

POLICY & RESOURCES COMMITTEE – 26 NOVEMBER 2019

**CONSULTATION ON THE PRINCIPLES OF A LOCAL DISCRETIONARY TRANSIENT VISITOR
LEVY OR TOURIST TAX – PROPOSED ANGUS COUNCIL RESPONSE**

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

ABSTRACT

This report advises members of a Scottish Government consultation on the principles of a local discretionary transient visitor levy or tourist tax and provides a proposed Angus Council response for the Committee's consideration.

1. RECOMMENDATIONS

1.1 It is recommended that the Committee:-

- a) note the background to the consultation as set out in this report and the online consultation document;
- b) note that at this stage there is no requirement for the Council to express a view on whether it would implement a transient visitor levy should legislation enabling this be introduced; and
- c) Approve for submission the proposed Angus Council response to the consultation as set out in Appendix 1.

2. BACKGROUND

- 2.1 As part of the agreement on the 2019-20 Draft Budget, the Scottish Government committed to consult on the principles of a visitor levy and introduce legislation this parliamentary term to permit local authorities to introduce such a levy if they consider it appropriate. This commitment was part of a package of measures focussing on local tax reforms and local fiscal empowerment. The Scottish government's intention is therefore to provide this power to local authorities by an Act of the Scottish Parliament that creates a local tax to fund local authority expenditure.
- 2.2 The Government's stated aim is that decisions about the application of the visitor levy should be for individual local authorities to make, with receipts raised used to fund local authority expenditure. Wider discussions nationally including with the tourism industry expressed a strong view that funds raised from a visitor levy in an area should be spent on activities related to tourism in that same area.
- 2.3 The Scottish Government are now consulting on the principles of a visitor levy on the basis that the consultation response will be taken into account in the design of the final legislation. The consultation seeks views on 33 questions which cover the principles, design and operation of a visitor levy. The consultation is not seeking views on whether a levy should be introduced nor on whether the Council would intend to apply the levy should the legislation enabling that be implemented.
- 2.4 The Government's consultation document is available online at the link below and includes the background, issues to consider, statistics on the tourism industry and comparisons with other countries. The consultation closes on 2 December 2019. The consultation questions are in Annex C of the consultation document.

<https://www.gov.scot/publications/consultation-principles-local-discretionary-transient-visitor-levy-tourist-tax/>

3. PROPOSED ANGUS COUNCIL RESPONSE TO CONSULTATION

- 3.1 Attached at Appendix 1 is the proposed response to the consultation on behalf of the Council. The Committee is being asked to approve this response so that it can be submitted by the 2 December 2019 deadline.
- 3.2 Members of the Committee are asked to note that at this stage there is no requirement for the Council to express a view on whether it would implement a transient visitor levy should legislation enabling this be introduced. The response is therefore based on the views of Council officers on the design and operational aspects of the legislation which is planned.
- 3.3 The Council's proposed response has not been subject to consultation with the local tourism industry in Angus on the basis that the industry is able to respond directly to the Government's public consultation. Clearly however any decision to implement such a levy in Angus would require consultation with all local stakeholders.
- 3.4 Assuming the legislation to implement a Transient Visitor Levy is passed by the Scottish Parliament a further report on the final terms of that legislation will be brought back to this Committee so that the Council's policy position on whether to implement such a levy can be considered.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no specific financial implications arising from the recommendations in this report.

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