



**Glasgow City Council**

**City Administration Committee**

**Report by Councillor Richard Bell, Depute Leader and City Treasurer and Convener for Financial Inclusion**

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**Item 1**

**30th January 2025**

## **PROPOSED VISITOR LEVY SCHEME FOR GLASGOW**

### **Purpose of Report:**

- To provide an overview of the Visitor Levy Act (Scotland)
- To note the outcome of the informal consultation stage
- To seek approval to progress to formal consultation stage

### **Recommendations:**

The Committee is asked to note the contents of this report and approve the recommendation to proceed to formal consultation.

Ward No(s):

Citywide: ☒

Local member(s) advised: Yes ☐ No ☐

Consulted: Yes ☐ No ☐

## **1. Introduction**

- 1.1 The Visitor Levy (Scotland) Bill was passed by the Scottish Parliament on 28 May 2024 and received Royal Assent on 5 July 2024 giving Glasgow City Council (GCC) the legal power to introduce a Visitor Levy (VL) Scheme.
- 1.2 The guidance to support the implementation of the Act was developed by Visit Scotland and was published in October 2024.

## **2. Outline of the Scheme**

- 2.1 The VL is charged on the purchase of overnight accommodation at a percentage rate set by the local authority. The levy applies to hotels, hostels, guest houses, bed & breakfasts and self- catering accommodation. It also applies to caravan and camping sites, although there are currently none in Glasgow.
- 2.2 It should be noted that the levy does not apply to 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.
- 2.3 The local authority can determine:
  - date the scheme comes into force
  - percentage rate
  - geographic areas that the levy applies to
  - length of stay that the levy applies to, this can be at all times
  - Scheme objectives and use of the net proceeds
  - period the VL scheme will be active, this can be indefinitely
  - reimbursement administration process
  - exemptions, although exemption are statutory for homelessness and for those in receipt of UK disability benefits.
  - Whether or not the VL is payable in relation to accommodation with an annual turnover below the VAT threshold

## **3. Timeline**

- 3.1 There is a specified timeline of activities to be carried out when establishing a VL Scheme. It is recommended that Local Authorities conduct some early informal engagement. This stakeholder engagement will support the development of the VL proposal, which could include considerations such as exemptions and their potential impacts.

- 3.2 The early engagement undertaken by the council has informed the contents of this report and the next stage is to gain approval to commence formal consultation.
- 3.3 The formal consultation stage should last for 12 weeks and the Local Authority must prepare and publicise an outline of the scheme, a statement of the scheme objectives, and an assessment of the impacts of the proposal. It should also include a statement about when a levy will not be payable or may be reimbursed. Formal consultation should include representatives of communities, businesses engaged in tourism, and local tourist organisations.
- 3.4 Following this consultation Local Authorities must prepare and publicise a report which summarises the consultation responses, states whether or not the authority intends to proceed with a scheme and sets out the reasons for whether or not it intends to proceed.
- 3.5 If a VL Scheme for Glasgow is approved then there is a minimum 18-month implementation period after the date on which the local authority publishes the report outlining their scheme. Scottish Ministers must also be notified.
- 3.6 A Visitor Levy Forum must be established within six months of the formal public announcement of the decision to introduce the levy.
- 3.7 Businesses would then be notified of their liability to pay this new levy. Plans would be developed for the administration of the VL scheme.

#### **4. On Line Portal**

- 4.1 The Improvement Service (IS) is currently developing a national on line VL Portal for accommodation providers to upload their levy data and payments. This is currently at the design stage but IS has indicated that they aim to deliver the system by Spring 2026.
- 4.2 The assumption is that GCC will use this system and the costs associated would be funded from some of the revenue raised from the scheme.

