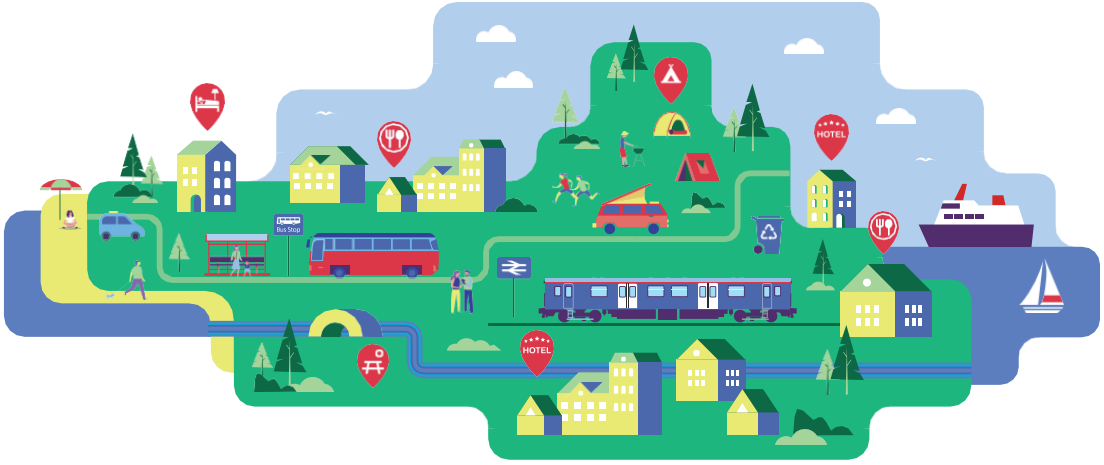
Visitor Levy Consultation 2026



Presentation Overview

- Consultation – why, design and overall responses
- Analysis methodology
- Survey results by question
- Issues for consideration
- Next steps

Why a 2026 Visitor Levy Consultation?

- Scottish Government legislation through the Visitor Levy (Amendment) (Scotland) Act, 2026 grants local authorities the power to consider a visitor levy, with the introduction of a flat rate model per room / area per night.

- Adhering to the legislation, Argyll and Bute Council had to consult on the new proposals for a flat rate; previous legislation, 2024 Act, only allowed for a percentage rate.

Consultation Design

- The consultation consisted of three survey streams: Residents, Visitors and Businesses.
- Respondents could reply to one or all three surveys as appropriate to their situation.
- As the surveys did not capture personal information, it was possible to submit responses multiple times. There is no way to quantify if this occurred and to what scale.
- Some of the questions were the same for all three surveys and some were specific to residents, visitors and businesses.
- Questions were mandatory in order to gather as much information to evaluate the potential consequences and benefits to the tourism sector and communities.
- The final question under each survey was included to understand if the respondent supported, opposed or did not make a decision about the proposals for a Visitor Levy Scheme.

Consultation – Number of Responses

- Responses to each survey stream are as follows:

Group	Responses	Share of 1,910
Residents	1,135	59.4%
Businesses	439	23.0%
Visitors	336	17.6%
Total	1,910	100%

- 1.5% of the population aged 16 year or over, responded to all surveys.
- 9.5% of self-catering establishments responded to all surveys.

Analysis Methodology

Quantitative responses

- All survey responses were transposed onto individual excel spreadsheets.
- The spreadsheets were imported into Power BI and the results for each question were reported.
- Where results for the same question were held across the three source tables, the results were combined, allowing each question to be presented as a single table or chart.
- Note, that question numbering on the slides reflects that comment boxes for each question were also given a number, so it looks as if questions are missing when there are not.
- This provided a consistent reporting approach while retaining the results from the individual datasets and making it easier to compare patterns and results across the three data sources.

