

Public Document Pack

Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Executive Director: Douglas Hendry



Kilmory, Lochgilphead, PA31 8RT
Tel: 01546 602127 Fax: 01546 604435
DX 599700 LOCHGILPHEAD

29 August 2023

SUPPLEMENTARY PACK 1

ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE - ON A HYBRID BASIS IN THE COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD AND BY MICROSOFT TEAMS on THURSDAY, 31 AUGUST 2023 at 10:30 AM

I enclose herewith **items 5 (LATEST UPDATE ON STAYCATION PROPOSALS), 8 (ARGYLL AND BUTE OFFICER RESPONSE TO THE SCOTTISH GOVERNMENT'S VISITOR LEVY (SCOTLAND) BILL CONSULTATION) and 9 (PROVISION OF FLORAL DISPLAYS)** which were marked to follow on the Agenda for the above meeting.

Douglas Hendry
Executive Director

ITEMS TO FOLLOW

- 5. LATEST UPDATE ON STAYCATION PROPOSALS (Pages 3 - 14)**
Report by Executive Director with responsibility for Development and Economic Growth
- 8. ARGYLL AND BUTE OFFICER RESPONSE TO THE SCOTTISH GOVERNMENT'S VISITOR LEVY (SCOTLAND) BILL CONSULTATION (Pages 15 - 24)**
Report by Executive Director with responsibility for Development and Economic Growth
- 9. PROVISION OF FLORAL DISPLAYS (Pages 25 - 40)**
Report by Executive Director with responsibility for Roads and Infrastructure Services

Environment, Development and Infrastructure Committee

Councillor John Armour
Councillor Garret Corner
Councillor Mark Irvine
Councillor Donald Kelly
Councillor Tommy MacPherson
Councillor Luna Martin
Councillor William Sinclair
Councillor Peter Wallace

Councillor Jan Brown
Councillor Robin Currie (Chair)
Councillor Andrew Kain (Vice-Chair)
Councillor Jim Lynch
Councillor Ian MacQuire
Councillor Ross Moreland
Councillor Andrew Vennard
Councillor Gary Mulvaney

Contact: Hazel MacInnes Tel: 01546 604269

ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT
AND INFRASTRUCTURE
COMMITTEE****DEVELOPMENT AND ECONOMIC
GROWTH****31 AUGUST 2023**

LATEST UPDATE ON STAYCATION PROPOSALS

1. INTRODUCTION

- 1.1 The overall aim of the Staycation Project is to address visitor management pressures on our local communities and protect Argyll and Bute's outstanding natural environment whilst supporting infrastructure development to enhance visitor appeal.
- 1.2 The purpose of this paper is to offer a comprehensive update and overview of the activities carried out by the Council.
- 1.3 To address visitor pressures in Argyll and Bute the Council allocated £500,000 for staycation interventions from the 2021/2022 budget and a further £100,000 from 2022/2023 budget for the Staycation fund. Also, through 2021-2023 another £300,000 was allocated for tourism and staycation marketing.
- 1.4 Up to date Staycation activities worth £516,675.36 (**Appendix 1**) and £294,588 of marketing activities were invested through 2021-2024; leaving £83,324.64 still available from the Staycation fund and £5,412 from the marketing fund; both as of 21/08/2023.

2. RECOMMENDATIONS

Members of the Environment, Development and Infrastructure Committee members are asked to:-

- a. Note and consider the update provided within this report.
- b. Note that £83,324.64 remains in the Staycation fund and £5,412 in the marketing fund and officers will continue to work with partners to respond to challenges and opportunities that arise from visitor pressures.

3. DETAIL**Background**

- 3.1 The global pandemic disrupted the traditional tourism business model, prompting a surge in domestic travel and a desire for more nature-oriented

destinations. Argyll and Bute, with its wide-open spaces and natural attractions, emerged as an ideal choice for staycationers from all over the UK.

- 3.2 In July 2020, the lifting of COVID-19 restrictions resulted in a significant increase in staycation visitors to Argyll and Bute. In order to address the surge in visitor numbers, the council collaborated closely with various agencies, including the Loch Lomond & the Trossachs National Park, VisitScotland, Police Scotland, and Transport Scotland.
- 3.3 Ahead of the holiday season, the council conducted community consultation to identify key areas of concern and associated issues, such as littering, inadequate toilet facilities, the need for waste disposal points, and parking management signage. The insights gained from the consultation identified the need for a number of different staycation interventions, including the identification of potential private wastewater disposal sites and locations for temporary toilets. For further information, please refer to the document [Update on staycation proposals.pdf \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/updates/2020/12/23/update-on-staycation-proposals).
- 3.4 The council dedicated distinct funding pots to bolster staycation interventions in order to address the pressures on the infrastructure and local communities in Argyll and Bute,
- A sum of £500,000 was allocated from the 2021/2022 budget for staycation interventions.
 - A further £100,000 from the 2022/2023 budget - for staycation activities.
 - £300,000 for tourism and staycation marketing through 2021-23.

These funds supported the development of various facilities and interventions across Argyll and Bute that proved critical to supporting staycationing visitors.

- 3.5 In March 2021, the temporary post of Staycation Project Officer was recruited. The officer's responsibilities included addressing issues such as littering, signage, toilet and waste disposal facilities. To oversee all the projects the officer worked closely with local communities, businesses and partners.
- 3.6 Based on this analysis of interventions in 2021 and 2022, further interventions were introduced to enhance the programme. The Staycation Project Officer initiated and facilitated Motorcaravan Overnight Parking scheme ([Update on staycation proposals.pdf \(argyll-bute.gov.uk\)](https://www.argyll-bute.gov.uk/updates/2021/03/23/update-on-staycation-proposals.pdf)), for which £50,000 was allocated from the staycation fund.
- 3.7 In the 2023, due to a further increase in visitor numbers possibly due to the cost of living crisis, the Staycation Project Officer post was extended for six months. The responsibilities of the Officer were broadened to encompass Glenmorag car park and toilet upgrade project, with allocated funding of £100,000 from the Crown Estate Fund. Welcome to Argyll and Bute signage and passing place signs are to be erected as visitor management projects.

Facilitated Projects 2023

- 3.8 In 2023, visitor numbers are starting to recover to levels seen before the

pandemic across most of Argyll and Bute, albeit market demands have changed. Domestic tourism was also fully re-joined by international visitors coming back to Argyll and Bute. STEAM (Scottish Tourism Economic Activity Monitor) data shows that Argyll and Bute remains in a recovery phase since the COVID-19 pandemic has subsided. Argyll and Bute, has experienced an increase of 64.4% visitors in 2022 compared to a restricted 2021, largely due to mobile tourism. This caused a transition from dealing with direct staycation related initiatives to focusing on a wider range of mobile tourism activities.

3.9 Motorcaravan Overnight Parking scheme activities:

- Providing management support for new businesses, through Economic Growth, and Roads and Infrastructure services;
- Creating a Motorcaravan Overnight Parking web page ([Motorcaravan Overnight Parking \(Aires\) | Argyll and Bute Council \(argyll-bute.gov.uk\)](#)), with support from the Council's Communications Team;
- Partnering with the Argyll and the Isles Tourism Co-operative Ltd [Wild About Argyll | Argyll & the Isles | Scotland's Adventure Coast](#) to conduct marketing to implement this new scheme (**Appendix 3** shows an example of Argyll and the Isles Tourism Co-operative Ltd Listing);
- Establishing a partnership with CAMpRA Rally Group;
- Communicating to communities the launch of the new Motorcaravan Overnight Parking sites via Community Support Team.

