OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government, Housing and Planning Committee

Tuesday 3 February 2026

Session 6

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LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
5th Meeting 2026, Session 6

CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

DEPUTY CONVENER

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

COMMITTEE MEMBERS

Meghan Gallacher (Central Scotland) (Con)
*Mark Griffin (Central Scotland) (Lab)
*Fulton MacGregor (Coatbridge and Chryston) (SNP)
*Alexander Stewart (Mid Scotland and Fife) (Con)
*Evelyn Tweed (Stirling) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Fiona Campbell (Scottish Government)
Ivan McKee (Minister for Public Finance)
Michal Polaski (Scottish Government)
David Storrie (Scottish Government)

CLERK TO THE COMMITTEE

Jenny Mouncer

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 3 February 2026

[The Convener opened the meeting in private at 09:30]

10:07

Meeting continued in public.

Decision on Taking Business in Private

The Convener (Ariane Burgess): Good morning, and welcome to the public part of the committee's fifth meeting in 2025. I remind all members and witnesses to ensure that their devices are in silent mode. We have had apologies from Meghan Gallacher.

We begin our public proceedings with agenda item 2, having already considered item 1 in private. The first public item on our agenda is a decision on whether to take items 8 and 9 in private. Do we agree to do that?

Members *indicated agreement*.

10:08

Visitor Levy (Amendment) (Scotland) Bill: Stage 1

The Convener: Our next item is evidence on the Visitor Levy (Amendment) (Scotland) Bill from the Minister for Public Finance, Ivan McKee MSP, who is accompanied by his officials Fiona Campbell, leader of the visitor levy and cruise ship levy team; David Storrie, head of local taxation policy; and Kayleigh Blair, Michal Polaski and Susan Robb, solicitors. Two of them are not here. Are they online? They might not have arrived yet—they might be coming for the Scottish statutory instrument item.

I welcome you all to the meeting. During this evidence session, we will take the opportunity to ask about the three following items of subordinate legislation relating to the existing Visitor Levy (Scotland) Act 2024: the draft Visitor Levy (Local Authority Assessment) (Scotland) Regulations 2026, the draft Visitor Levy (Reviews and Appeals) (Scotland) Regulations 2026 and the draft Visitor Levy (Scotland) Act 2024 Amendment Regulations 2026. Those three instruments have been laid under the affirmative procedure, which means that the Parliament must approve them before they can come into force.

Following this evidence session, the committee will be invited, at the next agenda item, to consider motions to approve the instruments. I remind everyone that the Scottish Government officials can speak under this item but not in the debate on the instruments that follows. There is no need for you to operate your microphones, as we will do that for you.

I invite the minister to make a brief opening statement.

The Minister for Public Finance (Ivan McKee): Thank you for the opportunity to set out the purpose of the Visitor Levy Amendment (Scotland) Bill, how it will deliver enhanced flexibility for local authorities by introducing an additional basis of charge, and how it will support the practical implementation of local schemes through further provision relating to third-party arrangements and returns. I will also outline the purpose of the three sets of regulations that are being considered under the affirmative procedure alongside the bill today.

I am grateful to the committee for its consideration of the bill and the accompanying regulations, and for the constructive engagement with the Convention of Scottish Local Authorities, local authorities and industry throughout the process. I understand that the committee heard from key stakeholders on 27 January. I will reinforce some of the points that were heard as

part of that and will highlight the key measures in the bill.

The bill will make additional provision in respect of certain third-party sales arrangements, reflecting the operational issues that have been raised by local authorities and industry. I recognise that progressing the legislation at pace presents challenges, but I am confident that, with appropriate support and proportionate scrutiny, we can work together to ensure that the system works for all local authorities while maintaining clarity for businesses and visitors.

The bill as introduced builds on the existing powers that allow councils to charge a visitor levy, which are set out in the Visitor Levy (Scotland) Act 2024. It is intended to introduce positive changes. Its key measures include introducing new flexibilities, making further provision on chargeable transactions, making adjustments to returns, and introducing regulation-making powers.

