Scottish Government
Riaghaltas na h-Alba

Consultation on a potential local authority Cruise Ship Levy in Scotland

Respondent Information Form

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☐ Individual

☒ Organisation

Full name or organisation's name

The Scottish Tourism Alliance (STA)

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☒ Yes

☐ No

Questionnaire

Question 1

Do you support giving local authorities the power to create a cruise ship levy in their area, if they wish to do so?

☐ Yes

☒ No

☐ Don't know

Please provide the reasons for your answer.

The STA is deeply concerned about plans to give local authorities additional powers to apply a levy to cruise ships, which would be in addition to visitor levy charges faced by visitors staying overnight on land. This is on top of 20% VAT and a hike in electronic travel authorisation (ETA) fees.

It is concerning that the Scottish Government's 'Cruise ship levies - design, implementation and impacts: international evidence review' is focused on how this charge has been used to address the issue of overtourism in European cities, which is not a valid rationale for introducing a similar levy in most parts of Scotland.

We are at risk of sending out the wrong message to the world that Scotland is actively looking to reduce visitor numbers, when in fact it's looking to grow the visitor economy and attract more cruise ships to stop at our ports.

In post-industrial and lesser visited parts of Scotland, such as Dundee, Greenock and Aberdeen, cruise ships are a key part of regeneration efforts in these ports and surrounding areas. The industry delivers a major economic boost for local businesses, visitor attractions and communities that otherwise wouldn't happen.

For our island communities, like Orkney and Shetland, cruise ships are a crucial part of their local tourism economy, with strategic destination management in place to lessen its impact on the daily lives of residents.

The cruise ship industry makes a valuable contribution to Scottish tourism and the wider visitor economy, attracting visitors from other parts of the UK and from around the world to our ports. Around 1.1 million passengers visited Scottish ports in 2024, and the cruise ship industry generates over £130 million annually for the Scottish economy (source: Cruise Scotland).

Cruise trips also lead to repeat visits and subsequently greater visitor spend, as reportedly over 60% of guests return to places visited during their cruise journey to experience longer in these destinations (source: Cruise Lines International Association).

There is a serious risk that some cruise companies may choose to remove Scottish destinations altogether from their travel itineraries, causing irreparable damage to the sector. The ability to raise revenue from a levy will be negatively impacted if cruise ships don't stop at Scottish ports in the first place.

We are seeing firsthand the challenges of introducing a visitor levy across Scottish local authorities and how there is no one-size-fits-all approach that can be adopted from international models. Worryingly, the feedback we are receiving from industry colleagues is that a cruise ship levy is even more complex to introduce, given that ports are owned and operated by a mixture of private companies, local authorities, and trusts.

If introduced, it will be the first cruise ship levy in the UK. Another first for all the wrong reasons, with the potential to be a lesson learnt exercise again about how not to make the same mistakes as Scotland.

Question 2
What alternatives (if any) do you think would achieve the same goals as a cruise ship levy? Please provide details of any alternative option(s).

There is the option to have a voluntary charge that could be paid by contactless donation or using QR code technology as cruise passengers disembark or embark at ports, encouraging them to contribute to enhancing local tourism infrastructure. This would be transferred directly to local authorities and avoid the need for port authorities or cruise ship operators to collect a levy.

Cruise lines already work in close partnership with the ports they visit to support sustainable tourism and cultural heritage, and to enhance the destination, which can be further built on.

In the spirit of the New Deal for Business, we support calls from CLIA for a forum to be created by the Scottish Government that brings it together with local authorities, industry and community stakeholders to discuss how local communities can best benefit from the benefits that cruise tourism brings and enhance the visitor experience.

Question 3
What should the primary basis of a Cruise Ship Levy charge be, if introduced in Scotland? Select one

☐ Tonnage of a ship

☐ Passenger capacity of a ship

☐ Number of passengers on board a ship

☐ Number of passengers to disembark from a ship

☐ Other (please specify)

☒ Don’t know

Please provide the reasons for your answer.

It is very difficult to choose the basis of charging a cruise ship levy without a clear rationale from the Scottish Government about why it is to be introduced, e.g. is it to generate the most possible revenue to improve infrastructure? Is it to discourage bigger cruise ships from stopping at Scottish ports? Is it to encourage passengers to stay on ships rather than disembark?

