

# Local Government, Housing and Planning Committee

## 26th Meeting, 2022 (Session 6), Tuesday 7 November 2023

### Visitor Levy (Scotland) Bill

1. The purpose of this paper is to provide information to inform the Committee's Stage 1 scrutiny of the [Visitor Levy \(Scotland\) Bill](#) ("the Bill").
2. At this meeting, the Committee will hear from two sets of witnesses as follows—

#### **Panel One: Representatives of Tourism Industry**

- [Scottish Tourism Alliance](#);
- [UK Hospitality Scotland](#); and
- [Visit Scotland](#).

#### **Panel Two: Local stakeholders and Destination Management Organisations**

- [Edinburgh Tourism Action Group](#);
- [Festivals Edinburgh](#);
- [Outer Hebrides Tourism](#);
- [Skye Connect](#);
- [Venture North Cooperative Limited](#); and
- [Visit Arran and the Arran Trust](#).

3. All participants in today's discussions provided written submissions in response to the Committee's call for views. They can be accessed via the above links. Visit Scotland has provided a further written submission which can be accessed at Annexe A.

4. The expectation is that the first panel will focus on the views of the wider Scottish tourism sector on the Bill whilst the second panel will focus on more localised views from areas most impacted by tourism.

## Background

5. The Bill was introduced on 23 May 2023 and the Local Government, Housing and Planning Committee was designated lead committee for consideration of it at Stage 1 on 14 June. The Bill and its accompanying documents are [available online](#).

6. The Bill's Policy Memorandum<sup>1</sup> states that "the overall policy objective of the Bill is to give a discretionary power to local authorities to introduce a levy on stays in overnight accommodation in all, or part, of their area if they choose to do so."
7. Further information on the background to the Bill and the changes it seeks to implement can be found in the SPICe briefing on the Bill: [Visitor Levy \(Scotland\) Bill \(azureedge.net\)](#)
8. The Committee previously took evidence on the Bill from Scottish Government officials in June shortly after its introduction. The meeting papers and official report can be accessed on the Committee's website: [Local Government, Housing and Planning Committee 18th Meeting, 2023 | Scottish Parliament Website](#)
9. The Committee then took evidence from two panels of witnesses representing accommodation providers on 24 October 2023. The meeting papers and official report can be accessed on the Committee's website: [Local Government, Housing and Planning Committee 24th Meeting, 2023 | Scottish Parliament Website](#)
10. Most recently, The Committee took evidence from representatives of local authorities followed by the European Tourism Association (ETOA) on 31 October. The meeting papers and official report can be accessed on the Committee's website: [Local Government, Housing and Planning Committee 25th Meeting, 2023 | Scottish Parliament Website](#)

## Call for Views and Engagement

11. The Committee published a call for views on the Bill in June with a deadline for responses of 15 September. Over 370 responses to the formal call for views were received from a broad range of stakeholders and can be accessed on the [Committee's website](#).
12. The Scottish Parliament Information Centre (SPICe) has produced a summary of written evidence which can be accessed via the following link: [SPICe summary of submissions](#)
13. Over 400 individual users also commented on the Bill's provisions via the less formal [Your Priorities online forum](#).
14. The Parliament's Participation and Communities Team has produced a summary of online forum submissions which can be accessed via the following link: [Summary of online forum submissions](#)
15. The Parliament's Participation and Communities Team also held five separate community meetings across Scotland with the support of community

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<sup>1</sup> [Policy Memorandum accessible \(parliament.scot\)](#)

organisations. A summary of these meetings can be accessed via the following link: [Summary of community meetings](#)

## Timetable

16. On 4 October, the Parliament agreed a Stage 1 deadline of 19 January 2024.

17. The Committee expects to conclude evidence taking on the Bill at its next meeting on Tuesday 14 November, when it will hear from COSLA followed by the Minister for Community Wealth Building and Public Finance.

**Clerks to the Committee,  
November 2023**

## Annexe A

### Visit Scotland's further submission

With thanks to the Committee for the opportunity to provide evidence to support their scrutiny of the Visitor Levy (Scotland) Bill.

