

Integrated Impact Assessment

About proposal

What does this proposal relate to? Policy, Strategy, Action or delivery plan, Introduction of a new service, Budget savings proposal, Service plan or programme

Proposal name: Proposed consultation on the introduction of Visitor Levy Scheme

High level summary of the proposal: To exercise the Council's discretion to consult on the proposal to introduce a Visitor Levy Scheme.

New legislation in the form of the Visitor Levy (Scotland) Act 2024 gives Local Authorities in Scotland the power to introduce a visitor levy on eligible overnight accommodation in their area. The Highland Council proposal is to use these powers.

The Council will use the funds raised by the Visitor Levy to support investment to sustain, support or develop the visitor economy. This Integrated Impact Assessment (IIA) is for the proposal to consult on implementation of the Visitor Levy. Further IIA will be carried out examining the impacts of the spend programmes which will use revenue raised by the Visitor Levy once these have been confirmed.

Who may be affected by the proposal? Residents, businesses and visitors in the Highland area.

A Visitor Levy will introduce a new payment of a levy on overnight stays in certain type of accommodation. The new costs of the levy may be passed on to visitors who stay overnight in the area. Under the legislation the accommodation provider is liable to collect and remit this to the Council.

According to the Visitor Levy (Scotland) Act 2024, which has passed through the Scottish Parliament, the Levy must be charged at a percentage rate of the price paid. The calculation of the levy is explained in further detail below.

- Calculation of levy is based - the amount of the levy chargeable in respect of a chargeable transaction is calculated by—(a) taking the accommodation portion of the transaction, and (b)multiplying that amount by the percentage rate set by a local authority.

In particular, the accommodation portion does not include any amount reasonably attributable to the provision of—(a) meals or drinks,(b) parking for a motor vehicle (other than a parking area provided as overnight accommodation in respect of the transaction), (c) laundry facilities or services,(d) entertainment,(e) transportation to or from the accommodation..

The Visitor Levy (Scotland) Act 2024 states that a "local authority operating a VL scheme must use the net proceeds of the scheme... for the purposes of... developing, supporting and sustaining facilities and services which are substantially for or used by persons visiting for leisure or business purposes (or both)." This means that a Visitor Levy may raise new income for the area to benefit the visitor economy as well as residents, visitors and businesses.

Start date of proposal: 01/01/2019

End date of proposal: 01/07/2026

Does this proposal result in a change or impact to one or more Council service? Yes

Which Council services are impacted by this proposal? Corporate, People, Place

Does this relate to an existing proposal? No

Author details

Name: Lucy Lallah

Job title: Business Management Analyst

Email address: lucy.lallah@highland.gov.uk

Service: Corporate

Responsible officer details

Name: Sheila McKandie

Job title: Chief Officer Revenues & Commercialisation

Email address: Sheila.Armstrong@highland.gov.uk

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Evidence and consultation

What sources have you used to gather information relating to this proposal? Consultations, National or local data, National or local research, Customer feedback, Stakeholder engagement with partners and other relevant representative groups.

Are there any gaps or missing information in the available sources selected above? Yes

Describe the data gaps that exist: The Visitor Levy (Scotland) Act 2024 requires a statutory consultation take place prior to a decision to introduce a Visitor Levy Scheme.

Have any stakeholders been involved in the development of the proposal? Yes

Which stakeholders have been involved and how you have engaged with them? Extensive consultation in 2019, with nearly 7000 responses from a variety of sources (including online survey, focus groups, visitor questionnaires).

The Council has made use of its existing networks and processes to engage with relevant stakeholders to develop proposals in advance of the statutory consultation.

Ongoing engagement with sector representatives and other relevant bodies. National expert group, chaired by Visit Scotland, representing professional and sector bodies is developing statutory guidance. The importance of sector involvement is recognised with this being our largest industry sector.

