
Report To:	Environment and Regeneration Committee	Date:	28 August 2025
Report By:	Interim Director - Regeneration	Report No:	ENV038/25/NM
Contact Officer:	Neale McIlvanney	Contact No:	01475 712402
Subject:	Cruise Ship Levy Scottish Government Consultation		

1.0 PURPOSE AND SUMMARY

1.1 ☒ For Decision ☒ For Information/Noting

1.2 The purpose of this report is to homologate the response to the Scottish Government Cruise Ship Levy consultation that closed in May. The timescales for response and Committee cycles, meant there was no opportunity to present a response to Committee for submission, and this report, therefore seeks to homologate the response submitted by officers.

2.0 RECOMMENDATIONS

2.1 It is recommended that Committee

- notes and retrospectively approves the officer response to the Scottish Government Cruise Ship Levy consultation attached as appendix 1.

Neale McIlvanney
Interim Director - Regeneration

3.0 BACKGROUND AND CONTEXT

- 3.1 The Scottish Government closed a consultation on the merits of introducing a cruise ship levy in May 2025. The proposed levy would be similar to the visitor levy, which has already been in place in Scotland.
- 3.2 In the officer response, the Council's submission supports the principle of the introduction of a levy and seeks flexibility for local authorities to collect funds raised and have discretion to utilise funds to support a broad range of place and community interventions to maximise the visitor experience and thereby economic impact of cruise ships by investing in place (infrastructure, public realm, town centres, signage and wayfinding, and gateway facilities) and support businesses and communities that are affected by cruise ship passengers. The response indicated a preference for the method of collection being a per passenger charge that could be collected by the port authority for a reasonable administration charge, with residual funds being paid to the local authority. Full details of the officer response submitted are enclosed in appendix 1.
- 3.3 The consultation took the form of a series of set questions, seeking feedback on the principle of introduction of a levy, purpose of a levy, parameters of funding collected and collection mechanisms.

4.0 PROPOSALS

- 4.1 It is recommended the Committee notes and retrospectively approves the officer response to the Scottish Government Cruise Ship Levy Consultation.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk		X
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report (£000)	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact (£000)	Virement From (If Applicable)	Other Comments

5.3 Legal/Risk

There are no legal issues arising from this report.

5.4 Human Resources

There are no human resources issues arising from this report.

5.5 Strategic

There are no direct strategic implications as a result of this report.

5.6 Equalities, Fairer Scotland Duty & Children/Young People

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

(b) Fairer Scotland Duty

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO – Assessed as not relevant under the Fairer Scotland Duty.

(c) Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
X	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children’s rights.

5.7 Environmental/Sustainability

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
X	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.8 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION

6.1 None.

7.0 BACKGROUND PAPERS

7.1 None

1 Do you support giving local authorities the power to create a cruise ship levy in their area, if they wish to do so?

Yes.

Please provide reason for your answer

The increase in visitors to Inverclyde and Greenock through cruise ship visitors is welcome, and it is a strategically significant component of the local and regional tourism offer. The £20 million Greenock Ocean Terminal Visitor Centre opened in August 2023, a result of Glasgow City Region City Deal investment, which has a food and drink and cultural offering within the terminal building and is a gateway for over 100,000 cruise ship passengers visiting Inverclyde each year, many of whom travel to destinations within. This will rise significantly as a result of a new increased capacity long-term lease being agreed. The ability to generate funding to invest in place and further enhance the visitor experience is an opportunity that should be determined locally.

Inverclyde Council does not see the introduction of a levy as a financial penalty on the operators or visitors, but an opportunity to invest in infrastructure in place that would ensure the visitor experience is optimal. The Council would seek to work collaboratively with operators and communities to ensure that benefit is identified and addressed through funds raised. This is something that is best determined at local level, with flexibility on eligible spend given the range of investment opportunities that may exist (e.g. transport infrastructure, town centre, public realm, signage and wayfinding).

As with visitor levy considerations, it is recognised that the introduction of such fund-raising mechanisms is commonplace globally and supports local communities to address investment and infrastructure costs associated with high volumes of tourists. In the instance of the cruise ship levy, this is particularly concentrated at a single gateway point and impacts on transportation and active travel, public transport nodes, town centre and tourism support services (i.e. food and beverage provision) is concentrated and it is considered that the ability to raise funds through increased numbers of visitors can be managed in a way that imposes a minimal financial constraint as the cost per passenger will be negligible and isn't a commercial deterrent.

