



Fife Visitor Levy Early Engagement Consultation Analysis and Economic Impact

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Executive summary

Introduction

This executive summary presents the main findings from the early engagement exercise designed and undertaken by Fife Council to explore the potential of introducing a visitor levy scheme in the region. A main report has been prepared separately.

The survey opened on 3 November 2025 and was subsequently extended from closing on 19 December 2025 to 31 January 2026.¹ This consultation exercise was undertaken to ascertain:

- levels of support and concern around the possible introduction of a visitor levy.
- preferred design features of a local visitor levy scheme, including rate type (percentage versus flat), number of chargeable nights, seasonality, and local exemptions.
- priorities for reinvesting revenue in line with the [Fife Tourism Strategy 2023-2030](#) and wider council goals.
- potential impacts on businesses, communities, and visitors.

The early engagement exercise comprised a survey (855 responses received), nine in-person drop-in sessions held in locations across Fife and two online information events (circa 60 attendees in total).

EKOS was commissioned by the council to undertake the independent consultation analysis and to prepare an economic impact assessment (EIA).

The research findings will inform council discussions on whether a draft visitor levy scheme should be developed for Fife. If councillors agree to proceed to the next stage, the council will then undertake a formal 12-week statutory consultation. No decision on whether to implement a visitor levy in Fife will be taken until that statutory consultation has been completed and its findings considered by Fife Council.

¹ The survey was due to close on 19 December 2025 and was extended to the 31 January 2026 in response to the Scottish Government proposal to amend the legislation. Additional questions were added to explore options for a flat rate model in addition to a percentage rate model.

Background context

The Scottish Parliament passed the [Visitor Levy \(Scotland\) Act](#) in May 2024, 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 make a contribution to local areas. Since then, the Scottish Government has made amendments to the legislation in response to feedback from councils and the tourism sector. These changes are designed to address practical and administrative challenges identified in the original 2024 Act and to support smoother, more consistent delivery of visitor levy schemes across Scotland.

The [Visitor Levy \(Amendment\) \(Scotland\) Bill](#) passed the Scottish Parliament on 24 March 2026 making some technical adjustments to support the operation of the 2024 Act, which will take effect automatically two months after Royal Assent. This new legislation will give local authorities the extra option to introduce a fixed rate visitor levy (per room/area, per night²) alongside the existing percentage based model. It will also enable councils to vary visitor levy rates by location, season, or accommodation type, supporting alignment with local tourism patterns and pressures. The new powers are expected to commence in Autumn 2026, subject to regulations being laid in Parliament.

Survey findings

In reviewing the survey findings it should be noted that not all respondents answered the additional questions which were added when Falkirk Council extended the survey timescales. Response rates were lower to questions related to a fixed rate visitor levy.

Respondents

Eighty-three percent of the 855 survey responses to the early engagement exercise were from individual respondents, with the remainder (17%) from businesses and organisations. A more detailed breakdown of respondent type is provided in **Table 1**.

² The option for a per person, per night charge was not part of the amendments approved by Parliament, and was not known at the time of the early engagement survey.

Table 1: Which category best describes you as a respondent to this consultation?

Respondent type	Number	Percentage of all respondents
I am a resident of Fife	608	71%
I run, or am responding on behalf of, a business in Fife	130	15%
I am a visitor to Fife	37	4%
I invest in or own property in Fife, but I do not live in the area	25	3%
I am part of a representative group for business or tourism	24	3%
I am a representative of a local community council or other community group	19	2%
I work in Fife, but I do not live in the area	12	1%
I have never been to Fife	0	0%
Other	0	0%

Base=855 respondents.

Forty-four percent of residents' survey responses were from people who lived in North East Fife. Responses from those who lived in other areas of Fife were lower, **Table 2**.

Table 2: If you live in Fife, which area do you live in?

Area	Number	Percentage of all respondents who answered this question
North East Fife	331	44%
Dunfermline	125	17%
Kirkcaldy	97	13%
South and West Fife	72	10%
Levenmouth	70	9%
Cowdenbeath	32	4%
Glenrothes	21	3%

Base=748 respondents.

Survey results and feedback

Views were mixed on the introduction of a visitor levy scheme in Fife. Overall, in principle support for a visitor levy scheme (47%) was broadly similar to opposition (45%), with residents more supportive in principle (55%) and businesses least supportive (22%).

