

Highland Council – Visitor Levy Consultation Analysis Report

Report by The Diffley Partnership
November 2025



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Executive Summary

This executive summary presents the high-level findings from an independent analysis of responses to the Highland Council formal consultation on draft proposals for the introduction of a visitor levy scheme in Highlands. The Council designed and undertook the consultation exercise, and commissioned Diffley Partnership to undertake the independent analysis, which was completed in November 2025.

Background

Following the passage of the Visitor Levy (Scotland) Act, which received Royal Assent in July 2024,¹ local authorities were given discretionary powers to introduce a visitor levy in their area, for visitors staying in overnight accommodation.

The Act mandates consultation with persons representative of communities, businesses engaged in tourism, tourist organisations and other persons likely to be affected by a Visitor Levy Scheme. A scheme for Highland Council area was approved for consultation in November 2024.

There are elements in the legislation which councils cannot change. At the time of this analysis, this was for the Visitor Levy (Scotland) Act, the original version, as enacted.

Consultation

There were high levels of engagement with the Highland Council's public and stakeholder consultation.

A consultation survey was designed by Highland Council and hosted on the Council's website between 14 November 2024 and 31 March 2025. It explored public views on the design and implementation of the proposed visitor levy scheme across the Highland Council area and received 4,103 responses. Of these responses, nearly half were from residents of the Highland Council area (48%), and a further fifth from Highland businesses (17%). Visitors to Highland from

¹ [Visitor Levy \(Scotland\) Act 2024](#)

elsewhere in Scotland and elsewhere in the UK made up 13% of total responses. Within the self-selected sample, respondents skewed older, with nearly half of all respondents aged 55+ (49%).

In addition to the survey responses, 117 email submissions were received. About half of these were from respondents to the survey and the other half had not completed the survey.

A total of 27 engagement events were organised by the Council to support this public consultation, including both online and in-person meetings, Council-led and industry-led events. In addition, at the request of industry, a Highland Visitor Levy Reference Group was established to provide stakeholder feedback to the Council from around 30 organisations during the consultation period. A total of five meetings were held as well as a workshop on 25 June 2025 in Inverness

Analysis and reporting

Diffley Partnership were commissioned by the Council to:

- Analyse the 4,103 responses to the consultation survey,
- Analyse the 117 email submissions,
- Further summarise the findings of the engagement events and workshop,
- Include reporting of the above in one Consultation Analysis report.

Consultation results

Across different sections of the consultation survey, even where not relevant to the subsection, respondents repeatedly discuss:

- The perceived advantages of a flat per-night fee rather than a percentage-based levy,
- Exemptions for Highland residents and in-area essential travel (such as medical appointments and work commitments),
- Opposition to exclusions in the legislation for off-campsite motorhomes and cruise passengers, who are often deemed high-impact visitors,
- Administrative burden on small accommodation providers, and
- VAT implications for small-turnover businesses.

Email responses contained several key themes, all of which related to themes in the survey responses, as follows:

- Concerns and confusion on how to practically administer the levy for different types of accommodation and portioning charges as per the guidance.
- Negative consequences for accommodation providers, including implications for VAT, costs by third party booking services and concern that visitors will go elsewhere. All of these resulting in loss of income.
- Concern that the levy would apply to people staying in accommodation for the purposes of unpaid care or work. People expressing it is unfair for Highland residents to pay when staying within the Highlands and for residents of neighbouring local authorities to pay when stopping off in the Highlands to reach their remote and rural homes.
- There were many respondents upset by the exclusion of motorhomes and campervans not at a licenced campsite. As noted, this is directed to the exclusion in the legislation set by Scottish Parliament, rather than any proposal by The Highland Council.
- Alternative mechanisms to raise funds from incoming visitors were suggested, none of which required administration by accommodation providers.
- Some investment suggestions for funds raised by the levy were made.

Most of the engagement session summaries included opposition to aspects of the levy, directed towards the national-level legislation, and in some cases the aspects within the power of the Council. Areas of concern from these engagement events can be summarised under development of legislation, exemptions, the consultation process, involvement of elected members and impact on accommodation providers including the issue of VAT. Moreover, Highland Visitor Levy Reference Group workshop participants expressed strong opposition to the proposed percentage-based levy structure. Key concerns encompassed economic timing, administrative capacity, competitive positioning, tipping businesses over VAT thresholds, and legislative design considerations.

Table A relates the findings from analysis of all the consultation sources towards the current legislation, and which are within, and not within the discretion of local authorities.

Table A: Aspects of the Act and findings

Aspect of Act	Discretion for local authorities (as of November 2025)	Relevant findings from analysis of consultations
Consultation before introduction	Legally obliged to follow the legislation in terms of how it goes about consulting on a visitor levy scheme before implementing such a scheme.	<p>Of the consultation survey respondents:</p> <ul style="list-style-type: none"> • Many perceive the consultation and proposed review arrangements as predetermined or inaccessible.
Introduction by local authorities	The Act gives the local authority the power to impose a levy, in accordance with the Act.	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • Risk of price sensitivity and displacement of visitors to other areas raised. • Concerns expressed that the levy would cause negative knock-on effects to hospitality, retail and culture sectors in tourism-dependent communities. • Regarded as an economic risk to small and seasonal providers. <p>Email responses included:</p> <ul style="list-style-type: none"> • Negative consequences for accommodation providers, including implications for VAT, costs by third party booking services and concern that visitors will go elsewhere. All of these resulting in loss of income. • Suggested, alternative mechanisms to raise funds from incoming visitors none of which required administration by accommodation providers. <p>Engagement events echoed these concerns for negative impact on the introduction of the levy on businesses and the economy of the Highlands.</p>
Implementation timeframe	In their VL scheme, the local authority must specify the date on which a VL scheme is to come into force, or on which a significant modification is to take effect, which must be at least 18 months after the date on which the local authority	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • Split views on speed: some urge earlier implementation while many others request deferral or phased launch. • Calls for piloting before full roll-out in the Highlands • Scepticism over national portal readiness

	publishes a report stating that it intends to proceed with the original or modified proposal.	
Type of overnight accommodation	<p>Scottish Ministers can after consulting local authorities and other appropriate representatives:</p> <ul style="list-style-type: none"> • add a type of accommodation included • vary or remove the description of a type of accommodation exempted (currently exempted are motorhomes and caravans and cruise passengers) <p>Local authorities can add local exemptions.</p>	<p>Of the consultation survey respondents, they expressed:</p> <ul style="list-style-type: none"> • Significant concern over VAT threshold and administrative burden for small operators. • Requests for the inclusion of campervans/motorhomes outside campsites within the national legislation. <p>Email responses:</p> <ul style="list-style-type: none"> • There were many respondents upset by the exclusion of motorhomes and campervans not at a licenced campsite. Note this exclusion is in the national legislation. <p>Engagement events raised requests for exemption of various accommodation types not currently exempt and the inclusion of cruise and motorhomes/ campervans currently exempt.</p>
Attribution to overnight accommodation	Scottish Ministers may add to, remove, or vary the description of, the facilities or services listed under the “accommodation portion”.	<p>Email responses included:</p> <ul style="list-style-type: none"> • Concerns and confusion on how to practically administer the levy for different types of accommodation and portioning charges as per the guidance.
Levy rate	<p>Must be a percentage rate and must be the same for different types of overnight accommodation.</p> <p>Have discretion over percentage rate set and if different rates for different areas within the local authority.</p>	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • Strong preference for a flat per-night fee over percentage rate (as set by Scottish Parliament Act); 5% seen as complex and distortionary. • Several cite the structure of levies in parts of Europe and the importance of aligning with international norms. • Some respondents call for variable or tiered rate structures, dependent on season.
Duration	Have discretion over application to whole or part of year.	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • The fragile winter trade while others stress the year-round pressures in tourism hotspots.

		<ul style="list-style-type: none"> • Acknowledgement that in considering the duration the Council need to balance visitor pressures with economic viability, encouraging off-season travel and avoiding deterring price-sensitive winter visitors.
Exemptions	Have discretion on exemptions over and above those set out in the legislation.	<p>Of the consultation survey respondents there was:</p> <ul style="list-style-type: none"> • Calls for Highland resident and essential-travel exemptions. • Criticism that the pay-then-claim system being implemented for Scotland is inequitable and complex, particularly for vulnerable or digitally excluded visitors. <p>Email responses included:</p> <ul style="list-style-type: none"> • Concern that the levy would apply to people staying in accommodation for the purposes of unpaid care or work. • People expressing it is unfair for Highland residents to pay when staying within the Highlands and for residents of neighbouring local authorities to pay when stopping off in the Highlands to reach their remote and rural homes.
The use of revenue generated by a visitor levy scheme	<p>Local authorities are not able to change any of these stipulations on reinvestment of the fund- should develop, support, and sustain facilities and services for or used by visitors to a local authority area for leisure or business purposes.</p> <p>Where councils do have an element of discretion is in the articulation of scheme objectives at a local level, but within the parameters of spend in the Act.</p>	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • Consistent support for investment in public infrastructure and services (for example roads, toilet provision, waste disposal, and rangers' services) Across different sections, a few others suggest spending on improving access to affordable housing in the Highlands. • Concern that decisions on spend are too centralised so as not to benefit smaller geographies. • Concern that money raised will go into core budgets and not be linked to resulting improvements made. • Local ring-fencing was suggested, however many different views on what this ring-fencing should consist of. <p>In email responses:</p> <ul style="list-style-type: none"> • Some detailed investment suggestions for funds raised by the levy were made.

<p>Visitor Levy (VL) Forum</p>	<p>Local authorities must follow the Act to establish this as an advisory forum.</p> <p>Local authorities can establish more than one VL forum.</p> <p>They can appoint one or more of its own members to the VL forum provided not a majority.</p>	<p>The consultation survey respondents included:</p> <ul style="list-style-type: none"> • Many who viewed advisory-only forum, as set out in Section 16 of the Act, as insufficient in its powers. • Requests for stronger, representative governance. <p>Engagement events criticised principle of involvement of elected member in VL Forum.</p>
<p>Reporting use of the levy</p>	<p>Local authorities must follow statutory requirements on annual reporting.</p>	<p>Of the consultation survey respondents there were:</p> <ul style="list-style-type: none"> • Calls for transparent information and reporting. • Calls for clear success criteria.

Next steps

The Highland Council explain on their website that following the public consultation:²

- A report will be considered at a future meeting of the Highland Council which will set out the findings of the Consultation and invite Members to decide whether to implement a Visitor Levy Scheme in Highland.
- The commencement of a Visitor Levy Scheme must be at least 18 months from the date a local authority formally decides to proceed to introduce a Visitor Levy in their area.

The Highland Council may wish to use this independent report of analysis of their consultation as a reference point for their discussions with Scottish Government, other local authorities on the national legislation; and their own internal development of policy implementation within the Highlands, where they have discretion.

We acknowledge that this policy is developing at national levels as various local authorities consider and develop their respective approaches throughout Scotland.

² [Visitor Levy Consultation | Visitor Levy | The Highland Council](#)

1. Background and Methodology

This chapter includes background and details of the consultation conducted by the Highland Council. Next the analysis conducted by the Diffley Partnership and limitations of the analysis are included. Lastly, the structure of the remainder of the report is explained.

1.1 Background

The Visitor Levy (Scotland) Act 2024 was passed by the Scottish Parliament on 28 May 2024 and received Royal Assent on 5 July 2024.³ This Act gives local authorities discretionary powers to introduce a visitor levy in their area, for visitors staying in overnight accommodation.

Section 12 sets out the scheme to impose a levy. A local authority may:

- (a) introduce a scheme or schemes to impose the levy for all or part of its area (referred to in this Act as a “VL scheme”),
- (b) modify a VL scheme, or
- (c) revoke a VL scheme.

Furthermore, this section states ‘A VL scheme may make different provision for different purposes or different areas within the local authority’s area.’

Section 13 of the Act sets out the prior consultation on the scheme which local authorities must conduct. Before introducing or modifying a VL scheme, a local authority must prepare and publicise:

- (i) an outline of the proposed scheme or (as the case may be) the scheme as it is proposed to be modified (“the proposal”),
- (ii) a statement about the cases and circumstances under the proposal in which the levy (or a sum equivalent to the levy) is not payable or may be reimbursed,
- (iii) a statement about the objectives of the proposal, including how the authority intends to measure and report on the achievement of those objectives, (the objectives must relate to

³ [Visitor Levy \(Scotland\) Act 2024](#)

developing, supporting or sustaining facilities or services which are substantially for or used by persons visiting the scheme area for leisure or business purposes, or both) and (iv) an assessment of the impacts of the proposal in the authority's area, the assessment must, in particular, set out what the local authority considers to be the likely effects of the proposal on persons living within the scheme area, and such other persons as the authority considers likely to be affected by the proposal.

Before introducing or modifying a VL scheme, a local authority must consult:

- (i) such persons as the authority considers to be representative of communities, businesses engaged in tourism and tourist organisations in its area,
- (ii) in the case of a modification of a VL scheme, the VL forum for that scheme as established by the local authority in accordance with [section 16\(1\)](#),
- (iii) if any part of the area to which the VL scheme relates has been designated as a National Park, the National Park authority for that Park, and
- (iv) such other persons as the authority considers likely to be affected by the proposal,

Before introducing or modifying a VL scheme, a local authority must prepare and publicise a report which:

- (i) summarises the consultation responses received,
- (ii) states whether or not the authority intends to proceed with the proposal (or the proposal as modified in light of the consultation), and
- (iii) sets out the authority's reasons for whether or not it intends to proceed.

The Visitor Levy (Scotland) Act 2024 sets out the legislative framework for local authorities considering whether to introduce a Visitor Levy Scheme. There are elements in the legislation which councils cannot change, as per the national legislation passed by Scottish Parliament. Therefore, at the time of the consultation analysed within this report, there were legislative limitations from The Visitor Levy (Scotland) Act 2024 original (as enacted) version including:

- The levy is set as a percentage rate, and local authorities cannot implement a flat rate.
- Collection responsibilities are mandated for accommodation providers and local authorities cannot implement a Point of Entry (PoE) system.
- There is limited flexibility in exemption categories beyond the national framework.

- Enforcement mechanisms are standardised across Scotland.

The legislation, however, retained an element of flexibility – councils had the discretion to decide certain aspects of a visitor levy scheme which considers both the characteristics and circumstances of the local area. For example, under the original Act passed the percentage rate set ‘may be different for different purposes or different areas within the local authority’s area,’ as per Section 6, sub-section 2.

To accompany the Visitor Levy (Scotland) Act 2024, Guidance on the Visitor Levy for Local Authorities was published.⁴ This guidance was prepared by an Expert Group of stakeholders led by VisitScotland to assist local authorities and others with an interest in a Visitor Levy Scheme.

Local authorities in Scotland are at different stages of considering or implementing a visitor levy, at the time of the preparation of this report, this is a fluid and evolving situation.⁵

Implementing a Visitor Levy for Highland is a priority action within Our Future Highland 2022 to 2027.⁶ Within the statutory framework, Highland Council retains specific discretionary powers:

- Set percentage rate within legislative parameters (proposed at 5%).
- Determine geographic scope within Highland Council’s boundaries.
- Schedule implementation timing (subject to minimum 18-month preparation period).
- Allocate revenue within permitted categories for tourism-related infrastructure and services.

1.2 Consultation

A Visitor Levy Scheme for Highland Council area was approved for statutory public consultation at a meeting of the Council’s Economy and Infrastructure Committee on 14 November 2024. The consultation survey was designed by the Council to meet their requirements under Visitor Levy

⁴ [Visitor Levy | Guidance on the Visitor Levy](#)

⁵ See VisitScotland website for latest updates: [Scotland’s Visitor Levy | VisitScotland Business Support](#)

⁶ https://www.highland.gov.uk/download/downloads/id/4611/programme_of_the_highland_council_2022-27_-_english.pdf

(Scotland) Act 2024, in particular the requirement to consult in Section 13 and the required content of the scheme in Section 14.⁷ The survey was hosted on their website and ran from 14 November 2024 until 31 March 2025.

The full consultation survey can be found in Appendix A and includes both open and closed questions. It asks for views on the design and implementation of the proposed visitor levy scheme across the Highland Council area, covering scheme area, timing, rate, objectives, exemptions, governance of proceeds and demographic context. Each subsection within the questionnaire outlines Highland Council's proposed position, including justification of this position. For each subsection, respondents are asked the extent to which they agree or disagree with the Council's position before being allocated space to provide text comments in response to the proposed position.

This survey received 4,103 responses from a range of groups, including residents of Highland Council area, representatives from businesses in Highland, as well as external stakeholders (visitors from other parts of Scotland and the UK, as well as abroad).

In addition to the survey responses, 117 email submissions were received. About half of these were from respondents to the survey and the other half had not completed the survey.

A total of 27 engagement events were organised by the Highlands Council to support this statutory public consultation on the proposed Visitor Levy Scheme. These included both online and in-person meetings, Council-led and industry-led events as follows:

- Four formal industry-led events- held with Cairngorms Business Partnership, Caithness Chamber of Commerce, Inverness Chamber of Commerce, West Highland Chamber of Commerce.
- Six public library community drop-in events- held in Nairn, Thurso, Fortrose, Fort William, Ullapool and Brora libraries.

⁷ [Visitor Levy \(Scotland\) Act 2024](#)

- Six informal community drop-in events to chat with Council staff- held in Inverness Strategy Public Showcase, Inverness Archive Centre, Wick Pulteney Centre, Kingussie Courthouse, Kyle of Lochalsh Service Point, Kinlochbervie Harbour Offices.
- Two larger public in-person events- venues in Portree and Caol.
- Three community webinars.
- Four external business events, where Council staff invited to input- organised by Lochaber Chamber of Commerce, Skye Connect, Visit Inverness Loch Ness, Nairn BID.
- Two types of regular internal Council meetings with partners and stakeholders during the consultation period where the Visitor Levy Consultation was discussed- Highland Tourism Partnership and Visitor Levy Reference Group.

These were well attended by both business owners and residents and reached approximately 1100 individuals across all areas of Highland.

In addition, a Highland Visitor Levy Reference Group workshop was held on 25 June 2025 in Inverness to gather comprehensive stakeholder input on the proposed visitor levy scheme. The session included 15 representatives of tourism industry organisations. The strength of opposition to the proposed Visitor Levy necessitated adapting the workshop format to enable comprehensive stakeholder input. There was substantial restructuring of the workshop to accommodate stakeholder concerns and allow for a more comprehensive discussion on policy to take place. The adapted format included capturing statements to get a snapshot of the varying viewpoints in the room, structured discussions exploring business and destination perspectives, analysis of strengths and challenges and establishing clear priorities sought from industry with regards to the consultation around both the levy and wider investment in the destination.

1.3 Analysis

Highland Council commissioned Diffley Partnership to undertake an analysis of consultation responses. This report contains findings from this analysis.

For the consultation survey, the Council provided a case by variable data set with 4,103 responses. To ensure robust and timely analysis of the consultation survey within the contract period, Diffley Partnership conducted analysis and sub-contracted the AI solution GoLLM to assist.

There was a staged approach to the analysis of the survey. Closed questions were firstly analysed to generate frequencies of responses to the answer options. These include categorisation questions the Council had designed to find out about respondents to the survey (see chapter 2 for results).

Diffley Partnership performed quantitative analysis of these closed questions, which broadly capture the extent of agreement with the Council's proposed position for each facet of the scheme. These responses were captured through Likert scales, allowing consultation respondents to express the strength of their support or opposition. Figures in this report provide a breakdown of this strength (for example, differentiating between those who 'disagree' and 'strongly disagree' with the Council's position); however, where applicable, this report also briefly discusses the netted proportions of those who agree or disagree overall (see chapters 4-14 for results).

Following quantitative analysis, GoLLM's Dynamic Analysis Visualisation Engine, which leverages a proprietary blend of natural language processing algorithms, quantitative algorithms, visualisation libraries, and language models, provided sentiment analysis and thematic analysis of the responses to open questions in the consultation.

AI-powered sentiment analysis allowed for robust and timely tallies displaying the split of very positive, positive, neutral, negative and very negative responses across survey participants. All open text responses for each section of the consultation were fed into GoLLM's software; they were then segmented by section to give a comparative view of emotional language between different positions presented by Highland Council in the consultation document (see chapter 3 for results).

The thematic analysis provided by GoLLM outlined the dominant themes that emerge for each section of the consultation, supported by illustrative quotes. This included information about the

salience of themes, including which were most frequent within the textual responses (see chapters 4-15 for results).

To ensure accuracy and reliability of the AI-powered analysis, quality assurance was performed. A manually coded sample of consultation responses was cross-checked against the AI-coded sentiment and thematic analyses.

As the email responses were received in a non-readable format these were not integrated into the AI-powered analysis. Instead, these were printed and coded manually. Thematic analysis was conducted by Diffley Partnership where two researchers derive themes and cross-check findings before reporting.

Diffley Partnership also received summary reports of the engagement events and Highland Visitor Levy Reference Group workshop to integrate into this report. Therefore, the analysis was not conducted by Diffley Partnership, but a summary of findings from prior analysis is included in this report.

1.4 Limitations

As with all consultations, the views submitted in this consultation are not necessarily representative of the views of the wider public. Anyone can submit their views to a consultation, and individuals (and organisations) who have a keen interest in a topic – and the capacity to respond – are more likely to participate in a consultation than those who do not.

This self-selection means that the views of consultation participants cannot be generalised to the wider population. For this reason, the main focus in analysing consultation responses is not to identify how many people held particular views, but rather to understand the range of views expressed and the reasons for these views.

In line with qualitative reporting practices, phrases such as ‘many’, ‘several’ or ‘some’ have been used to indicate the volume of responses in relation to the points or themes discussed. Here, ‘many’ or ‘most’ can be understood as the majority of respondents, ‘several’ or ‘some’ as a smaller subset of respondents, and ‘a few’ as a minority of respondents. Phrases like ‘one respondent’ or

'one participant' are used where a respondent raised pertinent points that summarised, or contrasted, the views of others. When reading these terms, please be minded that the sample is self-selecting and the prevalence of points made within the consultation responses cannot be generalised to a wider population.

1.5 Reporting

This report is structured as follows:

- Executive summary
- Overview of respondents to the public consultation survey (chapter 2)
- Chapters with results of the public consultation survey (chapters 3-15)
- Results from the analysis of the additional email responses. (chapter 16)
- Summary of findings from the stakeholder workshop and Highland Visitor Levy Reference Group (chapter 17)
- Conclusion grouping findings in relation to aspects of the legislation which are within or not within the discretion of local authorities.

Chapters with findings from the results of the public consultation begin with a high-level attitudinal summary, through the presentation of sentiment analysis and quantitative analysis results across the whole consultation survey (Chapter 3). The subsequent chapters (4-15) are structured in order of the subsections in the consultation questionnaire. These include further details of quantitative analysis findings, as well as in-depth thematic analysis findings, which are accompanied by illustrative quotes. Some thematic results do not directly relate to the question asked; where there are dominant themes which are tangential to the question being posed, these are included under an additional themes subsection in each chapter. This allows for an accurate reflection of the responses to each question whilst putting an emphasis on the themes most related to the proposed position for the question.

In the case of this consultation, responses received by the Council related to aspects of the Visitor Levy (Scotland) Act 2024 which local authorities cannot change, as per the national legislation passed by Scottish Parliament. Therefore, some findings relate to the overall national policy itself, rather than the aspects at the discretion of local authorities. As part of their Consultation Analysis

for Argyll and Bute Council, EKOS set out these aspects which can and cannot be changed by local authorities, as per the first iteration of the Act, and the legislation in place at the time of the Highlands Council consultation. Table 1.1 uses this as a basis and provides more explanation of the aspects of the Act (see table 1.1).⁸ In the conclusion chapter of this report, the findings from the consultation analysis are mapped to these aspects. Therefore, this final chapter shows how the findings relate to what is currently within the power of the Highlands Council, within the Visitor Levy (Scotland) Act 2024 as it stands in November 2025.

