

Cross-Party Group on Recreational Boating and Marine Tourism

Tuesday 26th September 2023 at 6pm

Minute

Present

MSPs

Stuart McMillan, MSP

Emma Harper, MSP

Invited guests

Tom Arthur MSP, Minister for Community Wealth and Public Finance.

Non-MSP Group Members

In person attendees

Pauline McGrow

Alan Kohler

Gordon Daly

Jonathan Mosse

Charles Bird

Ben Haynes, Minister Official

Seonaid, (Stuart McMillan's office)

John Telfer

Online attendees

Derek Peters

Andrew Rendle

Duncan Tannahill

Graham Russell, RYA Scotland

Simon McDonald, Consultant , USA Global TV

Annabel Lawrence, Board member RYA Scotland

Sarah Kennedy, Fort William Marina & Shoreline Community Interest Company

Simon Limb, MD Clyde Marina/British Marine Scotland

Laurie Piper, Scottish Canals

Finlo Cottier, CEO, RYA Scotland

Clair McFarlan, Solway Firth Partnership

John Paterson, CEO, Scottish Canals
Martin Latimer, Joint Chair of British Marine Scotland/waterfront consultancy
Fanny Royanez, Scottish Environment Link
Aileen Monk, British Marine Scotland
Stuart Smith, Scottish Canoe Association
Joanna Richardson, British Marine - Public Affairs

Apologies

Eilid Ormiston
Momchil Terziev
Paul Bancks, Crown Estate Scotland
Katy Clark MSP
Lawrence Durden, Skills Development Scotland
Fred Moore, Cruise Loch Lomond Ltd
David Adams McGilp, VisitScotland
David Davies, Stranraer Watersports Association
Finlay Carson MSP
Alex Rowley MSP
Sharon Dowey MSP
Glenn Porter, Ocean Sailing Scotland

Agenda item 1 - Welcome and Apologies

Stuart McMillan MSP welcomed everyone to the meeting and introductions were made.

Agenda Item 2 – Minutes and Action Points from last meeting

The minutes were approved as an accurate record.

Proposed: Duncan Tannahill

Seconded: Sarah Kennedy

Agenda item 3 – Visitor Tourism Levy Bill

Tom Arthur MSP, Minister for Community Wealth and Public Finance

SMCM reported that he wrote to the Minister asking if cruise ships could be added to the bill. The Government are talking to COSLA about the bill and also highlighted the response that was submitted to the committee regarding the boating sector and the challenges that they would face if the levy was introduced. SMCM stated that he was delighted that the Minister could attend this evening.

The Minister outlined the Visitor Levy Bill aspects and explained that this was legislation that had a period of gestation prior to 2020. It was launched in Spring this year with COSLA. It provides a discretionary power for individual local authorities, and they can decide on how to use the levy for overnight accommodation. It would be a percentage of accommodation charge. The local authorities would determine the charge; they would require to consult with businesses so that they can be clear on what would be done with the revenue received and it should be reinvested into visitor services.

Visitor levies are prominent in other countries. The Cruise ship levy has not been included in the bill. Legislation focusses on overnight accommodation and as this would require a lot of policy development; so, they were not in a position to introduce it at this time. There has been interest from COSLA on what the cruise levy could look like, and this will be considered as it develops.

Timescales – the call for written evidence closed earlier this month. Oral evidence will now be taken. Spring 2026 would be timing of the introduction of the bill and there would require to be an 18-month lead in time for the local authorities. The Minister has asked VisitScotland to introduce guidance to assist with the process.

There then followed an opportunity for questions:

Charles Bird (Chair of RYA Scotland Cruising and General Purposes Committee) stated that the levy is for overnight accommodation however they have included moorings and berthings in the draft legislation. CB further explained that these are safe havens for those to keep their vessels and not all vessels are suitable for accommodating people.

Moorings are run by local moorings organisations and there are financial penalties for those who do not adhere to the bill. This could have a detrimental effect on other aspects of the local economy, pubs, restaurants etc. It would mean that there would not be a safe haven for boats. CB asked what was the thinking behind moorings and berthings being included.

