



SCOTTISH
TOURISM
ALLIANCE

Your voice in tourism matters

Scottish Tourism Alliance Submission Stirling Visitor Levy Scheme – Formal Consultation

Scheme objectives

To what extent do you agree or disagree that the scheme objectives support the overall scheme aim?

Product and market development including destination marketing

Strongly agree

Infrastructure which includes things such as transport and toilets

Strongly agree

Business support for hospitality and tourism businesses

Strongly agree

Events such as music, literature and other cultural events

Strongly agree

If you have any further comments on the scheme aim or objectives, please provide them below:
(optional)

The STA welcomes the aim and the objectives of the scheme, which is focused on growing the local visitor economy, encouraging greater visitor spread and longer stays during different points of the year.

The improvement of travel connectivity is one of The STA's main Holyrood election manifesto asks and we welcome that this is a priority under the scheme objectives, benefitting visitors, businesses and their workforce, and communities alike.

Given the financial pressure on Scottish local authorities, the industry continues to be vigilant about whether the monies raised from a visitor levy will be treated as incremental income and strategically invested to enhance the visitor destination, or will disappear into funding routine council services like waste collection. We would urge the council to ensure that improving public facilities does not move from one council pot to another, and that these are improvements that take place which otherwise wouldn't happen without the visitor levy.

We would also encourage the Council to consider how its infrastructure funding can also be used to improve local visitor attractions in the area.

The STA further welcomes that sustaining, supporting and developing destination marketing and development is one of the main objectives, and would recommend adding destination management to this to ensure tourism is managed and grown sustainably in the area.

Growing Stirling's event offer will also be key to driving tourism to the area, encouraging spending in the local visitor economy, more overnight stays, and the potential to encourage visits outside the peak visitor season.

In particular, we are pleased that one of the scheme's main objectives is business support and skills for the sector, which will help our businesses and workers to develop and grow, supporting more people to work in tourism and hospitality, and futureproofing the sector by ensuring businesses develop their digital capacity. Again, these echo key asks in The STA's election manifesto.

Rate of Levy

To what extent do you agree or disagree that the levy rate in Stirling should be 5%?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree X

Don't know

If you think the levy rate should be anything other than 5%, what percentage rate should it be?

7%

6%

4%

3%

0% (No Levy)

Other (Please specify) X:

A fixed fee charge per person per night.

If you have any further comments on the rate of the levy, please tell us below:

The STA strongly supports changes to the Visitor Levy (Scotland) Act to move from a percentage charge to a simple fixed per person per night fee. The Scottish Government and opposition parties are currently in discussion about making changes to the charging model to make this possible and we would urge all local authorities across Scotland to pause plans to introduce a VL until this is resolved.

The current percentage model remains operationally unworkable due to several unresolved legal issues around VAT treatment, online travel agent (OTA) integration, third-party transactions, and consumer price transparency, which cannot be addressed by secondary legislation.

With accommodation providers needing to strip out non-accommodation elements (e.g. meals, parking, cleaning, or agency fees), a percentage model is also more burdensome and complex for small operators.

Overall, we believe a fixed fee will have less of a detrimental impact on overall competitiveness, bringing us in line with other UK and international destinations.

As a result, we appeal to Stirling Council and all local authorities considering a visitor levy scheme to pause their plans until the legal issues and complexities around the current charging model can be resolved in the Scottish Parliament.

The STA is not opposing a visitor levy in principle but believes that if it is to act as a force for good for the sector, communities, local authorities and the wider economy, then it is about the right application, right place and right time.

Unfortunately, we do not believe these conditions of success are currently in place anywhere in Scotland until the charging model is addressed. The visitor levy charge must be fair, transparent, legally sound, and workable in practice.

If the levy is to remain a percentage, then we would urge Stirling Council not to raise it any higher than 5% and consider applying a visitor levy in just certain parts of the local authority area to tactically deploy it to attract visitors to less busier locations to support sustainable tourism.

There is also the potential to not apply the levy at different points of the year to make visiting cheaper to potentially extend the visitor season.

Not applying the levy all year or in less visited parts of the local authority area will also help support some small accommodation businesses to not go over the VAT threshold.

The Draft Scheme

To what extent do you agree that there should be no cap on the number of nights that a levy should apply but stays over seven nights would be eligible for a refund from the council?

Strongly agree

Agree

Neither agree nor disagree X

Disagree

Strongly disagree

Don't know

To what extent do you agree or disagree with the following proposals in the draft scheme?

