ARGYLL AND BUTE COUNCIL **COUNCIL**

DEVELOPMENT AND ECONOMIC GROWTH **24th JUNE 2026**

ARGYLL AND BUTE COUNCIL PROPOSED VISITOR LEVY SCHEME

1.0 EXECUTIVE SUMMARY

1.1 At the Argyll and Bute Council meeting on 29th April 2026 it was agreed that officers prepare a report for the June 2026 council meeting for members to consider and approve a further public consultation on a revised Visitor Levy Scheme proposal informed by the work of the Shadow Visitor Levy Forum and amended legislation.

1.2 The Visitor Levy (Amendment) (Scotland) Act 2026 in May 2026 amends the 2024 Act. The fundamental change to this legislation is the inclusion of a flat rate visitor levy per room / area per night providing councils with greater flexibility over how to design and implement a Visitor Levy Scheme, if approved.

1.3 This paper presents a potential model for a Visitor Levy Scheme for Argyll and Bute complete with associated consultation questions for residents, visitors and businesses and draft impact assessments outlined in **Appendices 1**, **2** and **3** respectively.

RECOMMENDATIONS

It is recommended that Argyll and Bute Council:

a) Considers and endorses the content of this paper and its appendices:
- **Appendix 1**: Revised proposed Visitor Levy Scheme.
- **Appendix 2**: Revised consultation questions for residents, visitor and businesses.
- **Appendix 3**: Revised draft impact assessments to be informed by the consultation exercise.

b) Considers and approves that the revised proposed Visitor levy Scheme goes out to a formal 12-week consultation commencing Monday, 13th July and concluding on Monday, 5th October 2026.

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2.0 INTRODUCTION

2.1 At the Argyll and Bute Council meeting on 29th April 2026 it was agreed that officers prepare a report for the June 2026 council meeting for members to consider and approve a further public consultation on a revised visitor levy scheme proposal informed by the work of the Shadow Visitor Levy Forum and amended legislation.

2.2 The Visitor Levy (Amendment) (Scotland) Act 2026 in May 2026 amends the Visitor Levy (Scotland) Act 2024. At present VisitScotland is in the process of updating the Visitor Levy statutory guidance document for local authorities. It is anticipated that the guidance document will be finalised at some point in June 2026.

2.3 The fundamental change to this 2026 legislation is the inclusion of a flat rate visitor levy per room / area per night providing councils with greater flexibility over how to design and implement a Visitor Levy Scheme, if approved.

2.4 Further to a 12-week consultation in 2025 on previous proposals for a Visitor Levy Scheme using a percentage rate a Consultation Report was prepared in September 2025. This exercise gathered views from residents, visitors and businesses, coupled with considerable insight into the views on a Visitor Levy Scheme for Argyll and Bute. While some of this information is still relevant, with a fundamental change to a fixed rate proposed Visitor Levy Scheme, the council is required to undertake another 12-week public consultation.

3.0 RECOMMENDATIONS

3.1 It is recommended that Argyll and Bute Council:

a) Considers and endorses the content of this paper and its appendices:
- **Appendix 1**: Revised proposed Visitor Levy Scheme.
- **Appendix 2**: Revised consultation questions for residents, visitors and businesses.
- **Appendix 3**: Revised draft impact assessments to be informed by the consultation exercise.

b) Considers and approves that the revised proposed Visitor levy Scheme goes out to a formal 12-week consultation commencing Monday, 13th July and concluding on Monday, 5th October 2026.

4.0 DETAIL

4.1 A Shadow Visitor Levy Forum has been established with an inaugural meeting on 7th October 2024, with the recent addition of political and greater industry representation as agreed by Argyll and Bute Council on 26th November 2025 and 29th January 2026 respectively. With the recent legislative changes, the Shadow Visitor Levy Forum has met five times since January 2026, to help shape and inform the revised Visitor Levy Scheme and supporting documentation. The next meeting is scheduled for late June 2026 (date to be confirmed),

4.2 The Visitor Levy Scheme outlined in **Appendix 1** is based on a fixed rate of £5 per room / area per night which is anticipated to generate a gross income of £10.0 million, with an estimated £1.5 million to cover the costs of national and local exemptions, The net income of £8.5 million will reduce once consideration has been given to support to businesses with administration costs. The net income estimate is based on accommodation capacity data and tourism demand modelling using Scottish Tourism Economic Activity Monitor (STEAM) 2024 and VisitScotland data, taking seasonality and occupancy rates into account.

4.3 The principal rationale for a proposed fixed rate Visitor Levy Scheme is that all tourists have the same opportunity to use facilities (regardless of accommodation type), but this can give rise to negative impacts for the host community and for tourists themselves. For example, the extra waste produced by tourists that needs to be dealt with, the erosion of footpaths and depreciation of other infrastructure.

4.4 The exact mechanism for billing and collecting the levy is still under discussion, including the development of a national platform through discussions with the Improvement Service. Argyll and Bute Council will ensure compliance, with penalties and debt recovery processes in place for non-compliance. Establishing a robust internal team for project management, enforcement, and data analysis will be necessary to support the implementation of a Visitor Levy Scheme, if approved, and any supporting systems.

4.5 In **Section 3** of the proposed Visitor Levy Scheme outlined in **Appendix 1**, details have been provided on suggested spend of the visitor levy funds. The consultation 2026, if approved, will gather views on how the levy funds should be spent to enable the identification of clearly defined and specific projects with understandable costs, outcomes, associated delivery timescales complete with governance processes.

5.0 CONCLUSION

5.1 The purpose of this paper is to provide members of Argyll and Bute Council with a revised proposed Visitor Levy Scheme and all associated paperwork for discussion and to seek approval for this **draft** Visitor Levy Scheme to go out to a 12-week public consultation commencing on Monday, 13th July 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 which is currently being refreshed. The proposed Visitor Levy Scheme aligns with revisions to the Visitor Levy (Scotland) Act 2024 which are now in statute within the Visitor Levy (Amendment) (Scotland) Act 2026.

6.2 Financial – a proposed 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 – any approved Visitor Levy Scheme for Argyll and Bute will need to adhere to the Visitor Levy (Amendment) (Scotland) Act 2026 and the supporting Visitor Levy Guidance document is currently being revised by VisitScotland on behalf of the Scottish Government.

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 Shadow Visitor Levy Forum.

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 five 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 / visitor 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 draft impact assessments outlined in **Appendix 3**.

6.9 Equalities (protected characteristics) - all activities will comply with all Equal Opportunities policies and obligations. This has been considered as part of the draft impact assessments outlined in **Appendix 3**.

6.10 Consumer Duty - all activities will comply with the Council's Consumer Duty.

6.11 Island Communities – the proposed Visitor Levy Scheme covers the whole of the Argyll and Bute Council area, which included all island communities. This has been considered as part of the draft impact assessments outlined in **Appendix 3**.

6.12 Children's Rights and Wellbeing – no direct impact was considered as part of the draft impact assessments outlined in **Appendix 3**.

Kirsty Flanagan, Executive Director responsible for the Visitor Levy Consultation

Council Leader: Councillor Jim Lynch
2nd June 2026

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APPENDICES:
Appendix 1. Revised proposed Visitor Levy Scheme.
Appendix 2: Revised consultation questions for residents, visitors and businesses.
Appendix 3: Revised draft impact assessments to be informed by the consultation exercise.

Appendix 1: Revised Argyll and Bute Council Visitor Levy Scheme

1.0 Power to Introduce a Visitor Levy

1.1 The Visitor Levy (Scotland) Act 2024 came into effect in May 2024. This was followed by a Visitor Levy (Amendment) (Scotland) Act 2026 in May 2026 which amends the 2024 Act. The Act enables local authorities to apply a Visitor Levy on overnight stays, on the accommodation element only with statutory exemptions and optional local exemptions.

1.2 Argyll and Bute Council is considering the powers granted by the Visitor Levy (Scotland) Act 2024 and its Amendment 2026 to draft a Visitor Levy Scheme for consideration through public consultation in respect of persons staying in certain types of accommodation overnight in its local authority area.

2.0 Types of Accommodation to which the Visitor Levy Applies

2.1 Under the Act, overnight accommodation is considered a room or area that is used by a visitor for residential purposes but is not their only or usual place of residence. Therefore, a Visitor Levy does not apply to accommodation that is being used as someone’s only or usual place of residence.

2.2 The levy, if approved, will apply to all chargeable overnight accommodation within Argyll and Bute Council boundary. This includes:

- Hotels;
- Hostels;
- Guest houses;
- Bed and breakfast accommodation;
- Self-catering accommodation, including short-term lets;
- Caravan parks and camping sites – includes, but not limited to, static caravans, self-catering units, touring pitches for campervans, tent pitches and temporary campsites.
- Accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place; and
- Any other place at which a room or area is offered by the occupier for residential purposes otherwise than as a visitor’s only or usual place of residence.

2.3 A Visitor Levy cannot be charged for accommodation on local authority gypsy and traveller sites, and registered social landlord gypsy and traveller sites. It also cannot be charged for accommodation in a vehicle, or on board a vessel that is undertaking a journey involving one or more overnight stops. In addition, owners of a designated seasonal pitch are not liable for a visitor levy when staying in a static caravan for their own use. However, if they sub-let this accommodation, they would be liable to pay the visitor levy.

