

Policy and Sustainability Committee

10.00am, Tuesday, 12 March 2024

A Visitor Levy for Edinburgh: Update on progress and stakeholder engagement

Executive/routine
Wards

Routine
All

1. Recommendations

- 1.1 It is recommended that Committee notes:
 - 1.1.1 The engagement activity on the parameters of a visitor levy and the summary of the findings; and
 - 1.1.2 That a report detailing the proposed scheme for formal consultation will be presented after an appropriate final stage of the legislation. Officers anticipate submitting this report in August 2024.

Paul Lawrence

Executive Director of Place

Contact: Elin Williamson, Head of Business Growth and Inclusion

E-mail: elin.williamson@edinburgh.gov.uk | Tel: 0751 348 4817

A Visitor Levy for Edinburgh: Update on progress and stakeholder engagement

2. Executive Summary

- 2.1 This report provides an overview of the stakeholder engagement activity concerning a Visitor Levy for Edinburgh. This includes the Council's parliamentary evidence and engagement with stakeholders (including industry networks, individual representatives from various organisations, and local political party groups) and an online visitor and resident survey.

3. Background

- 3.1 On 22 August 2023, Committee [agreed](#) a proposed response to the consultation on the Visitor Levy (Scotland) Bill (the Bill) and also draft parameters for a Visitor Levy (VL) scheme in Edinburgh for engagement with stakeholders.
- 3.2 There were four main asks from the Council in response to the Bill:
- 3.2.1 Maximum local discretion over design of the levy. Councils should be allowed to implement a VL in a way that works for the local circumstances in their respective areas;
 - 3.2.2 Review of the implementation timescale as the proposed minimum 18 months would be considered excessive;
 - 3.2.3 To maximise the benefit of investment, Councils should be allowed full discretion over spending decisions. This, in particular, includes the ability to permit business visitors to benefit from proceeds raised by the levy; and
 - 3.2.4 Allow effective local compliance by giving the option of proportionate penalties to the sum being collected from businesses.
- 3.3 For the purposes of the engagement, the proposed parameters of the scheme included the proposed aim and objectives, the charge level, scope of the scheme, utilisation of net proceeds, and governance structure.

4. Main report

Bill update

- 4.1 Substantial activity on the Bill has taken place since the last report to Committee, including [a Scottish Parliamentary debate](#) on the 16 January 2024 that concluded a period of extensive examination of the Bill.
- 4.2 It is understood that the Scottish Government is open to amending in the Bill to allow for more flexibility in the use of the funds so business visitors can also benefit from the proceeds. However, there is no indication at this time that the hypothecation requirement will be removed – Councils will likely still be required to use the net proceeds to “develop, support or sustain facilities and/or services which are substantially for, or used by, persons visiting the local authority’s area”.
- 4.3 Regarding the implementation period, the Council Leader provided a [joint letter with Highland Council](#) to the Scottish Parliament justifying a case for a shorter implementation period. The majority of members of the Scottish Parliament committee agreed in their [report](#) of 21 December 2023 that an 18-month implementation period, after all local consultation and engagement was completed, could be considered excessive (para 222).
- 4.4 However, the Scottish Government, in their [response](#) to the report, support the view that businesses need at least a further 18 months to make sure they can prepare for the VL and this would ensure the introduction of the VL could only be from 2026.
- 4.5 The Bill is now at Stage 2 – changes to the detail. In this stage Members of the Scottish Parliament (MSPs) can propose amendments to the Bill, which will be considered and decided on by the Scottish Parliament’s Local Government and Housing Committee.
- 4.6 The deadline for amendments is 12 noon on 6 March 2024, with a debate in the Local Government and Housing Committee on 12 March 2024. The Bill, as amended, should be published shortly thereafter. This will be the version considered at Stage 3, where MSPs vote on the Bill and any further proposed amendments by MSPs.
- 4.7 It is anticipated that the Stage 3 vote will take place in June 2024.

Engagement Findings

- 4.8 Following Committee’s approval of the recommended parameters, officers have been conducting engagement sessions with business networks, individual businesses, representatives from various networks, elected members, visitors, community councils and residents.
- 4.9 A survey aimed at visitors and residents ran from 23 November 2023 until 19 January 2024 and generated 3,941 responses, with residents accounting for 80% of submissions and visitors accounting for 13.5%.
- 4.10 The purpose of engagement activities was to gather opinions and recommendations concerning the design of the visitor levy proposal for Edinburgh. The findings will

play an important role in shaping the development of the VL scheme for Edinburgh. A summary of the findings is outlined below and covered in more detail in Appendices 1 and 2.

- 4.11 There was broad support for the proposed aim and objectives of the Visitor Levy with some groups expressing stronger support for some objectives than others:
 - 4.11.1 Some groups suggested the objectives were too wide and that a prioritisation should be considered.
 - 4.11.2 Residents, communities and elected members generally expressed more agreement with objectives 1 and 4 (developing Edinburgh's cultural provision) and 4 (sustaining/enhancing essential public services), whereas business groups generally seemed more aligned with objectives 1 and 3 (support destination marketing and promotion).
 - 4.11.3 Regarding the rate of the charge, there was a general sentiment that 'it needs to be high enough to raise sufficient funds but not so high that it deters visitors'. Several stakeholders expressed concern about the competitiveness of Edinburgh and wanting to be in line with other European cities where a VL is already in place.
 - 4.11.4 A wide range of percentages have been promoted, with the majority suggesting between 3% and 5%.
- 4.12 The vast majority of stakeholders were of the opinion that 'the simpler, the better' and that a single percentage charge level applied evenly to the local authority boundary throughout the year would be the preferred option.
- 4.13 This was particularly highlighted as suitable as it would then automatically mean the dynamic pricing applied by accommodation providers would address a variable rate paid due to location and on/off season.
- 4.14 Equally, although not as unanimously, a majority of stakeholders agreed that there should be no local exemptions for individuals due to the complexities in evidencing and monitoring this.
- 4.15 The most recurring examples where stakeholders did think exemptions should be considered would be (festival) performers, residents, those travelling for medical reasons and disabled people.
- 4.16 Feedback on funding proposals were largely aligned with views on objectives and aims of the scheme, e.g. those who felt strongly that culture and heritage was a key objective also argued that this was where the majority of the funding should be invested.
- 4.17 The two investment areas where views differed the most were 'city services' and 'marketing and promotion'. Residents, community representatives and elected members generally commented that the former was a key need in the city and should be prioritised, whereas industry stakeholders generally expressed concerns around the lack of promotion of the city as a whole and specifically the ability to promote areas and times outside of the city centre and peak seasons.

- 4.18 There was general agreement that the cultural and heritage offer of the city is key to attracting visitors as well as quality of life for local people, and that this should be a key focus of investment. Several stakeholders raised concerns over the notion that focus should be on community and grassroots festivals, with the argument that these would not be possible without the attraction of the larger festivals.

5. Next Steps

- 5.1 Officers will continue to engage with stakeholders as the Bill passes through Parliament. All feedback, including the findings of the visitor and resident survey will be taken into consideration in the continued development and refinement of the VL scheme. Officers are also working on high level investment plans in potential areas of benefit. These will form a key part of the content for the proposed scheme (see 5.3 below).
- 5.2 Officers will continue to engage with other local authorities, COSLA and Scottish Government and monitor potential changes in the Bill (including recent proposals around a national tiered funding structure in place of the percentage or flat fee, and exemptions).
- 5.3 The Bill is currently estimated to be agreed in Parliament in June 2024, at which point local authorities can commence formal consultation on any proposed scheme. If this timescale is achieved, a report detailing a proposed scheme for consultation will be presented to Committee in August 2024. Allowing for a 12-week consultation before the scheme is finalised, it is anticipated that the final scheme will be presented for approval early 2025.

6. Financial impact

- 6.1 This report is for noting only and no financial impact will arise directly from it.
- 6.2 Initial estimates suggest that it will cost £250,000 to set-up the programme (this cost is expected to be split over two years), and £500,000 per annum to run the core operational activities of a scheme. Income collected from additional penalties and costs of undertaking extra enforcement proceeding for non-compliance have not been included.
- 6.3 The balance can help the Council support and sustain the visitor economy in Edinburgh as well as provide a way for the Council to manage the impacts of a successful visitor economy.
- 6.4 Changes to the charge type will impact the level of revenue generated by the levy. Revenue forecasting and modelling is currently being undertaken in partnership with the University of Edinburgh, to determine what impact caps and exemptions will have on the level of revenue being generated.
- 6.5 Changes in visitor behaviours (such as a decline in the number of visitors staying in Edinburgh and the number of nights they stay) will impact levy revenue.

- 6.6 The number of exemptions or variations the scheme deploys will make it more expensive and complicated to run and administer.

7. Equality and Poverty Impact

- 7.1 This report is for noting and there is no equality and poverty impact directly arising from this report.

8. Climate and Nature Emergency Implications

- 8.1 This report is for noting and there are no direct negative impacts in the effects of climate change or improving the resilience to the effects of climate change as a result of this report. Nor are there any direct nature emergency implications as a result of this report. Clearly, the substantive scheme which will come back to Committee for approval will need to take account of the Climate and Nature Emergency and contain proposals consistent with the Council's adopted sustainability plans.

9. Risk, policy, compliance, governance and community impact

- 9.1 This report is for noting and there is no risk, policy, compliance, governance and community impact directly arising from this report.

10. Background reading/external references

- 10.1 [Visitor Levy \(Scotland\) Bill \(as introduced\)](#)
- 10.2 [Edinburgh Council response to the Call for Views](#)
- 10.3 [Stage 1 report on Visitor Levy \(Scotland\) Bill](#)
- 10.4 [Scottish Government's response to the Stage 1 report](#)

11. Appendices

Appendix 1 – Detailed summary of engagement

Appendix 2 – Detailed survey outputs are attached with this report

Appendix 1 – Detailed summary of engagement

Overall, engagement was very positive and, although there were concerns around how a visitor levy could be detrimental to the visitor economy in Edinburgh and some stakeholders stating that it would make the city lose its competitive edge in Scotland and even the UK, the general feedback was that introducing a levy is “the right thing to do” for the city and, according to some, “an absolute necessity”.

Aim and Objectives

The proposed aim and objectives of the scheme were presented for stakeholders to comment on and highlight if these were, in their view, right for Edinburgh:

Aim: Sustain Edinburgh's status as one of the world's greatest cultural and heritage cities and to ensure that the impacts of a successful visitor economy are managed effectively.

Objectives:

- I. Develop Edinburgh's cultural provision to ensure it remains world leading and competitively attractive to visitors and residents;
- II. Support the visitor economy in general and encourage innovation in the sector as it seeks to meet the climate and nature emergency and adapts to new approaches to business development and employment.
- III. Support destination marketing and promotion to raise awareness of, and demand for, the full visitor offerings and respond to new market trends to sustain the city's long-term competitive advantage; and
- IV. Sustain and enhance the essential public services that create an enjoyable and safe visitor experience.

Overall, there was a general agreement of the aims and objectives.

Elected members and residents were, in particular, strongly in favour of supporting city services, infrastructure and cultural provision, while industry stakeholders overall leaned towards stronger support for destination marketing and promotion as well as culture and heritage.

In face to face engagement sessions, it was expressed by many stakeholders that although marketing can be of benefit to the city, especially when it is focussed on enhancing awareness of Edinburgh's comprehensive visitor experience, shape the city's messaging, and maximising the net value - not volume - of tourism, it should not be an objective of the scheme.

A few stakeholders raised the lack of mentioning sports.

Percentage Rating / Charge Level

The draft Bill specifies that the levy charge must be a percentage of the accommodation portion of an overnight booking. However, as there is scope for this to be amended to a flat rate fee, officers not only engaged with stakeholders on the level of the levy but also to gauge overall sentiment on percentage versus flat rate charging.

Differing opinions emerged on the perception of fairness and administrative practicality of flat-rate versus percentage-based levies. A flat rate, for example, was suggested could disproportionately penalise visitors staying in budget accommodation but would offer more certainty over the charge amount to both the business and visitor. The percentage approach was considered to offer proportionality and better reflect ability to pay and adjusts automatically to seasonality and type of accommodation used by the visitor.

Overall, there was agreement that a percentage fee was more ‘future proof’ and would not need to be amended with inflation, and that it would be less administration associated.

With regard to level of levy, industry discussions tended to centre on balancing revenue generation and mitigating adverse effects on tourism demand, whereas residents were more interested in revenue generated and also competitiveness with other European cities.

Findings from the Visitor Levy engagement survey suggest a charge level between 3-5% was the most favoured range and respondents were supportive in general towards a percentage approach.

50% of all respondents favoured a percentage, while 36% preferred a flat rate. Results varied between resident and visitor views, where residents showed a preference for a percentage of the total room bill, with 53% favouring this option, while 35% indicated a preference for a flat rate; among visitors, 35% favoured a percentage of the total room bill, and 42% expressed a preference for a flat rate.

Setting the levy at 5% received the highest proportion of responses across all respondent types - 38% of residents, 23% of visitors, and 25% of all other respondents thought the levy should be set to 5%. For the next most popular charge levels, 15% opted for 3%, and 9% favoured 7%

When should the levy apply?

The draft Bill gives a local authority the power, under Section 13.1.(c), to determine a variable charge by period or an all year round single charge level. Stakeholders were consulted on whether the levy charge in Edinburgh should be applicable year-round or restricted to specific times in the year.

By way of background for discussion, officers clarified that introducing variations, whether seasonal or geographical, in the levy charge, along with any exemptions, would escalate the scheme's cost and create additional operational challenges. Additionally, it was highlighted that a percentage charge inherently addresses dynamic pricing throughout the season and location of the accommodation.

Discussions delved into the potential impact of a seasonal variation in the charge on off-season bookings. Insights from European counterparts, who tested this approach, revealed little influence on behaviour change, as visitors did not adjust their travel schedules to save a modest amount in levy.

Industry stakeholders generally accepted the notion of maintaining a consistent levy throughout the year, emphasising simplicity, and acknowledging that visitors still impact the city regardless of the season.

Some stakeholders, open to a seasonal variation, suggested that business visitors might be more receptive to such.

The survey found that 63% of all respondents agreed that the levy should apply at the same level throughout the year, while 28% disagreed with this.

Where should the levy apply?

The proposed Bill also gives a local authority the power to introduce a visitor levy for all or part of its area under Section 11.1.(a). The charge level may also be different for different purposes or different areas within the local authority's area (see Section 11.2). Edinburgh's accommodation sector in relation to hospitality is primarily contained within the city centre area, with two-thirds of properties located in the city centre area, or, if measured by number of rooms 70% are within the city centre area.[1]

Some stakeholders reported concern over the associated cost and additional administrative resources of implementing different charge levels in various parts of the city. One stakeholder highlighted that, much in the way that a lower off-season levy could encourage visitors to postpone summer trips and opt for winter trip to benefit from a reduced levy, a higher levy fee in the city centre may encourage hotel investors to favour other locations.

Overall feedback was that applying the charge consistently throughout the whole of the City of Edinburgh Council area would be most beneficial.

Caps – On nights or financial value?

Point 13.1.(g) allows Local Authorities to determine when the levy is not payable or may be reimbursed, giving Edinburgh the authority to cap the number of nights or the financial value of levy collected per transaction. The original 2018 consultation had expressed support for a 7-night cap, with the main reason being to reduce the burden for festival performers, who often stay for several weeks in the city during the summer festivals.

Stakeholders had varied opinions on implementing a cap, with some advocating it for fairness (suggested limits of 5 to 7 nights) and others supporting simplicity without any cap. Some suggested that if the levy was a percentage, then the cap should be monetary, rather than based on number of nights, so no one would pay over a certain amount.

Concerns were raised about potential impacts on festival performers, prompting discussions on balancing simplicity and fairness in levy regulations. Some stakeholders argued against a cap, asserting that every night a visitor stays contributes to the impact on the city and strain on its resources, emphasising simplicity and fairness in the regulatory approach.

It was also highlighted that some visitors may stay for a few nights, then travel further afield in Scotland and then return and thereby stay more than 7 nights in total but over two stays. Equally, many business visitors may come frequently to the city and stay far more than 7 nights over a year – some suggested that the levy should only apply on the first 7

[1] Based on Co-Star data for Edinburgh hospitality open in Edinburgh accessed on 1st of February 2024. Total number of properties was 289 and 17,559 rooms.

nights in a month whereas others rejected such suggestions with the argument that these visitors contribute to the impact on the city and strain on its resources at each stay, not just the first 7 days of a month.

Exemptions – Who should have to pay the levy?

The wording of the Bill has been drafted to exclude the following groups from the scope of a Visitor Levy, as it only applies on overnight accommodation where the person does not have an ordinary place of residence:

- 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 Bill explicitly excludes members of the Gypsy/Traveller community staying on dedicated sites.

Beyond these groups, there are no national exemptions included in the draft Bill but it is understood that the Scottish Government is actively considering national exemptions for young people and for people travelling for medical purposes.

The local authority can impose local exemptions. The findings from the 2018 consultation highlighted that a significant percentage (31%) of stakeholders favoured exempting campsites from the scheme. Considering the low market share and low-budget nature of campsites, it was agreed by Committee at the time for this group to be exempt for paying the visitor levy.

In engagement sessions, stakeholders re-emphasised the need for simplicity, discussed challenges in administering local exemptions, and explored considerations for residents, festival performers and large groups of business visitors (e.g. large conferences where organisers often book hundreds of rooms in one booking).

Opinions varied on festival performer exemptions (from the point of protecting performers at one end to a recognition that they use the city's public services the same as any other visitor) and often in connection with a 7-night cap being sufficient to 'protect' performers.

Members highlighted the importance of simplicity, with concerns about displacement and suggestions for a national framework.

Investment of net proceeds

Five proposed investment categories were shared with stakeholders, including: City Services; City Infrastructure; Culture, Heritage and Festivals; Responsible Industry Growth and Resilience; and Promotion and Marketing.

Industry stakeholders were generally in more agreement with the five categories than elected members and residents.

