

**ARGYLL AND BUTE COUNCIL VISITOR LEVY**

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**1.0 INTRODUCTION**

- 1.1 The purpose of this paper is to provide specific items for discussion and comment at the inaugural meeting of the Visitor Levy (VL) Short Life Working Group (SLWG) to be attended by selected elected members.
- 1.2 At the Special Council meeting on 15<sup>th</sup> August, it was agreed to set up the VL SLWG to advance the work to introduce a VL across Argyll and Bute. Due to the statutory process the council will not be able to introduce a levy until the autumn of 2026.
- 1.3 It should be noted that the VL Guidance, to support the VL (Scotland) Act, being prepared by VisitScotland has not yet been published at the time of writing this report with appended VL content. Officers have been in receipt of a draft copy further to involvement in guidance testing sessions in June 2024, where several

### **3.0 DETAIL**

#### **Argyll and Bute VL Scheme**

- 3.1 In developing a draft outline for a visitor levy scheme, officers incorporated the ambitions/objectives of its local tourism strategy. The [Argyll](#)

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- 5.3 Legal: all appropriate legal implications will be taken into consideration.
- 5.4 HR: the VL SLWG once formed will be supported by officers and any advisory input from partner and stakeholder members of the Shadow VL Forum.
- 5.5 Fairer Scotland Duty: the Fairer Scotland Duty, Part 1 of the Equality Act 2010, came into force in April 2018. The duty places a legal responsibility on particular public bodies in Scotland, such as Argyll and Bute Council, to pay due regard to (actively consider) how they can reduce inequalities of outcome, caused by socio-economic disadvantage, when making strategic decisions and how this has been implemented.
- 5.5.1 Equalities: none.
- 5.5.2 Socio-economic Duty: none.
- 5.5.3 Islands; the same visitor levy scheme, with the same percentage rate charged for overnight accommodation will cover the whole of Argyll and Bute, including accommodation providers on the islands. It is anticipated that this nominal rate will not disproportionately impact island accommodation providers any more than those based on the mainland throughout the region.
- 5.6 Climate Change: none.
- 5.7 Risk: there is a risk that the Argyll and Bute Council does not implement the visitor levy process in adherence to the Scottish Government timelines which could delay implementation.
- 5.8 Customer Service: there is a need to implement an efficient visitor levy process that is transparent and easy to use by our customers.
- 5.9 The Rights of the Child (UNCRC): none.

**Kirsty Flanagan, Executive Director responsible for Economic Growth**

**Councillor Jim Lynch, Leader of Argyll and Bute Council**

24<sup>th</sup> September 2024

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## **APPENDICES**

**Appendix 1:** Draft Argyll and Bute VL Scheme

**Appendix 2:** Required Impact Studies

**Appendix 3:** Draft Consultation Questions

**Appendix 4:** VL SLWG Terms of Reference

## Appendix 1: Draft Argyll and Bute VL Scheme

### Draft Argyll and Bute VL Scheme

Argyll and Bute Council intends to utilise the powers granted by the Visitor Levy (Scotland) Act 2024 to impose a levy in respect of persons staying in certain types of accommodation overnight in its local authority area.

#### 1. Levy start date

The scheme will come into force 18 months after the final approval date in which Argyll and Bute Council publishes its final scheme. This report will summarise the consultation responses received and will state that it intends to proceed with the original or modified proposal.

#### 2. Levy duration

The levy will apply indefinitely.

#### 3. Accommodation liable for the levy

The levy will apply to all overnight accommodation, including those with an annual turnover under the VAT threshold, within Argyll and Bute Council boundary. This includes:

- Hotels;
- Hostels;
- Guest houses;
- Bed and breakfast accommodation;
- Self-catering accommodation, including short-term lets;
- Caravan parks;
- Accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place; and
- Any other place at which a room or area is offered by the occupier for residence.

#### 4. The levy rate

It is proposed that the levy will be 5% and will apply year-round, raising **an approximate** £9m in Gross revenue **(this figure does not take into account the effect of statutory exemptions, caps and exclusions)**. The levy will be the same across the entire local authority area.

#### 5. Collecting and enforcing the levy

Accommodation providers within the local authority area will be liable for the levy. They will be required to submit quarterly reports, detailing the total accommodation charges and the total levy collected to a national online visitor levy portal **more information on such a portal to be provided once available.**







- b. Improving visitor circulation around the region will also positively impact destination choices. Moving off the beaten track has enormous consumer appeal, and we will work towards encouraging visitors to explore the whole destination supporting sustainable and existing and emerging markets.