2.4 The cost of separate charged add-ons are not part of a levy, such as:

- meals or drinks
- parking for a vehicle
- laundry facilities or services for guests
- entertainment
- leisure facilities
- transportation to and from the accommodation.

3.0 Visitor Levy Scheme Strategic Objectives/Priorities and the Use of Funds

3.1 The proposed overarching aim of an Argyll and Bute Council revised Visitor Levy Scheme is:
To sustain Argyll and Bute's status as an area of outstanding natural beauty, culture and heritage and to ensure that the impacts of a successful visitor economy are managed effectively and in support of the Argyll and Bute Council's priorities and those highlighted in the Argyll and the Isles Strategic Tourism Partnership's Tourism Strategy 2022-2025 (currently under review) (Argyll and Isles Strategic Tourism Partnership Strategy).

3.2 The Visitor Levy Scheme objectives/priorities aligned to the strategic priorities for the refreshed AISTP Tourism Strategy from 2025 onwards are as follows:

1. Extending the season and improving visitor circulation, according to local requirements.
2. Reaching new audiences across a range of products and experiences.
3. Improving the offer, including encouraging continuous investment in accommodation and infrastructure.
4. Supporting the journey to net zero, including support for businesses, consumer guidance and partnerships with the renewable energy industry.

3.3 The consultation carried out in January to April 2025, referred to the previous strategic objectives/priorities, provided insight into the views held by locals, visitors and businesses on the importance of these priorities. If we rank the priorities according to positive responses, they are as follows;

1. Sustaining and improving the visitor offer (35%).
2. Reaching new audiences: marine, coastal, cultural and outdoor tourism (31%).
3. Extending the season and spreading visitors across the destination (29%).
4. The journey towards net zero (23%).

3.4 The Visitor Levy (Scotland) Act 2024, as amended by the 2026 Act, requires a local authority operating a Visitor Levy Scheme to use the net proceeds of a scheme for certain specific purposes. Those purposes are that the funds must facilitate the achievement of the schemes objectives and that they should develop, support and sustain facilities and services for or used by visitors to a local authority area for leisure or business purposes.

3.5 Due consideration needs to be given to revenue spend aligned to the feedback on the strategic objectives of the scheme captured in the Consultation Report 2025 and the revised wording in the refreshed AISTP Tourism Strategy. In particular, the objective to sustain and improve the visitor offer received the most consistent support from visitors, residents and businesses in 2025. On that basis, the Shadow Visitor Levy Forum recommends that investment directly linked to *improving the offer, including encouraging continuous investment in accommodation and infrastructure* may be the most widely understood and accepted rationale for a visitor levy.

3.6 It is apparent from the 2025 consultation findings that the proposed draft Visitor Levy Scheme objectives themselves were viewed as broad or aspirational, without a clear explanation of how the levy would translate into tangible outcomes. In addition, all consulted groups noted the requirement for more clarity on how levy funds would be allocated and governed.

3.7 It is proposed that, if approved, Argyll and Bute Council provides clear wording of the objectives of the proposed areas of spend so that they are less abstract with clearer outcomes, aligned, as required by the legislation, to the refreshed AISTP Strategy and by:

- Building on sustaining and improving the visitor offer with a focus on determining projects with tangible and visible visitor benefits.
- Developing a methodology for the transparent selection of (costed) projects, such as events, festivals, infrastructure and public realm works associated with the visitor economy and the allocation of levy funding, complete with governance processes, which must align with the statutory monitoring and reporting requirements for the local authority.
- Creating a grant funding scheme where businesses and communities across Argyll and Bute could apply for funding for specific projects, with clear priorities / eligibility criteria.
- Focusing on transparent and impactful messaging on the scale of impact from investment in the visitor economy (for visitors, residents and businesses) relative to the projected visitor levy revenue in terms of this revised VLS financial model.
- Including clearly defined and specific projects with understandable costs, outcomes and associated delivery timescales.

3.8 Some suggested areas of spend are as follows:

- **Enhanced visitor infrastructure and public realm improvements**: public toilets, upgraded visitor car parks, visitor and motorhome waste-disposal, water refill points and other tourism facilities.
- **Business and product development support to accommodation providers**: grants or training for business, such as improvements to digital capability.
- **Transport and access resilience**: active travel links (paths and themed trails i.e. food trail) across Argyll and Bute.
- **Visitor management and dispersal**: destination-wide signage, single-track road etiquette campaigns and responsible camping messaging.
- **Culture and heritage visitor projects**: interpretation panels, Gaelic and local story trails, small heritage grants, events development and support for visitor-facing cultural programming.
- **Net zero and nature-positive tourism**: EV charging at visitor sites.

- **Data-led destination management and marketing**: target-market research, visitor-flow data, segmentation, and destination-sensitive campaigns linked to value, spread and season extension.
- **Visitor experience development**: support for dark skies, wellness, nature connection, food and drink, marine, heritage, culture, activity holidays, events and festivals.
- **Upskilling and reskilling**: visitor economy skills programmes, career pathways and workforce development (fair work) to support year-round employment.
- **Community funding**: community-led projects which deliver tangible sustainable outcomes for the visitor economy.

3.9 A review of the impacts of visitor levies in global destinations notes that funded projects and activities should have clear objectives in terms of either the sustainability of the tourism industry or the social, cultural or environmental sustainability of host communities. Post-implementation assessments should be carried out to determine whether objectives are met so as to inform future funding decisions.

4.0 Visitor Levy Scheme Start Date and Duration

4.1 Subject to approval by Argyll and Bute Council and formal notification to Scottish Ministers, a final Visitor Levy Scheme would become operational after an 18-month implementation period. The implementation period will allow the local authority, communities and businesses to prepare for the introduction of a Visitor Levy Scheme. At present, an indicative Visitor Levy Scheme start date is the summer of 2028.

4.2 The Visitor Levy will apply indefinitely. As noted in the Act, Argyll and Bute Council is required to review its Visitor Levy Scheme every three years (see **Section 10** below).

5.0 The Visitor Levy Rate and Income Generation

5.1 A flat rate of £5 per room/area per night Visitor Levy is proposed that will apply all year-round, raising an estimated £10m in gross revenue, (this figure is indicative and **does not** take into account the effect of statutory and non-statutory exemptions or administrative costs). The Visitor Levy rate will be the same across the entire local authority area.

5.2 **Table 1** below outlines an example of what a flat rate levy may mean for visitors staying in accommodation.

Table 1: Example of a Flat Rate Visitor Levy Charge
VAT registered mid-range hotel – per room per night Accommodation charge £100 Food £60 Total before Levy £160 Visitor Levy £5 Sub Total £165 VAT £33 **Overall Total £198 (sub total + VAT)**

5.3 For a third party booking through a destination management company (DMC), the DMC contracts a retail package from the accommodation provider which may include meals, such a breakfast. The visitor levy is calculated on the first sale price for the room only agreed between the accommodation provider and the DMC – not the retail package priced paid by the visitor.

6.0 Administration Costs

6.1 Administrative Costs to the local authority:

- The visitor levy scheme will incur administrative costs for the council, including system implementation, compliance monitoring and reporting, and business support.
- These costs will depend on the scheme design ultimately recommended to council later this year.
- Administrative costs have not been included in the income estimates.

6.2 While some of the administration costs still need to be confirmed, detailed work is being undertaken by council officers.

6.3 Initial setup costs are related to stakeholder engagement, system development, and staff recruitment and training for administration, enforcement and support roles for the levy. Ongoing operational costs include the day-to-day administration, compliance monitoring, and public engagement including public information campaigns.

6.4 At present, it is estimated that the set-up costs for the council will be circa £215,000, with ongoing annual administration costs of circa £460,000, based on current system assumptions and a proposed staffing model. These estimates will be refined as the scheme design is finalised.

6.5 The costs to accommodation providers will vary widely depending on the size and nature of their business, as well as their use of property management systems. Therefore, a range of potential costs must be considered. These costs could include:

- modifications to booking and billing systems to incorporate the levy;
- training and educating staff on levy procedures and customer communication; and
- administrative tasks, such as record-keeping, reporting, remitting levy payments, and increased transaction fees from banks for card payments.

6.6 A scheme for supporting accommodation providers in Edinburgh with the costs of administering the Visitor Levy has been adopted by the City of Edinburgh Council.

6.7 Across Scotland, local authorities are adopting a range of retention rates to support accommodation providers with administrative costs, typically between 1.5% and 3%, with 2% emerging as a common benchmark. For modelling purposes, a 2% retention rate has been assumed. The council will explore the potential introduction of a retention scheme as part of the consultation.

6.8 In the context of Argyll and Bute:

- there are 2,547 properties classified as accommodation (includes guest houses) on the Non-Domestic Rates (NDR) roll as of May 2026, which would attract a Visitor Levy.
- these properties have RVs ranging from £470 to £450,000, with a mean average of £11,057.
- the number of Bed and Breakfast (B&B) properties on Council Tax is harder to determine, but in 2021 there were 121 known Council Tax properties offering B&B accommodation.

