

Agenda Item	6
Report No	TC/02/20

HIGHLAND COUNCIL

Committee: Tourism Committee

Date: 18 March 2020

Report Title: Transient Visitor Levy

Report By: Executive Chief Officer Infrastructure and Environment

1. Purpose/Executive Summary

- 1.1 This report describes for Members the current position with work related to the implementation of a Transient Visitor Levy in Highland and proposes further engagement with the Scottish Government to ensure the needs of Highland are recognised.

2. Recommendations

- 3.1 Members are asked to:
- i. Note the current situation regarding the Council's work related to the introduction of a Transient Visitor Levy in Highland
 - ii. Consider how the Council might proactively engage with the Scottish Government to shape elements of the national approach to reflect the region's needs and the responses received through the Council's consultation.

3. Implications

- 3.1 There are no resource implications arising directly from this report. However, as work gets under way to implement a registration and collection system for a Transient Visitor Levy there will be resource implications for the Council which will require to be considered by the services concerned.
- 3.2 There are no legal implications arising from this report at this time but the introduction of a Transient Visitor Levy requires the passing of legislation by the Scottish Government which will have implications for how the Council implements any Transient Visitor Levy scheme in Highland.

- 3.3 There are no community (Equality, Poverty and Rural) implications arising directly from this report. It is however anticipated that the use of any levy income raised will bring a range of benefits to communities.
- 3.4 There are no Climate Change / Carbon Clever implications arising directly from this report. In future the use of any levy income raised could have either positive or negative climate change effects depending on the range of activities supported.
- 3.5 There are no risk implications arising directly from this report.
- 3.6 There are no Gaelic implications arising directly from this report.

4. Introduction

- 4.1 Members will recall that the Council voted in favour of the principle of introducing a Transient Visitor Levy (TVL) at their meeting on 9th December 2019. In so doing the Council also adopted a number of positions while also recognising that further work would be required to incorporate the views from the Highland consultation into the design of a Highland scheme. In considering the report, the Council also homologated the written response to the Scottish Government consultation that had been submitted in advance of the Council so as to meet the response deadline of 2 December 2019.
- 4.2 Following the Council meeting, a subsequent letter was sent to the Scottish Government notifying them of the Council's formal decisions. However, Members also recognised that this was a first step in terms of engagement and that further engagement with the Scottish Government would be required to help shape other elements of the national approach to reflect the region's needs. The Council also offered in this later response that it would be happy to be involved in giving further evidence as the bill goes through the legislative process.
- 4.3 At the present time, the Government's legislative process is under way and until this reaches a stage where there is clarity over what aspects Local Authorities will have control over it is difficult for the Council to design a local scheme.

5. Recent activity

- 5.1 As part of the Council's normal tourism activity officers engage with a number of business groups around Highland – most notably some of the main "Destination Organisations" who undertake tourism activities in their area. Through this engagement there has been an opportunity to notify businesses of the current situation regarding the introduction of a TVL but also to gather feedback from businesses on aspects such as potential collection mechanisms and their challenges or determining what constitutes "tourism uses" that levy income might be used for.
- 5.2 While there are a number of businesses who have made it clear that they still do not support the introduction of a TVL the overall response from businesses has been that they accept that this is something that will happen, and they welcome the Council's willingness to engage. At the time of writing this report the Council's engagement has included attending four sessions arranged by the Lochaber Chamber of Commerce as part of their "Tourism Roadshow" – in Ballachulish, Strontian, Arisaig & Fort William, as well as a Federation of Small Businesses tourism session in Inverness. Further business engagement opportunities have been agreed at the Wester Ross Tourism Conference on 10 March 2020 and at a Nairn BID event in mid-April 2020. Further sessions with other groups around Highland will be arranged as opportunities arise.

5.3 The time required for the legislation to be passed and collection systems to be put in place suggest the Council will not have significant amounts of levy income to spend prior to 2022. However, once funds are available there will undoubtedly be competing demands and it makes sense for the Council and partners to undertake some strategic planning to identify tourism priorities in advance of funds becoming available. This work is now under way and is described in a separate report to today's meeting of this committee

6. Continued engagement with the Scottish Government

- 6.1 As described in 4.2 above Members have previously recognised that the Council will need to continue to proactively engage with the Scottish Government to shape elements of the national approach to reflect the region's needs. Since the Council's consultation response to the Scottish Government in December 2019 there has been no further formal contact nor formal opportunities for the Council to engage in shaping the legislation.
- 6.2 In considering the recommendations in the Council report, Members agreed to adopt a number of positions including "*that a Highland TVL should be able to be applied in ways other than just a 'bed tax' on those staying in paid overnight accommodation.*" However, the consultation documentation, allied to informal feedback from the Scottish Government suggest that the Scottish Government is leaning towards only allowing levy to be charged on those staying in paid overnight accommodation.
- 6.3 One of the elements of tourism which is increasingly being raised with the Council is the need to better manage the impacts of the increasing number of motorhomes visiting Highland and in particular those who might camp informally rather than on a formal campsite. CAMPA – the Scottish Campervan and Motorhome Professional Association have been working proactively to provide advice on campervan and motorhome etiquette to try and address such issues. The Council has also been working with CAMPA and public sector partners at a local level and with a wider range of partners at a national level to provide better guidance and new facilities. There is also a need to consider how this activity and the need to manage informal camping might sit alongside the introduction of a TVL in Highland.
- 6.4 If, as is anticipated, a levy was only to be charged on those staying in paid overnight accommodation, this would suggest those visiting in motorhomes would only pay when staying on a formal site but would effectively be exempted from paying a levy when informal camping. This has the potential to encourage more informal camping.
- 6.5 When the feedback from the Council's consultation is also taken into account, further questions around fairness arise. The consultation responses regarding who should pay a levy saw the highest proportion (84%) support a levy on "Motorhome Users (not staying at paid sites)". Additionally, when levy income usage was considered, the top four priorities were all facilities or services that would be well used by this sector: -
- Public toilets improvements or additional provision
 - Motorhome waste disposal facilities
 - Overnight parking / services for motorhomes
 - Recycling and waste services for visitors,
- This suggests that it would be appropriate to include this sector in a TVL scheme.

- 6.5 Members also agreed to adopt the position that “*Highland residents but not residents from other parts of Scotland should be exempted from paying a Highland TVL.*” However, the consultation documentation issued by the Scottish Government suggests that local residents are not amongst the exemptions being considered.
- 6.6 In view of the anticipated differences in views between the Council and the Scottish Government on these elements, Members are invited to consider how the Council might engage more directly with the Scottish Government.

Designation: Executive Chief Officer - Infrastructure and Environment

Date: 9 March 2020

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