The Highland Council
Comhairle na Gàidhealtachd

Analysis Report 1 (of 3)

Highland Transient Visitor Levy
Online Consultation Analysis

Summary of the response to The Highland Council's online consultation on a potential Highland Transient Visitor Levy

December 2019

Introduction

On 15 August 2019 The Highland Council launched an online survey to gather the views of residents, businesses and visitors on a potential Highland Transient Visitor Levy (TVL).

The survey was available online on the Survey Monkey platform for nine weeks and closed on 20 October 2019. This period allowed the inclusion of a part of the high season for visitors, part of the shoulder season, and quieter times that made it easier for businesses to respond.

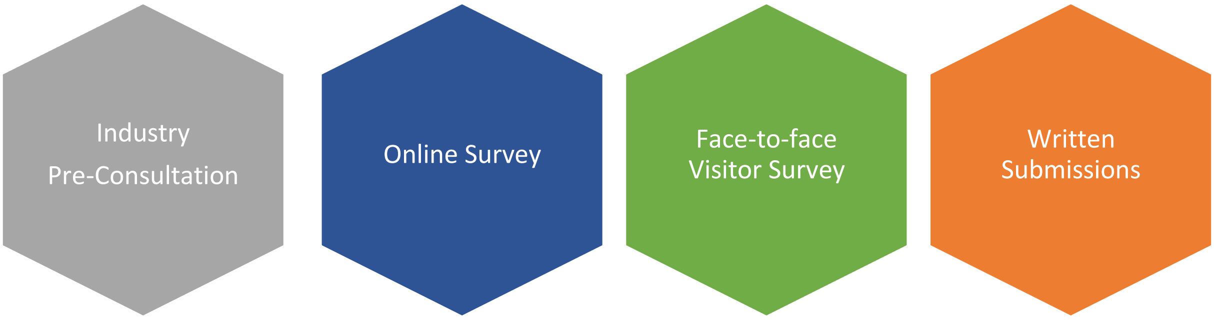
The sample population was self-selecting. The survey was reported in local and national media (press, TV and radio), hosted on Highland Council platforms (website and social media), and shared by various industry and community groups.

The call to action was to go to highland.gov.uk/TVL, where people were encouraged to watch a short informative video before completing the survey.

The online survey was designed by Highland Council. The selection of the 26 questions was informed by research, precedents, and a Pre-Consultation with the industry.

In context

This Online Survey is one of a number of pieces of evidence gathered by the Highland Council to investigate a potential Highland Transient Visitor Levy. The results should be considered alongside the results of the Pre-Consultation, Face-to-face Visitor Surveys and Written Submissions.



Contents

Section 1: Respondent characteristics

A total of 5,622 survey responses were received through the online survey.

All respondents were asked a number of questions about their place of residence/ business operation and activities in Highland.

The following questions and analyses profiling respondents were designed to check, and enable analysis to account for, the representativeness of the survey sample given it was self-selecting. The intention is not to develop conclusions about the composition of the Highland tourism industry or visitors to Highland.

1.1 Businesses, residents and visitors

The responses comprised:

Respondent type	Responses
Highland resident	3,172
Businesses/ organisation based in or operating in Highland	858
Visitor to Highland	1,632
Total	**5,622**

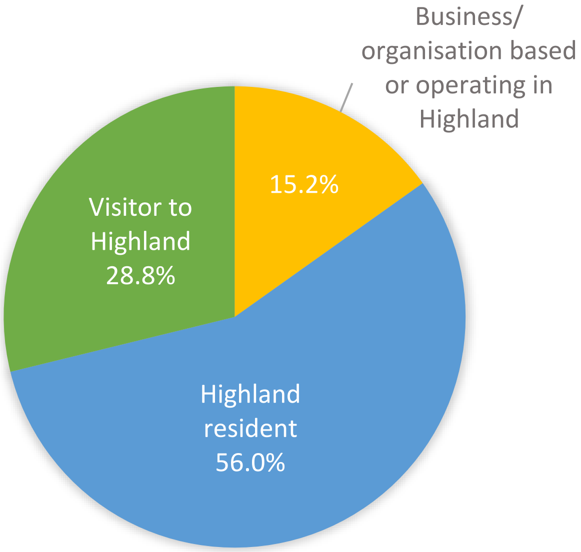


Table 1 (left) and Figure 1 (right) – Survey respondents by type (business, resident or visitor)
Source: Q1. Are you answering this questionnaire as a Highland resident? Businesses/ organisation based in or operating in Highland? Or Visitor to Highland? (n=5662)

The significant differences in the sample sizes for each respondent type are fully acknowledged.

That said, response rates from residents and businesses/ organisations are largely proportionate relative to their total populations. That is, there are significantly more Highland residents than businesses/ organisations based in or operating in Highland.

It is also important to note that the views of these different respondent types, and especially the tourism industry, are also represented in 28 written submissions to the Council, analysed separately.

1.2 More about businesses/ organisations

1.2.1 Business/ organisation type

More than 4 in 5 business/ organisation responses (83.8%) were from businesses working directly in the tourism sector. Just 16.2% of responses were from businesses/ organisations indirectly related to tourism or reporting they were an ‘other’ type not listed.

A relatively high proportion (43.8%) of businesses/ organisations responses came from the Serviced Accommodation sector (hotels, hostels, B&Bs, etc). There were more than double the responses from this sector than any other.

In total, 61.5% of business/organisation responses were from the accommodation sector (Serviced, Other (14.9%) and Camping/ Campervan sites (2.8%)).

The Consultation also sought views from businesses out with the traditional tourism sub-sectors, but either directly or indirectly related to tourism. Almost a quarter (23.0%) of responses were from such organisations: 14.2% 'directly related to tourism' and 8.8% 'indirectly related to tourism'.

Type of business/ organisation	Responses	Percentage
Serviced accommodation provider – Hotel, Hostel, B&B, etc	372	43.8%
Other accommodation – e.g. Airbnb	127	14.9%
Other business directly related to tourism	121	14.2%
Other business indirectly related to tourism	75	8.8%
Any other organisation	63	7.4%
Visitor Attraction	48	5.7%
Camping/ Campervan site	24	2.8%
Tourism/ Destination Group	20	2.4%
Total	850	100%

Table 2: Survey responses by business/ organisation type

Source: Q2. Please describe the business or organisation you are responding on behalf of (n=850)

1.2.2 Business/ organisation location

The majority of business/ organisation respondents were based in Highland (91.5%).

Just 6.1% of business/ organisation responses hailed from elsewhere in Scotland and 1.8% from elsewhere in the UK. Less than 1% of responses came from businesses/ organisations outside of the UK (0.2% rest of Europe and 0.5% other).

Source: *Q3. Where is your business or organisation based? (n=842)*

Businesses/ organisations based in Highland were asked where in the region they were based. Responses spanned every sub-region in Highland.

Skye & Lochalsh is the region best represented by businesses/ organisations in the survey, with a quarter (25.3%) of business/ organisation responses from this region.

Inverness, Loch Ness; Lochaber and Ross & Cromarty each account for between 16% and 19% of business/ organisation responses.

Sutherland businesses/ organisations represent 9.1% of responses of this respondent types, with slightly fewer from Badenoch & Strathspey (8.1%). The regions with the smallest number of business/ organisation responses were Caithness (5.1%) and Nairn (1.0%).

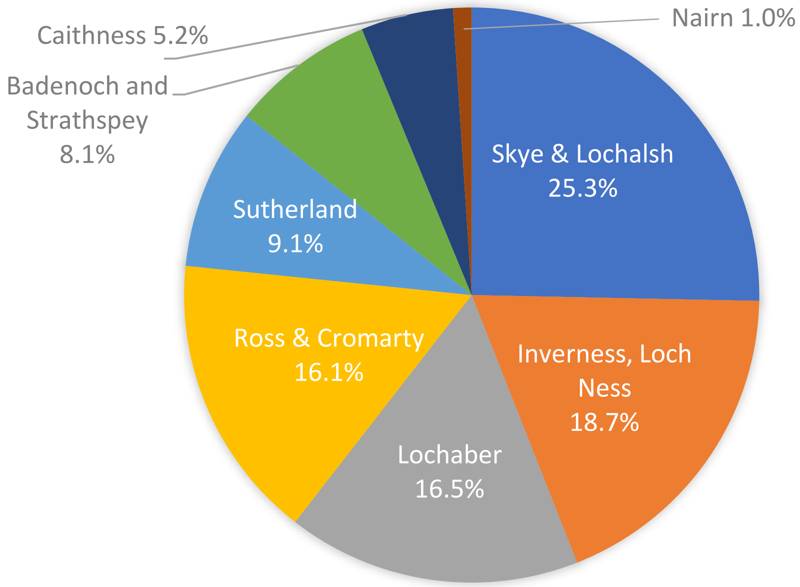


Figure 2 – Highland Business/ organisation responses by Council area.
Source: Q4. Please tell us which of the Council areas you are based in? – Business/organisation answers (n=770).

How does this sample compare to the Highland tourism industry as a whole?
Type – Overall, the split of different business/ organisation types is largely proportionate to the tourism industry in Highland as a whole, although Self-Catering businesses are slightly under-represented. Tourism/ destination groups, and industry bodies, are under-represented here. However, many were invited to, and did send written submissions which have been analysed separately. **Highland Geography** – the survey received responses from a good spread of businesses/ organisations across Highland. The proportions from different regions roughly mimics the volumes of businesses across Highland, particularly in tourism. This is with the exception of Skye & Lochalsh which has disproportionately high representation compared to total population.

1.3 More about residents

1.3.1 Residents' Highland geography

Residents were asked where in Highland they reside. Responses spanned every region in Highland.

Responses from Skye & Lochalsh (23.9%), Ross & Cromarty (23.0%), and Inverness Loch Ness (21.4%) each account for over a fifth of responses from Highland residents.

Around 1 in 10 Highland resident responses were from Lochaber residents (11.0%) and 7.0% were from Sutherland residents.

Badenoch & Strathspey residents make up 6.1% of Highland resident responses, with similar proportions (5.7%) from Caithness. Nairn respondents make up nearly 2% of Highland resident responses.

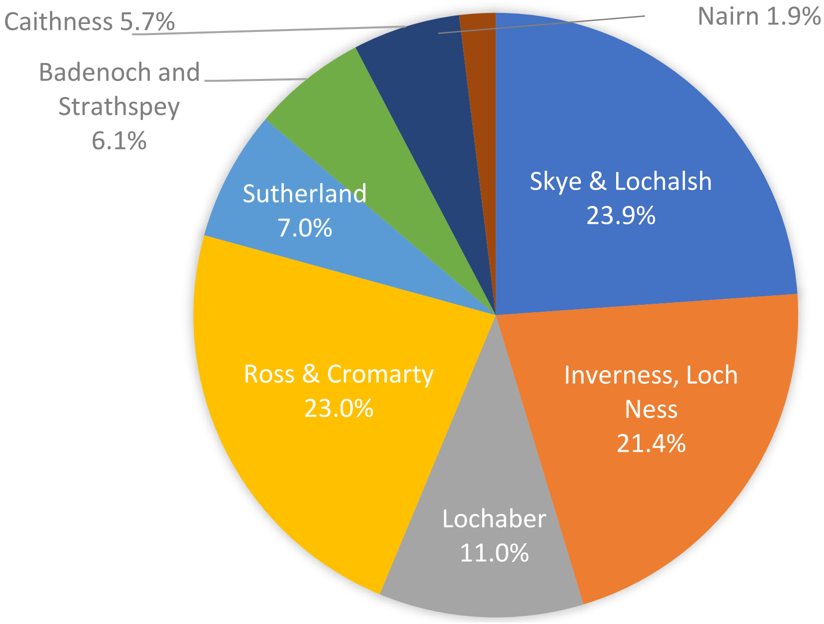


Figure 3 – Highland resident responses by Council area

Source: Q4. Please tell us which of the Council areas you are based in? – resident answers (n=3149).

How does this sample compare to Highland populations as a whole?
The survey received responses from a good spread of residents across Highland. The proportions from different regions roughly reflect wider population patterns across Highland Like with business/ organisation responses, however (Question 4), Skye & Lochalsh has disproportionately high representation compared to total population.

1.4 More about visitors

1.4.1 Visitors' residence

Almost 9 in 10 visitor responses (88.5%) were from domestic visitors: 47.3% from visitors from Scotland and 41.2% visitors from the rest of the UK.

Just over 10% (11.6%) of visitor responses were from international visitors: nearly 1 in 20 (4.9%) from visitors from the rest of Europe. Slightly more (6.7%) visitors were from the rest of the world.

Q5. Where do you live? (Visitor-only question) (n=1504)

1.4.2 Visitors' purpose for visiting Highland

The vast majority of visitors who responded to the Consultation were visiting Highland for leisure purposes (97.9%). Only 2.1% of visitor respondents were visiting on business.

Q6 Are you visiting Highland for leisure or business? (n=1497)

1.4.3 Visitors' duration of stay

The majority (98.3%) of visitors who responded to the Consultation were staying overnight in Highland.

Almost two-thirds of visitors (63.4%) were staying more than 7 nights. Visitors staying 3-4 nights or 5-6 nights each made up similar proportions of visitor responses (between 13.5% and 14.5%). Few visitors were staying 1-2 nights (7.0%) and very few visitor respondents were day visitors (1.7%).