6.9 **Table 2** below outlines examples of how the 2% deduction scheme would impact accommodation providers if they could retain some of the levy to offset administrative costs:

Table 2: Examples of 2% Deduction for Admin Costs

Example	Visitor levy collected in quarter	Deduction rate applied (%)	Retained amount	Amount remitted to the council in quarter
Small Business (RV £15k)	£238.87	2.0%	£4.78	£234.09
Large Business of 10 small units (Combined RV £35k)	£3,155.43	2.0%	£63.11	£3,092.32
Luxury Hotel (RV £411,000)	£10,500.00	2.0%	£210.00	£10,290.00

6.10 Feedback to date has indicated that a standard percentage retention may not fully offset administrative costs for smaller or micro-businesses. The council will therefore consider whether additional mechanisms may be required to support these providers, such as minimum retention levels or alternative support arrangements.

6.11 Depending on the agreed uses of the levy, tourism businesses may be able to access direct business support such as grant funding, helping them to invest in their own product.

6.12 The council must also carefully assess whether allowing retention of the Visitor Levy constitutes a subsidy under the Subsidy Control Act 2022. If so, the scheme must comply with the principles outlined in the Act to address any subsidy control considerations.

7.0 National and Local Exemptions

7.1 The key focus for the administration of the Argyll and Bute Council Visitor Levy Scheme is to keep it simple to understand and cost efficient, for accommodation providers to collect, and the council to administer.

7.2 At a **national level** several groups do not fall within the scope of the Act and are therefore not liable to pay a Visitor Levy charge. These groups are as follows:

1. Those who are using overnight accommodation and their only or primary residence, which could be due to:
   - being homeless or at risk of homelessness;
   - very poor housing conditions, such as overcrowding, serious damp, or disrepair;
   - experiencing domestic abuse or other forms of violence;
   - someone’s residence being unfit for habitation; and
   - someone being an asylum seeker or refugee.
2. Someone staying on a dedicated gypsy/traveller site run by a local authority or a registered social landlord.

3. Those entitled to specified disability benefits, payments or allowances, the Scottish and UK benefits within scope of this exemption include:
   - disability payments made under section 31 of the Social Security (Scotland) Act 2018, including Adult Disability Payment, Pension Age Disability Payment and Child Disability Payment;
   - UK disability, incapacity, and injury-related benefits such as Disability Living Allowance, Attendance Allowance, Personal Independence Payment; and
   - War-related pensions and supplements.

4. Other people not subject to the Visitor Levy include those who are residing overnight in vehicles or on-board vessels that are undertaking a journey involving one or more overnight stops. As a result, the following forms of overnight accommodation are outwith the scope of the Act:
   - the provision of a cabin on a ferry or cruise ship, unless the vessel is permanently moored;
   - the provision of a cabin on an overnight sleeper train; and
   - use of a hired or privately-owned campervan or motorhome where they are not staying overnight in campsites.

7.3 As noted in **paragraph 2.4** above, the cost of separately charged add-ons are not part of a levy, such as:
- meals or drinks
- parking for a vehicle
- laundry facilities or services for guests
- entertainment
- leisure facilities
- transportation to and from the accommodation.

7.4 Individuals in the exemption categories must pay the levy and request reimbursement from Argyll and Bute Council. Reimbursement can be applied for online, submitting receipts for their overnight stay (consideration to be given on how evidence will be provided, if not detailed separately on a receipt, for example a tour operator package), relevant evidence (as will be detailed on the council's website) of their exemption/exclusion and bank details.

7.5 For those in receipt of the UK disability benefits, payments or allowances detailed above, evidence will be required to be submitted online and should include:
- the name of person in receipt of relevant eligible benefit;
- alignment to the agreed Argyll and Bute Council Visitor Levy Scheme;
- a copy (scan/photo) of relevant benefit award letter;
- the name of the person in receipt of the relevant benefit should be included on the receipt or booking;
- proof of payment for overnight accommodation; and
- bank details (to enable payment via BACS).

7.6 The council will assess the evidence received and pay the reimbursement via bank transfer if the applicant is found to be eligible.

7.7 Further to a paper to Argyll and Bute Council on 29th April 2026, it was agreed that local exemptions could be included in the proposed revised Visitor Levy Scheme:
1) Healthcare visits by islanders (residents of all Argyll and Bute's 28 inhabited islands) to the mainland of Argyll and Bute (including registered carer(s) accompanying vulnerable patients to appointments); and
2) Outdoor education centres with a focus on young people, some of whom may come from deprived backgrounds, on residential trips.

Note: Healthcare visits include those to a hospital, dentist, optician or other health professional not accessible to island residents, with evidence of an appointment for clinical treatment. It is anticipated such a local exemption, within an approved scheme, will align with existing NHS travel reimbursement schemes to simplify administration and verification.

It should be noted that Argyll and Bute Council officers will develop the full detail of this administration process for political approval if the revised Visitor Levy Scheme progresses.

8.0 Collecting the Levy: Systems and Software Requirements

8.1 Officers from Argyll and Bute Council have been working with officers from other local authorities and developers from the Improvement Service to look at developing a single national platform to deliver the Visitor Levy in Scotland. The project has produced the service blueprint and has just moved into its formal development phase.

8.2 A national platform for the Visitor Levy in Scotland would offer a more sustainable solution to support the scheme in the long term. It would allow accommodation providers with properties across Scotland the opportunity to set up a single account covering multiple properties in multiple local authority areas for example Premier Inn, Crerar Hotels, Best Western Hotels etc.

8.3 Development works continue and the first design of the full end to end product will be available for User Acceptance Testing and Testing within the wider business communities in July 2025. It was proposed that the system would be ready for full deployment from March 2026.

8.4 Accommodation providers within the local authority area will be liable for the levy. They will be required to submit quarterly reports detailing the total accommodation charges and the total levy collected to the national online Visitor Levy platform.

8.5 The levy will be payable at the same time as submitting returns. (There is the potential to mirror the submitting timelines under current schemes such as VAT returns or short term lets).

9.0 Enforcing the Visitor Levy

9.1 Argyll and Bute Council officers will support businesses with training and advice to help them meet the Visitor Levy requirements for record keeping and collection. Accommodation providers are required to keep accurate records of all transactions that are subject to the levy. The council will conduct inspections, as required, to ensure compliance with the scheme and remittance requirements (more information to be provided).

9.2 Further to due process (to be advised), the Visitor Levy Act requires accommodation providers who fail to comply to be subject to penalties. The aim would be to provide the support required to enable businesses to comply.

9.3 Appeals relating to decisions made by the council on the operation and/or enforcement of the scheme can be registered via an online portal or email address. The council will aim to undertake an internal review and process these appeals within 28 days. As articulated in the draft revised Visitor Levy Guidance document, June 2026, if the overnight accommodation provider is unhappy with the council’s decision, the provider can appeal to the First Tier Tribunal. The guidance document advises that details of the internal review and appeal processes will be discussed with stakeholders in due course, but they are likely to follow existing procedures for the other local taxes, and so be familiar to both local authorities and businesses.

10.0 Annual Reporting, Reviewing and Changing the Visitor Levy Scheme

10.1 Within the first 18 months from when an Argyll and Bute Council Visitor Levy Scheme may come into force, and for each 12-month period following this, Argyll and Bute Council must prepare an annual report setting out:

- the amount of money collected
- how the net proceeds have been used; and
- the performance of the Visitor Levy Scheme in relation to its objectives.

10.2 The first review must be carried out within three years of a Visitor Levy Scheme coming into force. Second and subsequent reviews must be carried out within three years of the previous reviews. These reviews will assess whether the scheme is successfully achieving its objectives and measure the impact of the scheme on businesses and communities. The review will be reported, along with detail on how the income has been spent and the benefits which the visitor levy-funded projects have brought.

10.3 If the council wants to make changes to the scheme following the review, it will publicly consult on the change and publish a report detailing the decision and its justification. As per the 2026 Act, there are revisions to the implementation period based on change scenarios as outlined in **Table 3** below.

Table 3: Minimum Implementation Period		
Change scenarios where implementation period would apply	**Significant modification**	**Minimum Implementation Period**
Expand the Visitor Levy Scheme (VLS) area	Yes	18 months
Removal of existing exemptions	Yes	18 months
Increase in levy rate (fixed amount or percentage) for an existing VL scheme	Yes	6 months
Amending the basis of charge (from fixed amount to percentage or vice versa)	Yes	6 months
Decreasing the levy rate or amount	No	No implementation period required (can come into effect on a date chosen by the local authority). However, consideration should be given to ensure liable persons have sufficient time to implement changes.

Source: Draft Revised Visitor Levy Guidance, June 2026

11.0 Visitor Levy Forum

11.1 Further to the establishment of the initial Shadow Visitor Levy Forum, an advisory group at the pre-implementation stage, a Visitor Levy Forum will be set up by the council within six months of the Argyll and Bute Council's formal announcement that a Visitor Levy will be introduced (post the 12-week consultation period). The Visitor Levy Forum will act as an advisory board to discuss and advise on the Visitor Levy scheme, including any proposed modifications. The Visitor Levy Forum will also be consulted on how the Visitor Levy funds will be spent.

11.2 The Visitor Levy Forum will be made up of representatives from the community and from businesses and organisations in the visitor economy. Forum membership may include elected members; currently three elected members on the Argyll and Bute Shadow Visitor Levy Forum. However, elected members must not make up a majority of the Forum. The appointment of elected members it intended to provide more effective links to the ongoing work being conducted within an approved Visitor Levy Scheme, and the decision-making processes of Argyll and Bute Council.

