FALKIRK COUNCIL

Draft Visitor Levy Scheme: Consultation

1. Visitor levy legislation

The Scottish Parliament passed the Visitor Levy (Scotland) Act 2024 (herein referred to as the '2024 Act'), giving local authorities a new discretionary power to raise revenue from overnight visitors and to reinvest it in services and facilities that support the visitor economy and contribute to local areas. It gives local authorities the power to introduce a visitor levy that is charged on the purchase of overnight accommodation at a percentage rate.

The Visitor Levy (Amendment) (Scotland) Act 2026 has expanded the power set out in the 2024 Act by providing councils with greater flexibility, including allowing a visitor levy to be set as fixed amount(s) per room or area per night.

2. Purpose of the scheme

Falkirk Council is considering the powers conferred on it by the 2024 Act as amended to introduce a visitor levy in respect of persons staying in certain types of accommodation overnight in its local authority area. Below are the details of the **DRAFT Falkirk Visitor Levy Scheme** ('the Scheme') for statutory consultation.

Falkirk Council has still to determine whether to introduce a Visitor Levy Scheme and will only decide following formal (statutory) consultation.

The Draft Visitor Levy Scheme aims to:

> "To grow the value and sustainability of the visitor economy through investment in destination quality, visitor infrastructure, experiences, and place-based improvements that encourage more visits, longer stays and higher visitor spend."

This aim will be underpinned by three key principles:

- ensuring opportunities and benefits are shared across our businesses and communities.
- partnership and collaboration.
- environmental sustainability and climate resilient investments.

The Draft Visitor Levy Scheme objectives are:

- **To help grow Falkirk's visitor economy**. To support Falkirk's economy by encouraging more people to visit, stay longer and spend more in the area through investment in attractions, facilities, experiences, and transport connections.
- **To make Falkirk a more attractive destination and improve the experience for visitors**. By improving attractions, facilities, public spaces, and access across Falkirk to create a better and more enjoyable experience for visitors.
- **To support a sustainable, year round visitor economy that benefits visitors, businesses, and local communities**. By supporting events, activities and improvements that encourage people to visit throughout the year, support local businesses and reduce reliance on peak tourist seasons.
- **To create vibrant and thriving places across the Falkirk area**. By working with local businesses and communities, supporting investment in important local attractions and facilities, and creating more opportunities for residents and visitors to spend time in Falkirk's towns and villages.
- **To raise Falkirk's profile as a place to visit**. By promoting Falkirk's attractions, towns, and villages, and working with local partners to encourage more people from Scotland, the UK and overseas to visit the area.

3. Scheme area, start date and duration

The Draft Visitor Levy Scheme area is the entire Falkirk Council boundary.

The commencement date for any Visitor Levy Scheme will be determined by Falkirk Council following consideration of consultation responses and impact assessment and will be subject to the minimum 18-month implementation period required by the 2024 Act.

Subject to approval by Falkirk Council in January 2027 and formal notification to Scottish Ministers, the earliest start date for a Falkirk Visitor Levy Scheme would be July 2028.

A Visitor Levy Scheme for the Falkirk Council area will apply indefinitely unless the Council decides to amend or discontinue it, subject to annual reporting and regular review in line with statutory requirements.

4. Visitor Levy rate and how it is charged

The Draft Falkirk Visitor Levy Scheme proposes the following:

- **visitor levy rate:** 5% of the amount charged for overnight accommodation. The amount due is calculated by multiplying the cost of the accommodation portion of the transaction by the percentage rate set by the local authority. The cost of separate charged add-ons are not part of a visitor levy, such as:
    - meals or drinks.
    - parking for a vehicle.
    - laundry facilities or services for guests.
    - entertainment.
    - leisure facilities.
    - transportation to and from the accommodation.
- **chargeable nights:** there is no cap on the maximum number of chargeable nights.
- **seasonality:** a visitor levy will apply throughout the year with no seasonal variation.
- **remittance and returns:** visitor levy returns and payments will be submitted free of charge by accommodation providers through the national visitor levy portal http://www.visitorlevy.scot

5. Types of accommodation to which a visitor levy will apply

The Draft Visitor Levy Scheme will apply, as per the 2024 Act, to the following types of overnight accommodation:

- hotels.
- hostels.
- guest houses.
- bed and breakfast accommodation.
- self-catering accommodation, including short-term lets.
- all paid accommodation on caravan sites and campsites, including temporary tent and campervan pitches.
- accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place.
- any other place at which a room or area is offered by the occupier for residential purposes otherwise than as a visitor's only or usual place of residence.

A visitor levy will apply to all paid overnight accommodation within the Falkirk Council boundary, including accommodation providers whose annual turnover falls below the VAT registration threshold.

Any amount charged by an accommodation provider for a visitor levy would be included in their turnover, which is used to determine if they need to register for VAT.