Industry stakeholders often expressed that city services, such as cleaning, were the statutory role of the Council and so should not be funded by the levy. There was an acceptance that there is a direct correlation between rising visitor numbers and increasing

costs, with the example of the significantly increased pressure on city services in August versus February. However, this was also countered with comments such as *"My worry is, if you start with this, it's a slippery slope. Where do you stop? We need more police. We need more wardens. We need more buses."*

Conversely, City Services was the area which residents and elected members seemingly felt strongest about and wanted to ensure was invested in. *"Of the 5, city services and infrastructure are paramount. The other three are icing on the cake"*.

Industry was more supportive towards marketing and promotions: *"for me, marketing is number 1, Culture and Festivals is number 2"*.

In contrast, generally, elected members and residents were less supportive towards marketing. *"Promotion and marketing screams growth to me. I, and I don't think the city, have much appetite for growth."* However, some elected members expressed support, as long as marketing was geared towards sustaining and managing the ongoing organic growth, controlling the messaging and narrative of the city, and ensuring the overall visitor offering in Edinburgh is appealing to target audiences, allowing for influence over visitors' experiences and activities. *"...We have new places like Newhaven and North of Edinburgh coastline. If these were marketed to attract visitors, that makes sense. It's about how it's done"*.

It was emphasised that local businesses primarily concentrate on promoting their services, often overlooking broader tourism impacts or contributing to the overall branding of the city as a destination. The absence of marketing could pose challenges in influencing visitor choices, providing an impartial city guide, and supporting resident initiatives. The importance of city branding also emerged prominently in many stakeholder discussions.

There is a general agreement that the city owes a lot of its success in attracting visitors to its heritage and cultural offering, and that this should be a key focus of investment. Several stakeholders raised concerns over the notion that focus should be on community and grassroots festivals, with the argument that these would not be possible without the attraction of the larger festivals.

Additional concerns include an apparent excess of initiatives, a neglect to mention heritage site buildings requiring investment and conservation and the need for tangible and visible outputs. The hospitality industry faces deep-rooted issues, requiring significant efforts to incentivise employees, with some employees lacking sick pay, and it was generally agreed that any investment in 'industry support' should be focussed on spearheading innovation, Net Zero and Fair Work practices.

Questions also arose about the scope of Community Wealth Building, especially regarding support for Small and Medium size Enterprises and local economic retention.

Funding Cycle – How long should investment decision be based on?

The Bill requires local authorities to report on the scheme to Scottish Government every three years (19.1.(a)). It was therefore proposed that funding cycles should align with these, and investment allocations made over a three-year span.

When considering this, there was general agreement that a longer investment cycle was the right way forward and some stakeholders expressed a preference for longer cycles, with a 5-year cycle often mentioned.

Suggestions include the potential for funding to be carried forward, advocating for a change in the bill to extend the reporting period to 5 years for enhanced program stability and partnership evaluation.

Governance

The proposed governance model was presented to stakeholders, with an explanation that while the ultimate decision on both scheme and net revenue investments would remain with the Council, an Advisory Panel with representatives from the industry, residents, communities and elected members would advise and support that decision-making. There was general agreement with this model, with some stakeholders questioning the ability of the Council to disregard the advice of the Panel, expressing concern that the Panel would potentially put in a lot of effort, and it should not be easy to disregard their expertise and views.



The visitor levy for Edinburgh

Summary of survey results 2024

Executive summary



- A survey was carried out between 23 November 2023 – 19 January 2024 to gather views from visitors, residents and other members of the public on Edinburgh’s plans to introduce a Visitor Levy.
- 97% of residents and 87% of visitors were aware of the visitor levy.
- Overall, the majority of respondents were supportive of introducing a visitor levy in Edinburgh, (85% provided a more supportive rating on a scale of one to 10, and 60% were totally in favour). However, visitors were less supportive (53% provided a more supportive rating on a scale of one to 10, and only 24% were totally in favour).

The shape and size the Visitor Levy in Edinburgh

- Over one in two respondents (54%) agreed with the aim and objectives of the scheme. Some felt particular areas should be prioritised more, including a greater focus on residents, infrastructure/streets, public services, transport/travel, and housing.
- Residents were more in favour of the visitor levy being charged as a percentage of the total room bill (53%) compared to 35% who preferred a flat rate. Whereas, visitors were more in favour of a flat rate (42%) compared to 35% who preferred a percentage of the total room bill.
- Over one in three of all respondents (35%) thought the levy should be set to 5%, if the visitor levy was charged as a percentage of the accommodation booking.

Executive summary (continued)

- Over half of all respondents (53%), felt that there should be a cap on the number of nights that a visitor should pay their levy on in Edinburgh. This was felt more strongly by visitors (63%). 71% of residents and 58% of 'other' respondents preferred no financial cap on the total levy collected. Whereas, over half of visitors made other suggestions for how much the financial cap should be with the median value of all visitor responses being £1.

Who the levy should apply to

- 45% of all respondents did not believe there should be any exemptions on who pays the charge. Of those who believed there should be exemptions, the top three suggestions included: people working in the festivals/artists, people with physical or mental health conditions/illness, and children/young people.

How revenue generated by the levy should be invested in Edinburgh

- Almost all respondents, (96% of residents, 91% of visitors and 91% of all 'other' respondents), ranked the 'city infrastructure' in their top three priorities where the visitor levy should be invested. This was followed closely by 'city services' (92% of residents, 81% of visitors and 83% of 'other' respondents).
- 77% of visitors ranked culture, heritage and festivals in their top three priorities for investment, compared to 68% of residents and 68% of all other respondents. Visitors also felt more strongly about promotion and marketing compared to others, with one in five (20%) ranking this in their top three priorities compared to 7% of residents.

Method

- Scotland may be the first place in the UK to legislate for a visitor levy next year, giving local authorities the ability to introduce charges such as those already widespread across Europe.
- An online survey was launched on Thursday 23rd of November 2023 to inform views on the council's proposals for a visitor levy. The feedback will be used to develop the formal public consultation later in 2024.
- The questionnaire follows the same format to [market research carried out back in 2018](#) which showed strong support for the introduction of a levy in the city.
- The findings of the survey are based on all responses received by any method, percentages are only shown for responses to the survey. The Survey was hosted online, with paper copies made available on request.
- The survey asks questions on [Edinburgh's latest proposals](#) from August 2023 to help develop them further alongside the Visitor Levy (Scotland) Bill, which was introduced to Parliament in May 2023.
- The survey forms part of ongoing engagement work with industry and stakeholders, with officers seeking views on the shape and size of the levy, who it should apply to, and how the funds raised should be invested.
- The respondents to the survey are a self-selecting group and we therefore cannot say that the views expressed here reflect those of the population as a whole.
- Further details on the respondent profile are provided in the next section.

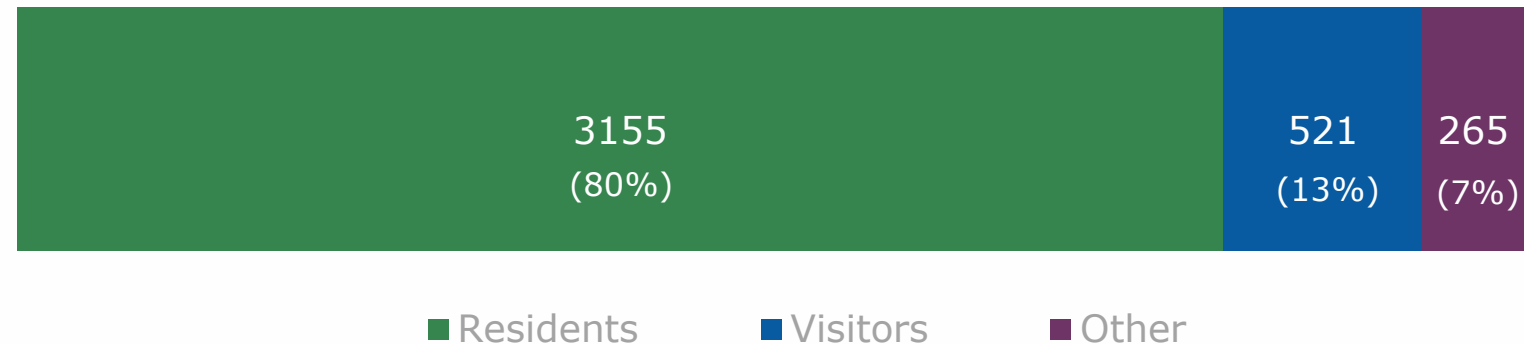
Method

Residents and visitors were encouraged to participate in the Visitor Levy for Edinburgh Survey through various Council and stakeholder communication channels. A press release was disseminated to local and national media outlets, garnering coverage in titles such as The Herald (["Edinburgh tourist tax: Public asked to have their say | The Herald"](#)). Additionally, [a landing page was created on the City of Edinburgh Council's website](#), providing easy access to the survey. Forever Edinburgh, the city's official destination marketing brand, promoted the survey to its audience, which primarily consists of leisure visitors and residents. This promotion was carried out through their social media channels, consumer and resident newsletters, and on [edinburgh.org](#) – The Official Guide to Edinburgh website. Furthermore, the survey was shared with key stakeholders such as the Edinburgh Tourism Action Group (ETAG), Edinburgh Airport, and international destination management contacts to broaden the reach.

Respondent profile

Type of respondents

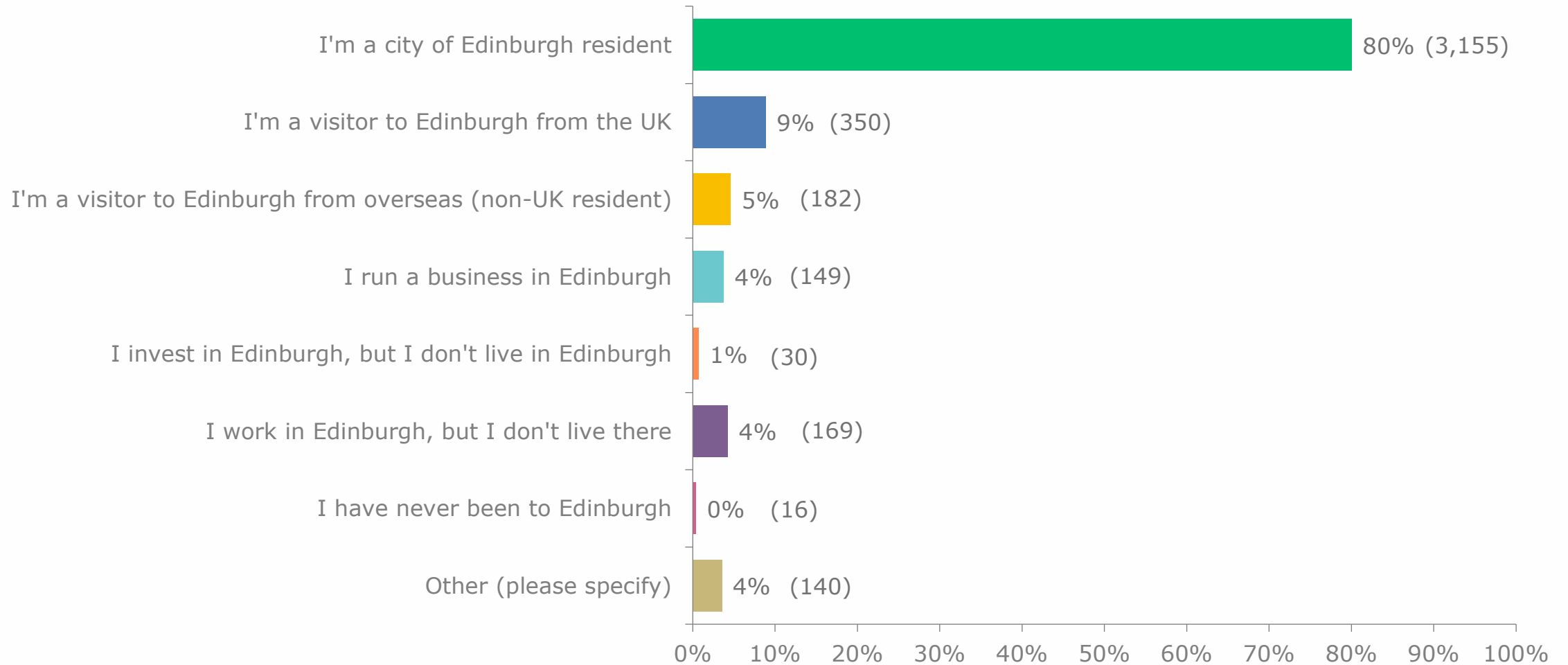
- There were 3,941 people who responded to this survey.
- 80% of respondents were Edinburgh residents, 13% of respondents were visitors and 7% had a mix of 'other' connections*



*Note:

- 'Other' includes people who run a business in Edinburgh; people who invest in Edinburgh but don't live there; people who work, but don't live in Edinburgh; those who have never been to Edinburgh; and other connections.
- Some respondents selected multiple options, including being a resident, a visitor from the UK and a visitor from overseas. Those who selected they were a resident, as well as other options, have been counted as a resident within the count. Those who did not select resident but selected they were a visitor, as well as other options, have been counted as a visitor for this count. All other respondents have been grouped into Other.

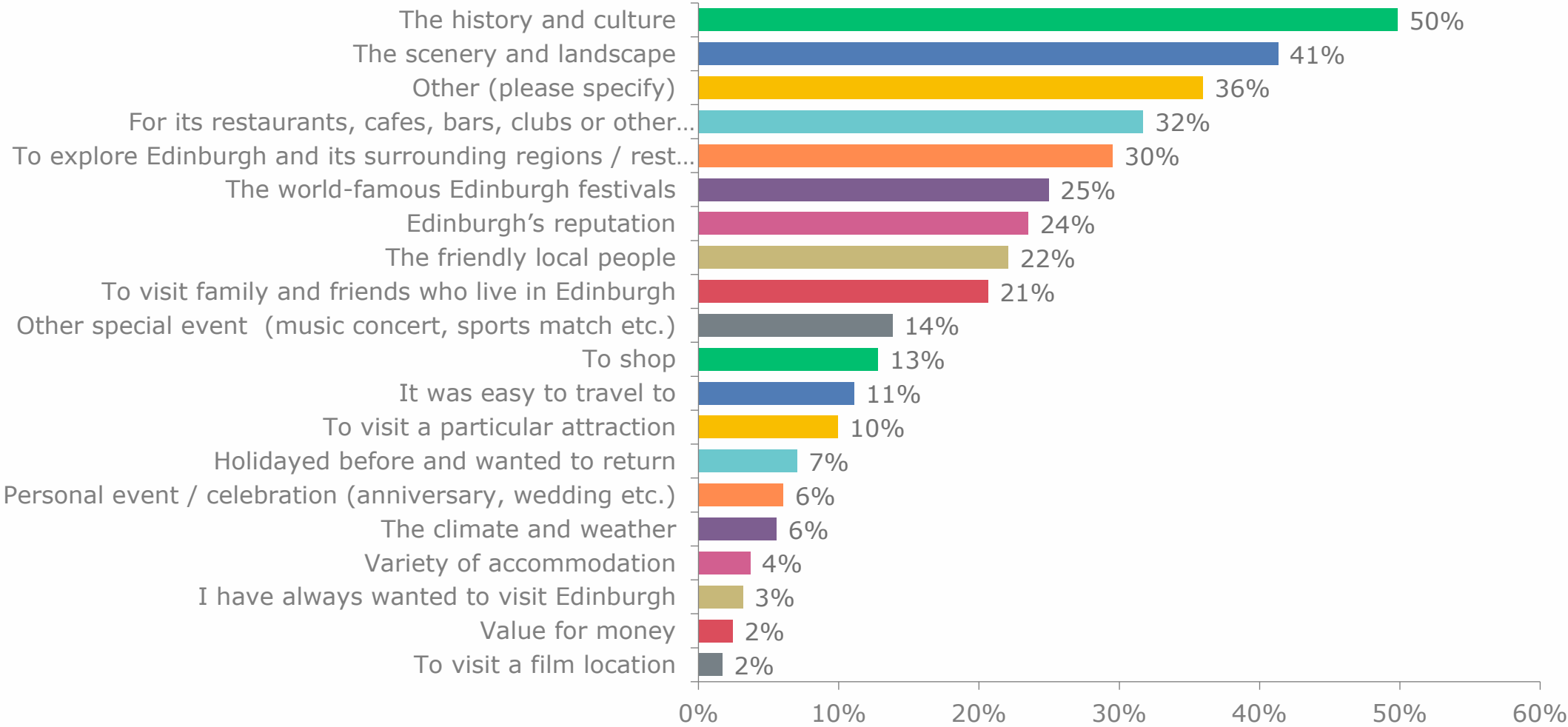
Connection with Edinburgh



Note: Some respondents selected multiple options. This total is therefore higher than the total number of respondents to the survey.

