

Local Government, Housing and Planning Committee
Tuesday 3 February 2026
5th Meeting, 2026 (Session 6)

Note by the Clerk on the Visitor Levy (Interest on Unpaid Levy and Penalties) (Scotland) Regulations 2026 (SSI 2026/9)

Overview

1. At this meeting, the Committee will consider the following Scottish Statutory Instrument (SSI), which is subject to the negative procedure. The Committee is invited to consider the instrument and decide what, if any, recommendations to make.
2. More information about the instrument is summarised below:

Title of instrument: [Visitor Levy \(Interest on Unpaid Levy and Penalties\) \(Scotland\) Regulations 2026 \(SSI 2026/9\)](#)

Laid under: Section 68 of the [Visitor Levy \(Scotland\) Act 2024](#)

Laid on: 15 January 2026

Procedure: Negative

Deadline for committee consideration: 16 February 2026 (Advisory deadline for any committee report to be published)

Deadline for Chamber consideration: 23 February 2026 (Statutory 40-day deadline for any decision whether to annul the instrument)

Commencement: 1 April 2026

Procedure

3. Under the negative procedure, an instrument is laid after it is made, and is subject to annulment by resolution of the Parliament for a period of 40 days beginning on the day it is laid.
4. Once laid, the instrument is referred to:
 - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and
 - a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.
5. Any MSP may propose, by motion, that the lead committee recommend annulment of the instrument. If such a motion is lodged, it must be debated at a

meeting of the Committee, and the Committee must then report to the Parliament (by the advisory deadline referred to above).

6. If there is no motion recommending annulment, the lead committee is not required to report on the instrument.

Delegated Powers and Law Reform Committee consideration

7. The DPLR Committee considered the instrument on 27 January 2026 and [reported on it in its 12th Report, 2026](#). The DPLR Committee made no recommendations in relation to the instrument.

Purpose of the instrument

8. These Regulations specify the rate of interest that applies to any unpaid visitor levy due under section 29 (payment of levy) and unpaid penalties imposed under Chapter 3 of Part 5 of the Visitor Levy (Scotland) Act 2024.
9. The Policy Note accompanying the instrument is included in the annex. It includes a summary of consultation undertaken on the instrument and the anticipated financial effects. The following impact assessment has been carried out:
 - [Child Rights and Wellbeing Impact Assessment \(CRWIA\)](#)

Committee consideration

10. So far, no motion recommending annulment has been lodged.
11. Members are invited to consider the instrument and decide whether there are any points they wish to raise. If there are, options include:
 - seeking further information from the Scottish Government (and/or other stakeholders) through correspondence, and/or
 - inviting the Minister (and/or other stakeholders) to attend the next meeting to give evidence on the instrument.

It would then be for the Committee, at the next meeting, to consider the additional information gathered and decide whether to make recommendations in relation to the instrument.

12. If members have no points to raise, the Committee should note the instrument (that is, agree that it has no recommendations to make).
13. However, should a motion recommending annulment be lodged later in the 40-day period, it may be necessary for the Committee to consider the instrument again.

Clerks to the Committee
January 2026

Annexe A: Scottish Government Policy Note

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

The above instrument is made in exercise of the powers conferred by section 68 of the Visitor Levy (Scotland) Act 2024 (“the 2024 Act”). The instrument is subject to the negative procedure.

Summary Box

These Regulations specify the rate of interest that applies to unpaid visitor levy and unpaid penalties under the Visitor Levy (Scotland) Act 2024.

The purpose of the Regulations is:

- to specify a rate of interest for unpaid visitor levy amounts;
- to specify a rate of interest for unpaid penalties imposed under the 2024 Act;
- to provide certainty for local authorities and levy payers about how interest is calculated; and
- to support the effective and fair operation of the visitor levy system.

The Regulations support the efficient administration of the visitor levy by encouraging timely payment, promoting consistency across local authorities and providing a transparent basis for calculating interest.

Policy Objectives

The purpose of these Regulations is to specify the rate of interest applied to sections 66 and 67 of the 2024 Act, which make provision for interest to be charged on unpaid visitor levy and unpaid penalties. This is done under the power conferred in section 68 of the 2024 Act.

The 2024 Act provides that interest may be charged where visitor levy amounts or penalties are not paid by the due date, and enables the Scottish Ministers to specify the applicable rate of interest by regulations. These Regulations set that rate by reference to the Bank of England rate, with a fixed percentage added.

The Regulations define the meaning of “Bank of England rate” for the purposes of calculating interest. They also provide for a short, three working day, grace period to ensure that changes to the Bank of England rate are applied consistently and predictably.

The Regulations specify that the daily rate of interest is calculated by adding 2.5 percentage points to the Bank of England rate, and then dividing this by 365. This approach mirrors interest rate-setting mechanisms used elsewhere in public finance and provides a balance between encouraging timely payment and ensuring that interest charges remain proportionate.

By establishing a single, nationally consistent interest rate, the Regulations support fairness, transparency and administrative simplicity for local authorities and for those liable to pay visitor levy or penalties.

UNCRC Compatibility

The Scottish Ministers have made the following statement regarding children's rights.

The Scottish Ministers certify that, in their view, The Visitor Levy (Interest on Unpaid Levy and Penalties) (Scotland) Regulations 2026 are compatible with the UNCRC requirements as defined in section 1(2) of the UNCRC (Incorporation) (Scotland) Act 2024.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

As these Regulations provide operational detail necessary to give effect to the assessment powers set out in the 2024 Act, no additional public consultation was required. However, local authority operational representatives and subject matter specialists were engaged during drafting to ensure that the Regulations reflect practical administrative requirements.

Impact Assessments

A Child Rights and Wellbeing Impact Assessment has been carried out in relation to these Regulations.

Financial Effects

The Minister for Public Finance confirms that no Business and Regulatory Impact Assessment (BRIA) is required, as these Regulations do not impose direct financial effects on business, local authorities, or the Scottish Government beyond the operational processes envisaged in the 2024 Act.

Scottish Government
Local Government and Communities
January 2026