As a result, there are currently five new Motorcaravan Overnight Parking sites up and running.

3.10 **Glenmorag Project activities:** working with council departments and coordinating with third parties including Scottish Water on developing options for the potential upgrading of the Glenmorag car park and public toilets. This site has the potential to include upgraded toilets, potable water, and waste water disposal points as a pilot project for the area. For those activities in February 2023 Policy and Resource Committee agreed to switch the allocation of £100,000 Place Based Investment funding 2022/23 to the Glenmorag Car Park, Dunoon project from the Crown Estate funding allocation 2022/23.

3.11 **The Staycation Officer:** this contract was extended by six months (approximately £20,000) to the end of September 2023 to allow for the successful completion of the Motorcaravan Overnight Parking scheme. The Staycation Officer post vacant as of 11/8/2023 due to the current incumbent obtaining employment in another Local Authority. The remaining tasks will be delivered by the Economic Growth Team as appropriate.

3.12 **Signage:** signs with information on passing place etiquette (£20,000) are yet to be installed and Welcome to Argyll and Bute signage (£30,000) is in the process of being designed and installed, with a further £5,000 from Customer

Support Services to ensure Gaelic forms a key part of the signage.

- 3.13 **Portaloos:** reintroduction of portaloos at the same locations as in 2022 with a cost of £42,500.
- 3.14 **Marketing activities:** the Argyll and the Isles Tourism Cooperative (AIRC) was contracted for marketing the Motorcaravan Overnight Parking scheme; £8,000 was paid for website page containing a map with new sites is to be published. Further activities are detailed in **Appendix 2**. The outcome of these activities will be presented at a Member's Seminar to be arranged in the autumn with AIRC in attendance to answer Member questions. The seminar will also provide an update of the wider tourism activities taken forward via the Argyll and Bute Tourism Strategy and the work of the Strategic Tourism Partnership (Council, AIRC, VisitScotland and HIE) and an opportunity for Members to input into future tourism-related activities.

4.0 CONCLUSION

- 4.1 Factors such as the cost of living crisis, the impact of COVID-19, and other trends have led to a transformation in the visitor market with a shift from solely relying on staycationers to a general increase in international and domestic tourism.
- 4.2 To address visitor pressures in Argyll and Bute the Council allocated £500,000 for staycation interventions from the 2021/2022 budget and a further £100,000 from 2022/2023 budget for the Staycation fund. Also, through 2021-2023 another £300,000 was allocated for tourism and staycation marketing.
- 4.3 Up to date Staycation activities worth £516,675.36 (**Appendix 1**) and £294,588 of marketing activities were invested through 2021-2024; leaving £83,324.64 still available from the Staycation fund and £5,412 from the marketing fund; both as of 21/08/2023.
- 4.4 Local communities have embraced the actions delivered through the staycation fund, which has played a crucial role in managing the influx of staycationers following the reopening of the visitor economy. This included new infrastructure, and additional information on available facilities and how to behave responsibly in our area. Various interventions implemented by council (see **Appendix 1**), communities, businesses, and individuals have garnered positive feedback.
- 4.5 The Economic Growth team will complete any remaining Staycation actions to be carried out. Nevertheless, concerns remain over the future impact of staycations in Argyll and Bute and indeed the growth of tourism now that the staycation fund is due to conclude.
- 4.6 Officers continue to hold staycation meetings to address current enquires with a wide range of partners including Police Scotland, Argyll and Bute Partnership Approach to Water Safety, Loch Lomond National Park, Argyll and the Isles Tourism Cooperative, and communities. Some of whom have taken forward

their own initiatives. Officers will continue to work with partners to respond to the challenges and opportunities that may arise.

5.0 IMPLICATIONS

- 5.1 Policy – the council supports a strong local economy with tourism identified as a priority sector.
- 5.2 Financial – the council has an approved budget for staycation activities to be spent over several financial years.
- 5.3 Legal – all appropriate legal implications will be taken into consideration.
- 5.4 HR – None arising from this report.
- 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 Socio-economic Duty – council services focus on removing socio-economic disadvantages for vulnerable residents across Argyll and Bute.
 - 5.5.2 Equalities – all activities will comply with all Equal Opportunities/Fairer Scotland Duty policies and obligations.
 - 5.5.3 Islands – staycation interventions are being delivered across the whole of Argyll and Bute, including the island communities.
- 5.6 Climate Change – all activities will comply with the Decarbonisation Plan with the intention to minimise litter, pollution and support the vitality of our town centres and countryside.
- 5.7 Risk – littering and Health and Safety issues arising from informal toilet waste disposal. Any staycation activity has the potential to impact our ability to meet Climate Change target obligations.
- 5.8 Customer Services – information is being communicated in different formats to our customers.

**Executive Director with responsibility for Development and Economic Growth:
Kirsty Flanagan**

Policy Lead for Strategic Development: Councillor Robin Currie

For further information contact:

Fergus Murray, Head of Development and Economic Growth
Fergus.Murray@argyll-bute.gov.uk

James Paterson, Senior Economic Growth Officer
James.Paterson@argyll-bute.gov.uk

Zalina Dzhatieva, Economic Growth Officer
Zalina.Dzhatieva@argyll-bute.gov.uk

APPENDICES

Appendix 1 - Staycation Actions 2021 to 2024

Appendix 2 - Marketing Activities 2021 to 2024

Appendix 3 - Example of the Argyll and the Isles Tourism Co-operative Ltd Listing

APPENDIX 1: STAYCATION ACTIONS 2021 TO 2024

Table 1: 2021-2024				
Headline	Actions	Spent or Committed	Delivery Costs	Comments
2021/2022				
Staycation Officer	Recruited as a temporary post for 1 year to progress Staycation proposals	Spent	£14,741	Only part year
Additional Staycation Wardens	Four additional Wardens for a period of 5/6 months to October	Spent	£41,386	Delivered by RIS
Additional street sweeping/uplift	Extra street sweeping and uplifts, including car park maintenance	Spent	£19,816	Delivered by RIS
Grab Trust	Anti-littering campaign staffing and marketing	Spent	£18,830	
Police Scotland patrols	Provided additional Police Scotland services to assist in promoting responsible camping – across Argyll and Bute, for a 12 week Period.	Spent	£23,040	
Waste Water disposal points	Granted to Holy Loch Marina, Buessan, Lochabie, Kilbride Farm, Pucks Glen, Gigha, South Islay Development, Portavadie, South Kintyre Development Trust	Spent	£57,393	
Portaloos	11 portable toilet facilities are installed in Westport, Bridge of Orchy, Glen Orchy and Victoria Bridge; (£3,500 contribute to Friends of Loch Lomond)	Spent	£5,833	Part funded by NatureScot
Publicity	Information - leaflets etc.	Spent	£13,131	
Car park improvements	Lining and information in 17 locations	Spent	£24,310	This was paid out of the Staycation account in 2022
Temporary Campsite	Colonsay - contribution to overall project costs	Spent	£4,778	
Total			£223,258	