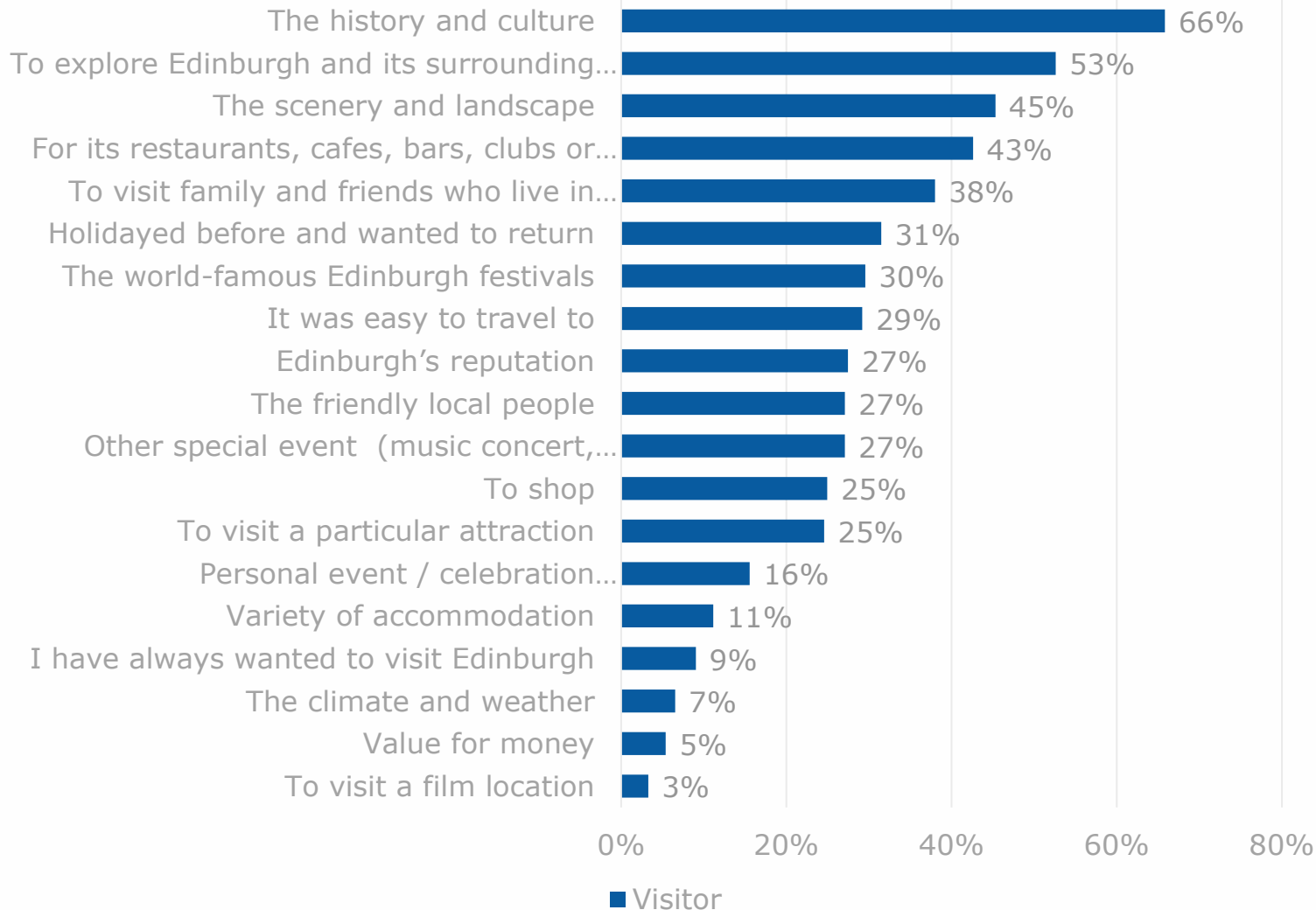
Base: 3,941 respondents

What attracted respondents to Edinburgh – All respondents



Base: 3,941 respondents

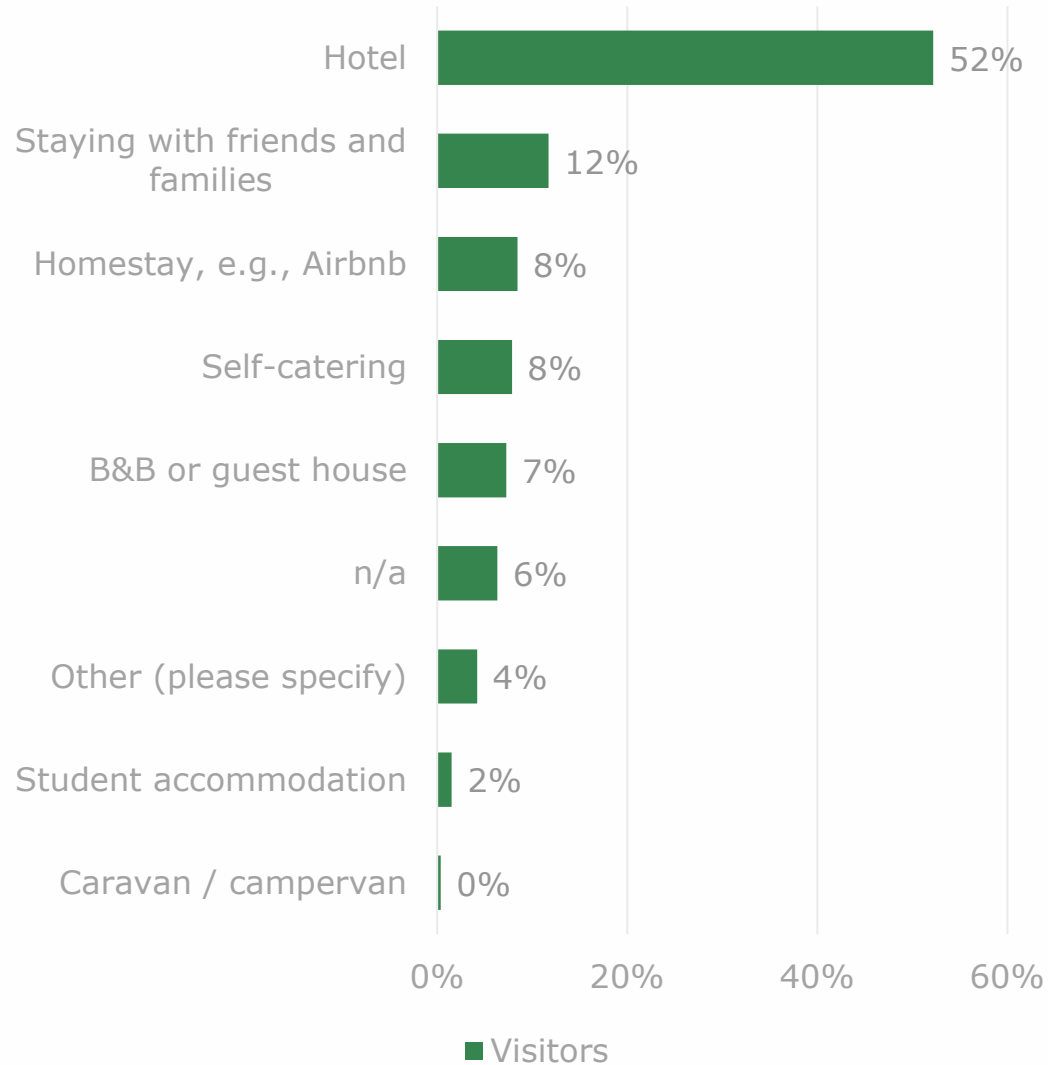
What attracted respondents to Edinburgh – Visitors



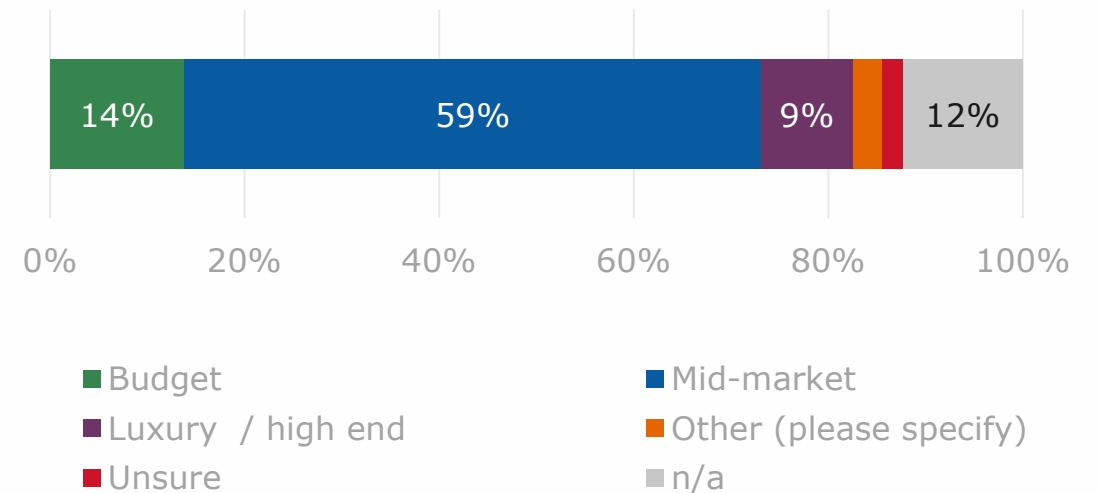
Of those responding, the top five things that attracted visitors to Edinburgh were:

1. The history and culture (66%)
2. To explore Edinburgh and its surrounding regions / rest of Scotland (53%)
3. The scenery and landscape (45%)
4. For its restaurants, cafes, bars, clubs or other hospitality venues (43%)
5. To visit family and friends who live in Edinburgh (38%)

Accommodation type of visitors

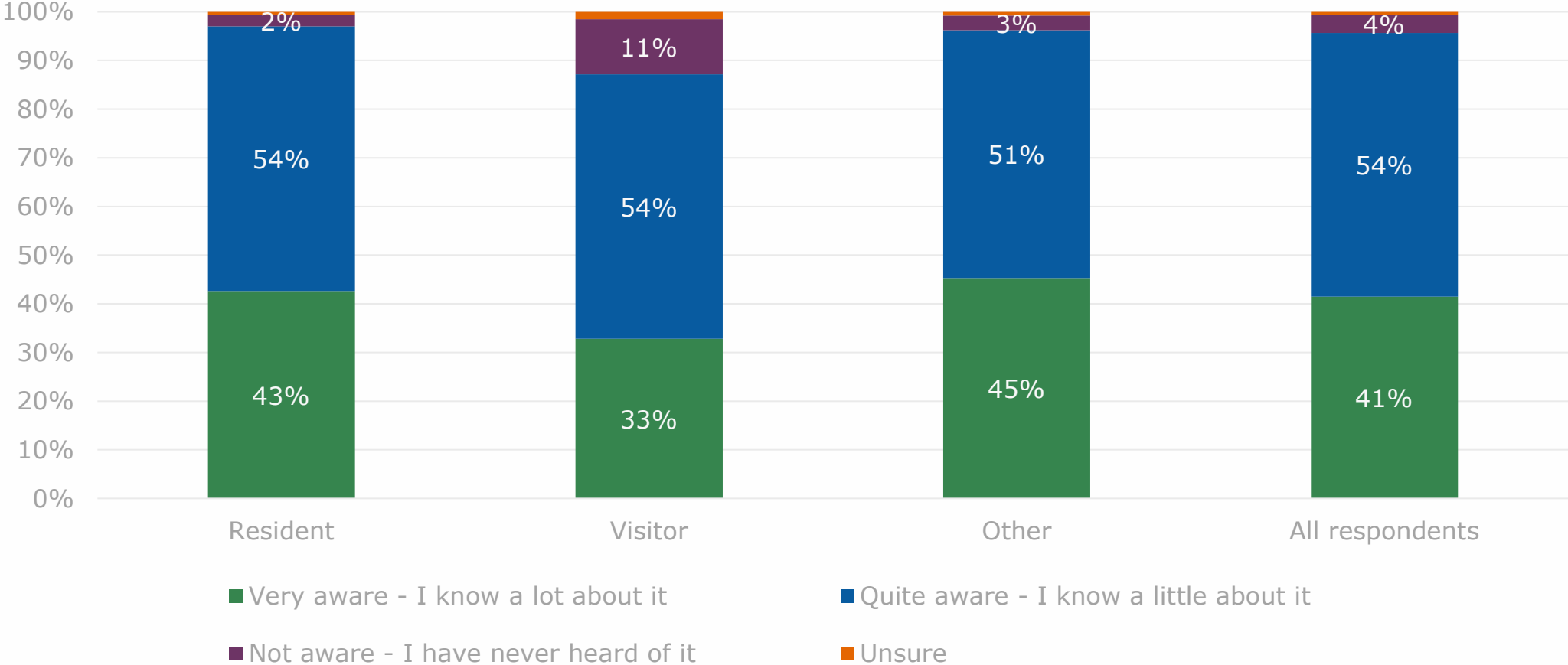


- Over one in two visitors were staying in a hotel (52%).
- 16% of visitors were staying in a homestay, such as Airbnb or self-catering accommodation.
- Just over one in ten visitors (12%) were staying with friends and families.
- 59% of visitors were staying in mid-market accommodation, 14% in budget accommodation, with around one in ten visitors (9%) staying in luxury accommodation.



Awareness of 'tourist tax' or 'visitor levy'

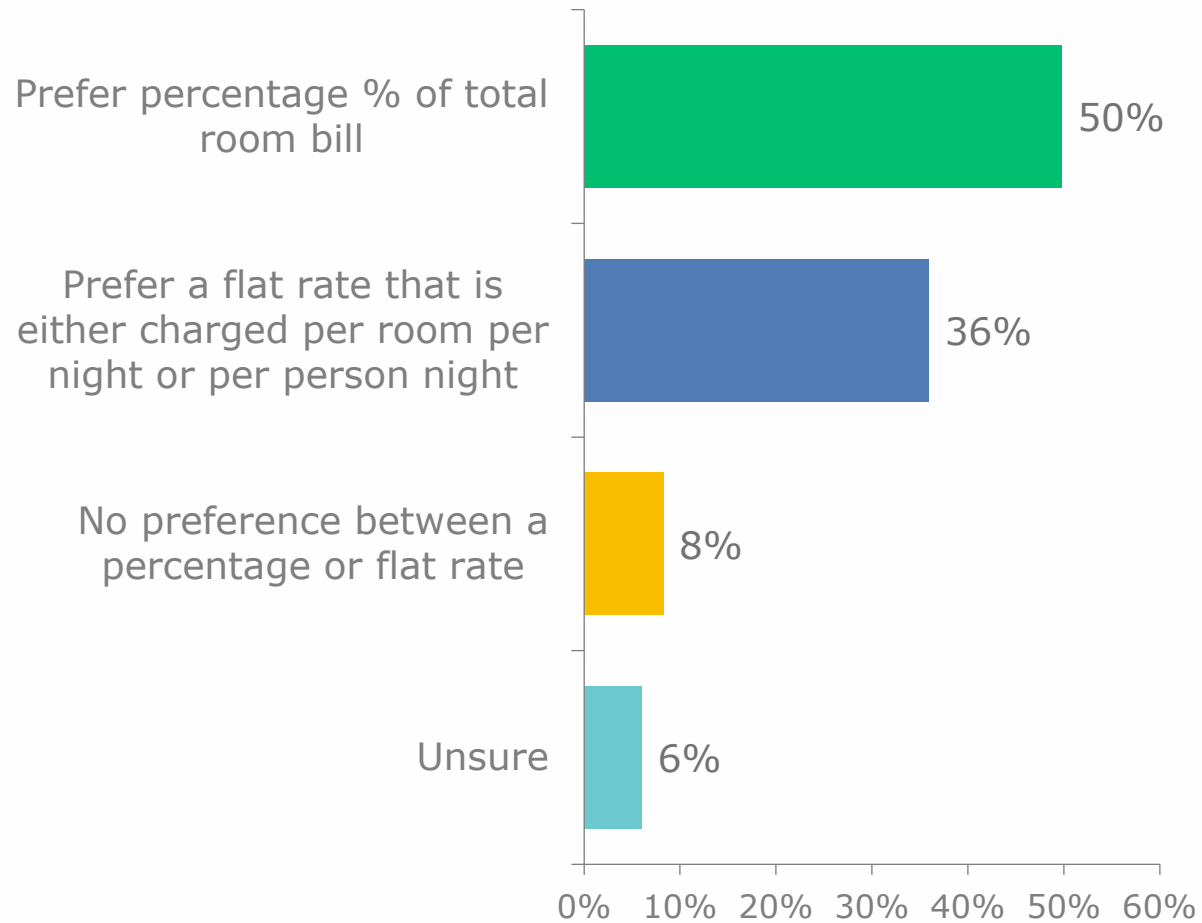
- 95% of respondents were either very aware or quite aware of what a 'tourist tax' or 'visitor levy' was (including 97% of residents, 87% of visitors and 96% of 'other' respondents)



Base: 3,941 respondents (Residents: 3,155; Visitors: 521; Other: 265)

Section 1: Shape and size of the levy

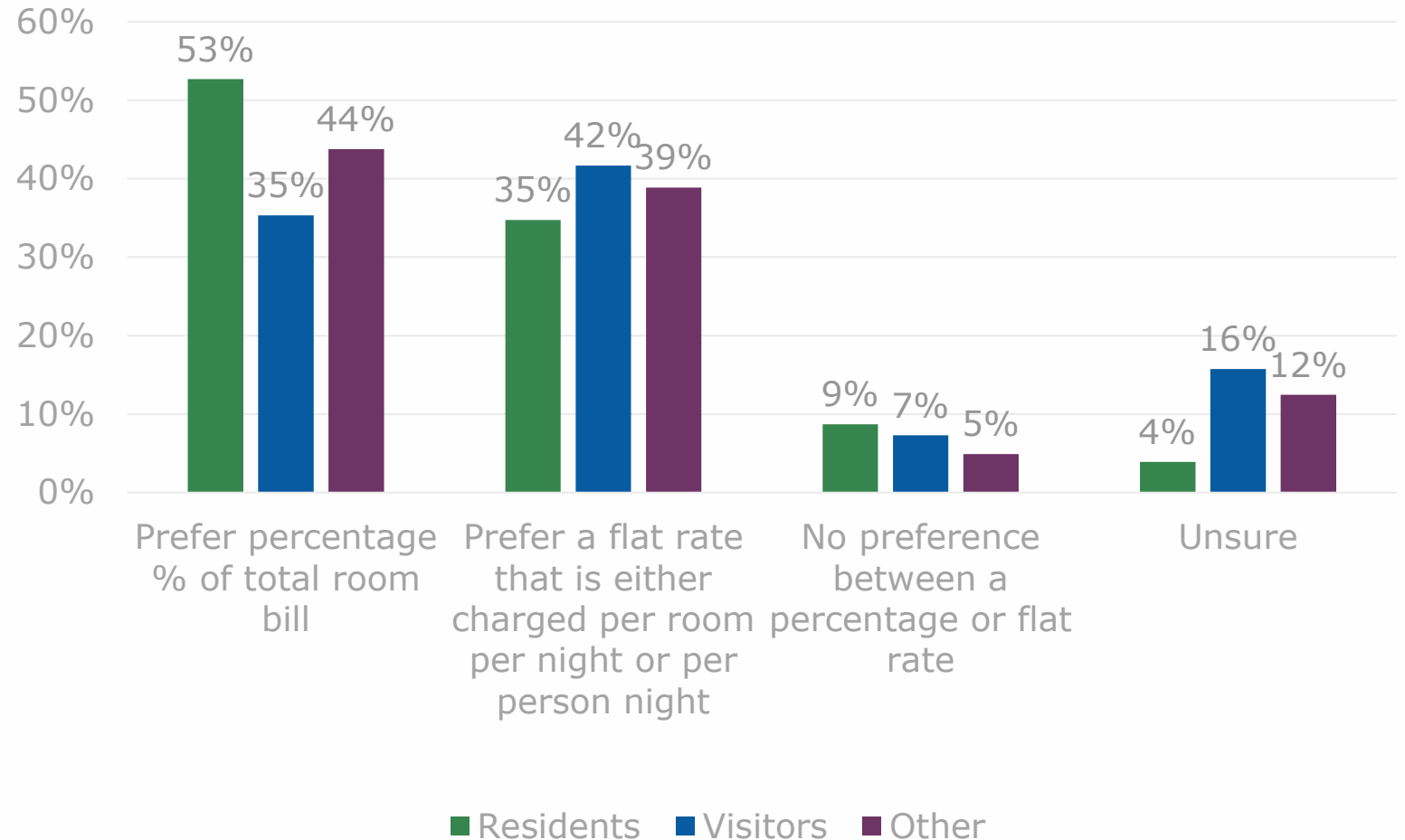
Charging of the visitor levy – All respondents



- One in two respondents (50%) thought that the visitor levy should be charged as a percentage of the total room bill.
- 36% would prefer a flat rate that is charged per room per night or per person per night.