I will take each of those in turn. The introduction of new flexibilities will allow local authorities to design and implement a visitor levy model that is right for their local area—for example, a scheme that is based on a fixed amount or a range of different fixed amounts as an alternative to a percentage-based model. Those fixed amounts may be tailored towards accommodation type, size, location or season. The purpose of the legislation is to strengthen the range of options that is available to local authorities, so that they can design a model that works for their areas. We will also look to build on the legislation by providing updated statutory national guidance for local authorities, in order to ensure that the levy is understandable for visitors.

The bill will make further provision for circumstances in which overnight accommodation is first sold to a third party for onward sale, ensuring clarity for local authorities and providers operating such arrangements. That flexibility is important.

The bill will make an adjustment to the returns that are to be made by accommodation providers, so that they relate to the period in which liability for the levy arises.

The regulation-making powers will help to provide a mechanism for future proofing the visitor levy framework by ensuring that further operational regulations can be brought before the Parliament if needed. The suite of three sets of regulations demonstrates how primary and secondary legislation will work together to support implementation. The regulations provide operational detail that is based on the powers in the 2024 act. Although they have not been the subject of a stand-alone consultation, their content reflects feedback that was gathered during wider engagement with COSLA, local authorities and industry throughout the development of the visitor levy framework.

Turning to the three sets of regulations, I remain committed to delivering a framework for a well-managed visitor levy that works in the interests of visitors, local residents, local authorities and industry. These regulations will support that process.

The Visitor Levy (Local Authority Assessment) (Scotland) Regulations 2026 will ensure that the visitor levy is administered fairly, transparently and in a way that supports compliance. They set out the notice that a local authority is to give of its intention to make its own assessment of the visitor levy payable, what will happen once that assessment has been carried out, and the circumstances in which the outcome of an assessment may be altered.

The Visitor Levy (Reviews and Appeals) (Scotland) Regulations 2026 will ensure that the process of a review of local authority assessments and decisions on visitor levies is clear and transparent, as the measures include specifying the manner in which local authorities must conduct such reviews, the process for bringing an appeal before the First-tier Tribunal for Scotland and the actions that local authorities must take following the disposal of an appeal.

The Visitor Levy (Scotland) Act 2024 Amendment Regulations 2026 will extend the exemption. That means that the levy will not be payable or may be reimbursed where a visitor is entitled to certain disability or health-related benefits, allowances or payments, so that it applies to a wider range of payments.

Overall, the measures in the bill and in the regulations are part of our vision for the visitor levy in Scotland, which aims to improve visitor services, without adversely impacting on the local economy or placing a financial burden on local residents, as we look to share the unique experience of our history, culture, landscapes and warm hospitality.

I will continue to listen to the information that is shared by stakeholders and the committee, and I am happy to reflect on any recommendations that are made. My officials and I look forward to answering any questions that you may have on the bill and the regulations.

10:15

The Convener: Thank you for that statement and the points that you made. We will move to questions, and I will open with a theme about balancing flexibility and simplicity.

At our previous evidence session, local authorities talked about their desire for flexibility and industry talked about its desire for simplicity. According to the evidence that we have taken and what you have said, the Scottish Government is trying to balance the call for flexibility from local government and the need for simplicity expressed by businesses and customers. I would be interested to hear a couple of concrete examples of what councils will be able to do under the bill that they cannot do now, and how you will ensure that those choices do not turn into a confusing patchwork for businesses and visitors, which is what people were talking about the last time around.

Ivan McKee: At the core of the bill is the ability for local authorities to operate a tiered flat-rate system instead of, or alongside, a percentage-based system. That has the benefit of increasing flexibility and simplicity. Businesses were calling out for local authorities to have the ability to implement a flat-rate system where they felt it was the right thing to do. As I say, that is the core change that we are making. It gives local authorities more scope in designing the levy, but it also allows businesses to engage with local authorities through the consultation and make the case for a fixed-rate system where they feel it is more appropriate.

The Convener: As you say, the bill will introduce a flat-rate option, which, as you mentioned in your opening statement, can be designed in different ways. It can be a fixed amount or a range of fixed amounts; there is also the percentage levy. What is the minimum level of simplicity that should be expected, so that the flat rate does not become lots of tiers and exceptions that are harder to implement than a percentage levy?