#### **5. Glasgow's Current Position**

- 5.1 Glasgow Life supports the city's visitor economy and has developed the Glasgow Tourism Strategy 2030, with strategic priorities to:
- Increase the value of tourism to Glasgow's economy
  - Enhance the experience that we offer
  - Create value for Glasgow's people through the tourism sector
  - Support vibrant places across the city and surrounding region

- Deliver tourism in a sustainable and inclusive way

- 5.2 There are also established industry engagement forums with key stakeholders such as the Greater Glasgow Hoteliers Association (GGHA) with direct links to the Glasgow Tourism & Events Network and the Strategic Glasgow Tourism Advisory Forum and the Scottish B&B Association. Glasgow also has a strong relationship with the Chamber of Commerce.
- 5.3 The aspirations of the Tourism Strategy align to the development of a VL scheme for Glasgow.

## **6. Scheme Objectives**

- 6.1 The guidance outlines that the scheme objectives must relate to developing, supporting or sustaining facilities or services which are substantially for or used by persons visiting the scheme area for leisure or business purposes (or both).

## **7. Informal Consultation Findings**

- 7.1 Following an initial meeting with council and Glasgow Life staff, Visit Scotland colleagues and key stakeholders from the hospitality sector and business, a working group was created to carry out the co-design and consultation process. A full list of group members and feedback can be found in Appendix A.
- 7.2 The purpose of the engagement was to work with partners in the sector to gain:
- A sense of consensus and ownership around the scheme objectives
  - An idea of what the Visitor Levy Forum might look like
  - Views on what the money should be spent on
- 7.3 The work aimed to gather opinions and knowledge to support and shape the proposals for a VL scheme that works as effectively as possible for all stakeholders in the city.
- 7.4 A brief outline of the insights generated during the consultation can be found below, with more detail in Appendix A.
- 7.5 **Should we have a 5% levy?**

There wasn't strong opposition to the percentage proposal. However universally, the response was that there needs to be clear and transparent reasons for settling on 5% and that it should not be because Edinburgh has settled on that percentage. The key point raised is that there should be an independent Economic Impact Assessment of the levy to allow the city to avoid or mitigate against potential unintended consequences. Another factor raised was the need to consider the implications of the potential compound cost of the Levy and other taxes, for example VAT.

**7.6 What additional resources are required by the industry to support the Levy?**

The stakeholders raised:

- Staff time for training.
- Systems costs including upgrades.
- Additional transaction costs for credit cards.
- Communications to customers.

**7.7 What are the likely additional administrative resource requirements?**

The stakeholders raised:

- Administrative burden for smaller accommodation providers who will have their own systems.
- Staff time
- Accounting resources
- How would this be managed or policed by staff if customers don't want to pay?

**7.8 Should there be a top slicing of costs?**

The results on this were mixed. Some said “yes”, others were not sure and the final point was on whether the percentage could be 1.5% or higher. There was no indication of a preferred figure, however, it was noted again that an economic impact assessment might support the development of this.

**7.9 What are your thoughts on duration and exclusions of the scheme?**

Edinburgh has a 7-night cap, but there was unanimous view that it would make little or no difference in Glasgow as the average stay in the city is less than 2 days. With regard to exclusions, again, the general consensus was that the least number of exclusions the better in terms of compliance, transparency, and administration. It was felt by all hotel representatives that there should be consideration for exclusions for employee emergency incidents such as travel cancellations for severe weather incidents, as employees may have to stay overnight.

**7.10 How the fund should be spent?**

The clear message from the industry is that this money should not be used by the council to plug budget gaps. There is a desire for something being done with the money to support strategic assets, such as the SEC Campus, rather than lots of smaller activity that makes less impact.

**7.11 There was also a clear view that they didn't think the money should be used to administer the Visitor Levy - this should come from the existing business rates paid in the city.**

- 7.12 It was felt that governance and transparency are critical to ensure industry buy-in and a clear strategy on how, where and when the money will be spent should be a priority. An annual report for the scheme and a published plan for the next phase of spend should be publicly available.