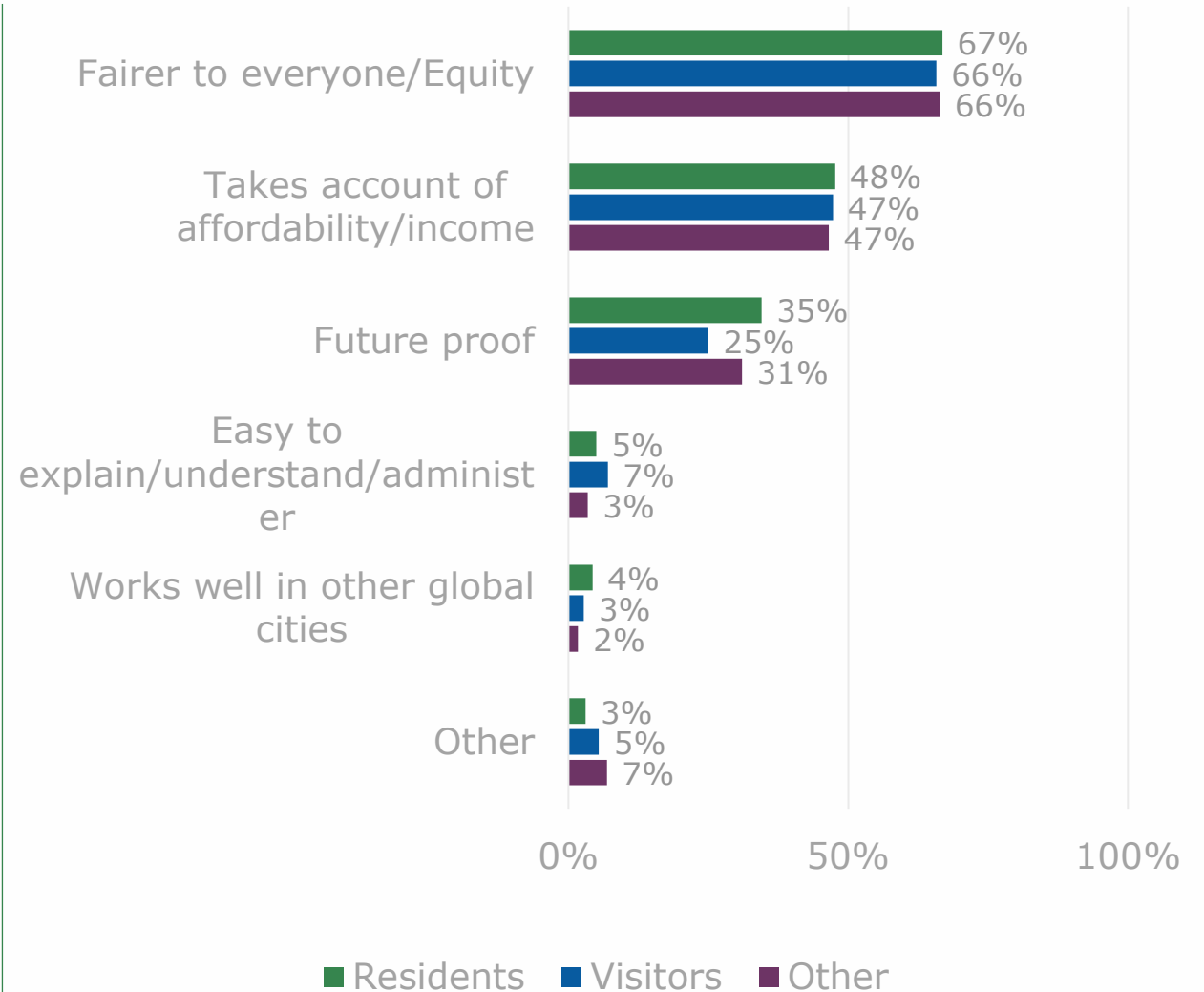
Charging of the visitor levy

- Over half of residents responding (53%) would prefer the visitor levy to be charged as a percentage of the total room bill.
- Over one in three of residents (35%) would prefer a flat rate.
- A higher proportion of visitors responding (42%) would prefer a flat rate over a percentage rate (35%).



Charging of the visitor levy – Reasons why respondents would prefer a percentage of total room bill

- Just over one in two residents (53%), and 35% of visitors, thought a percentage of the total room bill would be the best way to charge the levy.
- Of these respondents, a high proportion of residents (67%) and visitors (66%) felt this was the fairest approach for visitors.
- Just under half (48% of residents and 47% of visitors) of those favouring a percentage rate thought it reflected level of income and affordability of visitors. However, some felt this would negatively impact larger families or people who have saved up to have nicer accommodation.
- Just over one in three residents (35%) and a quarter of visitors (25%), who preferred a percentage rate, felt it would be more future proof accounting for variation in room costs over time and inflation.



Charging of the visitor levy – Reasons respondents would prefer a percentage of total room bill

Percentage is more progressive it means people pay broadly in line with affordability and personal budget and ensures we don't discourage people who are less able to pay.

Tax should be progressive- those who can afford more should pay more.

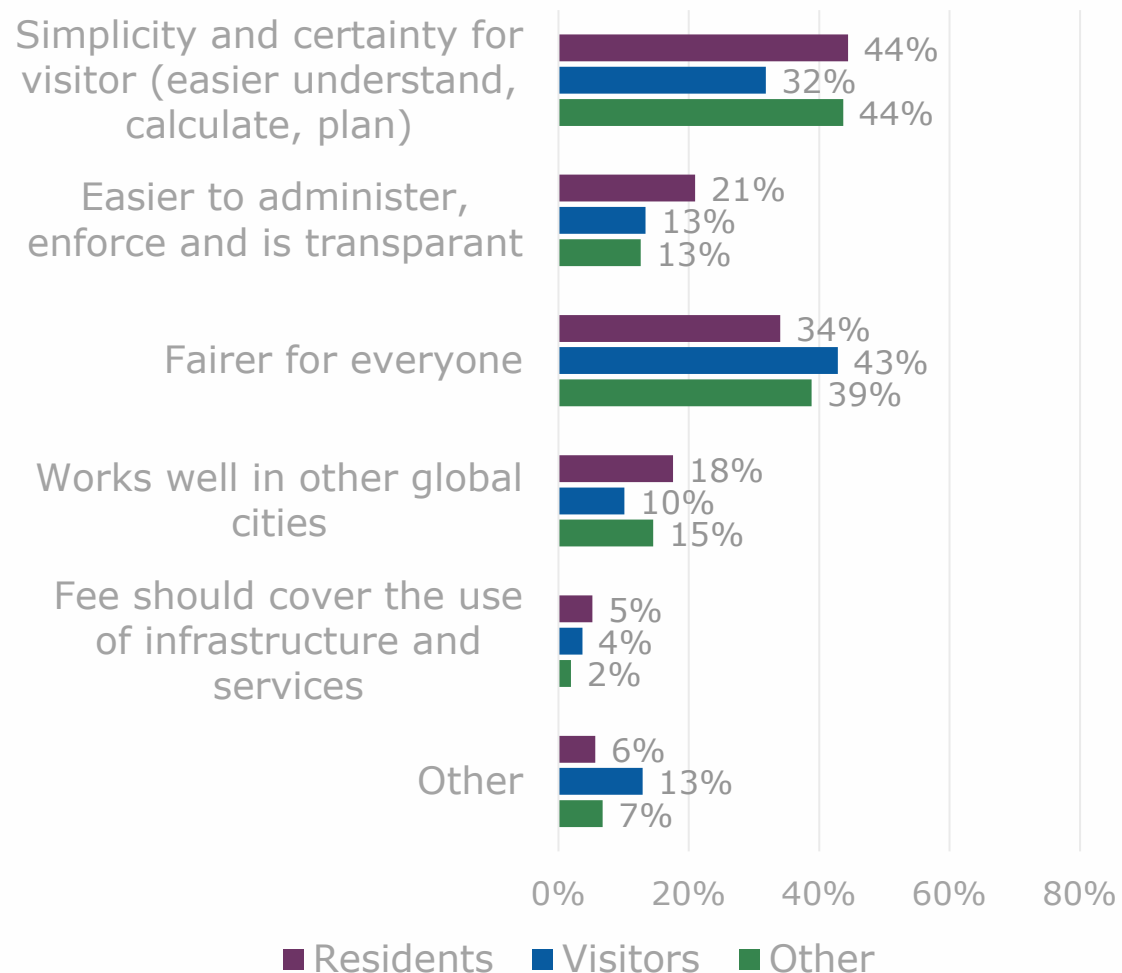
Inflation proof - as accommodation costs rise so will income from the tax.

I believe that a percentage fee is fairer, those less able to afford pay a lower fee and vice versa.

Inflation proof, its seems more fair and takes account of the time of visit maybe encouraging visitors to come at more quiet times of the year.

Fair; Flexible; Easy to understand.

Charging of the visitor levy – Reasons why respondents would prefer a flat fee per room per night or per person per night



- A higher proportion of visitors (42%) would prefer a flat fee than a percentage of the total room bill.
- Just over one in three residents (35%) would prefer a flat fee per room per night or per person per night.
- Of those that would prefer a flat fee, 44% of residents, 32% of visitors and 44% of 'other' respondents felt it offered simplicity and certainty for the visitor.
- 43% of visitors felt it was the fairest option.
- One in five residents (21%) felt this was easier to administer.
- Around one in five residents (18%) felt it works well in other global cities.
- A proportion of respondents who would prefer a flat fee (5% of residents and 4% of visitors) felt that the fee should cover costs for the use of city infrastructure and services, which should be the same for everyone.

Charging of the visitor levy – Reasons respondents would prefer a flat fee per room per night or per person per night

Certainty for tourists. Fairness across system.
Easier to administer.

It is easy to plan for. Everyone knows they will pay £x per day, and also easy to collect.

Easier to administer by accommodations and level playing field.

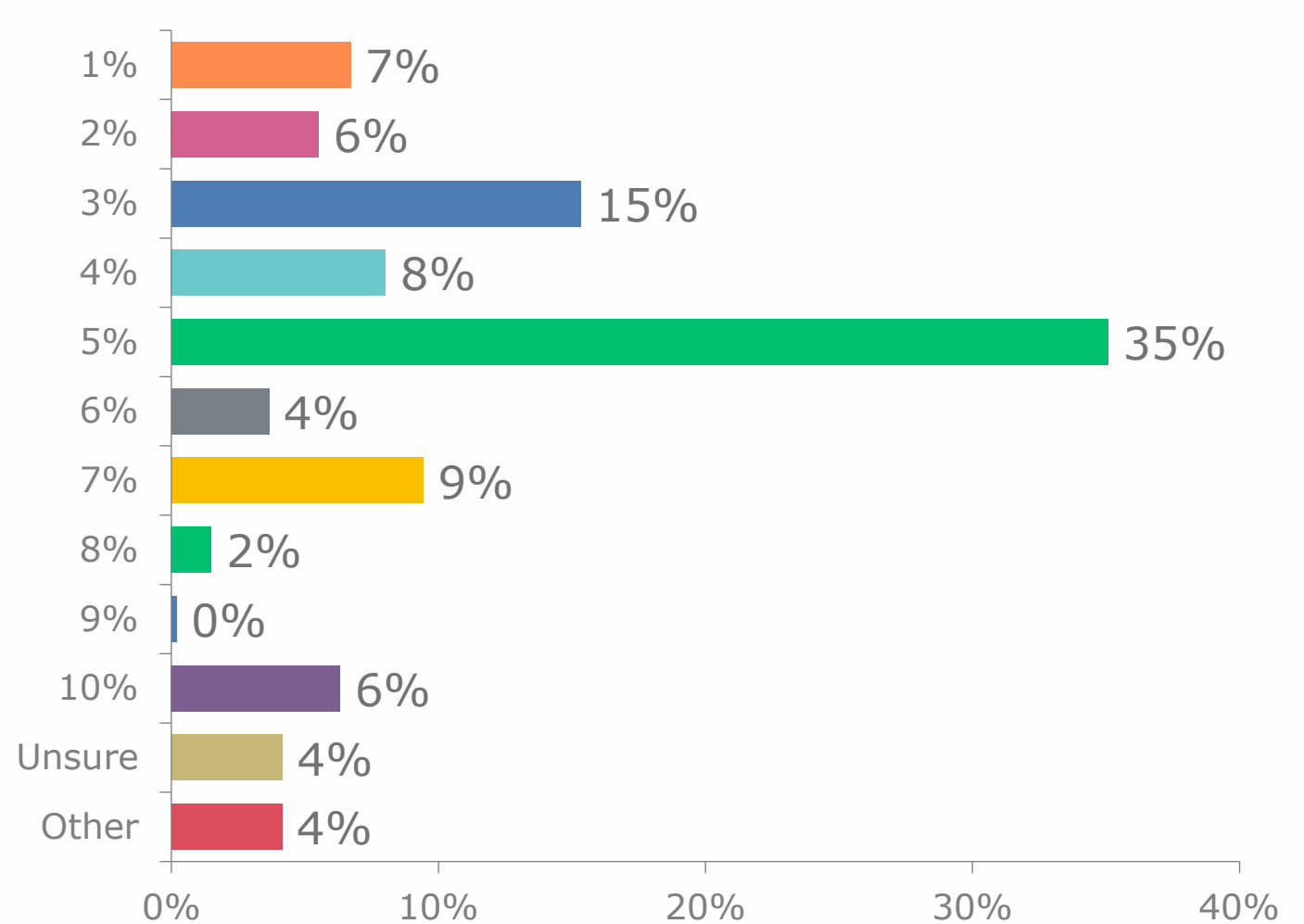
Flat rate is simpler to administer by operators.

Fixed rate makes it easier for tourist to understand

Simpler, and more accurately reflects the impact each visitor has on the city.

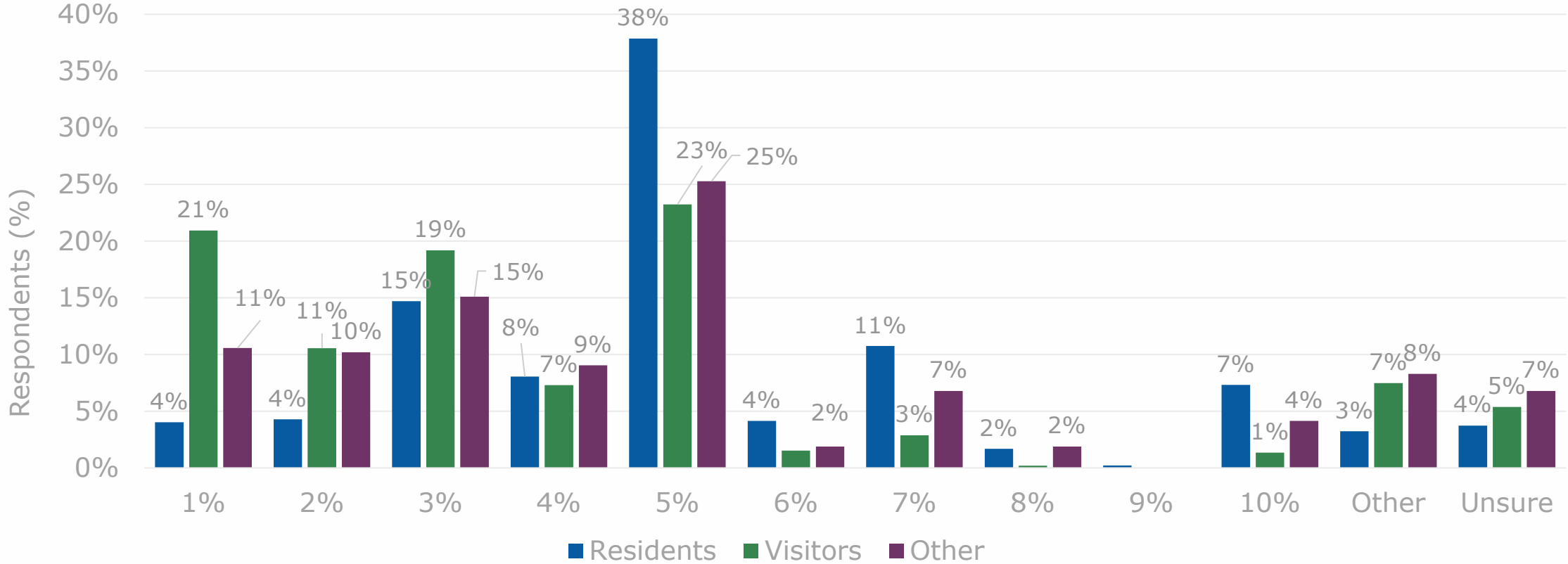
Percentage level of levy – All respondents

- If the visitor levy was charged as a percentage of the accommodation booking, over one in three of all respondents (35%) thought the levy should be set to 5%.
- A 5% level received the highest proportion of responses compared to all other levels.
- However, 57% of respondents felt the visitor levy should be set to other levels ranging between 1%-10%.