Ivan McKee: Exceptions are different, right? On how that operates, individual exemptions—

The Convener: Exceptions.

Ivan McKee: Exceptions. Sorry—I am getting ahead of myself here.

The Convener: Lots of different tiers—let us focus on that.

Ivan McKee: Absolutely. It will depend on local circumstances, because the visitor economy is different throughout the country. If you are a business, you are typically operating in one part of the country—you are a chain hotel, a campsite, a bed and breakfast or whatever. From your perspective, the system is simple in the sense that what affects you is within certain bounds and is typically likely to be either one flat rate or a percentage, regardless of what is happening in other parts of the visitor economy locally.

From a visitor's perspective, anyone who has travelled in Europe or further afield will be used to paying a levy. I do not think that I have ever got exercised about the fact that, when I go to Paris, the levy is different from what it is in Amsterdam. Frankly, it is not something that most visitors would even think about, never mind get confused about. From that perspective, the bill offers changes, such as more flexibility for local authorities. It also allows simpler systems to be operated for businesses in certain tiers of the economy, where appropriate.

The Convener: The original act included a percentage, and now we are bringing in a fixed or tiered flat rate. After the act was enforced, there were concerns about the percentage rate. We have heard in previous evidence sessions that the percentage rate could be challenging for smaller providers. Could you explain what you unearthed in that regard?

Charging a percentage rate is a progressive approach. If that approach could have worked everywhere, it would have been great for everyone, because it is a fairer way of administering the levy. What were some of the issues that led you to realise that there was a need for variety? I know that we are aiming for flexibility and simplicity, but were there some technical issues in the background that made the percentage approach unworkable?

Ivan McKee: You make an important point. There is a common misunderstanding about the nature of a percentage system as compared with a flat-rate, or tiered flat-rate, system. It is important to recognise that a tiered flat-rate system can be designed in such a way that it is more progressive than a percentage system. A percentage system involves the visitor being charged a percentage of what they pay for the accommodation, but it is perfectly possible to design a tiered system that, in effect, charges a higher percentage on more expensive stays and a lower percentage on cheaper stays. Therefore, the idea that a percentage system is inherently more progressive is a misunderstanding.

With a percentage system, an operator who runs a small bed and breakfast might have different rates for different rooms at different times of the week and at different times of the season, on each of which they will have to calculate a percentage. They will also have to take out the non-accommodation parts of that. With the best will in the world, it is hard to see how that would not be subjective, given the cost structures, charging mechanisms and so on. There is also the issue of third-party sales. That takes us into a complicated world of multiple variables.

A small operator who has two, three or four rooms will have a million other things to worry about without having to get their head round all those calculations. Having a fixed rate for any given type of accommodation involves the operator multiplying how many rooms were filled by the rate to get the number. A fixed-rate system involves a much easier process.

The Convener: That was helpful. Thank you.

I want to explore the issue of whether different approaches—a percentage system and a tiered flat-rate system—could be used in the same area. Will the bill allow a council to run two different visitor levy approaches for accommodation in the same area? Could one business end up being subject to a percentage system and a flat-rate system?

Ivan McKee: I am delving into the technicalities here, but officials will keep me right. The bill will allow a local authority to have different charging approaches in different parts of the local authority area or for different types of accommodation, but it would not allow a situation in which the same accommodation unit was charged on both bases at the same time.

The Convener: Let us take the example of a hotel and a B and B on a street in Inverness. The hotel could be on a percentage rate and the B and B could be on a tiered flat rate.

Ivan McKee: Potentially, yes, but the same accommodation provider would not be charged on both bases.

The Convener: The same operator would not have that mix, but a hotel and a B and B on the same street could be on two different rates.

Ivan McKee: That is correct, but it is important to recognise that that would require the council to decide that that was a wise thing to do.

The Convener: I was going to ask whether that would be a good idea or a recipe for confusion that would give people a sense of uneven treatment, but I guess that it is for councils to think about those issues as part of their consultations.