In the absence of a clear rationale and objectives, there is risk of causing unintended consequences for the cruise industry in Scotland, wider tourism sector, and therefore the Scottish economy – impacting on local visitor economies, jobs, and the supply chains the industry supports.

It should also be kept in mind that the circumstances for one port are very different for another and therefore a blanket approach to how a levy is charged may not be appropriate, e.g. some ports will be visited by larger cruise ships and others will experience cruise tourism from smaller cruising vessels.

In addition, smaller vessels will be more likely to make multiple stops in Scotland during their journey, increasing the likelihood that passengers could face multiple levy charges during their trip.

The following challenges exist in adopting the current charging proposals:

Tonnage of ship
The gross tonnage of a ship does not necessarily relate directly to the number of passengers onboard or how many will actually disembark at the port charging the levy. Introducing this measure would also likely act as a disincentive for encouraging major cruise ship operators to stop at Scottish ports and the benefits this brings to local visitor attractions, retailers, cafes, the coach industry, etc.

Passenger capacity
This would act as another way of discouraging bigger cruise operators from including Scottish ports in their travel itineraries and therefore growing this valuable visitor market. As acknowledged already in the consultation, passenger capacity of ships is also likely to change and reconfigured over a period of time. Additionally, cruise ships may not be operating at full capacity on some cruise journeys.

Number of passengers on board
The number of people on a cruise ship does not necessarily match up with the number of people who choose to disembark at a port. Once again, this will likely encourage cruise ship operators to remove Scottish ports from their travel itineraries.

Disembarkment
The STA has particular concerns that the introduction of a disembarkment fee will result in passengers staying on the ship for the day and therefore delivering no benefits to the local visitor economy. This is also the most challenging measure to operate when it comes to collection of a disembarkment fee and also last-minute decision making on the day.

Question 4
In addition to the main basis of the charge, should any cruise ship levy also take into account the environmental impact of a cruise ship?

☐ Yes

☒ No

☐ Don't know

Question 5
Who should collect any cruise ship levy? Select one.

☐ Cruise ship operator

☐ Port operator

☒ Local authority

☐ Other (please specify)

☐ Don't know

Please provide the reasons for your answer.

If a cruise ship levy were to go ahead, the collection of the fee by cruise ship or port operators would not only be an additional cost and time burden but be complex and problematic given the different port ownership models in place in Scotland. As a result, it would be inappropriate to introduce a blanket approach to them collecting the fee.

It would also not be appropriate for ports and port agents to be left out of pocket while waiting for cruise operators to pay a levy. In addition, any systems introduced to collect a levy must consider that there may be last-minute itinerary changes.

In addition, it should be kept in mind, that the passenger ships that stop at Scottish ports can vary considerably in size and therefore impact on their differing ability to administer a charge. Stipulating that cruise ship operators should collect the levy may be one burden too many, encouraging them to stop at other ports that do not charge this fee.

Unlike private and trust operators, local authorities will be able to take into consideration cost recovery for collection of the levy and therefore are better placed to collect any levy.

Question 6
What enforcement powers should a local authority, or other relevant body, have to ensure compliance (and prevent avoidance and evasion) by those required to pay a cruise ship levy? Please select all of the powers you think the body should have.

☐ Powers to request, and obtain or inspect, the information necessary to assess the cruise ship levy liability of a body.

☐ power to apply a penalty (e.g. a fine) if a cruise ship levy is not paid when it is required to be.

☐ power to apply a penalty (e.g. a fine) if a body provides inaccurate information in relation to a cruise ship levy, or destroys requested information.

Left blank – believe in no enforcement powers.

Question 7
Do you think the rate of any cruise ship levy should be set at a national level or should it be for a local authority to decide?

☐ Set at the national level

☐ Decided by local authorities

☒ Don't know

Please provide the reasons for your answer.