Table 1.1: Discretion for local authorities within current legislation

Aspect of Act	Current legislation (as of November 2025)	Discretion for local authorities
Consultation before introduction	Before introducing a visitor levy scheme, the legislation states that councils must: <ul style="list-style-type: none"> · prepare and publicise an outline of the proposed scheme, identify objectives of the scheme and set out how it intends to measure and report on the achievement of those objectives, and an assessment of the impacts of the proposal in the authority’s area. · consult with local communities and businesses engaged in tourism and tourist organisations. · prepare and publicise a report which summarises the consultation responses received, state whether or not the local authority intends to proceed with the proposal (or the proposal as modified in light of the consultation) and set out the local authority's reasons for whether or not it intends to proceed. 	Legally obliged to follow the legislation in terms of how it goes about consulting on a visitor levy scheme before implementing such a scheme.

⁸ EKOS (2025) Draft proposals to introduce a visitor levy scheme in Argyll and Bute: consultation analysis, [APPENDIX 1.pdf](#)

Introduction by local authorities	The Act gives the local authority the power to impose a levy, in accordance with the Act.	Can impose a levy, in accordance with the Act.
Implementation timeframe	In their VL scheme, the local authority must specify the date on which a VL scheme is to come into force, or on which a significant modification is to take effect, which must be at least 18 months after the date on which the local authority publishes a report stating that it intends to proceed with the original or modified proposal.	Cannot come into force before 18 months from publishing report on decision regarding proposal.
Levy rate	<p>Percentage rate</p> <p>There is no limit on how much a visitor levy rate can be in percentage terms.</p> <p>The percentage rate:</p> <p>(a) may be different for different purposes or different areas within the local authority's area, but</p> <p>(b) may not be different in relation to different types of overnight accommodation.</p>	<p>Must be a percentage rate and must be the same for different types of overnight accommodation.</p> <p>Have discretion over percentage rate set and if different rates for different areas within the local authority.</p>
Duration	Up to local authorities to decide whether to apply a visitor levy for the whole year, or only for parts of the year	Have discretion over application to whole or part of year.
Type of overnight accommodation	<p>A room or area provided to a visitor for residential purposes in or at a type of accommodation:</p> <p>(a) hotels,</p> <p>(b) hostels,</p> <p>(c) guest houses,</p>	<p>Local authorities can include a local exemption on the type of accommodation.</p> <p>Only Scottish Ministers can after consulting local authorities and</p>

	<p>(d) bed and breakfast accommodation, (e) self-catering accommodation, (f) camping sites, (g) caravan parks, (h) accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place, (i) 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.</p> <p>But none of the types of accommodation: (a) a local authority gypsy and traveller site or a registered social landlord gypsy and traveller site (those expressions having the same meaning as in Part 1 of schedule 1 of the Mobile Homes Act 1983), or (b) accommodation in a vehicle, or on board a vessel, that is undertaking a journey involving one or more overnight stops.</p>	<p>other appropriate representatives:</p> <ul style="list-style-type: none"> • add a type of accommodation included • vary or remove the description of a type of accommodation exempted
<p>Attribution to overnight accommodation</p>	<p>The "accommodation portion" means the amount of the chargeable transaction that is attributable to the provision of the overnight accommodation. Does not include provision of— (a) meals or drinks, (b) parking for a motor vehicle (other than a parking area provided as overnight</p>	<p>None for local authorities.</p> <p>But Scottish Ministers may add to, remove, or vary the description of, the facilities or services listed.</p>

	<p>accommodation in respect of the transaction),</p> <p>(c)laundry facilities or services,</p> <p>(d)entertainment,</p> <p>(e)transportation to or from the accommodation.</p>	
Exemptions	<p>Some groups of people would have automatic exemption from paying a visitor levy. These include those who use overnight accommodation as their only or main residence (for reasons like homelessness, poor housing conditions, experiencing domestic abuse, or being an asylum seeker or refugee). · that people who are in receipt of the following: Disability living allowance; Disability allowance; Attendance allowance; Pension age disability benefit; and Personal independence payment are exempt.</p> <p>At this time, the Act provides that adults in receipt of disability benefits are not required to pay a visitor levy or are eligible for it to be reimbursed.</p>	Have discretion on exemptions over and above those set out in the legislation.
The use of revenue generated by a visitor levy scheme	<p>Local authorities must reinvest funds raised to sustain facilities and services which are substantially for or used by people visiting the local authority.</p> <p>Local authorities operating a visitor levy scheme need to use the net proceeds of a</p>	<p>Local authorities are not able to change any of these stipulations.</p> <p>Where councils do have an element of discretion is in the articulation of scheme objectives</p>

	<p>scheme for certain specific purposes (that is, the net proceeds are ring-fenced). Those purposes are that the funds must facilitate the achievement of the scheme’s objectives and that they should develop, support, and sustain facilities and services for or used by visitors to a local authority area for leisure or business purposes.</p>	<p>at a local level, but within the parameters of spend in the Act.</p>
<p>Visitor Levy Forum</p>	<p>Councils have to establish a Visitor Levy Forum that acts as an advisory group on the operation of a visitor levy, and that this must include a balance of tourist organisations, businesses engaged in tourism, and representatives of communities.</p> <p>The VL forum is to consist of such persons as are appointed to it by the local authority operating the VL scheme.</p>	<p>Local authorities must follow the Act.</p> <p>Local authorities can establish more than one VL forum if they establish more than one scheme. They can appoint one or more of its own members to the VL forum provided not a majority.</p>
<p>Reporting use of the levy</p>	<p>It is a statutory requirement for all councils to report annually on how revenue has been reinvested in line with scheme objectives.</p>	<p>Local authorities must follow.</p>

Source: Based upon EKOS (2025) Draft proposals to introduce a visitor levy scheme in Argyll and Bute: consultation analysis and additions from Visitor Levy (Scotland) Act 2024 [Visitor Levy \(Scotland\) Act 2024](#)

2. Respondents to Consultation Survey

The consultation survey received 4,103 responses. This chapter provides information about the respondents to the public consultation survey. It includes a breakdown of location, age and gender, information on any physical or mental health conditions, and transgender status which was asked by The Highland Council for their equalities monitoring.

2.1 Respondent type

See Table 2.1 for a breakdown of respondent types. Almost half of responses came from residents of the Highland Council area, and a further fifth from Highland businesses. Responses also came from visitors to Highland from Scotland and elsewhere in the UK (13% in total).

Table 2.1: Types of Consultation Respondent

Base: All (4,103)	%
Highland resident	48
Highland business	17
Do not live in Highland	15
Visitor to Highland from Scotland	8
Visitor to Highland from elsewhere in UK	5
Owner or investor of property in Highland, but lives elsewhere	2
Representative group for business or tourism	1
Visitor to Highland from overseas (non-UK resident)	1
Work in Highland but lives elsewhere	*

Note: asterisk denotes <0.5%

2.2 Age and sex

Table 2.2 details the ages and sex of consultation respondents. As is generally seen with public consultations, the self-selecting sample of respondents skews older, with nearly half aged 55 and over (49%). Just one in twelve respondents were younger than 35 (8%). A slightly more even split was seen in sex, with 39% of the sample comprising male respondents and 46% female

respondents. The remaining proportions in both age and gender chose not to report their demographic information.

Table 2.2: Age and Sex of Consultation Respondent

Base: All (4,103)	Percent
16-24	1
25-34	7
35-44	13
45-54	22
55-64	28
65-74	17
75 and over	4
Male	39
Female	46

2.3 Physical and mental health conditions

Respondents were also asked whether they have any physical or mental health conditions lasting or expected to last 12 months or more and how those conditions impacted them. Table 2.3 details the results of this question, where respondents could select all of the options which applied to them. Nearly two-thirds of respondents reported not having any lasting conditions and a further quarter preferred not to say. Of those who reported having a long-term condition, mobility and mental health were most frequently impacted, with four percent of respondents selecting each option.

Table 2.3: Physical or mental health conditions lasting or expected to last 12 months or more

Base: All (1,782)	Percent
Mobility (for example walking short distances or climbing stairs)	4
Mental health	4
Stamina, breathing or fatigue	3
Hearing (for example deafness or partial hearing)	3
Socially or behaviourally (for example associated with Autism Spectrum Disorder (ASD))	2
Dexterity (for example lifting or carrying objects, using a keyboard)	1
Learning, understanding or concentrating	1
Memory	1
Vision (for example blindness or partial sight)	1
Other	2
None of the above	65
Prefer not to say	23

Table 2.4 shows that nearly a quarter of respondents reported that their condition or illness reduces their ability to carry out day-to-day activities, either a little or a lot. Conversely, half said that a condition or illness does not reduce their ability to carry out such activities and a quarter opted not to report on their limitations.

Table 2.4: Does your condition or illness reduce your ability to carry out day-to-day activities?

Base: All (4,103)	Percent
Yes, a lot	7
Yes, a little	16
Not at all	50
Prefer not to say	26

2.4 Trans and trans history

Less than one percent of respondents reported being trans or having a trans history (0.46%). Four in five reported that they were neither trans nor had a trans history (81%) and one in five opted not to say (18%). See Table 2.5 for results of this demographic question.

Table 2.5: Do you consider yourself to be trans, or have a trans history?

Base: All (4,103)	Percent
Yes	*
No	81
Prefer not to say	18

Note: asterisk denotes <0.5%

3. Consultation Sentiment and Quantitative Overview

This chapter provides an overall picture of consultation survey respondents' high-level attitudes by combining the sentiment analysis of open-text responses with the quantitative results from the closed questions. The sentiment analysis characterises the general emotional tone embedded in written responses. Results of the agreement scales in each of the consultation survey sections indicates levels of agreement or disagreement with the topic of the question.

Subsequent chapters include fuller quantitative results, as well as thematic analysis of open responses for each consultation analysis survey section.

3.1 Sentiment Results Summary

Sentiment analysis was provided by GoLLM's *Dynamic Analysis Visualisation Engine*, which used an AI-driven approach to classify text into sentiment categories: namely very positive, positive, neutral, negative and very negative. For each section within the consultation, all open-text responses in sub-sections of the consultation survey were fed into the engine for sentiment analysis.

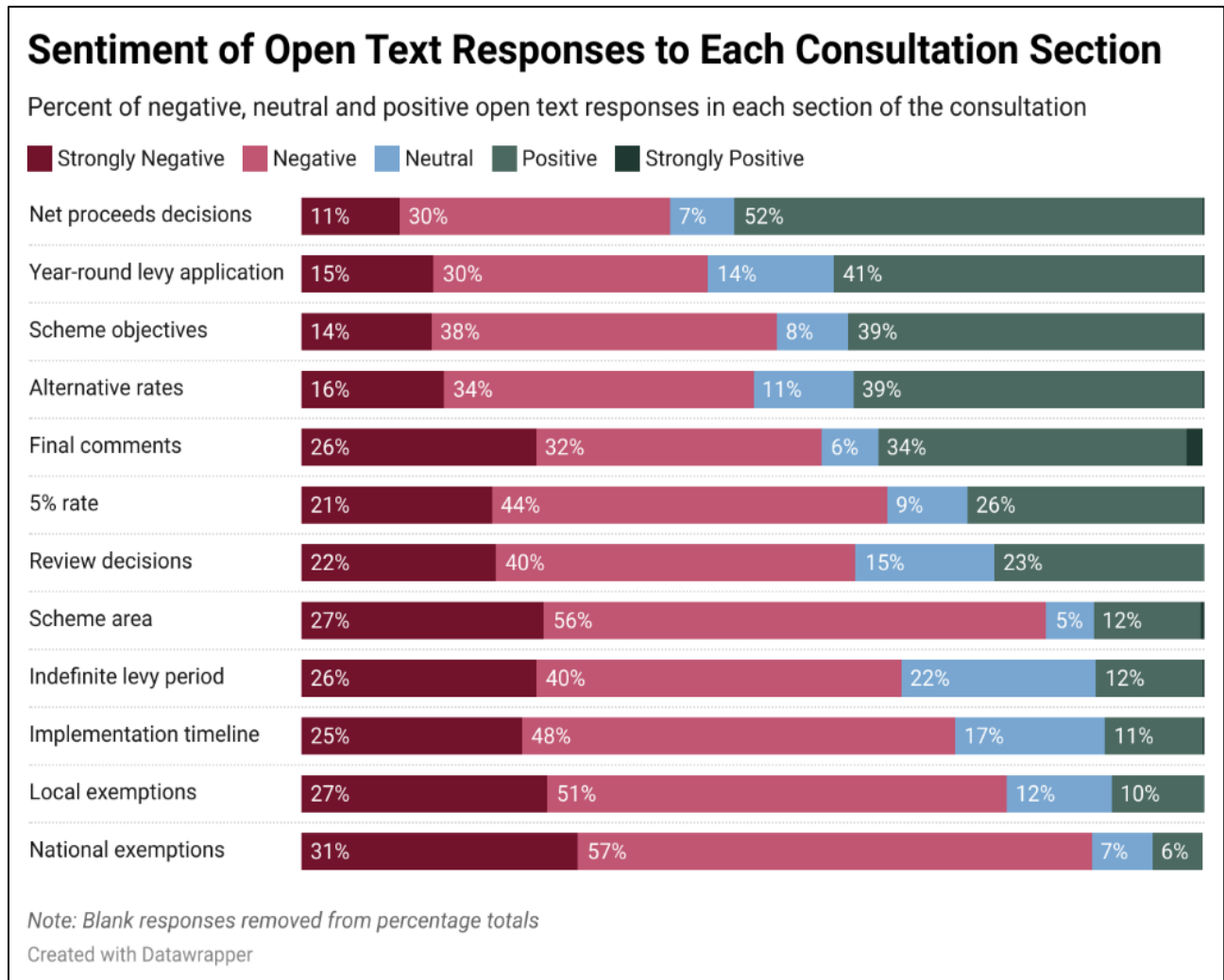
As seen in Figure 3.1, sentiment in the text responses varied markedly across topics. Text responses in the consultation survey questions on the proposed position of the Council with the highest degree of negative sentiment included reimbursement administration for national exemptions (approximately 88% negative), views on the scope of the scheme (83% negative), and local exemptions (78% negative).

Sentiment in text responses asking about the decision-making approach for net proceeds was comparatively positive (circa 52% positive, 41% negative), while views on applying the levy all year were more mixed (45% negative vs 41% positive; 14% neutral). Open-ended comments on operating the scheme indefinitely were strongly negative (67% negative).

Sentiment analysis of the open-ended responses is only useful to characterise the general emotional tone of respondents' comments. It is important to understand that many of the reactions in sentiment expressed by consultation analysis respondents relate to aspects set out in the

national legislation. The following chapters 4-15 include analysis of closed questions and text responses under each section of the consultation survey.

Figure 3.1: Prevalence of sentiments in text responses across consultation sub-sections

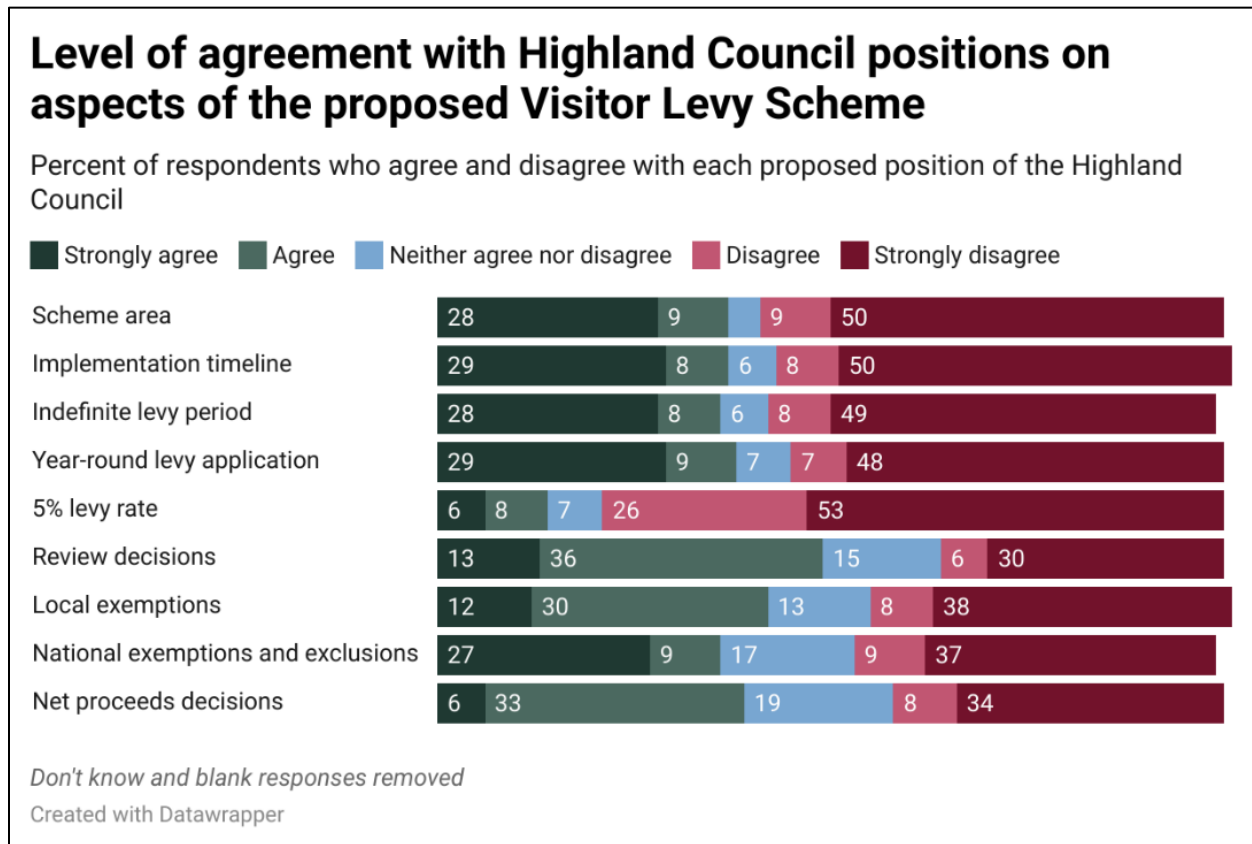


3.2 Quantitative Results Summary

Figure 3.2 gives an overview of the quantitative findings from the public consultation and provides results of whether respondents tend to agree or disagree with each of the Council’s positions.

For most sections of the consultation survey, a majority of respondents disagree, either somewhat or strongly with Highland Council’s proposed position. Strength of disagreement is often strong; a plurality of respondents in nearly every sub-section of the consultation strongly disagree.

Figure 3.2: Quantitative Overview



It is important to note that results of the closed questions do not identify reasons for agreement or disagreement; for example, respondents may disagree with the proposed 5% rate because they

either do not support a levy at all or they in fact believe there should be a higher rate charged. This nuance is unpacked in the subsequent chapters (Chapters 4-15), where thematic analysis of text responses adds explanation of views towards the Council's levy proposal, and in many cases views towards the underpinning national legislation.

4. Scheme Area

4.1 Context and Findings on Scheme Area

The consultation survey (see Appendix A) explained:

The Highland Council's proposed position is that the levy will apply to purchases of overnight accommodation throughout the whole of the Highland Council area.

Tourism is a key industry for the Highlands, contributing significantly to the economy and filtering through all corners of the region. Whilst the Act enables a local authority to introduce a scheme or schemes to impose the levy for all or part of its area, The Highland Council proposes to introduce the levy throughout the whole of the Highland Council Area. Highland visitors travel widely throughout the region, which gives rise to varying pressures and opportunities. A universal scheme which applies throughout the Highland Council region will enable revenue generated from a levy to be invested in ways that help to deliver the scheme objectives throughout the region. This approach helps to ensure the scheme is as simple as possible to understand and operate for visitors, businesses and residents in Highland.

In summary, the text responses to this consultation survey question included:

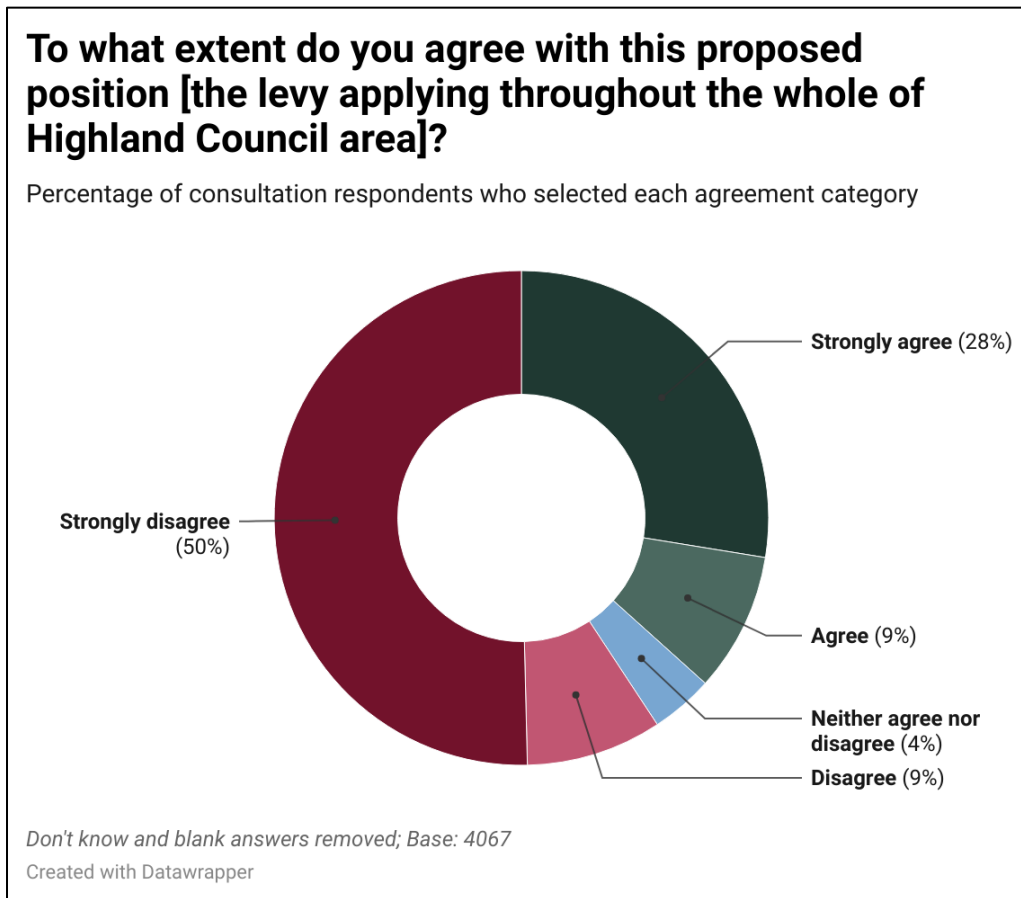
- Strong views that the levy introduction to the Highlands regarded as an economic risk to small and seasonal providers.
- Requests for design changes to the current Act including flat per-night fee, rather than percentage rate.
- Discontent that motorhomes and cruises are out with the scope of the legislation.
- Arguments for resident and essential travel exemptions.
- Local ring-fencing was suggested, however many different views on what this ring-fencing should consist of.
- Calls for transparent information and reporting of levy funds.

This chapter provides the full analysis of responses towards the proposed scheme area. Results from quantitative analysis are followed by results from thematic analysis.

4.2 Quantitative Analysis

Just over a third of consultation respondents (37%) agree, either strongly or somewhat that the levy should apply throughout the whole of Highland Council area. Conversely, six in ten disagree (59%), while half of all respondents strongly disagree. Full results can be seen in Figure 4.1.

Figure 4.1: Agreement with the proposed scheme area



4.3 Thematic Analysis

Respondents fear a universal, percentage based, business collected levy will be complex, inequitable, and counterproductive.

Two dominant themes emerge from the analysis.

First, respondents emphasise economic impacts and business viability concerns, particularly for micro and small operators in seasonal rural markets. Many note that the sector is still grappling with cumulative burdens including short-term let licensing, higher employment costs, rates and energy inflation. Within this context, a levy is seen as a price increase that cannot easily be passed on without suppressing demand.