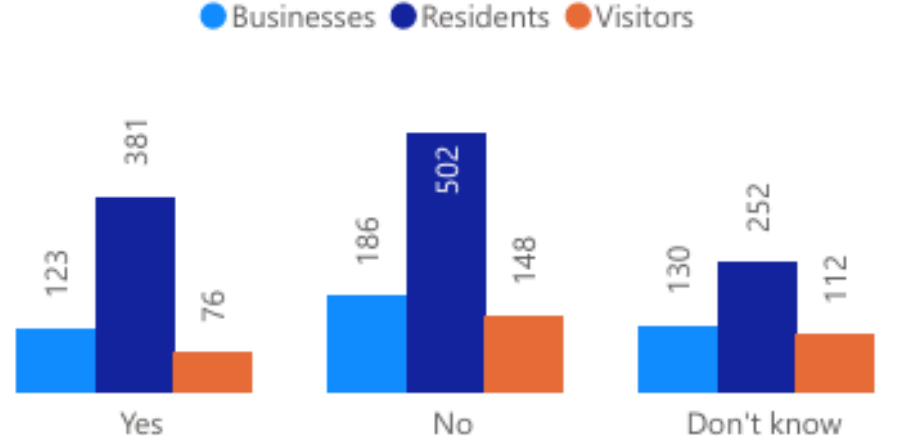
Analysis Methodology

Qualitative responses

- The qualitative analysis used a coding key in each spreadsheet: 1 = positive, 2 = negative, and 0 = uncertain/not relevant to the question.
- Qualitative response analysis was compiled using CoPilot (AI) in order to assist with code formatting.
- Officers reviewed the CoPilot coded responses manually and found no material difference.

Results by Question (Q1 in each survey asked for the respondent's postcode)

Q2(B.R.V.): Do you agree that a flat rate per room/area per night model is preferable to a percentage-based model?

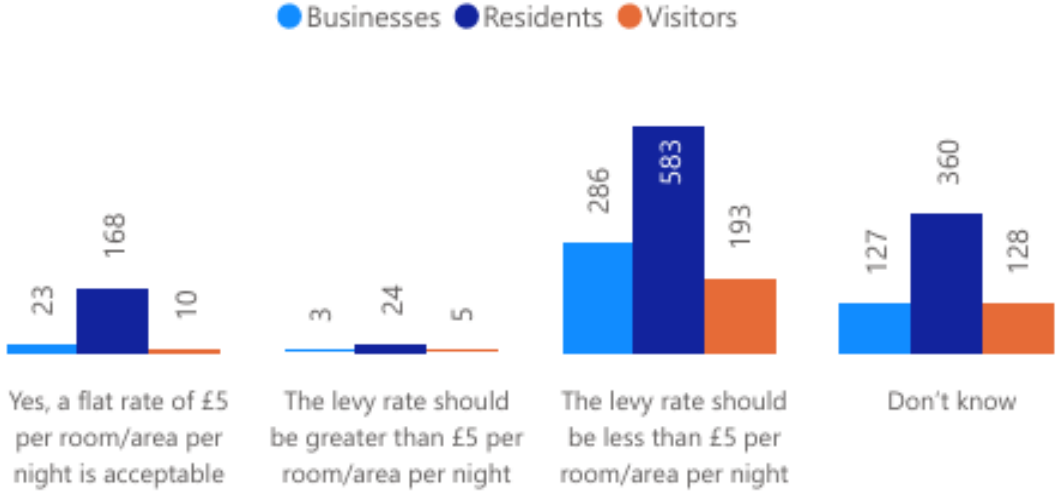


Response	Businesses	Residents	Visitors	Overall
Yes	28.02%	33.57%	22.62%	30.37%
No	42.37%	44.23%	44.05%	43.77%
Don't know	29.61%	22.20%	33.33%	25.86%

A majority in every respondent group preferred neither the flat-rate model nor an uncertain response.
"No" was the largest response for businesses, residents and visitors.
Support was highest among residents and lowest among visitors.
Comments reflected that many respondents had chosen an option in order to progress with the consultation, and that they were not in favour of a visitor levy.

Results by Question

Q4(B.R.V.): If a flat rate is preferable, do you consider that a potential flat rate of £5 per room/area per night is an appropriate level?