Rather than introducing ministerial powers to intervene if a local authority sets a levy at a level deemed as unreasonable, it is crucial from the beginning to secure agreed consensus among industry, local authorities, port authorities and the Scottish Government about what an upper national cap should be and what period this can be reviewed in. *The lack of a maximum cap in place for the visitor levy continues to cause concern and confusion among the tourism and hospitality industry about what percentage level set by a local authority would trigger the Scottish Government to intervene.*

Question 8
If the rate of any cruise ship levy were to be set by individual local authorities, should an upper limit be set at a national level?

☒ Yes

☐ No

☐ Don't know

Question 9
Which (if any) of the following proposed actions do you believe local authorities should be required to undertake before being able to introduce a cruise ship levy? Please select yes, no, or don't know for each proposed action below.

Have held a consultation to gather views from all those who will be affected by a cruise ship levy.

☒ Yes

☐ No

☐ Don't know

Have conducted relevant impact assessments, e.g. impact on business, equality impacts, etc.

☒ Yes

☐ No

☐ Don't know

Have set and published objectives for any cruise ship levy and what it was seeking to achieve (either directly and/or through the use of revenue raised).

☒ Yes

☐ No

☐ Don't know

Have assessed and documented the administrative burden from a proposed cruise ship levy and any steps taken to minimise this.

☒ Yes

☐ No

☐ Don't know

If a cruise ship levy rate is set locally, demonstrated why the chosen rate is suitable for that area.

☒ Yes

☐ No

☐ Don't know

Have appropriate mechanisms in place to allow for collection (and if necessary remittance) of a cruise ship levy.

☒ Yes

☐ No

☐ Don't know

Have made information about the cruise ship levy and how to pay it available in the public domain, for businesses and others.

☒ Yes

☐ No

☐ Don't know

Established an approach to monitoring and publicly reporting on revenues raised and their use on an annual basis.

☒ Yes

☐ No

☐ Don't know

Established an approach to monitoring and publicly reporting on the impact of a cruise ship levy on an annual basis.

☒ Yes

☐ No

☐ Don't know

Question 10
How should revenue raised by a cruise ship levy be used? Select one.

☒ Revenue raised by a cruise ship levy should be required to be spent on facilities and services used by cruise ship passengers and/or the cruise ship industry.

☐ A local authority should be able to use revenue raised by a cruise ship levy in any way it wishes.

☐ Don't know.

Please provide the reasons for your answer.

Just as the Visitor Levy (Scotland) Act states, any levy imposed on the cruise sector should be used for developing, supporting and sustaining facilities and services used by cruise ship passengers and the cruise ship industry.

It is integral that any monies raised from a potential cruise ship levy is ringfenced to support the cruise tourism sector.

This includes projects that support the sustainable development and management of cruise tourism in our port destinations and aids regeneration efforts in our post-industrial areas through investing in more facilities and services to be used by cruise ship passengers that will also benefit the wider visitor market.

Just like the Visitor Levy Forums are legally required to be set up in any local authority introducing a visitor levy, it is integral that similar statutory requirements are in place to ensure that the cruise and tourism industry, along with local businesses, have an input on how any revenue raised is spent.

Measures to guarantee regular reporting and spending transparency are key to ensure that the sector can see where the money is being invested and to hold any council accountable to avoid a situation where levy funds are being displaced or misspent to fill local authority funding gaps.

Question 11
Should any of the following groups be granted exemptions from payment of a cruise ship levy?

Passengers who are 18 years or under

☒ Yes

☐ No

☐ Don't know

Passengers who are disabled

☒ Yes

☐ No

☐ Don't know

Passengers who are paid carers

☒ Yes

☐ No

☐ Don't know

Crew members

☒ Yes

☐ No

☐ Don't know

Passengers disembarking at the final port of call

☒ Yes

☐ No

☐ Don't know

Question 12
If national exemptions are introduced, do you think local authorities should be able to create additional exemptions at a local level?

☒ Yes

☐ No

☐ Don't know

Question 13

Should there be an implementation period for any cruise ship levy? (This would be a required period to run from the time a local authority formally decides to introduce a cruise ship levy to when it came into force).

☒ Yes

☐ No

☐ Don’t know

Question 14
If there should be an implementation period how long should it be? Select one.