Second, respondents identify material implementation design flaws in the legislation, with central concerns around equity and administrative complexity. Many request exemptions for Highland residents and inclusion of motorhomes and wild campers.

The analysis reveals conditional support for a carefully redesigned, locally accountable levy, but significant opposition to the current model's scope and implementation approach.

Economic Impact and Business Viability Concerns

Respondents consistently warn that a levy will reduce demand, compress margins, and threaten the viability of small, seasonal operators already strained by short-term let licencing (STL), higher National Insurance (NI), wage inflation, rates, and energy costs. Many fear being pushed over the VAT threshold, cutting profitability or prompting closure, with knock on effects across supply chains and local high streets. Several argue Scotland is already a high-cost destination and a levy risks displacement to other regions or overseas, undermining jobs, investment, and community resilience, particularly in fragile rural economies.

“Accommodation already costs a lot, and this levy will damage this key industry”

“This levy will be a headache for small scale operators like ourselves. We will get no benefit from the levy and it will only drive up the overnight stay prices and drive potential visitors away.”

There are calls for keeping administration as simple as possible and replacing a percentage model with a flat per night fee.

A matter for HM Revenue and Customs (HMRC), Respondents request that the legislation avoids counting the levy as part of business turnover.

Adjustments to Exemptions and Inclusions

Firstly, on exemptions, there are calls to exempt Highland residents, NHS patients, workers, and school groups.

Secondly on inclusions, there are calls to include motorhomes, wild campers and cruise visitors. The Act is seen to encourage off grid camping:

“The scheme should exempt local residents and include mobile accommodation like motorhomes.”

“The tax should be levied on hotels, B&Bs, holiday homes AND camper vans. The latter MUST be included.”

Locality Factors within Design

Many urge ring-fencing proceeds so these are spent locally. Seasonal tailoring of the levy, to adjust the levy to encourage off-peak stays and help mitigate seasonality issues is suggested. Some suggest excluding off-season travel months entirely:

“Should ONLY be seasonal. Do not penalise off-season visitors.”

5. Implementation Timeline

5.1 Context and Findings on Implementation Timeline

The consultation survey (see Appendix A) explained:

The Visitor Levy Scheme will come into force by the Highland Council at the earliest practicable date as permitted by law, giving due regard to the Act and the Council's decision-making processes. The Council anticipates introducing the Visitor Levy Scheme in Highland by Autumn 2026.

Based on the projected timeline, which takes account of the legislative requirements and necessary Council governance processes, the earliest that a levy can be introduced for the Highlands is Autumn 2026. The Act requires local authorities to undertake a statutory consultation before introducing a Visitor Levy Scheme.

The Highland Council will be guided by best practice and has published this statutory consultation for a period of 12 weeks. The feedback received from respondents will be taken into account in the preparation and publication of a report to the relevant Strategic Committee/Highland Council which:

- Summarises the consultation responses received,
- States whether or not the authority intends to proceed with the proposal (or the proposal as modified in light of the consultation), and
- Sets out the authority's reasons for whether or not it intends to proceed.

In addition to the statutory consultation, the Act requires that the date on which a Visitor Levy Scheme is to come into force must be at least 18 months from the date of the Highland Council's decision to introduce a Visitor Levy Scheme.

In summary, the text responses to this consultation survey question included:

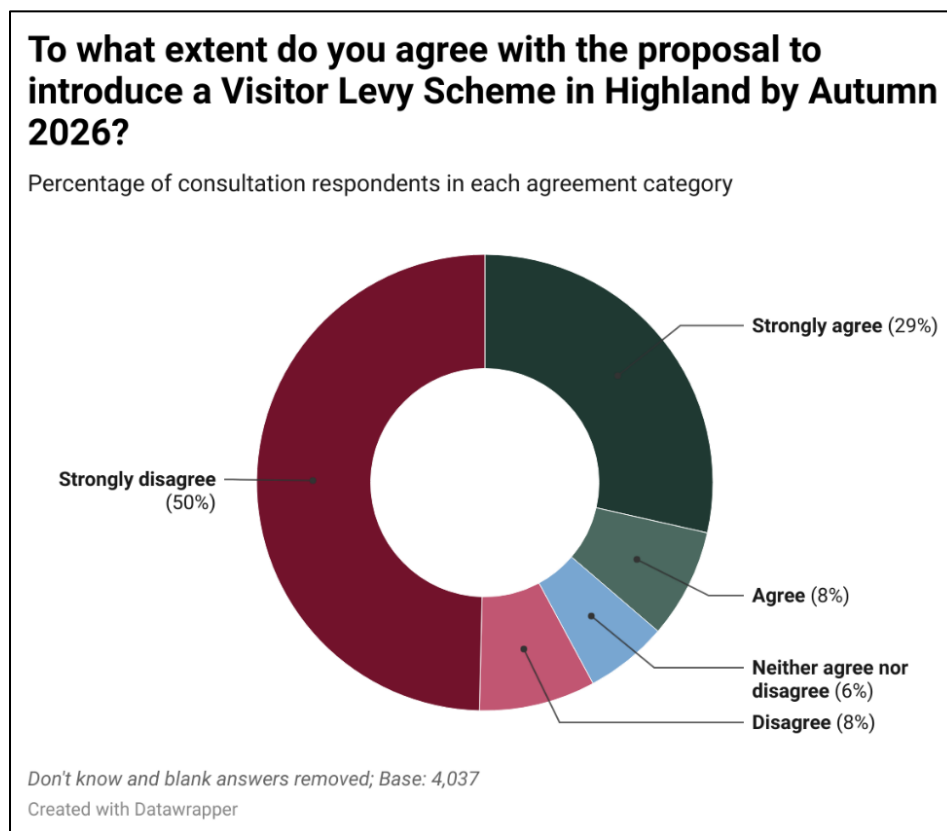
- Concerns expressed about readiness of businesses to implement (systems, OTAs, VAT handling, training etc.)

- Calls for piloting before full roll-out in the Highlands
- Split views on speed: some urge earlier implementation while many others request deferral or phased launch.

This chapter provides full analysis of questions which relate to the implementation timeline of a Visitor Levy Scheme in the Highland area. Results from quantitative analysis are followed by results from thematic analysis.

5.2 Quantitative Analysis

Figure 5.1: Agreement with proposed implementation timeline



A minority of respondents express agreement with the proposed implementation timeline (36%), while nearly six in ten disagree with the scheme being implemented by Autumn 2026 (58%). Just one in twenty respondents neither agree nor disagree. Full results for this question can be seen in Figure 5.1.

5.3 Thematic Analysis

The consultation responses present a clear and multifaceted picture of stakeholder concerns regarding a proposed visitor levy.

There is broad recognition that tourism imposes real costs on local infrastructure, but the dominant narrative emphasises implementation risks, fairness, and economic impacts.

Implementation timeline and consultation adequacy emerged as the most salient theme, with businesses questioning whether Autumn 2026 is realistic without comprehensive systems and detailed guidance.

Views on infrastructure and revenue are sharply split between supporters who argue visitors should contribute to maintaining amenities and opponents who foresee reduced competitiveness.

Resident taxation concerns were pervasive, with many arguing Highland and Scottish residents should not be charged to travel within their own region. The exclusion of motorhomes and wild campers was considered a central flaw of the legislation, whilst healthcare access discrimination concerns highlighted the inequity of charging residents who must travel for medical appointments.

Overall, whilst there is conditional support for the principle of visitor contributions, the current proposal faces significant opposition from the consultation respondents. They suggest substantial reforms including categorical exemptions, revised scope, simplified collection models, and transparent ring-fencing to be viable for policy adoption.

Concern on Timeline of Implementation

This was the most frequently cited theme. Respondents questioned readiness, system design, and the adequacy of consultation, warning against repeating recent policy rollouts which they viewed as rushed.

Concerns included insufficient detail on calculation, collection, booking platforms, VAT handling, and administrative burden, with risks of legal dispute, confusion for guests, and business withdrawal if poorly implemented.

Many urged piloting, clearer guidance, well-designed national portals, transition provisions for advance bookings, and alignment with business cycles.

“You are rushing this through when you don’t have answers to all the questions.”

Others sought earlier introduction to address pressures, provided systems are robust.

“Autumn 2026 is too late – it should be Autumn 2025.”

“Sooner the better, extra cash to support infrastructure such as public toilets and roads.”

Additional Themes

Infrastructure Investment and Revenue Generation

Views diverged between support for raising revenue to maintain roads, toilets, waste, rangers, and visitor management, and fears of economic harm. Supporters emphasized ring-fencing by locality and transparent allocation. Opponents predicted reduced competitiveness, visitor deterrence, job losses, and limited net revenue once administration and displacement are considered. Several demanded costed plans, independent impact assessments, and phased or lower rates to mitigate risks in a fragile, seasonal market facing high VAT, rising costs, and post-pandemic recovery challenges.

“Visitors to the Highland Region make use of the facilities and should therefore contribute towards their upkeep”

Resident Taxation Concerns

A substantial cohort objected to charging Highland or Scottish residents, arguing the levy is a misnamed local tax that penalises people traveling for everyday reasons, work, or short breaks within their own region. Respondents highlighted double taxation, VAT compounding, and thresholds that could push small operators into VAT. Many requested explicit exemptions for residents and work-related stays, and called for collection methods that do not make accommodation providers unpaid tax collectors nor classify the levy as their taxable turnover.

“People who live in Highland are not visitors!”

“There should not be a tax payable by Scottish residents to visit our own country. Ever!”

Motorhome and Wild Camping Exemption Concerns

Many considered the legislation misdirected because it largely omits motorhomes and wild camping unless on registered sites. Respondents linked these visitor types to disproportionate pressure on roads, laybys, waste, and antisocial parking, with limited local spend. They warned the levy could further incentivise free overnighting and harm compliant campsites. Common suggestions included charging at entry points or hire, mandating regulated sites, enforcing overnight restrictions, or creating permits so that all such visitors contribute fairly and visibly.

“It is vital that the tax is levied on Camper vans”

Healthcare Access Concerns

Respondents from remote and island communities stressed that centralised services necessitate overnight stays for hospital appointments, treatments, and family support. Applying the levy in such cases was seen as inequitable and potentially discriminatory, especially where public transport is limited and reimbursement is uncertain or partial. Calls focused on categorical exemptions for patients, carers, and essential travel, and avoiding administrative burdens on NHS funds or individuals at already stressful times.

“It will penalize residents needing accommodation for medical appointments or visiting family in hospital if they live a long way from the hospital.”

6. Indefinite Levy Period

6.1 Context and Findings on Indefinite Levy Period

The consultation survey (see Appendix A) explained:

The Highland Council's proposed position is that following its introduction in Highland by Autumn 2026, the Visitor Levy Scheme will remain in force until further notice (indefinitely).

The Highland Council welcomes visitors to enjoy the region's iconic landscape, heritage and culture, ecology and our world-class produce and wide-ranging high-quality products. The Council's aim is to ensure infrastructure and services continue to deliver the best possible experience for the region's residents, businesses and visitors.

The financial pressures facing the Council means it is increasingly difficult to contribute to the visitor economy in a way that delivers positive outcomes for visitors, the environment, communities and businesses.

The Council considers the levy will form an integral, long-term source of funding for achieving the scheme objectives and help towards sustaining, supporting or developing the facilities and services used by visitors and communities in Highland.

While the Highland Council does not propose setting an end date in which the scheme will remain in force, the Council will prepare annual reports on the scheme including information about how the net proceeds have been used and the extent to which the Scheme Objectives are being met, using appropriate measurements. In addition, the Council shall undertake a review every 3 years and report the outcome to the Council. The Council will share and seek representations from the Visitor Levy Forum about these reports and other relevant advice the Forum has on the operation of the scheme in Highland.

In summary, the text responses to this consultation survey question included:

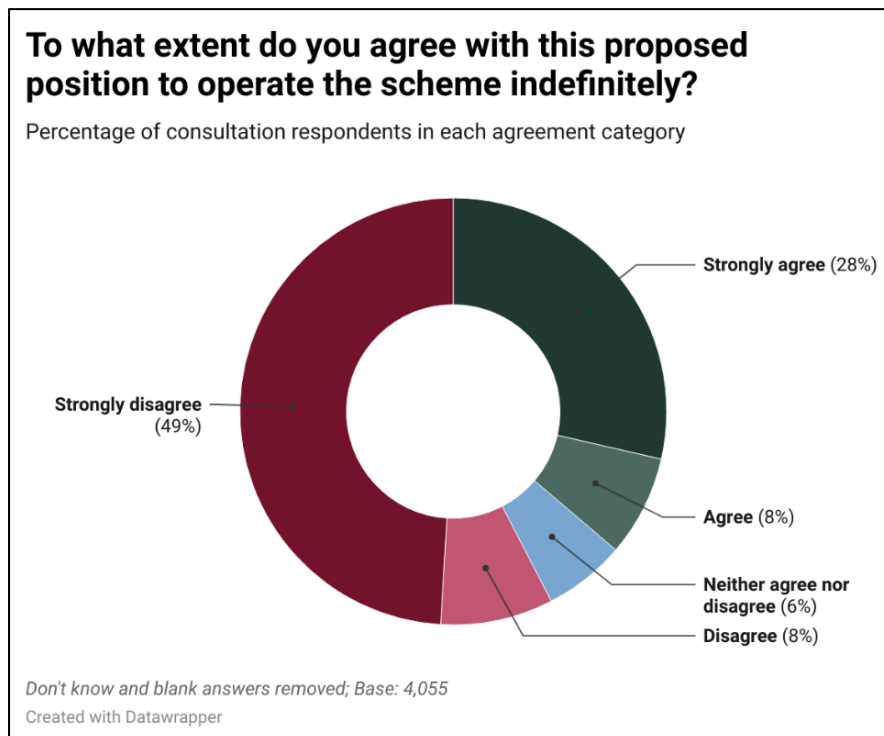
- Concerns expressed that the levy would cause negative knock-on effects to hospitality, retail and culture sectors in tourism-dependent communities.
- Preference for time-limited pilots with early, regular reviews and genuine off-ramps.

This chapter provides full analysis of questions which gather public feedback on the period over which the Visitor Levy Scheme will apply. Results from quantitative analysis are followed by results from thematic analysis.

6.2 Quantitative Analysis

A slim majority of respondents report disagreement with the proposed indefinite levy period (57%). Conversely, around one in three consultation respondents agree that the levy should operate with no fixed end date (36%), while just one in twenty neither agree nor disagree.

Figure 6.1: Agreement with the indefinite levy period



The strength of disagreement is noteworthy – while around six in ten disagree overall, nearly half of the whole sample report strongly disagreeing, a trend seen across several questions in the consultation. See Figure 6.1 for full results from this question.

6.3 Thematic Analysis

Four interlinked themes dominate responses: economic and business viability concerns; the need for pilots and robust reviews; transparency and local reinvestment; and community governance and democratic process.

The prevailing sentiment is risk-averse, with many fearing the levy will suppress visitor demand and accelerate closure of small accommodation providers.

Strong calls emerge for trial periods with early check-ins, clear success criteria, and explicit off-ramps if harms outweigh benefits. Transparency and ringfencing are critical trust enablers, with stakeholders wanting publicly accessible reports showing project-by-project investment in specific areas where revenue is raised.

On governance, many express concern that the scheme appears pre-decided, calling for formalised roles for local businesses and communities in both levy design and spending decisions. The dataset indicates conditional support hinging on design and delivery: demonstrable additionality, equitable scope across visitor types, local reinvestment, protection for residents and essential workers, simplified collection, and rigorous, time-bound evaluations with the real option to amend or end the scheme.

Economic Impact and Business Viability Concerns

This is the dominant theme. Respondents fear the levy will deter visitors, raise prices, push small providers over the VAT threshold, and accelerate closures, especially in fragile rural economies. Concerns extend to added administrative burdens and fairness for local workers and patients. The perceived risk is a contraction in accommodation capacity, job losses, and wider knock-on effects on hospitality, retail, and culture in tourism-dependent communities.

“It would be devastating for nearly all residents of Skye who rely on tourism.”

“Will put us over the VAT threshold so going to close down, disgusting.”

Requests for Trial Periods and Reviews

A large share of respondents recommends pilots, early reviews, and clear exit clauses. They argue that an indefinite scheme lacks accountability and flexibility, urging evidence-led evaluation of impacts on visitor numbers, business closures, and distributional effects. Many recommend annual or even 6–18 month reviews initially, with the option to suspend, amend, or abolish the levy based on measurable outcomes and stakeholder feedback.

“There has to be several points along the way to evaluate how things are working, does anything need changed, is it having an impact on improving facilities, etc.”

“Perhaps a trial period would be good to see if it is actually workable?”

Additional Themes

Transparency and Local Reinvestment

Respondents insist on ringfencing revenues, visible local benefits, and granular reporting (by place and project). Scepticism is widespread about funds drifting into general budgets or being spent in Inverness at the expense of rural hotspots. Clear project lists, independent oversight, gross/net reporting, and equitable allocation criteria are repeatedly requested to build trust and demonstrate additionality over core services.

“Annual reports should include transparent evidence of the income and expenditure of the levy income.”

Community Governance and Democratic Process

Many perceive the decision as pre-determined and seek stronger community and industry participation in design, review, and spending. Respondents call for fair representation on forums, formal renewal votes, and transparent consultation cycles. They question administrative capacity, enforcement consistency, and the fairness of placing collection burdens on small providers without commensurate support.

7. Year-Round Levy Application

7.1 Context and Findings on Year-Round Levy Application

The consultation survey (see Appendix A) explained:

Highland Council's proposed position is that the visitor levy will apply every day of the year without variation.

The Council has considered the operational application of having a levy for some or part of the year, or alternatively for a levy to be applied every day throughout the year. Applying the levy throughout every day of the year ensures administrative costs are appropriate for the scheme. The Council considers this approach is important as it will provide the maximum amount of revenue generated from the levy for sustaining, supporting or developing our infrastructure and the wider objectives of the levy scheme. The Highland Council is also committed to ensuring that the operation of a levy scheme is kept as simple as possible to minimise the administrative burden on businesses.

In summary, the text responses to this consultation survey question included:

- Seasonality tension: some raise the fragile winter trade while others stress the year-round pressures in tourism hotspots.
- Points to need to balance visitor pressures with economic viability, encouraging off-season travel and avoiding deterring price-sensitive winter visitors.

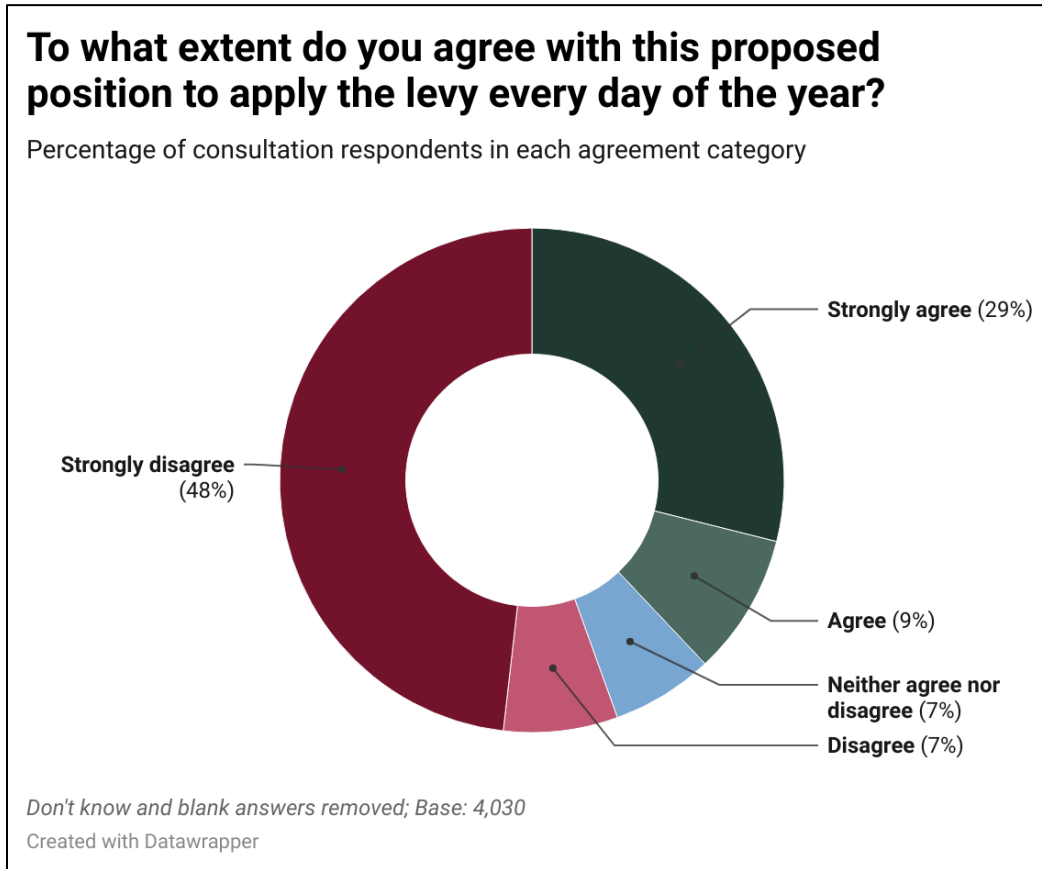
This chapter provides fuller analysis of questions which relate to the year-round application of the Visitor Levy Scheme. Results from quantitative analysis is followed by results from thematic analysis.

7.2 Quantitative Analysis

A slight majority of respondents disagree that the levy should be applied every day of the year without variation (56%), while around four in ten agree (38%).

Strong disagreement continues to command the answers of most respondents, with 48% strongly disagreeing to this specific proposal. See Figure 7.1 for full results.

Figure 7.1: Agreement with year-round levy application



7.3 Thematic Analysis

Responses coalesce around three interconnected themes: administrative consistency and fairness, recognition of continuous tourism impacts, and accountability for infrastructure investment.

The largest body of comments centres on administrative fairness, with many opposing the levy outright, arguing it is unfair to residents who already pay council tax. A recurring view is that the levy should not apply to Highland residents nor to non-leisure stays.

The second major theme acknowledges evolving tourism patterns, with two perspectives emerging: one asserting strong seasonality requiring seasonal application, and another arguing that some areas now experience year-round visitation, justifying a consistent all-year levy.

The third theme demands infrastructure investment accountability, with respondents calling for ring-fencing of funds, transparent reporting by place, and prioritisation of toilet provision, road maintenance, waste management, and rangers provision

While opposition to the levy in its current form is substantial, respondents provide constructive conditions for legitimacy: keep it simple, fair, and proportionate; protect residents and essential travel; ring-fence and report spending by place and purpose; include high-impact visitor segments now excluded; and consider seasonal calibration to sustain businesses.

Continuous Tourism Impact Recognition

Respondents highlighted seasonality and its implications. Many argued that tourism impacts are concentrated in peak months and a seasonal or tiered levy would protect fragile winter trade and help spread demand.

“The winter season in the Highland region is already challenging, a tiered approach would therefore be appropriate to encourage visitors outside the peak times.”

Others stressed that destinations like Skye, Rosemarkie, and parts of the Highlands now experience year-round tourism, justifying a uniform levy.

“Tourism is no longer as seasonal as it used to be.”

Across both views, the goal was to balance visitor pressures with economic viability, encourage off-season travel, and avoid deterring price-sensitive winter visitors.

Additional Themes

Infrastructure Investment Accountability

Respondents sought assurance that revenues would be ring-fenced, reinvested locally, and transparently reported.

Their priorities for spend included public toilets, roads, waste management, rangers, and other facilities used by locals and tourists alike (i.e. parking places, road signs, etc.).

Many questioned the administrative costs to the Council, asked how allocations would reflect where income was raised, and encouraged the inclusion of high-impact visitors such as motorhomes and cruise passengers.

“Extra cash to support infrastructure such as public toilets and roads 365 days a year.”

Trust and clarity over spending plans, caps, and governance emerged as essential for acceptance.

Administrative Consistency and Fairness

This was the dominant theme within responses to this question on the throughout year aspect.