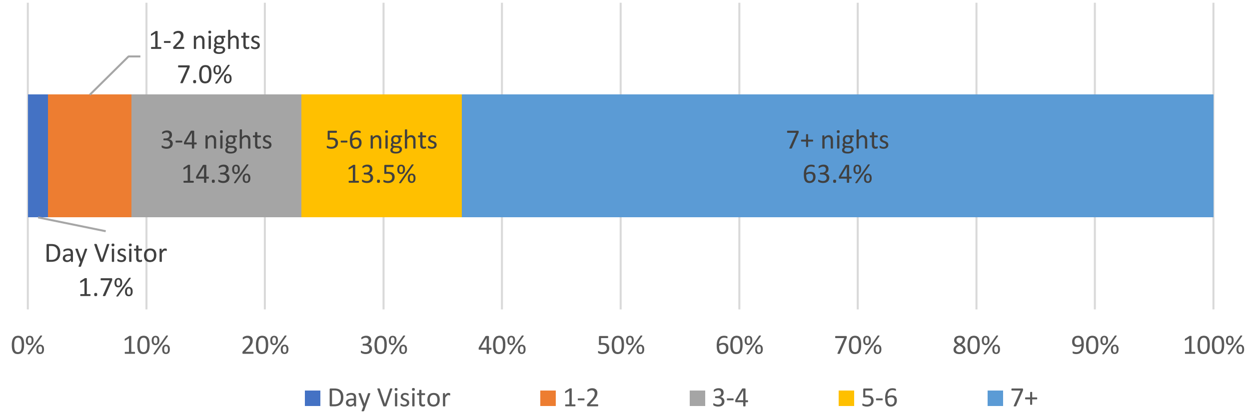


Figure 4 – Duration of stays in Highland amongst visitor respondents
Source: Q7. How many nights are you staying in the Highlands? (n=1500)

1.4.4 Visitors' accommodation usage

Visitors were asked which types of accommodation they were staying in during their visit.

The most common answer was campsites/ caravan parks with almost 4 in 10 (38.1%) selecting this option. In addition, 6.0% selected Pods/Bothy/Yurt.

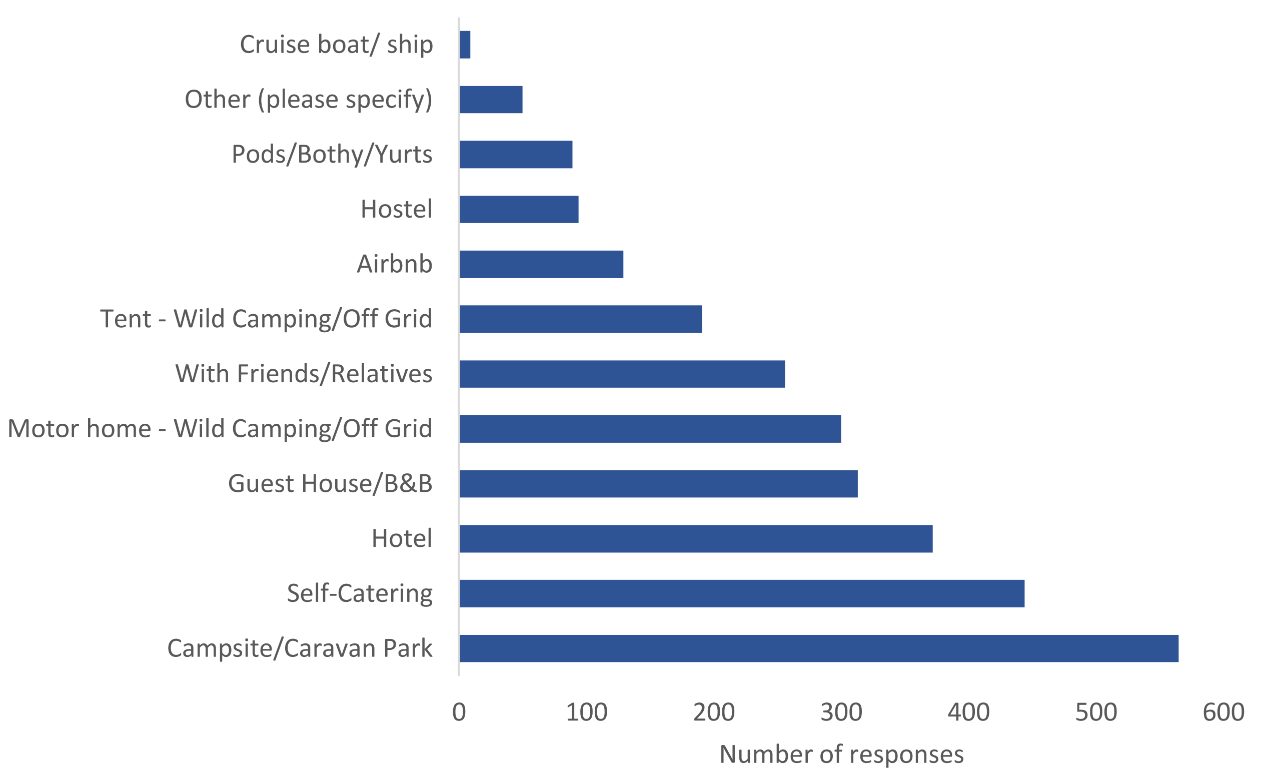


Figure 5 – Accommodation usage amongst visitor respondents
Source: Q8. During your trip, what type of accommodation are you staying in? (n=1491)

Self-Catering was the second most common response, with 30% of visitor respondents advising they were staying in self-catering premises.

The majority (52.6%) of visitors reported staying in some sort of serviced accommodation (Hotel (25.1%), Guest House/ B&B (21.1%) or Hostel (6.3%)).

'Motor home - Wild Camping/Off Grid' was the fifth most common response, with a fifth of respondents (20.3%) reporting they were undertaking this. A further 12.9% of visitors selected the 'Tent - Wild Camping/Off Grid' option.

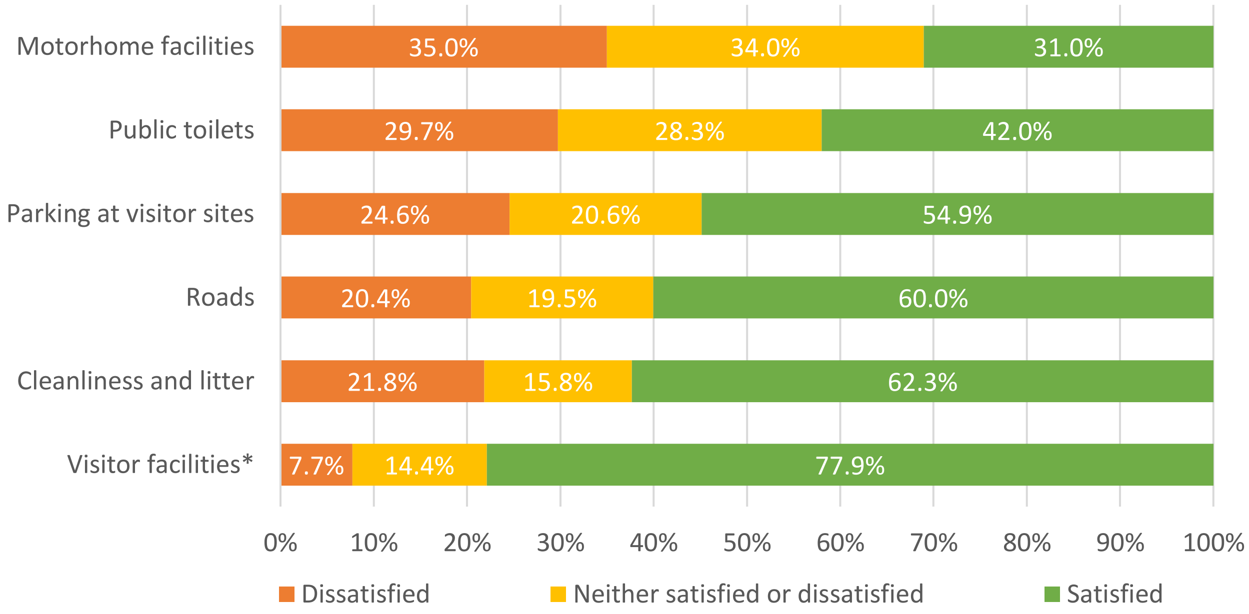
Staying with Friends/ Relatives was the sixth most common accommodation type selected (17.3%) and Airbnb was eighth with 8.7% of respondents selecting this option. Cruise boats/ ships was the least common response, with just 0.6% of respondents.

Most respondents who selected 'other' used the box to clarify or specify their answer. The most common additional answer was a second/holiday home (9 responses).

1.4.5 Visitors' satisfaction with tourism services

The Council also took the opportunity to ask about the levels of visitor satisfaction in key services and facilities.

Respondents only provided views on the services they had experienced during their visit. As a result, sample size varies for each service. The lowest response was for 'Motorhome facilities' (n=580), with all other response rates 1350 or higher.



*such as paths, trails and viewpoints

Figure 6 – Visitor satisfaction

Source: Q9. How satisfied have you been with the following elements of your visit? (n=80-1465)

In general, visitors reported being satisfied with the services they had used. The majority (50% or more) of respondents were 'very satisfied' or 'satisfied' with four of the six services consulted on. 'Public Toilets' and 'Motorhome Facilities' were the exceptions to this.

Satisfaction was highest with 'Visitor facilities such as paths, trails and viewpoints' with over three quarters (77.9%) of respondents 'very satisfied' (33.5%) or 'satisfied' (44.4%). Levels of dissatisfaction in these facilities were also very low with just 7.7% of respondents dissatisfied or very dissatisfied.

Roughly 3 in 5 respondents were satisfied with 'Cleanliness and litter' (38.0% satisfied and 24.4% very satisfied) and 'Parking at visitor sites' (43.1% satisfied and 16.9% very satisfied). Around 1 in 5 respondents were dissatisfied/ very dissatisfied in these services (21.8% for 'Cleanliness and litter' and 20.4% for 'Parking at visitor sites').

Just over half (54.1%) of respondents were (42.7%) satisfied/ very satisfied (12.1%) with 'Parking at visitor sites'. Around a quarter (24.6%) were dissatisfied or very dissatisfied.

Satisfaction levels in public toilets were more mixed with about 4 in 10 respondents (42.0%) answering satisfied (29.7%) or very satisfied (12.3%). Similar proportions of respondents (about 3 in 10) answered either 'neither satisfied nor dissatisfied' (28.3%) or dissatisfied/very dissatisfied (29.7%)

Satisfaction levels in motorhome facilities were very mixed with just around a third in each category – satisfied/very satisfied (31.0%), neither satisfied nor dissatisfied' (34.0%) and dissatisfied/very dissatisfied (35.0%).

How does this sample compare to Highland visitors as a whole?

Visitor residence – International visitors are slightly under-represented in the self-selected survey sample. They account for 11.6% of survey responses, but ~18% of all visitors to Highland.

Visitor purpose of visit – Business travellers are under-represented. They account for 2.1% of responses to the survey, but for 10% of all domestic visitors to Highland and 3% of all international visits.

Visit duration – More visitors were staying longer in Highland than the average stay overall (3.1 nights). Given overnight visitors are more commonly those that pay a TVL, collected through a 'Bed Tax' for overnight stays, it is useful to have such strong representation of this group.

Day visitors are under-represented (1.7% of visitor responses) who, in terms of all visitors to Highland, typically account for about a third of all visitors.

Visitor accommodation – There is a good spread across respondents. Different elements of the market are well-represented, and the splits are relatively proportionate to statistics on wider visitor behaviours. This is with the except of stays on Campsites/ Caravan Parks, which is disproportionately high.

Notably – the representativeness of visitors across the Consultation as a whole also needs to consider the sample achieved in the face-to-face visitor surveys.

§

Section 2: Support or opposition to a Highland TVL?

All survey respondents were asked: *On a scale of 1 to 5 – where 1 is totally against and 5 is totally in favour – how would you rate your general support for introducing a Transient Visitor Levy in Highland?*

This was asked as the final question of the survey so that respondents could consider other factors before taking a position. It has been brought to the fore in this analysis given its significance.

2.1 Overall support or opposition

Overall, almost two-thirds (65.1%) of respondents were in favour of a Highland TVL (rating a 4 or 5).

About a quarter (25.9%) of respondents opposed a Highland TVL (rating 1 or 2).

However, there were significant differences in the views of residents, businesses and visitors that warrant further analysis.

Rating	Total responses	%
1	990	20.4
2	267	5.5
3	434	8.9
4	778	16.0
5	2382	49.1
Totals:	**4851**	**100.0**

It is also important to consider that these overall percentages are skewed by the large proportion of resident responses. Residents accounted for 57.6% of all responses to this question, but 67.1% of responses in support.