11.3 It should be noted that the Visitor Levy Forum has an advisory role and has no capacity to make any decisions. All decisions can only be made by Argyll and Bute Council elected members.

11.4 The Visitor Levy Forum will be in existence for the duration of the Visitor Levy Scheme, with at least two meetings per calendar year.

Appendix 2: Consultation Questions - Draft Argyll and Bute Visitor Levy Scheme

Overview

Our visitor economy is a is a key industry for Argyll and Bute. Visitors expect and rely on services that are used also by our communities. The Visitor Levy (Scotland) Act 2024 came into effect in May 2024. This was followed by Visitor Levy (Amendment) (Scotland) Act 2026 in May 2026. The Act gives the opportunity to raise investment to sustain these shared services, support the future of the visitor economy and deliver benefit both visitors and residents.

Argyll and Bute Council has developed a proposed revised Visitor Levy Scheme to support tourism as a sustainable beneficial part of Argyll and Bute community life and economy.

With growing tourism pressures and shrinking public sector budgets we need to investigate options that could help raise income locally, to sustain public services needed and affected by the tourism industry and make improvements to the future delivery of tourism across Argyll and Bute. Many other Scottish councils are also considering implementing a Visitor Levy.

If Argyll and Bute Council introduces such a levy, which at the earliest will be the summer of 2028, the money raised **must be used specifically for the benefit of the visitor economy**, such as towards making local facilities and services better. Local culture, events and festivals could also benefit.

What is a visitor levy and how much would it cost?

A visitor levy is a payment based on the cost of most types of paid, overnight accommodation. Most people paying to stay for an overnight visit to Argyll and Bute would have to pay the levy (national exemptions are noted in the Act and local exemptions are included in the draft Visitor Levy Scheme proposal for Argyll and Bute).

There are questions in this consultation about how much a levy should be, if introduced; and what you would like to see the investment spent on.

What's next?

Our focus is on developing a draft Visitor Levy Scheme that would benefit visitors, residents and the visitor economy. We would therefore welcome your views on key aspects of the scheme, by answering these consultation questions.

The results of this consultation will be drafted into the required consultation report that will be discussed by councillors later in the 2026 year and will help to decide whether the proposed Argyll and Bute Council Visitor Levy Scheme is changed, accepted or rejected.

In addition, an ongoing programme of communication and engagement with businesses and communities will be arranged over the formal 12-week consultation period, Monday, 13th July to Monday, 5th October 2026. Further information will be provided by the council in due course on a revised visitor levy web page.

This survey should take around 20 minutes to complete.

Word text below will be transferred onto a survey with appropriate routing to various question sets for residents. visitors and businesses.

Q1 Your details

Postcode:

Q2 What is your connection with Argyll and Bute?

- I Live or Work within Argyll and Bute (**Residents**)
- I am or have been a tourist or social visitor to Argyll and Bute, but do not live in the area. (**Visitors**)
- I have business, commercial or property ties to Argyll and Bute (**Businesses**).

(Elected members should note that some questions are repeated in the residents, visitors and businesses sections).

QUESTIONS FOR RESIDENTS

Argyll and Bute Revised Visitor Levy Scheme Strategic Objectives

The aim of the revised Visitor Levy Scheme is to sustain Argyll and Bute's status as an area of outstanding natural beauty, culture and heritage and to ensure that the impacts of a successful visitor economy are managed effectively for the area.

The revised scheme is based on turning levy investment into benefit for visitors and residents, through the tourism priorities set out in the Argyll and the Isles Strategic Tourism Partnership's Tourism Strategy 2022-2025 (Argyll and Isles Strategic Tourism Partnership strategy). The strategic objective to **sustain and improve the visitor offer** received the most consistent support from residents, visitors and businesses in the Consultation Report 2025. On that basis, investment directly linked to the visitor experience is the most widely understood and accepted rationale for a visitor levy.

Q3 Do you agree that a flat rate per room/area per night model is preferable to a percentage-based model?

- ○ Yes
- ○ No
- ○ Don't know

If you wish, please provide commentary to support your response.

Q4 If a flat rate is preferable, do you consider that a flat rate of £5 per room/area per night is an appropriate level?

- ○ Yes, a flat rate of £5 per room/area per night is acceptable
- ○ The levy rate should be less than £5 per room/area per night
- ○ The levy rate should be greater than £5 per room/area per night
- ○ Don't know

If you wish, please provide commentary to support your response.

Q5 The Visitor Levy gives Argyll and Bute Council the opportunity to raise income from visitors that would be invested in projects or services that would sustain and improve a visitors' and residents' experience in our area. What would you like the levy to be spent on? Please select your top five from the following list of suggestions below:

- **Enhanced visitor infrastructure and public realm improvements**: public toilets, upgraded visitor car parks, visitor and motorhome waste-disposal, water refill points and other tourism facilities.
- **Transport and access resilience**: active travel links (paths and themed trails i.e. food trail) across Argyll and Bute.
- **Visitor management and dispersal**: destination-wide signage, single-track road etiquette campaigns and responsible camping messaging.
- **Culture and heritage visitor projects**: interpretation panels, Gaelic and local story trails, small heritage grants, events development and support for visitor-facing cultural programming.
- **Net zero and nature-positive tourism**: EV charging at visitor sites.
- **Data-led destination management and marketing**: target-market research, visitor-flow data, segmentation, and destination-sensitive campaigns linked to value, spread and season extension.
- **Visitor experience development**: support for dark skies, wellness, nature connection, food and drink, marine, heritage, culture, activity holidays, events and festivals.
- **Upskilling and reskilling**: visitor economy skills programmes, career pathways and workforce development (fair work) to support year-round employment.
- **Community funding**: community-led projects which deliver tangible sustainable outcomes for the visitor economy.
- **Other** (please detail below)

Note: To ensure the administration requirements of the Visitor Levy Scheme are kept to a minimum, and to maximise the revenues generated to sustain, support and develop the visitor economy, only two local exemptions are proposed beyond those set out nationally as outlined in the **Section 7**, **paragraph 7.2** of draft Visitor Levy Scheme or **Section 17** of the Visitor Levy Guidance (currently being updated, June 2026, aligned to the new Visitor Levy (Amendment) (Scotland) Act 2026).

Q6 To what extent do you agree or disagree with the local exemption "healthcare visits by islanders to the mainland of Argyll and Bute (including carer(s) accompanying vulnerable patients to appointments)."

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree o Strongly disagree
- Don't know

If you wish, please provide commentary to support your response.

Q7 To what extent do you agree or disagree with the local exemption "outdoor education centres with a focus on young people, some of whom may come from deprived backgrounds, on residential trips."

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree o Strongly disagree
- Don't know

If you wish, please provide commentary to support your response.

Q8 What do you consider will be the economic impact of introducing a flat rate £5 per room/area per night visitor levy to Argyll and Bute?

- Negative economic impact – costs to the visitor economy outweigh any benefits
- Positive economic impact – benefits the visitor economy
- No economic impact – visitor economy stays the same
- Don't know

If you wish, please provide commentary to support your response.

Q9 Do you believe the introduction of a flat rate £5 per room/area per night visitor levy will have a disproportionate effect on? (Please rank 1-5)

- Island communities
- Remote communities
- Families
- Travel from outside UK
- Business travel.

If you wish, please provide commentary to support your response.

**Thank you for taking the time to complete this survey.
Your thoughts and views are gratefully received.**

QUESTIONS FOR VISITORS

Argyll and Bute Draft Visitor Levy Scheme Strategic Objectives

The aim of the draft Visitor Levy Scheme is to sustain Argyll and Bute's status as an area of outstanding natural beauty, culture and heritage and to ensure that the impacts of a successful visitor economy are managed effectively for the area.

The revised scheme is based on turning levy investment into benefit for visitors and residents, through the tourism priorities set out in the Argyll and the Isles Strategic Tourism Partnership's Tourism Strategy 2022-2025 (Argyll and Isles Strategic Tourism Partnership strategy). The strategic objective to **sustain and improve the visitor offer** received the most consistent support from residents, visitors and businesses in the Consultation Report 2025. On that basis, investment directly linked to the visitor experience is the most widely understood and accepted rationale for a visitor levy.

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- ○ Yes
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If you wish, please provide commentary to support your response. .

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- **Visitor experience development**: support for dark skies, wellness, nature connection, food and drink, marine, heritage, culture, activity holidays, events and festivals.
- **Upskilling and reskilling**: visitor economy skills programmes, career pathways and workforce development (fair work) to support year-round employment.
- **Community funding**: community-led projects which deliver tangible sustainable outcomes for the visitor economy.
- **Other** (please detail below)

Q6 What attracts you to Argyll and Bute? (please select top 3 reasons)

- Argyll and Bute's reputation
- The scenery and landscape
- The history and culture
- To visit a film location
- Personal event / celebration (anniversary, wedding etc.)
- To visit family and friends who live in Argyll and Bute
- To explore Argyll and Bute and its surrounding regions / rest of Scotland
- To visit a particular attraction
- The friendly local people
- The climate and weather
- Value for money
- Other special event (music concert, sports match etc.)
- Holidayed before and wanted to return
- Other (please specify)

Q7 As a visitor to Argyll and Bute, what type of accommodation are you staying in?