☐ Less than 6 months

☐ 6 months

☐ 12 months

☐ One complete financial year

☐ 18 months

☒ More than 18 months

Question 15
What, if any, transition arrangements should apply when a cruise ship port call is arranged before a local authority chooses to impose a cruise ship levy, but the port call takes place after the levy has been put in place?

☐ a cruise ship levy should be paid in this situation

☒ a cruise ship levy should not be paid in this situation

Question 16
What impact do you think a cruise ship levy would have on the following?

Cruise ship operators

☐ Very positive impact

☐ Somewhat positive impact

☐ Neither positive nor negative impact

☐ Somewhat negative impact

☒ Very negative impact

☐ Don’t know

Ports

☐ Very positive impact

☐ Somewhat positive impact

☐ Neither positive nor negative impact

☐ Somewhat negative impact

- [x] Very negative impact
- [ ] Don’t know

Businesses linked to cruise ship industry

- [ ] Very positive impact
- [ ] Somewhat positive impact
- [ ] Neither positive nor negative impact
- [ ] Somewhat negative impact
- [x] Very negative impact
- [ ] Don’t know

Local Communities

- [ ] Very positive impact
- [ ] Somewhat positive impact
- [ ] Neither positive nor negative impact
- [ ] Somewhat negative impact
- [x] Very negative impact
- [ ] Don’t know

Local authorities

- [ ] Very positive impact
- [ ] Somewhat positive impact
- [ ] Neither positive nor negative impact
- [x] Somewhat negative impact
- [ ] Very negative impact
- [ ] Don’t know

Scotland as a whole

- [ ] Very positive impact
- [ ] Somewhat positive impact
- [ ] Neither positive nor negative impact
- [ ] Somewhat negative impact
- [x] Very negative impact
- [ ] Don’t know

Please provide the reasons for your answer(s). This helps with developing a robust BRIA which considers as wide a range of impacts as possible. If there are any other groups that would be impacted by a cruise ship levy please also list them below, together with the extent to which you believe they would be impacted.

The BRIA currently lacks a clear rationale and set of objectives for introducing a cruise ship levy in Scotland.

It is important that the BRIA considers the impact that the introduction of a cruise ship levy would have on the wider visitor economy, assessing in detail the potential negative impact on both local and nearby tourism and hospitality businesses.

For example, it is regularly the case that cruise passengers are taken on coach tour trips to visitor attractions outside the port area. The potential wider damage to the coach tour industry and visitor attractions must also be considered as part of the BRIA and any further economic impact assessments. Each cruise passenger spends an average of £100 a day in a destination, with benefits felt up to 90 minutes away from the port (source: CLIA).

It is also crucial that the BRIA considers in detail the potential implications for regeneration efforts in our post-industrial port areas if cruise ships stop coming to these cities, or passengers choose not to disembark to avoid paying a charge.

For example, the potential negative impact on projected visited numbers for Eden Project Dundee if a cruise ship levy was introduced in the city, while the completion of South Harbour in Aberdeen has included the expansion of Aberdeen Whisky Shop to accommodate whisky tasting for cruise tourists.

Although acknowledged in the partial BRIA, far more work is also needed to assess the impact of introducing a cruise ship levy on smaller cruise operators based in Scotland. For example, smaller cruise ships that are more likely to make multiple stops in Scotland are at risk of facing several levy charges.

Question 17

Would the name ‘cruise ship levy’ be appropriate for a potential levy as explored in this consultation paper?

☒ Yes

☐ No

☐ Don’t know

If you believe another name would be more appropriate please suggest it below.

If a cruise levy is introduced, careful consideration should be given to introducing a more positive message in the wording of the name used and capture what the levy intends to fund, such as ‘Sustainable cruise tourism levy’, ‘Cruise tourism investment levy’, or ‘Port infrastructure investment levy’.

It is also important that any charge does not use the language ‘tax’ to avoid it having negative connotations for visitors.

Question 18
Do you believe local authorities with islands should be given the power to create a broader 'point of entry' levy for one or more islands in their area, if they wish to do so?

☒ Yes

☐ No

☐ Don't know

Please provide the reasons for your answer.