Qualitative feedback highlighted affordability and competitiveness concerns, in particular for price-sensitive domestic visitors and a tourism sector often described as financially fragile. Businesses and organisations emphasised a range of issues and challenges for the sector, including short term let licensing, increasing regulatory pressures, planning rules, high business rates and high operating costs, as well as concerns about integrating a visitor levy into existing booking systems. Responses emphasised that accommodation providers operate in a highly competitive, price-sensitive market and would be particularly vulnerable to additional bureaucracy and costs.

Further, a small number of organisation respondents suggested that the council should pause work on a visitor levy until there is greater clarity on how schemes are being implemented elsewhere in Scotland – allowing time to learn what works, what does not, and what impacts are emerging – and until updated national guidance from the recent legislative changes becomes available. As well as calls for a detailed and independent EIA to be carried out to quantify the potential positive and negative impacts of a visitor levy in Fife.

If a visitor levy was introduced in Fife, a similar proportion of respondents who answered this question supported a flat rate per night (52%), as those who supported a percentage of the accommodation cost model (48%), and the pros and cons of both approaches were identified in survey responses. Survey responses emphasised that a visitor levy rate should be affordable and convenient for visitors to pay, and be straightforward and easy for accommodation providers to collect and transfer to the council.

In terms of a percentage rate, survey feedback shows in principle support for a percentage visitor levy rate of 5% or lower in order to keep Fife affordable and to avoid deterring visitors. A visitor levy rate of 3% was the most common response. Some respondents emphasised a cautious approach to test its introduction, build acceptance and for the council to demonstrate tangible investment in local tourism infrastructure and services.

If a fixed rate was to be introduced, points to note from the survey included:

- a higher level of in principle support for application on a per night basis.
- a majority did not think there should be a tiered fixed rate approach.
- support for a £2 or less per person per night charge.

- support for a £3 or less per accommodation unit charge.

Wider views on visitor levy design were also mixed.

There was stronger levels of support (64%) for capping the number of chargeable nights. While seven consecutive nights was most commonly selected, greater levels of support was expressed for a cap of five consecutive nights or less.

Around half (54%) favoured applying a visitor levy across all of Fife and 27% felt the council could explore applying it on a geographically selective basis to help balance tourism pressures and opportunities across the Fife Council area. The remainder were unsure. There was some survey feedback that an approach that targeted specific areas could: confuse visitors; distort competition; penalise accommodation providers near boundaries; be difficult to administer; and raise issues over where revenue generated by a visitor levy would be spent within Fife.

Forty-five percent of survey respondents supported year-round application of a visitor levy, while 33% preferred peak-season only, citing winter fragility and encouraging visits outside of the busy tourism periods in support of this viewpoint.

There was strong support for local exemptions to be applied, particularly for Fife residents (74%), and mixed views on exemptions for those accompanying disabled visitors. Respondents mentioned other possible groups for exemptions, including (but not limited to): patients staying in paid accommodation whilst travelling for medical appointments and treatment; workers staying in Fife temporarily due to employment commitments; and accommodation providers below the VAT threshold to avoid pushing them into VAT liability. Respondents emphasised that any exemption process must be simple and manageable, with minimal administrative burden, and a preference that exempt visitors do not pay a visitor levy upfront.

Survey respondents expressed strong expectations around transparency and governance. They said revenue generated should provide genuine additionality and be ring-fenced for visitor-related infrastructure and services that provide direct benefit to the Fife visitor economy. They intimated clear priorities for reinvesting revenue in public facilities, transport, road maintenance, and public realm improvements.

Respondents also called for a strong Visitor Levy Forum with sector/industry and community representation to ensure that local needs are represented and articulated and alignment with tourism priorities.

Over half (53%) supported allowing accommodation providers to retain a percentage of visitor levy revenue to help offset administrative costs, though views varied on the appropriate level. There were calls for specific considerations for micro and small accommodation providers who may be disproportionately burdened by the introduction of a visitor levy.

There were also requests that any visitor levy scheme design must deliver on objectives around fairness, proportionality, simplicity, and sustainability, while supporting Scotland's diverse visitor economy and protecting the competitiveness of the tourism and hospitality sector. As well as efforts to address concerns that a complicated system could create challenges for collection and for accommodation businesses.

EIA

EKOS has undertaken an impact assessment of the proposed introduction of a visitor levy scheme in Fife, modelling the potential economic impacts on the accommodation sector and wider visitor economy. The analysis accounts for uncertainty in three key areas:

- final charging structure of a visitor levy (flat rate or percentage rate).
- the impact of a visitor levy on visitor demand and sector turnover (via price elasticity).
- the extent to which reinvestment of visitor levy revenues generates positive economic effects.

