

ASSC Response to Aberdeenshire Council Visitor Levy Pre Engagement Survey

Founded in 1978, the Association of Scotland's Self-Caterers (ASSC) represents over 1,700 members, operating self-catering properties throughout Scotland, from city centre apartments to rural cottages, to lodges and chalets, to castles. Our vision is that the ASSC takes the leading role in advancing a vibrant and prosperous self-catering sector recognised as pivotal to the future of Scotland's tourism economy. Our purpose is to empower our diverse and professional membership, enabling them to deliver exceptional experiences to guests. Our focus is on supporting businesses and communities in the promotion of Scottish self-catering as a sustainable, inclusive and responsible form of accommodation.

Introduction

The ASSC welcomes the opportunity to respond to Aberdeenshire Council's pre-engagement visitor levy survey. Like many other tourism stakeholders, the ASSC has consistently opposed calls for a visitor levy in order to ensure that Scotland remains as competitive as possible with other visitor destinations. Given the value of the tourism sector to Aberdeenshire – worth an estimated £17m GVA per annum, supporting 563 jobs, according to BiGGAR Economics – we cannot afford to make the wrong decision. However, should the Council decide to proceed with a visitor levy, it has to be managed appropriately, mitigating negative impacts and avoiding unintended consequences.

We acknowledge Aberdeenshire Council's right to consider this discretionary power, but we urge a more considered and collaborative approach that takes full account of industry input, recent legislative developments, and the practical implications of levy collection on small and microbusinesses across the council area.

The ASSC is fully committed to working with you on your proposals to ensure that any final plans work effectively for tourism and for affected businesses, as well as visitors and the local community. However, it remains our stated position that we oppose a visitor levy for Aberdeenshire given the negative impact it will have on affected businesses, including self-catering, who are already subject to an accumulated regulatory burden through recent policies over short-term let licensing and planning. We further oppose its introduction in light of the difficult economic climate and the emerging complexity of the current charging model.

While some areas, such as Edinburgh, have pressed ahead at pace - risking reputational harm and undermining competitiveness – others, like South Ayrshire Council and Comhairle nan Eilean Siar – are rightly opting to delay implementation to allow for a more considered approach. With all that in mind, we believe that Aberdeenshire Council should pause its plans as per our four recommendations set out below.

Key Recommendations

1. Transition to a Fixed Flat Fee Banded Model

The ASSC strongly supports the industry's call for a move away from a percentage-based levy model towards a tiered fixed flat fee per night, as outlined in the Scottish Tourism Alliance proposal to the Scottish Government.

The current percentage-based system introduces unnecessary complexity, is difficult to administer, and distorts pricing structures, particularly for self-catering providers who operate across varied platforms and booking systems.

A flat fee banded model is:

- Simpler and fairer: Providers and visitors understand it upfront.
- Easier to administer: No need to calculate percentages or adjust for VAT intricacies.
- More predictable for local authorities: Revenue forecasting is significantly improved.
- Aligned with UK and international best practice, such as proposals emerging in Wales and operating models in Paris and Barcelona.

We therefore recommend that Aberdeenshire Council delays further development of its own levy plans until the Scottish Government has had time to review the STA's proposal and consider amending Sections of the Visitor Levy (Scotland) Act 2024 accordingly.

2. Encourage the Scottish Government to amend Legislation to Transfer Collection Responsibility to Local Authorities via QR Code System

While the Visitor Levy Act currently designates accommodation providers as the primary collectors of the levy, this is both impractical and inequitable, particularly for small businesses already managing substantial regulatory demands. Tourism accommodation providers should not be used as unpaid tax collectors for local authorities.

We recommend that responsibility for collection be transferred from operators to local councils, facilitated by a digitally enabled QR code system. This model, adapted from successful international examples in Venice and Bali, would allow:

- Guests to scan a venue-specific QR code (provided by the council) and pay their levy directly to the local authority.
- Automatic record-keeping and transparency for local authorities.
- Reduction of VAT complications, since the levy would not be processed through the operator's revenue stream.
- Minimal administrative load on accommodation providers. This approach ensures better compliance, clearer audit trails, and enhanced data for tourism strategy, without overburdening operators.