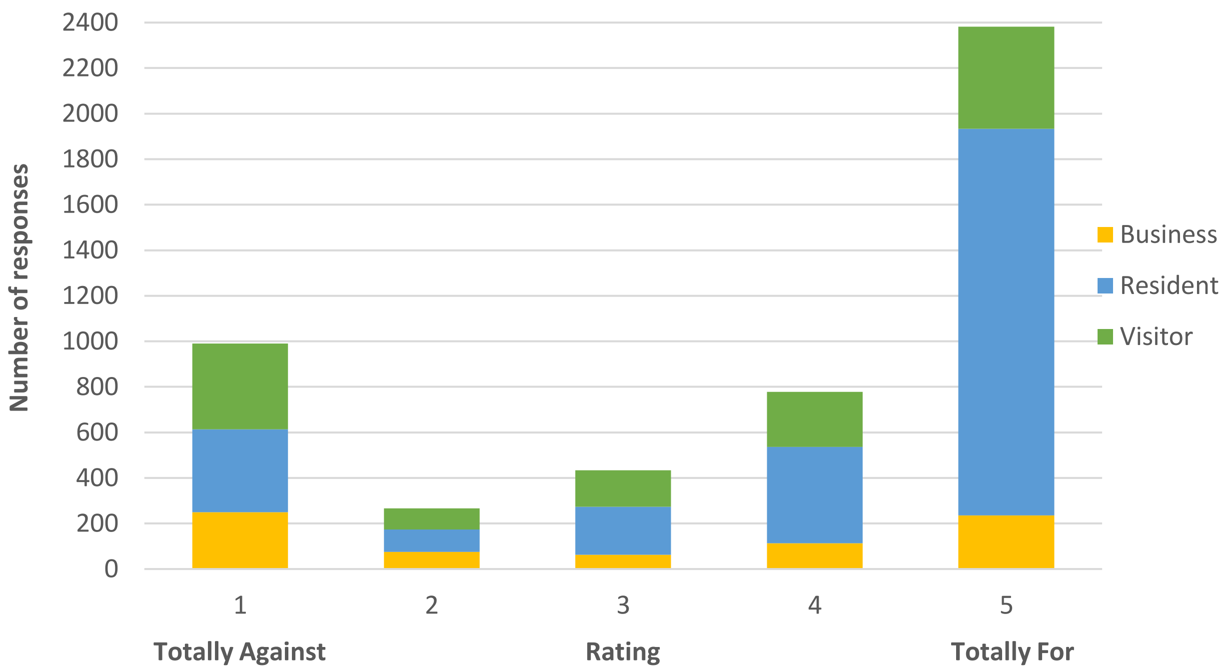


Figure 7 – Number of responses for and against a Highland TVL, by respondent type

Source: Q.26: On a scale of 1 to 5 – where 1 is totally against and 5 is totally in favour – how would you rate your general support for introducing a Transient Visitor Levy in Highland? (4,851 responses)

2.2 Variation in support/ opposition: Businesses, Residents and Visitors

Residents were predominantly in favour of a Highland TVL. More than three-quarters of residents (75.9%) reported a rating of 4 or 5, with 60.7% reporting they were strongly in favour (rating 5). Just 16.6% responded were against (3.5%), or totally against (13.0%).

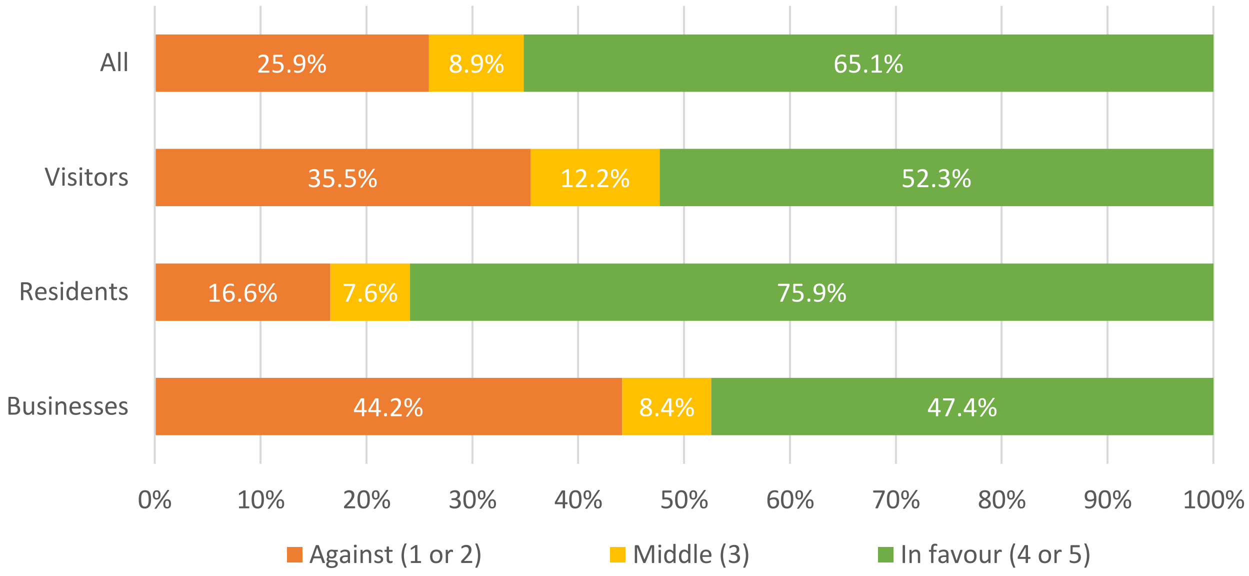


Figure 8 – Percentage support or opposition for Highland TVL, by respondent type

Source: Q.26: On a scale of 1 to 5 – where 1 is totally against and 5 is totally in favour – how would you rate your general support for introducing a Transient Visitor Levy in Highland? (n=4,851)

Visitors responding to the online survey were more divided than residents in their opinions on a Highland TVL, and had a greater proportion of neutral responses (12.0% rating their support a 3). Overall, more visitors were in favour (52.3% responding with a 4 or 5 rating) than against, with just over a third (35.5%) of visitor responses against a Highland TVL.

Businesses/organisations were significantly more divided in opinion. Roughly a third (34.0%) were strongly against a Highland TVL and similar proportion (32.1%) were totally in favour.

Overall, there was no majority for or against a Highland TVL amongst businesses/ organisations. In total, 44.2% of business respondents rated a 1 or 2 (against or totally against) and 47.4% of business respondents rated a 4 or 5 (in favour or totally in favour). Very few businesses were neutral (8.4%).

2.3 Variation in support/ opposition: Highland geography

Support and opposition for a potential Highland TVL amongst Highland residents and businesses/ organisations varied across the region.

All regions saw a majority in favour (voting 4 or 5) but the extent of this ranged by almost 20%: from little over half in favour in Caithness (56.6%) to three-quarters in favour in Ross & Cromarty (75.8%).

Three regions had levels of support above the mean (69.9%): Ross & Cromarty (75.8%), Sutherland (73.9%) and Skye & Lochalsh (71.4%). The remaining 5 regions had levels of support below the mean.

This pattern is repeated in relation to opposition to a Highland TVL. Respondents from Caithness were most likely to oppose a TVL with a third (33.2%) voting a 1 or 2. Least likely to oppose were respondents from Sutherland with 19.8% rating a 1 or 2.

The regions with greatest support unsurprisingly had the lowest levels of opposition, below the mean. The five other regions had levels of opposition above the mean (22.3%). Two regions stand out in their opposition – Caithness and Nairn. These regions also have the smallest sample population sizes.

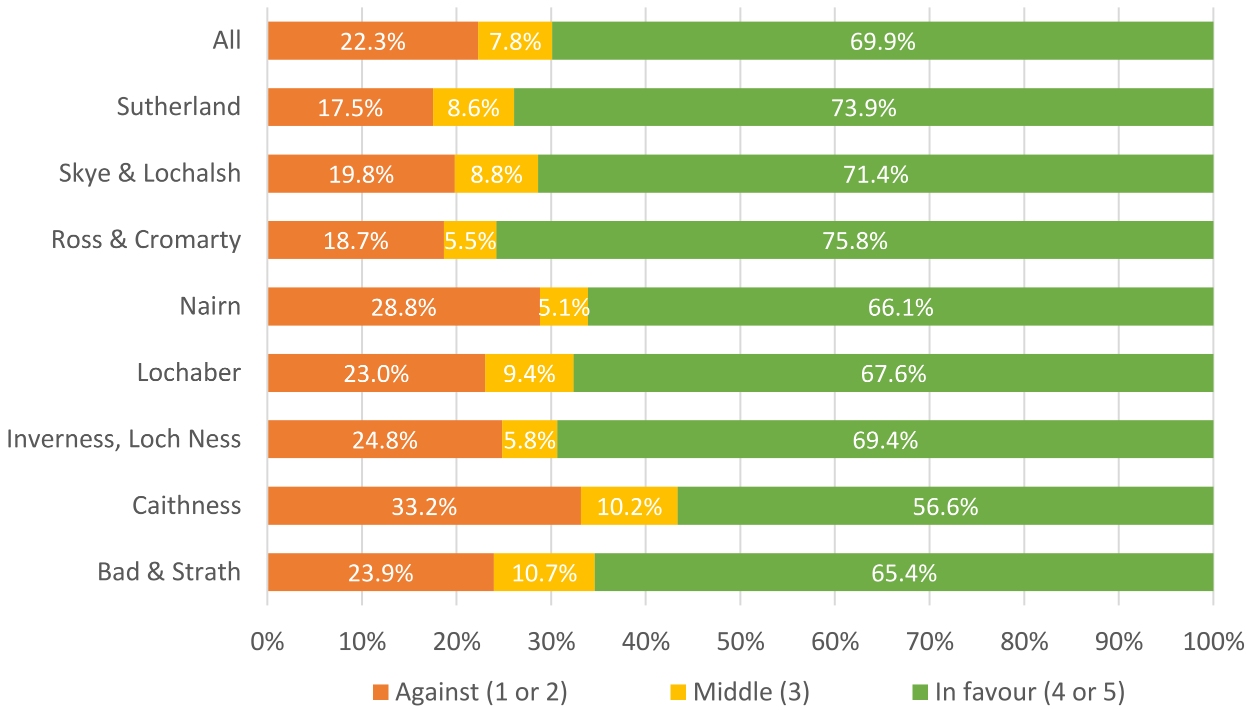


Figure 9 – Highland resident and business/ organisation support or opposition, by Highland region
Q.26: On a scale of 1 to 5 – where 1 is totally against and 5 is totally in favour – how would you rate your general support for introducing a Transient Visitor Levy in Highland? Highland business/ organisation and resident responses. (n=3470)

2.4 Variation in support/ opposition: International and Domestic Visitors

The most common response amongst both domestic and international visitors was support for a potential Highland TVL.

Levels of support were much greater amongst international visitors with almost three quarters (73.7%) reporting they were in favour and just around a fifth (19.1%) in opposition. By contrast, roughly half of domestic visitors (49.4%) were in favour and over a third (37.7%) were against.

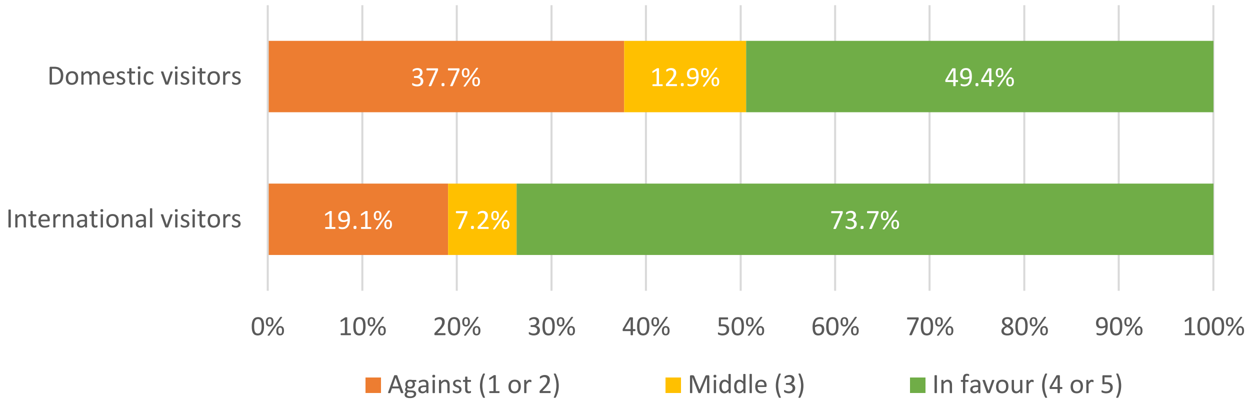


Figure 10 – Visitor support or opposition to a Highland TVL by international or domestic origin
Source – Q.26 visitor responses (n=1322)

§

Important caveat for forthcoming analysis

Responses to all questions in the following sections cannot be interpreted as overall support for a Highland TVL. The survey was specifically designed to allow those that did not support a Highland TVL still to influence how it may be designed, if implemented.

It is entirely possible that respondents to these questions are against the implementation of a Highland TVL but, if it is to be implemented, would favour certain principles or approaches.

§

Section 3: Investing TVL Revenue

The Pre-Consultation with the industry highlighted that how revenue collected from a potential Highland TVL scheme would be spent is crucial to people's support or opposition to it.

3.1 Ring-fencing TVL revenue to 'tourism uses'

The majority (70.2%) of respondents answered that TVL revenue, were a scheme introduced, should be ring-fenced for tourism uses rather than assumed into the general Council budget (21.7%).

A majority response for ring-fencing was consistent across all businesses/ organisations (83.3%), visitors (75.0%) and residents (64.5%). Business/ organisations most strongly voted for ring-fencing.

Since launching the Consultation, the Scottish Government has stipulated that revenue from a TVL must be ring-fenced for 'tourism uses'.