Scottish Government figures for the Growth sector data across Scotland indicate that the Sustainable Tourism sector represents 39.6% of employment in Highland, our largest sector. This percentage is lower than pre-Covid, but has been increasing (Source: <https://www.gov.scot/publications/growth-sector-statistics/> - published Mar 2024).

In addition to involving stakeholders, have there been any other formal consultations? Yes

Provide details of the consultations: As identified above, there was extensive formal consultation in 2019, and the Visitor Levy (Scotland) Act 2024 requires statutory consultation prior to the decision to implement a Visitor Levy Scheme.

Will there need to be any further formal consultation undertaken prior to proposal implementation? Yes

How will you carry out these additional formal consultations and in what timescales? As identified above, there was extensive formal consultation in 2019, and the Visitor Levy (Scotland) Act 2024 requires statutory consultation prior to the decision to implement a Visitor Levy Scheme.

Equalities, poverty and human rights

Protected characteristics

Bearing in mind the articles of the Human Rights Act, select what impact the proposal will have on the following protected characteristics:

Sex: No impact

Age: No impact

Disability: Positive

Religion or belief: No impact

Race: No impact

Sexual orientation: No impact

Gender reassignment: No impact

Pregnancy and maternity: No impact

Marriage and civil partnership: No impact

Protected characteristics impact details: The Visitor Levy (Scotland) Act 2024 defines the meaning of overnight accommodation. A visitor levy would apply to all visitors using specified accommodation as set out in the Act. The Act sets out the types of accommodation which are not subject to the Levy. These are:

- (a) a local authority gypsy and traveller site or a registered social landlord gypsy and traveller site (those expressions having the same meaning as in Part 1 of schedule 1 of the Mobile Homes Act 1983), or
- (b) accommodation in a vehicle, or on board a vessel, that is undertaking a journey involving one or more overnight stops.

The Act provides for an exemption for those receiving specific disability benefits.

Some groups (older persons, those receiving gender-affirming treatment, pregnancy and maternity, disabilities) are arguably more likely to receive medical treatments and require the use of overnight accommodation. These groups may be negatively impacted by additional charges for accommodation.

Mitigation: Most of the patients travelling for medical treatment can apply to their NHS Board for support in relation to travel and accommodation. NHS policy states that patients can claim expenses from their local NHS Board. The Scottish Government's Young Patients Family Fund is available for patients aged under 18 years. It states "If you're the parent, primary carer or sibling (aged under 18) of a young inpatient under the age of 18 receiving hospital care, you can claim for the costs of travel and food...You also need to send evidence with your claim form. For example, receipts or bank statements for all public transport, parking and accommodation."

Vulnerable groups

Select what impact the proposal will have on the following vulnerable groups:

Unemployed: Positive

Lone parent families: Positive

Young children: Positive

Older people: Positive

Homeless: Positive

Looked after children: Positive

Low-income households (in-work poverty): Positive, Negative

Vulnerable groups impact details: Vulnerable Groups are listed in the Council's Integrated Impact Assessment tool as Unemployed, Lone parent families, Young children, Older people, Homeless, Looked after children and Low-income households (in-work poverty).

There will be positive impacts for vulnerable groups through sustaining, supporting and developing infrastructure and public services, skills training and employment.

There will be a negative impact on lone parent families and low-income households who will be subject to the Levy charge should they choose to stay in accommodation defined within the Visitor Levy (Scotland) Act 2024. In mitigation the Levy being charged at a percentage rate means that the Levy is applied proportionately to the budget of accommodation the visitor has chosen.

The Visitor Levy (Scotland) Act has been drafted to protect those who are experiencing socio-economic disadvantage from being liable to pay the levy.