Ivan McKee: Yes, and, as I said earlier, we can get too concerned about that. If a chain hotel is on a percentage system, frankly, the operator will not care what the guy next door is doing. Likewise, the guy next door will not care what the chain hotel is doing, because he will simply be following the process. A visitor who books in will be charged what they get charged, based on the mechanism. I think that we can get too concerned about things not all being the same everywhere.

The Convener: I think that that is right. We were getting at whether an operator could end up getting mixed up in two schemes, but it is clear that that will not happen. Thank you for that clarification.

Alexander Stewart (Mid Scotland and Fife) (Con): Good morning. In its evidence, the Association of Scotland's Self-Caterers suggested that the per-person, per-night option would be problematic in reality. Would the Scottish Government consider removing that option? The association certainly feels that it creates some anomalies and that it would be better if it was not there.

Ivan McKee: That is a good point. We have engaged very closely and had an effective dialogue with the ASSC, the Scottish Tourism Alliance and other industry bodies. It was reassuring to hear their perspective on the level of engagement, which is testament to the officials who have worked on the legislation.

To be honest, we are open minded on the per-person, per-night option. It goes back to the convener's point about striking a balance between flexibility and simplicity, which the evidence sessions, along with our engagement, are helping us to clarify. We have opportunities at stage 2 and stage 3 to lodge amendments.

It was interesting to hear the strength of feeling from the industry about the complexities that the per-person, per-night option could raise. In your evidence session with local authority representatives, I heard one express—this was only one contribution and we can engage with other views—that flexibility on the matter is helpful but not critical, and we are very open minded on that. The one thing that I have asked officials to identify is the range of circumstances, such as accommodations where many people could potentially stay, in which the option would have an impact. We need to understand how large a part of the market that is and how significant its impact would be, so that we can gather more data.

Alexander Stewart: As you rightly identify, we are trying to get the balance right so that there is no burden on those organisations or individuals. The whole idea of a per-person option could be very challenging in some types of accommodation, depending on how many people stay and for how many nights. The sector has said that it opens a can of worms in some ways and that managing it could be unworkable.

How do you gauge, depending on the timescale and length of stay, how many people remain overnight in accommodation, given that their movements vary and they might travel around and return at different times and on different dates? The number of people might cause some difficulties. Do you see the process as unworkable?

Ivan McKee: Like everything in the process, there are challenges, which we need to address based on evidence. I see the challenges that it presents. Officials can keep me right, but if I am not mistaken, charges for the per-person, per-night option would be based on the accommodation's capacity rather than the number of people who take it up. Is that right, David?

David Storrie (Scottish Government): The way that the bill is drafted is that charges would be based on check-in, which is the point at which the chargeable transaction becomes liable, as is the case with the 2024 act. The important thing to emphasise is that the drafting means that there would be no presumption that a local authority should use a per-person, per-night arrangement; it is a discretionary local tax. As the minister said, a local authority would have to consult with local industry on the design of the scheme, which would have to be right for that local area.

As the convener said, we are looking to balance simplicity and flexibility. When we engaged with the committee before the bill process started, we were asked to consider international examples. The per-person, per-night option is used very widely on the continent, so it is right that it is an option that we consider and take evidence on. As the minister said, we are listening and will look at it as we go through the process.

10:30

The Convener: Thanks. [*Interruption*.] I have no idea what that sound is. Excuse me, someone seems to be calling me on the laptop through Webex. Suddenly, I am very popular—in the middle of a committee meeting!

I have lost my train of thought. Oh, yes. To be clear, you are saying that you will potentially keep the per-person, per-night option and that it is for local authorities to do the consultation and find out what works. That is the flexibility piece.

David Storrie: Certainly, as the bill is drafted at this stage, that is the presumption. However, as the minister said, we are listening, and I am sure that we would also look at the committee's recommendations in forming an opinion. Obviously, though, it is for the minister to decide.

The Convener: Given the speed at which the bill needs to be worked on, it is interesting to hear that you are listening and that you are going to look at our report. Are there already Government amendments for stage 2 under consideration?