## 8 Potential Revenue

- 8.1 To estimate potential revenue from the VL the Economists within Glasgow City Region's Intelligence Hub have analysed available data to determine the likely effect of VL on Glasgow City's economy.

- 8.2 The analysis was based on data from Glasgow Life's STEAM access and the CoStarplatform:

Average daily hotel room rate: **£85.76**

Annual number of rooms rented: **2,920,000**

Annual accommodation expenditure: **£250.42m** (average room rate multiplied by annual number of rooms rented)

- 8.3 Five different levies were analysed ranging from 1% to 5% of accommodation spend. The table below shows the likely revenue raised.

Levy (% of spend accommodation spend)	Likely revenue raised
1%	£2.5m
2%	£5m
3%	£7.5m
4%	£10m
5%	£12.5m

## 9 Administration Costs

- 9.1 A range of employee roles with specific skills will be required to support the successful start-up and delivery of the scheme. These include Project Manager, IT Support, Legal, Finance, Data Analytics, Communications, Decision Makers, Call Handlers, Enforcement and Compliance Officers.

- 9.2 Additionally there will be the costs for the use of the national online portal that is currently being developed by the Improvement Service. The costs are likely to be around £60K for set up and £122K for year one provision, depending on the number of Local Authorities that sign up to use the platform.

- 9.3 With the information available now, it is estimated that start-up costs could be up to £350K and overall annual costs could be in the region of £750K to £950K to deliver the core scheme.

## **10 Business Impact**

- 10.1 Visitors will come to Glasgow for many different reasons whether for business or to take full advantage of our many events and cultural offerings. It is difficult to assess whether the introduction of a VL will result in a change of visitor behaviour which would result in a drop in demand or a shift to less expensive accommodation.
- 10.2 The Accommodation Providers did raise concerns about the economic impact of the VL. The Scottish Government Business and Regulatory Impact Assessment found that cities that have introduced these types of taxes recently did show evidence that generally growth in visitor numbers has continued after the introduction of these taxes. Barcelona, Lisbon, Berlin, Hamburg and Paris all continued to show growth in overnight visitor numbers.
- 10.3 The City of Edinburgh Council have been researching the VL for a number of years now and have had the opportunity to work with the University of Edinburgh and commission a study on the impact of a visitor levies on visitor behaviour. And while their tourism strategies may differ from Glasgow's in some ways, they did conclude that levies are becoming common globally, particularly if they are aimed at enhancing the residents and visitor experience of the location. It is believed that a reasonable charge will not affect the number of visitors to a location. In fact, it seems from past studies that they have little effect on the number of visitors.
- 10.4 At this stage there is no evidence to suggest that the introduction of a VL in Glasgow will have an adverse effect on visitor numbers. However, if introduced, these numbers would be closely monitored.

## **11 Potential Glasgow Scheme**

- 11.1 Based on a review of the Act, the Guidance and early engagement with Visit Scotland, our counterparts in Edinburgh and a range of industry stakeholders and city bodies. The following VL scheme for Glasgow is proposed, a summary is attached at Appendix B. This could be subject to change after formal consultation stage if this is approved:
- 11.2 **Start Date** – 18 months after GCC publishes final scheme

- 11.3 **Levy Rate – 5%** - This rate is recommended as it would provide a reasonable level of income to achieve the scheme objectives after allowing for administration costs. The net income would be between £11.2m and £11.4m. It is also assessed as being low enough to minimise the risk to wider visitor spend, as on average, £4.29 for one night's stay would be payable . When benchmarking it was also similar to other local authority proposed schemes
- 11.4 **Accommodation Liable for the levy** - The levy applies to all hotels, hostels, guest houses, bed & breakfasts and self- catering accommodation, including those with an annual turnover under the VAT threshold, within Glasgow.
- 11.5 **Geographic Areas** - Applies across the entire local authority area
- 11.6 **Length of stay** – Applies for entire stay. Feedback from the stakeholder group is that the charge should apply at all times. They saw no merit in capping the length of stay.
- 11.7 **Levy Duration** - Indefinite scheme subject to regular review
- 11.8 **Scheme Objectives** - The overarching aim of the scheme is to grow the value of tourism in Glasgow by delivering for our visitors, our businesses, our communities and the environment. The scheme will align with a variety of city strategies such as the Glasgow Tourism Strategy, the City Centre Strategy, Culture Strategy, and Events Strategy.