A number of groups do not fall within the scope of the Act and are therefore not liable to pay a visitor levy charge. These groups, with the exception of those in receipt of specified disability payments, are not considered visitors to an area for business or leisure purposes and are therefore not liable to pay a levy charge. These groups are:

- i. being homeless or at risk of homelessness
- ii. very poor housing conditions (such as overcrowding, serious damp or disrepair)
- iii. experiencing domestic abuse or other forms of violence
- iv. someone's residence being unfit for habitation
- v. someone being an asylum seeker or refugee

Young people, more specifically families and school trips staying overnight may be impacted, as larger room costs are generally higher.

Mitigation: The Visitor Levy charge is based on room cost, rather than individuals staying in the room. Depending on hotel/accommodation rules, children under a certain age are not allowed to stay in rooms without an adult.

It would be difficult to apply an exemption based on age, due to the difficulties of distinguishing between individuals staying in the accommodation. The Levy being charged is applied proportionately to the budget of accommodation the visitor has chosen.

Human rights

Select what impact the proposal will have on the below human rights:

Article 8: Respect for private and family life, home, and correspondence: No impact

Article 9: Freedom of thought, belief and religion: No impact

Article 10: Freedom of expression: No impact

Article 11: Freedom of assembly and association: No impact

Article 12: Right to marry and start a family: No impact

Article 14: Protection from discrimination: Negative, No impact

Article 1, Protocol 1: Right to peaceful enjoyment of property: No impact

Article 2, Protocol 1: Right to education: No impact

Article 3, Protocol 1: Right to participate in free elections: No impact

Human rights impact details: The proposal to introduce a Visitor Levy Scheme does not affect:

- Respect for private and family life, home, and correspondence
- Freedom of thought, belief and religion
- Freedom of expression
- Freedom of assembly and association
- Right to marry and start a family
- Protection from discrimination
- Right to peaceful enjoyment of property
- Right to education
- Right to participate in free elections

This proposal does not remove or reduce the ability of an individual to enjoy any of the above rights.

People visiting those in prison or attending court proceedings may be negatively affected, as families affected by imprisonment often face financial stresses.

Mitigation: Funding is available (in the UK and in Scotland) for those visiting people in prison, which means that those with the most need will not be negatively affected by the implementation of a Visitor Levy.

Children's rights and wellbeing

What likely impact will the proposal have on children and young people? There is an indirect negative impact on children and young people as the Levy will be charged as a % of the room rate, therefore a family rate will include children. There is a direct negative impact for young people choosing to book accommodation for their personal use as they will be subject to the levy. As the levy is a percentage rate, this charge will be proportionate to the chosen cost of accommodation.

There is a direct positive impact with the Levy providing additional capacity to sustain, support or support skills, training opportunities and infrastructure and public services.

There will be a direct positive impact as a family with a child receiving specified disability benefits will be exempt from the Levy.

Impact

Select whether the proposal will have positive or negative impact on the following children's rights articles:

Article 3 - best interests of the child: No impact

Article 12 - respect for the views of the child: No impact

Article 23 - children with a disability: Positive

Article 27 - adequate standard of living: No impact

Article 28 - right to education: Positive

Article 29 - goals of education: No impact

Article 31 - leisure, play and culture: Positive, Negative

Children's rights impact details: There is an indirect negative impact on children and young people as the Levy will be charged as a % of the room rate, therefore a family rate will include children. There is a direct negative impact for young people choosing to book accommodation for their personal use as they will be subject to the levy. As the levy is a percentage rate, this charge will be proportionate to the chosen cost of accommodation.

There is a direct positive impact with the Levy providing additional capacity to sustain, support or support skills, training opportunities and infrastructure and public services.

There will be a direct positive impact as a family with a child receiving specified disability benefits will be exempt from the Levy.

Will the proposal impact any other UNCRC articles not listed above? No

Data protection

Lawfulness, fairness, and transparency

Why will you need to process personal data as part of this proposal? The proposed Visitor Levy Scheme, as prescribed in law, will require new datasets to be collected and processed. This is not limited to, but shall include, a register of accommodation providers, personal data relating to exemptions, billing, recovery and enforcement information. As with other data processes, the appropriate privacy statements and governance will be an integral part of this process

There is not anticipated to be a negative impact of Data Rights as a result of this proposal. Personal data will not be shared with other organisations.