- Hotel
- B&B or guest house
- Self-catering
- Homestay, e.g. Airbnb
- Student accommodation
- Caravan / campervan
- Campsite
- Staying with friends and families
- Other (please specify)

Note: To ensure the administration requirements of the Visitor Levy Scheme are kept to a minimum, and to maximise the revenues generated to sustain, support and develop the visitor economy, only two local exemptions are proposed beyond those set out nationally as outlined in the **Section 7**, **paragraph 7.2** of draft Visitor Levy Scheme or **Section 17** of the Visitor Levy Guidance (currently being updated, June 2026, aligned to the new Visitor Levy (Amendment) (Scotland) Act 2026).

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- Strongly agree
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- Strongly agree
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- Don't know

If you wish, please provide commentary to support your response.

Q10 What do you consider will be the economic impact of introducing a flat rate £5 per room/area per night visitor levy to Argyll and Bute?

- Negative economic impact – costs to the visitor economy outweigh any benefits
- Positive economic impact – benefits the visitor economy
- No economic impact – visitor economy stays the same
- Don't know

If you wish, please provide commentary to support your response.

Q11 Do you believe the introduction of a flat rate £5 per room/area per night visitor levy will have a disproportionate effect on? (Please rank 1-5)

- Island communities
- Remote communities
- Families
- Travel from outside UK
- Business travel.

If you wish, please provide commentary to support your response.

Thank you for taking the time to complete this survey.
Your thoughts and views are gratefully received.

QUESTIONS FOR BUSINESSES

The aim of the draft Visitor Levy Scheme is to sustain Argyll and Bute's status as an area of outstanding natural beauty, culture and heritage and to ensure that the impacts of a successful visitor economy are managed effectively for the area.

The revised scheme is based on turning levy investment into benefit for visitors and residents, through the tourism priorities set out in the Argyll and the Isles Strategic Tourism Partnership's Tourism Strategy 2022-2025 (Argyll and Isles Strategic Tourism Partnership strategy). The strategic objective to **sustain and improve the visitor offer** received the most consistent support from residents, visitors and businesses in the Consultation Report 2025. On that basis, investment directly linked to the visitor experience is the most widely understood and accepted rationale for a visitor levy

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- ○ Yes
- ○ No
- ○ Don't know

If you wish, please provide commentary to support your response.

Q4 If a flat rate is preferable, do you consider that a flat rate of £5 per room/area per night is an appropriate level?

- ○ Yes, a flat rate of £5 is acceptable
- ○ The levy rate should be less than £5
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If you wish, please provide commentary to support your response.

Q5 The Visitor Levy gives Argyll and Bute Council the opportunity to raise income from visitors that would be invested in projects or services that would sustain and improve a visitors' and residents' experience in our area. What would you like the levy to be spent on? Please select your top five from the following list of suggestions below:

- **Enhanced visitor infrastructure and public realm improvements**: public toilets, upgraded visitor car parks, visitor and motorhome waste-disposal, water refill points and other tourism facilities.
- **Business and product development support to accommodation providers**: grants or training for business, such as improvements to digital capability.
- **Transport and access resilience**: active travel links (paths and themed trails i.e. food trail) across Argyll and Bute.
- **Visitor management and dispersal**: destination-wide signage, single-track road etiquette campaigns and responsible camping messaging.
- **Culture and heritage visitor projects**: interpretation panels, Gaelic and local story trails, small heritage grants, events development and support for visitor-facing cultural programming.
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- **Upskilling and reskilling**: visitor economy skills programmes, career pathways and workforce development (fair work) to support year-round employment.
- **Community funding**: community-led projects which deliver tangible sustainable outcomes for the visitor economy.
- **Other** (please detail below)

Q6 Please advise on the size of your business

- ○ Employ 1 member of staff (including yourself)
- ○ Employ 2-9 staff
- ○ Employ 10-49 staff
- ○ Employ 50-250 staff
- ○ Employ more than 250 staff

Q7 What sector does your business operate in?

- Hospitality
- Retail
- Self-catering accommodation
- Tourism including visitor attractions
- Food and drink
- Leisure
- Event management
- Culture, heritage and creative industries
- Trades / construction / engineering
- Professional services
- Agriculture and forestry
- Vehicle and motor trade
- Domestic services
- Marine services
- Beauty / personal services
- Transport / distribution
- Education
- Manufacturing
- Public sector
- Charity
- Third sector
- Other (please specify)

Q8 What is your approximate turnover?

- Up to £85,000
- £85,000 to £90,000
- £90,001 to £250,000
- £250,001 to £1 million
- Over £1 million

Q9 Given that HMRC currently views the visitor levy as business income. Will the administration of the visitor levy affect your proximity to the VAT turnover threshold of £90,000?

- Yes
- No
- Don’t Know

Note: To ensure the administration requirements of the Visitor Levy Scheme are kept to a minimum, and to maximise the revenues generated to sustain, support and develop the visitor economy, only two local exemptions are proposed beyond those set out nationally as outlined in the **Section 7**, **paragraph 7.2** of draft Visitor Levy Scheme or **Section 17** of the Visitor Levy Guidance (currently being updated, June 2026, aligned to the new Visitor Levy (Amendment) (Scotland) Act 2026).

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If you wish, please provide commentary to support your response.

Q11 To what extent do you agree or disagree with the local exemption "outdoor education centres with a focus on young people, some of whom may come from deprived backgrounds, on residential trips."

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree o Strongly disagree
- Don't know

If you wish, please provide commentary to support your response.

Q12 As outlined in Table 2 of the revised Visitor Levy Scheme, it is proposed that Argyll and Bute Council operates a 2% deduction scheme for all businesses to enable accommodation providers to retain some of the levy income to offset administrative costs. With regard to this approach, do you:

- Agree to a 2% deduction for all businesses
- A tiered deduction rate as noted:
  - 3.0% for small business (rateable value (RV) of £15k)
  - 2.0% large business of 10 small units (combined RV of £35k)
  - 1.0% for luxury hotels (RV of £411k)).
- Other (please specify)

Q13 What do you consider will be the economic economic impact of introducing a flat rate £5 per room/area per night visitor levy to Argyll and Bute?

- Negative economic impact – costs to the visitor economy outweigh any benefits
- Positive economic impact – benefits the visitor economy
- No economic impact – visitor economy stays the same
- Don’t know

If you wish, please provide commentary to support your response.

Q14 Do you believe the introduction of a flat rate £5 per room/area per night visitor levy will have a disproportionate effect on? (Please rank 1-5)

- Island communities
- Remote communities
- Families
- Travel from outside UK
- Business travel.

If you wish, please provide commentary to support your response.

Thank you for taking the time to complete this survey.
Your thoughts and views are gratefully received.

Appendix 3: Revised Impact Assessments: Argyll and Bute Council Visitor Levy Scheme

1.0 Tourism Overview

1.1 With over **21,000** bed spaces (serviced and unserviced), tourism in Argyll and Bute is one of the largest visitor economies across Scotland in terms of economic impact and employment. The Scottish Tourism Economic Assessment Monitor (STEAM) most recent data set shows a **48.2%** increase in visitor numbers from 2013 to 2024. The visitor economy is a major employer with 8,600 direct and 2,260 indirect employees totalling around10,860 in Argyll and Bute, bringing much needed employment to our remote and island communities.

2.0 Current Situation

2.1 By December 2025, 49% of Scots had taken a domestic home holiday. With 2025 having appeared to be the most positive recent year for home holidays/staycations, it is encouraging that there are initial projections that this will continue into 2026. At this early stage of 2026, indications are that an additional 4% are anticipating Scottish holidays than was the case 12 months ago. Barriers remain - although most had slightly reduced between the start of 2025 and 2026. However, macroeconomic concerns remain the main potential barriers such as global unrest, cost of living crises, fuel costs etc. The potential impact of the current (2026) US administration's global policies on holiday decision making is the one element that has increased significantly over recent months due largely to the unrest in the Middle East (56 degree Scottish Tourism Index Report).

3.0 Opportunities and Benefits

3.1 The type of tourism infrastructure currently provided by Argyll and Bute Council, through income from Council Tax and the Scottish Government's grant, helps to maintain roads and car parks, electric vehicle charge points, harbours, piers, slipways, public toilets, flower beds, walking paths, motorhomes waste disposal points and recycling centres.

3.2 However, with ever-decreasing budgets and increasing visitor numbers the council will struggle to support visitors without another source of income. New investment is needed so that Argyll and Bute can compete as a destination and appeal to new markets. This is where the levy has significant potential to provide a new source of income to allow the council to maintain and develop its obligations to residents and visitors. For instance, Argyll and Bute doesn't have a strong 'green' image. A visitor levy could provide new investment in reducing carbon, helping businesses adopt greener practices and marketing the destination as a place for eco conscious travellers.

4.0 Draft Impact Assessments

4.1 The draft Impact assessments outlined below are summarised in **Table 1** below. The responses to the questions posed in 12-week public consultation 2026, if approved, will assist in updating the content of the draft impact assessments by gathering as much information as possible to allow officers to evaluate the potential consequences and benefits to the tourism sector and communities of Argyll and Bute Council's revised Visitor Levy Scheme aligned to the Visitor Levy (Amendment) (Scotland) Act 2026.