Accommodation providers who do not charge for overnight accommodation, or who cater solely for individuals who are exempt from paying a visitor levy are not liable for the charge.

6. Exemptions and reimbursements

The Draft Visitor Levy Scheme is payable by anyone staying in accommodation which is not their only or usual place of residence (temporary or otherwise).

Individuals who do not have an only or usual place of residence are therefore not required to pay a visitor levy. Individuals in these circumstances are not considered visitors to an area for business or leisure purposes, and are not liable to pay a visitor levy charge. These circumstances are:

- overnight accommodation which is being used as a visitor's only or primary residence. This could be due to:
    - being homeless or at risk of homelessness.
    - very poor housing conditions (such as overcrowding, serious damp or disrepair).
    - experiencing domestic abuse or other forms of violence.
    - someone's residence being unfit for habitation.
    - someone being an asylum seeker or refugee.

A visitor levy does not apply in the following circumstances:

- someone staying on a dedicated gypsy or traveller site run by a local authority or registered social landlord.
- those residing overnight in vehicles or on-board vessels that are undertaking a journey involving one or more overnight stops. As a result, the following forms of overnight accommodation are outside the scope of the Act:
    - the provision of a cabin on a ferry or cruise ship, unless the vessel is permanently moored.
    - the provision of a cabin on an overnight sleeper train.

- use of a hired or privately-owned campervan or motorhome where they are staying in informal overnight settings.

In addition, the Act notes that the Scottish and UK benefits within scope of the national exemption include persons who are entitled to:

- disability payments made under section 31 of the Social Security (Scotland) Act 2018, including Adult Disability Payment, Pension Age Disability Payment, and Child Disability Payment.
- UK disability, incapacity, and injury-related benefits such as Disability Living Allowance, Attendance Allowance, Personal Independence Payment.
- War-related pensions and supplements.

The national exemption also applies to individuals who reside in the United Kingdom and who are entitled to benefits, payments, or allowances equivalent to those listed in section 14(1)(i) of the guidance:

- under the legislation of Switzerland, EEA states or Gibraltar, where their entitlement arises.
- from international social security coordination agreements.
- under the legislation of Ireland.
- under the legislation of Northern Ireland.

Individuals who are exempt or excluded will need to pay a visitor levy to the accommodation provider and request reimbursement from Falkirk Council, unless their accommodation has been arranged and paid for directly via the Council. Applications for reimbursement will be made to Falkirk Council using a process to be published on the Council's website.

Applicants will be required to provide evidence demonstrating eligibility for exemption or exclusion and evidence that the visitor levy has been paid.

Alternative arrangements will be available for applicants unable to access online services.

7. Collecting and enforcing a visitor levy

Accommodation providers within the Falkirk Council area will be responsible for collecting and remitting the visitor levy. They will be required to submit quarterly reports/returns detailing the total accommodation charges and the total visitor levy collected through the national visitor levy arrangements in place at the time a scheme is implemented. Visitor levy payments will be remitted at the same time as returns are submitted.

Accommodation providers will be required to keep accurate records of all transactions that are subject to a visitor levy. Falkirk Council will conduct inspections, as required, to ensure compliance with the Visitor Levy Scheme and remittance requirements.

Accommodation providers who fail to comply may be subject to penalties in accordance with the 2024 Act. Falkirk Council officers will support accommodation providers with training and advice to help them meet visitor levy requirements for record keeping and collection. The use of penalties will be a last resort and only used after other compliance activity has failed. The aim will be to provide the support required to enable businesses to comply.

8. Use of net proceeds

The 2024 Act stipulates that the net proceeds of a visitor levy must be spent on facilitating the achievement of the scheme's objectives and on "developing, supporting and sustaining facilities and services which are substantially for or used by persons visiting [overnight] for leisure or business purposes (or both)".

In applying the net proceeds of the Visitor Levy Scheme, Falkirk Council will seek to maximise economic, social, and environmental benefit for local communities, while supporting a sustainable, responsible, and competitive visitor economy.

Investment decisions will be guided by the principles of inclusive growth, community wealth building and place-based development, ensuring that visitor levy revenues support facilities and services substantially used by visitors while delivering wider benefits for local communities.

After set-up, administration costs, as well as the proposed 2% that accommodation providers could keep as a contribution towards their costs have been deducted, net funds will be used to sustain, support, and develop:

- **Falkirk's visitor facilities and public spaces**. Funding will focus on improving the facilities and public spaces that help shape visitors' experiences of Falkirk and make the area more attractive, accessible, and welcoming. Examples include:
    - improving public toilets, signage, seating, lighting, bins and parking.
    - making places easier to access through features such as ramps and dropped kerbs
    - improving the cleanliness and appearance of streets, paths and public spaces.
    - enhancing town centres, arrival points and green spaces to create welcoming and enjoyable places for residents and visitors.