Active consideration should be given to amend the existing Visitor Levy (Scotland) Act to give island-based local authorities the option to instead charge a 'point of entry' levy, rather than place the burden on small accommodation providers to collect a visitor levy on behalf of local authorities.

The STA stresses that a local authority would need to choose to charge one levy or another, rather than visitors potentially facing two charges – with the decision based on a detailed economic impact assessment that takes into consideration the distinct circumstances of the destination. It is crucial the levy in place reflects the realities of island tourism.

This could be a one-off 'point of entry' charge paid by day and overnight visitors arriving via public ferries and island airports, rather than cruise ship passengers who will be visiting the destination for a limited period.

Locals and essential workers would be exempt from paying the charge and it would avoid penalising anyone who must stay longer on an island than planned due to bad weather, ferry cancellations, etc. Applied to all non-resident visitors on arrival, careful consideration and consultation would be needed to ascertain proof of residency (avoiding the need to reclaim later on) and how to collect a charge from visitors.

Importantly, it would capture motorhomes and those wild camping that are currently exempt from paying a visitor levy, despite having a significant impact on the destination they're staying in. VisitScotland reported in May that UK Google searches for Scottish road trips had increased by 336% in the past month alone.

The feedback we've received from some of our island-based destination management organisations that make up the STA Destination Forum is that they are concerned about the impact of a visitor levy on small island businesses and that it fails to capture motorhomes staying offsite.

A particular concern among the industry is the risk of small accommodation providers going over the VAT threshold because of collecting a visitor levy, along with the time and cost burden on them. Unlike major cities, islands like Orkney and Shetland have few large hotels and are mainly micro and small businesses, often family-run and operating seasonally.

There are concerns that the costs of implementing, enforcing and complying with a visitor levy in its current form would be greater than the revenue raised.

We've had input from Outer Hebrides Tourism, Destination Orkney and Shetland Tourism Association about how a point of entry charge is their preference over introducing a visitor levy, given their unique circumstances as an island and that it would remove the burden of collection for small accommodation businesses.

Destination Orkney has suggested that a modest point of entry charge would be a fairer levy for the islands and maximise the re-investment into tourism in the islands through this mechanism.

Question 19

If there any other points you would like to make in relation to a potential cruise ship levy that you have not been able to make elsewhere in this consultation, please add them below.

As the Scottish Government works towards growing the economy and encouraging investment, introducing another levy will cause further damage to the tourism and hospitality sector by disincentivising cruise operators from including Scottish ports in their cruise itineraries. We need to develop business policies with business, not introduce policies that damage business and hamper economic growth.

Creating the power to introduce a cruise ship levy further risks the displacement of cruise ship activity to other parts of the UK and other competitor countries.

In addition, anyone who chooses to stay overnight at the start or end of their cruise on the Scottish mainland potentially faces a double levy charge of paying a visitor levy too. This risks discouraging cruise operators from starting and ending the journey at Scottish ports, which provide a greater economic contribution than day calls. 63% of people currently have a pre and/or post night stay in their embarkation/disembarkation port, according to CLIA.

If a cruise ship levy is to go ahead, then the STA would stress that any legislation set out that more than 18 months be given for the implementation period, from a local authority's formal decision to introduce a cruise ship levy to when it starts being collected.

Despite an 18-month lead-in time being included in the Visitor Levy (Scotland) Act and accompanying guidance, accommodation providers, online booking platforms, and destination management companies and tour operators have not been afforded this preparation time in Edinburgh – with businesses expected to collect a visitor levy from October this year for bookings in July 2026.

We would urge the Scottish Government to avoid this loophole in any cruise ship legislation and address this indiscretion concerning interpretation of the 18-month period for the visitor levy.

Cruises are available to book at least two years in advance (e.g. in Lerwick, Shetland, bookings are routinely made four years in advance), and it is crucial that a levy not be applied to itineraries already published, which could lead to cancellations and changes to ship calls. Cruise operators should be able to confidently schedule and confirm travel itineraries, with no unexpected costs on top.

Failure to communicate the levy charge upfront to consumers at the time of advertising and booking also risks conflicting with UK Government legislation on price transparency and drip pricing under Package Travel and Linked Travel Arrangements Regulations 2018.