The levy should come into force from June 2027

Strongly disagree

The levy should remain in force until further notice (indefinitely)

Strongly disagree

The levy should apply at all times (every day of the year)

Disagree

The levy should apply everywhere inside the Stirling Council area boundary

Disagree

The levy should apply at the same rate within the Stirling Council area boundary

Disagree

Additional Exemptions for Stirling

Exempt Carers in receipt of Carer's Allowance

Strongly agree

Exempt Stirling Council residents

Strongly agree

Exempt stays after seven days have been paid

Strongly agree

An entire site should be exempt on the basis it provides accommodation for charitable or educational trips

Strongly agree

Please use the space below if you have any other comments on exemptions:

The STA welcomes the exemptions set out by Stirling Council. We have always maintained that we don't think council taxpayers should be charged twice to stay in their own local authority, particularly in areas like Stirling that have a wide rural area.

We also welcome that the Council has decided to exempt sites providing accommodation for charitable and education trips, which support some of our most disadvantaged members of the public to have the opportunity to have a break and have new experiences.

The decision to exempt stays after seven days will also help to encourage people to stay longer if the charge is applied on a limited number of nights.

It further recognises the costs faced by construction, trades workers, etc that need to stay overnight for the period of a project. This will also reduce the costs for major events being hosted across a longer period, ensuring performers, sports people, technicians, etc. do not face additional costs when there are already pressures concerning the price and availability of accommodation during busier visitor periods.

It will also support television and film opportunities in the local area, reducing the production cost-burden of hosting actors and crew in local accommodation for a longer period.

By making it an exemption to be claimed back later via the council, this avoids a cap on nights needing to be implemented by booking platforms and accommodation providers – although at the time of booking the price of accommodation will still need to be advertised at the higher cost that includes the levy fee.

We would urge Stirling Council to reconsider its decision not to exempt accommodation businesses operating below the VAT threshold from collecting a visitor levy. Since the visitor levy is treated as revenue, there is the potential that small businesses in the area will be pushed over the VAT threshold, along with facing an additional cost burden that includes credit card fees and OTA commissions.

Many small accommodation providers already work hard to keep themselves below this threshold, often closing for periods of time or reducing operation hours during the winter off-peak season to avoid reaching this ceiling.

As a result, there is a risk some small businesses will have to close for even longer and open later in the visitor season, or close altogether if it no longer becomes financially viable to keep operating. This would have a knock-on impact on availability of visitor accommodation, which has already reduced since the introduction of the Short-Term Lets Licensing Scheme.

Using the money raised

Do you agree with the spending priorities in our draft scheme?

Infrastructure including Capital and Revenue (45%)

Should be lower

Destination Marketing & Product Development (15%)

Should be higher

Culture & Events (15%)

Should be higher

Supporting Community Led Initiatives & Events - 'Community Tourism Fund' (12.5%)

Should be lower

Business Support (12.5%)

Should be higher

If you have any further comment on how you believe the funds raised through a visitor levy should be spent, please provide them below:

The STA welcomes the decision made by Stirling Council to support accommodation providers to retain 3% of the total monies collected to help offset some of their costs of collecting a visitor levy – this is more than other local authorities have allocated. However, we would encourage the Council to continue to monitor and review if this is a sufficient level of funds to cover the cost burden of collecting the levy.

Additional Comments

Do you support the draft Visitor Levy Scheme proposed for Stirling?

Yes

No X

Don't know

If you have any further comments on the draft scheme, please tell us below:

The STA supports the aim and scheme objectives set out by Stirling Council but cannot support the scheme at this time when there remains so much complexity around the charging model and tourism and hospitality businesses continue to face so much economic turmoil and uncertainty.

Although not currently available, we welcome Stirling Council commissioning an independent economic impact analysis of a visitor levy in the Stirling area, with the results of the analysis published on its website.

It would have been our preference that this economic impact assessment had been undertaken before the formal consultation stage. However, we stress the importance of conducting as comprehensive an analysis as possible to make an informed decision about introducing a visitor levy scheme or not. We remind you that in Argyll and Bute it became apparent that the projected £9m in levy revenue couldn't make up for a £48m in business losses under the current model.

Concerning the creation of a Visitor Levy Forum, we believe that its terms of reference should give weight to the advice given by the forum when it comes to levy resource decisions, ensuring that there is buy-in from industry and local communities. This will help to safeguard that the levy has a positive economic growth impact, with recognisable positive outcomes for the city's local visitor economy and offer.

If Stirling Council decides to proceed with introducing a visitor levy, we would urge it to give businesses the full 18-month lead-in period to start collecting a visitor levy, as was the original intention in the legislation.

This should be accompanied from the outset by a clear timeline setting out dates for businesses to begin transitioning to collecting a visitor levy, including factoring in the lead-in times for the leisure and business travel trade.

Rather than waiting for the creation of the Forum, we would urge the Council to create a VL Reference Group with key industry representatives to help inform a potential scheme, which is the approach that has been taken by Highland Council.