2. What alternatives (if any) do you think would achieve the same goals as a cruise ship levy?

Given that tourism is inherently transient in nature – i.e. visitors stay for a short period – it is difficult to identify operable models for raising local funds to support place enhancement to optimise visitor experience, and to create capacity to invest in areas where visitor numbers increase pressure on local services.

This is particularly relevant in Inverclyde, where the visitor levy is not likely to be introduced as the means of collection does not create a viable business case for

introduction, whereas the Cruise Ship Levy can apply due to volume of visitors and ability to collect at the gateway entrance for visitors.

Please provide reason for your answer

3. What should the primary basis of a cruise ship levy charge be, if introduced in Scotland?

Tonnage of a ship

One approach to a cruise ship levy would be to use the gross tonnage (GT) of the vessel as the basis for calculating a levy. All vessels that operate in UK waters must declare their gross tonnage. Ships over 24 metres in length are issued with international tonnage certificates by a certifying authority, and all ships operating in UK waters are required to hold an international tonnage certificate (Merchant Shipping (Tonnage) Regulations 1997; United Nations, 1969).

The levy could be based on a cost per GT, could be a flat fee that applied to all cruise ships, or could be a varying levy based on bands linked to the gross tonnage of a ship. In this approach the event that triggered the levy would be the ship mooring at the relevant port (one at which a local authority had decided to apply a cruise ship levy), and with the option for passengers to disembark from the ship. Such an approach would have the advantage of being clear, and potentially reflect the size of a cruise ship, and therefore the number of passengers it would be likely to disembark.

Passenger capacity of a ship

Another possible approach to a cruise ship levy would be to use a ship's total passenger capacity as the basis for calculating a levy. In this approach the levy could be set at a figure per passenger (in terms of capacity) or could be set in broad capacity bands. This approach would need to require cruise ship operators to declare the passenger capacity of the relevant ship. It is also worth noting that the passenger capacity of a ship can change over time, as space on board on a vessel can be reconfigured.

In this approach the event that triggered the levy would be the ship mooring at the port at which a local authority has decided to apply a cruise ship levy, and with the option for passengers to disembark from the ship.

Available evidence from international examples suggests that this is the most common approach, used in locations including Dubrovnik. However, there is significant variation in how fees are applied. For example, in Dubrovnik, a lump sum fee is applied based on the passenger capacity within set ranges (e.g. a ship with a capacity between 1001-2000 passengers would be charged a lump sum fee of approximately 2700 euro) (Republic of Croatia: Ministry of Tourism and Sport, 2019).

Number of passengers on board a ship

Another approach to a cruise ship levy would be to base it on the total number of passengers on board a vessel when it moors at a port. This is an approach taken in a number of parts of the

world, such as Amsterdam where cruise ships must register with the Passenger Terminal Authority and provide a manifest of passengers. This manifest has to distinguish between those who are continuing with the cruise from Amsterdam, known as transit passengers, and those starting or completing their cruise in the city, known as turnaround passengers. The cruise ship tax is then calculated based on the total number of transit passengers.

Advantages of this approach are that passengers would not need to be counted as they disembarked, reducing the potential administrative burden, and the level of cruise ship levy to be paid could be calculated as soon as a ship moored in a port. A levy could potentially be based on a per passenger basis, or in bands depending on the number of passengers.

Number of passengers to disembark from a ship

A fourth possible approach to a cruise ship levy would be to use the number of passengers disembarking from a ship as the basis for calculating a levy. This would have the advantage of aligning the level of cruise ship levy paid with the number of passengers physically being in the area. Disadvantages of this approach would be that the level of cruise ship levy to be paid could not be calculated in advance, and it would be likely that passengers would need to be counted on and off the ship, with any exemptions (see below) applied. A range of approaches could be taken to who would pay or collect the levy in this scenario. It could be that the cruise ship operator counted the number of passengers to leave the ship (or use tendering boats), and then paid the appropriate level of cruise ship levy; alternatively the local authority, port operator, or another body could count the number of passengers and then bill the cruise ship operator.

In this approach the event that triggered the levy would be:

- a. passengers setting foot on land in the area where a cruise ship levy applied, whether that be from leaving a cruise ship via a gangway; or
- b. where a cruise ship is at anchor off the coast, stepping off a boat tendering passengers to and from a cruise ship.