Table 1: Required update to impact assessments	
Area of impact	**Details**
A: Impact on Businesses	Administrative burden
	Financial impacts
	Economic effect
B: Impact on Visitors Paying the Levy	Visitor perception
	Visitor demographics
	Visitor experience
C: Impact on Communities that may Benefit from the Levy	Economic and social benefits
	Environmental and cultural preservation
	Community involvement
D: Impact on Island Communities	Economic sustainability and visitor distribution
	Increased costs and infrastructure strain
	Cultural and environmental preservation
	Community engagement and fair distribution of funds
E: Impact on Local Authorities Administering the Levy	Administrative burden
	Revenue generation
	Policy review and adaptation
F; Equalities Impact Assessment	All considered

4.2 The visitor levy will apply to overnight accommodation using a flat rate per room/area per night model and is designed to generate revenue for sustainable tourism development while addressing community needs. The draft impact assessments cover the impacts on key stakeholders, including businesses collecting and remitting the levy, visitors paying the levy, local communities, including island communities, the local authority administering the scheme and an overarching equalities impact assessment. The use of key performance indicators (KPIs) such as: occupancy, visitor sentiment, length of stay, business closures, island impacts, reimbursement take-up, complaints, administration costs, net proceeds and project delivery will be monitored from the implementation of a Visitor Levy Scheme (if approved) as a way in which to measure the success of the scheme.

A Draft Impact on Businesses Collecting and Remitting the Visitor Levy

A1 Work is ongoing to quantify the businesses that could be required to collect the levy, with a current estimate of approximately 4,000 accommodation providers in Argyll and Bute. This is based on; 2,462 properties listed on the Non-Domestic Rates valuation roll as providing accommodation; 3,500 licence applications having been received for short-term lets; and an estimated 120 B&Bs/serviced accommodation providers treated as domestic properties for Council Tax.

A2 The specific uses of the visitor levy, aligned to the Tourism Strategy, will be informed by the 2026 consultation. One of the uses put forward in the revised Visitor Levy proposed scheme is to sustain and improve the visitor offer. This could include support directly to tourism businesses to help them improve their own products and services through; development grants towards investment in premises, equipment, training or marketing; provision of marketing and digital toolkits and specialist advice; or the delivery of quality training or accreditation initiatives.

A3 Proposed **administrative burden** for businesses is as follows:

- An additional administrative burden would be introduced for accommodation providers in collecting a visitor levy and submitting quarterly returns via an online portal (should this option be taken forward). This could particularly impact small businesses with limited resources or digital skills to handle such tasks efficiently.

- Operational complexity may increase in terms of record-keeping requirements and potential inspections. This impact could be greater on accommodation providers less familiar with other regulatory obligations, such as VAT.

- This could be mitigated by providing effective training and support for businesses and ensuring any online portal put in place is straightforward to use.

A4 Anticipated **financial impacts** for businesses are as follows:

- Some businesses may need to invest in modifying their booking, billing or accounting software or processes to handle reporting and compliance. Others use online booking platforms that can implement a modification for them, but there is potential for costs to increase as a result of any changes.

- Businesses will need to train staff and manage customer communication regarding a levy. The provision of a toolkit for businesses to use would assist with this training.

- Increased administrative time, either in-house or outsourced, to meet the administrative obligations. This could be minimised through providing training and support.

- Card payment fees are typically in the range of 1.5% to 3.5% per transaction. With a fixed £5 per room/area per night visitor levy applied, the additional fee per transaction to the business would be £0.075 to £0.175.

- Increased administrative time, either in-house or outsourced, to meet the administrative obligations. This could be minimised through providing training and support.

- Where an Online Travel Agent (OTA) is used to manage bookings, the OTA fee can range from 2% to 20%. If an OTA applies the visitor levy at the point of booking, it could increase their fee.

- The HMRC requirement to include the visitor levy collected as income for VAT purposes may bring those currently close to the VAT threshold over the limit, triggering mandatory VAT registration. This will create associated administrative and financial burdens and could create price increases impacting competitiveness in price-sensitive sectors. The lack of specific reliefs or exemptions for businesses affected in this way may exacerbate these challenges, underscoring the need for careful policy consideration to mitigate unintended impacts on small enterprises. Businesses in this position may reduce the number of nights offered in order to stay below the VAT threshold, reducing capacity across Argyll and Bute.

- A Financial Memorandum published by the Scottish Government Financial Memorandum accessible (updated for the 2026 Act) includes research carried out on the cost of administration of a visitor levy in Scotland. This suggests that a small to medium size business with a turnover of between £1million and £5million per year could incur one-off setup costs of between £1,000 to £7,000, with the ongoing cost of submitting quarterly returns estimated at £300 to £400 per annum.

- For micro businesses with a turnover below the VAT threshold, the estimated setup costs are between £150 and £1,100, with the ongoing cost of submitting quarterly returns estimated at £100 to £500 per annum.

- The impact of these increased costs could be mitigated through a financial contribution being made to each business remitting the levy. The 2026 Act allows local authorities to permit liable persons to deduct and retain an amount from the levy payable in respect of a chargeable transaction to help mitigate against administrative costs that may be incurred by the liable person. This deduction is not intended to reflect the full administrative costs and is to help mitigate against them. The local authority must set the maximum amount which may be deducted. The permitted deduction may be set as a fixed amount or a percentage of the amount of levy payable. This will require financial modelling and Subsidy Control consideration.

- It is proposed that, in tandem with any consultation, case studies are developed with a representative sample of businesses to substantiate likely costs. The Visitor Levy Shadow Forum has agreed to assist with this. Thirteen case studies arising from the 2025 consultation process have been reviewed and some relevant points for consideration for the revised 2026 Visitor Levy Scheme are as follows:

   - The wider impact on other local businesses such as shops, cafes etc. especially those reliant on seasonal or part time staff.
   - Cumulative impact of Short Term Let licensing and the visitor levy are a concern.
   - The increase in cost may result in locum or trade visitors looking elsewhere (e.g. workers in Oban using accommodation in the Fort William area) or considering travel over accommodation costs.
   - Several case studies mention the impact of an unreliable ferry service, especially when added to the cost of the visitor levy, may deter visitors.
   - The VAT issue remains of concern and that businesses may change their operational model to avoid going over the VAT threshold.
   - Most noted the impact on business i.e. the levy would deter visitors from staying.

- Accommodation providers with low profit margins may experience challenges incorporating the levy collection process without passing costs onto consumers.

- Non-compliance penalties could pose a financial risk to smaller providers.

- Depending on the agreed uses of the levy, tourism businesses may be able to access direct business support such as grant funding, helping them to invest in their own product. This will be subject to a subsidy control review under the Subsidy Control Act 2022 to prevent displacement effects.

- Training will be offered to businesses to help them address how the visitor levy is explained to a visitor, to maintain a positive view of the levy as an opportunity to improve visitor infrastructure.

A5 Anticipated **economic affects** for businesses are as follows:

- The sole purpose of the visitor levy is to develop, support or sustain facilities or services used by local residents and those visiting the area for leisure and for work purposes. The levy as proposed for Argyll and Bute aims to generate positive impacts for the sector by sustaining and improving the offer, reaching new audiences for marine, coastal, cultural and outdoor tourism.

- The specific impacts will be dependent on the agreed uses of the levy but could help improve competitiveness overall and encourage visitors to less-visited parts of the region, promote marine, coastal, cultural and outdoor tourism products to new and wider markets, improve visitor infrastructure and support sustainable tourism.

- An important factor to consider is the overall current health of the tourism sector in Argyll and Bute and to forecast how it may change in the future.

- By 2019, 41 countries worldwide had implemented some form of tourism tax, with Europe leading the trend. In Europe alone, 125 destinations and 26 countries had imposed such taxes, with exceptions mainly in the Nordics and Baltics. Examples of use include;
  - Barcelona (circa €4 per night) – "tourist tax allows the city to pay for "better exhibitions, festivals, and sports events, benefiting both residents and tourists alike."
  - Amsterdam (visitor levy = 12.5% of nightly rate) - "on the one hand (the tax is used) to combat the negative sides of over-tourism, like littering, cleaning, law enforcement. On the other hand, we use this for infrastructure, education, cultural life, sport facilities."

- The visitor levy may lead to higher accommodation prices, which could undermine Argyll and Bute's competitiveness compared to other destinations who do not implement a levy. This could affect demand, particularly among cost-sensitive customers and reduce occupancy rates.

- The World Economic Forum (WEF) regularly publishes international travel and tourism index reports which measure factors and policies that enable the sustainable and resilient travel sector. In terms of the price competitiveness measure alone, the UK has regularly been ranked near the bottom of all countries assessed. Previous versions of the index (which applied a different methodology) showed the United Kingdom at the very bottom of the index in terms of price competitiveness. In the 2024 index report, the UK position improved, albeit still below average (with a score of 2.74), similar to Ireland (2.78), Netherlands (2.87) and Denmark (2.88), and significantly higher than others such as Iceland (1.44) Switzerland (1.68). Possibly the most important ranking is the overall index, which takes account of all measures. In this, the UK has consistently performed well and is identified as 7th best overall in the world in 2024 (latest available data).