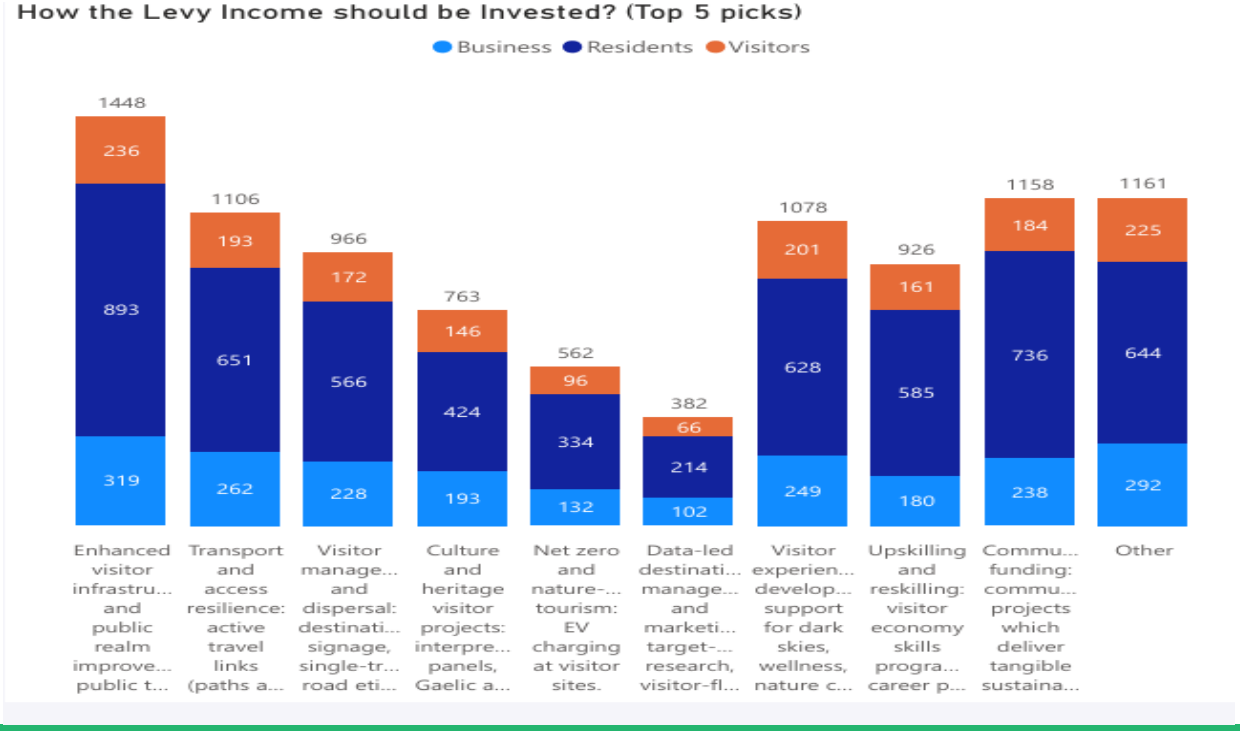


Response	Businesses %	Residents %	Visitors %
Yes, a flat rate of £5 per room/area per night is acceptable	5.24%	14.80%	2.98%
The levy rate should be greater than £5 per room/area per night	0.68%	2.11%	1.49%
The levy rate should be less than £5 per room/area per night	65.15%	51.37%	57.44%
Don't know	28.93%	31.72%	38.10%

The count-based totals show that, when respondents answered this question, the dominant position was that the rate should be below £5. Acceptance of a £5 rate was limited, particularly among businesses and visitors. Comments reflected that many respondents had chosen an option in order to progress with the consultation, and that they were not in favour of a visitor levy.

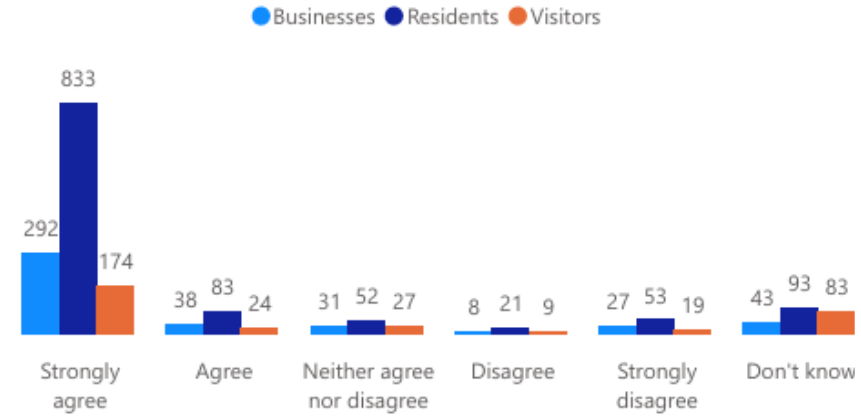
Results by Question

Q6(B.R.V.): 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?

