Supporting self-catering in Scotland

ASSC Response to Survey on Potential Visitor Levy for Fife

Founded in 1978, the Association of Scotland's Self-Caterers (ASSC) represents over 1,500 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 Fife Council's survey on the possible introduction of a local visitor levy. 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. However, should the Council eventually decide to proceed with a visitor levy, it has to be managed appropriately, mitigating negative impacts and avoiding unintended consequences.

As shown by BiGGAR Economics, Fife's self-catering sector supports nearly 3,000 local jobs and generates £80m every year, underlining the critical importance of taking the right decision at the right time. While we acknowledge the Council's right to consider this discretionary power, we urge a more considered and collaborative approach that takes full account of industry input – and crucially, upcoming legislative developments at a national level – as well as the practical implications of levy collection on small businesses across the council area.

The ASSC is fully committed to working with the Council on any 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 Fife 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 at the present time in light of the difficult economic climate and the complexity of the existing percentage charging model.

While some areas, such as Edinburgh, have pressed ahead at pace – risking reputational harm and undermining competitiveness – eight local authorities are rightly opting to delay implementation to allow for a more considered approach through the forthcoming amending Bill expected in early 2026. With all that in mind, we believe that Fife 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. The 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.

Instead, 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.

As stated, the Scottish Government have announced their intention to introduce a Bill which will enable greater flexibility for local authorities over how they design and implement a levy, including charging through a fixed amount model.

Due to such developments, a number of councils have paused work on their levy schemes in order to await this new primary legislation to see if this would better suit local needs, with the latest being The Highland Council on 11 December 2025. We therefore recommend that Fife Council similarly delays the next steps until it knows what powers it will have at its disposal following the passage of the upcoming Bill through the Scottish Parliament.

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

Postponement of work on the levy is not only necessary due to the forthcoming legislative changes at a national level. 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. This scheme also remains legally vulnerable. Fife Council should monitor the developments at 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

Regardless of the model, 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.

Conclusion

We welcome the Scottish Government's recognition of industry concerns and its commitment to enable local authorities to adopt alternative visitor levy methodologies, including a flat-rate model, with the upcoming amending Bill. This is something we have consistently called for, alongside colleagues across the tourism and hospitality sectors, as it offers clarity, fairness, and simplicity for both visitors and providers. By integrating a flat fee into Scotland's visitor levy, this flexibility can ensure fairness with seamless implementation, greater transparency and reduced administrative complexities, while securing a stable revenue stream for councils.

The ASSC therefore recommends that Fife Council joins the growing number of Scottish local authorities postponing their work on a visitor levy. This will allow for changes to filter through from the amending Bill which will further empower local councils to design and implement any levy.

The sector remains committed to constructive engagement and to shaping a levy that is fair, consistent, and sustainable. Our priority is to protect Scotland's competitiveness as a world-class destination while ensuring any levy introduced delivers genuine benefit to local communities across Fife.

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