The objectives of the scheme are there to sustain, support and develop:

- Public services, programmes and infrastructure that provide a positive experience for visitors and citizens.
- Glasgow's culture and events portfolio, to ensure they remain world-class, attractive and accessible to visitors and residents.
- Our key markets to ensure visibility and drive the value of tourism to Glasgow's economy.
- The experiences that we offer to visitors and residents, such as events and bookable products to drive additional spending.
- Vibrant places across the city by working with local businesses and communities, supporting the case for investment in key assets and creating more reasons for residents and visitors to visit the city.
- Valued jobs for Glasgow's people from the tourism sector
- Tourism to be delivered in a sustainable and inclusive way.



**11.9 Collecting the Levy** – Accommodation providers will be liable for the levy. They will be required to submit quarterly reports, detailing the total accommodation charges and the total levy due via the national online portal. Payment to GCC will be made at the same time.

**11.10 Accommodation Providers Costs** – Accommodation providers advised that they are likely to incur some costs so it is proposed that accommodation providers retain 1.5% of the levy monies they collect at each establishment. It should be noted this differs from a 1.5% top slice of the total 5% collected.

**11.11 Exemptions & Reimbursements** – A number of groups do not fall within the scope of the Act and are therefore not liable to pay the levy. These groups are not considered visitors.

**11.11.1** Those who are using overnight accommodation as their only or primary residence, which could be due to:

- being homeless or at risk of homelessness
- very poor housing conditions such as overcrowding or disrepair
- experiencing domestic abuse or other forms of violence
- being an asylum seeker or refugee

**11.11.2** In addition, the levy does not apply to:

- someone staying on a gypsy/traveller site
- those in receipt of specific disability benefits – Disability Living Allowance; Disability Assistance; Attendance Allowance; Pension Age Disability Benefit and Personal Independence Payment. These visitors would pay the levy to the accommodation provider then, with proof of overnight stay and benefit entitlement, would apply to have the charge reimbursed by the council.

**11.12 Visitor Levy Forum** –The Act sets out that a visitor forum must be set up within six months of GCC publishing the final scheme for Glasgow. The function of the forum is advisory, it's purpose is to provide advice to the council relating to the VL. The Accommodation Providers highlighted the need for transparency throughout the process so it is proposed that the forum be created from an existing group where representatives already have a key role in the development of the local visitor economy.

**11.13 Use of Funds** - The Visitor Levy (Scotland) Act stipulates that the net proceeds of the VL must be spent on facilitating the achievement of the scheme's

objectives and ‘developing, supporting and sustaining facilities and services which are substantially for or used by persons visiting (overnight) for leisure or business purposes (or both)’. After administration costs, the remaining funds will be split across the following investment areas:

- 11.13.1 **City Operations and infrastructure** - The look and feel of the city significantly contributes to the overall visitor experience. Investment in the built and natural environment and infrastructure will support the tourism aspirations for the city.
- 11.13.2 **Culture and Events** - Culture and Events are a key driver of the city’s visitor economy, as well as an important tool in the positive positioning of Glasgow both national and internationally. Additional funding will help support the successful delivery of the city’s Events Strategy 2035 and Cultural Strategy 2030, investing in the city’s long-term attractiveness and sustainability, as well as supporting the advocacy and promotion of Glasgow as a leading culture and events destination.
- 11.13.3 **Destination Marketing and Management** – In an increasingly competitive market, successful destination marketing initiatives will grow Glasgow’s market share of leisure visitors coming to Scotland and the UK. Additional funding will support initiatives that align with the city’s tourism goals, as outlined in the Glasgow Tourism 2030 action plan.
- 11.14 **Enforcement** – Accommodation providers are required to keep accurate records of all information relating to the VL. The council has the powers to conduct inspections with accommodation providers to ensure that they are compliant with the scheme. Accommodation providers who fail to comply could be subject to penalties. There is an internal review and appeals process to review council decisions, if necessary.
- 11.15 **Reviewing the Scheme** – GCC would be required to review the VL scheme. The first review must be carried out within three years of the scheme coming into force. Second and subsequent reviews must be carried out within three years of the previous review. The results must be published and copied to the VL Forum.
- 11.16 **Annual Reporting** - Within the first 18 months from when the scheme is introduced, and for each 12-month period thereafter, the council must prepare a report setting out:
  - The amount of money collected
  - How the net proceeds have been used
  - The performance of the scheme in relation to its objectives

## 12. Policy and Resource Implications

### **Resource Implications:**

*Financial:* There will be initial start- up costs and ongoing annual running costs but these costs will be funded by the scheme as set out in the Act. The proposed scheme would generate net revenue for the delivery of the scheme objectives.

*Legal:* Legal Services will continue to support the development of proposals for a Visitor Levy Scheme in line with the requirements under the Visitor Levy (Scotland) Act 2024.

*Personnel:* Additional employees will be required for the administration of the system including, Project Manager, IT Support, Legal, Finance, Data Analytics, Communications, Decision Makers, Call Handlers, Enforcement and Compliance Officers.

*Procurement:* No procurement requirements as bespoke national system being developed by the Improvement Service.

**Council Strategic Plan:** Grand Challenge One – Reduce poverty and inequality in our communities. Mission 4 – Support Glasgow to be a city that is active and culturally vibrant.

Grand Challenge Two – Increase opportunity and prosperity for all our citizens. Mission 2 – Support the growth of an innovative, resilient and carbon zero economy. Develop a business case for using new local Visitor Levy powers and consult on how this could be implemented.

### **Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.*

Yes

*What are the potential equality impacts as a result of this report?*

No significant impact

*Please highlight if the policy/proposal will help address socio-economic disadvantage.*

There is a positive impact for those in receipt of UK disability benefits. Also, exemptions in place for homelessness and refugees as well as gypsy and traveller sites.

### **Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

Links to the climate ambitions of the Tourism Strategy 2030

*What are the potential climate impacts as a result of this proposal?*

*Will the proposal contribute to Glasgow's net zero carbon target?*

### **Privacy and Data Protection Impacts:**

*Are there any potential data protection impacts as a result of this report*  
Y/N

No there are no immediate privacy or data protection impacts as accommodation providers will not share any individual's information on the online portal.

There could be potential data protection considerations in the future for the management of the scheme and enforcement procedures. Early discussions have already taken place with the Head of Information and Data Protection Officer to ensure compliance. A DPIA will be completed if approval to proceed granted.

If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out

## **Recommendations**

The Committee is asked to approve the recommendation to proceed to formal consultation stage with a report of findings coming back to City Administration Committee before summer recess.

## **Appendix A**

### **Feedback from Informal Consultation Sessions for the Visitor Levy - December 2024**

Following an initial meeting with the council family employees and key business and sector representatives a working group was created.

#### **The Working Group members were:**

- Greater Glasgow Hoteliers Association
- The Association of Scotland's Self-Caterers
- UK Hospitality Scotland
- Glasgow Chamber of Commerce
- Glasgow Life
- VisitScotland
- Airbnb
- Scottish Bed & Breakfast Association

#### **How we worked during this phase:**

- Invited a representative working group
- Held initial session to share plan, review VL Guidance and build consensus/ownership on objectives
- Held further sessions to understand what the group required to co-design the proposal
- Shared more widely with industry colleagues - forums, email, in person events
- Collated feedback and finalised proposal.
- Shared for comments/feedback
- Prepared for public consultation

#### **Kick-Off Engagement**

The purpose of the engagement was to work with partners in the sector to gain:

- A sense of consensus and ownership around the scheme objectives
- An idea of what the Visitor Levy Forum might look like
- Views on what the money should be spent on

The work aimed to gather opinions and knowledge to support and shape the proposals for a Visitor Levy scheme that works as effectively as possible for all stakeholders in the city.