The Minister stated that we will consider the written evidence to ensure that the legislation is not inadvertently capturing certain activity. We want to ensure that there is no unintentional capture and stated that he would be happy to pick up on the detail separately. There will be powers of exemption for local authorities. We need to have consistency of approach and to ensure that the local authorities can respond to particular local challenges.

Gordon Daly (RYA Scotland/Inland Waterways for All) gave an example of someone coming from Whitehaven to Solway YC to drop anchor; they would be fine but if they came along to the pontoon they would then have to pay. The Solway YC would find this a very onerous process. The Minister stated that this is a discretionary power for local authorities; they require to devise a visitor levy scheme and it would be dependent on particular areas or needs for the economy. It is a local arrangement. It is a decision for the local authority to decide if they want to introduce visitor levy and the administration needs to be easy and we don't want this to be cumbersome. Guidance will be given to ensure that local authorities are informed on whether they want to introduce the levy and they will liaise with businesses so that they can be clear about what the revenue is for. We want it to be a force for good and use the revenue to invest back into visitor economy.

Simon Limb (British Marine Scotland) – The majority of our industry do not sell accommodation; it is charged as yearly berthing rather than nightly rate. We would be charging a percentage of an annual berthing charge, and this would be totally inappropriate. There will be different taxation levels for different areas. It would skew the market and make people consider the different areas they would visit. Berthing is for storage not accommodation. The Minister stated that he will take this back and will reflect on this. There could be unintended consequences. If there is going to be market distortion and behaviour change; local authorities will require to take this into account and decide whether they

will introduce the levy and they also can decide what areas they would apply the levy to. The legislation would allow for multiple local authorities to work towards a joint visitor levy scheme. e.g., for example, National Park could be one where local authorities come together to have one levy scheme.

Simon McDonald (Fisheries Aquaculture and Processing Consultant) reported that he is currently doing consultancy work in Plockton, and the overall feeling is one of concern with the accommodation providers and vessels. This is an extra cost in the administration, and they are already working to tight margins. The Minister reiterated that it is discretionary, and the admin cost would be minimal. Accommodation providers are already using systems that the levy can be applied with. We need to look at how this would work operationally. We have a representative from the Scottish Tourism Alliance who is representing hospitality to ensure that we have a wide range of experience to feed into the process. We would look to ensure that we minimise compliance costs.

The Minister stated that admin costs is a priority for him to consider. He has a meeting scheduled with the Scottish Tourism Alliance on Monday 2nd October. We have to consider from the outset about the compliance costs and to capitalise on the visitor economy and this can play an important role for sustainability and is about enhancing the visitor economy. The Minister stated that he wanted to assure the CPG members that this is their priority. The Minister asked the members if they there were any issues that they wished to feed in to please contact him.

Duncan Tannahill (Secretary of West Highland Anchorages and Moorings Association) stated that people have their boats in a marina or a permanent mooring, many boat owners will use their boats 4-6 weeks per year so the visitor levy cost would be unreasonable. If the boat owner decided to go to other marinas and other visitor moorings, they could end up paying this twice for both their “home marina” and when they pick up berths or moorings in another marina. DT expressed his concern about the effect on small organisations, the administration and the income would only amount to a few £100s a year so would not be beneficial to them. Another concern is that there are people using moorings and not paying for them (loss of £20 approx per head). This in turn would encourage people not to be honest and not pay at all. DT asked what is your knowledge of levy being charged on leisure marine use. The Minister stated that they have drawn up a business impact assessment and this details how this applies across Europe.

In relation to the point raised about big cities; the Minister stated that Highland Council are not intending to simply introduce across all the Highlands; they will be focussed on Inverness or Skye. It would then be for them to determine and engage about what they would introduce, and this would be a local decision.

Moorings – The Minister stated that he will have further reflection on this and ensure that local authorities do not have unintended consequences.

