VAPs because of the burden of the scheme. However, ensuring the licensing scheme is simple, straightforward and does not create unnecessary burdens on VAPs has been a key factor in its development.

Ultimately, whilst we consider the proposed scheme will have a positive impact overall, any health effects resulting from it are unlikely to be quantifiable. This is because they are indirect impacts and do not occur in isolation from wider socio-economic, environmental, and regulatory factors.

¹ Song Y, Su Z-W, Tao R and Umut A, 2022, 'Revealing the Effectiveness of Tourism Development on Health in Asian Economies.', *Front. Public Health* vol.10, doi: 10.3389/fpubh.2022.895221
Predkiewicz et al. 2022, 'An impact of economic slowdown...'

² Ibid.

³ [Sari, F.O.](#) and [Nazli, M.](#) (2021), "Exploring the effects of "excessive tourism growth" on public health and ecosystem", *Journal of Hospitality and Tourism Insights*, Vol. 4 No. 1, pp. 1-17

⁴ *ibid.* P.3

⁵ [How air pollution is destroying our health \(who.int\)](#)

Josep Lloret, Arnau Carreño, Hrvoje Carić, Joan San, Lora E. Fleming, 2021, 'Environmental and human health impacts of cruise tourism: A review', *Marine Pollution Bulletin*, Volume 173, Part A, 112979, ISSN 0025-326X, <https://doi.org/10.1016/j.marpolbul.2021.112979>.
(<https://www.sciencedirect.com/science/article/pii/S0025326X21010134>)

⁶ [Structure of the Inquiry - UK Covid-19 Inquiry \(covid19.public-inquiry.uk\)](#)

⁷ [Impact of short-term let regulations on mental health in Scotland's self-catering sector: a policy-oriented framework for future resilience](#)