2022/2023				
Staycation Officer	Extended the post for 1 year to progress Staycation proposals	Spent	£46,955	
Staycation Wardens	Four additional Wardens for a period of 5/6 months (April to October)	Spent	£57,004	Delivered by RIS
Police Scotland Patrols	To provide additional Police services to assist in promoting responsible camping – across Argyll and Bute.	Spent	£3,492	
Waste Water disposal points Grants	Grants to Secret Glen, Dunoon and Sunny Tiree campsite	Spent	£15,438.50	
Portaloos	11 portable toilet facilities Installed and serviced various locations and a £12,500 contribution towards to Friends of Loch Lomond	Spent	£42,500	
Grab Trust	Anti-littering campaign staffing and community support grants	Spent	£6,988.86	
Publicity	Information - leaflets etc	Spent	£578	
Community Staycation Wardens	Grants to Appin community and Bute Estate	Spent	£10,000	
Motorcaravan Overnight parking scheme	Grants to support setting up of aires	Spent	£12,235	Further spend may be accrued from the £50,000 Committed
South Islay Development	Granted to set up Motorhome site	Committed	£20,000	match funding for RTIF Project
Total			£215,191.36	

2023/2024				
Staycation Officer	Temporary post extension to progress Staycation proposals.	Spent	£14,646	£14,676 of the committed spend has been used to 21/8/23 due to early contract termination.
Motorcaravan Overnight parking scheme	Grants to support setting up of aires	Spent	£2,380	
Portaloos	11 portable toilet facilities installed in Westport, Bridge of Orchy, Glen Orchy, Kilchurn castle and Victoria Bridge; £15,000 contributed to Friends of Loch Lomond)	Committed	£44,200	
The Grab Trust	Support for anti-littering activities	Spent	£17,000	
Total			£78,226	
Grand Total			£516,675.36	

APPENDIX 2: MARKETING ACTIVITIES 2021 TO 2024

Table 2: 2021-2024				
Headline	Actions	Spent or Committed	Delivery Costs	Comments
Tourism Marketing Campaign 2021/22	Delivery by AITC to support marketing campaigns covering all of Argyll and Bute	Spent	£48,000	
GRAB Trust 2021/22	Anti litter marketing	Spent	£8,588	
Tourism Marketing Campaign 2022/23	Delivery by AITC to support marketing campaigns covering all of Argyll and Bute	Spent	£75,000	
Tourism Marketing Campaign 2023/24	Delivery by AITC to support marketing campaigns covering all of Argyll and Bute	Committed	£75,000	
Aires Marketing Campaign 2023/24	Delivery by AITC to support marketing campaigns for Motorhome overnight parking specific web content	Spent	£8,000	
Welcome (Gateway signage) 2023/24	Passing Place and Welcome signage to be installed at key locations in Argyll and Bute	Committed	£50,000	In design phase
Clipper Race Marketing 2023/24	Funding to secure that Oban becomes a welcome port for the 2023 Global Clipper Race.	Spent	£30,000	
Total			£294,588	

APPENDIX 3 - EXAMPLE OF THE ARGYLL AND THE ISLES TOURISM CO-OPERATIVE LTD LISTING



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 Hard Standing Pitches

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Food & Drink

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April - October

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ARGYLL AND BUTE COUNCIL

ENVIRONMENT, DEVELOPMENT
AND INFRASTRUCTURE COMMITTEE

DEVELOPMENT AND ECONOMIC
GROWTH

31 AUGUST 2023

**ARGYLL AND BUTE COUNCIL OFFICER RESPONSE TO THE SCOTTISH
GOVERNMENT'S VISITOR LEVY (SCOTLAND) BILL CONSULTATION**

1.0 INTRODUCTION

- 1.1 The purpose of this paper is to provide the Environment, Development and Infrastructure (EDI) Committee with an officer response (to be submitted by 15th September) to the Scottish Government's Visitor Levy (Scotland) Bill consultation, see: [Visitor Levy Bill - call for views - Scottish Parliament - Citizen Space](#).
- 1.2 The response includes input from various council services, including Development & Economic Growth, HR, Finance and Legal (**Appendix 1** provides the detailed Argyll and Bute Council officer response to the consultation questions).

2.0 RECOMMENDATIONS

The Environment, Development and Infrastructure Committee is asked to approve the officer response to the Visit Levy (Scotland Bill) for submission.

3.0 DETAIL

Local Visitor Levy Context

- 3.1 The Scottish Government, as part of its Programme for Government, announced that it will bring forward legislation (Bill) to give local authorities the power to introduce a Local Visitor Levy (LVL).
- 3.2 The proposed Bill allows local authorities to introduce a LVL scheme as follows:
- the payment of a levy on the purchase of overnight stays in certain types of accommodation;
 - the amount of the levy will be a percentage of the cost of the accommodation; and
 - the person liable to pay the levy is the person who provides the accommodation.
- 3.3 The Bill comprises of seven parts, with detailed accompanying explanatory notes and published financial, policy and delegated powers memoranda. The documents explain the thinking behind the various aspects of the Bill. The key issues are outlined below and provides useful context for the consultation questions and associated Argyll and Bute Council response presented in **Appendix 1**:

- **overnight accommodation:** defined as a period, including any combination of periods, of six or more hours between 12 noon on one day and 12 noon on the following day, which includes midnight, for which a payment is required (includes hotels, hostels, guesthouses, B&Bs, self-catering accommodation, and pitches on campsites). It is stated that this list is not exhaustive, and the local authority could, if it wishes, exempt particular types of accommodation.

However, it is explicit that the Bill does not include accommodation in vehicles or on board vessels that are undertaking a journey involving one or more overnight journeys. Hence, the provision of a cabin on a ferry or overnight sleeper train, or the hiring of a campervan will not typically be subject to a levy. If at a boat mooring or staying in a campsite, then the levy will be applicable.

The LVL scheme must also specify when a purchase of overnight accommodation is to give rise to the levy. This might be the whole of the scheme period, or a different period or periods. For example, it might specify particular dates in a calendar year when the levy is applied (for example, the period 'beginning with the first Monday in April and ending with St Andrew's Day', 30th November).

- **percentage cost of accommodation:** a percentage rate rather than a flat rate has been chosen to ensure that the levy paid is proportionate to the cost of accommodation. This is considered by Scottish Government as a progressive and fair approach reflecting that the level of levy paid reflects the amount of money a visitor is prepared to spend on their accommodation. The rate will be set by the local authority.
- **liable person:** the owner of the premises that have been booked for overnight accommodation is liable to collect the levy and subsequently pay the local authority. This links liability clearly to a property within the council area rather than on the visitor.
- **exemptions and rebates:** the local authority is able to put in place exemptions as it thinks is appropriate, for example, travel/accommodation to receive health care including carers/next of kin. National guidance will be prepared to inform exemptions and rebates.
- **levy collections, enforcement, penalties, etc.:** the Bill provides for and puts in place the necessary powers to enable the local authority to collect, enforce and issue penalties. The Scottish Government in doing so has sought to replicate the enforcement tools and measures that are in place for existing local taxes, such as council tax and non-domestic rates.

