

**Visitor Levy (Scotland) Bill - Expert Group  
Meeting of 7 February 2024, EICC. 09:30-12:30  
Minutes of meeting**

**Attendees**

In-person

Rob Dickson – VisitScotland (chair)  
Neil Christison – VisitScotland  
Alisdair Grahame – Scottish Government  
Marc Crothall – Chief Executive, Scottish Tourism Alliance  
Leon Thompson – UK Hospitality  
Gareth Dixon – City of Edinburgh Council  
Mirren Kelly – COSLA  
Ed Gordon – COSLA  
Mollie Johnson – Head of Tax Development, Revenue Scotland  
Rhona Maurage – Senior Tax Specialist, Revenue Scotland

Attending virtually

Ben Haynes – Scottish Government  
Fiona Campbell – Chief Executive, Association of Scotland’s Self-Caterers

Apologies

Brian Porter – CIPFA Directors of Finance  
David Storrie – Scottish Government  
Elaine Wilson – Scottish Tourism Alliance  
Monica Patterson – Chief Executive, East Lothian Council; representing SOLACE  
Chris Taylor – VisitScotland  
Gavin Mowat – VisitScotland

**Welcome**

1. The chair thanked members for their attendance and noted absences. The chair then opened the meeting up for discussion.

**Draft minutes and action tracker**

2. The Group agreed to the amended draft minutes, and agreed to the updated action tracker.

**Committee Stage 1 Report – letter from the Minister**

3. A discussion took place on the letter received from the Minister for Community Wealth and Public Finance. The Group agreed the following stakeholders would lead on the points raised and complete the relevant parts of the actions log in relation to the paragraphs below: paragraph 69 to be led by COSLA; paragraph 168 to be led by industry; paragraph 176 to be jointly led by COSLA and industry; paragraph 196 for VS to lead and to bring a paper forward; paragraphs 205 and 206 for VS to lead and to bring a paper forward on national parks; paragraph 266 for COSLA to lead.

4. Paragraph 288 – on a grace period for enforcement – was considered by the Group. The Group’s view was that a compliance first approach should be taken by local authorities, with enforcement as a last resort. The Group agreed the discussion would inform the response on this point.

## **Equalities**

5. A discussion took place on the equalities paper prepared by COSLA. The Chair noted that local authorities will look at equalities as part of their existing duties, but noted the exemptions piece in the paper remains difficult. The Group agreed that drafting could begin on text on equalities, with the exception of referring to exemptions.

## **Islands**

6. A discussion took place on the islands paper prepared by COSLA. Industry representatives noted concerns from island stakeholders on revenue raised on islands being put towards facilities and services on the mainland, and whether this should be incorporated into the guidance. In discussion it was noted that:
  - ring-fencing revenue generated on islands might not lead to the best strategic use of the revenue;
  - consideration would be needed of both those coming to islands, and for those travelling to the mainland;
  - the impact of a VL on island travel is one that local authorities will need to monitor.
7. The chair suggested that guidance on islands should be tested against the Islands (Scotland) Act 2018, and for exemptions to not be addressed in this section. On funding, the chair suggested that funding should be distributed in a way that is best designed to support the visitor economy, and that the reporting section of the guidance could pick up the geographic area in which revenue is spent. Industry stakeholders agreed this would be helpful. The Group agreed that drafting could begin on the text for islands, in line with the comments raised.

## **Record-keeping**

8. A discussion took place on the paper on record-keeping prepared by the industry. The chair noted this section takes the guidance into a technical space, and welcomed thoughts from the Group. Revenue Scotland officials provided examples of the frequency of returns in some other taxes, and suggested the Group may wish to consider any current obligations the taxpayer will have and whether alignment with these obligations would be beneficial.
9. Industry representatives noted the proposal for returns to be made twice-yearly, once at the end of the tourist season, and once at the end of the financial year. Local government officials noted that more frequent returns are better for councils in terms of auditing. Industry representatives noted that more frequent returns would allow for any issues to be identified and raised more quickly, and

expressed a desire for all councils to adopt the same approach to returns, within reason.

10. The chair suggested that design of this aspect should not be left to the 18 month implementation period, in order to allow for businesses to feed in to the design process. Local government officials noted that some of this discussion needs to take place pre-consultation.
11. The chair suggested the guidance could promote a 'digital first' approach to returns, in line with a provision of support from organisations to encourage businesses to go digital. Industry officials agreed on the importance of support for businesses, and in particular micro-businesses.
12. On start-up costs for business, the chair sought views and noted the legislation is silent on this point. Revenue Scotland officials noted it is not common to provide subsidies to taxpayers for start-up and ongoing costs. Industry officials noted the joint work being undertaken with the Scottish Assessors Association on a portal to declare annual occupancy, and that councils should be setting up similar technological solutions. Local government officials suggested this piece related to work underway to consider digital solutions in relation to the visitor levy, and work being undertaken by COSLA on a single national model.
13. The chair noted these points and suggested a further paper is needed, led jointly by industry and local government, to consider returns, start-up costs and the digital approach. On data, the chair suggested a separate discussion led by VisitScotland to consider what data may be possible through a VL that cannot be accessed otherwise. The Expert Group agreed on these actions, and for a further paper on record-keeping to be brought back.

