ITEM 18

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Regulatory and Regeneration

Infrastructure, Regeneration and Economic Development Committee: 11 November 2026

Subject: Visitor Levy – Forecast Income and Proposed Allocation Framework

1. Purpose

1.1 The purpose of this report is to:

- propose an allocation framework for the distribution of Visitor Levy proceeds for consultation with the Visitor Levy Advisory Forum
- establish arrangements for the involvement of the Visitor Levy Advisory Forum in developing recommendations regarding future expenditure
- seek approval for the creation and administration of a Visitor Levy Tourism Grant Fund.

2. Recommendations

2.1 It is recommended that the Council:

1) Agrees that officers consult with the Visitor Levy Advisory Forum on proposals that:

   a) following deduction of administration and collection costs, Visitor Levy proceeds should be allocated on the basis of:

      - 70% towards investment in Council services which support the visitor economy, infrastructure, environmental management and destination enhancement
      - 30% towards a Tourism Development Allocation for specific tourism development initiatives identified in the Tourism Strategy and grant funding`

   b) the 30% Tourism Development Allocation be split between a maximum sum of the lesser of 50% or £150,000 per annum for a Visitor Levy Tourism Grants Fund with the remaining balance used to support implementation of priorities contained within the West Dunbartonshire Tourism Strategy;

2) Notes detailed proposals for expenditure in relation to the non-grant element of the Tourism Development Allocation will be considered by the Visitor Levy Advisory Forum before being remitted to the Infrastructure, Regeneration and Economic Development Committee.

3) Agrees the Visitor Levy Advisory Forum shall administer and determine awards from the Visitor Levy Tourism Grants Fund in

accordance with criteria approved by Council.

3. Background

3.1 The IRED Committee approved the introduction of a 5% Visitor Levy under powers contained within the Visitor Levy (Scotland) Act 2024 in November 2025.

3.2 The approved Scheme is scheduled to commence on 1 July 2027, applying to eligible accommodation bookings made on or after 1 October 2026.

3.3 Previous reports to the Infrastructure, Regeneration and Economic Development Committee on 12 November 2025 identified anticipated annual gross levy income of approximately £1.7 million per annum.

3.4 The legislation requires net levy proceeds to be used for expenditure which develops, supports or sustains facilities and services substantially used by visitors.

3.5 The Council has established the Visitor Levy Advisory Forum to provide stakeholder oversight and recommendations in relation to the operation and investment of Visitor Levy proceeds.

4. Main Issues

Gross Income Forecast and Net Available Funds

4.1 As noted in the approved Scheme and previous reports to committee, annual gross income is forecast at approximately £1.7 million in a full operational year.

4.2 The first year of operation is expected to be affected by advance bookings made before the qualifying date, resulting in a potential reduction in receipts. Current planning estimates are set out in Table 1.

Table 1

Year	Estimated Net Proceeds
2027/28	£1.04 million (pro rata year from July 2027)
2028/29	£1.47 million
2029/30	£1.47 million
Total	**£3.99 million**

Figures reflect known administration, collection and implementation costs and should be regarded as planning estimates pending final financial modelling.

Proposed Allocation

4.3 The report to the Infrastructure Regeneration and Economic Development Committee on the 12 November 2025 noted the funds collected from the Visitor Levy can be used to develop, support and sustain facilities that are substantially used by visitors for leisure and business purposes and the rationale and benefits behind the Visitor Levy were to:

- help diversify the income streams of the Council reducing reliance on traditional funding sources and in particular costs of supporting tourism that would otherwise place a financial burden on local taxpayers.
- help address the wear and tear on local infrastructure.
- alleviate pressure on local communities by funding projects that improve

the quality of life for residents.

- enhance the overall visitor experience by improving facilities and services.

4.4 Prior to distribution, the costs of administering the scheme (including staff, national payment administration system fees and the operator rebate to assist with their administration costs) will be deducted. An allowance of approximately £230,000 per annum has been allowed in the above estimates.

4.5 As available funds will vary due to external factors, principally the occupancy rates in any one year, the 30% Tourism Development Allocation will be monitored and adjusted on a six-monthly basis to ensure no deficit arises. The 70% Council service allocation will be considered annually through the Council budget process.

4.6 The Council's new Tourism Strategy is being presented to today's Infrastructure, Regeneration and Economic Development Committee. If adopted by the Council, it will provide a number of options for the development of tourism initiatives within West Dunbartonshire which may be fully, or partially, funded through application of the 30% Tourism Development Allocation.

4.7 The new Tourism Strategy also recommends the introduction of a Visitor Levy Tourism Grants Fund which if approved would provide a fund to support projects that enhance the visitor experience, strengthen business capability and encourage new visitor-facing activity. Potential support may include events, collaborative visitor experiences, interpretation, accessibility improvements, digital development, product development and small-scale visitor-facing enhancements. The funding criteria would be developed in partnership with the Visitor Levy Advisory Forum and would have an emphasis on visitor benefit, seasonality, collaboration, sustainability and deliverability.

4.8 In considering the allocation of visitor levy funding the Council must consider whether the services are substantially used by visitors rather than exclusively or predominantly used by visitors. It is also clear that services/ infrastructure need not only be expanded, enhanced or initiated but may also be sustained.

4.9 Applying these criteria the following areas have been identified as appropriate for support and subject to any amendment following consultation with the Visitor Levy Advisory Forum and the Loch Lomond and Trossachs National Park, will be presented to the Infrastructure, Regeneration and Economic Development Committee on 3 February 2027 for final agreement:

- Activities and Investments that enhance our Open Spaces and Town Centres
- Recreation
- Leisure
- Cultural Events and Spaces
- Litter Operations and Infrastructure
- Signage and Visitor Related Infrastructure

- Supporting the Night-time Economy
- Community Safety.

5. People Implications

5.1 The administration of the scheme, and ongoing support to businesses and the Visitor Forum is envisaged to require at least 1 FTE post and possibly some further enforcement and development support.

5.2 Any such posts will, be fully funded from the £230,000 allowance noted above.

6. Financial and Procurement Implications

6.1 It is anticipated the Visitor Levy income will be in line with Table 1, however as this is a projection based on available information on bedstock and assumed occupancy rates, it may be necessary to revise the estimates once real-time data is available.

6.2 The Council is required to account separately for the income and expenditure derived from the Visitor Levy.

7. Risk Analysis

7.1 Income figures above are projections based on availability of bedstock and assumed occupancy. There is a risk actual income may be less than estimated , either through initial reluctance to pay or through initial occupancy figures proving to be incorrect. In the first year this will be addressed through phasing the issue of any grant or new spend on tourism initiatives to match any shortfall. Thereafter future years' budgets will be adjusted to better match any income profiles.

8. Equalities Impact Assessment (EIA)

8.1 A full EIA (No1328) was undertaken at the time of the agreement to charge the Visitor Levy. No additional matters have arisen as a result of this report and the initial EIA is still considered relevant and applicable.

9. Consultation

9.1 Officers from Legal Services, Resources and Roads and Neighbourhood have been consulted in respect of this report. The Visitor Levy Forum and the Loch Lomond and Trossachs National Park will be consulted on the proposals before returning for final approval.

10. Strategic Assessment

10.1 The Council agreed its four main strategic priorities for 2022 – 2027. The proposal aligns with all four strategic priorities.

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Appendices: None

Background Papers: Report: West Dunbartonshire Visitor Levy, Infrastructure, Regeneration and Economic Development Committee on 12 November 2025

Wards Affected: All