Action: The Minister will write back to CPG so that more dedicated discussion can be arranged to discuss these finer points. CPG members to identity a number of stakeholders to have a face to face and online meeting to offer practical feedback and challenge to discuss and offer reassurance to ensure unintended consequences. SMCM thanked the Minister very much for the offer.

Alan Kohler (Cruising Association)

AK thanked the Minister for coming along to the meeting and for the offer of further discussion. AK provided details of his sailing experience this year; 100 days sailing across Scotland and explained that while there are big marinas in Clyde, Oban and the Forth, they are largely parking spaces for boats and have neither visitors or accommodation. By contrast, there are visitor moorings in for example Rum, Canna, North Uist and Loch Maddy that only have a small number of moorings, are only used sparingly and are run by community volunteers, you pay by honesty box 5 and there are no

staff offices. These small communities are reliant on that income. In the legislation and of the 31 pages there are 16 pages all about penalties; this will not encourage you to provide moorings or be a volunteer.

AK suggested there should be a minimum turnover size for small operators, below which the Visitor levy would not be applied. By the figures contained in the supporting financial impact analysis (Para 63, table 4) a typical micro business would incur extra running costs of £200-£850 per annum. Hence, with the illustrative rate of 1% levy, for any business with revenue below £20k-£85k p/a the costs of administration would exceed the gross income from the Levy.

The Minister stated that they will make that assessment looking at admin costs versus levy costs. All the particular concerns are very important and local authorities can apply exemptions. It does not need to be authority wide by default and they can also decide to make it seasonal as well. It would be a decision for the local authority to apply the visitor levy. AK stated that we need to have accountability from the Scottish Parliament and not just have it left to the local authorities and need to have safeguard for local micro businesses and community groups.

The Minister stated that it is a local tier of government; we have signed up a new deal with local government to enable them to have more powers and have a level of discretion. The Minister further explained that at Stage 2 we will look at detailed amendments. We recognise that this is about fiscal power being given to local government to enable them to develop their local economies. SMCM outlined about the stage 2 process, evidence will go into the committee, SMCM encouraged members to write into the committees. Action: CPG member organisations to consider giving evidence to the committee.

Martin Latimer (British Marine Scotland) raised that British Marine Scotland were not consulted on the bill and they have submitted a response outlining that we provide a facility for accommodation but is not in our ownership or control. ML further stated that he was concerned about the term flexibility; the legislation is concise and guides local authorities. Flexibility can cause confusion, where it cannot be applied. It is important the consultation is very detailed. We need to guarantee that British Marine Scotland will be included in the consultation.

Graham Russell (RYA Scotland Planning and Environment Officer) stated that there is a clear link between visitors and meeting their requirements. What are the particular costs met by local authorities for boat users. We would like to know what the costs are that they would be paying for. The Minister stated that in terms of what the revenue would be used for, it would be supplementary to other revenue and the local authority would need to report on how it would be spent. Prior to the introduction they would need to outline what the objectives are of the scheme. This ensures that there is transparency and also an opportunity for engagement. The Minister stated that there is flexibility, and it sets out clear commitment to fiscal powers for local authorities. They are democratically responsible to their constituents. We are seeking to have flexibility to respond to the circumstances within their areas. The Minister further stated that we have developed an expert group with VisitScotland running this to ensure that we get this guidance right.

The Visitor economy is distinct to each area and taken democratically in consultation with local communities to ensure that is right for that area.

SMCD asked how live on board vessels on pontoons and moorings and marinas and canals would be separated from home or tourism. The Minister stated that anything considered a home would not be chargeable and not be part of the tourism levy.

CB thanked the Minister for coming along and being open to further discussion. CB reiterated that we are not against the visitor levy; it is more about berthing and moorings and gave his thanks for round table offer.

The Minister stated that he was grateful for the critical challenge and thanked the CPG members for their time and said it is about getting this right.

Agenda Items 4 – Hydrotreated Vegetable Oil – Jonathan Mosse

JM provided an outline of the current situation based on the papers that were circulated. We are currently in the interim fuel stage, and we want to move to electric propulsion with legacy diesels. We need to have a sustainable way of using them. We have identified HVO as the answer and it has been tested it and will run in any engine and any mixture and is 90% carbon neutral. There is no smell or smoke from the fuel.