David Storrie: Of course. We are always working on the basis of what might happen. Which options are chosen are political decisions for the minister, based on the evidence from stakeholders. We continue to engage with the ASSC, STA, COSLA and local authorities; we met with them last week and listened to their feedback on these issues. We are very clear on what industry thinks, based on the evidence that the committee heard last week and on other engagement. We are also clearer about what local authorities think. The evidence that the committee heard last week roughly summarised that—you got a very clear picture of what both camps think. Based on all that, we are preparing options for the minister, and the minister will make the decisions. Although it is an expedited process, we are just doing what we would normally do at a much more rapid pace.

The Convener: That is very much appreciated. I will bring in Evelyn Tweed and we will move to a new theme, which is a national cap.

Evelyn Tweed (Stirling) (SNP): Good morning. Thanks for your answers so far.

Local government and the tourism sector take quite different views on various aspects of the visitor levy, including on whether there should be a maximum cap on what can be charged. Is the Scottish Government open to the idea of including a maximum cap in the legislation?

Ivan McKee: I would be happy to take evidence on that and consider it. However, to go back to the point that we made earlier about proportionality in the scheme, if some people are paying £300 or £400 a night for a hotel room—or even more—where would that national cap be set? We need to be cognisant of the fact that a national cap could, to some extent, militate against proportionality on very expensive accommodation. We are interested to hear views on a cap, but it is more complicated than the assumption that that would keep prices down for those in lower-priced accommodation.

Evelyn Tweed: Would you consider the cap if there were good evidence for it?

Ivan McKee: Yes.

Evelyn Tweed: Thank you.

The Convener: We will move on to the theme of consultation requirements and the options that are available to councils that have already announced percentage schemes. I will bring in Mark Griffin.

Mark Griffin (Central Scotland) (Lab): Good morning. What is the Government's thinking on those councils that, using the 2024 act, have done the consultation and are now going through the 18-month wait period? Is the Government giving any consideration to waiving the consultation requirement or shortening that 18-month period for councils that decide to move away from a

percentage-rate approach and use any new powers that might be available to go for a flat rate?

Ivan McKee: Absolutely. We are very cognisant of that. The 18-month waiting period is still in the legislation, but that is one area where there will absolutely be changes. We did not want to put something in until we had heard the different perspectives on where it should be pitched. Everyone has an interest in the period being shorter. You heard that in evidence and we are absolutely willing to support it.

There are clearly different scenarios depending on what has happened in different places. They include bringing in a levy from scratch, changing to a different basis of charge and changing the percentage rate. The latter will inflation proof the levy to some extent, so it is different from a periodic review of a flat-rate structure.

We are interested in hearing the different perspectives of industry and local authorities on the best place to pitch the waiting period, but you are absolutely right. There will be a much shorter period for some of those scenarios. As you said, some councils are involved in the process and have started to go down one road. It would clearly be in nobody's interest for us to reset the clock and bring them right back to the beginning. The question is what the period should be and what it should apply to. We are interested in hearing the evidence on that.

Mark Griffin: It is good to hear that the Government is open to that. However, can I push you on one of the scenarios that you set out? If a local authority adopts a flat rate and it needs to go through a regular process of updating it for inflation, should that be exempt from a more detailed consultation process?

Ivan McKee: We are trying to change as little as possible, because the more we touch, the more we risk breaking something or creating unintended consequences. It would potentially become a bit complicated to put in place a scenario where we referred to inflation rates and said, "Based on this scenario, you can do this, and based on that scenario, you can do that." We want to avoid a situation where automatic uprating leads us into a world where we get some strange and non-rounded numbers being used, because that would not be helpful. We are giving some thought to what that should look like.

I imagine that, in the real world, local authorities will look at the matter and uprate their charges every three or four years, as they do with other charges in their control. We are open to a simple mechanism that allows that to be a straightforward process that they can implement. We need to allow some running time for businesses to be able to change systems and understand what is coming down the track, but it absolutely would not make sense for that to be an 18-month period, which would take us from one financial year into the next one and the one after that.

Mark Griffin: Okay. Thanks for that.

The Convener: I have a question about the regulation-making powers in section 6, under which ministers may make further provisions about the operation of the 2024 act. I am interested in understanding how the Scottish Government foresees using those powers.