Local Visitor Levy Implementation

3.4 The Bill sets out a range of steps that must be taken by a local authority prior to the introduction of a LVL as follows:

- prepare and publicise an outline of the proposed scheme, including a statement on objectives and assessment of impact;

- consult with a range of community, business, and organisational representatives; and
- prepare and publicise a report summarising consultation responses received and whether or not it plans to proceed. The Bill sets out the required content of a scheme.

3.5 In terms of timescale: a local authority may not bring a LVL scheme into force until at least 18 months after the date on which the local authority decides to introduce a scheme (i.e. 18 months after the date on which it publicises a report stating that it intends to proceed with the proposal to introduce a LVL scheme). Due to the required governance stages for the Bill, the Scottish Government has indicated that the earliest a levy could be applied is in 2026.

3.6 The levy, net of any administration costs, must be used by a local authority for the purpose of developing, supporting and sustaining facilities and services which are substantially for, or used by, those visiting the area for leisure purposes. Facilities and services which are used by residents as well as visitors could receive funding depending on the assessment undertaken by the local authority as to whether the facility or service is substantially used by visitors. The Scottish Government has indicated that the local authority should have regard to any local tourism strategy when considering how best to use the funds raised.

Highlands and Islands Regional Economic Partnership Senior Officers' Group

3.7 Argyll and Bute Council's Economic Growth Manager has been asked to lead on the LVL issues through establishing a sub-group of the Highlands and Islands Regional Economic Partnership Senior Officers' Group (H&I REP SOG) with nominated attendees from all seven local authorities (including North Ayrshire) and VisitScotland. VisitScotland has been asked to establish an Expert Group to develop non statutory Guidance and Best Practice for local authorities in using this new discretionary power.

3.8 The first meeting of the LVL sub-group is on Monday 28th August where consideration will be given to a regional approach (recognising local variations) to consultation, implementation, use of the levy, regional representation on the Expert Group and collective issues to highlight with regard to the response to the Bill consultation (**Appendix 1** updated appropriately further to the this meeting).

4.0 CONCLUSION

4.1 There is still a considerable amount of time and possible changes to the Bill before a LVL could be introduced. This time will allow the council to review and share processes, advertise its intention to impose the levy and most significantly consult with the tourism industry, colleagues in other local authorities and the general public.

5.0 IMPLICATIONS

5.1 Policy – implementation of a Local Visitor Levy (LVL).

- 5.2 Financial – none directly arising from this report that said the levy could raise a substantial annual income for the council that will require to be appropriately managed and delivered.
- 5.3 Legal – all appropriate legal implications will be taken into consideration.
- 5.4 HR – none.
- 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 - all interventions will comply with all Equal Opportunities/Fairer Scotland Duty policies and obligations.
 - 5.5.2 Socio-economic Duty - all project activities will comply with the council's socio-economic duty.
 - 5.5.3 Islands - VL is relevant to the whole of Argyll and Bute including the island communities.
- 5.6 Climate Change – LVL funded interventions will need to consider the net zero transition agenda.
- 5.7 Risk – failing to respond to this consultation, will limit the influence on the concerns with the content of the LVL (Scotland) Bill.
- 5.8 Customer Service – None.

Kirsty Flanagan, Executive Director responsible for Development and Economic Growth

August 2023

For further information contact:

Fergus Murray, Head of Development and Economic Growth

Tel: 01546 604293 and e-mail: fergus.murray@argyll-bute.gov.uk

Ishabel Bremner, Economic Growth Manager

Tel: 01546 604375 and e-mail: ishabel.bremner@argyll-bute.gov.uk

APPENDICES

Appendix 1: Proposed Officer Response to the Visitor Levy (Scotland) Bill

APPENDIX 1: PROPOSED OFFICER RESPONSE TO THE VISITOR LEVY (SCOTLAND) BILL

The proposed Argyll and Bute Council officer response to the consultation questions are as follows:

Q1) What are your views on whether local authorities should have a power to place a levy (a type of additional charge or fee) on top of the price charged for overnight accommodation in their area?

Argyll and Bute Council is in favour of applying a visitor levy in order to mitigate the adverse effects of increased tourism traffic throughout our council area. Funds gathered can be used to supplement local budgets to create a more enjoyable visitor experience and support local communities. The council is the most appropriate and best-placed organisation to implement and collect a visitor levy across the whole of the council area.

Funds such as the Rural Tourism Infrastructure Fund (RTIF) have been greatly welcomed and had an important impact in certain parts of Argyll and Bute. However, they have only delivered part of the solution and competitive, grant funds such as these are project driven with limited impact across a wider geographical area. The levy offers an opportunity to both take a holistic approach to the matter of tourism infrastructure and implement a longer term approach based on the future certainty of funding being in place rather than temporary Government initiatives.

Q2) Given that the Bill is likely to result in different councils introducing a visitor levy in different ways or not doing so at all, what impact do you think the Bill will have in your area and across different parts of Scotland? For example, this could include any impact (positive or negative) on local authority finances, local accountability and flexibility, businesses, or on numbers of overnight visitors.

The levy offers considerable potential to deliver a positive and welcoming experience for tourists visiting the area together with local residents that will also make use of improved infrastructure and visitor services. The levy needs to be delivered through a local decision making process administered by individual local authorities. That said, Argyll and Bute Council is working with the Highlands and Islands Regional Economic Partnership Senior Officers' Group and SLAED, in an effort to collaborate with other local authorities and VisitScotland on the implementation of a local visitor levy (recognising local and regional variations).

Furthermore, the council will consult with internal departments, local industry bodies, local communities and other appropriate national agencies in order to minimise any potential negative impact of implementing the levy in Argyll and Bute.

With reference to the response above of Question 1, the ability to derive a consistent and reliable income stream which can be tailored to the needs of Argyll and Bute will have significant benefits for visitors and communities. Unlike grant funds such as RTIF which have a series of particular criteria and conditions to be met, a levy could be designed to address a wider range of impacts and priorities.

Q3) Do you agree with the Bill's definitions of a "chargeable transaction" and of "overnight accommodation"? If not, what definitions do you think would be better?

Yes, as a 'chargeable transaction' is defined as a purchase of the right to reside in or at overnight accommodation for a period of one or more nights. However, further thought needs to be given to 'types of accommodation' as it currently excludes motorhomes when not staying in paid sites as well as cruise visitors who berth and/or discharge passengers in Argyll and Bute ports.

Q4) What are your views on the Bill's proposal to allow councils to set the levy as a percentage of the chargeable transaction? Are there any other arrangements that you think might be better? If so, please give examples and a short description of the reasons why.

The council considers that the Bill should be amended to offer the choice to councils to either introduce the levy as a percentage of the cost of accommodation, or by a fixed cost levy, possibly banded, to reflect the variation in accommodation types and cost of rooms.

It should be noted that the auditing of a percentage levy could be problematic as there are many different rates hotels charge, e.g. some rates include dinner that would need to be excluded, thus the levy payment could be more open to fraudulent activity.

