

Visitor Levy

Visitor Levy (Scotland) Act 2024



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- Background
- Key points on visitor levy
- Process to be followed
- Flexibilities for councils
- Funding
- Beyond the Act
- Scottish Government role
- Potential cruise ship levy



Background

- 2018-2019 – National Discussion events
- 2019 – Public consultation
- 2020 – Work paused; restarts in 2021
- Sept 2022 – PfG announces Bill
- May 2023 – Bill introduced
- June 2023 to April 2024 – Bill in Parliament
- May 2024 – Final vote on Bill
- July 2024 – Royal Assent
- 20 September 2024 – Fully in force



Key points

- Power for local authorities
- Act creates a structure for that power
- Part of a visitor levy scheme
- Applies to ‘overnight accommodation’
- % rate of accommodation cost
- Collected by accommodation provider
- Remitted to local authority
- Used in line with objectives for scheme and other provisions



Process to be followed

- Consultation required under the Act
- Council must set out:
 - Outline of the visitor levy scheme
 - Objectives of the scheme
 - Any exemptions
 - Assessment of impacts
- Council must consult:
 - communities, tourism businesses, local tourist organisations
 - Others affected by the proposal (including National Parks)



Process to be followed (2)

- After consultation publish summary of responses
- Council makes decision after consultation
- Requirements on visitor levy scheme content



Process to be followed (3)

- Visitor levy scheme must cover:
 - geographical area
 - percentage rate
 - scheme objectives
 - any exemptions, and administration of them
 - if levy applies to businesses under VAT threshold



Process to be followed (4)

- 18 month implementation period
- Visitor Levy Forum
- Annual report on visitor levy scheme
- 3 yearly review of visitor levy scheme



Flexibilities

- Seasonality
- Geographical area(s)
- Exemptions
 - People
 - Accommodation types
- Cap on nights or monetary amount



Use of funding

- Much discussion
- Act requires funding can only be used for purposes related to developing, supporting or sustaining facilities or services substantially for, or used by, those visiting the scheme area for leisure and/or business purposes
- Objectives must also relate to the above



Beyond the Act

- Have set out legal requirements
- Good practice will go beyond that
- Guidance issuing shortly
- Councils will look to each other



Scottish Government role

- Approve, reject, amend Guidance
- Awareness of local authority proposals
- Range of powers can be used
 - Process to be followed introducing, administering etc. visitor levy
 - Can set maximum cap on percentage rate
- Will want to see how visitor levy scheme power is used



Potential cruise ship levy

- Raised during the Act's passage
- Programme for Government
- Scottish Government exploring the idea
- Need to assess impact on business
- Roundtable events underway
- Public consultation launched by end of 2024.



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