Ivan McKee: Officials might want to comment on that but, to my mind, the powers give us the ability to deal with unintended consequences. If you were going to ask me about possible scenarios, I could not tell you what they might be, because they are unknown unknowns at this point. If we look at the history and why we are here, we can see that everybody looked at the matter in a lot of detail in the run-up to the 2024 act, but there are clearly unintended consequences that we are working through now. Where those are minor, the regulation-making powers give us the ability to go through a process and make changes without having to produce more primary legislation.

The Convener: Okay—thanks. We move on to questions from Fulton MacGregor on exemptions.

Fulton MacGregor (Coatbridge and Chryston) (SNP): Good morning. I apologise for being slightly late.

As the convener said, I have a couple of questions on exemptions. Was any consideration given to including further exemptions for people who are travelling to medical appointments or court appearances and for accommodation providers with charitable status?

Ivan McKee: Officials can keep me right on the technicalities, but local authorities have the ability to do that themselves. In the scenarios that you are painting, local authorities would have that power, and they will be able to judge whether they want to use that locally.

Fulton MacGregor: Local authorities have that power in the bill currently.

Ivan McKee: Yes.

Fulton MacGregor: Was any further consideration given to including that in the visitor levy regulations that we will look at later in the meeting?

Ivan McKee: No. Local authorities have the ability to add further exemptions if they decide that that makes sense locally. That is the right approach, because it gives them that flexibility. The regulations are about a technical issue in the disability exemptions, which clarifies the definition

of the scope. David Storrie might want to talk to that.

David Storrie: There is one point that is worth making. What you suggest is another national exemption. Under the Scotland Act 1998, this is a local discretionary tax, so the presumption is on delegating and allowing local authorities to design something that meets their local context and needs. For each national element that you put on, you make it more national, so an assessment on need is required. Some local authorities will have more of a context where people are coming into their local area to use accommodation for the purposes that you set out. It would be for that local authority to consider that while it is designing its scheme.

I believe that Highland Council was considering that for the next iteration of its local scheme. Of course, we have not seen it yet, but Highland is clearly one of the local authorities that will get more people coming in for hospital stays, so it would be appropriate for it to consider that as it designs its scheme.

On whether we have looked at that, the presumption of the bill was not to be a heavy-handed attempt to amend the 2024 act. It was not about asking, "What can we possibly do to amend every possible thing?" It was about what we needed to do to meet the purposes of the flexibility, and local authorities already have that flexibility in the original 2024 act. I hope that that is helpful.

Fulton MacGregor: That is helpful. Do you not think that the examples that I gave would be beneficial at a national level? My understanding from what you say is that you could have situations where hospital appointments would be exempt in some local authorities and not in others, and the same with court appearances. Do you not think that that gives people a wee bit of a confused message across the board?

You mention Highland, which might well put in an exemption, because it gets a lot of people travelling to use its hospitals, but, for example, Monklands hospital in my area, which will be a new hospital within a few years, might well get people travelling in as well. However, if North Lanarkshire Council does not put that exemption in, people will be getting a tourist tax.

David Storrie: In some senses, we are getting into a debate about the extent to which something is localised or not. That is probably when it comes down to advice to ministers to make that call. There will always be a line between what is a national element and what is a local element, and a local tax, by its very nature, is something that you are designing for local need as much as possible. I understand what you are saying, but it is one of those things where advice would go to ministers and ministers would make the final determination.

Fulton MacGregor: Thanks. That is helpful.

The Convener: A good example of what Fulton MacGregor is getting at would be people in the Western Isles who depend on hospital appointments in Glasgow. There could be some kind of discussion, relationship and collaboration between the two local authorities on that situation.

I will bring in Willie Coffey on the financial memorandum.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning. We received submissions from the Finance and Public Administration Committee that suggested that the costs associated with the bill that are in the financial memorandum have been underestimated. What is your view on that, and what engagement did you have with stakeholders in developing the financial memorandum in the first place?

Ivan McKee: There has been engagement with stakeholders, as you would expect, to pull together what is in the financial memorandum. We have indicated that there are a number of areas where there will be amendments at later stages, and that some of the parameters are still to be defined as we hear evidence from different stakeholders. As you would expect, the financial memorandum will evolve. There has been engagement but, at this point, the memorandum reflects our best appraisal of the numbers. They will change, depending on how the parameters that are in the bill change.

