

VISITOR LEVY • HIGHLAND

Reinvestment Framework



Draft Reinvestment Framework
Consultation / discussion document

September 2026

How would the net proceeds be invested?

The Visitor Levy (Scotland) Act 2024 requires local authorities operating a Visitor Levy (VL) scheme to apply net proceeds only for specified purposes. Funds must be used to support the achievement of the scheme's objectives and to develop, maintain and sustain facilities and services that are used by visitors for leisure or business purposes. While the Act sets clear parameters for the use of levy revenues, it also provides flexibility for local decision making.

This Reinvestment Framework provides a strategic basis for discussion on the potential use of Visitor Levy net proceeds. It is not a final investment programme and, given a decision on whether or not to introduce a levy is yet to be made, does not commit the Council to specific projects, funding allocations or delivery mechanisms. The legislation requires an 18 month 'implementation period' to allow for final plans to be put in place.

Scheme Objectives and Strategic Alignment

The proposed Visitor Levy scheme objectives for Highland are to:

- SUSTAIN public services and infrastructure used by businesses, communities and visitors to ensure the impacts of visitors are strategically and sustainably managed.
- SUPPORT the delivery of a thriving tourism sector offering a wide range of visitor experiences by working together, in partnership, with businesses, visitors and communities.
- DEVELOP innovative approaches to balance strategic demands and opportunities ensuring that Highland achieves its full potential as a highly positioned destination for visitors.

The Visitor Levy scheme objectives have been developed directly from the priorities, outcomes and evidence contained within the [Sustainable Tourism Strategy 2024-2030](#) for Highland. The Sustainable Tourism Strategy establishes the Council's long-term vision for a thriving tourism industry that is effectively managed, delivers positive outcomes for communities and the environment, and provides outstanding visitor experiences.

The Sustainable Tourism Strategy sets out four key priority outcomes:

PRIORITY	OUTCOME
Communities	Tourism must be a force for good for all Highland communities and a means to improve our quality of life, enhance our culture and heritage, provide high-quality job opportunities for Highland people and address demographic challenges.
Environment	Highland to be a leading example of a climate-resilient tourism destination, which has taken responsibility for and the necessary actions to ensure tourism enhances the natural environment while addressing the risks and impacts of climate change.
Economy	A vibrant, dynamic and resilient industry that develops attractive careers and job opportunities, has year-round appeal, is spread evenly across the region and contributes towards a greener future.
Visitors	Visitors embrace slow tourism, are conscious of and act responsibly towards our local heritage, communities and the environment, have exceptional and authentic experiences across Highland and are met with a warm Highland welcome.

The proposed investment priorities would therefore contribute towards delivering the wider vision of a thriving tourism sector which delivers positive outcomes for communities, visitors, businesses and the environment across Highland.

Investment decisions would not be made in isolation but would be shaped by existing strategic priorities, community-led plans and partner investment frameworks, helping to ensure that Visitor Levy proceeds deliver the greatest possible benefit for Highland's communities, businesses and visitors.

This would include consideration of:

- The Council's Programme and related Delivery Plans
- Area Place Plans
- Locality Plans and other community-led frameworks
- Relevant tourism, economic development, transport, cultural and infrastructure strategies
- Partner investment plans and priorities

This approach ensures that investment is rooted in both strategic priorities and local circumstances, helping maximise benefits for communities, businesses and visitors.

What could the net proceeds be spent on?

The Visitor Levy would provide a unique opportunity to transform investment in facilities and services that support visitors, businesses and communities.

The use of net proceeds would be guided by the following indicative allocations across the Priority Areas set out in the Sustainable Tourism Strategy.

INDICATIVE SHARE	PRIORITY AREA
50%	Effective Visitor Management – Infrastructure & Services
15%	Unlocking Tourism Benefits for Our Communities
20%	Celebrating Our Culture and Heritage
15%	Business Growth and Skilled Workforce

Rather than being treated as a standalone funding theme, environmental stewardship, climate resilience and sustainable tourism principles (Protecting Our Environment) would be embedded across all investment categories. This approach allows Visitor Levy income to contribute towards both economic and environmental outcomes, rather than limiting environmental investment to a single dedicated budget allocation.



Investment Principles

The allocation and use of Visitor Levy net proceeds would be guided by a set of investment principles designed to ensure funding delivers long-term benefits for communities, businesses and visitors across Highland.

