Revised Draft 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, with a 58.9% increase in overnight visitors accessing paid accommodation over the same time period. 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 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 levy and submitting quarterly returns via an online portal **(to be confirmed).** 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 the online portal 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.

- An increase in transaction fees for card payments. Typically, a business may pay between 1.5% and 3.5% per transaction, so a levy of £5 would increase transaction fees by 0.075% to 0.0175%. On £100k of card payments rising to £105k with a levy, the increase in transaction fees would be £75 to £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 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 (ref). 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**:
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- 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 the national online portal (if this option is taken forward) operates smoothly and provide clear instructions and training workshops/webinars for accommodation providers. Any technical issues or miscommunications could result in compliance problems and reduce the effectiveness of the 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. 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 impact 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.