## 2. **Reaching new audiences: Marine & Coastal Tourism**

- a. The emphasis on maritime and coastal tourism development has been informed by years of research commissioned by Scottish Enterprise, Highlands and Islands Enterprise, British Marine Scotland, and VisitScotland Insights.
- b.

the most vibrant and customer-

join the journey to Destination Net Zero. By acting, operators will reduce costs, build resilience, and meet increasing consumer demand for sustainable businesses focused on delivering responsible tourism. The AITSP partners will share the resources available for region-wide destination and sector development projects and emphasise Argyll &



## **Appendix 2: Required Impact Studies**

As outlined in the draft VL Guidance document, Argyll and Bute Council is required to assess the impacts of its VL Scheme proposal as part of the consultation. To inform this process, it is recommended the council undertakes work to identify impacts on:

- businesses collecting and remitting the levy;
- visitors paying the levy (post autumn 2026);
- communities who may benefit from the levy (focus is on the whole of the Argyll and Bute area) and
- the council itself on administering the levy.

Argyll and Bute Council officers understand that the University of Edinburgh conducted some research on behalf of City of Edinburgh Council with regard to the proposed impacts of the VL Scheme. Officers are seeking more information on this work; particularly as it is difficult to forecast the impacts in advance of the VL Scheme being operational. It is hoped more information will be included in the published VL Guidance document.

In the meantime, officers have included some questions in the consultation document, see **Appendix 3**, to gain an understanding of the potential impact of the VL Scheme.

For example, consultees will be asked to identify the top two positive and top two negative impacts of the VL Scheme. Where negative impacts are noted, there will be a question on how to mitigate these, see **Appendix 3**.

**Potentially more content to follow aligned to the VL Guidance once received.**

## Appendix 3: Draft Consultation Questions

For ease of reference the consultation overview and supporting questions are as outlined below.

### ARGYLL AND BUTE VISITOR LEVY CONSULTATION

private sector jobs. In 2023 Argyll and Bute had over **2.8 million visitors**, providing an economic impact of over **£461 million**. **15%** of

The Scottish Government has committed to creating a discretionary power for local authorities to apply a **Visitor Levy**, in all, or part of, their area on overnight visitor stays in accommodation starting in 2026.

It is proposed that the revenue from Visitor Levy will be invested in the Argyll and Bute visitor economy to enhance the essential public services that create an enjoyable and safe visitor experience and mitigate the impact visitors have on the city and re

The implementation of a Visitor Levy is being considered by Argyll and Bute Council. In order to inform decision making the council has developed this consultation with 8 questions which should take no longer than 10 minutes to complete.

**Who should complete this consultation?** Members of the accommodation providers, hospitality businesses, and residents of Argyll and Bute, and other stakeholders including tourists, tourism industry organisations, travel agents etc.

The cost of separate charged add-ons are not part of a levy, such as:

- food
- drink
- parking
- entertainment
- leisure passes.

1. What is your connection with Argyll and Bute? Are you completing this survey as one of the below?

- Visitor/Tourist to Argyll and Bute
- Argyll and Bute Resident
- Argyll and Bute Accommodation provider
- Argyll and Bute Hospitality provider
- Argyll and Bute Business
- Tourism industry organisation
- Travel agent

Other:

2. Should exemptions be made for- (please tick all that apply)? **Officer recommendation is to include only statutory exemptions but have noted some other potential exemptions below. This will question will be amended or removed following discussions under the VL Scheme, Appendix 1.**

- under 5 years old
- under 16 year olds
- Carers
- Argyll and Bute residents
- School group
- Trades people staying for work

Other:

3. What time of year should the Levy be applied? \*

All year

All year but be higher during peak season

During set months e.g. March to October

During Events and festivals

Other:

4. How should the Levy be collected from the accommodation provider? \*

Through an agent, e.g. travel agency

Directly from the accommodation provider

Other:

5. Can you please outline your top two positive impacts of introducing a Visitor Levy for Argyll and Bute? \*

6. Can you please outline

8. How often should the Levy be collected from accommodation providers? \*

Monthly

Quarterly

Yearly

Other:

9. Should the Levy be limited to a certain length of stay? \*

7 nights

10 nights 14 nights

no cap

Other:

10. What should the collected Visitor Levy be used for? \*Options for inclusion will need to be reviewed aligned to members input under the VL Scheme discussion under **Appendix 1**.

11. How would you like to be kept in touch?

Social media

Newsletters

Website

Other:



## **APPENDIX 4: VL SLWG Terms of Reference**