This approach is similar to that adopted in Venice, where a “Day Visit” fee is applied to all tourists visiting the city centre who are not booked into accommodation in the city. (The “Day Visit” fee is not technically a cruise ship levy as it is applied not only to those visitors arriving by cruise ship, but also those who arrive by car, train, or other means of transport.) In this case, cruise ship passengers wishing to visit the city are required to either pay the fee individually online in advance or remit the fee via their carrier, whether that be a cruise line or other means of transport.

Tonnage of a ship

Passenger capacity of a ship

Number of passengers on board a ship

Number of passengers to disembark from a ship

Other (please specify)

Don't know

Please provide the reasons for your answer.

It is recognised that costs of a visitor levy would ultimately be passed to visitors, so application of a tariff on a per head visitor basis would appear to be a transparent model to apply a cruise ship levy. However, Inverclyde Council has no fixed view on this matter, and the national process of exploring enacting a cruise ship levy should explore this matter to reach a consistent view as to how the levy may be applied if it becomes law.

4. **In addition to the main basis of the charge, should any cruise ship levy also take into account the environmental impact of a cruise ship?**

Yes/**No**/Don't Know

If there is space to add this comment, I will note:

Environmental compliance will be part of operational regulatory requirements; and the proposed use of levy raised is to be flexible so as to deal with impact, including wider placemaking.

5. **Who should collect any cruise ship levy?**

Cruise ship operator/Port operator/Local authority/Other (please specify)/Don't know

Please provide the reasons for your answer.

Cruise ship and port operators have the ability to manage costs associated with visitors and can consider this in commercial arrangements. Given there is a single point of entry for cruise ship visitors, it would be appropriate for port authority to collect the funds raised and pay to the local authority, while retaining a reasonable administrative charge.

Notwithstanding this view, the Council considers that it will be important to engage and consult with stakeholders in identifying priorities for spend, and this would include engagement with operators.

6. **What enforcement powers should a local authority, or other relevant body, have to ensure compliance (and prevent avoidance and evasion) by those required to pay a cruise ship levy?**

Please select all of the powers you think the body should have.

Power to request, and obtain or inspect, the information necessary to assess the cruise ship levy liability of a body

Power to apply a penalty (e.g. a fine) if a cruise ship levy is not paid when it is required to be

Power to apply a penalty (e.g. a fine) if a body provides inaccurate information in relation to a cruise ship levy, or destroys requested information

7. **Do you think the rate of any cruise ship levy should be set at a national level or should it be for a local authority to decide?**

Set at the national level/**Decided by local authorities**/ Don't know

Please provide the reasons for your answer.

As outlined in this response, the impact of cruise ships is different to a visitor levy given that the gateway/arrival points for visitors is a single port, which concentrates the

impact of visitors to specific location, which will be served by unique transport infrastructure, public transport nodes, services and businesses, therefore the impact may vary. Additionally, tourism markets will vary in different locations across Scotland, with some more buoyant than others. It should be for local areas to determine the impact, opportunity to maximise place and the visitor experience and autonomy to set rates should therefore lie locally.

8. **If the rate of any cruise ship levy were to be set by individual local authorities, should an upper limit be set at a national level?**

Yes/No/Don't Know

9. **Which (if any) of the following proposed actions do you believe local authorities should be required to undertake before being able to introduce a cruise ship levy?**

Have held a consultation to gather views from all those who will be affected by a cruise ship levy

Yes/No/Don't Know

Have conducted relevant impact assessments, e.g. impact on business, equality impacts, etc

Yes/No/Don't Know

Have set and published objectives for any cruise ship levy and what it was seeking to achieve (either directly and/or through the use of revenue raised)

Yes/No/Don't Know

Have assessed and documented the administrative burden from a proposed cruise ship levy and any steps taken to minimise this

Yes/No/Don't Know

If a cruise ship levy rate is set locally, demonstrated why the chosen rate is suitable for that area

Yes/No/Don't Know

Have appropriate mechanisms in place to allow for collection (and if necessary remittance) of a cruise ship levy

Yes/No/Don't Know

Have made information about the cruise ship levy and how to pay it available in the public domain, for businesses and others

Yes/No/Don't Know

Established an approach to monitoring and publicly reporting on revenues raised and their use on an annual basis

Yes/No/Don't Know

Established an approach to monitoring and publicly reporting on the impact of a cruise ship levy on an annual basis

Yes/No/Don't Know

10. **How should revenue raised by a cruise ship levy be used?**

Revenue raised by a cruise ship levy should be required to be spent on facilities and services used by cruise ship passengers and/or the cruise ship industry

A local authority should be able to use revenue raised by a cruise ship levy in any way it wishes

Don't know

Please provide the reasons for your answer.