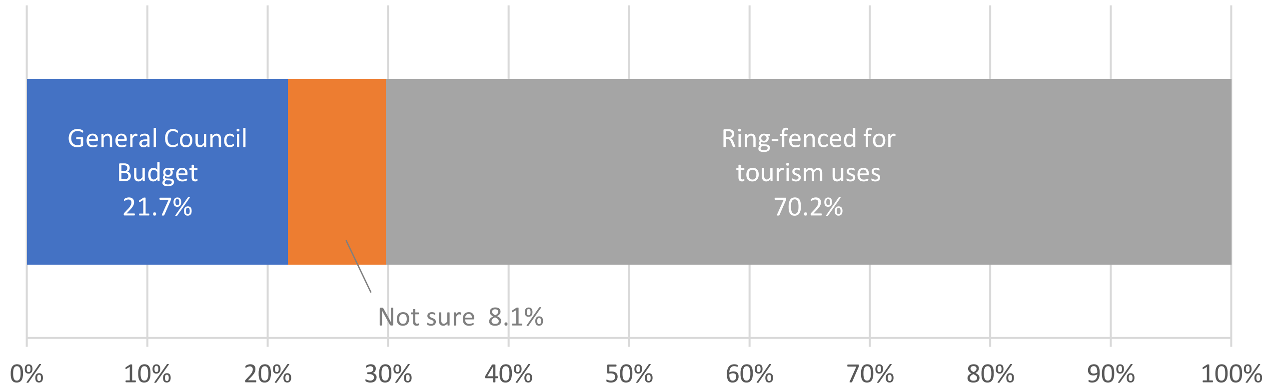


Figure 11 – Answers to the options for ring-fencing potential TVL revenue to tourism uses
Q22. Should any revenue raised by a TVL be ring-fenced as a separate fund for tourism or added to the general Council Budget? (n=4584)

3.2 'Tourism uses' – what to spend TVL revenue on

Survey respondents were given 14 potential uses of TVL revenue – informed by research and the Pre-Consultation with the industry – and were asked to vote on those they would support, were a scheme introduced. They could vote for as many options as they wished, and had the option to suggest others.

Option	Responses	%
Public toilets improvements or additional provision	4180	89.9%
Motorhome waste disposal facilities	3694	79.5%
Overnight parking/ services for motorhomes	3320	71.4%
Recycling and waste services for visitors	3161	68.0%
Roads maintenance in addition to Council core programme	3030	65.2%
Parking at visitor destinations/ sites	2899	62.4%
Road laybys, viewpoints, passing places, other visitor site improvements	2871	61.8%
Footpath and cycle trails	2765	59.5%
Wildlife and habitat management	2377	51.1%
Information services for visitors	1998	43.0%
Public WiFi for visitors	1259	27.1%
Support for Highland tourism businesses, e.g. training, assisting groups	1130	24.3%
Marketing and promotion	982	21.1%
Supporting/ attracting events	766	16.5%

Table 3 – Responses to the question of what constitutes acceptable 'tourism uses'
Source: *Q23. Which Highland 'tourism uses' would you support?* All responses. (n=4648)

For nine of the options given, the majority of respondents advised that, were revenue raised from implementing a TVL, they would support it going towards this option.

The most common response, with 9 in 10 respondents (89.9%) selecting this option, was 'Public toilets improvements or additional provision'.

Motorhome facilities were the second and third most common responses with 8 in 10 (79.5%) selecting 'Motorhome waste disposal facilities' and around 7 in 10 (71.4%) selecting 'Overnight parking/ services for motorhomes'.

'Roads maintenance in addition to Council core programme' was the fifth most common answer with almost two thirds selecting this option (65.2%) and 'Road laybys, viewpoints, passing places, other visitor site improvements' were selected by 61.8%.

There was little support, less than 3 in 10 responses, for those options that are less tangible:

- Public WiFi for visitors (27.1%)
- Support for Highland tourism businesses (24.3%)
- Marketing and promotion (21.1%)
- Supporting/ attracting events (16.5%)

Additional comments: tourism uses

Respondents were given the option to propose 'other' potential tourism uses. A total of 528 'other' responses were received with many using this opportunity to reiterate their existing selections.

Others used the text box to reiterate their opposition to a Highland TVL in general, with some extending their points to advise that the investment options provided should be funded either through the Council's existing budget or through negotiations for additional funding from the Scottish Government.

Of those comments that proposed additional 'tourism uses' for investment from TVL revenue, were it introduced, the following were most common:

- Mitigation of climate change, such as planting and carbon off-setting
- Specific tourism facilities in certain areas
- Ways to address seasonality – such as events and/ or promotion, but very season specific
- Emergency services
- Enforcement to address impacts of visitors such as littering and wild camping.

3.2.1 Variations in investing TVL revenue: Businesses, Residents and Visitors

There was little variation in levels of support for different 'tourism uses' amongst different respondent types. The top two priorities for all three groups were the same: 'Public toilets improvements or additional provision' and 'Motorhome waste disposal facilities'.

Different groups were also consistent in the options that received fewer responses. The bottom five options were identical for all groups: Information Services, Public WiFi, Support for Highland tourism businesses, Marketing and promotion and Supporting/ attracting events.

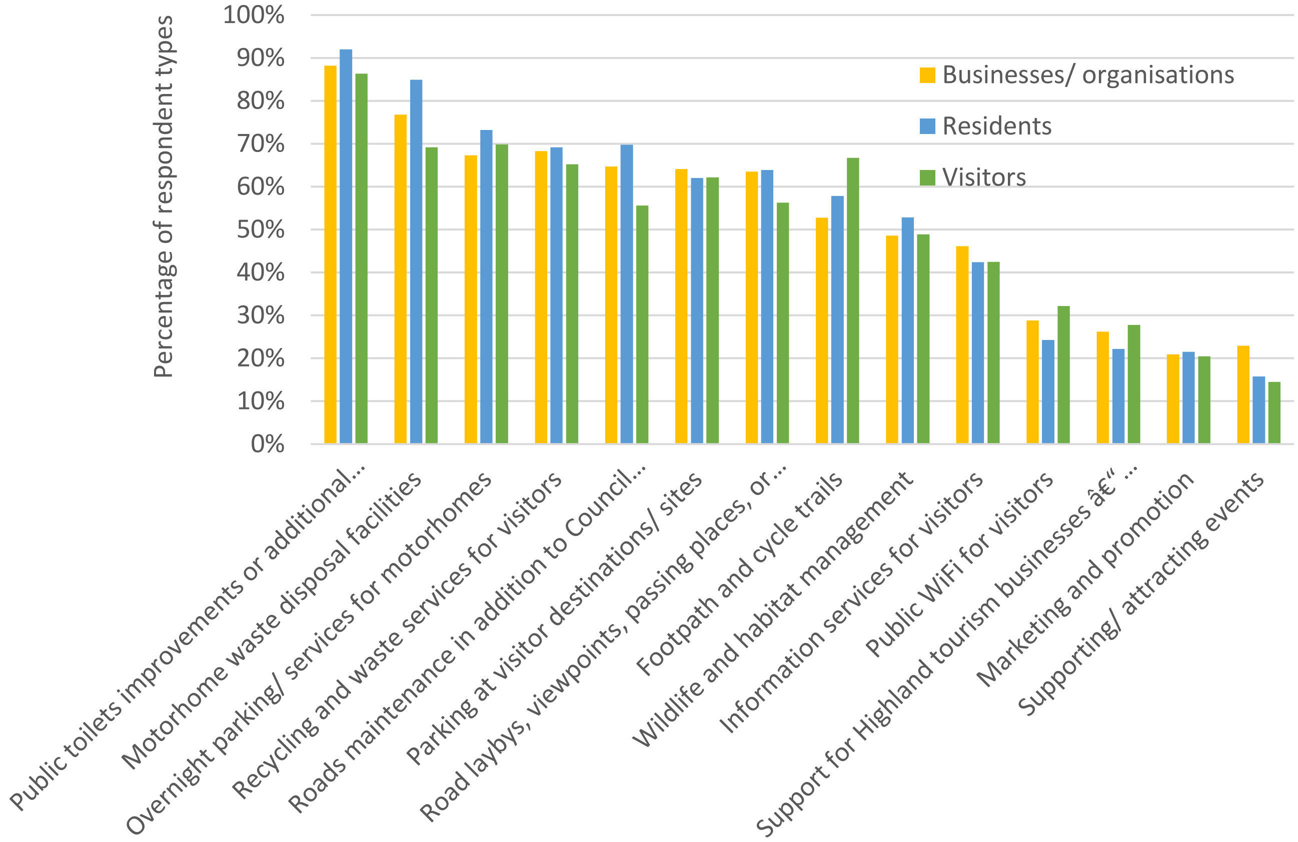


Figure 12 – Support for 'tourism uses' for TVL revenue, by respondent type

Source: *Q23. Which Highland 'tourism uses' would you support?* All responses. *(n=4648)*

There were only three potential tourism uses where different respondent types' support differed by more than 10% – 'Motorhome waste disposal facilities' and 'Roads maintenance in addition to Council core programme' were favoured more by residents and businesses than visitors; and 'Footpaths and cycle trails' were favoured more by visitors than businesses.

These discrepancies were not contradictory, however. These options still received majority support by different groups, just to differing degrees.

3.3 Who should decide on spend?

Responses were mixed to the question on which groups should play a role on determining how TVL revenue would be invested, if introduced. There was no clear majority.

The most common choice for residents, businesses/ organisations and visitors was Community Councils, with 4 in 10 respondents (41.1%) picking this option. Second was local tourism/ destination groups, with just under a third of respondents (31.5%) of respondents selecting this. The other options presented received significantly fewer responses.

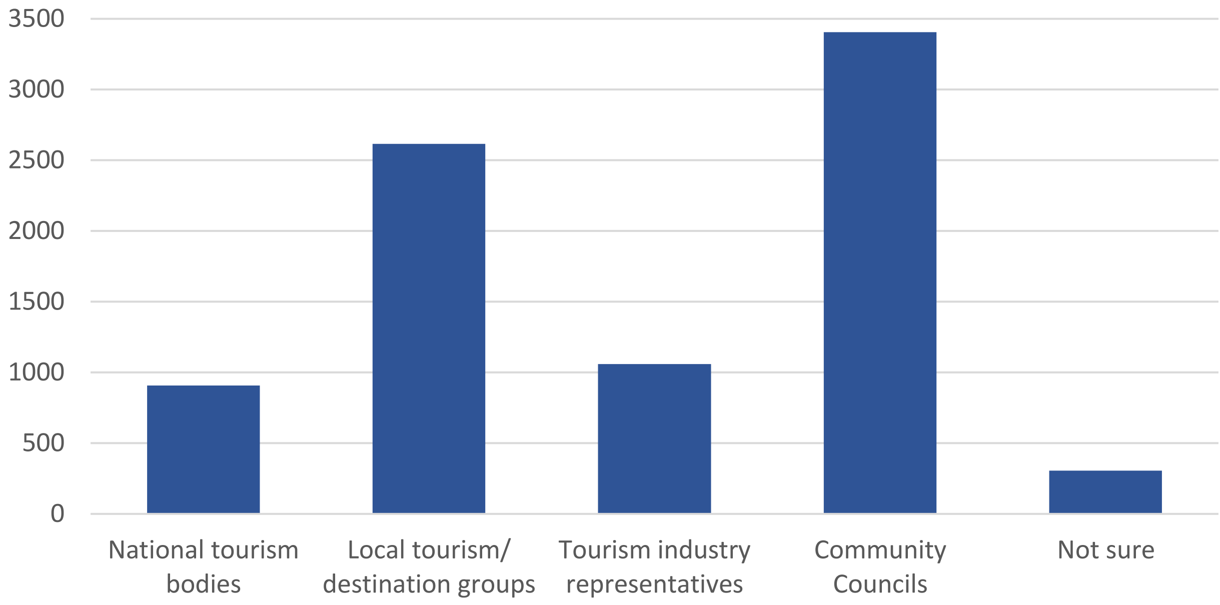


Figure 13 – Decision making partners for TVL revenue
Q24. Who should be involved in decision-making, alongside the Council? (n=4,622)

Additional comments: decision-making
Respondents had the opportunity to suggest other options for decision-making. A total of 551 comments were made. Many of these commented to reiterate their responses. Others proposed additional stakeholders and consultation methods that should be considered.

The most common proposal amongst comments was a direct mechanism to consult residents and local communities on how revenue would be spent, rather than rely on groups designed to represent them. Direct consultation, events and surveys were repeatedly proposed.

Respondents also highlighted that they were keen to see the following represented in any approach:
- Young people
- Sustainability and environmental concerns
- Wider services impacted by tourism such as emergency services, SEPA, transport bodies, etc.

Several comments also highlighted key principles of any decision-making. Common requests were for any system to be transparent, accountable, strategic, and taking place at a local level.

3.3.1 Variations on decision-making: Businesses, Residents and Visitors
Overall, the opinions of residents, businesses and visitors were relatively consistent.

Unsurprisingly, different types showed preferences for those groups most designed to represent their views: businesses/ organisations favoured local tourism/ destination groups and tourism industry representatives (50.4%); and residents favoured Community Councils (44.8%).

Overall, there was consensus that decision-making should have some representation from local communities and the tourism industry.

3.4 Geographical ring-fencing of TVL revenue

Participants were asked their opinions on whether, and to what degree, revenue from a TVL, if introduced, should be ring-fenced to local areas.

