ARGYLL AND BUTE COUNCIL **SPECIAL COUNCIL**

DEVELOPMENT AND ECONOMIC GROWTH **29th JANUARY 2026**

ARGYLL AND BUTE COUNCIL VISITOR LEVY UPDATE REPORT

1.0 EXECUTIVE SUMMARY

1.1. At the Argyll and Bute Council meeting on 24th September 2025 it was agreed to pause the introduction of a visitor levy scheme and for an update report to be provided for discussion at a full council meeting to be called no later than the end of January 2026.

1.2. A proposed draft Visitor Levy scheme for Argyll and Bute was initially set in the context of the Visitor Levy (Scotland) Act 2024. The Scottish Government, following lobbying from the industry and COSLA has proposed amendments to elements within this Act which is a key component of this update report. It is important to note that there remain elements within this Act that Argyll and Bute Council cannot change such as statutory exemptions and VAT thresholds.

1.3 The Consultation Report notes that overall, 57% of survey respondents (when we combine quantitative and qualitative responses) indicated that they did not support a visitor levy being introduced across Argyll and Bute, and a further 16% disagreed with the proposal to set a levy rate, if a visitor levy was introduced, at 5%.

1.4 The Scottish Government has recently confirmed on the 7th January 2026 that the Visitor Levy (Amendment) (Scotland) Bill and accompanying documents were introduced to the Scottish Parliament on 6th January 2026 that provides councils with greater flexibility over how they design and implement a visitor levy (**Appendix 1**). This new information allows the council to consider the following options:

a) Additional flexibility – fixed amount charging model
b) Additional flexibility – different fixed amounts model
c) Technical fix – clarification of chargeable transaction in third party sales
d) Technical fix – returns based on occupancy, not booking date.

1.5 Considering this new information and the timing of the amendment as confirmed by the Scottish Government, It is recommended that the council continues to pause the implementation of any Visitor Levy until further clarity is provided as the Visitor Levy (Amendment) (Scotland) Bill proceeds through the Scottish Parliament and come back to the council in April 2026 to provide a further update on the work on possible options for introducing a Visitor Levy to Argyll and Bute.

1.6 Possible options for consideration by the council will be informed in consultation with the Shadow Visitor Levy Forum (SVLF) who have also recommended an additional three business representatives be added to the SVLF to include two of the accommodation providers (a mid-sized hotel and B&B/guest house) who participated

in the Consultation Report case studies and an intermediary travel trade organisation such as booking.com.

RECOMMENDATIONS

It is recommended that the Council -

a) Continue to pause deciding on the implementation of the Visitor Levy given the ongoing introduction of the Visitor Levy (Amendment) (Scotland) Bill and accompanying documents to the Scottish Parliament.

b) Agree the recommendations from the Scottish Visitor Levy Forum (SLVF) that an additional three business representatives be added to the SVLF to include two of the accommodation providers (a mid-sized hotel and B&B/guest house) who participated in the Consultation Report case studies and an intermediary travel trade organisation such as booking.com.

c) Agree that further reports are submitted to the Council in (a) April 2026 to update members on the work being taken forward in consultation with the SVLF on possible options for the implementation of a Visitor Levy in Argyll and Bute and (b) to a future meeting when said work on possible options has concluded to enable the council to make a fully informed decision on the implementation of a Visitor Levy.

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2.0 INTRODUCTION

2.1 Councils across Scotland are considering a visitor levy to raise investment for their visitor economies with several now agreeing to implement the levy including Edinburgh, Glasgow, and West Dunbartonshire. Argyll and Bute Council took the decision following a 12-week public consultation to pause the introduction of the Levy at its meeting on the 24th September 2025.

2.2 The Consultation Report notes that overall, 57% of survey respondents (when we combine quantitative and qualitative responses) indicated that they did not support a visitor levy being introduced across Argyll and Bute, and a further 16% disagreed with the proposal to set a levy rate, if a visitor levy was introduced, at 5%.