Percentage level of levy

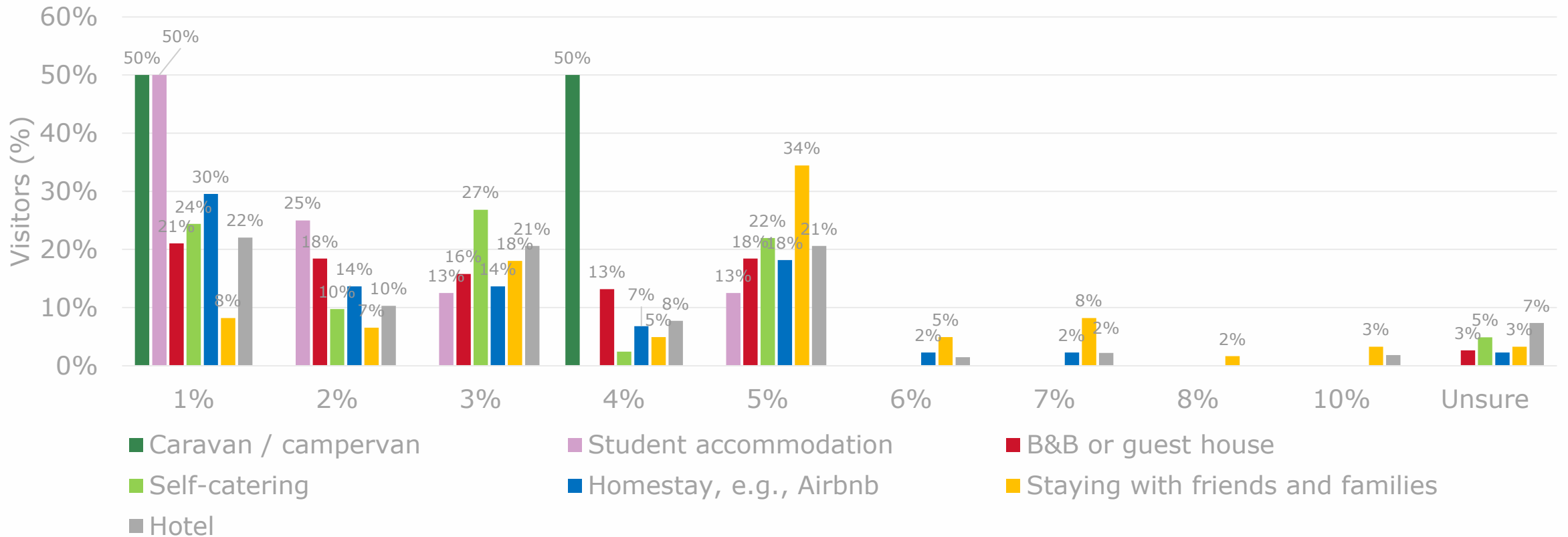
- If the visitor levy was charged as a percentage of the accommodation booking, setting it at 5% received the highest proportion of responses across all respondent types - 38% of residents, 23% of visitors, and 25% of all other respondents thought the levy should be set to 5%.



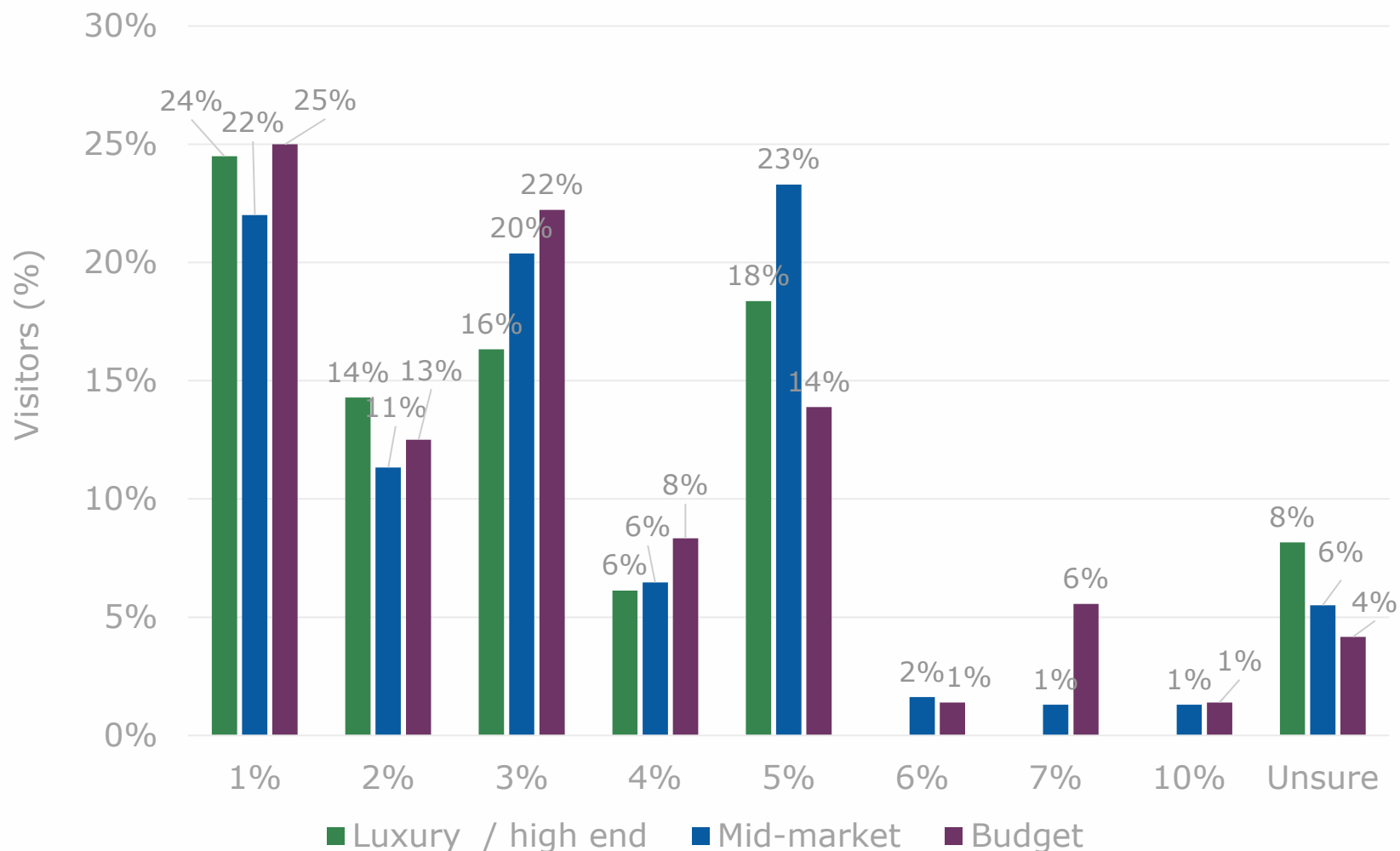
Base: 3,941 respondents (Residents: 3,155; Visitors: 521; Other: 265)

Percentage level of levy split accommodation type – Visitors only

There were a range of views from visitors, who stayed across different accommodation types, on what level the levy should be if it was charged as a percentage of the accommodation booking. Visitors who stayed in hotels had a mixed response. Visitors who stayed with friends or family tended towards 5% level (34%). Whereas, those staying in b&bs, guesthouses or homesteads, e.g. Airbnb, responded more towards the lower end of the scale.



Percentage level of levy split by description of accommodation – Visitors only



- Visitors who stayed in budget accommodation selected the lower levels of levy more often with 25% selecting a 1% level, followed by 22% selecting a 3% level, and 14% selecting a 5% level.
- Those is mid-market accommodation selected 5% level more often (23%), followed by 1% level (22%) and 3% level (20%).
- Those who stayed in luxury accommodation selected 1% level more often (24%), followed by 5% level (18%).

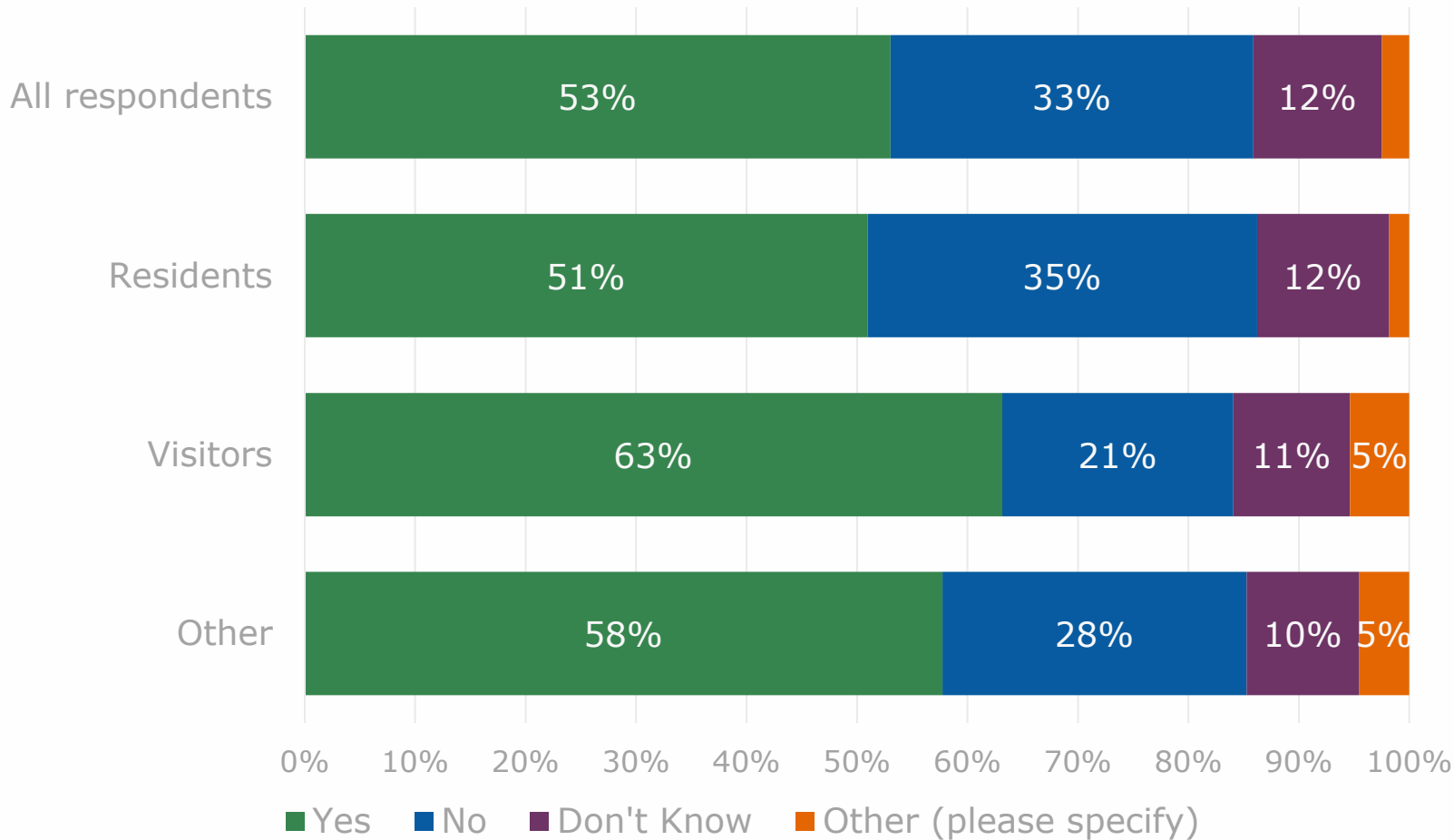
Main reasons for choosing a 5% percentage level of charge



35% of respondents chose a **5% level of charge**. Residents, visitors and all others responding provided similar reasons to why they chose this level. They felt:

- this was a fair and reasonable level and a good middle ground.
- it would be affordable for visitors and would not put them off visiting.
- it was a fair level, comparable to other big European cities, such as Berlin, Barcelona or Madrid, but cheaper than some cities, such as Amsterdam.
- this level would generate a significant revenue to support the associated costs of tourism.
- 5% would be easy to calculate and administer.

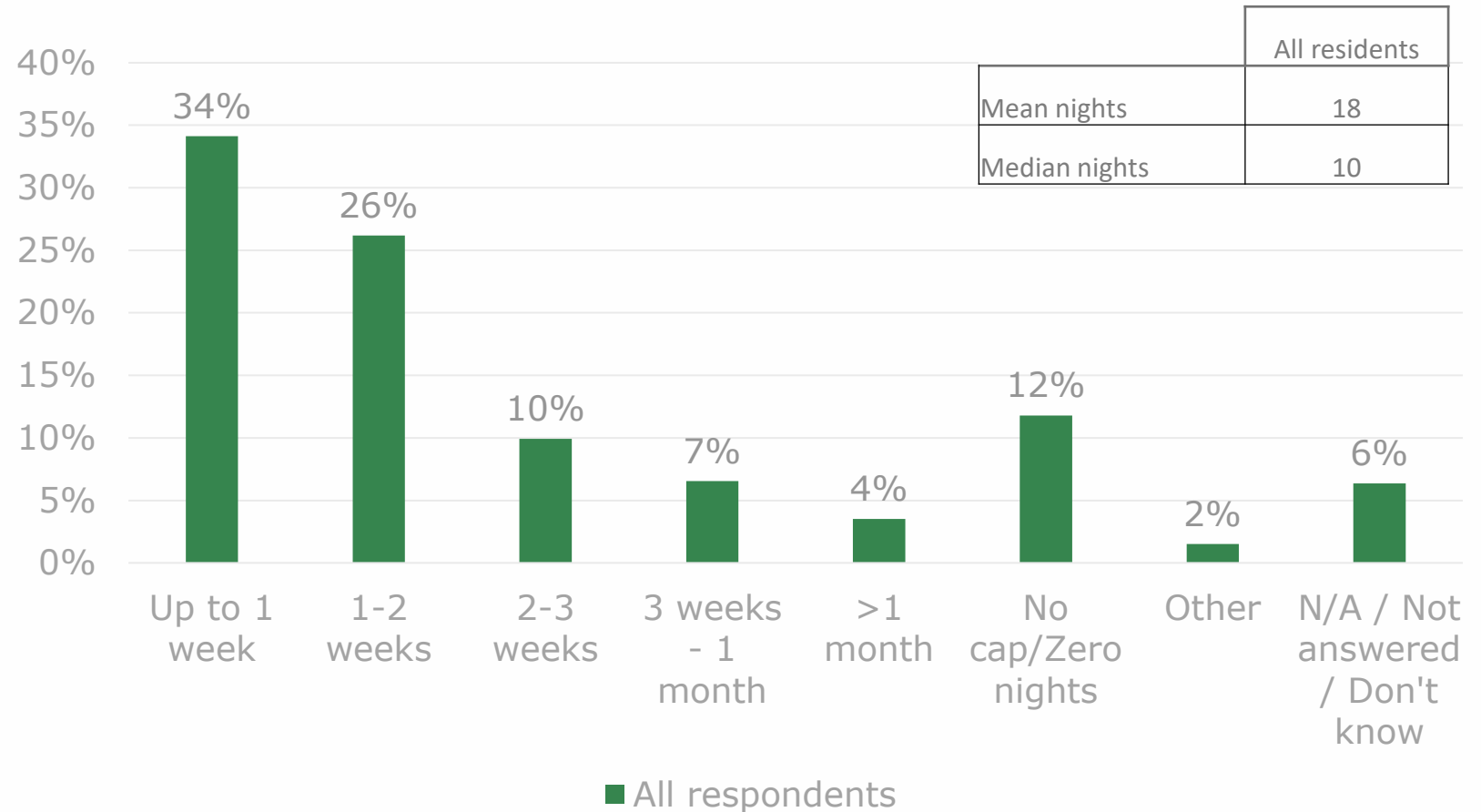
Cap on the number of nights that a visitor should pay their levy on in Edinburgh



- Over half of respondents (53%) felt that there should be a cap on the number of nights that a visitor should pay their levy on in Edinburgh.
- This view was felt more strongly by visitors with just under two in three visitors (63%) believing there should be a cap.

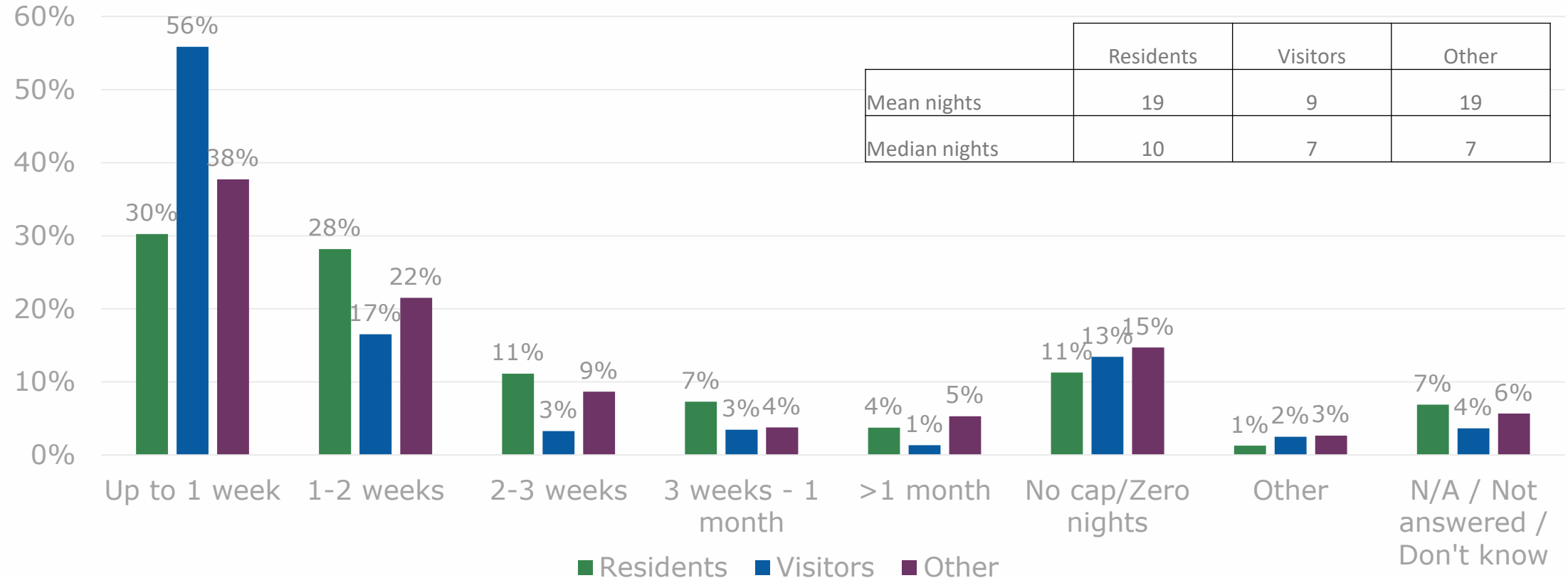
If there is going to be a cap, how many nights do you think the charge should be capped at? – All respondents

- One third of respondents (34%) felt there should be a cap of between 1 – 7 nights. However, the remaining 66% felt otherwise.
- The average number of nights suggested for a cap was 18 nights. Yet, this is skewed by a smaller number of high responses.
- The median number of nights suggested by respondents was 10 nights.