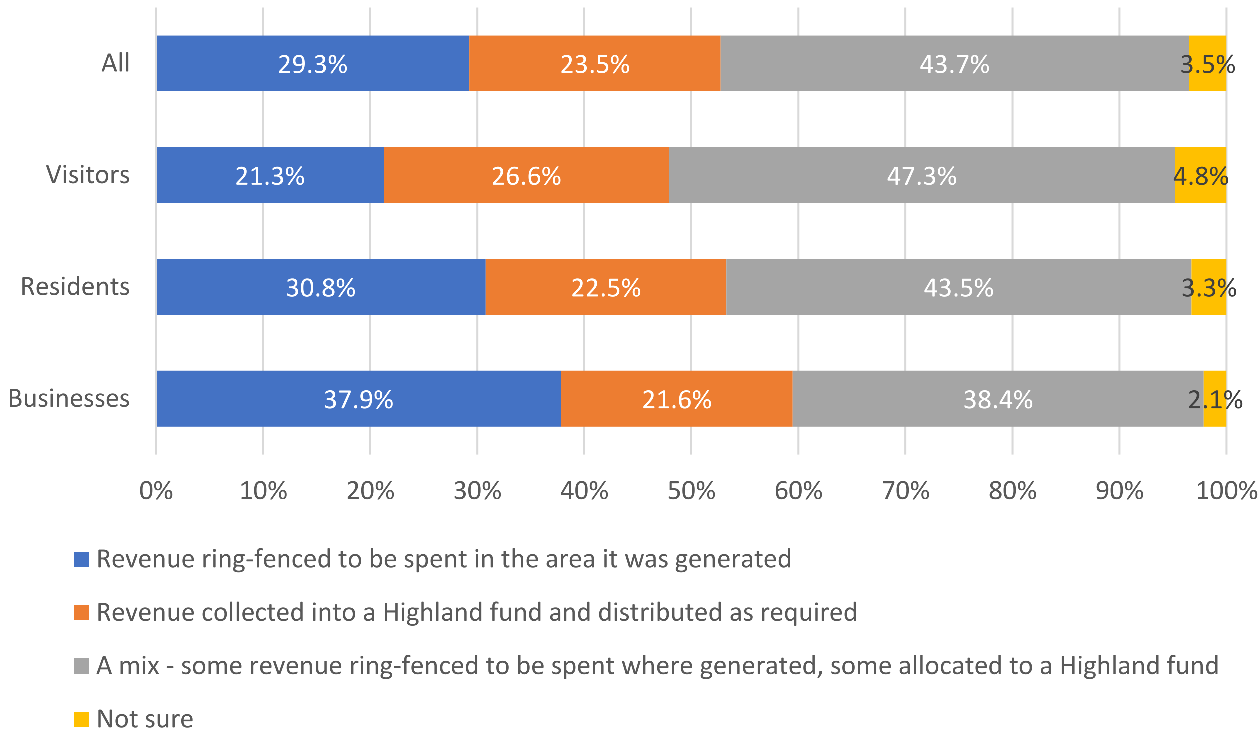


Figure 14 – Approaches to geographically ring-fencing TVL revenue by respondent type

Source: Q25. If a Highland Visitor Levy was introduced, which of the following approaches to distributing funds might you support? (n=4590)

Responses on geographical ring-fencing were mixed, with no majority response. The preferred option amongst respondents as a whole was for 'A mix - some revenue ring-fenced to be spent where generated, some allocated to a Highland fund' (43.7%).

The least-selected option was for revenue to be collected into a Highland fund and distributed as required with around a quarter (23.5%) of respondents selecting this option.

3.4.1 Variations on geographical ring-fencing: Businesses, Residents and Visitors

Businesses were most in favour of ring-fencing revenue to be spent in the area it was generated, with almost 2 out of 5 respondents (37.9%) selecting this option. By contrast, roughly only 1 in 5 visitor responses (21.3%) selected this option.

3.4.2 Variations on geographical ring-fencing: Highland geography

There were significant intra-Highland regional differences in the responses to this question of geographical ring-fencing.

Skye residents and businesses/ organisations have a significantly greater proportion of responses for “Revenue ring-fenced to be spent in the area it was generated” (58.5%) compared to the average (32.3%), Caithness (33.5%) and Lochaber (32.7%) were the other two regions with greater support for this option than the Highland average.

By contrast, the region with the fewest responses for this was approach was Inverness and Loch Ness with just 19.5% of responses.

Whilst around 3 in 10 respondents in Inverness & Loch Ness (30.7%), Ross & Cromarty (29.9%), Sutherland (29.1%) and Nairn (28.6%) voted for revenue to be “collected into a Highland fund and distributed as required”, just 8.0% voted for this option in Skye and Lochalsh.

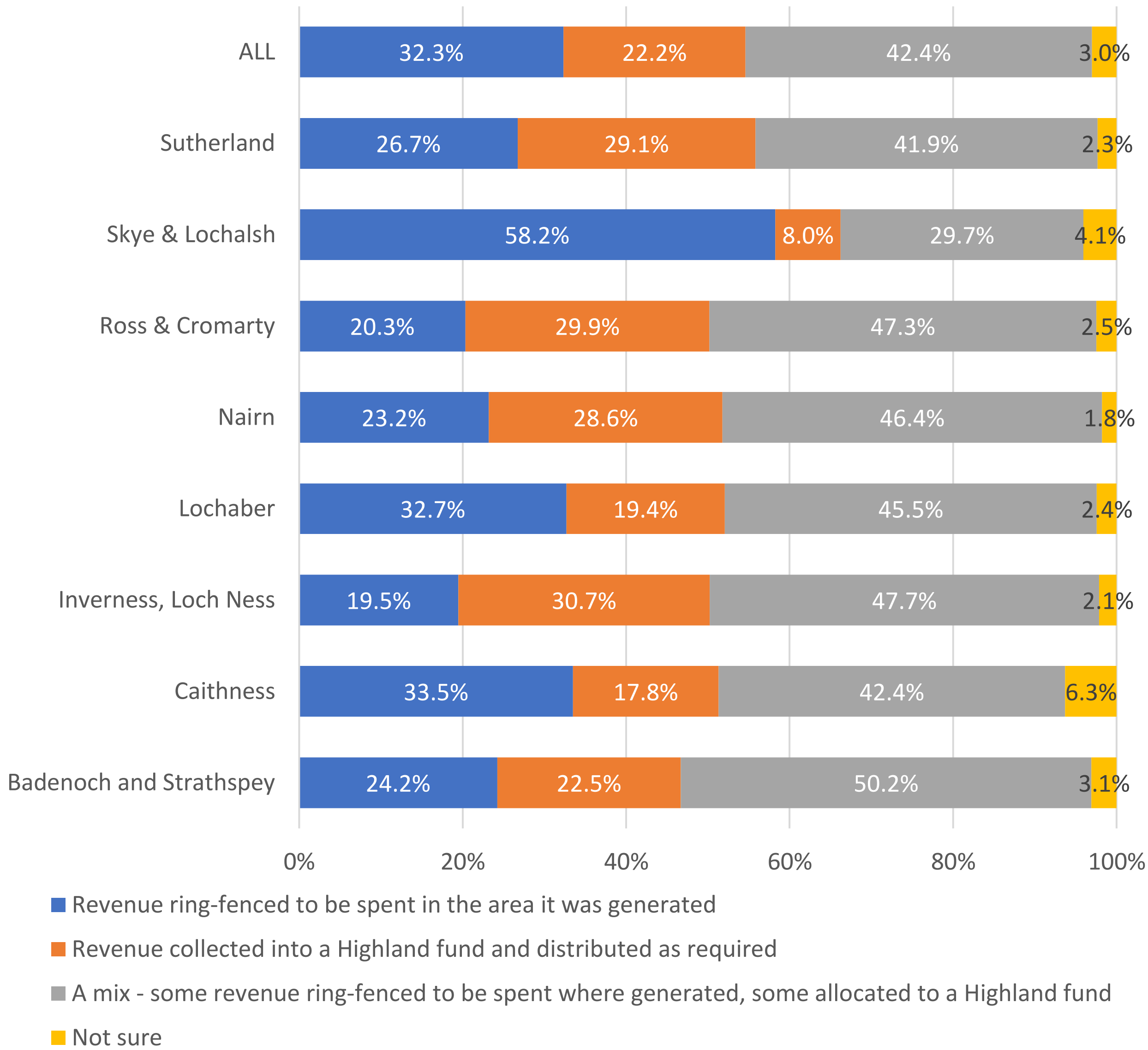


Figure 15 – Views on geographically ring-fencing TVL revenue by Highland region

Source: Q25. If a Highland Visitor Levy was introduced, which of the following approaches to distributing funds might you support? Highland respondents (businesses and residents) (n=3453)

	Badenoch & Strathspey	Caithness	Inverness, Loch Ness	Lochaber	Nairn	Ross & Cromarty	Skye & Lochalsh	Sutherland	**All Regions**
Ring-fenced to region raised	2nd	2nd	3rd	2nd	3rd	3rd	1st	3rd	**2nd**
Highland fund – distributed	3rd	3rd	2nd	3rd	2nd	2nd	3rd	2nd	**3rd**
Mixed	1st	1st	1st	1st	1st	1st	2nd	1st	**1st**

Table 4 – Ranking of options for geographically ring-fencing TVL revenue by Highland region
Source: Q25. Highland respondents (businesses and residents) (n=3453)

Overall, all regions – with the exception of Skye and Lochalsh – had the most responses for "a mix - some revenue ring-fenced to be spent where generated, some allocated to a Highland fund". This option consistently received between 40% and 50% of each area's responses and was consistently the favoured option by a margin of more than 10%.

For Skye and Lochalsh, a 'mix' option was the second most favourable, with 29.7% of these respondents selecting this issue.

§

Section 4: Highland TVL principles

4.1 Which visitors would contribute to a Highland TVL?

The need to consider a scheme that encompasses more than solely an accommodation levy for over-night visitors – also known as a 'Bed Tax' – was one of the strongest messages from the Industry Pre-Consultation. As a result, one of the first questions asked in relation to designing a Highland TVL, were it introduced, was which types of visitors should contribute to a scheme.

Overall, three of the categories provided were selected by the majority of respondents. 'Motorhome Users (not staying at paid sites)' was the most common response (84.0%). Around three quarters (74.1%) of respondents selected 'Overnight Visitors staying in paid accommodation' and just over two thirds (68.1%) of respondents selected 'Cruise Visitors'.

The category with the lowest response rate was Day Visitors to Highland, with 41.3% of respondents selecting this option.

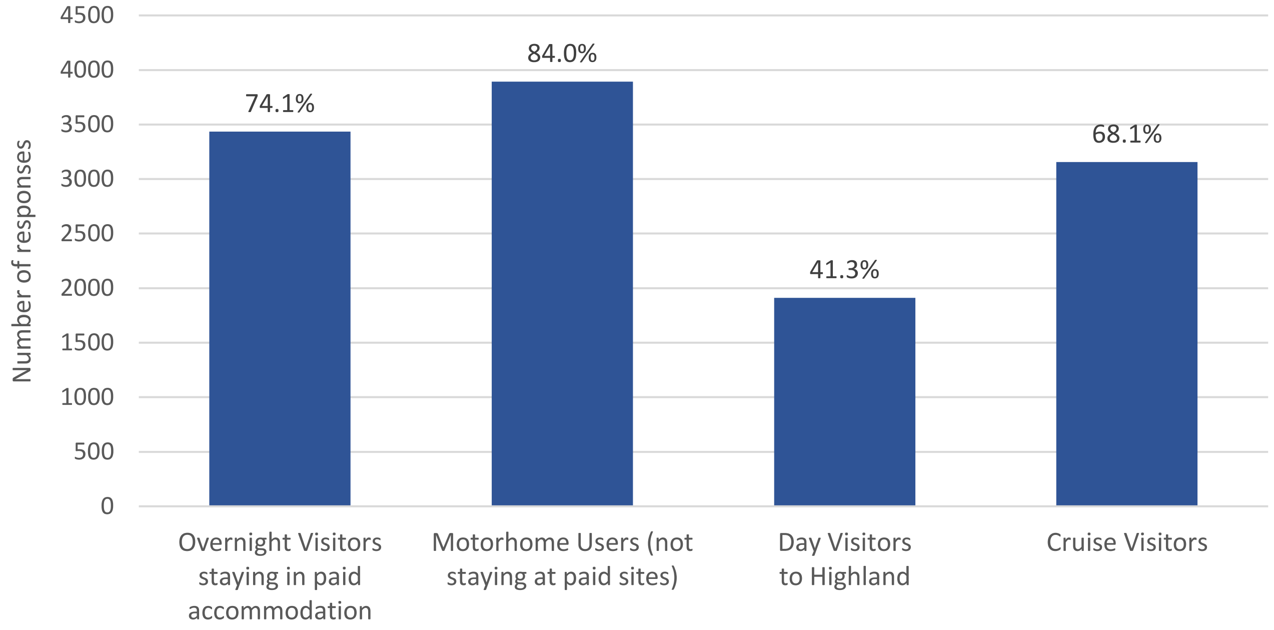


Figure 16 – All responses on which visitors should contribute to a visitor levy

Source: Q10. If a Highland Transient Visitor Levy was introduced, who do you think should pay it? Please tick all that apply (n=4634)

Few respondents indicated that a levy, were it introduced, should apply to only one visitor type:

- 8.6% only Motorhome Users (not staying at paid sites
- 6.6% only Overnight Visitors staying in paid accommodation
- 2.6% only Cruise Visitors
- 0.8% only Day Visitors to Highland

Additional comments: which visitors should contribute to a Highland TVL

Respondents were given the opportunity to explain their selection for question 10, if they wished. A total of 2186 comments were received.