Given limited empirical evidence on visitor levies, a range of model scenarios have been developed, reflecting different assumptions on costs, demand response, and investment returns. Results vary across these scenarios, highlighting that overall success depends on balancing demand impacts with effective reinvestment of funds.

For comparison purposes, we have assessed the impacts of two different rate structures:

1. A £2.50 per night flat rate visitor levy applied to all overnight stays.
2. A 5% visitor levy applied to the total cost (room-rate) of the accommodation.

Results

The Fife Council financial cost benefit analysis assesses the gross tax receipts generated by a visitor levy against the set-up and implementations costs and ongoing administration costs of a visitor levy faced by Fife Council.

Table 3: Fife Council financial cost benefit analysis results (£millions)

Charging structure	Tax revenue generated	Cost of set-up and admin	Net Present Value (NPV)	Benefit-Cost Ratio (BCR)
Flat rate	£30.9	£2.7	£28.2	11.3
Percentage rate	£88.9	£3.4	£85.6	26.5

Note: Figures rounded to nearest £0.1m. Present Values discounted at 3.5% annually.

Both charging structures generate extremely high BCRs to Fife Council from a purely financial perspective. However, we note that in terms of NPV, a percentage rate could generate significantly larger financial benefit – driven by the relatively higher tax rate.

The accommodation sector cost benefit analysis compares turnover gains from visitor levy-funded investment against direct costs (set-up and administration) and indirect costs (lost turnover due to price increases).

Table 4: Accommodation sector businesses financial cost benefit analysis results (£millions)

Charging structure	Turnover uplift	Set-up and admin costs	Turnover lost	Total cost	NPV	BCR
Flat rate	£25.4	£4.3	£8.6	£12.9	£12.5	2.0
Percentage rate	£73.6	£18.6	£22.3	£40.9	£32.7	1.8

Note: Figures rounded to nearest £0.1m. Present Values discounted at 3.5% annually.

The results show that both charging structures generate net positive financial outcomes for accommodation businesses, with a flat rate generating a slightly higher BCR at 2.0, compared to 1.8 for a percentage rate. The percentage rate model generates significantly higher absolute gains (£32.7m NPV) but also much higher costs.

The socioeconomic cost benefit analysis assesses the net additional Gross Value Added (GVA) generated in the Fife economy as a result of visitor levy-funded investment, relative to public and private implementation costs.

Table 5: Socioeconomic cost benefit analysis results (£millions)

Charging structures	Net additional GVA	Council cost of set-up and admin	Business cost of set-up and admin	Total cost	NPV	BCR
Flat rate	£20.3	£2.7	£4.3	£7.0	£13.3	£2.9
Percentage rate	£61.9	£3.4	£18.6	£22.0	£39.9	£2.8

Note: Figures rounded to nearest £0.1m. Present Values discounted at 3.5% annually.

Both charging structures produce positive economic impacts, with very similar BCRs (2.9 and 2.8). It should be noted that the percentage-based charging structure generates substantially higher total economic impact, measured by NPV when compared to the flat rate structure. This is driven by the significantly higher effective tax rate under the 5% structure.

Approved visitor levy schemes in Scotland

Edinburgh, Glasgow, Aberdeen, Stirling, and West Dunbartonshire have converged around a percentage rate (these schemes were approved prior to the recent amendments to legislation), year-round, whole-area schemes, with provider reimbursement and local reinvestment built in. Most have approved a visitor levy rate between 3%-5% as a way to balance revenue generation with competitiveness.

Whether a cap on the number of nights a visitor levy applies varies. Edinburgh has adopted a five-night cap, Stirling offers reimbursement after seven nights, while Glasgow has no cap, for example. Caps can be popular with seasonal/temporary workers and long-stay visitors but can also reduce revenue and add complexity.

Local exemptions varies across the schemes. Glasgow has no local exemptions and has prioritised simplicity in scheme design and administration while others have targeted local exemptions such as for medical travel (Aberdeen), local residents (Stirling), and discretionary local exemption for charity-occupied accommodation for charitable stays (Edinburgh and West Dunbartonshire).

Accommodation provider reimbursement is an expected feature, and typically ranges between 1.5% and 3% across the approved schemes.

Clear and transparent investment priorities are vital for building public trust. Other councils focus on infrastructure, culture, events, marketing, community benefit and business support. Administrative burden also needs to be considered, including consideration of system integration, compliance, enforcement, exemptions, as well as guidance and communications.