Respondents focused on fairness for local residents, exemptions for non-leisure stays, and minimising administrative burdens on accommodation providers. Many rejected acting as what they saw as unpaid tax collectors, objected to a percentage-based model, and questioned the levy counting as income and affecting business' correspondence to VAT thresholds. Instead, they requested a simple, flat, consistently applied system if introduced.

Concerns about equity between accommodation users and non-captive visitors (e.g., motorhomes) and the need for resident exemptions were frequent, alongside distrust of delivery capability and clarity of scheme rules.

“Residents of Highland Council should NOT be penalised”



“I DO NOT agree that the admin burden should be placed on accommodation providers! I do agree that the levy should apply every day.”

“Just collect through VAT which is already operative all year.”

8. Five Percent Rate

8.1 Context and Findings on Five Percent Rate

The consultation survey (see Appendix A) explained:

Highland Council's proposed position is that the levy rate will be 5% in respect of the accommodation portion of the chargeable transaction.

The Highland Council considers that a 5% rate is appropriate as it has the potential to generate a meaningful amount of income to deliver the Council's key objectives to support tourism, business and leisure visitors, communities and businesses.

Noting that the forecasting of such a levy has its challenges and limitations, the Council's analysis has shown that a 5% levy rate could generate around £10m each year. The Council's administrative and operating costs of the Visitor Levy Scheme are estimated to be around £550k annually, which will be deducted from the total income generated from a visitor levy. The next income will be used to sustain, support or develop infrastructure and wider objectives.

In summary, the text responses to this consultation survey question included:

- Strong preference for a flat per-night fee over percentage rate (as set by Scottish Parliament Act); 5% seen as complex and distortionary.
- Confusion and concern for VAT/turnover implications for micro businesses.
- Risk of price sensitivity and displacement of visitors to other areas raised.
- Several raise equity concerns, including the need to levy high-impact visitor segments (for example, campervans), exempt local residents, and protect against perceived Inverness-centric spending of levy revenues.

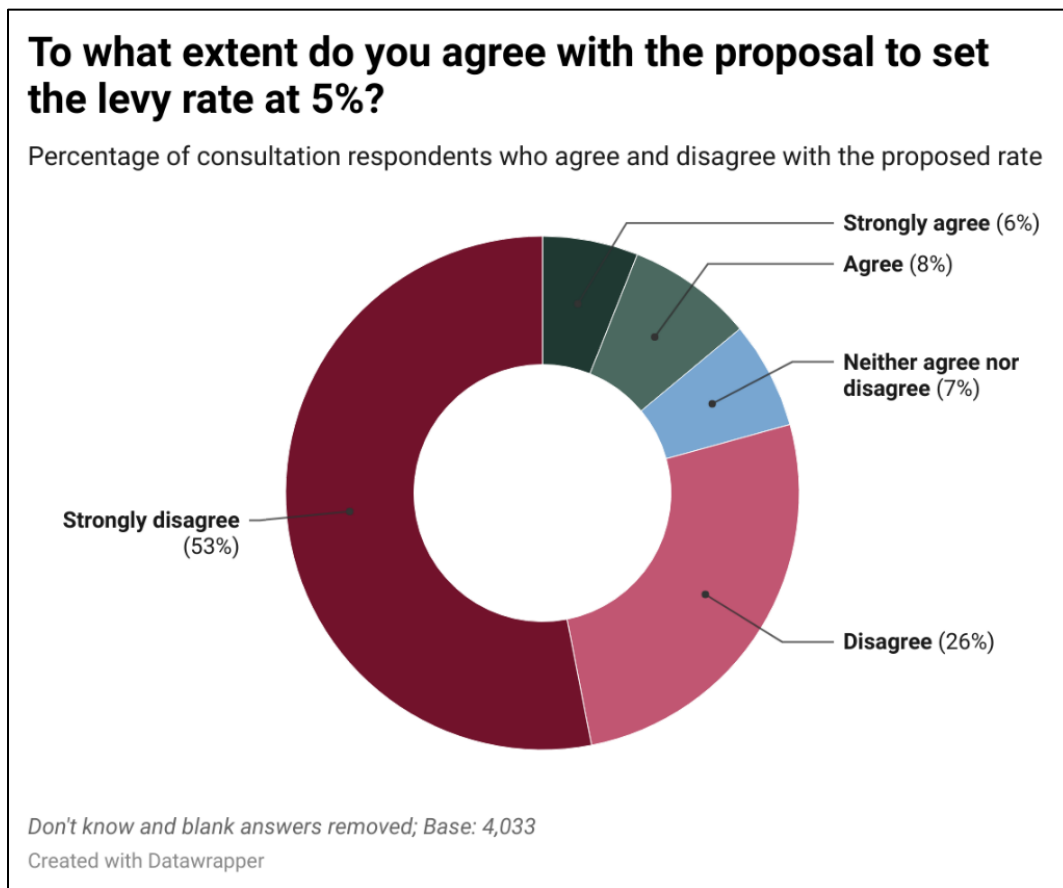
This chapter provides full analysis of questions relating to the proposed rate of the Visitor Levy Scheme. Results from quantitative analysis are followed by results from thematic analysis.

8.2 Quantitative Analysis

Nearly eight in ten disagree with this rate of 5% (79%), with more than half of all respondents disagreeing strongly (53%). In the context of the question, disagreement indicates the respondent may prefer a lower rate but may also prefer a higher one.

Just around one in seven respondents agree, either strongly or somewhat, with the proposed 5% rate (14%). See Figure 8.1, illustrating the breakdown of responses for this closed question.

Figure 8.1: Agreement with the proposed 5% levy rate



8.3 Thematic Analysis

Opposition to a percentage-based levy, no matter what the percentage figure, is overwhelming. Respondents cited administrative complexity, market sensitivity, and practical challenges. Many small providers say a percentage charge is hard to calculate where prices vary by season, channel, and package inclusions, concluding that a flat, nominal per-night fee would be simpler and more transparent. Businesses also warn that a percentage levied on turnover risks pushing them over the VAT threshold and explaining this will result in difficult decisions to reduce capacity, absorb costs, or pass them on and risk losing bookings.

Revenue transparency and allocation concerns form the second major cluster of feedback. Respondents repeatedly ask how forecasts are calculated, what precise projects will be funded, who will decide allocations, and how they will be tracked and reported. Many request ringfencing funds to tourism-related infrastructure and area-based spending, alongside clear governance and performance reporting.

Equity and coverage gaps are a persistent theme, with many arguing that motorhomes, campervans, cruise day-trippers, and wild campers are excluded from the legislation despite being perceived as heavy users of infrastructure. Local resident exemptions emerge as a critical fairness issue, with respondents describing frequent overnight stays for hospital appointments, family support, work, and education in a dispersed region with long travel distances.

Opposition to Percentage-Based Structure

This is the dominant theme in text responses in relation to the percentage rate proposal. Respondents argue a percentage levy is too complex to administer, economically damaging in a price-sensitive market, and unfairly shifts costs onto accommodation providers or visitors already facing high prices and VAT.

Administrative burden, risk of pushing small operators over the VAT threshold, and fears of lost competitiveness relative to other destinations are repeatedly cited as reasons to reject a percentage-based model.

Many favour a flat per-night fee as simpler and more transparent or oppose any levy at all.

“This is an excessive tax.”

“It should be a flat fee not a percentage levy. That would be simpler to administer.”

Revenue Transparency and Allocation Concerns

A large share of respondents ask how revenues and the quoted £550k administrative costs are derived and governed.

“£550k seems very expensive – that would be 10 full time staff on a good salary, including NI and pension.”

They seek ringfencing, allocation within the area that the revenue was collected, and clear project pipelines to prevent perceived diversion into general budgets or Inverness-centric spending. Many call for public forecasting, robust impact assessments, and oversight to demonstrate value for money and build trust.

“Would like evidence of how this money would be used, as the levy money has just been absorbed with no evidence of how it promotes tourist services”

“What guarantee can the council give that any levy funds raised will be used in the areas they are raised from?”

Additional Themes

Equity and Coverage Gaps

Respondents highlight fairness issues in scope and incidence. Many argue the levy legislation omits motorhomes, campervans, cruise day-trippers, and wild campers who are perceived to place significant pressure on roads, parking, and waste facilities while contributing less locally. Others note that a percentage approach penalises higher-priced or longer stays despite similar infrastructure usage. Calls include extending coverage to all visitors, vehicle-based charging, tiering by accommodation type, and capping multi-night stays to avoid regressive or distortive outcomes.

“There should be no levy until it can be fairly applied to ALL overnight visitors.”

“It needs to spread to cover camper vans and cruise ships and make the burden less for the small hardworking businesses.”

“A levy on campervans would be acceptable because many use and abuse the available facilities and road structure while bringing no benefit to local businesses.”

Local Resident Exemptions

A substantial minority want exemptions or reliefs for Highland residents who must stay overnight for healthcare, work, caring or social reasons. They argue locals already pay council tax and face higher costs of living and travel across long distances, so the levy would be quite punitive. Proposals include residency-based exemptions, discounts, seasonal waivers, or explicit carve-outs for medical and essential travel to reduce unintended burdens on local households and workers.

“There should not be a levy for residents travelling/staying in their own area.”

“Highland council residents already have financial penalties for living within the area without adding more financial costs to us all.”

9. Alternative Rates

9.1 Context and Findings on Alternative Rates

While the Council proposed a levy rate of 5%, they are able to set a higher, more ambitious rate that may be able to generate further income.

In one section of the consultation survey, Highland Council asked for suggestions on an alternative rate that would be appropriate if the 5% rate is not agreed.

In summary, the text responses to this consultation survey question included:

- Many oppose any levy; others prefer lower starts (1-3%) or a flat fee with later review.
- Several cite the structure of levies in parts of Europe and the importance of aligning with international norms.
- Some respondents call for variable or tiered rate structures, dependent on season or tourist attributes (i.e. vehicle size).
- Many respondents demand transparent spending of levy revenues in the local areas where they were raised.

This chapter includes full results from quantitative analysis, followed by results from thematic analysis.

9.2 Quantitative Analysis

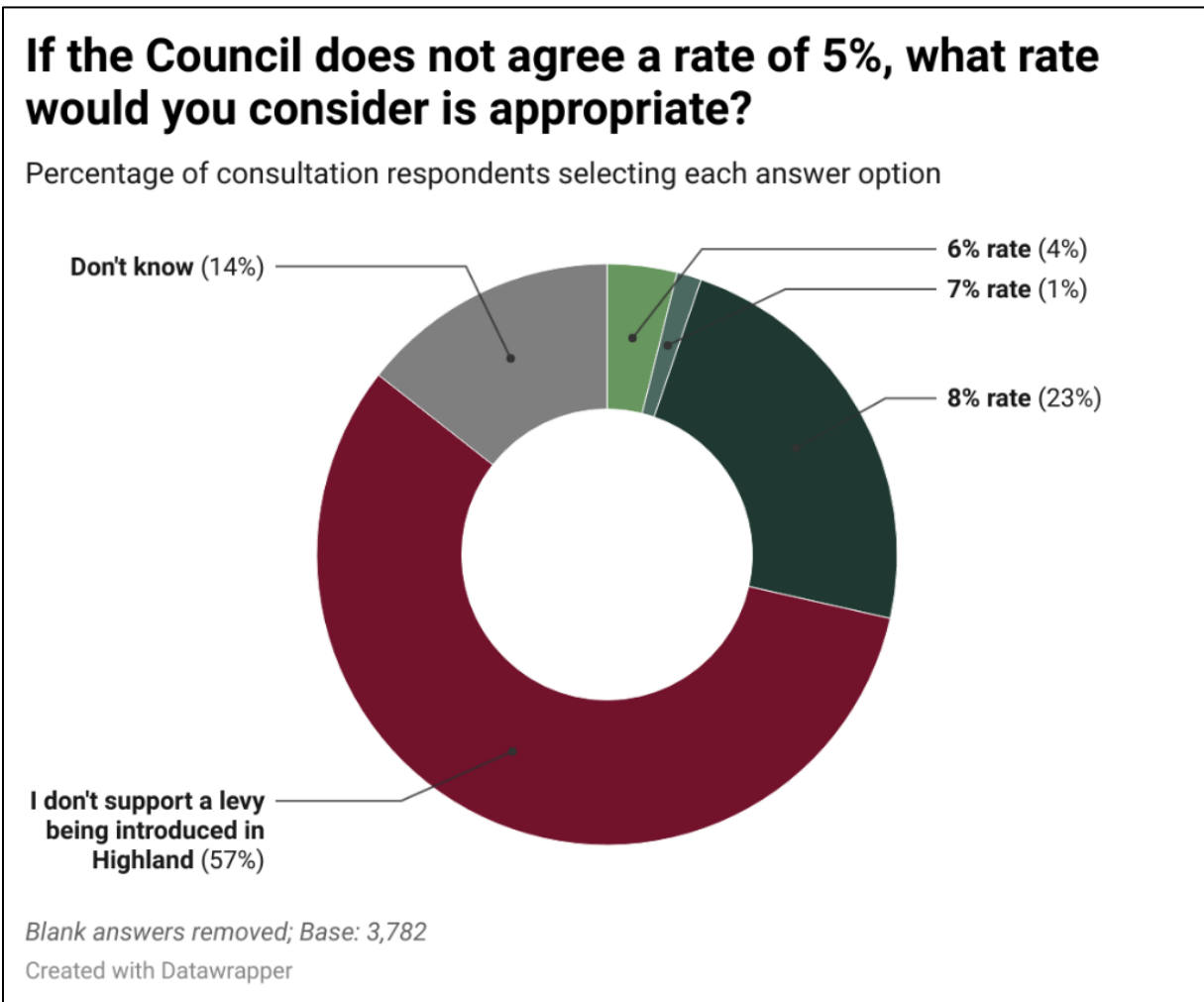
Just three in ten respondents believe that the levy rate should be set to a percentage higher than the proposed five percent rate (29%). Of these 23% say it should be eight percent.

4% of respondents select that it should be raised to six percent, 1% believe it should be raised to seven percent.

On the other hand, a majority do not support a levy being introduced in Highland at all (57%), while 14% are unsure what an alternative rate should be set to.

The strength of support for the highest rate, combined with the consistent strong opposition to the levy in general, show the polarisation of views on this topic. See Figure 9.1 for full results of this additional rate question.

Figure 9.1: Agreement with alternative levy rates



9.3 Thematic Analysis

The consultation elicited strong, predominantly critical feedback focused on economic risk, consultation integrity, international benchmarking, resident fairness, transparent allocation, and levy coverage.

Business viability concerns dominate, with respondents warning that percentage-based levies will amplify pressures on small providers already facing licensing costs, higher National Insurance, elevated energy prices, and rising business rates. Many foresee reduced occupancy and potential closures, particularly in fragile rural locations with short seasons.

Consultation design criticism reflects perceived methodological deficiencies, with many contesting the absence of options below 5% in the closed question (see section 9.2) and requesting independent economic impact assessment.

Respondents raise European benchmarking arguments which favour flat per-night fees aligned with international norms, warning that 5%+ atop 20% VAT will damage competitiveness. Resident exemption demands highlight concerns about double taxation and essential travel costs in a dispersed region. Revenue allocation transparency emerges as a condition for support, with demands for ring-fencing, local control, and visible improvements to infrastructure.

The campervan coverage gap in the legislation is seen as a critical flaw, with concerns that stay-based levies will shift visitors from formal accommodation to informal camping.

Overall, the thematic pattern signals conditional support for carefully targeted, transparently governed approaches, and broad opposition to universal percentage levies perceived as economically risky and inequitably scoped.

European Benchmarking

Comparisons with other destinations dominate arguments for a lower rate or flat per-night fee.

Many cite lower VAT regimes and modest fixed levies in Europe, warning that a 5%+ charge atop 20% VAT will make the Highlands less price competitive. Supporters of a levy often prefer flat or

banded models, seasonal or tiered approaches, or starting at 1–3% with later review. A small minority advocate higher rates to fund infrastructure, but most stress alignment with international norms to protect demand.

“5% seems fair – as Berlin and Edinburgh.”

“I’d prefer to see a fixed rate fee as happens in many places in Europe.”

Business Viability Concerns

Respondents frequently argue that a percentage-based levy will raise prices, suppress demand, push micro-businesses over the VAT threshold, and increase administrative burden, risking closures and job losses.

Many link the levy to cumulative pressures from licensing, energy, and tax changes, warning of displacement of spend and shorter stays. Some report active plans to reduce capacity, close seasonally, or exit the sector, particularly in fragile rural economies with short trading windows.

A minority see limited impact at 5%, but most view higher rates as unsustainable and potentially self-defeating.

“This will reduce the tourism and ultimately result in job losses.”

“This will devastate the tourism business.”

Consultation Design Criticism

A large share of comments challenge the consultation's structure, alleging leading questions and omitted options for rates below 5% or for flat-rate models within the questions (see report section 1.2 for consultation requirements set by sections 13 and 14 of the Act).

Respondents question methodological integrity, citing biased framing, insufficient impact evidence, and unclear financial assumptions. Several request independent economic appraisal and better engagement with operators. Many argue that the current approach undermines trust and risks

legitimizing pre-determined outcomes, weakening policy legitimacy and compliance when implemented.

“Why is there no option to choose a rate <5%?”

Revenue Allocation Transparency

Respondents demand ring-fencing with local control and clear reporting on spend. As in other sections, several want prioritisation of spending on public infrastructure and services, such as toilets, parking, roads and rangers. In this section of the consultation, a few respondents consider other spending options for proceeds, such as support for culture, and heritage organisations and affordable housing schemes for local residents. Many respondents are fearful that funds will be absorbed into general budgets or concentrated in Inverness rather than high-pressure rural areas.

Some support a levy only if there are transparent plans, area-based returns, periodic reviews, and demonstrable improvements visible to both residents and visitors.

“I want the community to have a voice in how the levy is spent.”

Additional Themes

Campervan Coverage Gap

A recurring critique is that the levy legislation targets paid accommodation while missing motorhomes, campervans, and wild camping, which many view as key drivers of pressure on infrastructure and the environment.

Suggested remedies include vehicle-based charges, permits, ANPR, inclusion of hire fleets, and enforcement to deter roadside overnighting. Several warn that a stay-based levy could encourage levy avoidance by shifting visitors from formal accommodation to informal camping.

“Please look at how we can fairly introduce a levy for camper vans.”

Resident Exemption Requests

Many respondents insist that Highland residents and other Scottish residents travelling for work, health, education, or family reasons should be exempt. They argue that charging locals is inequitable, amounts to double taxation alongside council tax, and increases the cost of essential travel in a geographically dispersed region. Several suggest exemptions, refunds, or residency-based carve-outs as a minimum safeguard if a levy proceeds.

“No levy for locals!”

10. Levy Objectives

10.1 Context and Findings on Levy Objectives

The consultation survey (see Appendix A) explained:

The aim of the introduction of a Visitor Levy Scheme in Highland is to sustainably manage the visitor economy and the movement of visitors through the maximisation of co-investment opportunities that sustain, support or develop facilities or services which are substantially used by those visiting for leisure or business purposes.

The Visitor Levy Scheme Objectives are to:

- Sustain public services and infrastructure used by businesses, communities and visitors to ensure the impacts of visitors are strategically and sustainably managed
- Support the delivery of a thriving tourism sector offering a wide range of visitor experiences by working together, in partnership, with businesses, visitors and communities
- Develop innovative approaches to balance strategic demands and opportunities ensuring that Highland achieves its full potential as a highly positioned destination for visitors.

The Visitor Levy Scheme Objectives together with the Council's Sustainable Tourism Strategy will provide the strategic direction for making those decisions.

The Council will engage with the Visitor Levy Forum to help inform a Delivery Programme, setting out the necessary investment plans and actions to deliver the Scheme's objectives to sustain, support or develop, facilities and services which are substantially for or used by persons visiting the local authority area for leisure or business purposes.

As part of the Highland Council area is designated within the Cairngorms National Park, the Council will regularly engage with the Cairngorm National Park Authority and have regard to the Cairngorm National Park Partnership Plan.

The Visitor Levy Scheme objectives are closely linked to The Highland Council's recently prepared Sustainable Tourism Strategy for Highland. The Sustainable Tourism Strategy establishes the Council's ambition, including the vision for sustainable tourism by 2035 of a thriving industry which is effectively managed, delivers positive impacts for communities and environment and offers the best possible visitor experience. The Sustainable Tourism Strategy makes references to monitoring and evaluation of the outcomes.

The priority outcomes, as outlined in the Sustainable Tourism Strategy, which the Council seeks to help achieve include:

- Communities – tourism must be a force for good for all Highland communities and a means to improve quality of life, enhance culture and heritage, provide high quality job opportunities for Highland people and address demographic challenges
- Environment – Highland to be a leading example of a climate-resilient tourism destination, which has taken responsibility for and the necessary actions to ensure tourism enhances the natural environment while, addressing the risks and impacts of climate change.
- Economy – A vibrant, dynamic and resilient industry that develops attractive careers and job opportunities, has year-round appeal, is spread evenly across the region and contributes towards a greener future
- Visitors – Visitors embrace slow tourism, are conscious of and act responsibly towards our local heritage, communities and the environment, have exceptional and authentic experiences across Highland and are met with a warm Highland welcome.

Although the Sustainable Tourism Strategy has a central focus on the role of the Council, success demands a positive and effective relationship between communities, visitors, businesses and the environment.

This chapter provides full analysis of questions that relate to the proposed objectives of the Visitor Levy Scheme by Highland Council. Results from quantitative analysis are followed by results from thematic analysis.

In summary, a majority of consultation respondents (55%) agreed with the objective ‘sustain public services and infrastructure used by businesses, communities and visitors to ensure the impacts of visitors are strategically and sustainably managed.’

In summary, the text responses to this consultation survey question included:

- Support for investment in tourist infrastructure such as roads, toilet provision, waste disposal, rangers services. In this section, a few others suggest improving access to services and infrastructure specifically for local residents (for example affordable housing). This support was on condition that investment is locally influenced, with suggestions made for smaller geography ring-fencing and local control.
- Request for reassurance on use of the levy proceeds, a concern that decisions on spend are too centralised so as not to benefit smaller geographies. Concern that money raised will go into core budgets and not be linked to resulting improvements made.
- Several stress the need for a levy predicated on fairness in who pays (for example, charging all relevant visitor types while also exempting residents and essential stays).