- The Scottish Government BRIA [Visitor Levy Bill: business and regulatory impact assessment – gov.scot] found that "Evidence from cities that have introduced these types of taxes recently show that generally growth in visitor numbers has continued after the introduction of these taxes. The relative change in overnight visitors for selected cities in Europe that have either introduced or increased existing taxes on visitors in the past 10 years including Barcelona, Lisbon, Berlin, Hamburg and Paris. In most cases there continued to be strong growth in overnight visitor numbers and no area saw a fall in visitor numbers prior to 2020.

- From an economic perspective, there are numerous justifications for a visitor levy, but in the context of visitor levies two predominate. The first is that there exist certain local public goods that should be funded. Local in this context means geographically, but also in terms of industry. A clear example of this is destination marketing which benefits all tourism businesses within the destination. The second justification for a visitor levy is that tourism can give rise to negative externalities for the host community and for tourists themselves. Examples of these external costs would include the extra waste produced by tourists that needs to be dealt with, the erosion of footpaths and depreciation of other infrastructure, increased congestion, and the impact of tourism on housing costs.

- While insights can be gained from examining other visitor levies, each country has its own distinct set of political arrangements and tax structures. The UK has a relatively high 20 % VAT rate for accommodation when compared to the rest of Europe, but the VAT threshold is one of the highest at £90,000. However, the international examples given indicate that visitor levies do not have a significant adverse economic impact where the rate is proportionate.

- Set against a wider context of increases in employer National Insurance contributions, minimum wage, and Non-Domestic Rates, businesses may be less resilient. A number of tourism businesses may decide to close their operation prior to the introduction of the levy, reducing capacity across Argyll and Bute.

- Previous consultation engagement has raised strong concerns from the industry that the introduction of a levy will damage the sector and deter visitors from choosing Argyll and Bute as a destination. Specific concerns voiced include that domestic visitors in particular will not tolerate a price increase; that the levy will need to be absorbed by accommodation providers and decrease profitability; that non-VAT registered operators may need to reduce the number of nights offered in order to stay below the VAT threshold; that costs have already been rising steadily to cope with increased business costs; and the proposed timing of the levy is poor.

B. Impact on Visitors Paying the Visitor Levy

B1 Anticipated **visitor perceptions** are as follows:

- Visitors may view the visitor levy as an additional cost, potentially influencing their decision to stay in Argyll and Bute compared to other regions or local authorities that choose not to develop such levies. This could especially deter budget-conscious travellers or those staying for longer periods.

- Transparency, together with clear communication concerning the visitor levy's purpose and the tangible benefits it will bring to the visitor experience, such as improved infrastructure and environmental initiatives, will be crucial in mitigating any negative perception.

- The results obtained in the 2025 Consultation Report noted that respondents believed that the visitor levy could be a useful income to help improve the offer, for example, by maintaining public toilets and sanitation. Infrastructure, amenities, roads and pathways were also ranked highly in the responses.

B2 **Visitor demographics** are as follows:

- High-end and eco-conscious tourists may be more accepting of the levy, as it aligns with responsible and sustainable tourism goals.

- Conversely, visitors relying on budget accommodation (e.g. campers, hostels) may feel a disproportionate impact, as the flat rate levy could result in additional costs over longer stays and could push value-based stays out of official campsites.

B3 **Visitor experience**:
:

- The revenue generated is intended to fund services and offerings that would sustain and enhance the visitor experience and would keep visitors coming to the area. Revenue would be dedicated to enhancing the visitor experience through improved infrastructure (e.g. public toilets, signage) culture and heritage, including events. It is important to note that new information on proposed areas of spend will be captured in the 2026 consultation.

- Direct responses from the 2025 Consultation Report indicate that the visitor experience will be improved by enhancing and developing well maintained visitor facilities and attractions. In addition, funds could be made available from the levy to provide simple amenities that focus on scenery, wildlife, and culture, which are the main draws for our visitors. Improving tourist information to better inform and support tourists has also been noted.

- Funds raised from the visitor levy could be invested in eco-friendly initiatives, such as, sustainable camping and waste management options, supporting environmental sustainability through projects like green spaces and eco-friendly transportation.

- Other suggestions raised through the 2025 Consultation Report were to provide improved road signage, especially on single-track roads, to reduce confusion for tourists and to invest in wayfinding signs and information boards to guide visitors to key locations.

C. Impact on Communities that may Benefit from the Visitor Levy

C1 Anticipated **economic and social benefits** are as follows:

- Local communities are likely to see benefits from the visitor levy, including funding for infrastructure improvements, public realm upgrades, and enhanced cultural and recreational facilities. These investments will support both the visitor economy and residents' quality of life and could contribute to local job creation and enhanced services.

- Extending the tourism season and promoting less-visited areas can spread economic benefits more evenly across the region, reducing pressure on popular spots and allowing smaller communities to tap into the tourism economy.

C2 **Environmental and Cultural Preservation:**

- The focus on environmental sustainability and supporting initiatives like net-zero projects and responsible tourism will help protect Argyll and Bute’s natural and cultural heritage. Local communities, particularly in rural and coastal areas, will benefit from initiatives to manage visitor impacts, such as improved waste management and protection of fragile ecosystems.

C3 **Community Involvement:**

- The establishment of the Shadow and then main Visitor Levy Forum, which includes (and will include) representatives from local businesses and communities, provides an avenue for stakeholders to voice their concerns and influence how funds are allocated. This participatory approach can foster community buy-in and help ensure that projects funded by the levy address both visitor and local resident needs.

D. Impact on Island Communities

D1 **Economic Sustainability and Visitor Distribution**:

- Island communities within Argyll and Bute may experience unique economic challenges and benefits from the levy, indeed, each island community may differ from the other. While the additional revenue has the potential to enhance local infrastructure, support services, and sustainable tourism initiatives, there is also a risk that the levy may impact visitor numbers to these areas, particularly for cost-sensitive travellers.

- If visitor demand decreases, smaller island businesses could face a disproportionate economic impact compared to mainland operators. Strategic reinvestment of levy funds to support island-specific tourism will be essential to ensuring that these communities benefit from increased visitation rather than reduced demand.

D2 **Increased Costs and Infrastructure Strain**:

- Due to their limited resources and higher operational costs, island businesses may face greater challenges in meeting levy collection requirements. Transporting supplies and addressing waste management are often costlier for island communities, so visitor levies should ideally support these unique needs, addressing infrastructure and services that directly impact both residents and visitors.

- This could include enhanced ferry services, improved access to emergency services, waste management solutions, and upgrades to basic visitor facilities, which are critical to sustaining both the tourism industry and local quality of life.

- As noted in paragraph **1.2** of the revised Visitor Levy Scheme, should the council approve moving forward with a further statutory consultation on a revised Visitor Levy Scheme in Argyll and Bute the council will work with industry on a potential scheme of retention of visitor levy receipts as a payment towards administration costs.

D3 **Cultural and Environmental Preservation**:

- Island communities are home to sensitive ecosystems and cultural heritage sites that are highly vulnerable to the pressures of tourism. The visitor levy offers an opportunity to direct resources towards the preservation of these assets, such as coastal ecosystems, local wildlife, historic sites, and island-specific cultural practices. Prioritising projects that protect the environmental integrity and cultural heritage of these communities will foster sustainable tourism while safeguarding local traditions and the natural landscape for future generations.

D4 **Community Engagement and Fair Distribution of Fund**:

- Engaging island residents for consideration as members of the Visitor Levy Forum and ensuring equitable fund allocation to island projects are essential for maintaining community support and maximising the levy’s positive impact on these areas.

- Establishing specific channels for island representatives to influence decision-making will help align the levy’s revenue usage with the unique needs and priorities of these communities, fostering greater community buy-in and promoting projects that reflect both visitor and resident interest.

E. Impact on Argyll and Bute Council Administering the Visitor Levy

E1 Proposed **administrative burden** for Argyll and Bute Council is as follows:

- Argyll and Bute Council will face new responsibilities in terms of managing the levy, including processing returns, conducting compliance inspections, managing appeals, and distributing funds. These tasks will require dedicated resources and staff training.

- The council will also need to ensure that any national online portal (should this option be taken forward) is supported by clear processes, guidance and training for accommodation providers, including workshops or webinars where appropriate. Close liaison with the platform provider will be important to ensure the system operates effectively. Any technical issues or miscommunications could result in compliance challenges and reduce the overall effectiveness of the Visitor Levy Scheme.

E2 **Revenue generation** for Argyll and Bute Council is as follows

- The council expects to raise circa £10 million in gross revenue annually, which will be used to fund a wide range of local projects related to tourism infrastructure, culture and heritage, environmental sustainability, and community support. This new revenue stream will reduce the financial strain on existing council budgets and enable longer-term investments in the region's tourism sector.

- Argyll and Bute Council will need to carefully manage the costs of administering the scheme to ensure that net revenue is maximised. Monitoring compliance, managing appeals, and processing reimbursements for exempt individuals will add to the overall complexity and cost of administering the scheme.

E3 **Policy Review and Adaptation**:

- The council will review the scheme every three years, assessing its success in meeting objectives and making adjustments as necessary. This ensures that the levy remains responsive to changing conditions in the tourism sector and local visitor economy. However, regular reviews may require additional administrative resources and consultation processes.