- Support the Scheme Objectives and the requirements of the Visitor Levy (Scotland) Act 2024.
- Deliver community benefit by helping communities share in the positive impacts of tourism and addressing challenges associated with visitor activity.
- Support sustainable tourism by embedding environmental stewardship, climate resilience and responsible tourism principles across all investment decisions.
- Strengthen Highland's economy by supporting business growth, skills development, community wealth-building and a resilient year-round visitor economy.
- Support strategic and local priorities by ensuring investment addresses both community needs and wider regional opportunities.
- Deliver value for money through evidence-based investment that achieves measurable outcomes.
- Maximise impact by working collaboratively and leveraging additional investment wherever appropriate.
- Be transparent and accountable through clear governance, reporting and stakeholder engagement.

This distribution of levy proceeds is reflective of the feedback received during the formal consultations and taking account of the wide range of engagement undertaken.

Funding decisions would be informed by these principles alongside evidence of need, stakeholder engagement, deliverability and anticipated contribution towards the Scheme's objectives.

Set out below are the types of projects which could be delivered as part of investing levy proceeds. Detailed work and engagement regarding specific projects and funding allocations would still need to take place during the implementation period, with the aim of presenting a full initial investment programme to relevant strategic committees/Council, as part of the Council's financial decision-making process.

ILLUSTRATIVE SCENARIO | £9 MILLION ANNUAL NET PROCEEDS

Indicative allocations below show what the percentages could represent annually.

Effective Visitor Management - Infrastructure and Services (50%)

INDICATIVE ANNUAL ALLOCATION **£4.5m**

Tourism places significant demands on infrastructure and public services across Highland. This investment area would focus on developing, supporting and sustaining the facilities, services and infrastructure that help communities and businesses accommodate visitor activity while maintaining a high-quality visitor experience and supporting Highland's reputation as a world-class destination.

Investment opportunities could include:

- Permanent Highland-wide Ranger services to improve visitor management, education, stewardship and enforcement activity.
- Support and develop transport infrastructure to create a more sustainable and connected destination, including public transport, path network, active travel, viewpoints and lay-bys.
- Develop visitor information, interpretation, wayfinding and other signage.
- Sustain and develop public conveniences, parking facilities, waste management infrastructure and litter services.
- Develop digital visitor management tools and visitor information systems.
- Support and develop Police Scotland's operations relating to visitor management, road safety and community safety.



Unlocking Tourism Benefits for Our Communities (15%)

INDICATIVE ANNUAL ALLOCATION **£1.35m**

This investment area would focus on helping communities shape, influence and benefit from tourism, building local resilience and ensuring that tourism contributes positively to community wellbeing. In particular, investment could help tackle housing pressures, support community wealth-building and deliver priorities identified through place-based plans and community-led development frameworks across Highland.

Investment opportunities could include:

- Creation of a Visitor Levy Housing Investment Fund which could be used to help tackle challenges with tourism workforce accommodation, housing pressures arising from visitor demand, and sustaining the visitor economy.
- Creation of a Community & Cultural Tourism Investment Fund to support place-based improvements and enhancement of local amenities and services, capacity-building for community organisations, community-led initiatives and enterprises, improvements to the public realm and our public spaces.
 - *This could form part of an additional funding streams to the Community Regeneration Fund (CRF) to support grass roots level community-led schemes which are tourism related. Many applications to CRF already have a strong tourism element (either to address pressures and/or community enterprise projects). Bolstering this would provide direct opportunities for communities to benefit from the visitor levy while enhancing the visitor experience.*
- Community-led tourism projects and community facilities that support both residents and visitors, particularly where projects encourage visitors to spend more time and money within local communities.
- Establish clearer channels to actively engage local communities as valued stakeholders in tourism development and delivery.



Celebrating Our Culture and Heritage (20%)

INDICATIVE ANNUAL ALLOCATION **£1.8 million**

Highland's culture, heritage and events are central to both community identity and the visitor experience. This investment area would support the preservation, enhancement and promotion of the unique assets that distinguish Highland as a world-class destination, while helping communities derive greater social, cultural and economic benefit from them. Investment could also support efforts to increase visitor spend, encourage longer stays and promote a greater year-round and geographic spread of tourism activity across Highland.

Investment opportunities could include:

- Dedicated support for the events and entertainment industry including grant funding, coordination and partnership support – all of which will be underpinned and shaped by a new Highland Events Strategy produced in partnership with industry and other stakeholders.
- Support Gaelic language and other Highland heritage and cultural initiatives, assets, attractions and venues which are integral to the appeal of the region for visitors.
- Development of ancestral tourism, place-based storytelling and interpretation projects.
- Support for the creative industries where they contribute to the visitor economy.
- An additional allocation to the Community & Cultural Tourism Investment Fund could be introduced to provide funding for tourism related projects which deliver heritage conservation and interpretation, support the creative industry, improve and promote visitor attractions.