## **What we learned**

### **Levy Value**

#### **We asked... Should we have a 5% levy?**

Universally, the response was that there needs to be clear and transparent reason for settling on 5% and that it should not be because Edinburgh has settled on that percentage. The key point raised is that there should be an independent Economic Impact Assessment of the Levy to allow the city to avoid or mitigate against potential unintended consequences.

#### **“Why are we looking at a 5% Visitor Levy?”**

The stakeholders raised:

- There needs to be justification as to why this rate had been selected given i.e. Sufficient Economic Impact Assessment.
- ‘Edinburgh and Glasgow are very different’ – the group thinks that ‘there is a higher risk of displacement in Glasgow’. – and that Glasgow tourists are more likely to be displaced on factors such as cost of room, so making the VL percentage the same as Edinburgh could be a risk.

#### **“What's the economic impact of the levy and can we mitigate unintended consequences?”**

The stakeholders raised:

- Would or could the rate be capped? And what would the implications be for the compound cost of the Levy and other taxes, for example VAT?

### **Additional Resources**

#### **We asked... If Glasgow introduces a Tourist Levy...**

#### **“What additional resources are required by the industry to support the Levy?”**

The stakeholders raised:

- Staff time for training.
- Systems costs including upgrades.
- Additional transaction costs for credit cards.
- Communications to customers.

#### **“What are the likely additional administrative resource requirements?”**

The stakeholders raised:

- Administrative burden for smaller accommodation providers who will have their own systems.
- Staff time.
- Accounting resources.
- How would this be managed or policed by staff if customers don't want to pay?

### **“Should there be a top slicing of costs?”**

The results on this were mixed. Some said “yes”, others were not sure and the final point was on whether the percentage could be higher than the 1.5% outlined in Edinburgh’s proposal. There was no indication of a preferred figure, however it was noted again that an economic impact assessment might support the development of this.

### **Exclusions and Duration**

#### **What are your thoughts on duration and exclusions of the scheme?**

Edinburgh has a 7-night cap, but it was unanimous view that it would make little or no difference in Glasgow as the average stay in the city is less than 2 days. With regards to exclusions, again, the general consensus was that the least number of exclusions the better in terms of compliance, transparency, and administration. It was felt by all hotel representatives that there should be consideration for exclusions for emergency incidents, travel cancellations and for employees who have to stay over in unusual circumstances.

### **How the fund should be spent**

The clear message from the industry is that this money should not be used by the council to plug budget gaps. There is a desire for something being done with the money to support strategic assets, such as the SEC Campus, rather than lots of smaller activity that makes less impact.

The council should make it clear that the money will be used to support the Glasgow Tourism Strategy which has wide support in the industry.

There was also a clear view that the money should not be used to administer the Visitor Levy - this should come from the existing business rates paid in the city.

It was felt that governance and transparency are critical to ensure industry buy-in and a clear strategy on how, where and when the money will be spent should be a priority. An annual report for the scheme and a published plan for the next phase of spend should be publicly available.

#### **We asked... What are your thoughts on using the funds for...**

**administration...**



The stakeholders told us:

- Governance and transparency are critical: there needs to be a strategy and process for the system.
- Implementation and recovery costs: recompense for businesses
- No administration costs: business rates should cover this.
- Annual reporting online of spend.

***For City operations and Infrastructure...***

The stakeholders told us:

- It should not be used for core services: it shouldn't be plugging gaps. City operations and infrastructure should be dealt with separately.
- Additional resources should be investing in enhance user experiences of the city such as Heritage sites.