F. Equalities Impact Assessment

Title of Proposal
Visitor Levy – Argyll and Bute
Intended outcome of proposal
With over **21,000** bed spaces (serviced and unserviced), tourism in Argyll and Bute is one of our largest sectors in terms of economic impact and employment. The Scottish Tourism Economic Assessment Monitor (STEAM) data shows a **48.2%** increase in visitor numbers from 2013 to 2024. The visitor economy is a major employer in Argyll and Bute, bringing much needed employment to our remote and island communities. In 2024, visitor numbers had overtaken pre-pandemic numbers (**3.312** million visitors). STEAM also shows a similar trend with the overall economic impact of the tourism sector in Argyll and Bute. Pre-pandemic in 2019, the direct economic impact was **£463.9m** in Argyll and Bute. By 2024, and when taking account of price inflation, the direct economic impact was assessed at **£565.9m,** with a further **£205.2m** indirect impact. The visitor economy is a major employer in Argyll and Bute, bringing much needed employment to our remote and island communities. In 2024 there were 8,663 direct FTEs, with a further **2,261** indirect employees (delivery drivers, laundries etc). Over **70%** of jobs in the visitor economy are in accommodation and food and drink. Funds received from the visitor levy will help to sustain Argyll and Bute's status as a popular holiday destination and as an area of outstanding natural beauty, built and cultural heritage. To ensure that the impacts of a successful visitor economy are managed effectively in support of the Council's priorities and outcomes highlighted in the Argyll and the Isles Strategic Tourism Partnership's Tourism Strategy 2022-2025 **(**Argyll and Isles Strategic Tourism Partnership strategy**).**

Description of proposal
Argyll and Bute Council intends to utilise the powers granted by the Visitor Levy (Scotland) Act 2024 and the Visitor Levy (Amendment) (Scotland) Act 2026 to impose a levy in respect of persons staying in certain types of accommodation overnight using a flat rate per room/area per night model. If Argyll and Bute Council decides to approve and publicise a Visitor Levy Scheme, the levy come into force a minimum of 18 months after it's approved.
Business Outcome(s) / Corporate Outcome(s) to which the proposal contributes
1. Economic Strategy 2024-2034 and Action Plan 2026-2029 2. Argyll and the Isles Strategic Tourism Partnership's Tourism Strategy 2022-2025 **(**Argyll and Isles Strategic Tourism Partnership strategy**).**

Lead officer details:	
Name of lead officer	Fergus Murray
Job title	Head of Development and Economic Growth (DEG)
Department	DEG
Appropriate officer details:	
Name of appropriate officer	Kirsty Flanagan
Job title	Executive Director
Department	Executive Director responsible for DEG
Sign off of EqSEIA	
Date of sign off	

Who will deliver the proposal?
Economic Growth and Revenues and Benefits Team with the possibility of a national system underpinning this.

Section 2: Evidence used in the course of carrying out EqSEIA

Consultation / engagement
Some of the results (3,352 responses) within the 2025 Visitor Levy Consultation Report have been used to inform the revised draft strategy and impact assessments. Officers will engage with the NHS on any potential impacts for patients and how this can be mitigated.
Data
The Scottish Tourism Economic Activity Monitor (STEAM) has been the main data source used. PDF ArgBu Final STEAM FINAL 11-Aug-25 CC. **Note a copy of the PDF is available on request*
Other information
All activity must relate to the revised Visitor Levy Scheme based on the legislative changes in 2026.

Gaps in evidence
There is uncertainty as to the number of businesses that will be affected and how the effects of the legislation will work in detail. In addition, there are large gaps in the data surrounding occupancy rates, which may bring further uncertainties. As yet the income from the levy is an initial estimate and with limited evidence at present to assess any impacts on key groups if a visitor levy Is implemented.

Section 3: Impact of proposal

Impact on service users:

	Negative	**No impact**	**Positive**	**Don't know**
Protected characteristics:				
Age		x		
Disability				x
Ethnicity		x		
Sex		x		
Gender reassignment		x		
Marriage and Civil Partnership		x		
Pregnancy and Maternity		x		
Religion		x		
Sexual Orientation		x		
Fairer Scotland Duty:				
Mainland rural population				x
Island populations				x
Low income				x
Low wealth				x
Material deprivation				x
Area deprivation				x
Socio-economic background		x		
Communities of place			x	
Communities of interest			x	

If you have identified any impacts on service users, explain what these will be.
The key impacts that the Act requires the Council to consider are as follows: 1. Equalities 2. Business 3. Visitors 4. Communities 5. Council The attached document details impacts on numbers 2-5 whilst this EQSIA details Equalities impacts. Communities of place may be enhanced by income from the visitor levy on local services, leisure, culture and heritage related to the tourism industry. Communities of interest may also benefit from income from the visitor levy, particularly through business support and support for culture and heritage. The Visitor Levy (Scotland) Act 2024 and the Visitor Levy (Amendment) (Scotland) Act 2026 have been drafted to protect those who are experiencing socioeconomic disadvantage from being liable to pay the levy. Because the Acts only apply to overnight accommodation where the person has an ordinary place of residence, the following groups are excluded from the scope of a Visitor Levy: • People who are homeless or at risk of homelessness • People whose main residence is unfit for habitation • Asylum seekers and refugees • Individuals who have arrived in the UK through other Home Office schemes. The Act explicitly excludes members of the Gypsy/Traveller community staying on dedicated sites from being liable to pay the Visitor Levy.
The method of reimbursement or national and local exemptions (as per the revised Visitor Levy Scheme proposals for 2026) will be defined before a Visitor Levy Scheme Is approved and implemented.

If any 'don't knows' have been identified, at what point will impacts on these groups become identifiable?
It is hoped that evidence from the proposed 2026 12-week consultation exercise will identify further impacts on any 'don't knows.'

Impact on service deliverers (including employees, volunteers etc):

	Negative	No impact	Positive	Don't know
Protected characteristics:				
Age		X		
Disability		X		
Ethnicity		X		
Sex		X		
Gender reassignment		X		
Marriage and Civil Partnership		X		
Pregnancy and Maternity		X		
Religion		X		
Sexual Orientation		X		
Fairer Scotland Duty:				
Mainland rural population		X		
Island populations				X
Low income				X
Low wealth				X
Material deprivation				X
Area deprivation				X
Socio-economic background		X		
Communities of place			X	
Communities of interest			X	

If you have identified any impacts on service deliverers, explain what these will be.
There may be impacts due to the collection system and the process of exemptions e.g. some businesses may not have sufficient IT skills to enable them to collect the levy efficiently. HMRC considers the Levy as part of the turnover of businesses. This will have an impact on VAT registration. Industry representatives on the Shadow Visitor Levy Forum that liaises with the Scottish Tourism Alliance have lobbied the HMRC on their behalf on this issue. Written representation has also been made on this issue from the Highlands and Islands Economic Partnership as agreed at the HIREP meeting on Thursday, 28th November 2024. To date (June 2026) there has been no change in the position of HMRC regarding the inclusion of a Visitor Levy as part of a business's turnover. Members of the Shadow Visitor Levy Forum will continue to highlight this issue to both the Scottish and UK Governments.

If any ‘don’t knows have been identified, at what point will impacts on these groups become identifiable?
These will be addressed on an ongoing basis throughout the full consultation and during the implementation period. Argyll and Bute Council will reinstate a dedicated web page, including an FAQs for the revised 2026 Visitor Levy Scheme proposals. The information provided on the website will be updated during the consultation process.

How has ‘due regard’ been given to any negative impacts that have been identified?
n/a

Section 4: Interdependencies

Is this proposal likely to have any knock-on effects for any other activities carried out by or on behalf of the council?	yes

Details of knock-on effects identified
1. Additional resource for administration of the scheme, including staff and systems costs. 2. Income from the Visitor Levy will bring benefits to delivery of tourism and infrastructure related services. This may include services such as public toilets. 3. Income from the Visitor Levy will assist the delivery of Argyll and Bute Council’s Economic Strategy and Action Plan, particularly in relation to tourism, leisure and creative industries. 4. Contractors and local residents staying within the area using applicable holiday accommodation will be subject to the Visitor Levy.

Section 5: Monitoring and review

How will you monitor and evaluate the equality impacts of your proposal?
The council will review an approved Argyll and Bute Visitor Levy Scheme every three years to assess whether the scheme is successfully achieving its objectives and measure the impact of the scheme on businesses and communities. The review will be reported, along with detail, through the appropriate channels, on how the income has been spent and the benefits which the visitor levy-funded projects have brought.

G. Conclusion – Impact Assessments

G1 The Visitor Levy Scheme for Argyll and Bute has the potential to generate significant benefits for the local economy, community aspirations, culture and heritage, and tourism infrastructure while promoting sustainable tourism practices.

G2 However, the Visitor Levy Scheme introduces new administrative burdens for both businesses and the council, with particular challenges for island communities that face unique economic and infrastructure constraints.

G3 Support for businesses, effective communication, transparent, user-friendly systems, and a clear demonstration of how the levy benefits both visitors and residents will be crucial in ensuring the scheme's success.

G4 Ensuring the fair allocation of funds to address the distinct needs of island communities, alongside proactive monitoring and adjustments to the Visitor Levy Scheme, will be essential to mitigate any negative impacts on tourism businesses, communities, and visitor experiences throughout the region.