As outlined in this response, the impact of cruise ships is different to a visitor levy given that the gateway/arrival points for visitors is a single port, which concentrates the impact of visitors to specific location, which will be served by unique transport infrastructure, public transport nodes, services and businesses, therefore the impact may vary. It should be for local areas to determine the impact, opportunity to maximise place and the visitor experience and autonomy to allocate funding generated should therefore lie locally with flexibility as to eligible spend, however anticipated areas of spend include destination/visitor management, culture/heritage and events, area services and infrastructure. It should be noted that the Council supports consultation with stakeholders on identified spend, so this should guide what is prioritised by consensus.

11. **Should any of the following groups be granted exemptions from payment of a cruise ship levy?**

Passengers who are 18 years or under

Yes/No/Don't Know

Passengers who are disabled

Yes/No/Don't Know

Passengers who are paid carers

Yes/No/Don't Know

Crew members

Yes/No/Don't Know

Passengers disembarking at the final port of call

Yes/No/Don't Know

Inverclyde Council has no fixed view on exemptions from the levy. In designing and implementing the levy, consultation and equalities impact assessment would take place to determine any exemptions that should apply. It is anticipated that Government will explore these matters in advancing beyond the consultation and this may determine any exemptions applicable.

12. **If national exemptions are introduced, do you think local authorities should be able to create additional exemptions at a local level?**

Yes/No/Don't Know

13. **Should there be an implementation period for any cruise ship levy?**

This would be a required period to run from the time a local authority formally decides to introduce a cruise ship levy to when it came into force.

Yes/No/Don't Know

14. **If there should be an implementation period how long should it be?**

Less than 6 months

6 months 12 months

One complete financial year

18 months

More than 18 months

The implementation should take as long as is appropriate to robustly introduce.

15. **What, if any, transition arrangements should apply when a cruise ship port call is arranged before a local authority chooses to impose a cruise ship levy, but the port call takes place after the levy has been put in place?**

a cruise ship levy should be paid in this situation

a cruise ship levy should not be paid in this situation

16. **What impact do you think a cruise ship levy would have on the following?**

This helps with developing a robust Business and Regulatory Impact Assessment (BRIA) which considers as wide a range of impacts as possible. If there are any other groups that would be impacted by a cruise ship levy please also list them below, together with the extent to which you believe they would be impacted.

Cruise ship operators

Very positive impact/ Somewhat positive impact/ Neither positive nor negative impact/ Somewhat negative impact/ Very negative impact/ Don't know

Ports

Very positive impact/ Somewhat positive impact/ Neither positive nor negative impact/ Somewhat negative impact/ Very negative impact/ Don't know

Businesses linked to cruise ship industry

Very positive impact/ **Somewhat positive impact**/ Neither positive nor negative impact/
Somewhat negative impact/ Very negative impact/ Don't know

Local Communities

Very positive impact/ Somewhat positive impact/ Neither positive nor negative impact/
Somewhat negative impact/ Very negative impact/ Don't know

Local authorities

Very positive impact/ **Somewhat positive impact**/ Neither positive nor negative impact/
Somewhat negative impact/ Very negative impact/ Don't know

Scotland as a whole

Very positive impact/ Somewhat positive impact/ **Neither positive nor negative impact**/
Somewhat negative impact/ Very negative impact/ Don't know

Please provide the reasons for your answer(s)

The impact of the levy is anticipated to be somewhat positive for operators, ports and business as it creates investment capacity to optimise visitor experience and impact on infrastructure and services to be managed. It is anticipated that levy charges, in any form of mechanism for charging, would ultimately be reflected to customers on an equivalent per head basis, so impact would be negligible. It is also anticipated that cruise ship visitors will benefit from the levy in terms of place enhancement resultant from the investment.

Local authorities will not directly benefit from the funding as it will be utilised to invest in infrastructure and services, therefore it will be communities that will benefit most from the investment.

17. **Would the name 'cruise ship levy' be appropriate for a potential levy as explored in this consultation paper?**

Yes/No/Don't Know

If you believe another name would be more appropriate please suggest it below.

18. **Do you believe local authorities with islands should be given the power to create a broader 'point of entry' levy for one or more islands in their area, if they wish to do so?**

Yes/No/Don't Know

Please provide the reasons for your answer.

No view expressed.

19. **If there any other points you would like to make in relation to a potential cruise ship levy that you have not been able to make elsewhere in this consultation, please add them below.**

Are there any other points you would like to make?