Ahead of VisitScotland's appearance at the Committee Tuesday 7 November 2023, we would like to take the opportunity to provide the Committee with additional context with regards to the opportunity that the visitor levy represents to the visitor economy, along with our role in the Visitor Levy Expert Working Group. This is intended to supplement our original written evidence provided to the Committee September 2023.

#### Context

We are acutely aware that Scotland's tourism industry is still operating in an extremely challenging and uncertain economic landscape, with the cost of doing business rising. Opportunity for investment in the sector is therefore vital if we are to achieve the sectors' ambitions to be a leader in 21st century tourism outlined in the [national tourism strategy, Outlook 2030](#).

Details of the proposals, including how they will interact with small tourism enterprises in particular, will rightly be considered and debated as the Bill progresses. It is VisitScotland's hope that a combination of sector engagement and Parliamentary scrutiny will deliver a framework for a discretionary national levy that can be implemented with minimum impact to businesses and maximum benefit to the sector.

We have already provided some detail regarding the specifics of the proposal through our previous submission and we will therefore use this opportunity to share our views on the Bill from the strategic perspective of its potential impact on the visitor economy.

#### Enabling

The Bill as it stands is a proposal to enable local authorities to implement, at their discretion, a levy on overnight accommodation within their respective geography. If this enabling legislation is passed, it will require local authorities, that wish to use the power, to consult on a proposed scheme.

VisitScotland considers it important to ensure that the Bill provides a clear and effective framework for tourist accommodation providers and local authorities to work together and deliver significant investment for the tourism sector.

We see the proposed levy as an opportunity to implement a mechanism which can provide local authorities that choose to implement it with a consistent and significant income stream that will enable them to deliver on local and/or national tourism strategies. Where applied, levy revenue could provide

investment to enable local destinations to maintain and enhance quality, delivering long-term sustainability for the visitor economy.

An important piece of delivering this mechanism will be around the local authority engagement in developing its scheme and the requirements for consultation.

### Consultation

The Bill requires local authorities that wish to implement a levy to first prepare an outline of the scheme and then formally consult on its proposals.

In our view, this presents a real opportunity for local authorities to work collaboratively with the sector in the preparation of their proposals. Such an approach will allow a clear understanding for all parties on the intended use of the funds raised as well as operational implications such as the collection of the funds. We consider it would be useful at this stage for local authorities to clearly set out how the use of the funds will be directed to enhancing the local visitor economy in line with relevant local and national tourism strategies. Doing this at the earliest possible opportunity will allow tourism businesses to understand the impact of their collecting a levy, and will likely lead to greater buy in for proposals.

The consultation itself, along with subsequent reporting, presents another opportunity to reinforce the objectives of the scheme and demonstrate a collaborative approach to enhancing the visitor economy aligned to relevant strategies.

### Investment

Where a levy is introduced, this will provide an opportunity for annual revenue generation and subsequent investment in local tourism outcomes. This investment is likely to be at significant levels not previously encountered – particularly given its annual nature.

Looking at 2019 visitor figures across Edinburgh, Highlands and Argyll & Bute, a conservative estimate would suggest that up to a total of £30m could be generated between these areas each year. We believe no other sector has the opportunity to realise this level of consistent investment on an ongoing basis. The potential revenues raised by a visitor levy present a unique opportunity for tourism in Scotland.

VisitScotland's core purpose is to drive the visitor economy, growing its value in Scotland. Having local economic levers to support local decision-making that drives investment in the sector will be crucial if we are to realise the ambitions of a responsible growth for tourism.

### Visitor Levy Expert Group

When the Visitor Levy (Scotland) Bill was introduced, Scottish Government invited VisitScotland to chair an expert group to consider non-statutory guidance to accompany the legislation.

The Expert Group comprises representatives from COSLA, the tourism sector, Scottish Government alongside VisitScotland. Members of the Expert Group will develop guidance and best practice examples for local authorities on elements of the Bill as it stands, incorporating amendments as they are agreed by Parliament. The Expert Group will also encourage and support joint working with local authorities and the tourism industry on matters around the introduction of a visitor levy.

A webpage on VisitScotland's corporate website is due to go live in the coming days. Minutes of the Expert Group meetings will be published there on an ongoing basis. We will share this web page with the Committee once it is published.

**Prepared by VisitScotland  
October 2023**