- **Visitor travel and getting around Falkirk**. Funding will help make it easier, safer, and more sustainable for visitors to travel around Falkirk and access attractions, towns, and outdoor spaces. Examples include:

    - improving walking and cycling routes.
    - strengthening links between attractions, transport hubs and town centres.
    - upgrading bus stops and shelters.
    - supporting options such as bike hire and secure cycle parking, and making improvements to paths and routes to help them cope with severe weather and flooding.

- **Visitor attractions, experiences, and year round activity**. Funding will look to enhance Falkirk's existing attractions, develop new experiences and support activity that encourages more visits, longer stays, and repeat trips. Examples include:

    - grant funding schemes for businesses and communities to help grow the visitor economy and improve the experience for visitors.
    - improvements to attractions such as The Kelpies, Falkirk Wheel and Callendar House.
    - supporting the development of cultural venues and programming.
    - supporting events and festivals.
    - supporting town centre animation, including more things to do in the evening.
    - development of new trails, tours, interpretation, and digital experiences.
    - enhancements to visitor facilities including accessibility, seating, and amenities.
    - supporting outdoor recreation infrastructure such as trails, cycle paths, countryside access.

- **Raising awareness of Falkirk as a visitor destination**. Funding will support coordinated marketing, brand development, and promotional activity that helps Falkirk stand out and compete as a visitor destination. Examples include:

    - promoting the Visit Falkirk brand.
    - marketing Falkirk as a place to visit.
    - creating a clear story about what Falkirk offers.
    - running targeted campaigns to attract more visitors.
    - producing digital content, itineraries, and themed routes.
    - supporting businesses to take part in joint campaigns.
    - using better data and insights to shape future activity.

Falkirk Council's Executive will make decisions on the use of net funds after consultation with the Visitor Levy Forum (see detail below). Falkirk Council will seek to align investment decisions with its wider inclusive growth, fair work, and community wealth building approaches.

9. The Visitor Levy Forum

Falkirk Council will establish a Visitor Levy Forum within six-months of formally announcing that a visitor levy is to be introduced, convene it at least twice per calendar year, and maintain it for the duration of the scheme.

The Visitor Levy Forum will act as an advisory body, providing Falkirk Council's Executive with advice on matters relating to the operation of the visitor levy, including any proposed modifications, and will be consulted on how visitor levy funds should be spent. The Visitor Levy Forum will also be involved whenever Falkirk Council has a duty to consult (such as on proposed changes to the scheme or to the planned use of funds) and will receive copies of each statutory annual report and three-yearly review.

Falkirk Council will seek to ensure that the Visitor Levy Forum includes a reasonable balance of representatives from the community and from businesses and organisations within the visitor economy, including elected members to help strengthen links between the Forum, the ongoing operation of a Visitor Levy Scheme, and Falkirk Council's decision-making processes.

The Visitor Levy Forum will have an advisory role and will not have any decision-making powers. All decisions will be made by Falkirk Council's Executive.

10. Monitoring, reporting and review

Falkirk Council will prepare and publish an annual report within the first 18-months of a Visitor Levy Scheme coming into force, and for each 12-month period thereafter. Each report will set out:

- the amount of money collected.
- how the net proceeds have been used.
- the performance of the Visitor Levy Scheme against its objectives.

Falkirk Council will undertake the first review within three years of the Visitor Levy Scheme coming into force. Subsequent reviews will take place within three years of each previous review.

These reviews will assess whether the scheme is meeting its objectives and examine its impact on businesses and communities. They will also seek feedback from those affected by the scheme, including visitors, accommodation providers, tourism organisations, community groups and others.

In line with good practice guidance reviews could consider topics such as:

- how a Visitor Levy Scheme has performed in relation to its objectives
- the outcomes to which a Visitor Levy Scheme has contributed, including links to relevant tourism strategies.
- the impact of a Visitor Levy Scheme on businesses, both those directly and indirectly affected by it.
- the impact of a Visitor Levy Scheme on local communities, particularly rural communities.
- how funding raised by a Visitor Levy Scheme has been used, and an assessment of any benefits and improvements that have been delivered.
- how a Visitor Levy Scheme has been administered, and any lessons that can be learnt to improve administration for the local authority and businesses.

Review reports will be considered by the Falkirk Visitor Levy Forum, and any recommendations will then be considered and approved by the Falkirk Council Executive. The findings of each review will also be published.

If Falkirk Council proposes changes to the scheme, it will undertake any consultation required by the 2024 Act and publish a report setting out the proposed changes and the reasons for them. Any approved changes to the scheme will take effect in accordance with the requirements of the 2024 Act and any implementation arrangements specified by Falkirk Council. Significant changes to the scheme include:

- increasing the scheme area.
- increasing the rate charged.
- removing any exemptions.