3. Pause Implementation to Avoid Operational Pitfalls

As the experience in Edinburgh shows, rushing into implementation can lead to confusion, miscommunication, and reputational damage for both councils and Scotland's wider tourism offer.

We echo the STA's request for the Scottish Government to pause further visitor levy consideration until the methodology is reviewed and amended. Aberdeenshire Council should monitor the developments at City of Edinburgh Council, assess outcomes and unintended consequences, and allow time for the updated collection model to be properly designed and trialled.

4. Levy Revenues Must Be Ringfenced for Tourism

Any funds raised through a visitor levy must be used in accordance with the Visitor Levy (Scotland) Act 2024, Sections 13 and 19, for infrastructure and services that benefit visitors directly. This is not a general revenue tool – it is a tourism reinvestment mechanism. The creation of a meaningful Visitor Levy Forum with strong industry representation will help ensure transparency, oversight, and alignment with national tourism priorities.

Survey Questions

1. When responding to this consultation, which category best describes you? Please choose one option

I'm part of a representative group for business or tourism.

2. If a visitor levy is introduced, it would mean visitors pay a small proportion of their accommodation cost to the levy. The money collected would be used to help develop, support, or maintain services and places that visitors use — like public toilets, paths, parks, and local attractions. Because visitors often use the same services as local people, the money raised could help make things better for both residents and visitors.

In principle, do you support the idea of a visitor levy in Aberdeenshire?

No.

3. If you responded No, Why not?

First, we refer you to our earlier comments in the introduction on the deficiencies associated with charging a percentage rate and the recommendations therein. On a practical level, the current percentage-based model introduces serious administrative and compliance challenges for small and micro businesses. It reduces price transparency, complicates integration with online booking systems, and creates confusion for visitors and providers alike. These complexities could distort pricing strategies and further deter visits. In contrast, a flat fee, banded model – supported by the wider industry – offers a far more balanced solution, reducing compliance burdens while safeguarding the sector's future competitiveness.

As stated, the ASSC does not support the introduction of an Aberdeenshire visitor levy. However, if it is introduced by the Council following this survey and further public consultation, it is absolutely essential that it is set at a realistic level, with a transparent framework in place and good governance embedded throughout. It is a supplementary revenue scheme which should be used to enhance and protect tourism assets and infrastructure. If there isn't clear messaging about where the money goes, and who will be paying, it will cause not only a loss of trust in the business community but potentially alienate visitors too who will simply choose alternative destinations outside of the region to the detriment of the local economy.

Relatedly, the interaction between VAT and the levy needs to be considered. Businesses must register for VAT if their VAT taxable turnover is more than £90,000. If the levy is incorporated into the taxable income for businesses, then this will result in them potentially being financially penalised for collecting the levy. It risks taking some businesses over the VAT threshold. The Council need to clarify whether the levy count towards VAT registration thresholds. Moreover, is VAT applied to the levy itself? For VAT returns and accounts, do businesses count levy revenue based on stay dates, not invoice or booking dates? Finally, the financial implications of any new levy should also be considered alongside the many cost pressures facing businesses, including how the levy sits with policies such as short-term let licensing and planning controls.

While tourist taxes may be common elsewhere, Scotland's economic and legislative context is fundamentally different. For instance, a 5% levy in Aberdeenshire would effectively become a "tax on a tax," in addition to 20% VAT and being subject to VAT, unlike most other countries, which apply reduced VAT rates to tourism services. A 5% levy becomes a 6% levy for VAT registered businesses. This would severely impact the competitiveness of Scottish tourism. Moreover, unlike other international destinations, the levy in Scotland will also apply to local Scots holidaying within their own country. This places an additional burden on domestic visitors, who represent the majority of self-catering stays and 45% of all overnight stays in Scotland, and risks displacing them to alternative UK destinations.