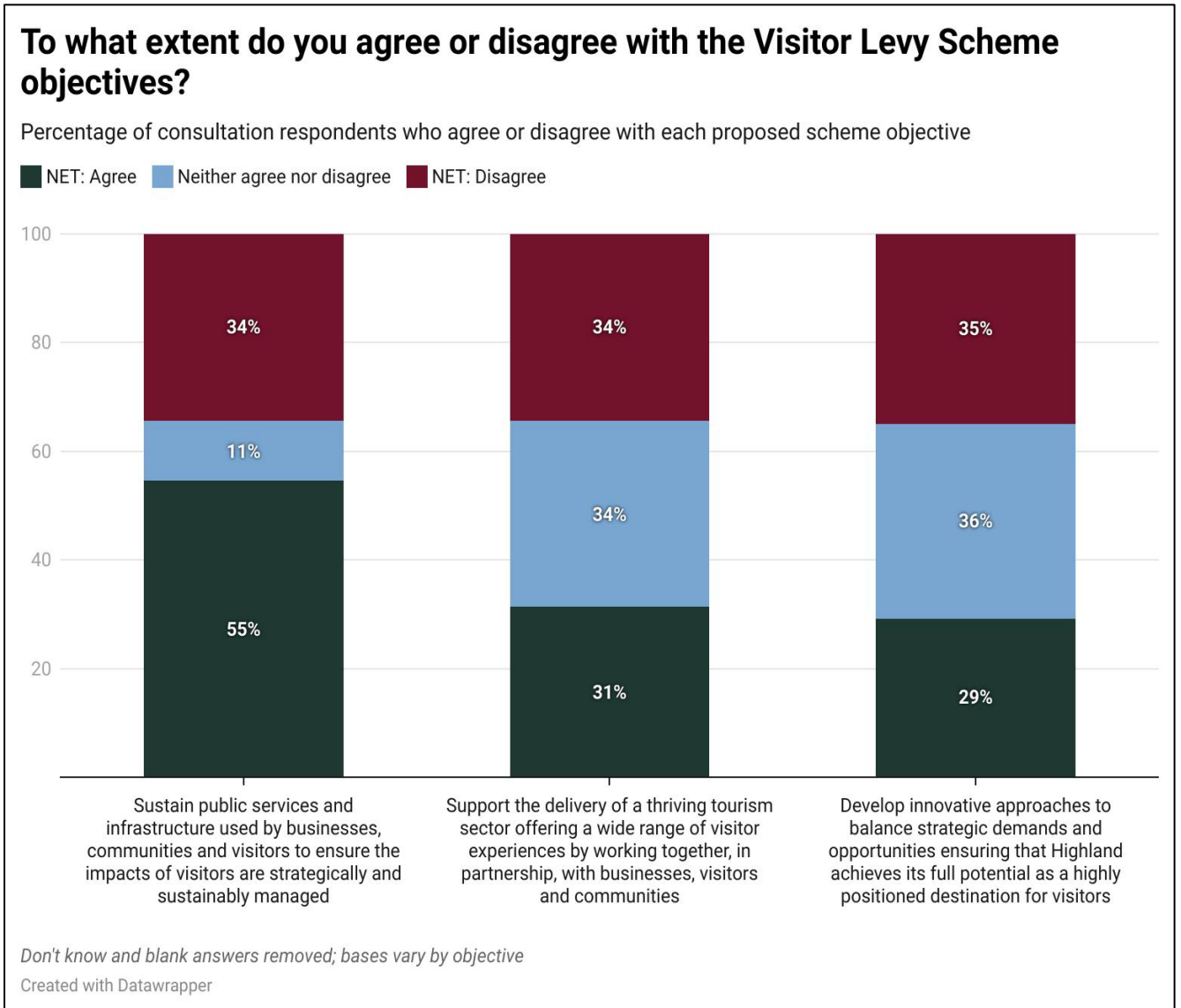
10.2 Quantitative Analysis

Levels of agreement vary substantially across the three levy objectives. See Figure 10.1 for full results of these objectives.

The greatest degree of support is seen in the first objective – to sustain public services and infrastructure. Just over half of all respondents agree with this objective (55%), while a third report disagreement (34%), and one in ten (11%) are more neutral.

The other two objectives receive lesser degrees of support, with just three in ten agreeing that a key objective should be supporting the delivery of a thriving tourism sector (31%) and even fewer agreeing that the levy scheme should develop innovative approaches to balance strategic demands and opportunities (29%). Roughly a third of respondents disagree with the second and third objectives (34% and 35% respectively), while a similar proportion neither agree nor disagree with the stated objectives.

Figure 10.1: Agreement with the proposed levy objectives



10.3 Thematic Analysis

The feedback reveals strong alignment on the need to manage visitor impacts and invest in core infrastructure, but also deep scepticism about the proposed levy's governance, design, and delivery largely as set out in national legislation, and partially as explained in The Highland Council proposal and consultation survey.

The most prominent theme is fairness in allocation, with calls for ring-fencing. Respondents repeatedly fear that revenues will be absorbed into general budgets within the Highlands, skewed toward Inverness, or consumed by administrative overheads. Unless the scheme ensures transparent, auditable mechanisms and spend-where-raised commitments, stakeholders anticipate little local benefit and continued strain on high-pressure destinations.

A second, theme concerns infrastructure investment. Many respondents accept the principle that additional funding should improve infrastructure and services, especially in hotspots. The same respondents, however, demand tangible, locally visible outcomes, clear priorities, and measurable targets. They argue that infrastructure must catch up with demand before any new tourist development or marketing.

Equity and scope of charging drive much of the opposition. Stakeholders view the current national legislative model as unfair, targeting accommodation users whilst exempting high-impact cohorts such as day visitors, motorhomes, and cruise passengers. Many argue that this design risks unintentionally encouraging more non-paying, higher-impact behaviours such as wild camping, undermining environmental and community outcomes.

Business operators, particularly micro and rural enterprises, emphasise implementation risks: administrative complexity, VAT threshold impacts, and pass-through to higher prices potentially reducing competitiveness and stays. They highlight cumulative regulatory burdens and rising costs, warning that further load could reduce investment, staffing, and service quality.

Overall, the feedback supports strategic investment in essential infrastructure and stronger visitor management. As explained, this question was designed to gain feedback on The Highland Council Levy Objectives, but many views and suggestions related to the national legislation set by Scottish

Parliament. Changes proposed to national legislation include: inclusion of high-impact visitor types; simpler flat rate, low-burden collection methods; and measurable, publicly reported outcomes. Changes suggested which apply more to what is in the power of The Highland Council include: local ringfencing; local allocation formulas; resident exemptions.

Fund Allocation

By far the dominant theme questions whether visitor levy revenues will be ringfenced, transparently governed, and equitably distributed.

Respondents fear substitution into general budgets, Inverness-centric spending, and administrative waste, undermining trust and policy legitimacy. Clear governance, audit trails, and local allocation formulas are repeatedly requested to secure stakeholder confidence and reduce perceptions of a budget-balancing exercise rather than a destination-management tool.

“The money won’t go into any of those things – it will just disappear.”

Tourism Infrastructure Investment

Many respondents support investment in core visitor-facing infrastructure if funds are ringfenced and locally targeted. They stress that visible, place-based improvements are essential to mitigate pressures, support resident wellbeing, and maintain the Highlands' appeal, with several calling for spend-where-raised principles and measurable outcomes.

“Just give us roads without potholes.”

Levy Implementation

A substantial cohort rejects the current levy model as inequitable. Concerns include selective charging of accommodation users while exempting high-impact day visitors, motorhomes, and cruise passengers, and application to residents.

Many prefer a flat per-night rate or alternative mechanisms (e.g., road or bridge user fees) and exemptions for locals and essential overnight stays.

Impacts on Businesses

Operators warn the scheme adds administrative complexity, costs, and potential VAT threshold impacts, reducing competitiveness and investment capacity. They fear fewer bookings, shorter stays, and price-sensitive deflection to other destinations.

Micro and rural businesses highlight disproportionate burdens, urging simpler collection (e.g., via platforms), lighter-touch compliance, and mitigation for small enterprises.

“The levy disproportionately impacts small suppliers. Visitors will view it as a price hike and make us less competitive.”

Local Resident Taxation Concerns

Respondents strongly oppose residents bearing the levy during necessary overnight stays (medical, work, care, or civic reasons). Calls for residency-based exemptions are widespread, alongside anxiety that locals are being charged twice for services. Some advocate national-level solutions or non-accommodation-based mechanisms to avoid penalising Highland residents.

“I am a resident, not a visitor. When I move within the Highlands, it is normally for medical appointments or a public duty, neither are choices I make.”

Impacts of Tourism

Many link overtourism and short-term lets to housing scarcity, recruitment challenges, and community strain. Respondents prioritise mitigating visitor pressures over promotion, urging investment in enforcement, basic services, and balanced year-round management. Several caution that additional charges risk deepening community tensions unless coupled with visible relief of local impacts.

“The first priority is to address the costs associated with any negative impacts of overtourism.”

11. Review Decisions

11.1 Context and Findings on Review Decisions

The consultation survey (see Appendix A) explained:

Annual reports will be prepared for the Visitor Levy Scheme and will include a range of information, for example, how the net proceeds have been used and progress on achieving the Scheme objectives. These reports will be presented to the relevant Strategic Committee or a meeting of the Highland Council.

At least every 3 years, a review of the Scheme will be undertaken, and a report of the findings will be presented to the relevant Strategic Committee or a meeting of the Highland Council. The Council will share and engage with the Visitor Levy Forum regarding these reports and will seek advice from the Forum on relevant matters, including operation of the Visitor Levy Scheme in Highland.

The Act requires the Council to undertake such reviews. To comply with this requirement, the Council shall follow its governance arrangements for considering such matters at both Strategic Committees and meetings of the Highland Council. All reports and minutes are published on the Council's website for 6 years and retained permanently. All meetings of Strategic Committees and the Highland Council are webcast to ensure public access to decision making.

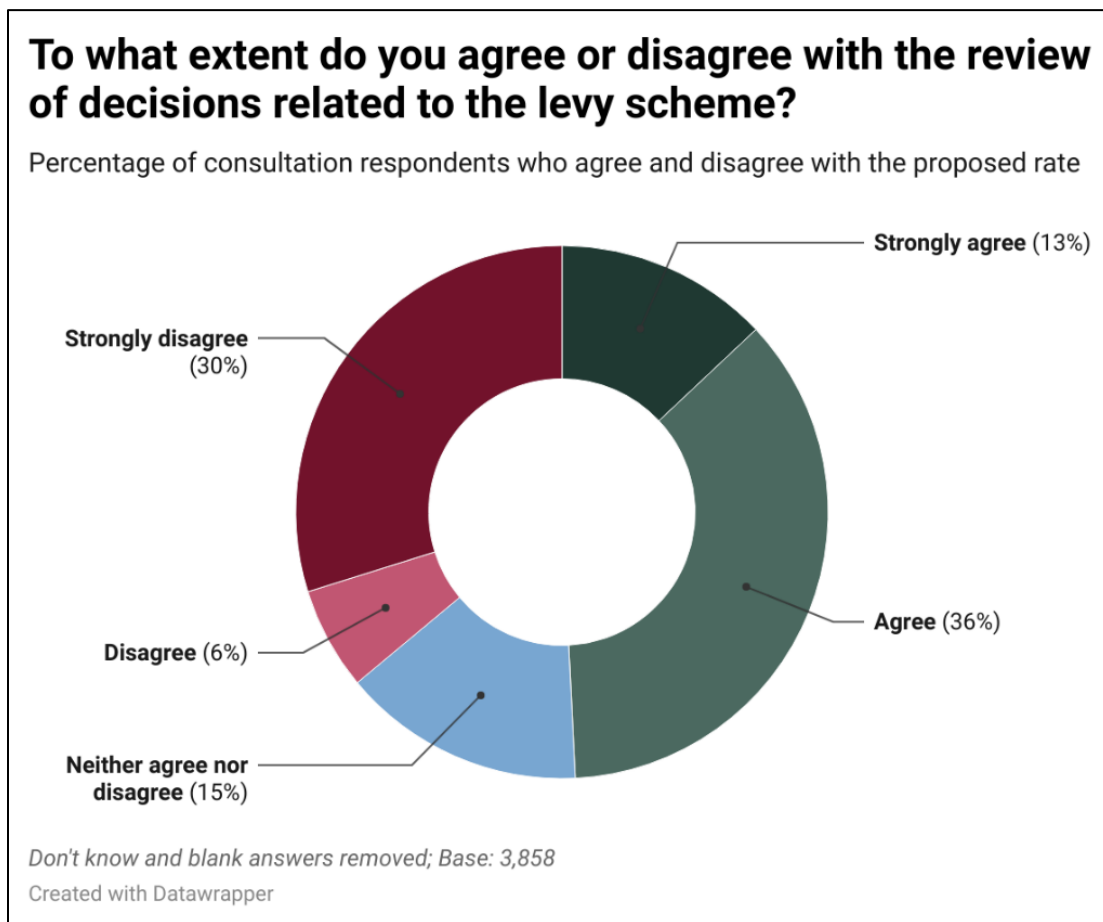
In summary, the text responses to this consultation survey question included:

- Consistent calls for transparency and accountability, including ring-fencing of proceeds, independent scrutiny and clear success criteria.
- Many perceive the consultation and proposed review arrangements as predetermined or inaccessible.
- Several ask for authentic, inclusive engagement that reaches small operators and residents.

This chapter provides full analysis of responses to questions in the consultation relating to the ongoing review of the levy scheme post-implementation. Results from quantitative analysis are followed by results from thematic analysis.

11.2 Quantitative Analysis

Figure 11.1: Agreement with proposed review decisions related to the levy scheme



In a divergence from previous questions, the proposed system around review decisions receives more support than opposition from consultation respondents. Nearly half of all respondents (49%)

agree with the proposed position, while just over a third disagree (36%). Around one in seven (15%) neither agree nor disagree. See Figure 11.1 for the full results of this closed question:

11.3 Thematic Analysis

The responses reveal four highly salient themes: transparency and accountability, business impact and economic viability, consultation process legitimacy, and administrative burden and cost-effectiveness. Together, they present a coherent picture of conditional support at best, and often strong opposition, unless robust safeguards, credible governance, and practical mitigations are embedded from the outset.

Transparency and accountability concerns are paramount, with respondents demanding ring-fencing of proceeds, regular public reporting, and independent scrutiny. The second major theme is the risk to business viability, particularly for micro and small operators in a seasonal market. Perceived weaknesses in consultation legitimacy represent a third, cross-cutting theme, with respondents questioning whether the process is genuinely open to influence. The fourth theme is administrative feasibility and value for money, with concerns that complexity could absorb significant revenues.

Policy implications are clear: a credible scheme would define measurable objectives upfront, commit to annual public reporting, ring-fence funds, cap administrative costs, and empower a representative forum with genuine influence over spending plans.

Transparency and Accountability Demands

Respondents consistently call for rigorous, timely transparency, including ring-fencing, public reporting, independent scrutiny, and clear success criteria. Many demand annual (or more frequent) reviews, area-by-area breakdowns, and explicit conditions for amendment or cessation if harms are evidenced. Demonstrable accountability is viewed as essential for legitimacy, equitable distribution, and assurance that proceeds will benefit visitor infrastructure and communities rather than general budgets.

“There **MUST** be a clause included to allow the levy to be scrapped if the preset targets for the aims of the scheme are not met.”

“We must be shown the true value of any such Tax. What was raised, how much spent on admin, and also where this money was spent.”

“All aspects of any levy introduced should be made fully transparent and available to the public to ensure the income from it is being used properly and not being squandered on vanity projects or wasteful spending on things that do not benefit the local communities.”

Consultation Process

Many perceive the consultation and proposed review arrangements as predetermined or inaccessible. Concerns focus on representation (who sits on the forum), geographic balance beyond Inverness, the ability to influence draft decisions, and whether feedback triggers change. Respondents ask for authentic, inclusive engagement that reaches small operators and residents, clear terms of reference and powers for the forum, and opportunities to scrutinise and shape spending plans before they are finalised.

“By framing the questions in the way that you have, it is plainly obvious that this consultation is a sham as you have clearly made up your minds to impose this tax.”

“We’ve had zero engagement or information as a business in the area.”

“Who comprises the Levy Forum??? Residents? Business owners? How can we trust this group to discuss, decide, deliver on our behalf if we don't know who they are???”

Additional Themes

Administrative Burden and Cost-Effectiveness

Respondents worry that collection, reporting, and enforcement will be complex, costly, and disproportionate, with administration consuming a large share of proceeds. They call for simple, low-cost mechanisms, clarity on roles and systems, and evidence that the scheme is viable and efficient. Numerous comments question the value of generating additional reviews and forums if these reduce net funds for infrastructure and request clear caps on admin costs and streamlined processes to reduce burdens on small businesses.

“The cost of employing someone to undertake this is a waste of money and will just annoy people further.”

“Think it should be reviewed. The mechanism for collection of levy needs to be straight forward. Should not cost a fortune to collect or be very confusing on what's applicable.”

Business Impact and Economic Viability

A dominant concern is that the levy will reduce competitiveness, depress demand in a highly seasonal market, and accelerate closures, particularly among micro and small accommodation providers. Respondents foresee price sensitivity deterring visitors, displacement to wild camping or other regions, and rising operational and compliance costs. Many request exemptions (e.g., residents, essential workers), inclusion of motorhomes, or simpler flat-rate models. They stress timely impact assessment, mitigation measures, and a clear mechanism to reduce, suspend, or abolish the levy if negative effects emerge.

“This will destroy the tourist economy. Accommodation here which is already regarded as expensive and as family budgets are being increasing stretch people are opting to holiday elsewhere.”

“Annual reports and 3-year reviews are pointless if businesses like mine don't survive that long. I've already lost 60% of my bookings for 2025 and the levy hasn't even started.”

“The levy should apply to visiting vehicles providing overnight accommodation, regardless of where they stay.”

12. Local Exemptions

12.1 Context and Findings on Local Exemptions

The consultation survey (see Appendix A) explained:

The Act enables local authorities to include local exemptions within their individual schemes. Where a local authority considers a local exemption should apply, this will be in addition to the national exemptions which are detailed within the Act as determined by the Scottish Parliament.

Any amount charged by an accommodation provider for the visitor levy will be included in their turnover, which is used to determine if they need to register for VAT. It is at the discretion of the local authority to include or exclude businesses that fall below the VAT threshold from a Visitor Levy Scheme.

To ensure the administration of the Scheme is kept to a minimum, and to maximise the revenues generated to sustain, support and develop the visitor economy, the Council will not exercise its discretion to apply local exemptions. The Visitor Levy Scheme will be payable by all accommodation businesses, including those which have an annual turnover below the VAT threshold.

When considering whether local exemptions should apply, the Highland Council has considered a range of factors. These are:

- Administrative burden on accommodation providers
- Local authority administrative costs
- Digital solution to ease administrative burdens and reimbursement
- Enforcement, compliance and notification.
- Purpose and rationale
 - Scope and eligibility,
 - Unintended consequences and mitigation

Industry feedback has been to minimise any Scheme variations, as these add complexity for both businesses and visitors.

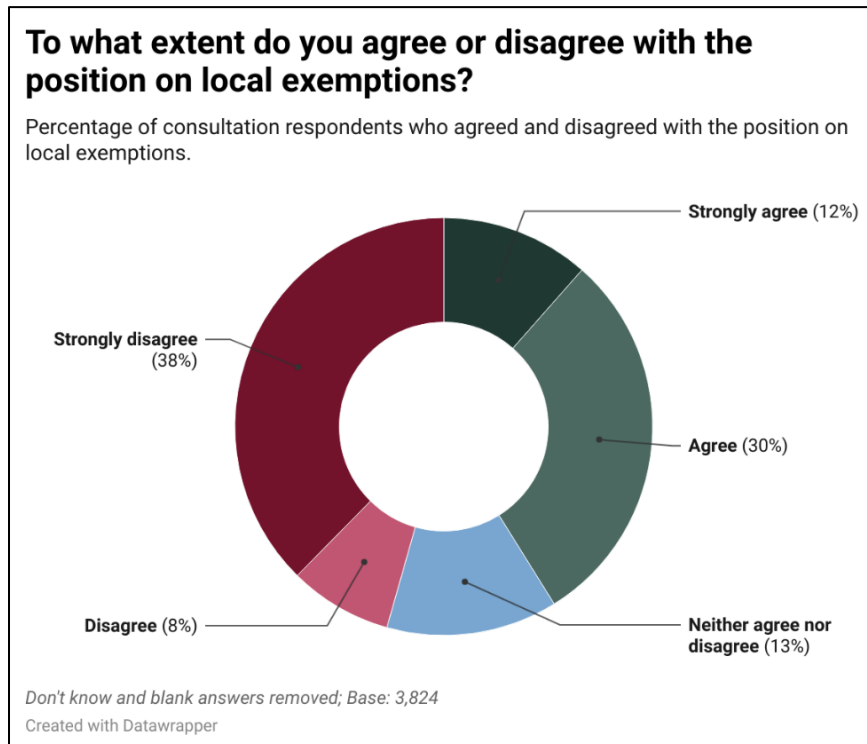
In summary, the text responses to this consultation survey question included:

- Strong advocacy for Highland resident and essential-travel exemptions.
- Intense concern over VAT threshold and administrative burden for small operators.

This chapter provides an analysis of questions in the consultation relating to the Council's proposed position on local exemptions to the Visitor Levy Scheme. Results from quantitative analysis are followed by results from thematic analysis.

12.2 Quantitative Analysis

Figure 12.1: Agreement with proposed position on local exemptions



Around four in ten consultation respondents agree with the proposed position on local exemptions (41%), while just under half disagree (46%). Around one in eight neither agree nor disagree (13%). This reflects a more balanced view among the public, with roughly similar proportions of respondents agreeing and disagreeing. See Figure 12.1 for full results from this question.

12.3 Thematic Analysis

Three dominant themes emerge from the consultation responses.

First, there is strong advocacy for exemptions for Highland residents, who view themselves as contributors through council tax and often must travel substantial distances for essential services. Many describe unavoidable overnight stays for medical appointments, work, education, and transport connections.

Second, small business VAT threshold concerns are acute, with operators fearing that including the levy in turnover could push micro-businesses into VAT registration, imposing significant cost increases and compliance burdens.

Third, extensive concerns exist about scheme complexity and implementation, with providers warning of administrative duties, system changes, and enforcement challenges.

Respondents consistently call for simpler alternatives and broader scope to include all visitor segments. The consultation responses contain strong support for protecting Highland residents, urgent calls to decouple the levy from VAT turnover, and demands to simplify administration whilst broadening scope to high-impact visitor segments.

Highland Residents Exemption Demands

Large numbers of respondents argue residents should not pay a visitor levy within their own region, citing council tax contributions, long travel distances for essential services, and disproportionate impacts on island and rural communities.

Many call for exemptions for medical stays, work travel, carers, key workers, and local leisure. Respondents warn that charging locals risks inequity, deters intra-Highland travel, increases costs for public services, and undermines social cohesion.

"Residents in the Highland region should not have to pay the levy under any circumstances when staying for business or pleasure"

"Local residents already pay Council Tax"

Small Business VAT Threshold Concerns

Respondents repeatedly stress that including the levy within business turnover risks pushing micro and small operators over the VAT threshold, creating a 20% cost increase and additional compliance burdens. Many operate seasonally near the threshold and would reduce capacity or close, shrinking bed supply and harming local economies. These respondents argue the levy is not income, should be outside VAT applicable turnover, and that businesses below the VAT threshold should be exempt.

"The levy should not be applied to micro businesses operating below the VAT threshold."

"By including the levy in turnover, small businesses risk being pushed over the VAT threshold, forcing them to register for VAT and charge 20% on all bookings."

Scheme Complexity and Implementation Concerns

Many foresee significant administrative burden on accommodation providers and councils, confusion for visitors, enforcement challenges, and risk of unintended consequences such as more wild camping and displacement.

Comments question digital readiness, audit powers, reimbursement processes, and fairness if motorhomes/cruise visitors remain outside scope. Numerous respondents propose simpler alternatives: flat fees per night, central or platform-based collection, vehicle/ANPR charges, seasonal or geographic targeting, and robust impact assessments.



"This will add lots of extra work to accommodation providers"

"This is just a nightmare to be honest. It's already nigh on impossible to complete the necessary government administration."

"A ULEZ solution would not provide an administrative burden on accommodation providers or local authority staff."

13. National Exemptions and Exclusions

13.1 Context and Findings on National Exemptions and Exclusions

The consultation survey (see Appendix A) explained about the groups which are exempt from the visitor levy:

Provision is given in the Act to exclude the following groups from the visitor levy, as it only applies on overnight accommodation where the person does not have an ordinary place of residence. National exemptions include:

- People who are homeless or at risk of homelessness,
- People whose main residence is unfit for habitation,
- Asylum seekers and refugees,
- Individuals who have arrived in the UK through other Home Office Schemes

In addition, the visitor levy does not apply to someone staying on a dedicated gypsy/traveller site run by a local authority or a registered social landlord or those in receipt of the following specified disability benefits, payments, or allowances:

- Disability Living Allowance,
- Disability Assistance,
- Attendance Allowance,
- Pension Age Disability Benefit,
- Personal Independence Payment

Other people not subject to the visitor levy include those who are residing overnight in vehicles or on-board vessels that are undertaking a journey involving one or more overnight stops. As a result, the following forms of overnight accommodation are out with the scope of the Act:

- The provision of a cabin on a ferry or cruise ship, unless the vessel is permanently moored
- The provision of a cabin on an overnight sleeper train

- Use of a hired or privately-owned campervan or motorhome where they are not staying overnight in campsites

As these are prescribed in the Act, the Highland Council will include these exemptions and exclusions in its Visitor Levy Scheme.