Q5) What are your views on the absence of an upper limit to the percentage rate (which would be for councils to decide) and that it could be different for different purposes or different areas within the local authority area, but not for different types of accommodation?

The rate applied, with no upper limit, should reflect the ability and appetite for visitors to pay the levy and not be counterproductive to the sector by deterring visitors. The council will set a rate after extensive consultation with key stakeholders.

Q6) The Bill would allow councils to apply local exemptions and rebates to some types of guests if they choose to. It also allows the Scottish Government to set exemptions and rebates on a national basis where it considers it appropriate. What are your views on the Bill's proposals in relation to exemptions and rebates?

Exemptions and rebates, where applied are a critical part of any payment system. This will help attract visitors with particular needs and issues. Local knowledge is also a key requirement to successfully apply exemptions etc. In short, councils should have full flexibility to introduce exemptions and rebates based on local needs and the Scottish Government should take this into account when designing a national system.

Q7) Do you agree with the Bill's requirements around the introduction and administration of a visitor levy scheme, including those relating to consultation, content, and publicity (Sections 11 to 15)? Are there any other requirements you think should be met before any introduction of the levy in a given area?

Yes, in general Argyll and Bute Council officers agree with the Bill's requirements. However, the (at least) 18 month timescale imposed on local authorities from approval to bringing a LVL scheme into force is too long. In addition, the consultation process may bring

considerations to light that will require further scrutiny before the consultation is published.

No, the council considers that no other requirements should be met prior to the implementation of the levy if the council chooses to do so, including the implementation of any waiting period.

Q8) What are your views on the Bill's requirements for local authorities in respect of records keeping, reporting, and reviewing? (Sections 16, 18 and 19)

Argyll and Bute already keeps its accounts in accordance with the requirements of the Scottish Government. It is important to note that funds accrued from the LVL may not be paid into the local authority bank account in time for inclusion in a given financial year. For example, a tourism business may collect a LVL in the period up to the end of March in a given year. This may not be paid into the local authority bank account until well into the new financial year.

It is important to note that not all of any funds accrued as part of a LVL could be spent within the 18 month period. The local authority may wish to review funds collected at the end of the first 12 month collection period and take a longer term approach to spending the funds than the noted 18 months.

Is the three year Review of Scheme significantly different to the requested Annual Reports?

In short, whatever is put in place needs to be simple and easy to administer.

Q9) The Bill requires that net proceeds of the scheme should only be used to “achieve the scheme’s objectives” and for “developing, supporting, and sustaining facilities and services which are substantially for or used by persons visiting the area of the local authority for leisure purposes.” Do you agree with how the Bill proposes net proceeds should be used and if not, how do you think net proceeds should be used?

There is clearly not a “one size fits all” process for use of the proceeds. For example, many of the local authorities have no island communities and the particular stresses and strains that tourism can place on these communities. All services benefit from tourism and therefore local authorities need full flexibility around how the money is spent – no ring fencing - taking into account (but not limited to) local geographic and transport challenges.

Q10) What are your views on the Bill's requirements for accommodation providers to identify the chargeable part of their overnight rates, keep records, make returns, and make payments to relevant local authorities? Are there any other arrangements that you think would be better, for example, by reducing any “administrative burden” for accommodation providers?

The provisions maintain transparency on charging and recovery – though this should be in a manner that allows flexibility across the range of providers so that smaller operators do not carry a disproportionate administrative burden as a result.

Officers support requirements for accommodation providers to identify the chargeable part of their overnight rates, keep records, make returns, and make payments to relevant local

authorities but that the mechanism for doing this should be proportionate to the size of the business in terms of general costs and the administrative burden associated with it. Existing local tax administration systems could be adapted to provide an online portal to give businesses access for gathering the information and provide back office functionality for the council to automate the issuing of bills and debt recovery processes.

Q11) Do you have any comments on Part 5 of the Bill (Enforcement and Penalties and Appeals)? Are there any other arrangements that you think might be more appropriate in ensuring compliance and reducing the risk of avoidance?

The power to impose penalties on certain persons in accordance with the provisions in this Chapter is a discretionary power which allows local authorities to decide on whether or not to impose where liability arises - statutory guidance on the exercise of that discretion should be provided to ensure consistency of approach.

The position on proposals for Review and Appeal are noted.

These are processes which may turn out to be lengthy and complex and will potentially require significant additional resource.

Section 65 and 66 of the Bill gives local authorities the power to apply for summary warrant for enforcement purposes. This is welcomed and very important because it makes recovery of any debt much more efficient.

The application of penalties should be clear and applicable across Scotland to ensure consistency/fairness and reduce the risk of challenge/appeal.

Q12) Do you have any comments on the issues that the Scottish Government proposes to deal with in regulations after the Bill has been passed? (Set out in the Delegated Powers Memorandum) Are there any that you think should be included in the Bill itself rather than being dealt with by regulations and if so, why?

None at this time.

Q13) Do you have any comments on the accuracy of the estimated costs for the Scottish Government, local authorities, accommodation providers and others as set out in the Financial Memorandum and Business and Regulatory Impact Assessment (BRIA)?

It is very difficult to comment on the accuracy of these figures without doing an extensive consultation exercise within the local authority. It is also dependent on the software we are able to use. It is proposed that the administration of this within the local authority should sit with the Revenue and Benefits service who already have a system in place for billing NDR and BIDS levies therefore it is possible this could be adapted without a huge financial implication.

The council already sends thousands of items to the Sherriff Court annually and has the software to do this should this be required to recover any arrears of visitor levies. There obviously would be staffing costs to administer the scheme within the team but by adapting existing systems and processes already in use by the Revenues team then the system

costs should hopefully not be significant.

Overall, whilst there is high level information as the likely type of costs which may be attributable to local authorities, there are a number of factors which require to be ascertained before a holistic view can be taken as to the direct financial implications, both for businesses but also for local authorities. The costs identified have a large variation and in general is difficult to measure against in terms of individual implications for each authority.

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ARGYLL AND BUTE COUNCIL**ENVIRONMENT, DEVELOPMENT AND
INFRASTRUCTURE COMMITTEE****ROAD AND INFRASTRUCTURE
SERVICES****31 AUGUST 2023**

PROVISION OF FLORAL DISPLAYS

1.0 INTRODUCTION

- 1.1 In 2021 the Council agreed to a savings package of £10,000 relating to the nursery growing service. This report confirms that a financial saving has been achieved and also sets out the challenges in delivering spring bedding largely due to market changes which were not reasonably foreseeable at the time the savings package was developed. This report also sets out a range of possible options for dealing with planting beds in future years, including community involvement.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Members of the Environment, Development and Infrastructure Committee:-
- i. Consider the options in Table 1 of this report for future service delivery of floral displays;
 - ii. Agree to progress Option 4 in Table 1 based on this being the most affordable solution for the Council. One-off funding could be met from the Nature Restoration Fund and a report will be brought to the Policy and Resources Committee in October in respect of this; and
 - iii. In addition to Option 4, agree to also progress Option 6 to continue to pursue community groups across the Council area to take over maintenance of floral displays.