4. What do you think would be the most useful way to spend the money raised from the visitor levy if this were introduced? (select up to three from the list below)

Please note - this must be something that is used by or substantially for visitors, but may also be used by residents.

Other.

We refer you to our comments in the introduction at point four. Any net revenue raised by a visitor levy must be used as a force for good in terms of tourism and clearly evidence an environmental, social, heritage and economic impact which, in turn, contributes to Scotland's national tourism strategy. This should be considered additional revenue, ringfenced for reinvesting in tourism priorities, not as a revenue raiser for existing Council services or obligations.

5. Do you have any other suggestions for where a visitor levy could be spent to give best value for visitors and residents alike?

See previous response.

6. Local authorities have the power to set an individual percentage rate for the levy. Early research suggests that a 1% charge could raise in the region of £1.7m a year in Aberdeenshire. For comparison Edinburgh Argyll & Bute and Highland Councils are proposing to charge a levy of 5%.

If a visitor levy were to be introduced in Aberdeenshire, what do you think is a suitable rate?

I don't think a levy should be introduced.

7. If you would like to, please explain why you chose the option above

See response to Question 3.

8. The legislation allows local authorities to set a maximum number of nights to apply the levy for each booking. For example, in Edinburgh, the levy will apply for a maximum of five nights, while in Glasgow the council has proposed not to have a cap. Do you think there should there be a cap on the number of nights visitors have to pay the levy?

I don't think a levy should be introduced.

9. The legislation allows local authorities to decide which part of the area the levy will apply to. Do you think the levy should apply to all of Aberdeenshire, or only in certain areas?

All of Aberdeenshire.

10. The legislation includes some groups who are legally exempt from paying the visitor levy, including those who use overnight accommodation as their only or main residence (for reasons such as; homelessness, poor housing conditions, domestic abuse) It also includes people who are in receipt of the following:

- **Disability living allowance**
- **Adult Disability Payment**
- **Attendance allowance**
- **Pension age disability benefit**
- **Personal independence payment**

Do you think there are any other groups of people who should be exempt from paying the levy (in addition to those set out in the legislation?)

Yes.

11. Please tell us who here and explain why

Aberdeenshire Council should give careful and considered attention to a range of potential exemptions from the proposed levy, particularly in cases where the impact would be disproportionately felt or where a compelling rationale exists. Suggested exemptions include:

- **Non-VAT registered businesses:** To ease the regulatory and administrative burden on small and microenterprises, which are most vulnerable to the additional pressures created by the levy. The enabling legislation supports this exemption and leaves its implementation at the discretion of Aberdeenshire Council.
- **Local residents:** Identified via postcode, to ensure those living within the region are not financially penalised for travelling within their own communities – especially where overnight stays may be necessary.
- **Scottish residents travelling for medical reasons:** Recognising that such journeys are essential and non-discretionary, and should not be subject to additional cost.
- **School groups:** In support of educational access and travel for young people, which is vital to broadening horizons and fostering understanding of the region's natural and cultural heritage.
- **Further, the levy should not be applied to charitable organisations and other educational groups, as this would be contrary to the spirit of supporting youth development and community activity.**

The scheme should also include clear exemptions or reimbursements for:

- **Key workers (e.g. offshore energy personnel, NHS staff)**
- **Those visiting critically ill loved ones**
- **People travelling for essential work**
- **Archaeologically/heritage-linked groups.**

These are fundamental exclusions that support Aberdeenshire's social and economic resilience and align with the principle that a visitor levy should not penalise those already serving the community.

12. If introduced, Local authorities determine which months the levy will be charged. A visitor levy can be applied year-round, or only during a part of the year (e.g. March to October). Do you think the levy should apply for the whole year, or only for part of the year?

I don't think a levy should be introduced.

13. A National Digital Portal is being developed to support accommodation providers collect and remit the funds collected to the council, as well as allowing eligible visitors to claim reimbursement.