Comments consistently referenced five key principles that informed respondents' selection. Many of these principles were used both for and against selection.

Principle	Notes
Fairness	About a 40% of the comments cited fairness as a key consideration. • For some, it was the reason to levy all/ more visitor types to prevent unfairly charging one visitor type (i.e. all types visit/ benefit, so all should pay) • For others, it was the reason not to introduce any levy (i.e. it would not be fair to charge anyone)
Impact on visitor behaviour	The potential impact of a TVL on visitor behaviour was also commonly raised. • It was frequently cited as a reason not to charge any visitors, principally due to concerns any increase in price would turn visitors away.

	• Others felt that certain visitor types would be impacted more than others by a TVL and made selections based on perceived price sensitivity/ ability to pay • Others highlighted that only charging over-night accommodation could impact visitor behaviour such as causing more wild camping.
Visitor types' impact on region	About a third of comments considered the perceived impact of different visitors on the region in their decision: Visitor impact was typically cited as a reason to charge a particular group – principally motorhome users and day visitors – owing to the impact they have on roads, facilities, waste services and thus feeling they should contribute. This argument was often combined with the following –
Existing contribution of visitor type to local economy	This, too, was referenced in about a third of comments. It was used as a reason both to, and not to, charge particular groups. Respondents using this reasoning posited that groups that already pay into the local economy should not be required to pay a levy, and groups that make limited contributions to the economy currently should contribute more. Typically, those using this reasoning argued that motorhome users and cruise visitors do not currently contribute enough and thus should be levied. Many also felt that staying in overnight accommodation were already contributing and thus should not pay a levy.
Logistics of implementing scheme	About 10% of comments considered the logistics, and principally difficulty, of implementing a scheme in their selection. Typically, those that considered this advised a levy would be simplest to collect from those staying overnight in paid accommodation and from cruise visitors. Some respondents advised the difficulty of implementation put them off selecting motorhome users and day visitors as options. The difficulty, and cost, of implementation was also cited by some as a reason not to introduce any levy.

Table 5 – Comments on the question of which visitors should pay a Highland TVL, if introduced
Source: Q11. Please use this box to explain your selection [in Question 10] if you wish (n=2186)

4.1.1 Variations on which visitors should contribute: Businesses, Residents and Visitors

Two of the options saw significant differences across the different respondent types.

A greater proportion of residents (82.3%) selected 'overnight visitors staying in paid accommodation' than the proportions of businesses/ organisations (67.0%) and visitors (61.9%) selecting this option.

Whilst around 9 in 10 residents and businesses selected to levy 'Motorhome Users (not staying at paid sites)' (87.0% and 90.6%, respectively), amongst visitors 7 in 10 selected this option (69.8%).

In both of these instances, however, all groups saw the majority of their respondents select the options in question, the discrepancy was in the extent of the majority.

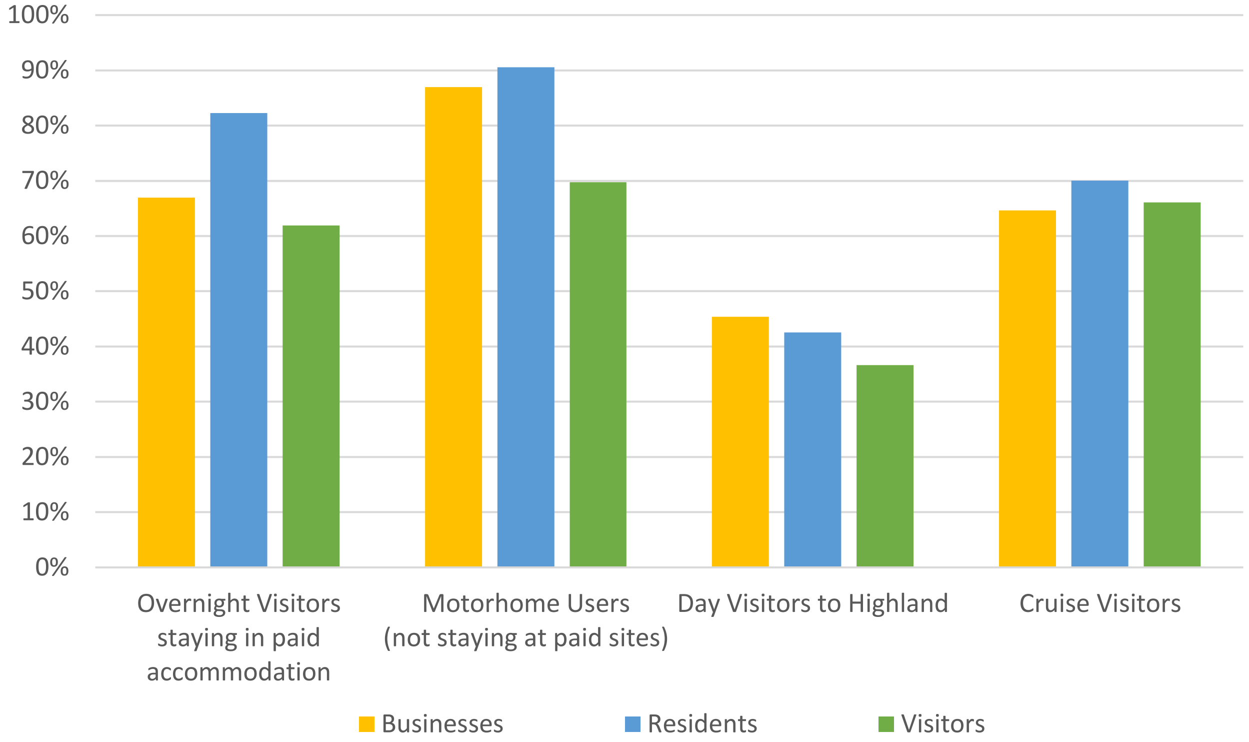


Figure 17 – percentage of businesses, residents and visitors responding to visitor levy option
Source: Q10. If a Highland Transient Visitor Levy was introduced, who do you think should pay it? Please tick all that apply (n=4634)

Proportions of respondents selecting 'Cruise visitors' and 'Day visitors to Highland' were consistent across the different respondent types.

4.2 Exemptions

The majority of respondents (91.7%) answered that at least one visitor type should have a reduction or exemption from a Highland TVL, if a scheme was introduced. Just 8.3% of responses to this question were for a full levy, applied to all.

All options received a majority response in favour of a reduced levy or no levy – ranging from 90% for Highland residents to 68.2% for business travel.

The most common selection was Highland residents, with 9 in 10 respondents (90.0%) reporting that they should either not be levied (84.6%) or be subject to a reduced levy (6.3%), were a Highland TVL introduced.

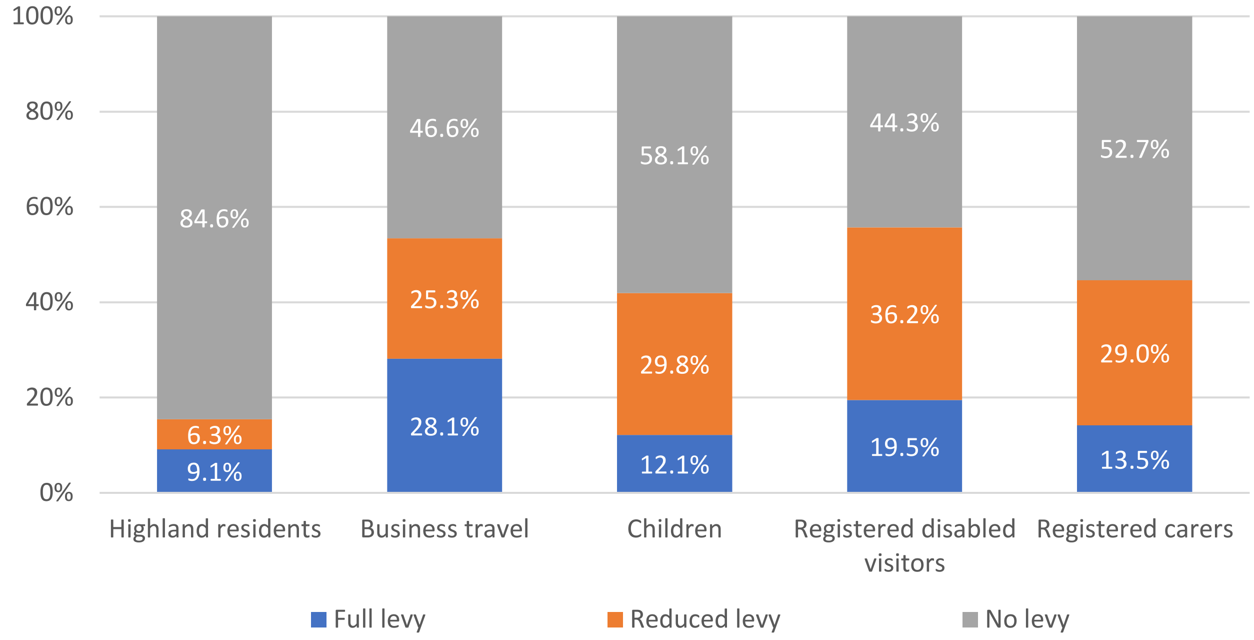


Figure 18 – Which visitor types should receive a full, reduced or no levy

Q12. Should there be any reductions or exemptions? (n=4968)

Responses for a full exemption for Highland residents (i.e. No levy) were especially high. The option of 'No levy' was selected by significantly fewer respondents for other visitor types.

Children were the group with the second most responses favouring either no levy (58.1%) or a reduced levy (29.8%) – with more than 8 in 10 respondents to this question selecting one of these options. More than 8 in 10 respondents to this question selected for registered carers to receive a reduction (29.0%) or exemption (52.7%), were a Highland TVL introduced. Around three quarters (76.7%) of respondents selected for disabled visitors to receive a reduction (44.3%) or exemption (36.2%),

Responses on the topic of business travel were most mixed, but the majority (68.2%) still selected either no levy (46.6%) or a reduced levy (25.3%).

Additional comments: exemptions

Overall, Respondents were also given the opportunity to propose additional groups that should see a levy reduction or exemption, were a TVL scheme introduced.

A total of 359 answers were received. Many used the opportunity to reiterate their point of view on a Highland TVL overall, particularly those who wished to propose that no one should be charged (49 responses to this effect).

Common additional responses included reductions or exemptions for Scottish residents (65 comments), students (11 comments) and neighbouring areas access Highland for facilities (5 comments).

Many comments also raised concerns about the costs associated with such nuances to any policy, and the difficulty of both administering these and ensuring exemptions are not misused.

4.3 Seasonality

Half of the respondents (50.0%) to the question of seasonality responded that a levy, if it was introduced, should apply ‘all year round’.

Around 2 in 5 respondents (41.1%) selected a seasonal levy, with almost a third (31.0%) favouring a levy, were it introduced, to be applied ‘only during main tourism season (e.g. April-October)’ and a further 10.1% selecting for a levy to be applied ‘only during busiest season (e.g. July/ August)’.

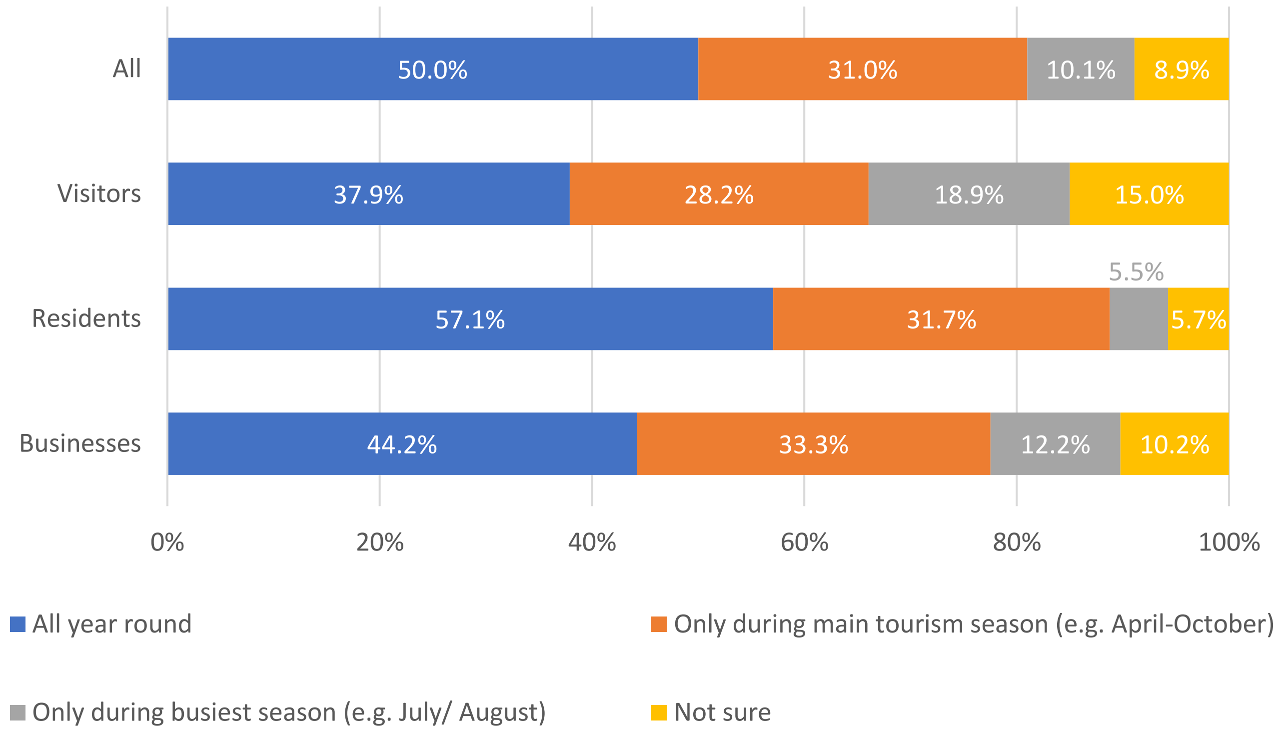


Figure 19 – Seasonal application of a Highland TVL

Q13. When do you think a levy should apply? (n=4776)

4.3.1 Variations on seasonality: Businesses, Residents and Visitors

Across all three respondent types, the most common single answer was an ‘All year round’ levy. Residents were most in favour of an ‘All year round’ levy with the majority (57.1%) selecting this option and just over a third (37.2%) selecting a seasonal approach.