If there is going to be a cap, how many nights do you think the charge should be capped at?

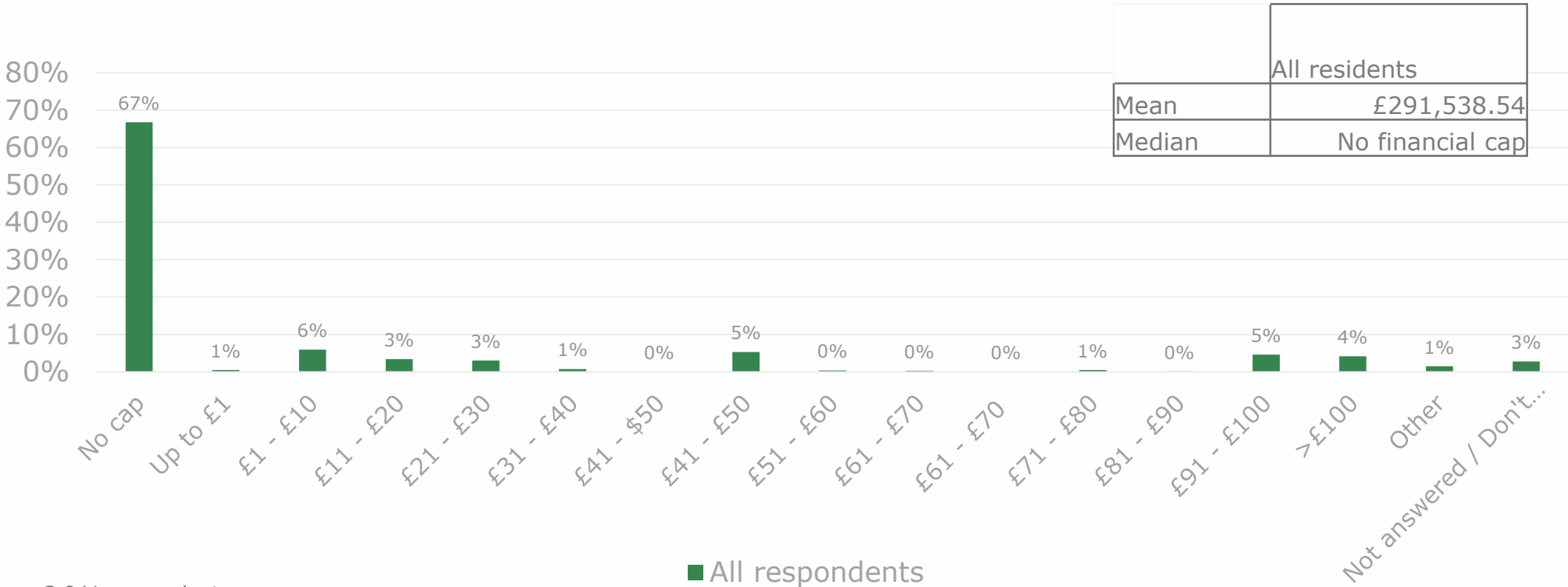
- The median number of nights visitors felt the charge should be capped at was 7 nights, compared to 10 nights suggested by residents.



Base: 3,941 respondents (Residents: 3,155; Visitors: 521; Other: 265)

Financial cap on total levy collected - how much do you think the cap should be per accommodation booking? – All respondents

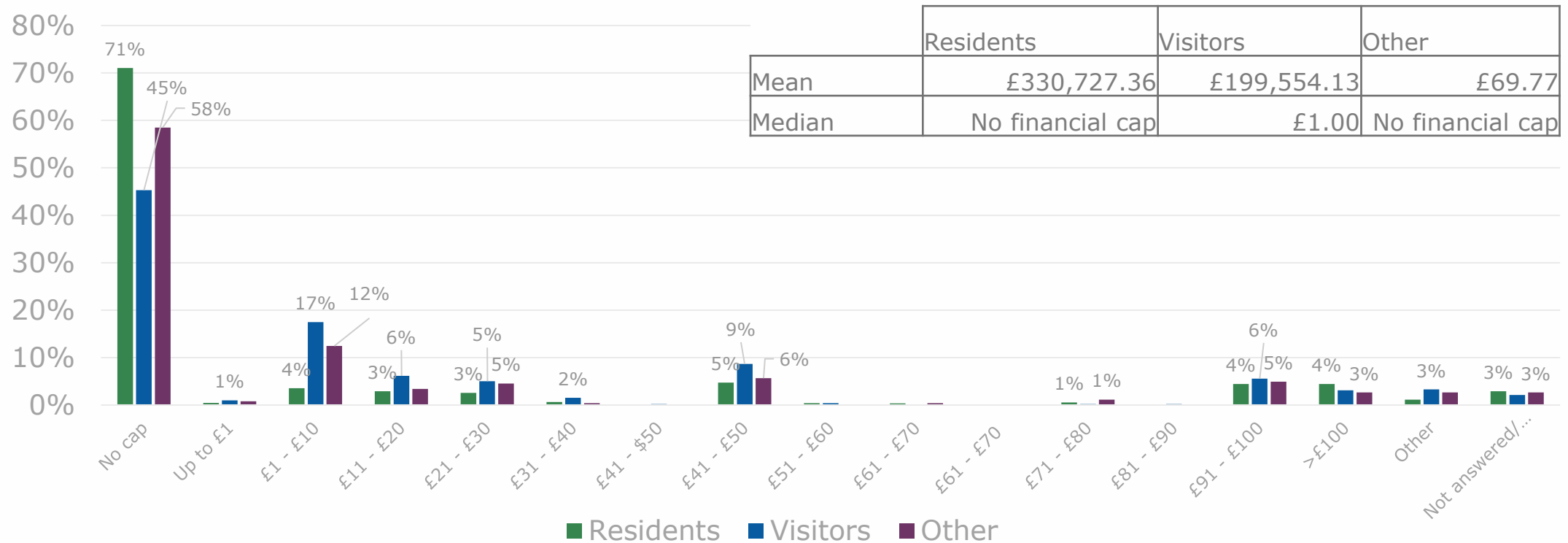
- The majority of respondents thought there should be no financial cap on the total levy collected.



Base: 3,941 respondents

Financial cap on total levy collected - how much do you think the cap should be per accommodation booking?

- 71% of residents and 58% of 'other' respondents preferred no financial cap on the total levy collected. Over half of visitors (53%) made other suggestions for how much the financial cap should be with 17% suggesting a value between £1-£10. The median value of all visitor responses was £1.

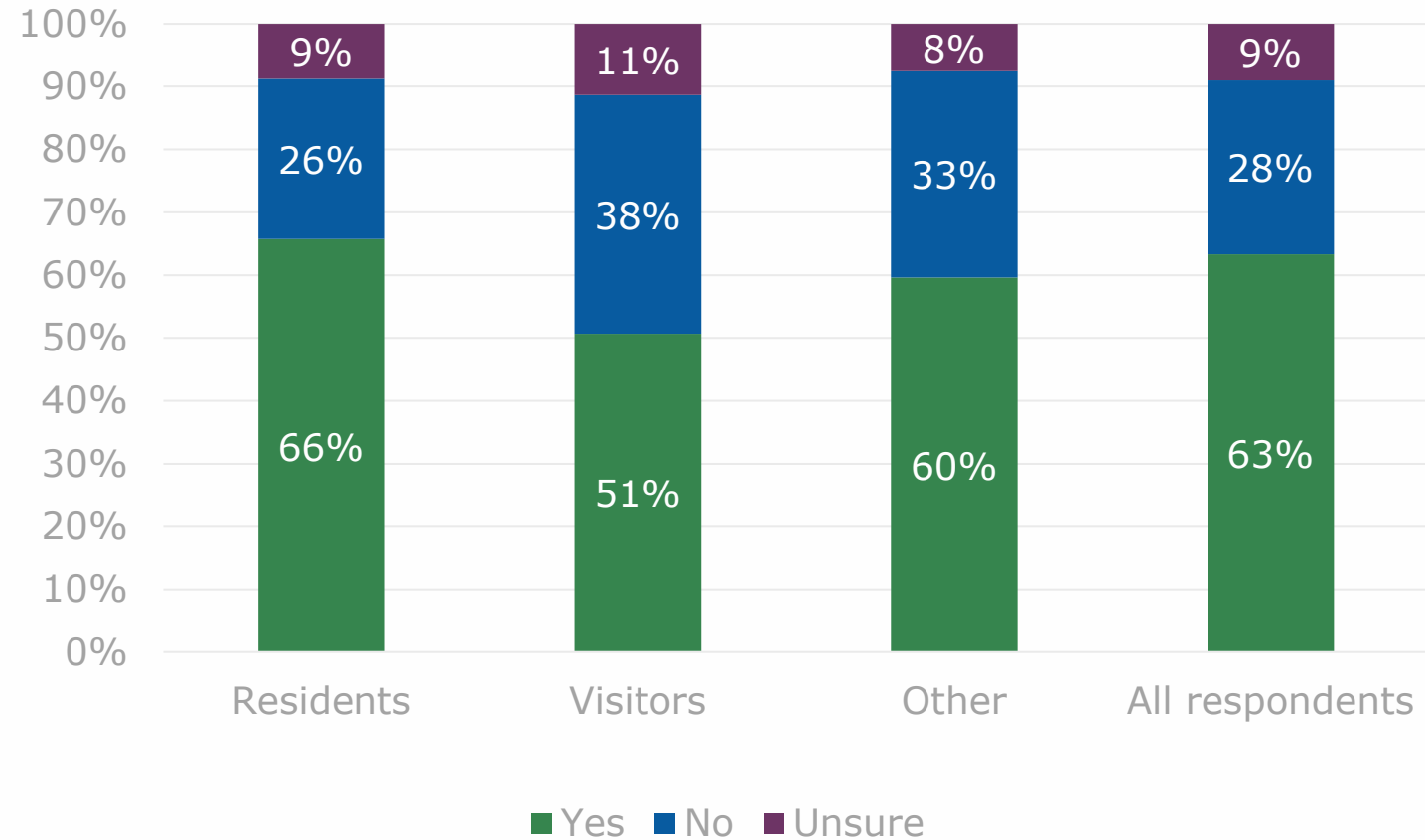


Base: 3,941 respondents (Residents: 3,155; Visitors: 521; Other: 265)

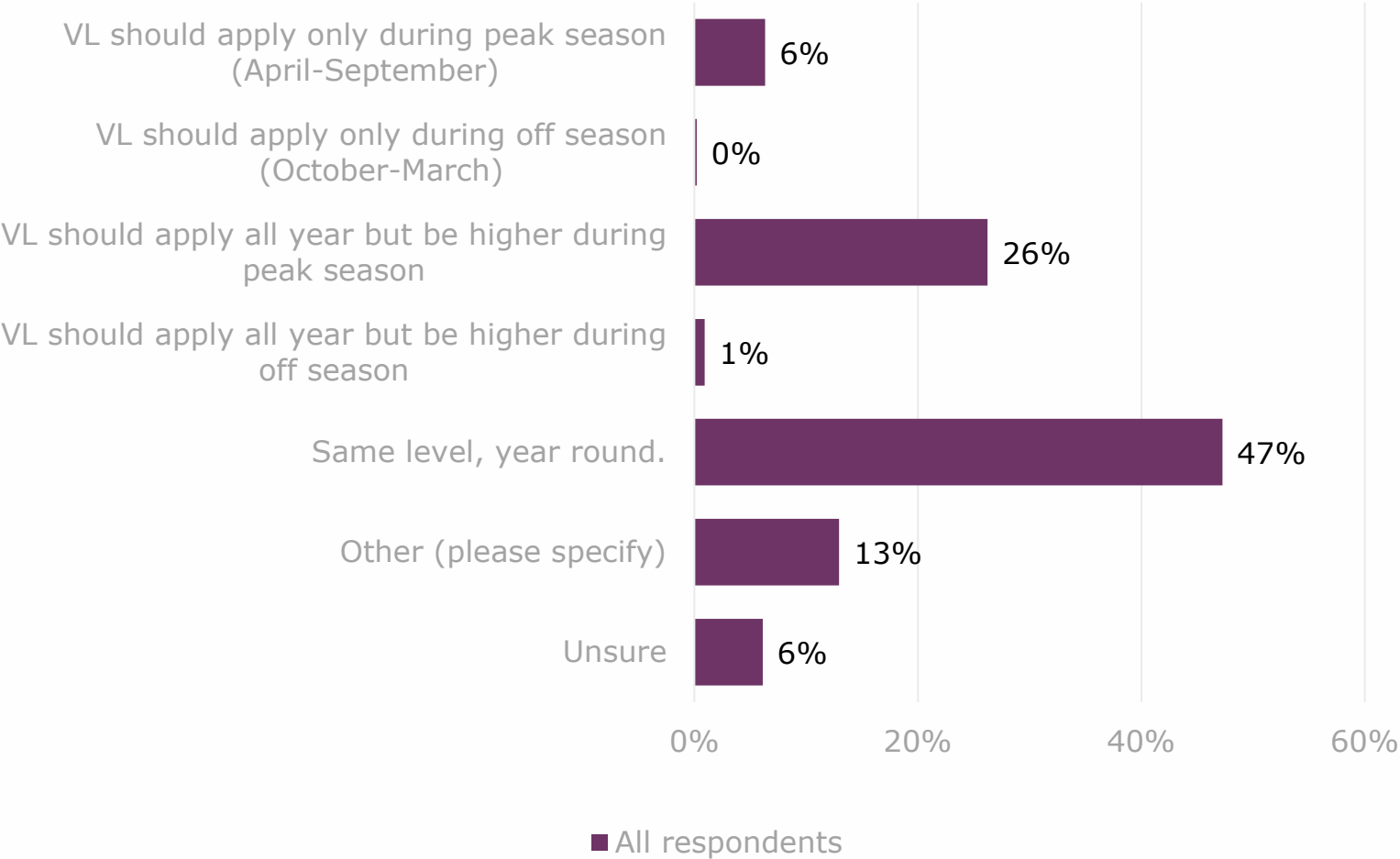
Section 2: When the levy should apply in Edinburgh

Do you think the Visitor Levy for Edinburgh should apply at the same level, all year round?

- 63% of all respondents thought the levy should apply at the same level all year round.
- This was higher for residents with two in three (66%) thinking it should apply all year round, and lower for visitors with just over half (51%) thinking it should apply all year round.



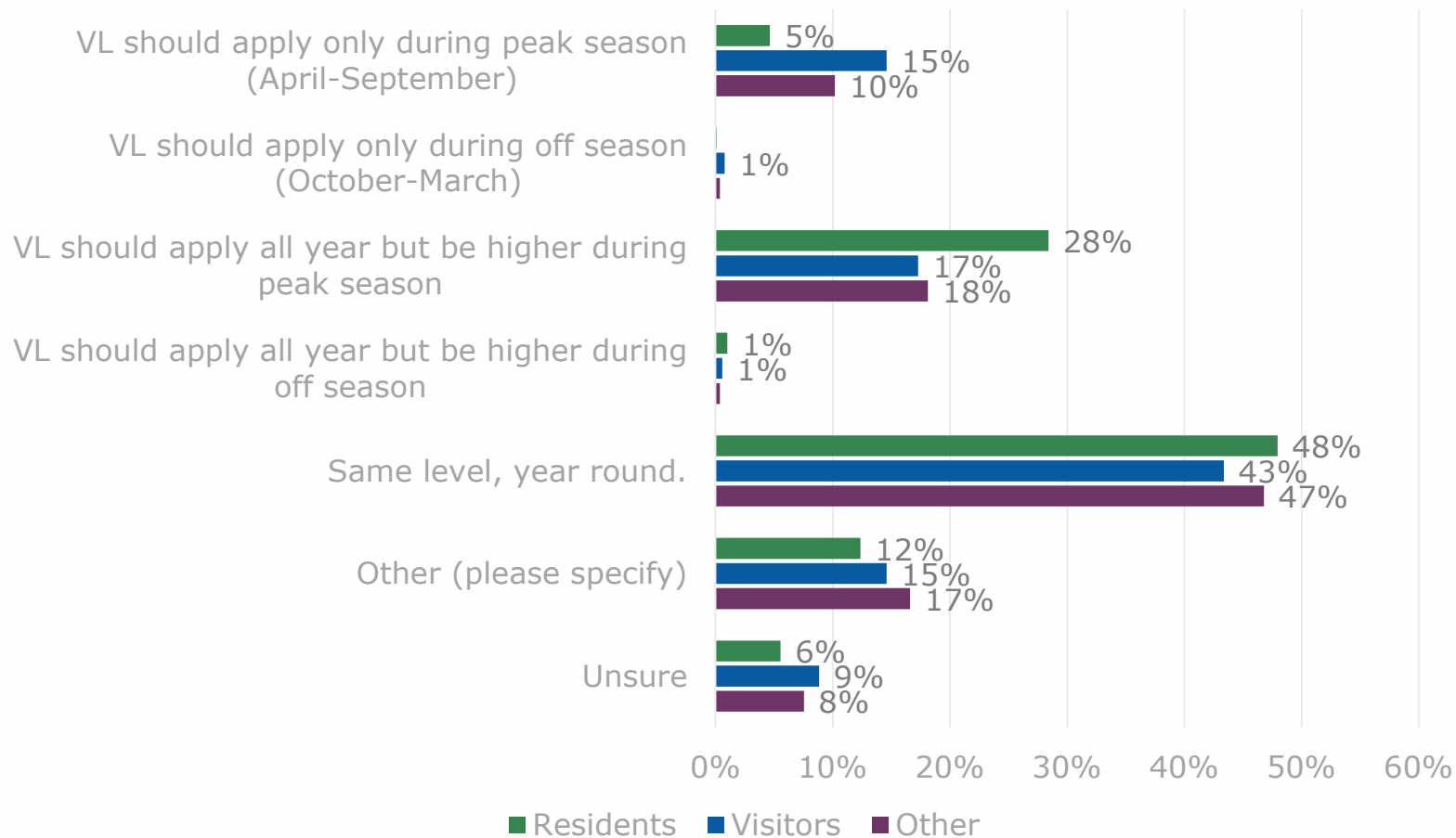
If not, when should the charge apply? – All respondents



- Although, a higher proportion of respondents thought the visitor levy should be charged at the same level all year round, a quarter of all respondents (26%) thought the charge should apply all year but be higher during peak season, with 6% thinking it should apply only during peak season.