***For Culture and Events...***

The stakeholders told us:

- Use the fund to drive visitors to the city: free tourist travel, city wide travel investment in assets such as, the Clyde Metro, SEC and event venues. Support culture and big events.

***For Destination Marketing...***

The stakeholders told us:

- This should not be cut. It is already funded and should be subsidised.

***About how to use the fund...***

The stakeholders told us:

- This should not be used for housing. There should be transparency on the current financial position.
- Finally, it should be used for something additional, not fund something already planned

***About additional cost that the fund could cover...***

The stakeholders told us:

- **Finance:** Payroll subsidies, business rates and the cost of a baseline study
- **Spaces:** Civic spaces, activation of the East End and heritage protection (Mackintosh).
- **Transport:** Free parking and airport subvention

## **What else should we be thinking about?**

We asked... Is there anything else you think we should consider at this stage?

### ***About Economic Impact...***

The stakeholders told us:

- An Economic Impact Assessment and robust economic forecasting should be carried out.
- Adequate time to allow accommodation providers to be prepared for the scheme start date to ensure they comply with pricing legislation is extremely important. Contracts and bookings are already being set up for 2026 and accommodation [providers would like discussions, on this particular aspect of the proposal, as a matter of urgency.
- Will the wider economic impact be balanced with any negative impact e.g. if the consequences of introducing a levy outweigh the positive effects? The industry is already fragile with 30% of the industry considering leaving the industry.
- Ensure the VL is considered in the cumulative impact with other measures on tourism accommodation providers – look at all factors that create inflation and increase costs.
- There must be transparency about spend.
- Will there be regional displacement and could this push people to other locations?
- Is there a financial tipping point that could deter tourists?

### ***About the Impact in the City Centre...***

The stakeholders told us:

- What will the impact be on city centre businesses and how will it overlap with the City Centre bid?
- How will it interact with the event levy and city centre parking levy?
- There needs to be a whole City approach.

### ***Additional Comments raised...***

The stakeholders told us:

- Big venues are at capacity.
- What are the tangible benefits to the accommodation providers?
- Lack of direct flights and the city isn't a bucket list destination.
- There should be a handbook of guidance for businesses.
- How long to generate revenue and how long until it is spent?
- This is a risky policy that needs to be explained clearly. So far, publicity has been negative. The council requires a coordinated strategy to communicate why the VL is being introduced and why it will do good. Perhaps a scheme that flags positive outcomes could work, e.g. a plaque or sticker saying "This was

funded by the VL” would make a clear and visible statement. This could be a national scheme potentially.

### **Forum Composition**

We asked... What are your thoughts on who should be on the forum...?

The stakeholders told us:

#### **The key stakeholders are:**

- UKH Scotland
- Senior Council officer or Director
- ASSC
- Glasgow Airport
- Tourism DMO
- Scottish Hospitality Group
- Scottish Tourism Alliance
- Glasgow Tourism Advisory Forum
- Glasgow Life
- Scottish Tourist Guide Association
- Tax Accountant

#### ***We should meet...***

There were various suggestions, but we agree that we would meet as required at this stage in the process and look to formalise things as the longer-term remit of the group becomes clearer.

#### ***We will meet...***

- Face to face and on teams.
- When there is a focused issue.
- For an accountability review.
- For Public reporting of spend deliverables.

#### ***Comments on the forum***

- It should link to other forums.
- It should be adaptable to stages of VL.
- There should be informal engagement with other visitor levy destinations.