Businesses and visitors had lower proportions selecting a year-round levy (44.2% and 37.9%, respectively). There was greater favour for a seasonal approach amongst these respondents, with 45.5% of businesses/ organisations selecting one of the two seasonal options and 47.1% of visitors.

4.4 Double-charging

Respondents were advised that if a package of levies was introduced, some visitors may pay multiple times. They were then asked whether they felt that there would need to be a process to prevent this 'double-charging'.

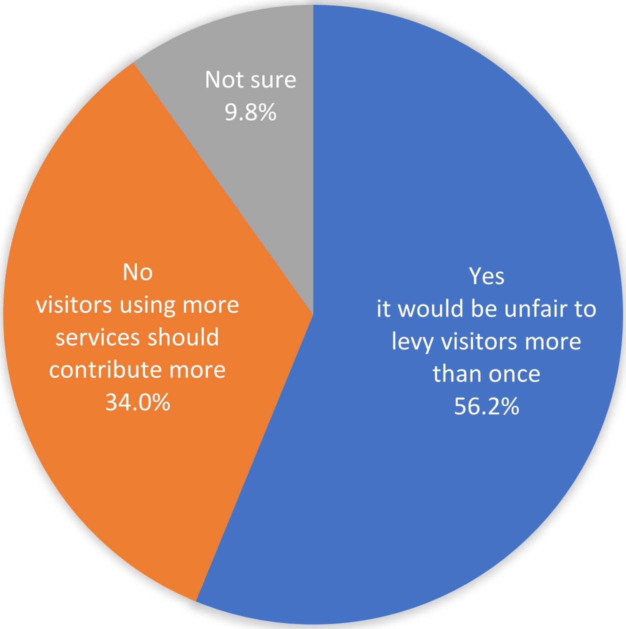


Figure 20 – Whether to address issue of multiple levies

Source: Q20. If a package of levies was introduced, some visitors may pay multiple times. Would there need to be a process to prevent this? (n=4576)

The majority of respondents (56.2%) to this question felt that a process would be required to prevent double-charging as it would be unfair to levy visitors more than once. Around a third (34.0%) felt that no process to address double-charging would be required as it would be fair to levy a visitor more than once as 'visitors using more services should contribute more'. Almost one in ten respondents (9.9%) were unsure.

These proportions were consistent across residents, businesses and visitors. There was no significant variation amongst these groups.

§

Section 5: Designing a Highland TVL (Accommodation)

Questions on some specific elements of designing a Highland TVL were split into two sections: an Accommodation Levy (Section 5) and a Non-Accommodation Levy (Section 6).

5.1 Accommodation flat rate or percentage

The majority of respondents (57.8%) favoured a 'flat rate per room per night' over a 'percentage of total room bill', were an accommodation-based Highland TVL introduced. Roughly a quarter (24.0%) selected the latter. Less than a fifth (18.2%) had no preference or were unsure.

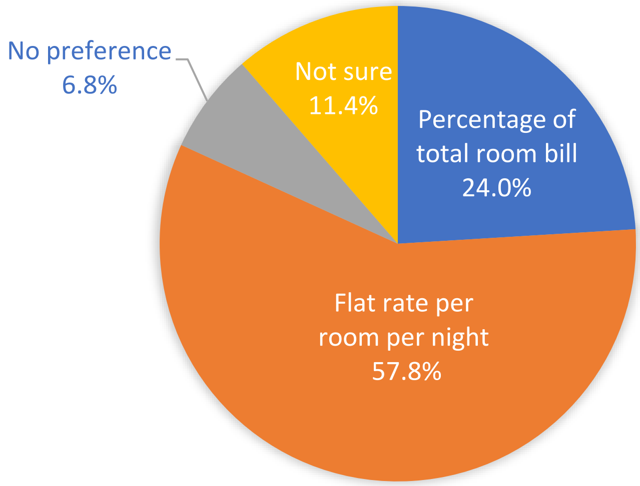


Figure 21 – Type of accommodation levy rate
Source: Q14. If a Transient Visitor Levy were to be introduced for visitors staying in paid accommodation, which charging approach would you prefer? (n=4556)

These proportions were consistent across the different respondent types: businesses/ organisations, residents, and visitors. A slightly higher proportion of businesses/ organisations selected a flat rate (62.1%) and there were fewer responses for a percentage rate (20.0%).

5.2 Accommodation levy rates

Respondents were also asked at what rate an overnight accommodation charge should be levied, if introduced.

Responses to the question of levy rates were mixed, with no outright majority response to the options given. It is clear, however, that a more moderate fee was preferred, with three quarters of all respondents selecting a rate at or lower than 2% or £2 per night and almost half of all respondents (48.5%) selecting a rate of 1% or £1 per night or lower.

Only just over 1 in 10 respondents (11.7%) selected a rate more than 2% or £2 per night.

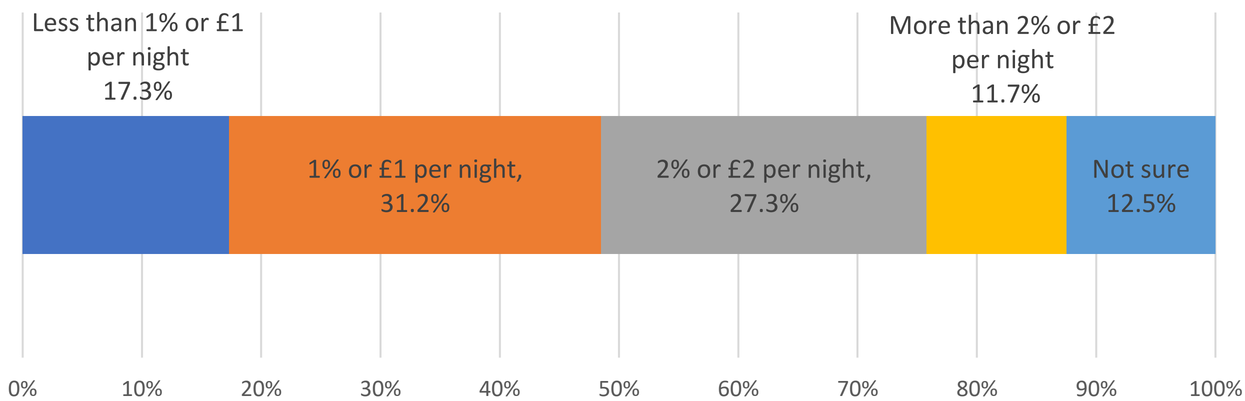


Figure 22 – Accommodation levy rate responses
Source: Q15. What rate should an overnight accommodation charge be? (n=4575)

5.2.1 Variations on levy rates: Businesses, Residents and Visitors

Businesses/ organisations and visitors were largely similar in their selections. There is less than 2% difference in the proportions of responses across any of the categories.

Residents, however, were much more likely to select a higher rate of levy, with more than double the proportion of residents selecting 'More than 2% or £2 per night' (14.6%) than businesses (6.7%).

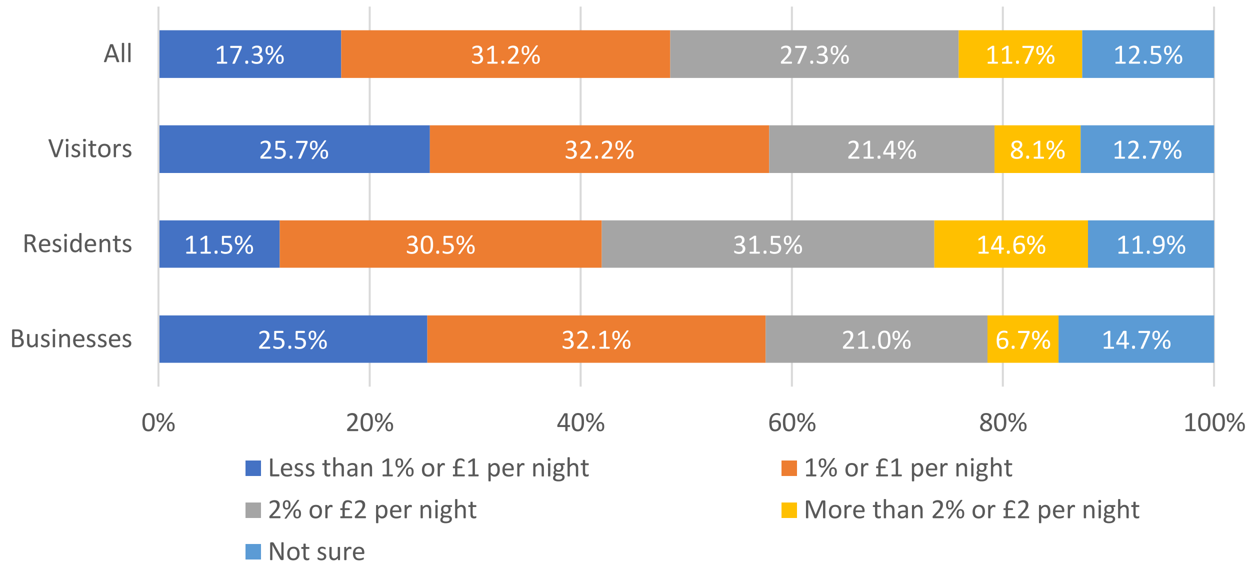


Figure 23 – Accommodation levy rate responses by respondent type

Source: Q15. What rate should an overnight accommodation charge be? (n=4575)

5.2.2 Variations on levy rates: accommodation and non-accommodation businesses

Accommodation providers – those that would likely be involved in an accommodation levy – favoured a lower levy rate with around two thirds (64.6%) selecting a levy of '1% or £1 per night' or lower. By contrast, only 46.0% of non-accommodation respondents selected these options.

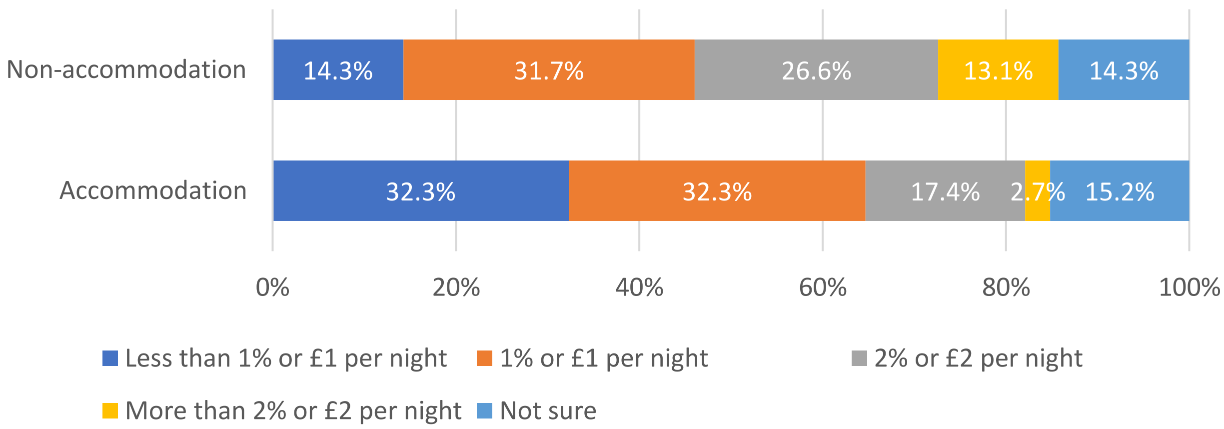


Figure 24 – Accommodation levy rate responses by business type

Source: Q15. What rate should an overnight accommodation charge be? (n=4575)

Most notably, only 2.7% of accommodation respondents selected the highest 'More than 2% or £2 per night' option, compared with 13.1% of non-accommodation respondents.

That said, the most common response amongst both groups was '1% or £1 per night', with roughly a third of respondents of both accommodation and non-accommodation businesses selecting this option (32.3% and 31.7%, respectively).

