POLICY NOTE

THE FIRST-TIER TRIBUNAL FOR SCOTLAND (ALLOCATION OF FUNCTIONS TO THE LOCAL TAXATION CHAMBER) REGULATIONS 2026

SSI 2026/XXX

The above instrument is made in exercise of the powers conferred by section 20(2)(b) of the Tribunals (Scotland) Act 2014 ("the 2014 Act"). The instrument is subject to the affirmative procedure.

Summary Box

These Regulations allocate functions relating to Visitor Levy appeals to the Local Taxation Chamber of the First-tier Tribunal for Scotland.

The purpose of the Regulations is:

- To allocate responsibility for determining Visitor Levy appeals to the Local Taxation Chamber of the First-tier Tribunal for Scotland.
- To ensure that appeals arising under the Visitor Levy (Scotland) Act 2024 are considered within a specialist tribunal chamber with appropriate taxation expertise.
- To support the effective and consistent operation of the Visitor Levy appeals framework established by secondary legislation.
- To provide clarity and legal certainty regarding the tribunal forum responsible for hearing Visitor Levy appeals.

The Regulations support the efficient administration of justice by seeking to ensure that visitor levy appeals are dealt with through clear, proportionate and specialist tribunal procedures within the Scottish Tribunals structure.

Policy Objectives

The purpose of these Regulations is to give effect to the Visitor Levy appeals framework by allocating the relevant functions of the First-tier Tribunal for Scotland to the Local Taxation Chamber.

The Tribunals (Scotland) Act 2014 establishes the First-tier Tribunal for Scotland and provides for it to be divided into chambers based on subject matter. The Local Taxation Chamber was created to deal with appeals and proceedings relating to local taxation matters. Visitor Levy appeals concern local authority assessments of visitor levy payable, penalties, enforcement action (in other words, use of inspection powers and information notices) and decisions made by local authorities in connection with the operation of Visitor Levy schemes, and therefore align closely with the existing remit and expertise of the Local Taxation Chamber.

The Visitor Levy (Scotland) Act 2024 places a duty on the Scottish Ministers to make provision in regulations for appeals to the First-tier Tribunal in relation to Visitor Levy matters. The Visitor Levy (Reviews and Appeals) (Scotland) Regulations 2026 establish the substantive framework for those appeals,. These Regulations complement that framework by formally allocating the tribunal functions conferred by those Regulations to the Local Taxation Chamber. Separately, procedural matters in relation to the appeals are dealt with in the First-tier Tribunal for Scotland Local Taxation Chamber and Upper Tribunal for Scotland (Composition and Rules of Procedure) (Miscellaneous Amendment) (Scotland) Regulations 2026.

The Regulations provide that all Visitor Levy functions of the First-tier Tribunal are to be exercised by the Local Taxation Chamber. Those functions include determining appeals following local authority reviews in relation to:

- conclusions made as a result of a local authority assessment of visitor levy payable; this includes that the person is liable to pay visitor levy, the amount of levy payable, and the conclusion that a return submitted is incorrect because of a deliberate or careless miscalculation;
- decisions of a local authority relating to the operation of a local authority Visitor Levy scheme;
- the exercise of enforcement powers under Part 5 of the 2024 Act; and
- the imposition of penalties and interest.

By allocating these functions to a single chamber, the Regulations promote consistency in decision-making, procedural efficiency and accessibility for appellants. They also ensure that tribunal members with relevant legal and taxation expertise are responsible for determining Visitor Levy appeals.

UNCRC Compatibility

The Scottish Ministers certify that, in their view, The First-tier Tribunal for Scotland (Allocation of Functions to the Local Taxation Chamber) Regulations 2026 are compatible with the UNCRC requirements as defined in section 1(2) of the UNCRC (Incorporation) (Scotland) Act 2024.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government’s policy to maintain alignment with the EU.

Consultation

Section 11 of the Tribunals (Scotland) Act 2014 requires the Scottish Ministers to obtain the approval of the President of the Court of Session before making regulations allocating functions within the First-tier Tribunal. That approval has been obtained. Scottish Ministers have also consulted the President of the Scottish Tribunals.

Engagement also took place with officials from the Scottish Courts and Tribunals Service during the development of the Visitor Levy tribunal framework. No concerns were raised regarding the allocation of Visitor Levy appeals to the Local Taxation Chamber, and this approach was supported as consistent with the Chamber's existing jurisdiction.

Impact Assessments

A Child Rights and Wellbeing Impact Assessment has been carried out in relation to these Regulations.

Financial Effects

A Business and Regulatory Impact Assessment has been completed as the instrument has some financial effects on the Scottish Government, local government or on business.

Scottish Government
Local Government and Communities
January 2026