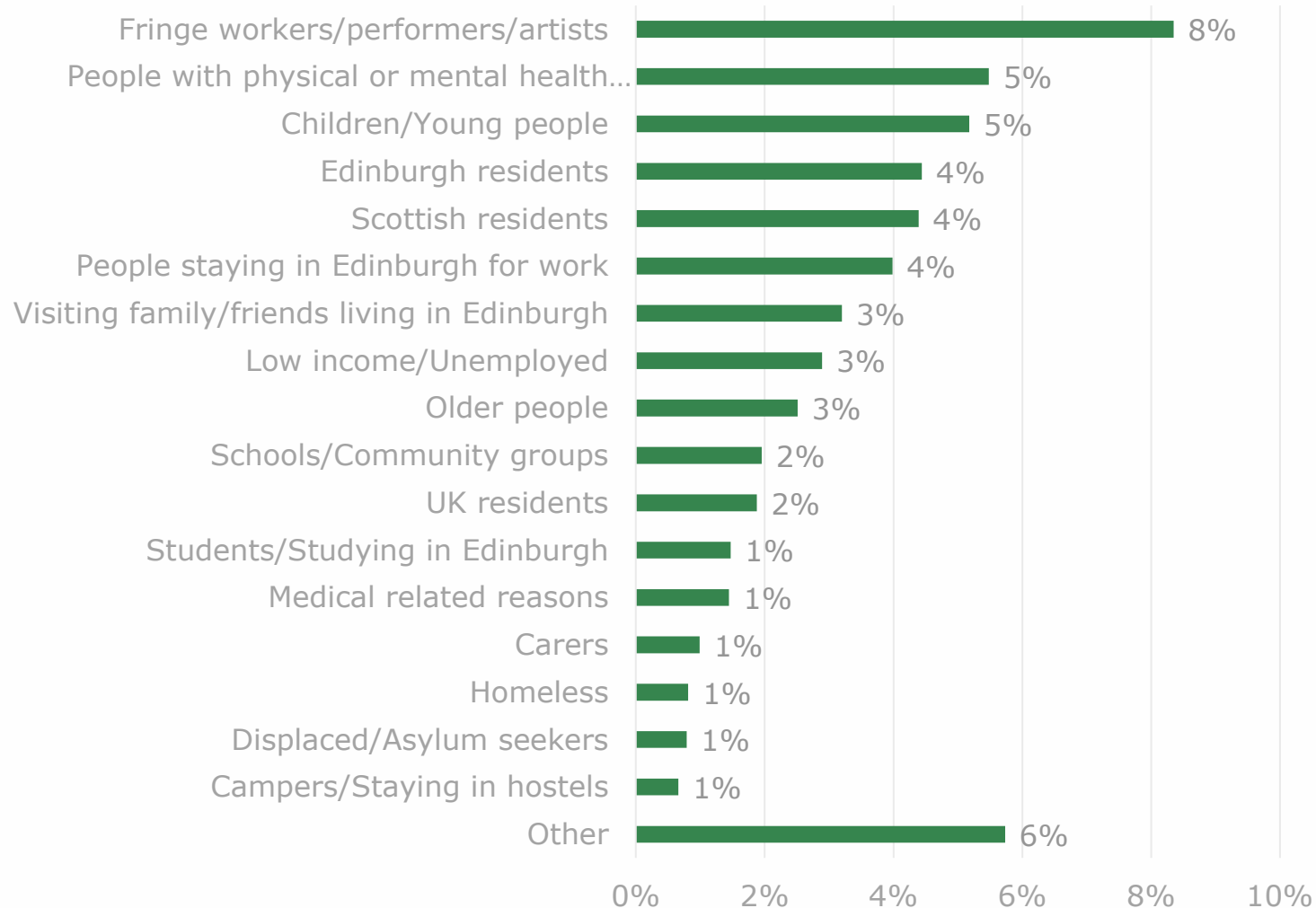
Base: 3,941 respondents

If not, when should the charge apply?



- Again, a higher proportion of residents, visitors and all other respondents thought the levy should be charged at the same level all year round.
- Just over one in four residents (28%) though the levy should apply all year but be higher during peak season, compared to 17% of visitors and 18% of all other respondents.
- 15% of visitors thought the levy should apply only during peak season.
- 17% of 'other' residents provided alternative suggestions.

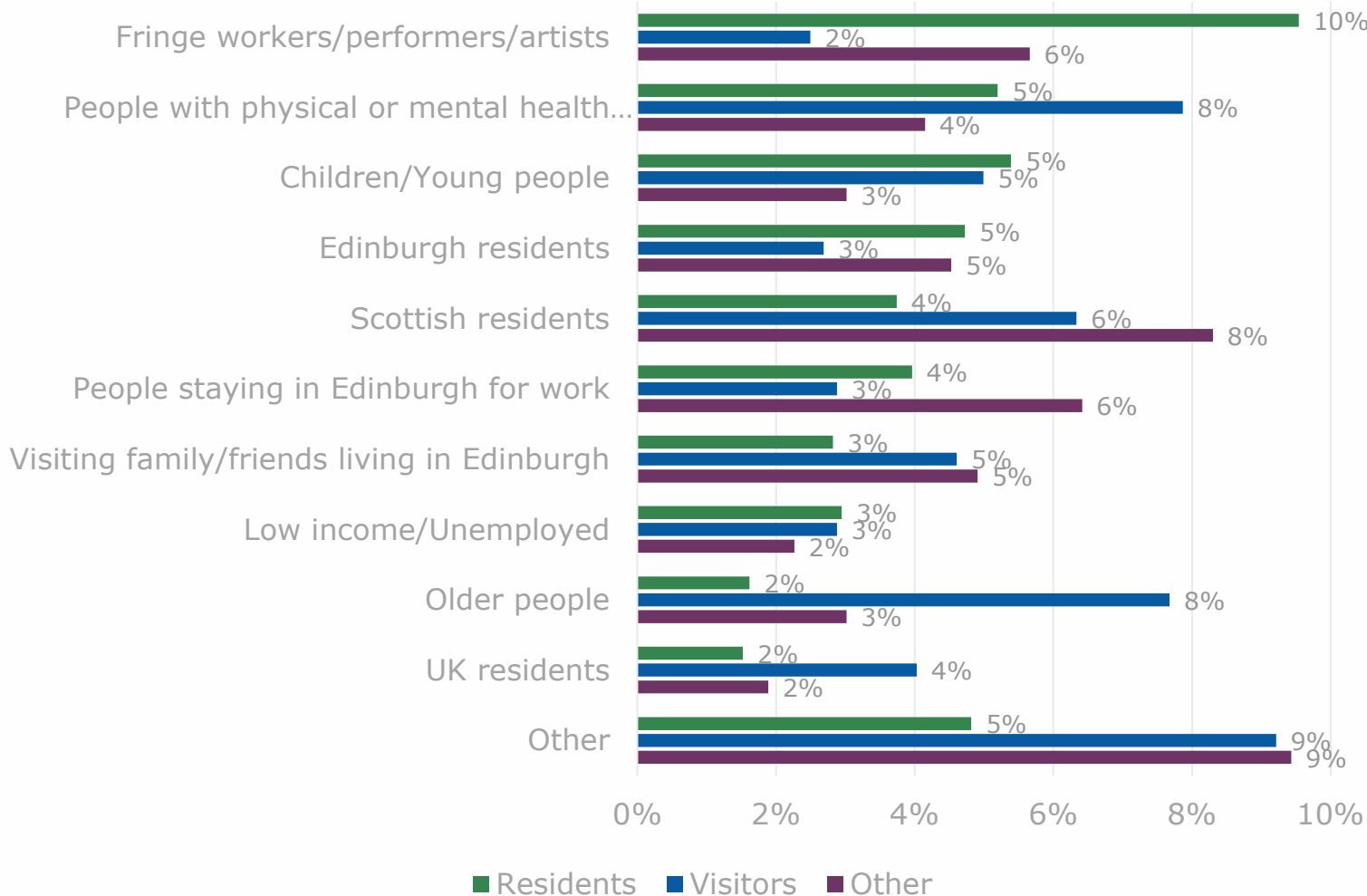
Exemptions on who pays the charge – All respondents



- 45% of all respondents did not believe there should be any exemptions on who pays the charge.
- An additional 5% of respondents were unsure or did not answer.
- Almost one in ten respondents (8%) felt that people working at the Edinburgh festivals and artists should be exempt from the charge.
- 5% thought that exemptions should apply to people with physical or mental health conditions or illnesses, and also children or young people.

Exemptions on who pays the charge – All respondents

Top ten suggestions for exemptions



- 47% of residents, 38% of visitors, and 39% of all others did not believe there should be any exemptions on who pays the charge.
- One in ten residents (10%) thought people working in the festivals and artists should be exempt from the charge, compared to 2% of visitors.
- 8% of visitors felt that older people, as well as people with physical or mental health conditions or illness, should be exempt.
- 8% of 'other' respondents felt that Scottish residents should be exempt from the charge.

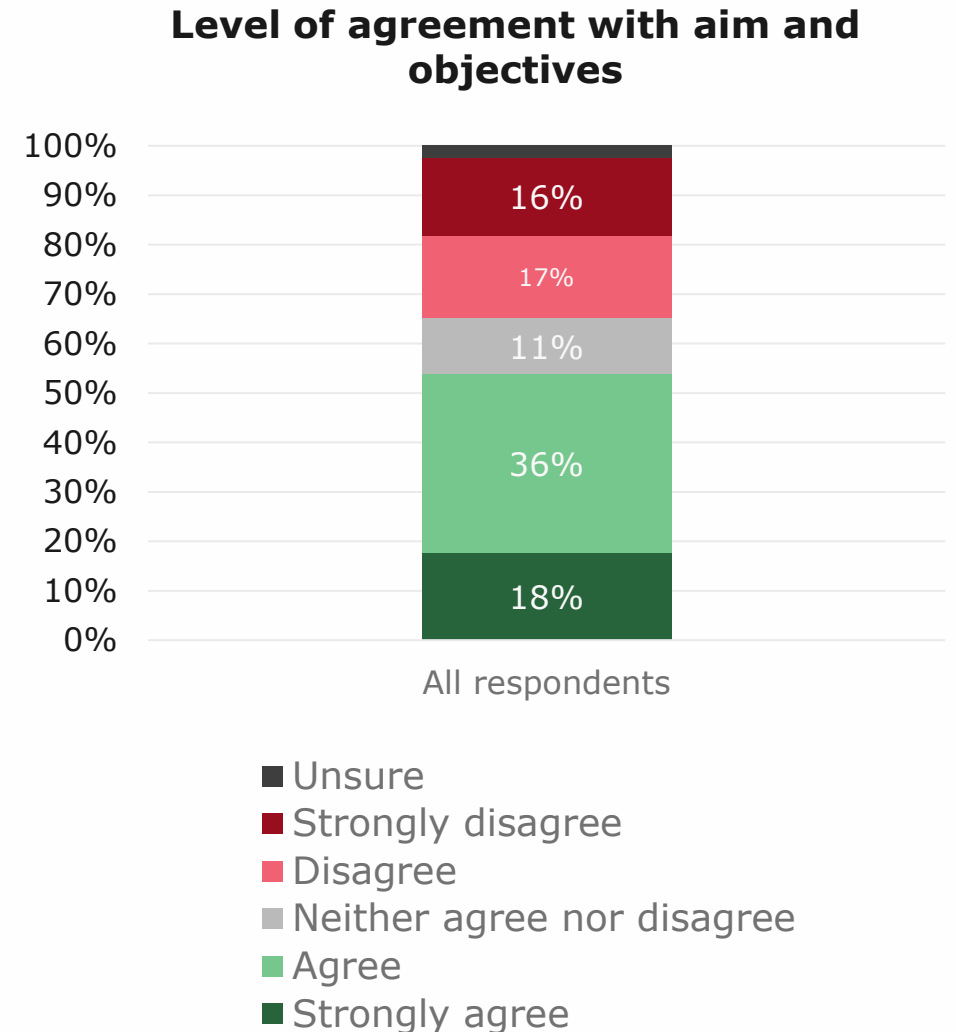
Section 3: How should the levy revenue be spent

Aim and objectives of the visitor levy

Aim: The overall aim is to sustain Edinburgh's status as one of the world's best cities to visit, and to manage the impacts of a successful visitor economy.

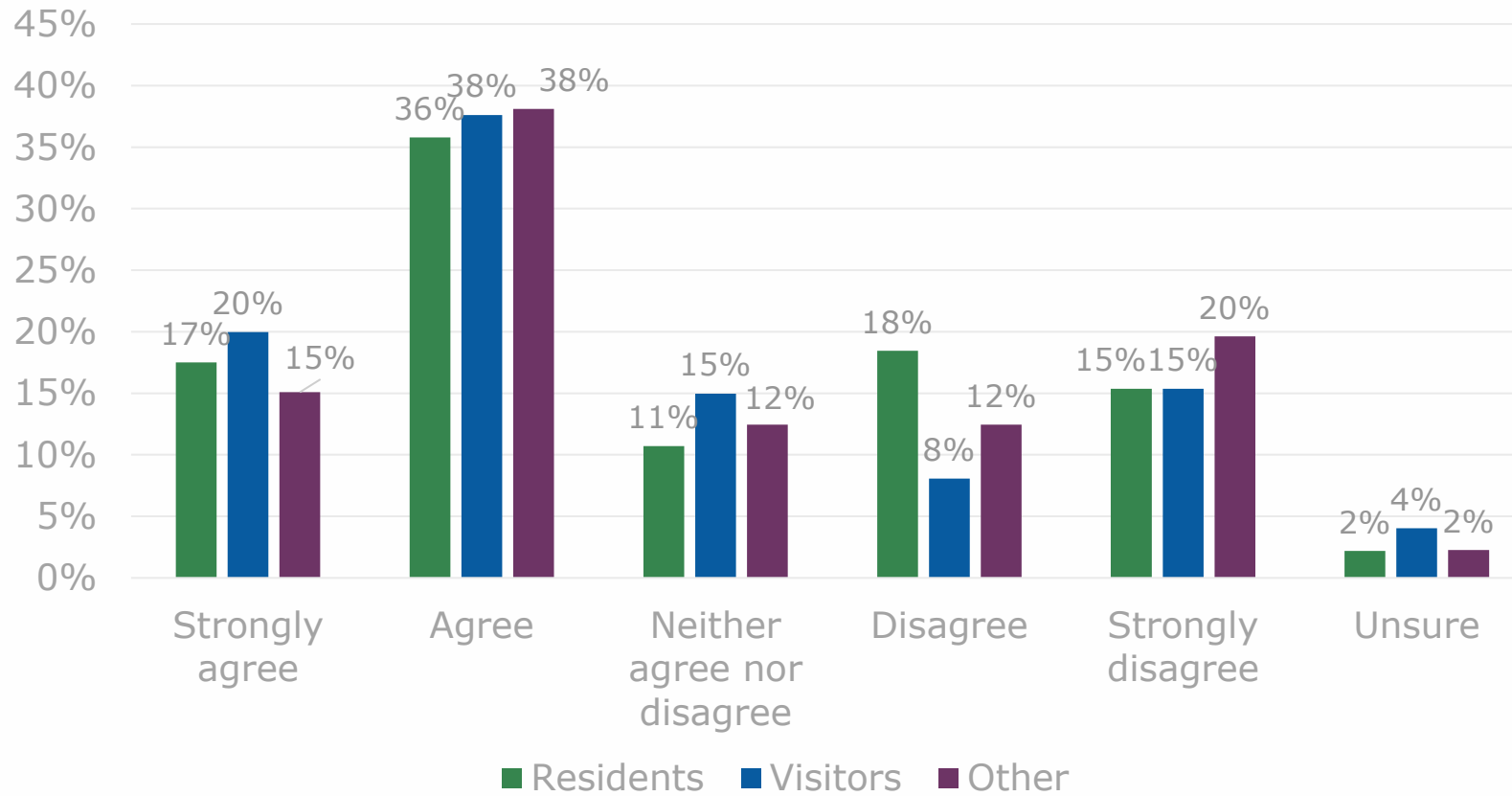
Objectives - The primary objectives of the scheme are as follows:

1. Develop Edinburgh's cultural programme to ensure it remains world leading and competitively attractive to visitors and residents;
2. Support the visitor economy, in particular by encouraging innovation to meet the climate and nature emergency, and responding to new approaches to business development and employment;
3. Support destination marketing and promotion to maintain the city's sustainable competitive advantage; and
4. Sustain and enhance the essential public services that create an enjoyable and safe visitor experience.