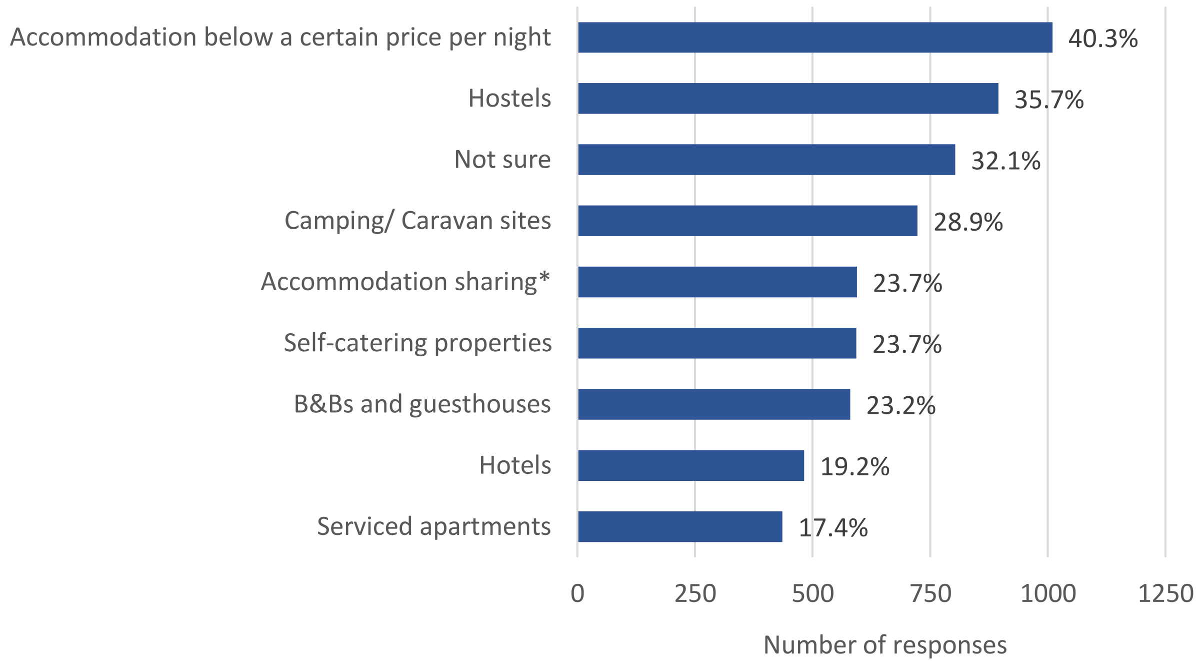
5.3 Accommodation exemptions

Respondents were asked whether any particular accommodation types should not be required to collect a levy, were a scheme introduced. None of these options received an overall majority response and almost a third of respondents (32.1%) reported they were not sure.

The proportions of responses for exemptions to accommodation types were notably lower than exemptions for certain types of visitors (Question 12). Support for these exemptions ranged between 83.7% and 44.2% of respondents, whereas no response to this question was selected by more than 40.3% of respondents.

The option with the highest number of responses was 'Accommodation below a certain price per night' (40.3%). Second and third were Hostels (35.7%) and Camping/ Caravan sites (28.9%). Given hostels and camping/caravan sites represent the cheaper end of the accommodation market, it could suggest accommodation price was a key factor.

These proportions of responses were consistent across businesses, residents and visitors.



* such as homestays or Airbnb

Figure 25 – Accommodation types for levy exemptions

Source: *Q16. Should any paid accommodation providers not be required to collect a levy? Please tick all that apply. (n=2505)*

5.4 Cap on nights charged

Half of all respondents (50.5%) selected that there should be no cap on an accommodation levy, were it introduced – i.e. visitors would pay a levy for the full duration of their stay.

Over a third (36.5%) of respondents opted for a cap to varying degrees, and 13.1% were unsure.

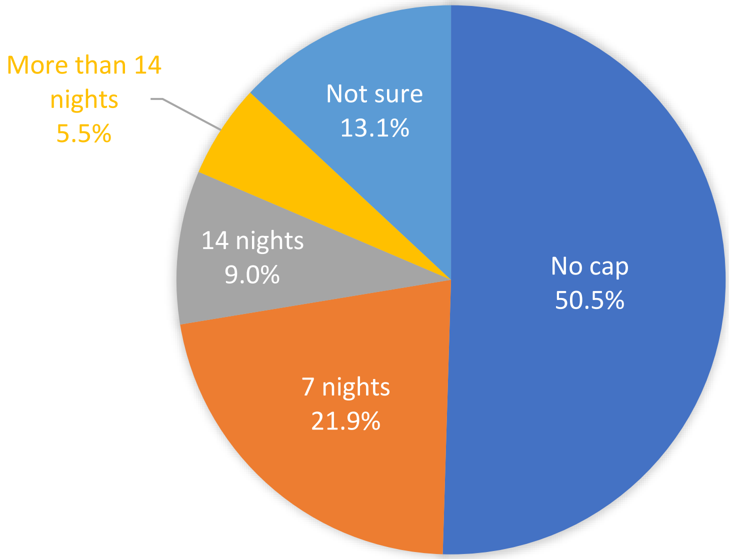


Figure 26 – Responses on a cap to an accommodation levy

Source: Q17. Should there be a cap on the number of nights charged? (n=4572)

5.4.1 Variations on a cap: Businesses, Residents and Visitors

The majority of residents (56.3%) selected the 'No cap' option. A cap of 7 nights was selected by only 17.9% of residents.

Businesses and visitors were more mixed in their views. There was no majority for 'No cap' amongst these groups (45.1% of businesses and 40.7% of visitors). These respondent types were also more likely to pick a cap of 7 nights than residents (27.2% of businesses and 27.9% of visitors).

Across all groups, however, the most common response was 'No cap' and there were very limited responses for caps of 14 nights or more than 14 nights.

Section 6: Designing a Highland TVL (Non-accommodation)

6.1 How could a non-accommodation charge be levied?

Respondents were presented with four potential non-accommodation levies and asked to rate each from 'Totally Against' to 'Totally in Favour'. This was designed to build on Question 10 to consider how non-accommodation charges could potentially be levied, were such a scheme introduced.

NOTE – Whilst the question asked whether respondents are 'in favour' or 'against', the caveat that this cannot be interpreted as overall support for a Highland TVL remains. It is entirely possible that respondents to this question were against the implementation of a Highland TVL but, if it is to be implemented, would favour certain principles or approaches.

Three of the options received a majority of responses in favour, if a Highland TVL scheme introduced. Three quarters of respondents were in favour or totally in favour of a 'Levy to use a motorhome in Highland' (74.9%). The majority of respondents were actually 'totally in favour' (52.7%).

A 'Levy added to cruise visitors' was favoured by 70.1% of respondents with 40.8% totally in favour. And around two-thirds of respondents (68.3%) answered a 'Levy added to tour group fees', with over a third (36.0%) totally in favour.

Across these three options around a fifth of respondents were against these approaches and between 5 and 10% were unsure.

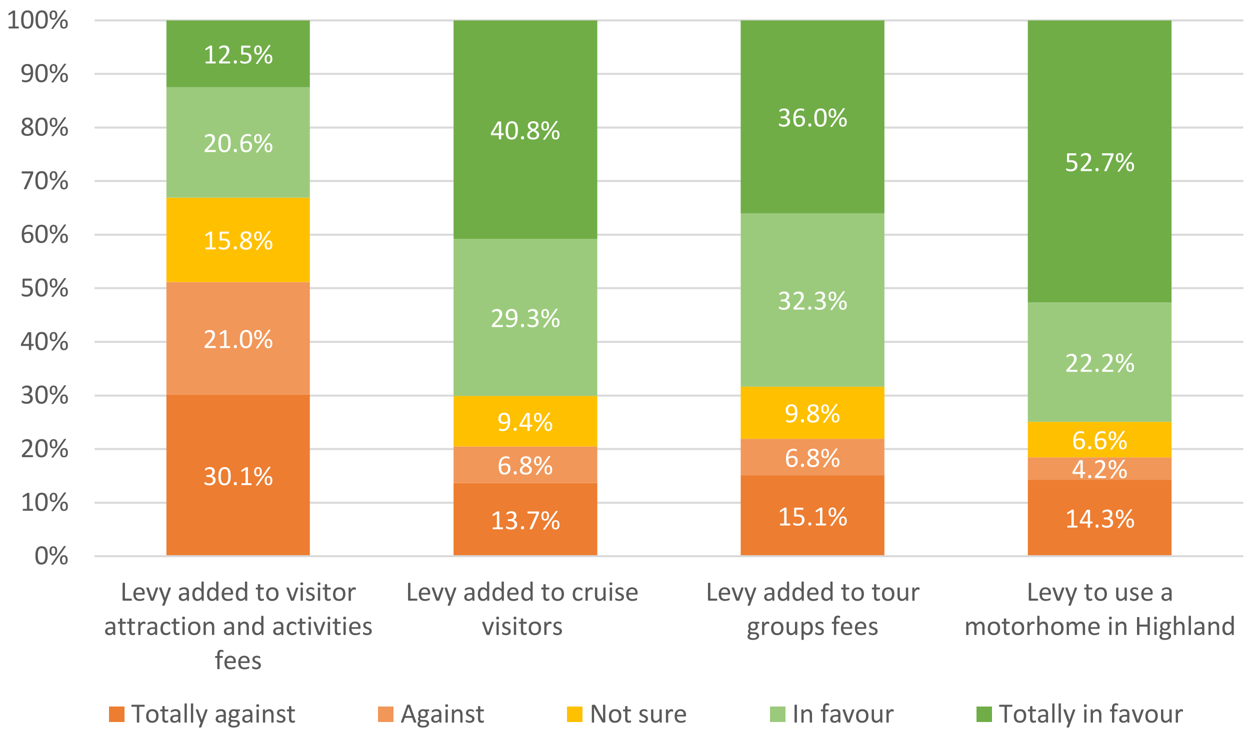


Figure 27 – Perspectives on different non-accommodation levy options

Source: *Q18. Which of the following might you support? (n=4862)*

By contrast, most (51.2%) respondents were against a 'Levy added to visitor attraction/ activities fees' with 30.1% totally against. Only a third were in favour or totally in favour (33.1%) and 15.8% were unsure.

Additional comments on non-accommodation levies

Respondents had the opportunity to suggest other options for non-accommodation levies. A total of 412 comments were made.

Many of these reiterated or explained the responses provided – principally where they had selected all or none of the options. Others raised considerations that were captured in other questions, such as the question of exemptions (Question 12) and addressing potential double-charging (Question 20).

About a third of comments raised the logistics, and principally difficulty, of implementing a scheme in their selection. Typically, those that considered this advised a levy on cruise visitors, added to port fees when disembarking, would be most simple. Some respondents advised the difficulty of implementation put them off selecting motorhome users and day visitors as options.

Alternative levy approaches proposed in the comments included the following, although none were received in large numbers:

- Car parking charges
- Motorhome licenses
- Enforcement of no wild camping parking for campervans and motorhomes
- Public toilet charges
- Food and drink suppliers
- An 'entry system' for vehicles akin to a congestion charge

6.1.1 Variations on on-accommodation levies: Businesses, Residents and Visitors

Businesses, residents and visitors were largely consistent in their views on this topic. The relative proportions in favouring each levy option largely reflect the views of these groups on TVL as a whole, as shown in Section 3. Namely, across each option a greater proportion of businesses/ organisations than residents or visitors were against the options and residents were consistently most in favour of the levy approaches.

There is one notable exception to this for a 'Levy to use a motorhome in Highland', however, where different response groups were more divided. A strong majority (81.8%) of residents were in favour of this approach, with only 13.4% against. Businesses were also largely in favour (76.8%). By contrast a significantly lower proportion of visitors were in favour (63.3%) and over a quarter (28.3%) were against.

6.2 Non-accommodation levy rates

The majority (59.9%) of responses selected that non-accommodation levies should be set at a similar rate to accommodation, if introduced.

Around a quarter (24.5%) of respondents felt the rate should differ from accommodation (10.1% more and 14.4% less), with 15.6% were unsure.

Responses were consistent across businesses/ organisations, residents and visitors.

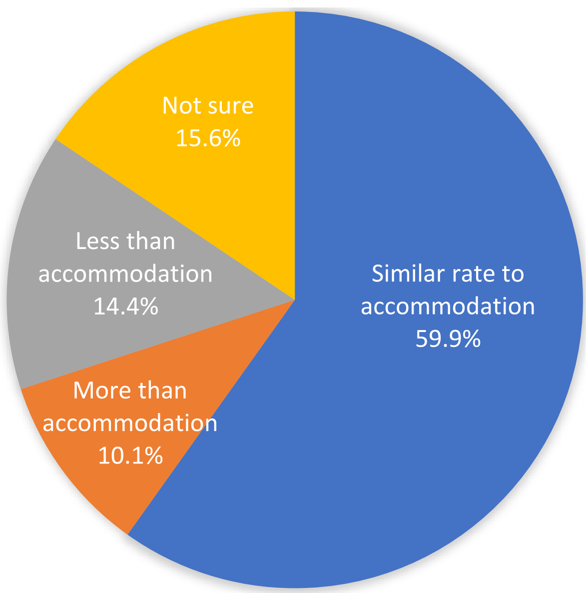


Figure 28 – Non-accommodation levy rates
Source: Q19. At what rate should these charges be applied? (n=4452)

– ANALYSIS ENDS –