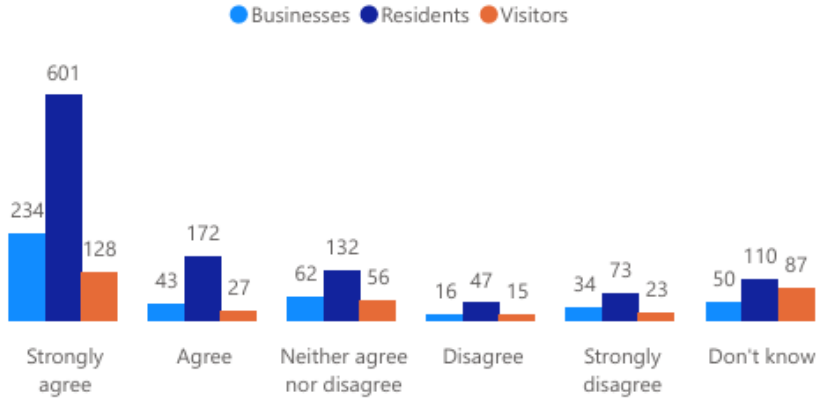


Results by Question

Q13(B), Q8(R) & Q12(V): 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?



Q15(B), Q10(R) & Q14(V): 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."



Both exemptions attracted majority support. Visitor uncertainty was materially higher than in the other groups: 24.70% selected "Don't know" for healthcare and 25.89% for outdoor education. There was strong support in the comments for an exemption for all residents of Argyll and Bute.

Results by Question

Q19(B), Q12(R) & Q16(V): What will be the economic impact of introducing a potential flat rate £5 per room/area per night visitor levy to Argyll and Bute?

Response	Business	Residents	Visitors	Overall
Positive economic impact – benefits the visitor economy	1.14%	15.42%	4.76%	10.26%
No economic impact – visitor economy stays the same	2.05%	6.43%	1.79%	4.61%
Negative economic impact – costs to the visitor economy outweigh any benefits	88.84%	64.93%	87.80%	74.45%
Don't know	7.97%	13.22%	5.65%	10.68%

Negative expectations were strongest among businesses (88.84%) and visitors (87.80%). Residents were less negative but still had a clear majority expecting an adverse impact (64.93%). Positive expectations were most visible among residents (15.42%).

A detailed economic impact assessment will be undertaken once all variables that align to costs and benefits have been confirmed for inclusion.

Results by Question

Q21(B), Q14(R) & Q18(V): 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)

Visitors - Disproportionate effect on?

Selection	1st Choice	2nd Choice	3rd Choice	4th Choice	5th Choice	6th Choice
Business travel	21	49	30	61	145	30
Don't know	29	2	0	10	13	282
Families	61	23	135	66	45	6
Island communities	118	100	68	36	11	3
Remote communities	51	132	80	49	21	3
Travel from outside UK	56	30	23	114	101	12
Total	**336**	**336**	**336**	**336**	**336**	**336**

Businesses - Disproportionate effect on?

Selection	1st Choice	2nd Choice	3rd Choice	4th Choice	5th Choice	6th Choice
Business travel	10	26	34	91	230	48
Don't know	39	0	3	12	15	370
Families	78	56	175	100	26	4
Island communities	184	157	59	27	10	2
Remote communities	96	179	117	34	10	3
Travel from outside UK	32	21	51	175	148	12
Total	**439**	**439**	**439**	**439**	**439**	**439**

Residents - Disproportionate effect on?

Selection	1st Choice	2nd Choice	3rd Choice	4th Choice	5th Choice	6th Choice
Business travel	41	59	105	260	490	180
Don't know	181	13	15	28	52	846
Families	213	141	445	254	62	20
Island communities	452	386	173	78	36	10
Remote communities	192	486	307	99	40	11
Travel from outside UK	56	50	90	416	455	68
Total	**1135**	**1135**	**1135**	**1135**	**1135**	**1135**

- The darker the box colour indicates greater preference among respondents.
- Comparing the three tables on the slide shows a general agreement among the three groups on what they think a Visitor Levy will have a disproportionate effect on, with island communities having the greatest number of first preferences.

Results by Question

Visitor Specific Questions

Q8(V): What attracts you to Argyll and Bute?