## Appendix B

### Summary of Proposed Visitor Levy Scheme for Glasgow

1. **Start Date** – 18 months after GCC publishes final scheme
2. **Levy Rate** – 5%
3. **Accommodation Liable for the levy** - The levy applies to all hotels, hostels, guest houses, bed & breakfasts and self- catering accommodation.
4. **Geographic Areas** - applies across the entire local authority area
5. **Length of stay** – Applies at all times.
6. **Levy Duration** - Indefinite scheme subject to regular review
7. **Scheme Objectives** - The overarching aim of the scheme is to grow the value of tourism in Glasgow by delivering for our visitors, our businesses, our communities and the environment. The scheme will align with a variety of city strategies such as the Glasgow Tourism Strategy, the City Centre Strategy, Culture Strategy, and Events Strategy. The objectives of the scheme are there to sustain, support and develop public services, programmes and infrastructure that provide a positive experience for visitors and citizens.
8. **Collecting the Levy** – Accommodation providers will be liable for the levy. They will be required to submit quarterly reports, detailing the total accommodation charges and the total levy due via the national online portal. Payment to GCC will be made at the same time.
9. **Accommodation Providers Costs** – 1.5% of the levy monies collected at each establishment will be retained by accommodation providers.
10. **Exemptions & Reimbursements** – A number of groups do not fall within the scope of the Act and are therefore not liable to pay the levy. These groups are not considered visitors.

- Those who are using overnight accommodation as their only or primary residence, which could be due to:
- being homeless or at risk of homelessness
- very poor housing conditions such as overcrowding or disrepair
- experiencing domestic abuse or other forms of violence
- being an asylum seeker or refugee

In addition, the levy does not apply to:

- someone staying on a gypsy/traveller site
- those in receipt of specific UK disability benefits – Disability Living Allowance; Disability Assistance; Attendance Allowance; Pension Age Disability Benefit and Personal Independence Payment. These visitors would pay the levy to the accommodation provider then, with proof of overnight stay and benefit entitlement, would apply to have the charge reimbursed by the council.

**11. Visitor Levy Forum** –The Act sets out that a Visitor Levy Forum must be set up within six months of GCC publishing the final scheme for Glasgow. The function of the forum is advisory, it's purpose is to provide advice to the council relating to the VL.

**12. Use of Funds** - The Visitor Levy (Scotland) Act stipulates that the net proceeds of the visitor levy must be spent on facilitating the achievement of the scheme's objectives and 'developing, supporting and sustaining facilities and services which are substantially for or used by persons visiting (overnight) for leisure or business purposes (or both)'. After administration costs, the remaining funds will be split across the following investment areas:

- **City Operations and infrastructure** - The look and feel of the city significantly contributes to the overall visitor experience. Investment in the built and natural environment and infrastructure will support the tourism aspirations for the city.
- **Culture and Events** - Culture and Events are a key driver of the city's visitor economy, as well as an important tool in the positive positioning of Glasgow both national and internationally. Additional funding will help support the successful delivery of the city's Events Strategy 2035 and Cultural Strategy 2030, investing in the city's long-term attractiveness and sustainability, as well as supporting the advocacy and promotion of Glasgow as a leading culture and events destination.
- **Destination Marketing and Management** – In an increasingly competitive market, successful destination marketing initiatives will grow Glasgow's market share of leisure visitors coming to Scotland and the UK. Additional funding will support initiatives that align with the city's tourism goals, as outlined in the Glasgow Tourism 2030 action plan.

**13. Enforcement** – Accommodation providers are required to keep accurate records of all information relating to the VL. The council has the powers to conduct inspections with accommodation providers to ensure that they are compliant with the scheme. Accommodation providers who fail to comply could be subject to penalties. There is an internal review and appeals process to review council decisions.

**14. Reviewing the Scheme** – GCC would be required to review the VL scheme. The first review must be carried out within three years of the scheme coming into force. Second and subsequent reviews must be carried out within three years of the previous review. The results must be published and copied to the VL Forum.

**15. Annual Reporting** - Within the first 18 months from when the scheme is introduced, and for each 12-month period thereafter, the council must prepare a report setting out:

- The amount of money collected
- How the net proceeds have been used
- The performance of the scheme in relation to its objectives