2.3 The Scottish Government has recently confirmed on the 7th January 2026 that the Visitor Levy (Amendment) (Scotland) Bill and accompanying documents were introduced to the Scottish Parliament on 6th January 2026 that provides councils with greater flexibility over how they design and implement a visitor levy (**Appendix 1**). This new information allows the council to consider the following options:

a) Additional flexibility – fixed amount charging model
b) Additional flexibility – different fixed amounts model
c) Technical fix – clarification of chargeable transaction in third party sales
d) Technical fix – returns based on occupancy, not booking date.

2.4 Council officers, in consultation with the SVLF, are giving due consideration to the possibility of local exemptions in addition to the required statutory exemptions. The intention now is to report back on this work at the April council meeting due to the proposed legislative amendments.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Council -

a) Continue to pause deciding on the implementation of the Visitor Levy given the ongoing introduction of the Visitor Levy (Amendment) (Scotland) Bill and accompanying documents to the Scottish Parliament.

b) Agree the recommendations from the Scottish Visitor Levy Forum (SLVF) that an additional three business representatives be added to the SVLF to include two of the accommodation providers (a mid-sized hotel and B&B/guest house) who

participated in the Consultation Report case studies and an intermediary travel trade organisation such as booking.com.

c) Agree that further reports are submitted to the Council in (a) April 2026 to update members on the work being taken forward in consultation with the SVLF on possible options for the implementation of a Visitor Levy in Argyll and Bute and (b) to a future meeting when said work on possible options has concluded to enable the council to make a fully informed decision on the implementation of a Visitor Levy.

4.0 DETAIL

4.1 The council decided to pause the Visitor Levy introduction following a 12-week consultation period at its meeting in September 2025. This decision was made with the knowledge that the Scottish Government was minded to introduce a Visitor levy Amendment Bill to provide councils with additional flexibility on how they could introduce a Visitor levy. This Amendment has now been introduced with a target date for enactment by the end of March 2026. The Amendment Bill has also been introduced in response to industry concerns expressed locally, and directly to the Scottish Government on how a levy could be implemented.

4.2 The council, at its meeting in November 2026, decided to change the membership of the Shadow Visitor Levy Forum (SVLF) to help inform the consideration of options for the possible introduction of visitor levy. SVLF has subsequently met twice since November with future meetings also scheduled to take place in 2026. The SVLF has recommended to the council that additional business representation be added to help inform the consideration of options before a decision is made by the council.

4.3 Furthermore, it was noted at the Argyll and Bute Council meeting on 26th November 2025 that the Council Leader had written to both the UK and Scottish Government and responses were awaited.

4.4 Given the timing of the Visitor Levy Amendment Scotland Bill and possible changes that could occur as it proceeds through the Scottish Parliament it is recommended that work continues in the interim period to look at options for future consideration by members in consultation with the SVLF at the council meeting in April 2026.

5.0 CONCLUSION

5.1 A Visitor Levy (Amendment) (Scotland) Bill and accompanying documents has now been introduced to the Scottish Parliament with a target date of the end of March 2026 to be enacted. Work continues on developing possible options for the potential introduction of a Visitor Levy in Argyll and Bute working in consultation with the established SVLF. Given the timing of the Amendment (Scotland) Bill and possible changes to its content as it passes through the parliamentary process it is recommended that this work continues with the intention of coming back to the council in April 2026 with an update on possible options. This work will be informed by further meetings with the SVLF with a further recommendation that additional business representation be added to the Forum. It is then intended that a further report be

prepared for the council to decide on the introduction of the visitor levy following the meeting in April 2026.

6.0 IMPLICATIONS

6.1 Policy – the visitor level scheme proposals are based on turning key investment into benefit for visitors, residents and businesses through the tourism priorities set out in the Argyll and the Isles Strategic Tourism Partnership's Strategy 2022-2025.