Business Growth and Skilled Workforce (15%)

INDICATIVE ANNUAL ALLOCATION **£1.35 million**

A successful visitor economy depends upon a resilient business base, a skilled workforce and continued investment in destination development. This allocation would support initiatives that strengthen the long-term competitiveness and sustainability of Highland's tourism sector, complementing activity already delivered by organisations such as Business Gateway, Highlands and Islands Enterprise and VisitScotland.

Investment opportunities could include:

- Destination and product development projects, such as marketing and low season demand-generation campaigns.
- Support for business events, conferences and convention bureau activity to help grow the MICE sector in Highland.
- Collaborative projects delivered through Destination Management Organisations and industry partnerships.
- Market intelligence, visitor research and data-led tourism development to better inform public sector and industry decision making.
- Business support and innovation grants to help tourism enterprises grow, diversify, and adopt sustainable practices.
- Tourism and hospitality skills development and training programmes to address recruitment challenges and upskill the workforce, such as apprenticeships and career pathways to attract young people into tourism and hospitality careers.
- Digital transformation support, including e-commerce, marketing, and data tools
- Collaborative programmes with Business Gateway, HIE, and other partners to deliver tailored advice, mentoring, and sector specific support.



How will decisions on the proceeds be made?

Strategic Investment and Funding Leverage

Visitor Levy proceeds may support investment at a range of scales, from projects addressing local priorities and visitor pressures within individual communities through to strategic initiatives delivering benefits across multiple destinations and the wider Highland visitor economy.

The Council recognises the importance of communities and businesses being able to see tangible benefits from Visitor Levy investment in their area. Equally, some opportunities and challenges are best addressed through coordinated investment at a regional scale. Investment planning will therefore seek to balance local priorities with strategic opportunities, ensuring levy proceeds deliver the greatest overall benefit for Highland's communities, businesses and visitors.

Visitor Levy proceeds may also be used alongside other funding sources to maximise impact and leverage additional investment from regional, national and third-sector partners.

Governance

The Council recognises that strong governance arrangements will be fundamental to maintaining confidence in the Visitor Levy and ensuring that revenues are invested transparently, effectively and in line with the objectives of the Scheme.

As this is a draft scheme for consultation purposes, detailed governance arrangements have not yet been finalised. Should a Visitor Levy be approved, these arrangements would be developed during the statutory implementation period in partnership with representatives from industry, our communities and other stakeholders.

The governance framework would be expected to reflect the principles of transparency, accountability, inclusiveness and effective stakeholder engagement. It would also ensure that investment decisions remain aligned with the requirements of the Visitor Levy (Scotland) Act 2024 and the agreed objectives of the Highland Visitor Levy Scheme.

As part of the Highland Council area is designated within the Cairngorms National Park, the Council will regularly engage with the Cairngorms National Park Authority and have regard to the Cairngorms National Park Partnership Plan.

It is anticipated that final arrangements would include:

- a clear role for elected Members within the Council's existing governance structure;
- formal mechanisms for business and community engagement;
- transparent reporting on income, expenditure and outcomes achieved;
- regular review of investment priorities and programme performance;
- proportionate monitoring and evaluation arrangements.

Developing Investment Priorities

The Council intends that Visitor Levy revenues would be invested through a planned programme of activity rather than through individual funding decisions taken in isolation.

During the implementation period, further work would be undertaken with communities, businesses, public sector partners and other stakeholders to develop an initial Delivery Programme setting out proposed investment priorities, projects and outcomes.

This approach would help ensure that levy proceeds are directed towards agreed strategic priorities while retaining flexibility to respond to emerging opportunities, changing visitor trends and local circumstances.

Investment proposals may originate from a range of sources, including Council services, community priorities, industry feedback, partner organisations, existing strategies and evidence gathered through monitoring and engagement activity.

Highland Visitor Levy Forum

Subject to the introduction of a Visitor Levy, the Council proposes to establish a Highland Visitor Levy Forum in accordance with the requirements of the legislation. The Forum would provide a formal mechanism through which businesses, communities and partner organisations can contribute to the ongoing operation of the Scheme and help shape priorities for the use of Visitor Levy proceeds.

The Forum would play a central role in informing strategic investment priorities, reviewing the performance of the Scheme, considering emerging opportunities and challenges, and providing advice to the Council on the allocation of Visitor Levy revenues. It would also contribute to the development and periodic review of the Delivery Programme, helping to ensure that investment reflects both regional priorities and local needs.

While the Forum would have an important role in shaping priorities and informing investment decisions, responsibility for approving expenditure and determining the allocation of Visitor Levy revenues would remain with Highland Council through the appropriate governance arrangements.

Decision Making

It is currently anticipated that investment proposals would be developed by officers in conjunction with partners and stakeholders, informed by the agreed Reinvestment Framework and Delivery Programme.