Response	Count	%age
The scenery and landscape	222	22.02%
To visit family and friends who live in Argyll and Bute	133	13.19%
Other	125	12.40%
Holidayed before and wanted to return	114	11.31%
To explore Argyll and Bute and its surrounding regions / rest of Scotland	95	9.42%
Value for money	84	8.33%
The history and culture	80	7.94%
The friendly local people	48	4.76%
Personal event / celebration (anniversary, wedding etc.)	34	3.37%
To visit a particular attraction	20	1.98%
Argyll and Bute's reputation	18	1.79%
Other special event (music concert, sports match etc.)	18	1.79%
The climate and weather	12	1.19%
To visit a film location	5	0.50%
Total	**1008**	**100.00%**

Q10(V): as a visitor to Argyll and Bute, what type of accommodation are you staying in?

Response	Count	%age
Self-catering	95	28.27%
Other	92	27.38%
Hotel	52	15.48%
B&B or guest house	31	9.23%
Homestay, e.g. Airbnb	21	6.25%
Staying with friends and families	19	5.65%
Caravan / campervan	18	5.36%
Campsite	8	2.38%
Total	**336**	**100.00%**

Results by Question

Business Specific Questions

Q17(B):Do you agree with a 2% deduction for all businesses affected by a Visitor Levy scheme?

Response	Count	%age
Other	270	62.36%
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).	96	22.17%
Agree to a 2% deduction for all businesses	67	15.47%
Total	**433**	**100.00%**

While a deduction scheme agreement was inconclusive in the direct question section, the free text comments indicated that;

The main themes are:

- Opposition to the levy itself, rather than disagreement over deduction rates.
- Additional administrative burden, including collection, accounting, returns, exemptions and refunds.
- Insufficient compensation: respondents argue the proposed deductions would not cover their costs.
- Alternative arrangements, including higher deductions, full cost reimbursement or direct collection by the Council.
- Mixed views on fairness: some conditionally support higher retention for smaller businesses; others prefer a uniform percentage.
- Concerns about VAT, profitability and competitiveness, reported as respondents' views—not verified conclusions.

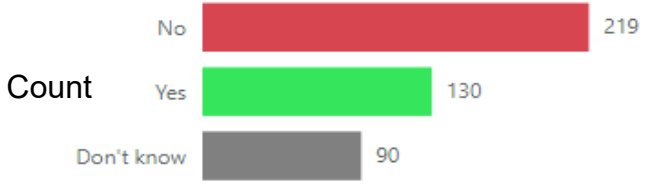
Results by Question

Business Specific Questions

Q8(B): Please advise on the size of your business.

Response	Count	%age
Employ 1 member of staff (including yourself)	166	37.81%
Employ 2-9 staff	220	50.11%
Employ 10-49 staff	38	8.66%
Employ 50-250 staff	8	1.82%
Employ more than 250 staff	7	1.59%
Total	**439**	**100.00%**

Q12(B) 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?



Q9(B): What sector does your business operate in?

Response	Count	%age
Self-catering accommodation	222	50.57%
Hospitality	115	26.20%
Other	34	7.74%
Retail	19	4.33%
Tourism including visitor attractions	10	2.28%
Professional services	9	2.05%
Food and drink	8	1.82%
Trades / construction / engineering	6	1.37%
Culture, heritage and creative industries	4	0.91%
Transport / distribution	3	0.68%
Agriculture and forestry	2	0.46%
Leisure	2	0.46%
Charity	1	0.23%
Domestic services	1	0.23%
Education	1	0.23%
Manufacturing	1	0.23%
Third sector	1	0.23%
Total	**439**	**100.00%**

Qualitative Results (final question in all surveys)

Argyll and Bute Council is considering whether to introduce a Visitor Levy Scheme. No decision has yet been made. The Council is seeking views to help inform its consideration of the proposal. What is your view on whether a scheme should be introduced, and what are the reasons for your answer.

Group	Coded comments	Positive	Negative	Uncertain
Residents	1,118	276 (24.7%)	793 (70.9%)	49 (4.4%)
Businesses	428	25 (5.8%)	390 (91.1%)	13 (3.0%)
Visitors	327	15 (4.6%)	308 (94.2%)	4 (1.2%)
Total	1,873	316 (16.9%)	1,491 (79.6%)	66 (3.5%)

Negative comments dominated all three respondent groups. Resident comments showed a broader spread, while business and visitor comments were overwhelmingly negative. This pattern is consistent with the high proportions in those groups expecting negative economic effects.