The next step is what we do about it?

We sent a letter to the Department of Transport to outline problems. We received a response and set out our policy. If we use for domestic purposes, we can benefit from the subsidy otherwise it becomes too expensive to use. Several letters have been submitted but no progress to date. We then found Ukraine and energy crisis and parked it until the spring. The Cruising Association, Inland Waterways Association and RYA Scotland indicated that they would like to get involved and put together a campaign to try and get HVO affordable. The “Recreational boating sector” have subsidised fuel for propulsion in the inland waterways, it changes if it is summer and winter and there are many anomalies. We have now sent a letter to Transport Minister, Minister and other government departments. We will keep on pursuing the principle, JM gave an example of MP that has buildings run by HVO, tabled private members bill and asked for it to be used for domestic purposes. This is now making progress and amendment going into environmental bill. We can use this as precedent for boaters going forward.

JM explained that Scottish canals equipment are running on HVO, and you are able to buy it on the lowland canals. There then followed an opportunity for questions:

ML stated that pricing is going to be an issue, but hopefully this will resolve itself. Boat owners may not be inspired to use it due to the high cost. The ability for marinas to provide a pricing network is highly unlikely. We really need to push HVO as part of British Marine Scotland. Electric charging may not be viable across Scotland.

GR stated that he was pleased with progress, but we could look to see what the Scottish Government is doing to encourage the production of HVO in Scotland. We have green ports in Scotland, and they may be appropriate for manufacturing HVO. SL asked can you intermix HVO and diesel in the same tank. JM confirmed that this can be done. AK stated the Cruising Association did a study on electric propulsion and we see it as complementary. Electric is viable today for categories of usage, such as small dinghies. There is a lot of demand for electric outboards. There will be demand for diesel for some time. It is a complicated situation with a mixture of electric and HVO.

SMCM asked about Green Free Ports and asked if they had details of the quantity of HVO that is being utilised in Scotland and across UK. JM stated that it is the feed stock that matters and is being used by diesel. There will always be a worry that we are actually using feed stock from fresh oil to be used for growing feed on. As the demand has increased, we get this from Asia and China, it is much more difficult to come up with a good certification scheme. It is very difficult to plot the trend of this food stock. SMCM suggested that it may be a much easier process to bring someone in to manufacture in Scotland rather than import however appreciated that this may take some time to develop.

GD reported that the Chief Harbour Master at Forth Ports gave a good presentation on the Green Free Port concept and system. **Action: It was agreed to invite Chief Harbour Master at Forth Ports to a future meeting. (GD to pass details to PM).**

Agenda Items 5 – AOCB/Future Business

Acton Points from 7th February 2023

- Invite Skills Development Scotland to a future meeting.
(Lawrence Durden unable to attend so this will be moved to another time)
- Contact be made with each of the 32 local authorities (education directors) to make them aware and also provide a list of the types of jobs available so that they can feed into Modern Apprenticeship Week. **(Action ongoing)**

Actions from 26th September 2023 Meeting

- Agenda to be drawn up for 28th Nov.
- Identify people to attend a round table discussion with the Minister to discuss Visitor Levy in further detail. **Meeting taking place on 17th November 2023.**
- Invite Cruise Liner Association to a future meeting. – **obtain contact from SMCM.**
- David Adams McGilp and Cathy Craig – Argyll and Isles Partnership – **to be invited to present in February 24 meeting (date to be arranged)**
- Visitor Levy - CPG member organisations to consider giving evidence to the committee.
- GD reported that the Chief Harbour Master at Forth Ports gave a good presentation on the Green Free Port concept and system. **It was agreed to invite Chief Harbour Master at Forth Ports to a future meeting. GD to pass details to PM.**
Update: Details now received, decide on date for invitation.

Agenda Item 6 - Date of Next Meeting

Tuesday 28th November 2023 at 6pm at the Scottish Parliament.
(Hybrid meeting) (including AGM)