10:45

Willie Coffey: Fife Council has suggested to us that the Government should support its calculations using as much local data as it can. Have you taken that into account as you try to shape the financial memorandum—will it draw in as much local data as possible?

Ivan McKee: There has been engagement on the financial memorandum, and I will let officials talk about the level of that engagement.

Fiona Campbell (Scottish Government): Although we have projections for the amending bill, we have no live schemes on which to base the figures, so it is difficult to make adjustments. For example, a local authority might choose a per-person, per-night option. It is difficult to know how that will be banded and to work out the possible financial implications. The parameters are wide. As the minister said, we are reviewing the data as the bill proceeds, and we will look to refine the data as far as we can but, without any live schemes, it is difficult to nail down the figures.

Ivan McKee: It will depend on which schemes are chosen to be implemented locally, which will have a bearing on the costs. It is also worth bearing in mind our earlier discussion about simplifying the scheme. That would lead to the costs for businesses being lower as a consequence of the amendments in the bill than they would otherwise have been had flexibility and simplicity not been available to them.

The Convener: I am going to get a bit technical and dig in to a few things. I will go back to section 6 and ask about a cruise ship levy. Is the purpose of section 6 to give the Government the opportunity to include things such as a point of entry levy or a cruise ship levy in the 2024 act, or would separate primary legislation be needed, given that it is a different mechanism?

Ivan McKee: Separate legislation would be needed if we chose to take those forward.

The Convener: A cruise ship levy is more in the mix of what our three island authorities are looking for. When could that potentially come forward in order to help them?

Ivan McKee: We have been through a consultation process on the cruise ship levy that is being considered and analysed as we speak. Clearly, with an election coming up, that would fall into the post-election period. Any future Government will look at the consultation and its results and decide how it wants to proceed.

The Convener: So, it would be up to the three island authorities to ensure that a cruise ship levy stays at the forefront of the mind of whoever is in government.

I will get even more technical and go back to my earlier question about chargeable transactions. Section 1(2), which relates to the basis on which a levy is to be charged, inserts section 4A into the 2024 act. It sets out that

"A local authority seeking to introduce a VL scheme must determine whether the levy to be charged in respect of each chargeable transaction to which the scheme relates is to be on the basis of either—

(a) a percentage rate (or percentage rates) set in accordance with section 6, or

(b) a fixed amount (or fixed amounts) set in accordance with section 6A."

There is a bit of concern that we could end up with a business being subject to both.

Ivan McKee: I will let officials speak about the technical aspects, but, as I indicated earlier, a business would not find itself in a position in which it would be subject to both simultaneously.

At this point, I will bring in a lawyer.

Michal Polaski (Scottish Government): Local authorities' ability to introduce more than one scheme is already part of the 2024 act; the bill will not amend that.

There is a possibility that multiple schemes could operate within the same area and use either fixed amounts or percentage rates. If local authorities were to introduce multiple schemes, they would have to consult, and they would have to include in the consultation the justification for taking that approach, how it would operate and any interaction between the schemes.

We cannot conclusively determine whether it would be lawful for authorities to apply more than one scheme to a single transaction. The authorities themselves would have to take advice on that and, as I said, include in their consultation the appropriate justification for the scheme that they propose to introduce.

The Convener: So, it could be that a business gets caught up in both schemes.

Michal Polaski: That is something that we cannot conclusively exclude at the moment.

The Convener: That might be something of a concern, then.

David Storrie: The key thing here is that, under the existing legislation, no local authority has looked to come up with multiple schemes. A different basis of charge introduces a different question. Multiple methods of taxation would be laid on top of one other, which would be quite unusual. Even if that were possible, in order to produce a scheme, a local authority would have to go through its own legal department in designing it. It would also have to justify the scheme both to its local forum in the consultation process that the scheme would go through and to its local elected members. I am not saying that that means that such a scheme would not happen if it were legally possible, but the local authority would have to come up with a justification for doing it. Sitting here today, I cannot say that nobody would do it, but at the moment, I cannot see why anybody would wish to do so, particularly when there are currently multiple options. As we have been saying during our evidence, the purpose of the proposals is to provide flexibility. However, we will listen to and consider that point as we go forward through the bill process.