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Where the quantitative and qualitative evidence align

Evidence area	Quantitative signal	Qualitative explanation
Flat-rate model	"No" is the largest response in all groups.	Flat charging is viewed as uneven across prices, families, islands, remote areas and longer stays.
£5 rate	A majority of count-based responses prefer less than £5.	Comments propose lower, tiered, capped, seasonal or percentage-based alternatives.
Economic impact	74.45% expect negative impact.	Concerns focus on bookings, local spending, business viability, jobs and destination substitution.
Exemptions	Majority support for healthcare and outdoor education exemptions.	Comments seek broader and simpler protection for essential and local stays (all Argyll and Bute residents).
Investment	Infrastructure is the top specified priority.	Conditional support depends on visible, local and measurable improvements.

Qualitative Results

Cross-cutting themes (across the three survey strands)

Fairness and proportionality
Flat charges were commonly viewed as regressive across accommodation price points, family sizes, stays and remote geographies.

Economic displacement
Respondents anticipated fewer bookings, shorter stays or reduced discretionary spending, especially among businesses and visitors.

Exemptions and essential travel
Healthcare, outdoor education, residents, workers, family visits and travel disruption-related stays were repeatedly cited.

Governance and trust
Ring-fencing, transparent reporting, local allocation, measurable outcomes and clarity on administration were common conditions.

Consultation design
Some comments said forced choices and missing opt-out options could distort findings, particularly investment priorities.

Conditional support for a Visitor Levy
Support was most often linked to visible infrastructure, community benefit and a lower, tiered or proportionate design.

Issues for Consideration

- This analysis concludes that there is no broad respondent support for the proposed £5 flat-rate design.

- The findings do, however, identify a potential route to greater acceptability:
  - test scenarios for tiered flat rates for different accommodation types;
  - seasonality i.e. no payment of Visitor Levy between January and March (inclusive) each year (based on Visitor Levy proposals suggested by the Highland Council);
  - exemption for all residents of Argyll and Bute;
  - minimise the collection burden i.e. simple collection process and greater deduction financial support (greater than 2%);
  - undertake a robust economic impact assessment; and
  - establish transparent, locally visible investment and reporting arrangements.

- However, any final decision should acknowledge the strength of negative sentiment while also retaining the clearly expressed priorities for infrastructure, community benefit and exemptions.

Financials - Gross Income

Accommodation type	Annual Income	Annual Income Reduced rate camping and pitches
Hotels & BnBs £5	£6.6m	£6.6m
Hostels £5	£0.4m	£0.4m
Chalets/Flats £5	£0.4m	£0.4m
Camping and pitches £5 or £2	£2.1m	£0.9m
Total Potential Gross income	**£9.5m**	**£8.3m**
If Reduced to 9 months (exempt J, F, M)	***£8.3m***	***£8.2m***

Based on feedback, it was suggested that camping and pitches be a reduced rate.
Highland Council are consulting on seasonality, exemption, January-March

Financials - Exemptions

£5 universal Levy charge		
Potential set aside for exemptions	Option	Option
Healthcare visits by islanders to the mainland of A&B (including carer(s) accompanying vulnerable patients to appointments)	£1.2m	Included in resident exemption
Outdoor education centres with a focus on young people, some of whom may come from deprived backgrounds, on residential trips.	£0.3m	£0.3m
Resident Exemption		£1.9m
Total	**£1.5m**	**£2.2m**

Strong support for resident exemption, this is difficult to quantify as has been assumed at circa 20% of visits for modelling purposes at this stage.

Financials - Deductions

Potential set aside for deductions (% of total income before statutory exemptions)	
2%	£0.2m
3%	£0.3m
4%	£0.4m

Support for a higher % deduction for all businesses. 2%, 3% and 4% shown above.

Financials – Administration Costs

Item	£
Set-up Costs To include new system, computer equipment, engagement and training	Circa £0.200m ONE-OFF
Recurring Costs To include annual maintenance of computer system, engagement and staffing	£0.400m - £0.500m ANNUAL RECURRING

Further modelling required depending on what is included in proposed scheme.

Next Steps

- Consider feedback from Shadow Visitor Levy Forum and Members Seminar on 13 November.
- Complete Integrated Impact Assessment.
- Complete Economic Impact Assessment.
- Finalise cost of administration.
- Prepare committee paper to be issued on 10 December 2026.
- Consideration at Special Council meeting on 17 December 2026.

- **IF** a visitor levy is introduced across Argyll and Bute there will be at least an18-month implementation period with operational guidance and support to accommodation providers, with input and advice from a Visitor Levy Forum.

Thank you!