The consultation survey (see Appendix A) explained Highland Council's proposed position on arrangements for reimbursement as follows:

The Highland Council will adopt the National Digital Portal being developed for the visitor levy in Scotland. This National Digital Portal is being designed to:

- Enable accommodation providers to remit collected levies to their local authority
- For eligible visitors to claim reimbursement where a national exemption applies, for example, those in receipt of benefits, payments or allowances for a disability as prescribed within the Act
- For eligible visitors to provide evidence to support their claim for reimbursement
- For local authorities to verify and decide claims for national exemptions and to reimburse levies for eligible visitors
- For local authorities to administer and manage collections of the levies.

It is important to protect the relationship between accommodation providers and their guests, and to ensure the dignity of visitors who are entitled to an exemption. Local authorities have the skill set to verify and award exemptions and a key design principle for the levy is to ensure the administrative burden for accommodation providers is kept to a minimum. For these reasons, accommodation providers will be responsible for collecting levies from visitors.

Once levies have been paid by visitors, the Highland Council will have arrangements in place to enable eligible visitors to claim their exemptions and to be reimbursed by the Council. Visitors will claim their exemptions and provide evidence using the National Digital Portal, which will be adopted by the Council.

In summary, the text responses to this consultation survey question included:

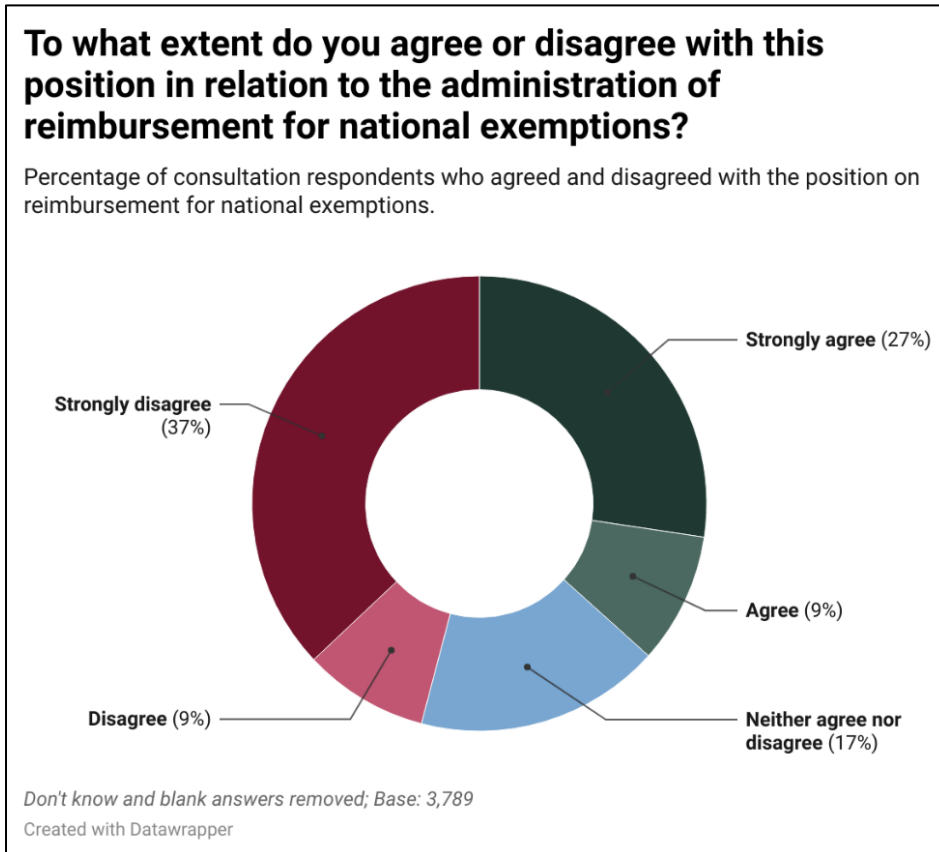
- Pay-then-claim system being implemented for Scotland deemed inequitable and complex, particularly for vulnerable or digitally excluded visitors.
- Administrative risk for providers; scepticism over national portal readiness and value for money.
- Calls for upfront exemptions, without the need for rebates (as set out in Section 11 of the Act).
- Requests for the inclusion of campervans/motorhomes outside campsites within the national legislation.

This chapter provides full analysis of responses to consultation questions about reimbursement arrangements for administration of national exemptions and exclusions. Results from quantitative analysis are followed by results from thematic analysis

13.2 Quantitative Analysis

Just over a third of respondents agree with the Council's proposed position on reimbursement for national exemptions and exclusions (37%), with nearly half of respondents disagreeing (46%). 37% of all respondents strongly disagree with the position, once again showing the strength of opposition to certain measures within the levy scheme. See Figure 13.1 for full results of the closed question on national exemptions.

Figure 13.1: Agreement with proposed position on national exemptions



13.3 Thematic Analysis

Opposition to the current approach is both broad and detailed, with the dominant theme being administrative burden on accommodation providers. Contributors foresee significant new tasks in collecting, evidencing, reporting, and reconciling payments, alongside increased costs for payment processing, software changes, staff time, and potential VAT complications.

Implementation feasibility concerns question whether a National Digital Portal can be delivered robustly across varied scenarios. Many believe administrative overhead could substantially erode

net revenues, with several proposing simpler alternatives such as direct-to-council payment via QR/app or vehicle-based charging.

Equity and fairness concerns are pervasive, with many asserting Highland residents should not be taxed to access services. The motorhome exemption emerges as a critical fault line, with respondents arguing it incentivises off-site parking and undermines fairness. The reimbursement model is widely criticised as inequitable, creating cashflow pressures and digital barriers.

Overall, the corpus urges a redesign that simplifies collection, targets all relevant visitor categories, prevents pay-then-claim for exempt groups, protects residents and essential workers, and compensates small providers. Without such changes, many believe the scheme risks high costs, weak compliance, and reputational harm to the Highlands as a welcoming destination.

Implementation Feasibility and Cost Concerns

Many view the scheme as overly complex, costly to build and run, and at high risk of poor performance. Doubts focus on the National Digital Portal readiness, governance, data quality, cost-benefit balance, staffing, and timeliness of processes. Several fear a Horizon-type IT failure and argue that administrative overhead could absorb a disproportionate share of revenue, eroding net public benefit.

"Good grief! How complicated!!! No point, will cost more than it collects."

Motorhome and Campervan Exemption

A major strand argues that the legislation exempting campervans and motorhomes staying outside campsites misses the visitor group perceived as imposing the greatest infrastructure and environmental pressures. Respondents predict perverse incentives for more roadside overnighting, waste issues, and revenue leakage from formal sites, undermining both levy fairness and its environmental aims.

"Excluding campervan is mad. Excluding cruise liners is mad."

Reimbursement System

The pay-upfront-then-claim model is seen as regressive and exclusionary, especially for vulnerable groups. Concerns include cashflow hardship, digital exclusion, complex evidence requirements, long processing times, and low take-up that leaves eligible visitors out of pocket. Many propose upfront exemptions or credential-based verification to avoid unnecessary payment and refund cycles.

"Reimbursement is not better than an exemption. This is a band aid solution to the problem."

"This pay-up-front, claim back later model is unfair."

Equity and Fairness in Exemption Categories

Respondents contest who should be exempt, with strong calls to exclude Highland residents, patients and escorts for medical care, workers, school groups, and islanders. Others argue for universal application to avoid perceived discrimination. The absence of charges on certain visitor types (e.g., cruise passengers, wild-parking motorhomes) is viewed as inequitable and contrary to polluter-pays principles.

"It is unfair that a resident within Highland Council, paying council tax to the council is expected to pay the levy if they are going to be staying at accommodation providers within their own area."

"No Scottish resident should be charged a levy to travel freely in their own country!"

Additional Themes

Administrative Burden on Accommodation Providers

Respondents consistently argue that collection, verification, and reporting tasks shift core administrative workload from the Council onto mostly small and micro accommodation businesses.



They foresee new processes, software costs, staff time, training, payment processing fees, VAT complications, and reputational risks if guests dispute charges. Several predict business closures, season curtailment, or reduced capacity, undermining the sector the levy seeks to fund.

"For any business, the extra collection, reporting, and accounting procedures will be a massive extra burden and cost."

"This is an unacceptable administrative burden on microbusinesses who simply do not have the time resources to complete these tasks."

"Accommodation providers will be used as unpaid tax men"

14. Net Proceeds Decisions

14.1 Context and Findings on Net Proceeds Decisions

The consultation survey (see Appendix A) explained:

The Highland Council will establish a Visitor Levy Forum within 6 months of deciding to implement a Visitor Levy Scheme, with representation from Highland tourism businesses, communities and relevant tourism organisations. The Forum will have an important role in considering and advising on the use of the net proceeds. The Forum will be advisory, and its purpose will be to provide advice to the Council in a number of areas relating to the operation of a Visitor Levy Scheme.

The Council's governance arrangements for decision-making will be used to make the decisions on the use of the net proceeds from the scheme. These decisions will be made by Strategic Committees or at meetings of the Highland Council.

The Scheme objectives together with the Council's Sustainable Tourism Strategy will provide the strategic direction for making those decisions.

This Highland Council welcomes the requirement to establish a Visitor Levy Forum. Given the representative views of the Forum, it will, for example, provide feedback on the Council's Annual Report, which shall set out information including net proceeds and performance of the Scheme.

The Highland Council will use its existing democratic decision-making governance arrangements and structures to make decisions about the use of net proceeds. These established democratic arrangements provide an inclusive, transparent, flexible and robust process for decision-making on the use of net proceeds.

In summary, the text responses to this consultation survey question included:

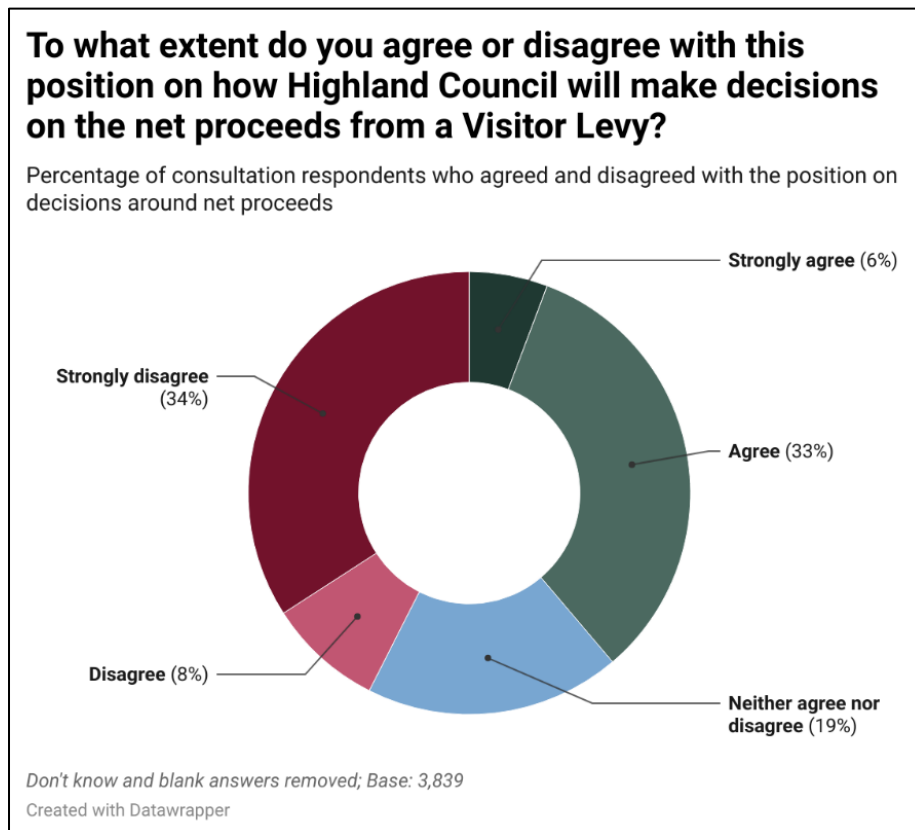
- Calls for proceeds to be ringfenced for spending in the local areas where the revenues were raised; several mention to need for visible improvements to local infrastructure

- Advisory-only forum, as set out in Section 16 of the Act, viewed as insufficient; requests for stronger, representative governance.
- Several are concerned that the costs of administration relating to the scheme will absorb proceeds; some demand public reporting of gross vs net receipts.

This chapter includes full analysis to the questions on the Council’s proposed position on decision-making with regards to the net proceeds raised by a visitor levy scheme. Results from quantitative analysis is followed by results from thematic analysis.

14.2 Quantitative Analysis

Figure 14.1: Agreement with the proposed position on proceeds decisions



A similar proportion of respondents agree and disagree with the proposed position on net proceeds, with nearly four in ten respondents in each category. It is important to note that the strength of opposition is generally stronger than the strength of support; a third of all respondents strongly disagree with the proposed position (34%), while just one in twenty strongly agree (6%). Figure 14.1 illustrates the full results from this question.

14.3 Thematic Analysis

The consultation feedback is dominated by three intertwined concerns: the need for local control of funds, distrust of advisory-only governance, and strong scepticism about administrative complexity and cost. Respondents repeatedly argue that levy proceeds should be ring-fenced and distributed locally, proportionate to where the revenue is generated and where visitor pressures are felt. This place-based argument is framed as both a fairness principle and a practical necessity for legitimacy and support.

The status of the Visitor Levy Forum as advisory, as set out in the national legislation, generates substantial distrust. Many respondents depict advisory bodies as historically ignored or marginalised, warning that such a forum could become a tick-box exercise. Contributors call for stronger powers, co-decision-making authority, or independent oversight to ensure that the forum's recommendations shape the allocation of funds.

Concerns about the administrative burden and cost are extensive. Respondents highlight risks of complexity for small accommodation providers, lack of clarity on roles, and the potential erosion of net proceeds by overhead. Many recommend simplifying the scheme design, setting caps on administrative spend, and providing line-by-line reporting on gross collections, administrative outlays, and net funds invested. Support for any levy is conditional on robust local empowerment, enforceable governance, transparency, and demonstrable, tangible reinvestment in visitor-related infrastructure.

A credible design would include area-based ring-fencing, co-decision-making, caps and disclosure on administrative costs, annual reporting with clear metrics, and sector- and geography-balanced representation.

Local Community Empowerment

By far the dominant theme, respondents seek devolved, place-based control over levy proceeds. Many demand ring-fencing by ward or locality and representation from all areas, citing perceived Inverness-centric allocation. Calls include community councils, development trusts, small businesses, and residents as decision-makers. Respondents argue that benefits must be visible where impacts occur (e.g., Skye, Lochaber, Caithness), linking legitimacy and support to proportional, local reinvestment.

"The proceeds should be given straight to the areas they were collected from, for example if a certain percentage is taken from each ward, that is what they would receive."

"Think money made should stay locally"

Advisory Forum Limitations

A substantial cohort of respondents object to the forum's advisory status, fearing it will be a token body with little influence over spending. Many cite past experiences of consultations being ignored, calling for binding powers, co-decision-making, or independent oversight. Without stronger authority, respondents anticipate central decisions overriding local priorities and undermining accountability.

"What is the point of a forum if only advisory - it should have power to hold council to account & challenge inappropriate decisions"

"The forum will be advisory = entirely toothless"

Administrative Cost Concerns

Many respondents are concerned administrative costs will erode net proceeds, ask for cost caps, and demand published breakdowns of gross vs net receipts. They call for ring-fencing, independent reporting, and evidence that proceeds are incremental rather than substituting core budgets. The risk of mismanagement or diversion to non-tourism uses is a recurring worry, linked to trust deficits in financial stewardship.

"So much money will be wasted in admin. You need to simplify this."

"How much will this cost? And is this cost included in your previous estimate?"

"The funds will be mismanaged anyway."

Tourism Impact Mitigation Focus

Respondents want proceeds directed to tangible visitor-related infrastructure and services: roads, parking, public toilets, waste management, ranger services, and outdoor access. Many advocate the polluter-pays principle, citing motorhomes and cruise visitors. Others fear demand suppression and argue for investment that protects resident wellbeing while sustaining the visitor economy, with clear metrics and outcomes.

"The tax should be used exclusively for tourism infrastructure and to support tourist activities. The money should be ring fenced."

"All money should be used for maintaining and improving local infrastructure"

Additional Themes

Administrative and Bureaucracy

Respondents widely fear a complex, costly, and slow scheme. Concerns include unclear objectives, vague governance, excessive layers (e.g., forum plus committees), consultation fatigue, and administrative overload placed on small operators. Many urge simpler alternatives, flat-rate models, or scrapping the levy. Efficiency, transparency, and upfront clarity on processes and responsibilities are seen as prerequisites for public trust.

"This is such a vague and nonspecific statement it is impossible to offer an opinion on it."

"More bureaucracy so the bureaucrats can justify their jobs. A circular argument. No."

15. Final Comments

The consultation survey provided space for respondents to leave any additional comments about the proposed scheme. This chapter includes results from thematic analysis of responses.

15.1 Thematic Analysis

Five core themes dominate the responses: economic impact, legislative design, administrative burden, resident exemptions, and consultation legitimacy. The most prevalent concern is potential economic harm to the Highlands' visitor economy, with many arguing that a 5% levy risks suppressing overnight stays and weakening competitiveness.

Respondents frequently criticise what they see as design flaws in the national legislation, particularly the exclusion of motorhomes and cruise passengers. Also calling for a flat per-night charge instead of a percentage-based rate. Administrative burden is viewed as disproportionate for micro-operators, whilst many demand Highland resident exemptions for essential travel. Finally, scepticism about consultation impartiality is widespread, with calls for independent impact assessment and transparent governance. Stakeholder acceptance appears to hinge on a coherent package addressing these interconnected concerns through legislative revision, simplified structures, appropriate exemptions, and robust local reinvestment mechanisms.

Economic Impact on Tourism Industry

This is the most frequently cited theme. Respondents warn that a 5% levy risks reducing overnight stays, suppressing spend, and shifting demand toward untaxed options (e.g., wild camping), thereby harming already fragile, seasonal markets. Concerns include price competitiveness versus other UK and international destinations, knock-on effects on supply chains and employment, and cumulative pressures alongside STL licensing, energy, wages and insurance. Some support a modest levy if ringfenced and well targeted, but argue the current approach jeopardises the Highlands' visitor economy, especially in rural and island areas.

“Adding a 5% levy on our guests would make us uncompetitive.”

“This will be the worst thing to happen to the tourism industry in a long time.”

Flawed Legislation and Implementation

Respondents characterise the national framework and local model as ill-suited to a dispersed rural region. Key flaws cited are percentage based charging, VAT/turnover treatment, exclusion of cruise passengers and most motorhome stays out with campsites, and an Edinburgh/city model applied to rural contexts. Many call for a flat per night fee, mandated inclusion of motorhomes, and clearer, simpler rules and systems. Several urge pausing to revise legislation, complete independent impact assessment, and learn from other locations before rollout.

“I think the scheme as it stands is unfit for purpose.”

“The exemption of those in campervans or motorhomes who are not staying in campsites is very poorly thought out.”

Administrative Burden on Small Businesses

Accommodation providers, particularly micro and seasonal operators, highlight disproportionate compliance costs, cash handling, card fees, software changes, OTA complexities, and reporting. Many object to acting as unpaid tax collectors and to levy receipts being counted as taxable turnover, with risks of breaching VAT thresholds. The burden is seen as compounding STL licensing and other regulatory costs, potentially reducing business viability, shortening seasons, or triggering closure, thereby eroding local bed stock and community benefits.

“My main response is, don't ask businesses to be involved in collecting this at all.”

“Keep it simple!”

Highland Resident Exemption Requests

A large cohort argues locals are not 'visitors' within their own region and should be exempt, especially where geography and weak transport necessitate overnight stays for health, work, education, or family reasons. They warn the levy will penalise low-income households, island and remote residents who must travel, and local workforces and contractors. Many propose

straightforward residency checks (e.g., postcode or ID) and exemptions for essential travel, with some suggesting application only to overseas tourists.

“We are not visitors to The Highlands. When we live here.”

“Please exempt workers who need accommodation to enable them to work.”

Consultation Concerns

Respondents question the quality, neutrality, and accessibility of consultation, citing limited space for comments, inaccessible formats, weak publicity, and perceptions that decisions are predetermined.

Several request independent impact assessments, extended consultation periods, local public meetings, and transparent governance of revenues. As explained in section 1.2 of this report these were provided by The Highland Council.

Some urge direct industry co-design and community-level decision making, with clear, published allocations and audits to build trust and legitimacy.

“This survey is a disgrace.”

“It sounds as if it is already a done deal and this exercise is just to justify the appearance that there is any chance of major changes.”

16. Email responses

This chapter includes findings from the analysis of 117 email submissions received in addition to the survey responses. The general sentiment is described, then the issues raised for administering the levy and consequences for accommodation providers. There is a section containing concerns for application to certain visitor types. Comments on inclusions and exclusions are explained next. A short explanation of alternative mechanisms proposed is included. This chapter finishes with findings on the use of the levy funds.

16.1 Sentiment

Most of these responses were from those opposed to the levy Act, and the introduction of a levy in the Highlands Council. Most of the responses used strong and emotive language which displayed frustration, dissatisfaction and upset.

16.2 Administering the levy

Responses included objections to accommodation providers becoming 'tax collectors' for the Council and objecting to this in principle.

Furthermore, responses included difficulties with the practicalities at administering the levy with confusion after looking at the legislation and guidance.

From these responses small operating business owners are wondering how to administer the levy in practice, and there is anxiety about conforming to legislation.

Types of Accommodation

Different types of accommodation provider gave email responses which explained how they currently charge for accommodation and the difficulties they would feel administering the levy on their guests:

- Bothies- these are often in remote locations and are exempt from the short-term let accommodation licence. MBA bothies are free to use and cannot be pre-booked. Other

bothies which are booked and charged can be done so by guests stating the number of people staying and paying a fee per person but there is no on-site member of staff to check.

- Accessible accommodation- one provider with a purpose-built accessible self-catering accommodation explained their visitors were largely family groups where one or two members may be disabled. They were unsure what to advise guests about the visitor levy charge and claiming for a refund for the levy on the total accommodation costs if not all of the guests had a disability.

Portioning Charges

Accommodation providers expressed confusion at the guidance for how to portion accommodation and non-accommodation portions, given that the levy is only to be applied on accommodation portions. Anxiety was expressed on how to practically assign overheads and labour. B and B operators explained that they wanted this to be consistent, clear and as simple as possible. Otherwise, they felt this would lead to worry that they were not conforming to law.

Examples asked about included:

- Whether laundering towels and bedding would count under 'accommodation provision' or 'laundry services' within non-accommodation provision.
- Bunkhouse accommodation with coin metres for extra electricity use and uncertainty if this is accommodation portion how to ascertain how much paid by each guest and subject it to the levy percentage charge.
- Bed and breakfasts needing to split out costs for example 'in a micro-business, family and guests share the same supplies. They eat from the same packet of cornflakes.'

16.3 Consequences for accommodation providers

Email responses provided information about the implications of introduction for accommodation providers. A matter for HMRC, VAT thresholds were a concern. Furthermore, charges by third-party booking providers was unclear to businesses. Many respondents explained how it could result in loss of earnings.

VAT Thresholds

The consequence of the levy charge counting as income and pushing businesses over the VAT threshold was raised by many of the email responses, in particular by smaller businesses or organisations representing smaller business.

‘the imposition of the VAT levy could push their annual turnover above the VAT threshold, forcing them to comply with VAT regulations and increasing their costs or indeed cease trading as it would no longer be financially viable’.

Consequences were included as follows:

- Increasing charges of accommodation, to cater for 20% VAT
- Absorbing charges of accommodation, seen as difficult to keep trading in these circumstances
- Reduce the accommodation available, either number of rooms or days or months of operation so as to keep income under the VAT threshold.

There were suggestions that, as found in other countries, the levy is not included as part of accommodation provider turnover and is regarded separately.

A matter for HMRC, some respondents were annoyed by this counting as income:

‘VAT-registered businesses may have to apply VAT on top of the levy, effectively creating a form of double taxation’.