3.0 DETAIL**HOW THE SAVING HAS BEEN ACHIEVED**

- 3.1 In 2021 the Council agreed to a savings package of £10,000 relating to the nursery growing service. A financial saving was achieved through a reduction in materials budget, comprising reductions in equipment and materials for plant production no longer required. However, the way in which the saving has been delivered is different to that originally proposed due to changes in the market place, availability of plants and price increases. In practice the spring bedding has not been delivered due to market availability.

- 3.2 The previous in-house service was delivered across two facilities – Ardenraig Nursery in Rothesay, which provided bedding plants for Bute, and Kilmory Castle Nursery, which provided bedding plants for the rest of Argyll and Bute. These facilities grew, from bought in plugs, annual bedding plants used for floral displays across the council area.

CURRENT POSITION

- 3.3 Over the last two years the procurement process was successful in securing a supplier for the summer bedding but unfortunately did not secure a supplier for the spring bedding. This would suggest that the market has changed from when this initial saving was considered. Whilst we don't have a full understanding of what has happened with the market, it is assumed that this is linked to conditions in respect of availability of workforce and the increased costs of utilities and heating. A similar situation had been experienced earlier this year with many supermarkets having limited availability of some produce which are not produced in the same volumes in the UK as previously.
- 3.4 When this savings option was developed in 2020, there was no indication that the market would not be able to fulfil our requirement. We had discussions with a number of other local authorities who source their bedding plants externally and there was no reason to expect that we would not be able to secure an external supplier.
- 3.5 At the Council Meeting on 29 June 2023, the following motion was agreed:-

At the budget meeting in February 2021, the Council agreed to a saving of £10,000 to stop the nursery growing service. It was agreed that spring and summer bedding plants would still be provided by being sourced externally. The previous decision was taken with the best intention, but due to changes in market and circumstances it has not been successful in practice.

Carrying out a full procurement exercise only resulted in securing a supplier for the summer bedding and not both the spring and summer beddings.

Officers are asked to give consideration to the future arrangements for the delivery of planting across Argyll and Bute, with particular reference to the unique circumstances of Rothesay which was served by Ardenraig, and bring a report back to EDI on 31st August, on options that could be delivered for 2024.

- 3.6 As per this Council decision, officers now present a range of options for future service delivery of planting. Existing budgets are under pressure with forecasts of c£10M of a revenue reduction for 2024/25 and further budget reduction forecast for future years. Officers will not be able to deliver all of the Council services that are currently being delivered.

Table 1

Option and description	Advantages	Disadvantages	Work required	Additional Costs over current costs/Potential Savings
<p>Option 1 – continue to purchase annual bedding as per the budget savings option agreed in 2021 but without spring bedding which has not been delivered in the last 2 years due to changes in the market</p>	<p>No need for in house growing</p> <p>Removes spring bedding which has limited life with displays often suffering due to poor spring weather conditions.</p>	<p>In light of current financial challenges facing the Council, it could be considered wasteful with bedding plants being used for a time limited period before being dug up and composted</p>	<p>Continuation of existing arrangements whilst formalising the removal of spring bedding, which is the de facto position due to current market failure</p>	<p>Existing budget</p>
<p>Option 2 – revert to growing plants from bought in plant plugs for summer bedding only in both Kilmory and Ardenraig.</p> <p>Note this option would remove spring bedding</p>	<p>Assuming plugs are available for purchase, the Council would have control of growing and supply.</p> <p>This option pays due regard to the Rothesay plants served by Ardenraig.</p>	<p>Resource intense</p> <p>High consumption of energy and water with increased costs from pre-pandemic</p> <p>Would need to operate two growing sites across the Council area</p> <p>In light of current financial challenges facing the</p>	<p>Would need to maintain growing facilities in two locations.</p>	<p>Estimated additional cost £33.5k</p> <p>Increased due to inflation for materials, utility costs etc.</p>

		<p>Council, it could be considered wasteful with bedding plants being used for a time limited period before being dug up and composted</p> <p>More pressure on operational team – currently limited resilience</p> <p>There would be cost pressures on existing budgets, reinstating this option would cost significantly more than the original saving due to inflationary pressures</p>		
<p>Option 3 – revert to growing plants from bought in plant plugs for summer bedding only at Kilmory (Kilmory has sufficient capacity to serve the whole of Argyll and Bute)</p>	<p>Assuming plugs are available for purchase, the Council would have control of growing and supply</p> <p>Focusing on one growing site will bring economies of scale</p>	<p>Additional costs incurred in terms of original savings and also additional costs incurred due to price increases</p>	<p>The Kilmory nursery would still be able to achieve this with the solar panel array in place although existing functional greenhouses at top of nursery complex would need to be located.</p>	<p>Estimated additional cost £20k.</p>
<p>Option 4 – plant out all existing beds with perennials/shrubs</p>	<p>Invest to save option</p> <p>Improved carbon credential removing the</p>	<p>Plants would take 1 or 2 seasons to get established, although with careful choice of planting,</p>	<p>Plant out all beds with perennials as an invest to save initiative.</p>	<p>One off investment required – circa £80k.</p> <p>Potential savings of</p>

<p>Examples of perennial displays can be seen in Appendix 5. Note these images have been taken from existing council beds in Hermitage Park and community maintained beds in Campbeltown.</p>	<p>need to dispose/compost annual plants each year</p> <p>Plants remain all year round with varying displays. In winter months particularly perennials will brighten up the bedding areas which would be empty with only bare soil with the existing annual planting.</p> <p>Ability to repurpose both nursery complexes</p> <p>Reduction in utility costs</p> <p>Reduction in fuel costs and transport</p> <p>Utilise staff on keeping beds tidy rather than annual planting providing improved resilience</p> <p>Perennial plants provide a habitat for insects, bird and other mammals year round providing biodiversity benefits. This also aligns with SG's Nature</p>	<p>colourful displays should be available in the first season.</p>	<p>This initiative may be eligible for funding through SGs Nature Restoration Fund.</p>	<p>£31k per annum (current cost of purchase of plants).</p> <p>This assumes care and maintenance remains at similar level. However, potential savings which will be better understood post implementation.</p>
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	Restoration Funding requirements.			
<p>Option 5 – plant out all existing beds with perennials/shrubs, in all areas other than Bute, and reopen Arden Craig growing facility to serve the Isle of Bute for annual summer bedding plants</p> <p>Note this option would remove spring bedding</p>	<p>This option pays due regard to the Rothesay plants served by Arden Craig.</p>	<p>Reduced recurring revenue saving.</p> <p>Inequity of provision across the Council area.</p> <p>Loss of other opportunities to repurpose Arden Craig nursery.</p>	<p>Plant out all beds with perennials as an invest to save initiative (as Option 4).</p> <p>Reopening of Arden Craig growing facility and purchase of plant plugs.</p>	<p>One off investment required – circa £65k.</p> <p>Potential savings of £31k per annum (current cost of purchase of plants).</p> <p>Estimated cost associated with reopening Arden Craig and growing plants £13.5k.</p>
<p>Option 6 – continue to pursue community groups across the Council area to take over maintenance of floral displays. Note this option could be progressed in conjunction with Options 1- 5 above.</p>	<p>No need to grow in-house bedding plants. Allows for a better utilisation of Council staff and reduction in fuel costs.</p>	<p>Sustainability. Officer time in setting up agreements however once set up only infrequent contact should be required.</p>	<p>Setting up agreements with established groups. Carry out agreed actions whether supplying the necessary materials or planting the area for the community partner to maintain.</p>	<p>Unable to quantify until agreements in place.</p>

