

# East Lothian Draft Visitor Levy Scheme

## 1. Introduction & Purpose of the Scheme

East Lothian Council has prepared this Draft Visitor Levy Scheme for statutory consultation under the powers granted by the Visitor Levy (Scotland) Act 2024 ("the Act"). The Draft Scheme proposes the introduction of a Visitor Levy applicable to persons staying in overnight paid accommodation within the Council boundary.

This proposal aims to:

- Sustain, support and develop infrastructure and amenities used by visitors and residents, supporting inclusive and sustainable economic prosperity across East Lothian's communities.
- Enhance East Lothian's visitor offer, including its natural, cultural and heritage assets, through reinvestment of levy revenue.
- Ensure the tourism sector is sustainable, responsible and aligned with the East Lothian Local Economy Strategy 2024-2034.

## 2. Scheme Area, Start Date & Duration

- Scheme Area: The entire East Lothian Council geographic boundary.
- Start Date: The commencement date for any Visitor Levy Scheme would be determined by Council following consideration of consultation responses and would be subject to the minimum 18-month implementation period required by the Visitor Levy (Scotland) Act 2024.
- Duration: Indefinite until amended or withdrawn by East Lothian Council.

## 3. Levy Rate & How It Is Charged

- Levy Rate: 5% of the amount charged for overnight accommodation.
- Chargeable Nights: There is no cap on the number of chargeable nights.
- Seasonality: The levy applies throughout the year with no seasonal variation.
- Remittance and Returns: Levy returns and payments will be submitted free of charge by accommodation providers through the national visitor levy portal <http://www.visitorlevy.scot>

## 4. Accommodation Types Liable

The levy will apply to all paid overnight accommodation within the East Lothian Council boundary, including accommodation providers whose annual turnover falls below the VAT registration threshold.

This includes:

1. Hotels;
2. Hostels;
3. Guest houses;
4. Bed and breakfast accommodation;
5. Self-catering accommodation, including short-term lets;
6. All paid accommodation on caravan sites and campsites, including temporary tent and campervan pitches
7. Accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place; and
8. Any other place at which a room or area is offered by the occupier for residential purposes otherwise than as a visitor's only or usual place of residence.

Certain accommodation providers may apply to the Council for a discretionary site exemption if they meet both of the following criteria;

1. The property is occupied by a charity and
2. Overnight stays are wholly or mainly for charitable purposes.

Accommodation providers who do not charge for overnight accommodation, or who cater solely for individuals who are exempted from paying the levy are not liable for the levy.

## **5. Exemptions & Reimbursements**

The Visitor Levy is payable by anyone staying in accommodation which is not their only or usual place of residence (temporary or otherwise). Individuals who do not have an only or usual place of residence are therefore not required to pay the levy. This includes people who are fleeing domestic abuse, homeless, refugees and asylum seekers and people whose homes are unfit or unsafe for habitation. In addition, individuals defined in s. 14 (1) (i) of the Act are exempt from paying the levy.

Individuals who are exempt or excluded will need to pay the levy to the accommodation provider and request reimbursement from the Council, unless their accommodation has been arranged and paid for directly via the Council. Applications for reimbursement will be made to East Lothian Council using a process to be published on the Council's website. Applicants will be required to provide evidence demonstrating eligibility for exemption or exclusion and evidence that the levy has been paid. Alternative arrangements will be available for applicants unable to access online services.

As at June 2026, only people in receipt of the following benefit payments are exempted: Disability Living Allowance, Disability Assistance, Attendance Allowance, Pension Age Disability Benefit and Personal Independence Payment.

## **6. Collecting and enforcing the levy**

Accommodation providers within the local authority area will be responsible for collecting and remitting the levy. They will be required to submit quarterly returns detailing the total accommodation charges and levy collected through the national visitor levy arrangements in place at the time the scheme is implemented. Levy payments will be remitted at the same time as returns are submitted.

Accommodation providers are required to keep accurate records of all transactions that are subject to the levy. The Council will conduct inspections, as required, to ensure compliance with the scheme and remittance requirements.

Accommodation providers who fail to comply may be subject to penalties in accordance with the Act.

## **7. Use of Net Proceeds**

The Act stipulates that the net proceeds of a visitor levy must be spent on facilitating the achievement of the scheme's objectives and on "developing, supporting and sustaining facilities and services which are substantially for or used by persons visiting [overnight] for leisure or business purposes (or both)".

In applying the net proceeds of the Visitor Levy, East Lothian Council will seek to maximise economic, social and environmental benefit for local communities, while supporting a sustainable, responsible and competitive visitor economy. Investment decisions will be guided by the principles of inclusive growth, community wealth building and place-based development, ensuring that levy revenues support facilities and services substantially used by visitors while delivering wider benefits for local communities.

A deduction from levy revenues collected by accommodation providers will be permitted to contribute towards the administrative costs associated with collection and remittance of the levy. For modelling and consultation purposes this has been assumed at 2%

After administration costs, including a 2% retention, net funds will be applied across the following themes:

- Infrastructure, including capital and revenue expenditure that supports sustainable growth in visitor activity, enhances community assets, and mitigates the impacts of visitor pressure on local places.

- Culture, heritage and events that celebrate East Lothian's distinctive identity, support local participation, and deliver economic and social value to communities.
- Visit East Lothian destination and visitor management and marketing activity that improves accessibility, visitor behaviour, dispersal and environmental sustainability, while enhancing the experience of both visitors and residents.
- Business support activity that improves the quality, sustainability, resilience and productivity of the visitor economy.
- For otherwise developing, supporting and sustaining facilities and services which are substantially for or used by persons visiting East Lothian for leisure or tourism purposes.

East Lothian Council will make decisions on the use of funds after consultation with the Visitor Levy Forum (see detail below). Council will seek to align investment decisions with its wider inclusive growth, fair work, and community wealth building approaches.

## **8. The Visitor Levy Forum**

A Visitor Levy Forum will be established to advise on the Visitor Levy scheme, including the use of net proceeds, review of the scheme and any modifications to the scheme.

The forum will be maintained for the duration of the scheme and will be provided with copies of each annual report in relation to the scheme.

The Forum will comprise representatives of local communities, businesses operating within East Lothian's visitor economy, relevant local and national tourism organisations, and other stakeholders or sector specialists as appropriate.

The purpose of the Forum is to provide a structured mechanism for ongoing engagement between East Lothian Council and representatives of communities, businesses and organisations connected to the visitor economy. The Forum will provide advice on the operation of the scheme, the use of levy revenues, proposed modifications to the scheme and the findings of annual reporting and evaluation.

The Forum will meet at least twice annually in accordance with the requirements of the Act.

## **9. Monitoring, Reporting & Review**

The Council will review the scheme every three years to assess whether it is successfully achieving its objectives and to measure the impact of the scheme on businesses, visitors and communities. The Council will publish annual reports detailing levy income collected, expenditure incurred and the outcomes achieved through levy-funded activity. The findings of each three-year review will also be published.

If the Council proposes changes to the scheme, it will undertake any consultation required by the Act and publish a report setting out the proposed changes and the reasons for them.

Any approved changes to the scheme will take effect in accordance with the requirements of the Visitor Levy (Scotland) Act 2024 and any implementation arrangements specified by the Council.

Significant changes to the scheme include:

- Increasing the scheme area;
- Increasing the rate charged; and/or
- Removing any exemptions.