For the consultation process, personal and business details will be captured. As with other data processes, the appropriate privacy statements and governance will be an integral part of this process.

Will the data subjects be aware that we are using their data for this purpose? Yes

Purpose limitation

Will the data be used for purposes other than what is set out in the proposal? Yes

What other purposes will the data be used for? The data will be used for reporting and monitoring purposes internally, and for planning and decision-making.

Will data be shared with other services or organisations? Yes

Which services or organisations will the data be shared with? Personal data will not be shared with other organisations. Non-personal data sharing will likely provide a rich source of information for the Council, communities, industries and partner agencies to plan, develop and inform decision-making.

How will this be monitored? Personal data will not be shared with other organisations, therefore a data sharing agreement will not be required.

Data minimisation

Will you process personal data as part of this proposal? Yes

Will you anonymise data where possible? Yes

Have you confirmed that you will only process the minimum data required to fulfil the purpose? Yes

Accuracy

How will you ensure data is kept up-to-date and accurate? The Council has existing processes in place for the purposes of taxation/levy and shall rely on these for the purpose of the Visitor Levy.

How will you monitor the quality of the data? The Council has existing processes that involve routine checks are place for the purposes of taxation/levy and shall rely on these for the purpose of the Visitor Levy.

Storage limitation

How long will the personal data be kept for? As the law prescribes, which is normally 20 years for the purpose of this type of data.

Is this included in the Council's retention schedule? Yes

How long will data shared with other parties be retained? Not applicable as we will not share personal data.

Does the IT system you use apply the retention appropriately? Yes - a national portal is being developed.

Integrity and confidentiality

Will you utilise the Council's existing systems to process data? Yes

List all systems that will be used to process data: Objective (consultation software), CIA (financial software), NEC R&B (database/financial software), new national Portal (interface and portal for returns)

Will data be held in the service provider's cloud? Yes

Detail the provider's security arrangements: For the majority of the systems to be used, these are existing corporate systems, such as CIA and NEC R&B. Any change to existing use will be monitored. The national portal is still in development with the Digital Office so there is no

documentation at this stage.

Provide details of how you will control access to the data: For the majority of the systems to be used, these are existing corporate systems, such as CIA and NEC R&B. Access permissions are already compliant and adopted corporately. The national portal is still in development with the Digital Office and controlled access to the required standard will be part of the design. There is no documentation at this stage.

How will you ensure that staff are aware of their responsibilities? With the use of established systems, staff training is a part of the access requirements for these systems, with support and training provided when a new user is given access. The design for the portal will have a requirement to provide training to those who will be accessing this system.

In addition, a Guidance document is currently being produced by VisitScotland in collaboration with representatives from the tourism industry, COSLA, Scottish Local Authorities and Scottish Government. The Visitor Levy (Scotland) Act 2024 includes that a Council must give due regard to the National Guidance before it is introduced. The Guidance is expected to be available in Summer/Autumn 2024.

Accountability

Is there an up to date privacy notice available on the Highland Council website? No

Do you have policies and procedures for staff to follow? Yes

What information will you provide to data subjects about how their data will be used? This will be contained within the privacy notice.

Risks

Have any risks been identified in relation to personal data? No

Island and mainland rural communities

What are the impacts on island and mainland rural communities? As the Levy will apply equitably across all of Highland, including the islands and the mainland rural communities, there will be positive impacts. The income generated from a Visitor Levy Scheme will provide the capacity to sustain, support and develop infrastructure and public services across Highland.

Will the delivery of the proposal vary between impacted communities?No

Climate change

The climate change full impact assessment does not currently sit within our digital tool. The climate change content is accessible either as an appendix to this document, or can be found on the [Impact Assessment Register](#).