- 3.7 Officers have appraised the various options listed in Table 1 and from a delivery and sustainability perspective, the option to provide perennial plants across the council area is the recommended option (Option 4). However, it is recognised that Bute has historically benefitted from extensive annual bedding which have been nurtured locally from externally supplied plant plugs and therefore, this has been included as another option for consideration (Option 5).
- 3.8 Appendices 1 - 4 detail all council maintained planting beds across the council area with the exception of Hermitage Park which has been excluded due to the Heritage Lottery Fund capital grant for its redevelopment which is contingent on a specification as per existing planting within the park.
- 3.9 Appendix 5 shows a range of images of perennial plants. Note these images have been taken from existing council beds in Hermitage Park and community maintained beds in Campbeltown and Cowal.
- 3.10 The Nature Restoration Fund is a fund launched by the Scottish Government, and aims to support large-scale, multi-year, multi-partner projects which deliver transformative change to drive forward nature recovery. Local Authorities are provided with a share of that funding, and officers believe that the recommended option presented in this paper would fit with the criteria for this fund.

4.0 CONCLUSION

- 4.1 This report confirms the budget savings for bedding plants agreed in 2021 which has been achieved and recommends that we move to a model using perennial planting which would provide a more sustainable model and also provide year round displays enhancing the current offer from annual bedding plants.

5.0 IMPLICATIONS

- 5.1 Policy – this report provides a number of options for the delivery of planting across Argyll and Bute.
- 5.2 Financial – the preferred option carries comes at a one-off cost of £80k and it is suggested that this if funded from the Nature Restoration Fund. An annual revenue saving of £31k is also anticipated.
- 5.3 Legal – none known.
- 5.4 HR – none known.
- 5.5 Fairer Scotland Duty: none known.
- 5.5.1 Equalities – none known.
- 5.5.2 Socio-economic Duty – none known.

5.5.3 Islands – none known.

5.6 Climate Change – due regard will be given to climate change with a view to minimising any climate change impact and these will be considered as and when they arise. There is scope to reduce carbon footprint associated with planting through the introduction of perennials.

5.7 Risk – none known.

5.8 Customer Service – none known.

Executive Director with responsibility for Road and Infrastructure Services,
Kirsty Flanagan

Policy Lead for Climate Change and Environment Services, Councillor Ross
Moreland

August 2023

For further information contact:

Jim Smith, Head of Road and Infrastructure Services
Jim.Smith@argyll-bute.gov.uk

Tom Murphy, Operations Manager
Tom.Murphy@argyll-bute.gov.uk

APPENDICES

Appendix 1 Flower bed locations Mid-Argyll and Kintyre

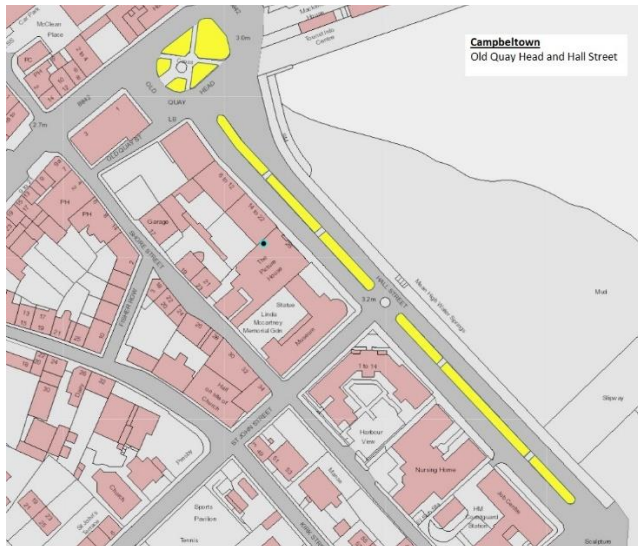
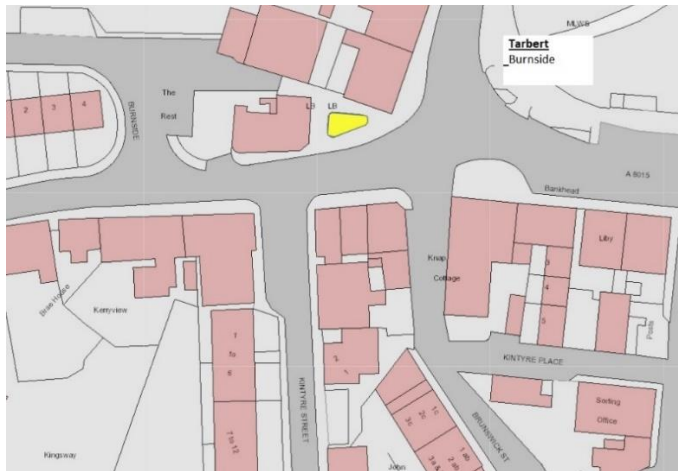
Appendix 2 Flower bed locations Oban and Lorn