The Highland Visitor Levy Forum would have the opportunity to consider and comment on proposed priorities and investment programmes before recommendations are presented through the Council's governance structure.

Final decisions regarding the allocation of Visitor Levy revenues would remain the responsibility of Highland Council and/or the relevant Strategic Committee in accordance with the Council's Scheme of Delegation and governance arrangements.

How will performance be reported?

The Council would ensure transparent reporting and regular review of any Visitor Levy Scheme. All expenditure proposals would be assessed against Scheme objectives and legislative requirements.

In addition to statutory reporting requirements, the Council will seek to provide public reporting on:

- Levy income collected.
- Investment by theme.
- Delivery progress.
- Key outcomes achieved.
- Geographic distribution of investment.

This would support transparency and help businesses, communities and visitors understand the benefits generated through the scheme.

Annual Reporting

Each year, the Highland Council will prepare an Annual Report for the Visitor Levy Scheme. This report will detail how the net proceeds - defined as the funds collected minus the costs of operating the levy - have been used. It will also outline progress made towards achieving the Scheme's objectives.

These reports will be presented to the relevant Strategic Committee or to a full meeting of the Highland Council. In addition, the Council will engage with the Highland Visitor Levy Forum on the content of the reports, seeking advice on operational matters and ensuring transparency in how decisions are made.

Three-Year Review

At least once every three years, a formal review of the Scheme will be undertaken. The findings of this review will be reported to the appropriate Strategic Committee or to the Highland Council. The Visitor Levy Forum will be consulted as part of this process, helping to ensure that the Scheme remains responsive to regional needs and priorities.

Reporting to the Scottish Government

In line with national requirements, the Council will also report to the Scottish Government on several key aspects of the Scheme. This includes the total amount collected, how the net proceeds are being used, and evidence demonstrating that investments align with the commitments made under the Scheme.

Administration, Collection and Financial Management

Administrative costs

The Council will incur costs associated with administering, collecting, monitoring and reporting on the Visitor Levy Scheme.

For planning purposes, annual administrative costs are currently estimated at approximately £550,000 per annum, although this figure will be refined during the implementation period. These costs would be met from levy income before the calculation of net proceeds available for reinvestment.

Administrative costs would include operation of the collection system, customer support, compliance and monitoring activity, financial administration, governance, reporting and evaluation arrangements required to operate the scheme effectively.

The Council would publish annual information on the costs of administering the scheme as part of its statutory reporting arrangements, ensuring transparency and accountability in the management of visitor levy income.

Contingency - 5%

To ensure the long-term sustainability of investments supported through the Visitor Levy, a proportion of levy income will be set aside to provide financial resilience against future fluctuations in revenues or unforeseen operational requirements. It is currently proposed that up to 5% of levy income could be allocated to this reserve, subject to further development of the Scheme's financial arrangements during the implementation period.

Accommodation Provider Collection Fee - 5%

Consistent with the flexibilities available under the Visitor Levy (Scotland) Act 2024, the Council proposes to allow accommodation providers to retain 5% of the levy collected in recognition of the set up costs and the administrative role they undertake in collecting and remitting levy income.

NHS patient contributions

To help mitigate the impact of the visitor levy on patients required to stay overnight in the Highlands for medical treatment, an annual grant will be provided to the NHS Highland Patient Travel Scheme. This funding will ensure that the patient allowance for overnight stays is increased to cover any additional costs associated with the levy.

By providing direct financial support, the Council avoids placing additional administration on NHS patients through exemption or reimbursement processes. Final agreement of the annual grant will be reached during the implementation period. This approach ensures that patients are not disadvantaged while maintaining the integrity and fairness of the visitor levy scheme.

What difference will the reinvestment of Visitor Levy proceeds make in Highland?

A transformational opportunity for Highland

The proposed framework would create a significant source of locally controlled funding while giving communities, businesses and partners a role in shaping how investment is prioritised and delivered.

The introduction of a Visitor Levy has the potential to create a transformational source of investment for Highland's visitor economy. More significantly, it would provide an opportunity for communities, businesses and partners to help shape how investment is prioritised and delivered across the region.

The investment framework set out above reflects many of the priorities, opportunities and challenges identified through the Sustainable Tourism Strategy, community plans and wider stakeholder engagement over many years. Whether investing in visitor infrastructure, supporting communities, enhancing culture and heritage, addressing workforce challenges or developing Highland's tourism offer, a Visitor Levy could provide the long-term funding platform needed to turn shared ambitions into deliverable programmes of investment.

By providing a significant source of locally controlled funding, the levy would support a more planned, coordinated and sustainable approach to investment, reducing reliance on short term and increasingly competitive external funding programmes, while helping Highland take greater ownership of its tourism future and the long-term development of its visitor economy.