6.2 Financial – the visitor levy scheme offers one of the few opportunities that Argyll and Bute Council has to raise additional income at a local level other than the council tax.

6.3 Legal – visitor levy schemes need to adhere to The Visitor Levy (Scotland) Act 2024 and the supporting Visitor Levy Guidance document produced by VisitScotland on behalf of the Scottish Government. As per the email, **Appendix 1**, the legislation was introduced on the 6th January 2026 to give councils greater flexibility over how they design and implement a visitor levy

6.4 HR – this current work is being taken forward by some core members of the council's internal Visitor Levy Officers' Working Group with advice and support from the SVLF and Executive Leadership Team (ELT).

6.5 Customer Service – none.

6.6 Risk – the introduction of visitor levy for accommodation businesses has the potential risk that higher prices may discourage some visitors from choosing Argyll and Bute, reducing demand. Conversely, there is a risk that an opportunity is missed, if revenue from a levy enables council investment that enhances the visitor economy, attracting visitors and improving the overall visitor experience. It should also be noted that four councils have already approved the introduction of a levy, and others are currently considering it. Councils that can access the revenue stream of a levy will be able to better support the growth of their local tourism economy.

6.7 Climate Change – none directly arising from this report.

6.8 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. This has been considered as part of the integrated impact assessment outlined in the council paper on 24th September 2025.

6.9 Equalities (protected characteristics) - all activities will comply with all Equal Opportunities policies and obligations. This has been considered as part of the integrated impact assessment outlined in the council paper on 24th September 2025.

6.10 Consumer Duty - all activities will comply with the Council's Consumer Duty. This has been considered as part of the integrated impact assessment outlined in the council paper on 24th September 2025.

6.11 Island Communities – the visitor levy proposals that were out for consultation covered the whole of the Argyll and Bute Council area, which included all island communities. This has been considered as part of the integrated impact assessment outlined in the council paper on 24th September 2025.

6.12 Children's Rights and Wellbeing – no direct impact was considered as part of the integrated impact assessment outlined in the council paper on 24th September 2025.

Kirsty Flanagan, Executive Director responsible for the Visitor Levy Consultation

Council Leader: Councillor Jim Lynch
15th January 2026

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APPENDICES
Appendix 1. Email confirming the Visitor Levy (Amendment0 (Scotland) Bill has been laid before the Scottish Parliament

Appendix 1: Email confirming the Visitor Levy (Amendment) (Scotland) Bill has been laid before the Scottish Parliament

Subject: Visitor Levy (Amendment) (Scotland) Bill 2026 – published today, 7th January 2026

Good morning colleagues

I am pleased to confirm the Visitor Levy (Amendment) (Scotland) Bill and accompanying documents were introduced to Parliament yesterday, 6 January 2026, and published today. The Bill and documents can be found here and accompanying news release here. The impact assessments will be published in tranches over the next few weeks, with the first of these also available today again with links attached.

The Bill builds on and strengthens the existing legislative framework established by the Visitor Levy (Scotland) Act 2024 which provided local authorities with a discretionary power to introduce a visitor levy on the purchase of overnight accommodation.

If passed by Parliament, we intend for the Bill to support local authorities as they design visitor levy schemes that reflect local priorities and tourism pressures; and enhance clarity on the operation of these schemes to support effective future implementation.

As we have discussed, the measures have been designed to respond to feedback from key stakeholders, including local authorities, and we look forward to working with you now that the Bill has been published to ensure the approach is right and inform parliament's consideration of the proposals.

Our next Implementation Forum meeting tomorrow presents an opportunity to begin those discussions and SG colleagues will talk through the content of the Bill as introduced to aid that process. If you have any questions in the meantime please don't hesitate to get in touch and I look forward to seeing you tomorrow.

Kind regards,
Catriona

Catriona MacKean | Deputy Director for Local Government | DG Communities | Scottish Government