The Convener: Thank you. So, the bill cannot prevent such situations for legal reasons, but they can be prevented through the checks and balances in the local authority sphere.

David Storrie: I would phrase it by saying that it is neither allowed nor not allowed. It is not defined in the legislation, so there is a question as to whether it is or is not allowed. Therefore, there is

also a question as to whether that is something that we should look at before the bill becomes an act, should it be enacted.

The Convener: Okay—and there is a keenness for local authorities to take legal advice if they are going to take that approach.

David Storrie: A local authority should consider its scheme's legality as it is designing it and putting it to consultation, before it is ratified. Ultimately, the local authority is responsible for what it does in its local area.

The Convener: That concludes our questions on the bill. I have one question on the subordinate legislation that relates to the 2024 act. I am interested to understand how, in your view, the instruments that the committee will come on to consider today will potentially impact the proposals in the bill that we have just been talking about.

Ivan McKee: Sorry, are you asking about the three sets of regulations?

The Convener: Yes. Do they have any impact on the bill?

Ivan McKee: Fiona, do you want to say anything?

Fiona Campbell: The three statutory instruments are about implementing the 2024 act as it stands in relation to extending the disability exemption, allowing a local authority to make or substitute an assessment, and the appeals and reviews processes. The instruments are needed, whatever happens with the bill.

The Convener: Great—thanks for that clarity.

Thank you for your evidence on the bill. It is a bit confusing for the committee, because we now have visitor levy regulations to consider.

Subordinate Legislation

Visitor Levy (Local Authority Assessment) (Scotland) Regulations 2026 [Draft]

Visitor Levy (Reviews and Appeals) (Scotland) Regulations 2026 [Draft]

Visitor Levy (Scotland) Act 2024 Amendment Regulations 2026 [Draft]

10:54

The Convener: Agenda item 4 is formal consideration of the motions on the three SSIs that we have just taken evidence on. I invite the minister to move motions S6M-20366, S6M-20365 and S6M-20509, noting that he spoke to the instruments earlier.

Motions moved,

That the Local Government, Housing and Planning Committee recommends that the Visitor Levy (Local Authority Assessment) (Scotland) Regulations 2026 [draft] be approved.

That the Local Government, Housing and Planning Committee recommends that the Visitor Levy (Reviews and Appeals) (Scotland) Regulations 2026 [draft] be approved.

That the Local Government, Housing and Planning Committee recommends that the Visitor Levy (Scotland) Act 2024 Amendment Regulations 2026 [draft] be approved.—[*Ivan McKee*]

Motions agreed to.

The Convener: The committee will report on the outcome for the instruments in due course. Does the committee agree to delegate responsibility to me as convener to approve a draft of that report for publication?

Members *indicated agreement*.

The Convener: I thank the minister and his officials for joining us. We will take a short break to allow our guests to leave.

10:57

Meeting suspended.

10:58

On resuming—

Visitor Levy (Interest on Unpaid Levy and Penalties) (Scotland) Regulations 2026 (SSI 2026/9)

The Convener: Agenda item 5 is consideration of a negative instrument. As members have no comments, does the committee agree that we do

not wish to make any recommendations in relation to the instrument?

Members *indicated agreement*.

Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2026 (SSI 2026/1)

Building (Fees) (Scotland) Amendment Regulations 2026 (2026/7)

The Convener: Agenda item 6 is consideration of two negative instruments. As members have no comments, does the committee agree that we do not wish to make any recommendations in relation to the instruments?

Members *indicated agreement*.

Decision on Taking Business in Private

11:00

The Convener: I want to go back. At the beginning of the meeting, I asked members to agree to take items in private. I need to update that decision. Do members agree to take items 7 and 8 in private?

Members *indicated agreement*.

The Convener: That concludes the public part of the meeting, and we will now move into private.

11:00

Meeting continued in private until 11:47.

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