### **Required content of a VL scheme**

14. A discussion took place on the required content paper prepared by Scottish Government. Local government officials queried at what stage of development the required content needs to be set, and suggested that clarity would be needed on this. The Group agreed that all the elements required as content of a scheme should be covered in a local authority's consultation on a potential visitor levy, and that the guidance should reflect this. The Group agreed that drafting could begin on text for this aspect, in line with the comments raised.

### **Scheme publication**

15. A discussion took place on the scheme publication paper prepared by Scottish Government. COSLA officials noted that local authorities will be best placed to consider appropriate communication methods. The chair suggested the need for this section is to set out the requirement for councils to inform stakeholders, whilst leaving the form of communication to councils. The chair also suggested the guidance could set out best practice on timescales for publication.
16. Industry representatives noted consideration is needed for businesses, booking platforms and persons visiting the area. Local Government officials noted

consideration is needed for transitional arrangements. The chair agreed the guidance needs to recognise longer-term bookings and transitional arrangements. The Group agreed that drafting could begin on text for scheme publication, in line with the comments raised.

## **Communication**

17. A discussion took place on the communication paper presented by VisitScotland. The chair noted the table in the paper, which shows there are half a dozen sections where communication around a visitor levy is needed. Local government officials suggested a model timeline would be helpful as part of the guidance. COSLA officials suggested this section should include the principles of communication, including any obligations to stakeholders. Revenue Scotland officials noted that communication with taxpayers is crucial, and provided an example where Revenue Scotland provides general guidance for taxpayers and technical guidance to supplement this, often used by tax professionals. The Group agreed that including a recommendation in the guidance for councils to produce materials and advice for taxpayers would be beneficial.
18. The Group agreed that drafting could begin on text for communication, in line with the comments raised.

## **Use of funds**

19. A discussion took place on the use of funds paper presented by VisitScotland. Industry officials queried whether a local authority should cite the national tourism strategy where there is no local tourism strategy in place. VisitScotland officials noted the interaction between national, regional and local tourism strategies, and suggested including a form of words in the guidance to reflect this, without being overly prescriptive. The chair suggested the design of a VL will need to reflect the end dates for the various strategies.
20. On the wording in the Bill, Scottish Government officials noted the commitment in the Stage 1 report response to consider how to incorporate business visitors into the use of funds.
21. In relation to the text on use of funds a number of points were raised in discussion, including that:
- the guidance should be about how the visitor economy is framed, whilst noting that this could cover potentially significant parts of council spend;
  - the need for transparency about the use of funding, and a suggestion that it would be beneficial to for councils to bring businesses and other stakeholders into discussions;
  - there is a need for baselining funding, and the need for guidance on the use of funding to be tight enough to assist councils in remaining within the legal requirements in the Bill.
22. As a way forward, the chair proposed that confidence in the VL scheme will be aided if there is transparency about decisions on spend. The chair also noted that stakeholders should be encouraged to be ambitious about how funds from a VL

are used. The Group agreed that drafting could begin on use of funds, in line with the comments raised.

### **Liabile persons**

23. A discussion took place on the liable persons paper presented by COSLA. The chair flagged up the potential confusion between sections 7(a) and 7(b) in the Bill, and Scottish Government officials agreed to take this point away and provide an update to the Group ahead of the next meeting.

24. In relation to exemptions, Revenue Scotland officials stressed the importance of having clarity on the person responsible for assessing whether an exemption exists, and noted that the best person for this role may be the person who holds the most relevant information. The chair noted this part needs to be taken as part of the exemptions piece, and suggested if Group wished to take a view that no exemptions are preferable, then it should set out this view in this space.

25. Local government officials queried whether the chargeable transaction in the Bill was clear, noting the difference between sections 3(1)(a) and 3(1)(b). Scottish Government officials agreed to take this point away and consider whether the legislation is sufficiently clear in this regard, and provide an update to the Group.

### **Future meetings**

26. The chair set out the work program and content for the next meeting to take place on 20 February. The chair noted that the exemptions topic is not due to be discussed until 6 March, and agreed to look at the agenda with a view to bringing this forward. The Group agreed to move the forecasting paper to March, to allow for papers agreed at this session to be brought forward.

### **AOB**

27. No other business was declared. The chair then thanked members for their contribution and drew the meeting to a close.

### **Actions**

- The Expert Group agreed the leads for each of the points raised by the Minister's letter, and for those leads to fill in the spaces in the actions log
- In relation to the Minister's letter, VisitScotland to bring forward a paper on para 196 (exemptions)
- In relation to the Minister's letter, VisitScotland to bring forward a paper on paras 205 and 206 (national parks)
- COSLA to draft text on equalities
- COSLA to draft text on islands
- Industry and local government to prepare a joint paper on record-keeping
- Scottish Government to draft text on required content of a VL scheme

- Scottish Government to draft text on scheme publication
- VisitScotland to draft text on communication
- VisitScotland to draft text on use of funds
- Scottish Government to consider whether sections 7(a) and 7(b) of the Bill are sufficiently clear
- Scottish Government to consider whether sections 3(1)(a) and 3(1)(b) of the Bill are sufficiently clear
- VisitScotland to consider bringing exemptions forward in the meeting workplan