'I'm certainly not collecting this for this to be classed as my income and for me to pay tax and VAT on this, that is totally unfair.'

Charges by Booking Sites

Responses explained the use of third parties to take bookings and payments for their accommodation. This led to concerns that the booking providers may not provide the breakdown of costs which the accommodation providers are required to provide to paying guests. Also concern that booking providers would charge business more as a consequence of the charge for the visitor levy:

'I have opted for the booking platform we use to deal with taking full payment from guests, we pay extra commission for this service, adding a visitors levy means we will pay commission on the levy as commission is calculated from the total amount taken from guest'

Displacement and Loss of Income

Accommodation providers were concerned that the levy would be an additional charge which would discourage visitors to the Highlands. Email responses were also submitted from people not based in Scotland explaining that they would go elsewhere and not visit the Highlands if the visitor levy was imposed.

'Scotland will not be on our list if we have to pay a levy'

'if other areas in Scotland do not levy a visitor tax, then this may solve our problem at the Highland's expense'.

16.4 Concern for types of visitors

Concerns related to fairness for paying the levy when travelling for purposes other than leisure, and fairness of Highland Council residents paying the levy. Additionally, there was concern that this would have consequences for accommodation for workers in Highland businesses.

Carers

One submission explained that they regularly travelled and stayed in a bed and breakfast close to their elderly parent's house. They were unable to stay with their parent as there was only one bedroom. They therefore objected to paying an additional visitor levy on top of accommodation costs for the purposes of regular unpaid care.

Visitors Staying in Accommodation Provided by Charities

There were a small number of responses by registered charities who provide accommodation asking that this type of accommodation be exempt. The logic given is that visitors, including school groups, are staying in their accommodation so they can participate in educational and social activities the charity provides. They felt that an additional levy charge would be disproportionately impactful to lower socio-economic visitors who are their target audiences.

Highland Residents

There were a number of responses from people upset that they would be charged the levy when travelling to attend medical and hospital appointments for themselves or to accompany family member. They were unaware or unsure of how to apply for any refund.

'so we have to pay this when we have a loved one sick in hospital in Inverness?'

Residents from Neighbouring Local Authorities

There were some responses from residents of neighbouring local authorities who use paid accommodations in the Highlands as a stopping off point to access their remote and rural locations and who objected to paying an additional levy.

Workers

There were many concerns expressed about people travelling for business purposes paying the levy. The reasons for this included:

- Accommodation for workers not available to meet demand, and concern that this extra cost would intensify the issue
- Perception that the costs will be passed onto Highland customers

‘every workman, anyone coming to the Highlands to do business- to provide us with essential services- will have to pay this “levy”. The end results is the services they provide will be more expensive for us.’

16.5 Inclusions and exclusions

Many of the email responses contained disagreement with the inclusion and exclusion criteria as set in the national legislation. The most concern was directed towards the treatment of motorhomes and campervans.

Motorhomes and Campervans

There were many responses from Highland residents which expressed frustration with motorhomes and campervans not at a campsite not being subject to the levy.

Unpicking these responses further to understand these frustrations:

- People described an increase in motorhomes and campervans, especially around the NC500 area.
- Motorhomes and campervans were described as causing disruption and damage to local areas. Examples given were irresponsible disposal of waste, road congestion, environmental damage and pollution and damage to road surfaces and verges. The use of these vehicles on single track roads was described as dangerous.
- Users of motorhomes and campervans were not seen to be contributing as much to local economies as those staying in paid accommodation. Terms used were ‘self-contained’ and ‘free loaders’.

There were also responses from representatives of businesses and organisations expressing concerns for the exemption of motorhomes and campervans. Less emotive language was used, but concerns expressed related to overtourism and this type of transport and accommodation method having a detrimental impact on the Highlands environment, valued by locals and visitors.

Responses were received from campsite owners. They additionally expressed confusion about how to implement the levy:

'guidance states they visitor levy "cannot be charged for accommodation in a vehicle, or on board a vessel that is undertaking a journey involving one or more overnight stops" ...we estimate that 70% of our customers stay only for one night then move onto their next location...Are we correct in assuming that 70% of our customers will be exempt?'

'will campsite owners have to quiz every campervan to see if they are staying for their holiday or are they "on a journey"?''

Responses were received from Highland residents with caravans elsewhere within the Council area. They expressed concern that they would be subject to the levy.

All respondents sharing this frustration for this exemption highlighted:

- A disparity was expressed between those parking in campsites being subject to the levy and those 'wild camping' not being subject to the levy.
- The fear that the exemption of the levy would disincentivise these visitors from using campsites.

Several suggestions were made for an exemption to be granted for motorhomes and campervans using official sites, coupled with licences or charges for these vehicles coming into the Council area. This was seen to be a way to better manage this type of tourism and generate income from visitors not utilising paid accommodation.

Cruise ship Visitors

There were responses expressing concern about the impact of cruise ship visitors on the Highlands, given the volume and concentration of these visitors and the pressure on local services for the days they are on land. Responses were even received from international visitors who go on cruises explaining they should be subject to the visitor levy.

'Put a per-person tax on anyone who steps off a cruise ship,,, there can be thousands of cruise ship passengers disembarking for a day- creating benefits AND curses of over tourism. They should pay their share!'

16.6 Alternative Mechanisms

Many suggestions were generated on how to raise income from visitors rather than accommodation providers administering a levy. This included tollbooths, vehicle passes and car parking charges. There were two types of central arguments behind these preferences. Firstly, preferred as they would not require accommodation providers to collect the levy. Secondly, seen as ways to raise money from visitors who are not using paid accommodation, especially motorhomes and campervans not using sites.

16.7 Investment from Levy

Many responses explained they wanted more information on how the money raised through the levy would be spent. A concern was expressed that the Highland Council were not providing sufficient information and transparency around how the funds would be allocated and monitored once the levy is introduced.

A concern was how the spend would be allocated to smaller geographies, with respondents explaining they did not want disproportional spend on Inverness.

Some made general suggestions on how the levy should be spent to improve infrastructure and the environment. A few made specific suggestions on how the levy could be spent:

- One response included a proposal for spend of the levy to benefit their SCIO, including context and a case for support.
- One response included a large table of names and addresses of individuals supporting the visitor levy at a rate of 8% as a means to raise funds for building new council homes, and bringing empty council homes back into use, and boost the Housing Discretionary Fund.

17. Engagement Event and Workshop Findings

This chapter summarises reports prepared after the Highland Visitor Levy Reference Group Workshop on 25 June 2025 and 27 engagement events. Each summary includes sections on sentiment, primary areas of concern, alternative mechanisms and investment from levy.

17.1 Highland Visitor Levy Reference Group Workshop

The workshop was designed to consult industry on investment priorities going forward, specifically with a view to long-term investment priorities of revenue generated from the levy. Owing to the strength of feeling amongst stakeholders present, a decision was taken early in the workshop to redesign the approach, moving away from the hypothetical pretence of the levy going ahead, as this is subject to Council resolution.

Rather than focusing on implementation details within the predetermined framework, stakeholders requested broader dialogue about policy and alternative mechanisms, expressing fundamental concerns about the Visitor Levy (Scotland) Act 2024's design, in particular for rural destinations, a perspective many felt had not been adequately considered by the Scottish Government.

The redesigned approach focused on providing stakeholders with an opportunity to engage in open dialogue, where their concerns could be considered in a broader context.

Sentiment

The session revealed widespread opposition to the proposed levy structure from attendees. As the workshop progressed, participants raised concerns about the stance of the workshop, focusing on how to ensure smooth implementation, where the intention was to address particular concerns of technical challenges foreseen in the levy's implementation.

Whilst there was widespread rejection of the visitor levy as set out in the proposed scheme, stakeholders did also acknowledge the significant need for investment in the sector and the importance of revenue generation mechanisms. Nonetheless, the strength of sentiment against the proposed visitor levy, especially given the rural dimension, means that, although they do not feel they can support the proposed levy in its current form, they generally did recognise the

opportunity for future schemes to benefit tourism in the Highland Council. Many believe there may be an opportunity to build consensus for alternative charging mechanisms with similar authorities facing comparable challenges.

Primary Areas of Concern

Workshop participants expressed strong opposition to the proposed percentage-based levy structure. Key concerns encompassed economic timing, administrative capacity, competitive positioning, VAT thresholds, and legislative design considerations:

- **Economic Context and Timing-** Stakeholders cited current economic pressures affecting the tourism sector, including post-pandemic recovery challenges, pressures caused by inflation, regulatory changes and National Insurance increases as primary business challenges. It was felt that the addition of a 5% levy would further hamper business competitiveness and the overall economic sustainability of many businesses in the sector, with many citing continued exposure to market volatility and limited capacity to absorb additional costs. Many highlighted the cumulative burden of regulatory changes, citing existing taxation levels, including VAT and short-term rentals, creating compound pressures that disproportionately affect specific actors within the accommodation sector. A key request included an independent Economic Impact Assessment and enhanced evidence gathering before final decisions are made. Indeed, it was felt that such an exercise should have been undertaken before the current phase of consultation.
- **Administrative Implementation Concerns-** were raised about the administrative burden on Highland Council's predominantly micro-SMEs, including the collection process, concerns around VAT threshold limits and extremely limited resource constraints, affecting business capacity to absorb the additional administrative requirements in implementing the levy. There was a general view that the proposed levy is unfairly placing the burden of levy collection on accommodation providers, who have limited flexibility to adjust pricing in order to accommodate the levy owing to the way in which online tour operators (OTAs) manipulate pricing. Despite the levy being proposed as an additional 5% charge on overnight accommodation, it was stated by stakeholders that the reality is that pricing is often determined by online marketplaces whereby the levy charge would need to be

absorbed by the business directly when displaying total cost of accommodation on booking sites.

- **Competitive Positioning**– Participants also highlighted concerns that it would create a competitive disadvantage, with particular concerns that the levy would cause visitor displacement to neighbouring areas, which might not implement a visitor levy, specifically the Western Isles, Orkney and Shetland.
- **VAT Threshold Implications**– A particular point of concern relates to those businesses currently operating near the VAT threshold, where the implementation of the visitor levy risks pushing them above the threshold, requiring them to register and apply VAT to all sales. In this situation those with a turnover just below the £90,000 VAT could breach the threshold when the 5% levy increases their turnover, potentially creating a combined effective tax rate of 25% rather than the intended 5% impact. It is deemed that such a situation would cause significant harm to businesses both in their price competitiveness, but also in the consequential administrative burden resulting from it.
- **Legislative Concerns**– Participants highlighted constraints within the Visitor Levy (Scotland) Act 2024, expressing concerns about the legislation's suitability for rural destinations with distinct characteristics making the levy unsuitable compared to the urban tourism context.

Alternative Mechanisms

Participants unanimously opposed the proposed percentage levy structure, preferring Point-of-Entry (POE) alternatives requiring new national-level legislation.

It was felt that POE would represent an altogether fairer approach by capturing all visitors contributing to infrastructure pressure, including those using informal accommodation, day visitors and motorhomes currently excluded from levy liability.

Participants felt that there were several benefits of POE systems over the visitor levy being proposed, including:

- Comprehensive visitor capture regardless of accommodation choice.
- Reduced administrative burden on individual accommodation providers.
- Enhanced equity through universal visitor contribution.
- Technology-enabled collection charged directly to visitors reducing business burden. The opportunity to use Automatic Number Plate Recognition (ANPR) systems was proposed with suggestions that an alternative framing of any such levy might better communicate its purpose and benefit to communities and the wider destination.

Investment from Levy

Participants outlined specific wishes for any tourism investment funding, reflecting concerns about accountability, transparency and funding substitution:

- Funding Substitution- visitor levy revenue must represent additional investment rather than substituting existing Highland Council tourism-related expenditure, ensuring genuine enhancement of destination capacity.
- Geographic Distribution- it is important to recognise that, whilst levy collection might concentrate on areas where tourism accommodation is more concentrated, such as Inverness, infrastructure needs to exist throughout Highland Council's diverse geography, requiring fair distribution of funds to benefit the wider destination.
- Transparent Governance- there must be clear accountability in revenue administration and allocation, with industry expecting to have a say in governance, where industry and expert oversight must be sought. Furthermore, emphasis must be placed on community input for investment priorities, ensuring tourism development serves broader Highland development objectives, whilst maintaining local support.

Despite concerns about the proposed levy mechanism, stakeholders recognise that Highland Council has clear destination management requirements and tourism infrastructure needs. Priority areas identified included:

- Visitor Management Infrastructure- There is recognition that there is an ongoing and pressing need to invest in public facilities including toilets, car parks, trails and wildlife viewing facilities requiring both capital investment and ongoing maintenance funding.
- Housing and Workforce Development- Significant concern was raised around housing, with this considered a key priority for the tourism sector to be both viable and competitive. Addressing the accommodation shortage is therefore of utmost importance as it is currently at risk of affecting business sustainability, where affordable housing for skilled workers is needed, especially in rural communities.
- Transport and Connectivity Infrastructure- improvements are of critical importance as they are needed not only to connect local communities and the workforce, but also to support accessibility for visitors. Improved transport infrastructure will benefit not only local communities but also help strengthen the overall quality of the visitor experience, moving visitors onto public transport and away from private vehicles, whilst providing transport links and which enhance overall connectivity.
- Destination Development- To ensure the Highlands remains internationally competitive, it's important to continue to invest in destination product and experiences, ensuring they are world class and strengthen the uniqueness and distinctiveness of the Highlands not only as a destination, but a globally recognised brand. Investing in globally renowned strengths, such as golf and whisky tourism, iconic attractions as well as visitor dispersal strategies and initiatives to address seasonality are all key to improving year-round business viability for Highland Council's small and micro tourism enterprises.

17.2 Engagement Events

Sentiment

Many of the engagement event summaries only include points of concern raised by the attendees. Some include positive sentiments towards the use of the revenue generated by a levy.

Primary Areas of Concern

Areas of concern can be summarised under development of legislation, exemptions, the consultation process, involvement of elected members and impact on accommodation providers including the issue of VAT:

- Development of Legislation – preference of a flat rate over a percentage rate; exclusion of campervans/motorhomes not staying on campsites and cruise ship passengers; ‘Visitor Levy’ seen as an accommodation tax on all rather than targeting tourists specifically; many felt the legislation did not reflect the complexity of the visitor economy in Highland and should be modified before implementation is considered
- Exemptions – most felt patients and residents should be exempted; some felt business visitors and businesses operating below the VAT threshold should be exempt, however there was no widespread agreement on these. The impacts of campervans and motorhomes on Highland tourism and communities is a source of significant frustration and distress; exclusion of them from the legislation and how any levy might be applied to mitigation in this area generated widespread discussion.
- Consultation Process – lack of understanding of the variety of methods used in public statutory consultation; issues with the questionnaire being built around the legislative requirements of section 14 of the Act; suggestions all business owners should have been contacted as part of the process or that it was poorly advertised despite significant press coverage and ongoing activity from multiple social media lobbying groups; some asked the Council to consider ‘pausing’ the live consultation process due to ongoing frustration with the content of the legislation. Most desired an independent Business Impact Assessment completed ahead of any proposed scheme design and a decision to consult and felt the Scottish Government’s BRIA and the Council’s internal process was insufficient.
- Involvement of Elected Members – which members would need to declare an interest ahead of a vote and the response of some members to not take a stated position during the consultation period.

- Impacts on Accommodation Providers – these varied by the size and complexity of the businesses involved, with the greatest concern from microbusinesses operating below the VAT threshold, compensation for business costs and the extent of any administrative burden on providers. HMRC’s decision to include any levy collected as turnover and the Council’s position not to exclude businesses below the VAT threshold were prominent among business owners.

Alternative Mechanisms

Although not relevant within the scope of current legislation many suggestions were generated on how to raise income from visitors. This included tollbooths, vehicle passes, car parking charges, ‘tap to pay’ pads, entrance visas, etc. These were preferred as they would not require accommodation providers to collect the levy.

Investment from Levy

Although the legislation is specific on the required use of net proceeds, some were sceptical where they would be used and who would make those decisions.

There was also some optimism from attendees that the spend from the levy could benefit residents, tourism business and the quality of provision for visitors.

There was interest in some areas that the levy be allocated to smaller geographies and provide a source of income for local improvements. Ideas were given on spend to support infrastructure, housing for industry workers, improve commercial waste services, skills development and apprenticeship initiatives, improvements to habitats.

18. Conclusion

The Visitor Levy (Scotland) Act 2024 was passed by the Scottish Parliament on 28 May 2024 and received Royal Assent on 5 July 2024.⁹ This Act gives local authorities discretionary powers to introduce a visitor levy in their area, for visitors staying in overnight accommodation. At the time of the consultation, its analysis and reporting there have been no amendments to the original Act.

18.1 Themes from the Consultation Analysis

The consultation survey received 4,103 responses. Of these responses, almost half of responses came from residents of the Highland Council area (48%), and a further fifth (17%) from Highland businesses. Responses also came from visitors to Highland from Scotland and elsewhere in the UK (13% in total).

Cross-cutting themes recur across sections of the consultation survey, with respondents often using the space provided to make comments on a particular facet of the scheme instead to voice their opinions about broader opposition to the scheme. For example, across different sections of the consultation, even where not relevant to the subsection, respondents repeatedly discuss:

- The advantages of a flat per-night fee rather than a percentage-based levy,
- Exemptions for Highland residents and in-area essential travel (such as medical appointments and work commitments),
- Opposition to exclusions for off-campsite motorhomes and cruise passengers, who are often deemed high-impact visitors,
- Administrative burden on small accommodation providers, and
- VAT implications for small-turnover businesses.

Analysis of the additional 117 email responses contained several key themes as follows:

- Concerns and confusion on how to practically administer the levy for different types of accommodation and portioning charges as per the guidance.

⁹ [Visitor Levy \(Scotland\) Act 2024](#)

- Negative consequences for accommodation providers, including implications for VAT, costs by third party booking services and concern that visitors will go elsewhere. All of these resulting in loss of income.
- Concern that the levy would apply to people staying in accommodation for the purposes of unpaid care or work. People expressing it is unfair for Highland residents to pay when staying within the Highlands and also for residents of neighbouring local authorities to pay when stopping off in the Highlands to reach their remote and rural homes.
- There were many respondents upset by the exclusion of motorhomes and campervans not at a licenced campsite.
- Alternative mechanisms to raise funds from incoming visitors were suggested, none of which required administration by accommodation providers.
- Some investment suggestions for funds raised by the levy were made.

All these themes relate closely to the themes found in the consultation survey responses.

A total of 27 engagement events were organised by The Highland Council to support this statutory public consultation on the proposed Visitor Levy Scheme. A minority of the summaries of these engagement sessions did include some suggestions for use of the levy funds and some support for a levy. However, most of the summaries included opposition to aspects of the levy, directed towards the national-level legislation, and in some cases the aspects within the power of the Council.

Concerns expressed in the engagement events can be summarised under development of legislation, exemptions, the consultation process, involvement of elected members and impact on accommodation providers including the issue of VAT. Highland Visitor Levy Reference Group workshop participants expressed strong opposition to the proposed percentage-based levy structure.

18.2 Findings Related to Aspects of the Act and Discretion

Table 18.1 groups the findings from the consultation analysis survey, email responses, workshop and consultation events against the aspects of the Original (as enacted) Act, as of November 2025.

Table 18.1: Findings in relation to discretionary powers

Aspect of Act	Discretion for local authorities (as of November 2025)	Relevant findings from analysis of consultations
Consultation before introduction	Legally obliged to follow the legislation in terms of how it goes about consulting on a visitor levy scheme before implementing such a scheme.	<p>Of the consultation survey respondents:</p> <ul style="list-style-type: none"> • Many perceive the consultation and proposed review arrangements as predetermined or inaccessible.
Introduction by local authorities	The Act gives the local authority the power to impose a levy, in accordance with the Act.	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • Risk of price sensitivity and displacement of visitors to other areas raised. • Concerns expressed that the levy would cause negative knock-on effects to hospitality, retail and culture sectors in tourism-dependent communities. • Regarded as an economic risk to small and seasonal providers. <p>Email responses included:</p> <ul style="list-style-type: none"> • Negative consequences for accommodation providers, including implications for VAT, costs by third party booking services and concern that visitors will go elsewhere. All of these resulting in loss of income. • Suggested, alternative mechanisms to raise funds from incoming visitors none of which required administration by accommodation providers. <p>Engagement events echoed these concerns for negative impact on the introduction of the levy on businesses and the economy of the Highlands.</p>
Implementation timeframe	In their VL scheme, the local authority must specify the date on which a VL scheme is to come into force, or on which a significant modification is to take effect, which must be at least 18 months after the date on which the local authority publishes a report stating	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • Split views on speed: some urge earlier implementation while many others request deferral or phased launch. • Calls for piloting before full roll-out in the Highlands • Scepticism over national portal readiness

	that it intends to proceed with the original or modified proposal.	
Type of overnight accommodation	<p>Scottish Ministers can after consulting local authorities and other appropriate representatives:</p> <ul style="list-style-type: none"> • add a type of accommodation included • vary or remove the description of a type of accommodation exempted (currently exempted are motorhomes and caravans and cruise passengers) <p>Local authorities can add local exemptions.</p>	<p>Of the consultation survey respondents, they expressed:</p> <ul style="list-style-type: none"> • Intense concern over VAT threshold and administrative burden for small operators. • Requests for the inclusion of campervans/motorhomes outside campsites within the national legislation. <p>Email responses:</p> <ul style="list-style-type: none"> • There were many respondents upset by the exclusion of motorhomes and campervans not at a licenced campsite. <p>Engagement events raised requests for exemption of various accommodation types not currently exempt and the inclusion of cruise and motorhomes/ campervans currently exempt.</p>
Attribution to overnight accommodation	<p>None for local authorities.</p> <p>But Scottish Ministers may add to, remove, or vary the description of, the facilities or services listed under the “accommodation portion”.</p>	<p>Email responses included:</p> <ul style="list-style-type: none"> • Concerns and confusion on how to practically administer the levy for different types of accommodation and portioning charges as per the guidance.
Levy rate	<p>Must be a percentage rate and must be the same for different types of overnight accommodation.</p> <p>Have discretion over percentage rate set and if different rates for different areas within the local authority.</p>	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • Strong preference for a flat per-night fee over percentage rate (as set by Scottish Parliament Act); 5% seen as complex and distortionary. • Several cite the structure of levies in parts of Europe and the importance of aligning with international norms. • Some respondents call for variable or tiered rate structures, dependent on season.

Duration	Have discretion over application to whole or part of year.	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • The fragile winter trade while others stress the year-round pressures in tourism hotspots. • Acknowledgement that in considering the duration the Council need to balance visitor pressures with economic viability, encouraging off-season travel and avoiding deterring price-sensitive winter visitors.
Exemptions	Have discretion on exemptions over and above those set out in the legislation.	<p>Of the consultation survey respondents there was:</p> <ul style="list-style-type: none"> • Strong advocacy for Highland resident and essential-travel exemptions. • Criticism that the pay-then-claim system being implemented for Scotland is inequitable and complex, particularly for vulnerable or digitally excluded visitors. <p>Email responses included:</p> <ul style="list-style-type: none"> • Concern that the levy would apply to people staying in accommodation for the purposes of unpaid care or work. • People expressing it is unfair for Highland residents to pay when staying within the Highlands and also for residents of neighbouring local authorities to pay when stopping off in the Highlands to reach their remote and rural homes.
The use of revenue generated by a visitor levy scheme	<p>Local authorities are not able to change any of these stipulations on reinvestment of the fund- should develop, support, and sustain facilities and services for or used by visitors to a local authority area for leisure or business purposes.</p> <p>Where councils do have an element of discretion is in the articulation of scheme objectives at a local level, but</p>	<p>The consultation survey respondents raised:</p> <ul style="list-style-type: none"> • Consistent support for investment in public infrastructure and services (for example roads, toilet provision, waste disposal, and rangers' services) Across different sections, a few others suggest spending on improving access to affordable housing in the Highlands. • Concern that decisions on spend are too centralised so as not to benefit smaller geographies. • Concern that money raised will go into core budgets and not be linked to resulting improvements made. • Local ring-fencing was suggested, however many different views on what this ring-fencing should consist of.

	within the parameters of spend in the Act.	In email responses: <ul style="list-style-type: none"> • Some detailed investment suggestions for funds raised by the levy were made.
Visitor Levy (VL) Forum	Local authorities must follow the Act to establish this as an advisory forum. Local authorities can establish more than one VL forum if they establish more than one scheme. They can appoint one or more of its own members to the VL forum provided not a majority.	The consultation survey respondents included: <ul style="list-style-type: none"> • Many who viewed advisory-only forum, as set out in Section 16 of the Act, as insufficient in its powers. • Requests for stronger, representative governance. Engagement events criticised principle of involvement of elected member in VL Forum.
Reporting use of the levy	Local authorities must follow statutory requirements on annual reporting.	Of the consultation survey respondents there were: <ul style="list-style-type: none"> • Calls for transparent information and reporting. • Calls for clear success criteria.