Appendix 3 Flower bed locations Bute and Cowal

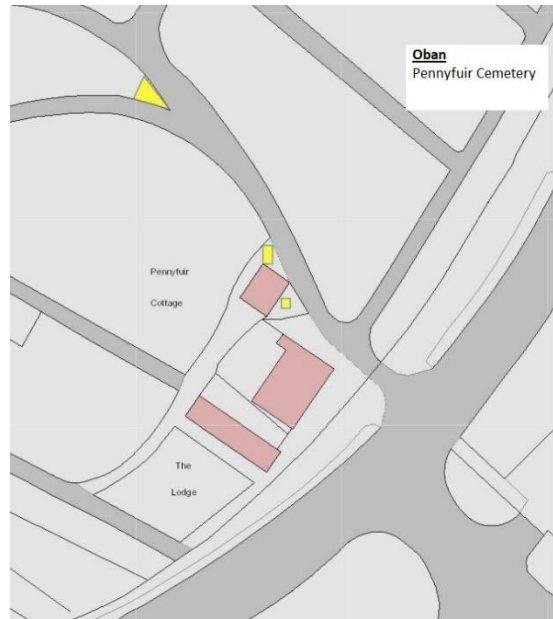
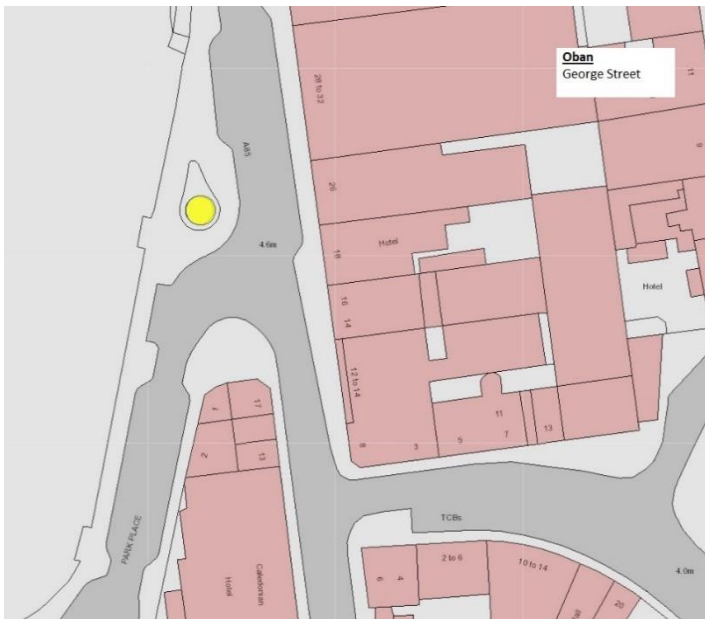
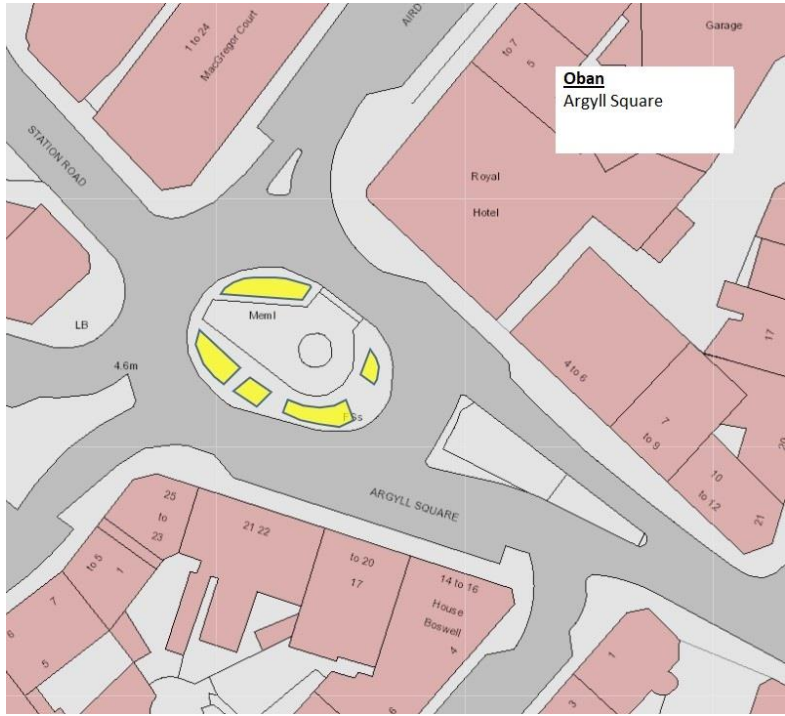
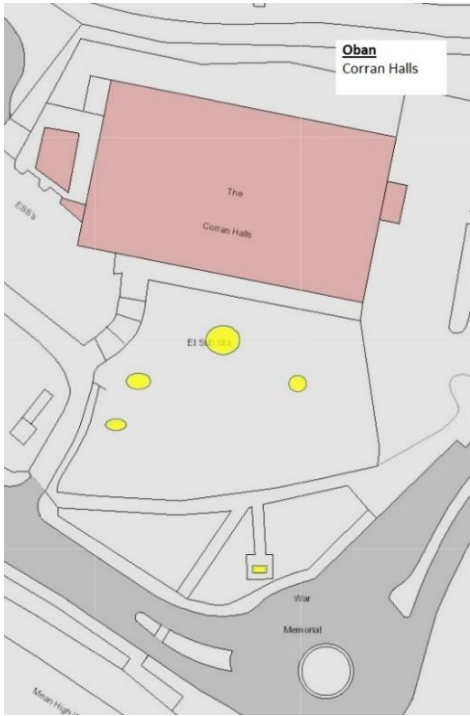
Appendix 4 Flower bed locations Helensburgh and Lomond

Appendix 5 Examples of perennial plants

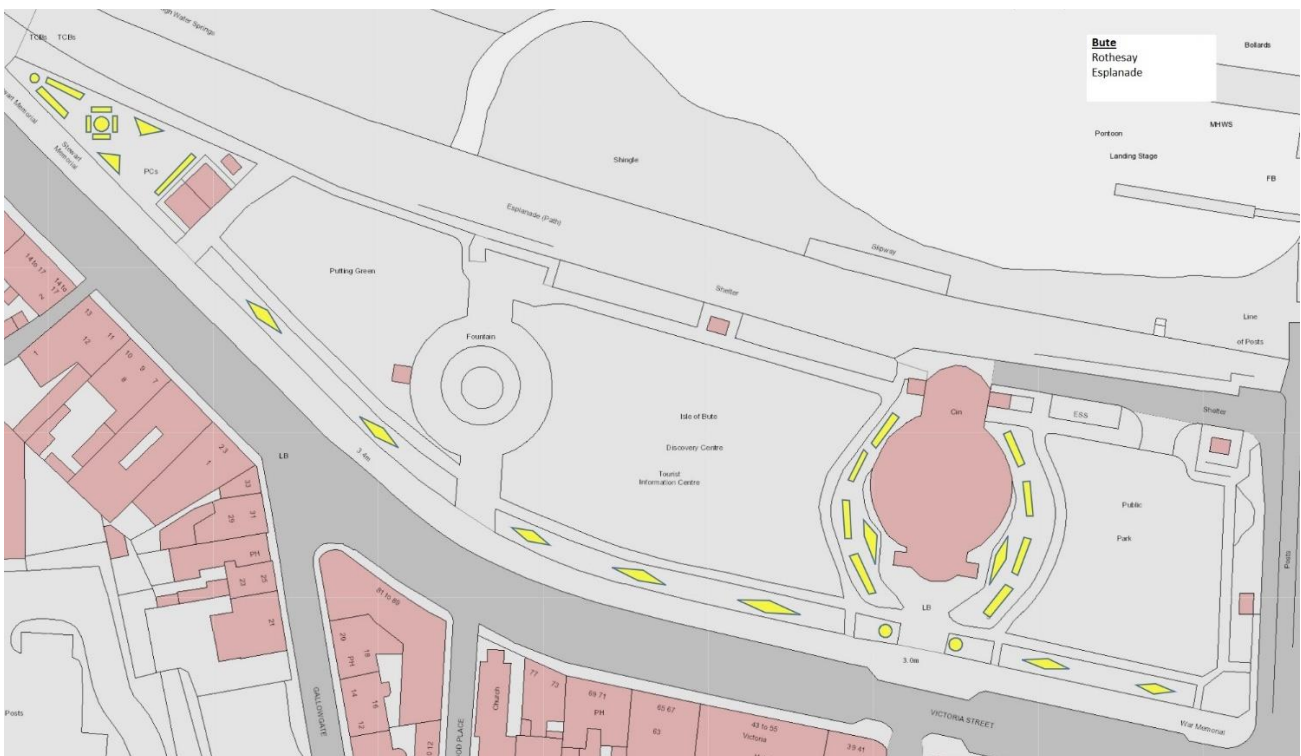
Appendix 1
Flower bed locations Mid-Argyll and Kintyre



Appendix 2
Flower bed locations Oban and Lorn



Appendix 3
Flower bed locations Bute and Cowal



Appendix 4 continued



Appendix 5 - Examples of existing perennial plants