Councils can choose to either remove the charge for exempt visitors when they pay, or give them a refund after their stay. For example, Edinburgh, Argyll & Bute, and Highland Councils are planning to offer refunds later to make things easier for accommodation providers. Do you think exempt visitors should:

Not have to pay at the point of payment.

14. If you have any other comments about what we need to consider when proposing a scheme for the visitor levy, please tell us here

According to a recent independent analysis from BiGGAR Economics, self-catering generates **£864m** GVA and supports **29,324 jobs** across Scotland. This underlines the fact that these regulations are far too important to get wrong. The ASSC therefore has some additional comments from the perspective of the self-catering industry:

Clarity on Scope and Communication: There remains a concerning lack of public understanding around who the visitor levy in Scotland will apply to. Many still believe it targets only international tourists. In reality, this levy will also affect families from across Scotland and the wider UK who choose to holiday or visit loved ones in Aberdeenshire. This includes individuals staying overnight while visiting friends or family, or those attending hospital appointments. These visitors already contribute to local government through general taxation, and may understandably resent what feels like an additional charge. The Council must clearly communicate that the levy will apply to local, national, and international visitors alike.

Economic Impact on Domestic Tourism: While international visitor numbers may be rising, domestic tourism, the backbone of Scotland's self-catering sector, is under pressure. Price-sensitive consumers are likely to reconsider their holiday destinations, especially in the face of ongoing cost-of-living challenges. A visitor levy risks further deterring domestic travellers and diverting spending away from rural communities that depend on tourism. A recent PwC report for the European Commission clearly states that tourism demand is highly price-sensitive. Introducing a levy at this time could undermine recovery and growth in an already fragile market.

Impact on Small and Microbusinesses: The introduction of a visitor levy will increase administrative burden and costs for small and microbusinesses such as self-catering operators. These businesses already operate on tight margins and have endured significant pressures, from the Covid-19 pandemic to rising energy costs and mounting regulatory requirements. Additional complexity and bureaucracy threaten the viability of many operators in the sector.

Competitive Disadvantage and Broader Tax Context: While it is true that many European destinations impose tourism taxes, they typically benefit from reduced VAT rates. In Scotland, the levy would come on top of a 20% VAT rate – one of the highest in Europe – and the highest Air Passenger Duty on departure. Additionally, the UK Government has just hiked the ETA (Electronic Travel Authorisation) fee by 60%, a move that makes visiting the UK significantly more expensive for many tourists. This risks making Scotland a less competitive destination. Policymakers must consider the cumulative effect of taxation on our tourism offering before setting any rate. Moreover, unlike other international destinations, the levy in Scotland will also apply to local Scots holidaying within their own country. This places an additional burden on domestic visitors, who represent the majority of self-catering stays and 45% of all overnight stays in Scotland, and risks displacing them to alternative UK destinations. That would directly harm local economies that rely on these visitors.

Principles of Fairness and Use of Revenue: Should the levy go ahead in Aberdeenshire, it is vital that it is applied fairly across all forms of visitor accommodation to ensure a level playing field. Furthermore, tourism businesses must not be expected to become unpaid tax collectors for the local authority. Any revenue generated must be ringfenced specifically for tourism-related infrastructure and improvements, not absorbed into general council budgets. The purpose must be clearly tourism-focused, with transparency and accountability in how funds are spent.

Conclusion

The ASSC remains opposed in principle to the introduction of a visitor levy, particularly given the fragile recovery of the tourism economy, the ongoing cost-of-living crisis, and the regulatory overload currently facing accommodation providers. However, if Aberdeenshire Council proceeds with a levy, it must:

- Encourage the Scottish Government to adopt a flat fee banded model and implement a QR code based payment system that removes the burden from providers.
- Pause current plans until the Scottish Government completes a review and legislative amendments.
- Ensure full industry engagement and transparent governance mechanisms.
- Ensure a robust economic impact assessment supports the introduction of a levy, based on current data and trading conditions.

This is the only way to ensure that the levy does not damage the very sector it is intended to support.

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