18.2 Recommendations

The Highland Council may wish to use this report, including the findings in this conclusion chapter as a reference point for their discussions with Scottish Government, other local authorities on the national legislation; and their own internal development of policy implementation within the Highlands, where they have discretion.

We acknowledge that this policy is developing at national levels as various local authorities consider and develop their respective approaches throughout Scotland. See a webpage by VisitScotland for updates¹⁰ and the UK Government's website for legislation including the Visitor Levy (Scotland) Act 2024 and any subsequent amendments to this legislation.¹¹

¹⁰ [Visitor Levy Guidance for Local Authorities | VisitScotland.org](#)

¹¹ [Visitor Levy \(Scotland\) Act 2024](#)

Appendix A: Survey questions

Consultation – Proposal to Introduce a Visitor Levy Scheme

Background

Power to Introduce a Levy

The Visitor Levy (Scotland) Act 2024 (referred to hereafter as “the Act”), was passed by the Scottish Parliament in May 2024, and received Royal Assent on 5th July 2024. The Act gives local authorities in Scotland the power to introduce a levy that is charged on the purchase of overnight accommodation at a percentage rate. It will be for each local authority to decide after consultation, whether to introduce a Visitor Levy Scheme.

A local authority will also determine many of the elements of a Visitor Levy Scheme, such as the percentage rate set, the geographical area where it applies, and local exemptions from paying a visitor levy.

Guidance has been produced for local authorities that are considering developing and implementing a Visitor Levy Scheme in their area. It may also be of use to accommodation providers responsible for collecting and remitting a levy, and others with an interest in a proposed Visitor Levy Scheme. The Guidance has been developed collaboratively between local authorities and tourism and accommodation provider organisations, working together in an Expert Group led by VisitScotland.

Types of accommodation to which a levy applies

Under the Act, overnight accommodation is considered a room or area that is used by a visitor for residential purposes but is not their only or usual place of residence. Therefore, a visitor levy does not apply to accommodation that is being used as someone’s only or usual place of residence.

The types of accommodation included within scope of the legislation, and would therefore be included in a Visitor Levy Scheme, are:

Hotels	Camping Sites
Hostels	Caravan Parks
Guest Houses	Bed and Breakfasts
Self-catering	
Accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place	
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	

A visitor levy cannot be charged for accommodation on local authority gypsy and traveller sites, and registered social landlord gypsy and traveller sites. It also cannot be charged for accommodation in a vehicle, or on board a vessel that is undertaking a journey involving one or more overnight stops.

Your Details

We require these details from those completing the consultation for us to log your form in the software:

- First name _____
- Surname _____
- Email address (if you have one) _____
- Postcode _____

1. Respondent Category

1.1 Which category best describes you as a respondent to this consultation (mandatory question):

- Highland resident Please add your postcode_____
- Visitor to Highland from Scotland
- Visitor to Highland from elsewhere in the UK
- Visitor to Highland from overseas (non-UK resident)
- I run, or I am responding on behalf of, a business in Highland
- I'm part of a representative group for business or tourism
- I invest or own property in Highland, but I do not live in Highland
- I work in Highland, but I do not live in Highland
- I have never been to Highland
- I do not live in Highland
- Other (please specify)

2. The scheme area

Legislative Context

The Visitor Levy (Scotland) Act 2024 states a local authority may (a) introduce a scheme or schemes to impose the levy for all or part of its area (referred to in this Act as a "Visitor Levy Scheme").

The Highland Council's Proposed Position

The levy will apply to purchases of overnight accommodation throughout the whole of the Highland Council area.

The Highland Council's Justification

Tourism is a key industry for the Highlands, contributing significantly to the economy and filtering through all corners of the region. Whilst the Act enables a local authority to introduce a scheme or schemes to impose the levy for all or part of its area, The Highland Council proposes to introduce the levy throughout the whole of the Highland Council area. Our visitors travel widely throughout the region which gives rise to varying pressures and opportunities. A universal scheme which applies throughout the Highland Council region will enable revenue generated from a levy to be invested in ways that help to deliver the scheme objectives throughout the region. This approach helps to ensure the scheme is as simple as possible to understand and operate for our visitors, businesses and residents in Highland.

2.1 To what extent do you agree with this proposed position? (please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

2.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

3. The date on which the scheme is to come into force

Legislative Context

The Act states the date on which a Visitor Levy Scheme is to come into force, must be at least 18 months after the date on which the local authority decides to implement a visitor levy.

The Highland Council's Proposed Position

The Visitor Levy Scheme will come into force by the Highland Council at the earliest practicable date as permitted by law, giving due regard to the Act and the Council's decision-making processes. The Council anticipates introducing the Visitor Levy Scheme in Highland by Autumn 2026.

The Highland Council's Justification

Based on the projected timeline, which takes account of the legislative requirements and necessary Council governance processes, the earliest that a levy can be introduced for the Highlands is Autumn 2026.

The Act requires local authorities to undertake a statutory consultation before introducing a Visitor Levy Scheme.

The Highland Council will be guided by best practice and is publishing this statutory consultation for a period of 12-weeks. The feedback received from respondents will be taken into account in the preparation and publication of a report to the relevant Strategic Committee/Highland Council which:

- Summarises the consultation responses received.
- States whether or not the authority intends to proceed with the proposal (or the proposal as modified in light of the consultation), and
- sets out the authority's reasons for whether or not it intends to proceed.

In addition to the statutory consultation, the Act requires that the date on which a Visitor Levy Scheme is to come into force must be at least 18 months from the date of the Highland Council's decision to introduce a Visitor Levy Scheme.

3.1 To what extent do you agree with the proposal to introduce a Visitor Levy Scheme in Highland by Autumn 2026? (please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

3.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

4. The scheme period

Legislative Context

The Act sets out that a scheme period should be defined and is the period of time in which a Visitor Levy Scheme will be active (which can be indefinitely).

The Highland Council's Proposed Position

Following its introduction in Highland by Autumn 2026, the Visitor Levy Scheme will remain in force until further notice (indefinitely).

The Highland Council's Justification

The Highland Council welcomes visitors to enjoy our iconic landscape, heritage and culture, ecology and our world-class produce and wide-ranging high-quality products. Our aim is to ensure our infrastructure and services continue to deliver the best possible experience for our residents, our businesses and our visitors.

The financial pressures facing the Council means it is increasingly difficult to contribute to the visitor economy in a way that delivers positive outcomes for visitors, the environment, communities and businesses.

The Council considers the levy will form an integral, long-term source of funding for achieving the scheme objectives and help towards sustaining, supporting or developing the facilities and services used by visitors and communities in Highland.

While the Highland Council does not propose setting an end date in which the scheme will remain in force, the Council will prepare annual reports on the scheme including information about how the net proceeds have been used and the extent to which the Scheme Objectives are being met, using appropriate measurements. In addition, the Council shall undertake a review every 3 years and report the outcome to the Council. The Council will share and seek representations from the Visitor Levy Forum about these reports and other relevant advice the Forum has on the operation of the scheme in Highland.

4.1 To what extent do you agree with this proposed position to operate the scheme indefinitely?

(please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

4.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

5. When will the levy apply

Legislative Context

The Act gives a local authority the power to determine when a purchase of overnight accommodation results in a levy being applied, which may be at all times of the year.

The Highland Council's Proposed Position

The visitor levy will apply every day of the year without variation.

The Highland Council's Justification

The Council has considered the operational application of having a levy for some or part of the year, or alternatively for a levy to be applied every day throughout the year.

Applying the levy throughout every day of the year ensures administrative costs are appropriate for the scheme. The Council considers this approach is important as it will provide the maximum amount of revenue generated from the levy for sustaining, supporting or developing our infrastructure and the wider objectives of the levy scheme.

The Highland Council is also committed to ensuring that the operation of a levy scheme is kept as simple as possible to minimise the administrative burden on businesses.

5.1 To what extent do you agree with this proposed position to apply the levy every day of the year? (please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

5.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

6. The rate of the levy

Legislative Context

The Act gives local authorities the power to set the percentage rate to use for the calculation of the levy.

The Act sets out that the amount of levy chargeable is calculated by:

- Taking the accommodation portion of the transaction, and
- Multiplying that amount by the percentage rate set by the local authority.

The “accommodation portion” means the amount that is attributable to the provision of overnight accommodation. This does not include any amount reasonably attributable to the provision of:

- Meals or drinks
- Parking of a motor vehicle, (other than a parking area provided as overnight accommodation in respect of the transaction).
- Laundry facilities or services
- Entertainment
- Transportation to or from the accommodation.

A percentage rate was decided by the Scottish Parliament as it was considered to better ‘future proof’ the levy, removing the need to amend the rate by inflation and to keep the administrative burden to a minimum. A percentage rate also allows for the levy to be proportionate to the overnight accommodation choices of those staying overnight.

The Highland Council’s Proposed Position The levy rate will be 5% in respect of the accommodation portion of the chargeable transaction.

The Highland Council’s Justification

The Highland Council considers that a 5% rate is appropriate as it has the potential to generate a meaningful amount of income to deliver the Council’s key objectives to support tourism, our business and leisure visitors, our communities and our businesses.

Noting that the forecasting of such a levy has its challenges and limitations, the Council’s analysis has shown that a 5% levy rate could generate around £10m each year. The Council’s administrative and operating costs of the Visitor Levy Scheme are estimated to be around £550k annually, which will be deducted from the total income generated from a visitor levy. The net income will be used to sustain, support or develop our infrastructure and wider objectives.

6.1 To what extent do you agree with the proposal to set the levy rate at 5%? (please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

The Council aims to strike the right balance when setting the levy rate. The proposed rate of 5% will clearly generate significant income, however, the Council could set a higher rate to be able to deliver a more ambitious investment programme. The Council would be interested to receive comments from businesses, visitors and residents on whether they feel that the proposed levy rate is appropriate or whether it should be higher than 5%.

6.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

6.3 If the Council does not agree a rate of 5%, what rate would you consider is appropriate? (please tick)

- The levy rate should be 6%
- The levy rate should be 7%
- The levy rate should be 8%
- I don't support a levy being introduced in Highland
- Don't know

6.4 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

7. The Scheme's objectives

Legislative Context

The Act states that the objectives of the Scheme must relate to sustaining, supporting or developing facilities or services which are substantially for or used by those visiting the Scheme area for leisure or business purposes (or both).

The Highland Council's Proposed Position

The aim of the introduction of a Visitor Levy Scheme in Highland is to sustainably manage the visitor economy and the movement of visitors through the maximisation of co-investment opportunities that sustain, support or develop facilities or services which are substantially used by those visiting for leisure or business purposes.

The Visitor Levy Scheme Objectives are to:

- SUSTAIN public services and infrastructure used by businesses, communities and visitors to ensure the impacts of visitors are strategically and sustainably managed.
- SUPPORT the delivery of a thriving tourism sector offering a wide range of visitor experiences by working together, in partnership, with businesses, visitors and communities.
- DEVELOP innovative approaches to balance strategic demands and opportunities ensuring that Highland achieves its full potential as a highly positioned destination for visitors.

The Visitor Levy Scheme Objectives together with the Council's [Sustainable Tourism Strategy](#) will provide the strategic direction for making those decisions.

The Council will engage with the Visitor Levy Forum to help inform a Delivery Programme, setting out the necessary investment plans and actions to deliver the Scheme's objectives to sustain, support or develop, facilities and services which are substantially for or used by persons visiting the local authority area for leisure or business purposes.

As part of the Highland Council area is designated within the Cairngorm National Park, the Council will regularly engage with the Cairngorm National Park Authority and have regard to the [Cairngorm National Park Partnership Plan](#).

The Highland Council's Justification

The Visitor Levy Scheme objectives are closely linked to The Highland Council's recently prepared Sustainable Tourism Strategy for Highland. The Sustainable Tourism Strategy establishes the Council's ambition, including the vision for sustainable tourism by 2035 of a thriving industry which is effectively managed, delivers positive impacts for our communities and environment and offers the best possible visitor experience. The Sustainable Tourism Strategy makes references to monitoring and evaluation of the outcomes.

The priority outcomes, as outlined in the Sustainable Tourism Strategy, which the Council seeks to help achieve include:

- **Communities** – tourism must be a force for good for all Highland communities and a means to improve our quality of life, enhance our culture and heritage, provide high quality job opportunities for Highland people and address demographic challenges.
- **Environment** – Highland to be a leading example of a climate-resilient tourism destination, which has taken responsibility for and the necessary actions to ensure tourism enhances the natural environment while, addressing the risks and impacts of climate change.
- **Economy** – a vibrant, dynamic and resilient industry that develops attractive careers and job opportunities, has year-round appeal, is spread evenly across the region and contributes towards a greener future.
- **Visitors** – visitors embrace slow tourism, are conscious of and act responsibly towards our local heritage, communities and the environment, have exceptional and authentic experiences across Highland and are met with a warm Highland welcome.

Although the Sustainable Tourism Strategy has a central focus on the role of the Council, success demands a positive and effective relationship between communities, visitors, businesses and the environment.

7.1 To what extent do you agree or disagree with the Visitor Levy Scheme objectives? (please tick for each objective)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
SUSTAIN public services and infrastructure used by businesses, communities and visitors to ensure the impacts of visitors are strategically and sustainably managed.						

SUPPORT the delivery of a thriving tourism sector offering a wide range of visitor experiences by working together, in partnership, with businesses, visitors and communities.						
DEVELOP innovative approaches to balance strategic demands and opportunities ensuring that Highland achieves its full potential as a highly positioned destination for visitors.						

7.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

8. Review of the Council’s decisions relating to the Visitor Levy Scheme

Legislative Context

The Act sets out that a local authority operating a Visitor Levy Scheme must review the scheme:

- before the end of the period of 3 years beginning with the date on which the scheme came into force, and
- before the end of each subsequent period of 3 years, the local authority must publish a report setting out its findings
- the local authority must provide a copy of the published report to the Visitor Levy forum for that scheme.

The Highland Council’s Proposed Position

Annual reports will be prepared for the Visitor Levy Scheme and will include a range of information, for example, how the net proceeds have been used and progress on achieving the Scheme objectives. These reports will be presented to the relevant Strategic Committee or a meeting of the Highland Council.

At least every 3 years a review of the Scheme will be undertaken, and a report of the findings will be presented to the relevant Strategic Committee or a meeting of the Highland Council.

The Council will share and engage with the Visitor Levy Forum regarding these reports and will seek advice from the Forum on relevant matters, including operation of the Visitor Levy Scheme in Highland.

The Highland Council's Justification

The Act requires the Council to undertake such reviews. To comply with this requirement the Council shall follow its governance arrangements for considering such matters at both Strategic Committees and meetings of the Highland Council. All reports and minutes are published on the Council's website for 6 years and retained permanently. All meetings of Strategic Committees and the Highland Council are webcast to ensure public access to decision making.

8.1 To what extent do you agree or disagree with the review of decisions related to the levy scheme? (please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

8.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

9. Local exemptions

The cases or circumstances in which the levy is not payable or may be reimbursed.

The Visitor Levy Scheme must specify whether the levy is not payable in relation to accommodation which has an annual turnover below the VAT threshold.

Legislative Context

The Act enables local authorities to include local exemptions within their individual schemes. Where a local authority considers a local exemption should apply, this will be in addition to the national exemptions which are detailed within the Act as determined by the Scottish Parliament.

Any amount charged by an accommodation provider for the visitor levy will be included in their turnover, which is used to determine if they need to register for VAT. It is at the discretion of the local authority to include or exclude businesses that fall below the VAT threshold from a Visitor Levy scheme.

The Highland Council's Proposed Position

To ensure the administration of the Scheme is kept to a minimum, and to maximise the revenues generated to sustain, support and develop the visitor economy, the Council will not exercise its discretion to apply local exemptions.

The Visitor Levy Scheme will be payable by all accommodation businesses, including those which have an annual turnover below the VAT threshold.

The Highland Council's Justification

When considering whether local exemptions should apply, the Highland Council has considered a range of factors. These are:

- Administrative burden on accommodation providers.
- Local authority administrative costs.
- Digital solution to ease administrative burdens and reimbursement.
- Enforcement, compliance and notification.
- Purpose and rationale,
- Scope and eligibility.
- Unintended consequences and mitigation.

Industry feedback has been to minimise any Scheme variations, as these add complexity for both business and visitors.

9.1 To what extent do you agree or disagree with this position local exemptions? (please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree

- Strongly disagree
- Don't know

9.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

10. National exemptions and exclusions

National Exemptions and Exclusions are set out in the Visitor Levy (Scotland) Act 2024

Legislative Context

Provision is given in the Act to exclude the following groups from the visitor levy, as it only applies on overnight accommodation where the person does not have an ordinary place of residence.

National Exemptions:

- People who are homeless or at risk of homelessness.
- People whose main residence is unfit for habitation.
- Asylum seekers and refugees.
- Individuals who have arrived in the UK through other Home Office schemes.

In addition, the visitor levy does not apply to

- a) someone staying on a dedicated gypsy/traveller site run by a local authority or a registered social landlord
- b) those in receipt of the following specified disability benefits, payments, or allowances:
 - (i) under section 71 of the Social Security Contributions and Benefits Act 1992 (disability living allowance),
 - (ii) specifically, for working age people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018 (disability assistance),
 - (iii) under section 64 of the Social Security Contributions and Benefits Act 1992 (attendance allowance),
 - (iv) specifically for older people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018 (pension age disability benefit), or
 - (v) under Part 4 of the Welfare Reform Act 2012 (personal independence payment)

Other people not subject to the visitor levy include those who are residing overnight in vehicles or on-board vessels that are undertaking a journey involving one or more overnight stops. As a result, the following forms of overnight accommodation are out with the scope of the Act:

- a) the provision of a cabin on a ferry or cruise ship, unless the vessel is permanently moored
- b) the provision of a cabin on an overnight sleeper train
- c) use of a hired or privately-owned campervan or motorhome where they are not staying overnight in campsites.

The Highland Council's Proposed Position

As these are prescribed in the Act, the Highland Council will include these exemptions and exclusions in its Visitor Levy Scheme.

11. Reimbursement Arrangements for Administration of National Exemptions and Exclusions

Arrangements for the administration of National Exemptions and Exclusions and reimbursement for eligible visitors.

Legislative Context

Arrangements for evidence gathering and reimbursement of the levy (or a sum equivalent to the levy) for eligible visitors.

The Highland Council's Proposed Position

The Highland Council will adopt the National Digital Portal being developed for the visitor levy in Scotland. This National Digital Portal is being designed to:

- Enable accommodation providers to remit collected levies to their local authority.
- For eligible visitors to claim reimbursement where a national exemption applies, for example, those in receipt of benefits, payments or allowances for a disability as prescribed within the Act.
- For eligible visitors to provide evidence to support their claim for reimbursement.
- For local authorities to verify and decide claims for national exemptions and to reimburse levies for eligible visitors.
- For local authorities to administer and manage collections of the levies.

The Highland Council's Justification

It is important to protect the relationship between accommodation providers and their guests, and to ensure the dignity of visitors who are entitled to an exemption.

Local authorities have the skill set to verify and award exemptions and a key design principle for the levy is to ensure the administrative burden for accommodation providers is kept to a minimum.

For these reasons, accommodation providers will be responsible for collecting levies from visitors.

Once levies have been paid by visitors, the Highland Council will have arrangements in place to enable eligible visitors to claim their exemptions and to be reimbursed by the Council. Visitors will claim their exemptions and provide evidence using the National Digital Portal, which will be adopted by the Council.

11.1 To what extent do you agree or disagree with this position in relation to the administration of reimbursement for national exemptions? (please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

11.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

12. How the Highland Council will make decisions on the net proceeds

The manner in which the authority intends to make decisions on the use of the net proceeds of the scheme.

Legislative Context

The Act sets out that a local authority operating a Visitor Levy Scheme must use the net proceeds of the scheme for the purposes of facilitating the achievement of the scheme's objectives, and so far as not needed for the achievement of the scheme's objectives otherwise sustaining, supporting or developing facilities and services which are substantially for or used by persons visiting the area of the local authority for leisure or business purposes (or both).

The Highland Council's Proposed Position

The Highland Council will establish a Visitor Levy Forum within 6-months of deciding to implement a Visitor Levy Scheme, with representation from Highland tourism businesses, communities and relevant tourism organisations. The Forum will have an important role in considering and advising on the use of the net proceeds. The Forum will be advisory, and its purpose will be to provide advice to the Council in a number of areas relating to the operation of a Visitor Levy Scheme.

The Council's governance arrangements for decision-making will be used to make the decisions on the use of the net proceeds from the scheme. These decisions will be made by Strategic Committees or at meetings of the Highland Council.

The Scheme objectives together with the Council's [Sustainable Tourism Strategy](#) will provide the strategic direction for making those decisions.

The Highland Council's Justification

This Highland Council welcomes the requirement to establish a Visitor Levy Forum. Given the representative views of the Forum, it will, for example, provide feedback on the Council's Annual Report, which shall set-out information including net proceeds and performance of the Scheme.

The Highland Council will use its existing democratic decision-making governance arrangements and structures to make decisions about the use of net proceeds. These established democratic arrangements provide an inclusive, transparent, flexible and robust process for decision-making on the use of net proceeds.

12.1 To what extent do you agree or disagree with this position on how we will make decisions on the net proceeds from a Visitor Levy? (please tick)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

12.2 Please use this space to provide any comments to support your response to this question.

Maximum 1000 characters (including spaces)

13. Additional Information

Thank you for completing our consultation regarding a Visitor Levy for Highland. Having considered the proposed content for the Visitor Levy Scheme, and provided your responses to the questions asked, please use the space below if you wish to provide any further comments about the proposed scheme.

Maximum 500 characters (including spaces)

14. About you

14.1 What is your age? (please tick)

- Under 16
- 16-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75 and over
- Prefer not to say

14.2 Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more - do any of these conditions or illnesses affect you in any of the following areas? (please tick)

- Yes, Vision (for example blindness or partial sight) Yes, Hearing (for example deafness or partial hearing)
- Yes, Mobility (for example walking short distances or climbing stairs)
- Yes, Dexterity (for example lifting or carrying objects, using a keyboard)
- Yes, Learning or understanding or concentrating
- Yes, Memory
- Yes, Mental health
- Yes, Stamina or breathing or fatigue
- Yes, Socially or behaviourally (for example associated with Autism Spectrum Disorder (ASD))
- Yes, which includes Asperger's, or Attention Deficit Hyperactivity Disorder (ADHD)
- Yes, Other (please specify)
- No

Prefer not to say

14.3 Does your condition or illness / do any of your conditions or illnesses reduce your ability to carry-out day-to-day activities? (please tick)

- Yes, a lot
- Yes, a little
- Not at all
- Prefer not to say

14.4 What is your sex? (please tick)

- Female
- Male
- Other
- Prefer not to say

14.5 Do you consider yourself to be trans, or have a trans history?

Only answer this question if you are aged 16 or over. (please tick)

Here we use trans as a term to describe people whose gender identify is not the same as their sex registered at birth

- No
- Yes
- Prefer not to say

14.6 If you would prefer to describe your trans status (for example non-binary, trans man, trans woman, please use the box below:



From many voices to smart choices

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