Aim and objectives of the visitor levy

Level of agreement with aim and objectives

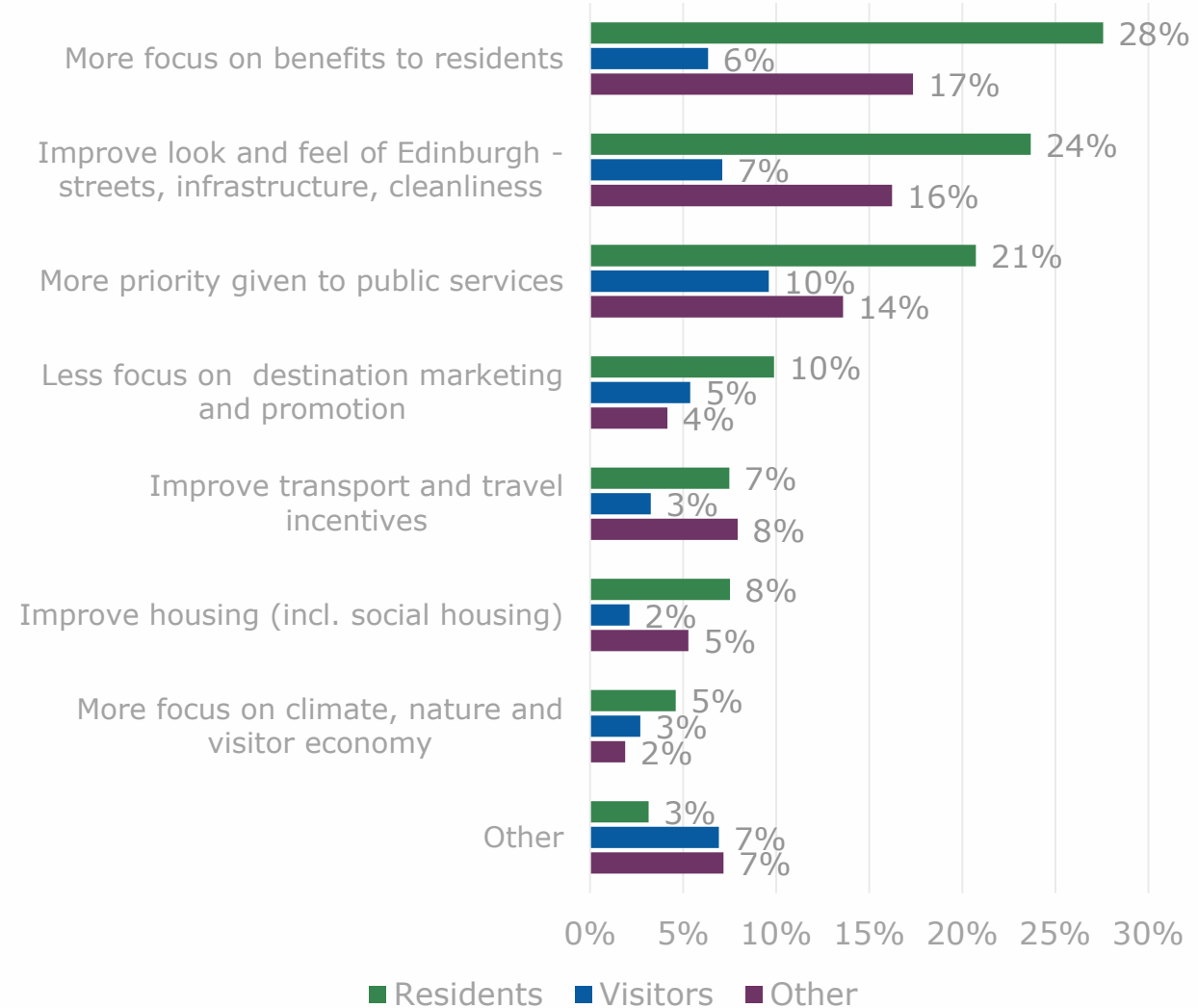


- Over one in two respondents (54%) either strongly agreed or agreed with the aim and objectives of the scheme.
- This included 53% of residents, 58% of visitors and 53% of all other respondents.
- However, 33% of residents, 23% of visitors and 32% of 'other' respondents either disagreed or strongly disagreed.

Aim and objectives of the visitor levy

- Over a quarter of residents (28%), 6% of visitors and 17% of 'other' respondents felt that residents should benefit more from the levy and the priorities should be more explicit on this.
- One in four (24%) residents, 7% of visitors and 16% of 'other' respondents wanted to prioritise improving the look and feel of Edinburgh for visitors and residents, including, streets, infrastructure, cleanliness and safety.
- One in five residents (21%), one in ten visitors (10%) and 14% of 'other' respondents felt we need to apply more importance to sustaining and enhancing public services.
- One in ten (10%) residents, 5% of visitors and 4% of 'other' respondents felt we should focus less on destination marketing and promotion.
- One in ten (10%) residents, 5% of visitors and 4% of 'other' respondents felt we should focus less on destination marketing and promotion.
- Improving transport and travel was highlighted as important by residents (7%), visitors (3%) and 'other' respondents (8%).
- Additionally, housing (particularly social housing) was raised as a specific priority by residents (8%), visitors (2%) and 'other' respondents (5%).
- 5% of residents, 3% of visitors and 3% of 'others' wanted more focus given to climate, nature and the visitor economy.

What would you change about the priorities?



Aim and objectives of the visitor levy – what would you change?

I would prioritise the public services so that residents feel valued which in turn makes them feel more welcoming to tourists.

Ensure that local residents benefit from the tax, not just tourism businesses. Money should be spent on infrastructure, street repair, etc in more than just the tourist-popular areas.

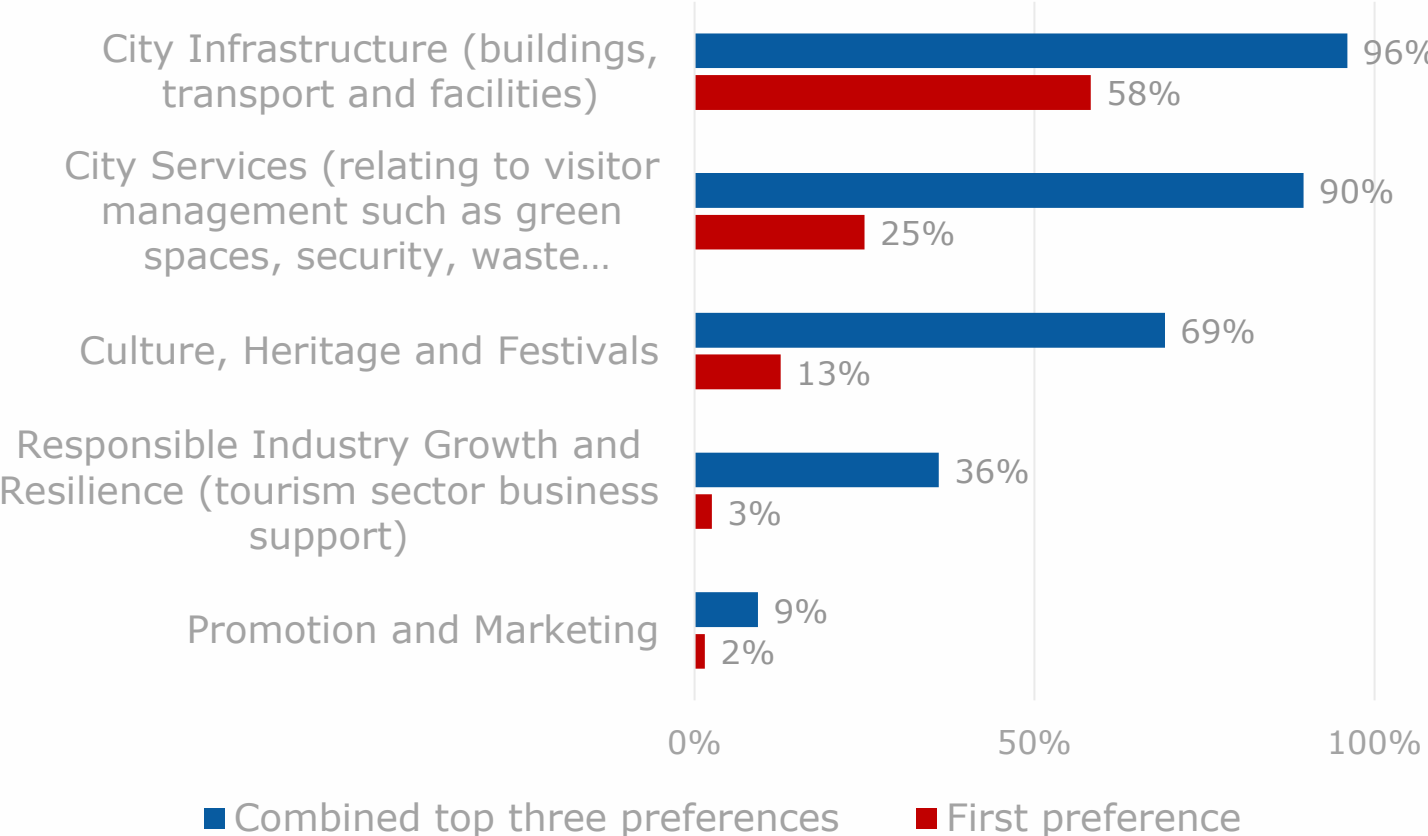
I do not think the funds should be used for "destination marketing" but rather to support essential public services.

Rather than increasing tourism, I would like to see more focus on mitigating the negative impacts of high levels of tourism on residents. E.g. responding to the housing crisis - preventing overcrowding of pedestrian routes around the city -mitigating impacts on the environment e.g. pollution from increased traffic -improving public transport - reducing congestion, particularly during August.

The language in the aims and objectives is very woolly, so something plainer and more specific might be easier to understand!

Investing categories – All respondents

Top respondent investing preferences

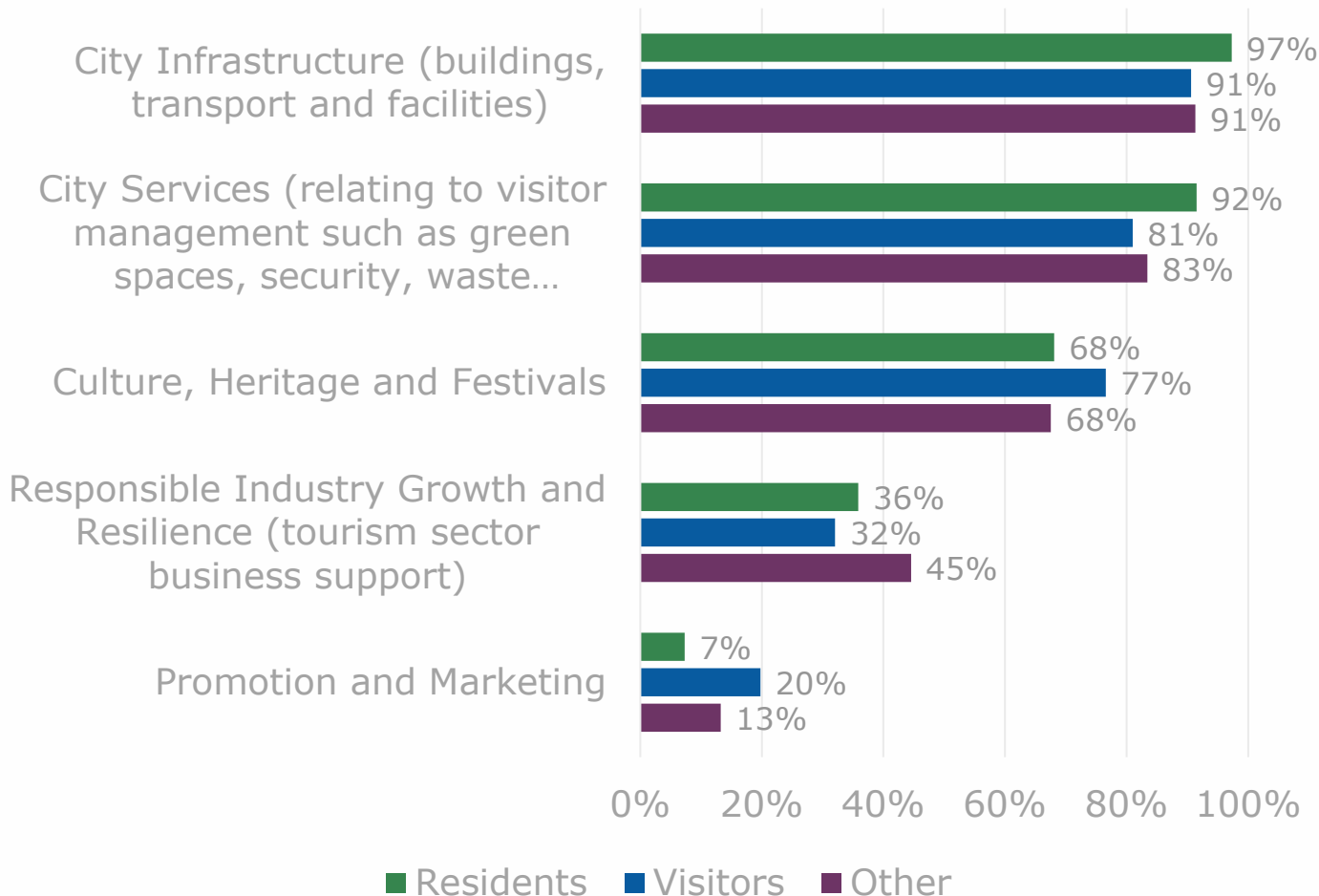


- Almost all respondents (96%) ranked the city infrastructure in their top three priorities where they thought the visitor levy should be invested.
- This was followed closely by city services (90%).
- 69% of respondents ranked culture, heritage and festivals in their top three priorities for investment.

Base: 3,941 respondents

Investing categories

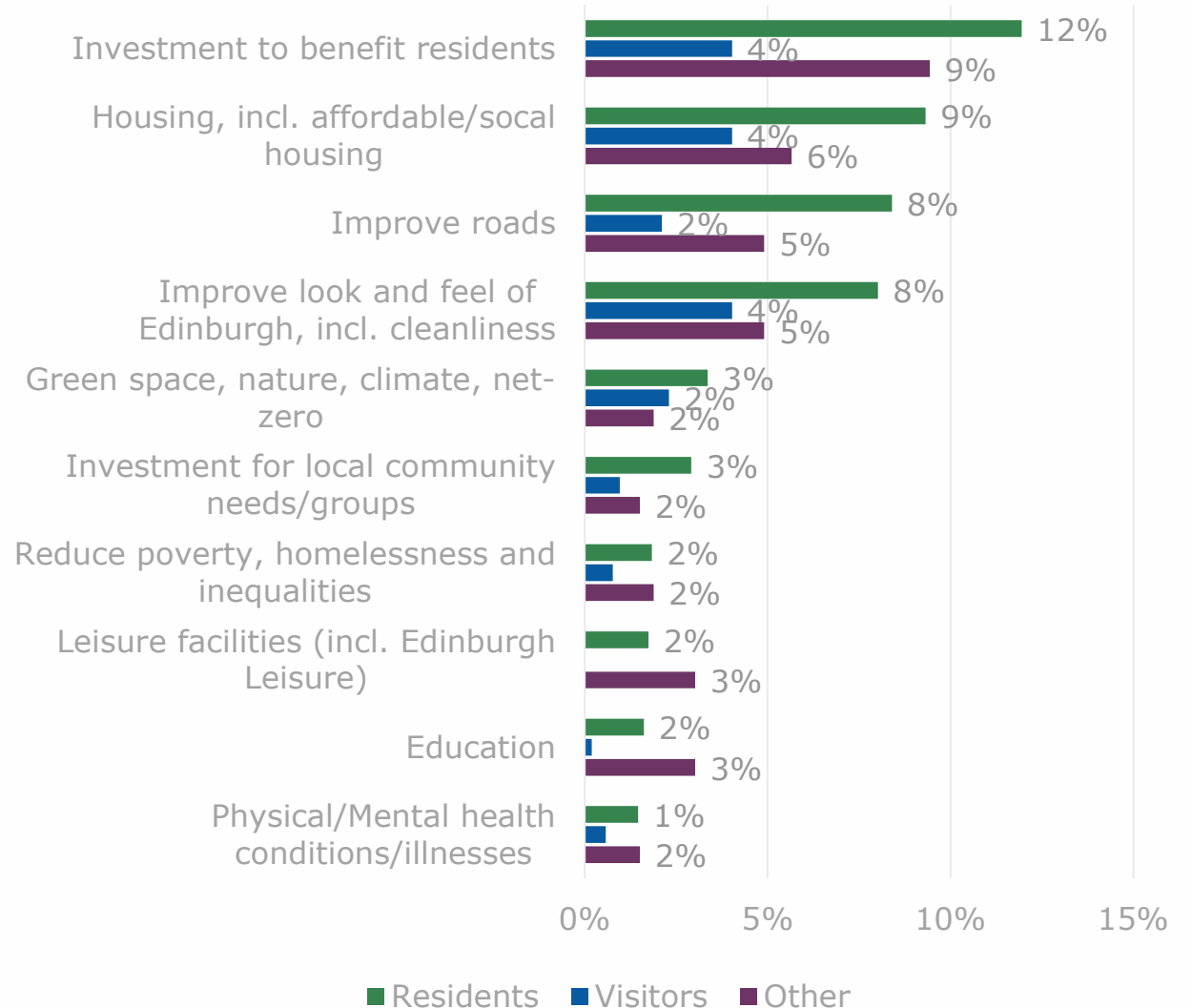
Combined top three respondent investing preferences



- Almost all residents (97%), including 91% of visitors and 91% of all 'other' respondents, ranked the city infrastructure in their top three priorities where the visitor levy should be invested.
- 92% of residents also prioritised city services in their top three areas for investment, as well as 81% of visitors and 83% of all 'other' respondents.
- 77% of visitors ranked culture, heritage and festivals in their top three priorities for investment, compared to 68% of residents and 68% of all 'other' respondents.
- Visitors felt more strongly about promotion and marketing compared to other respondents, with one in five (20%) ranking this in their top three priorities compared to 7% of residents.

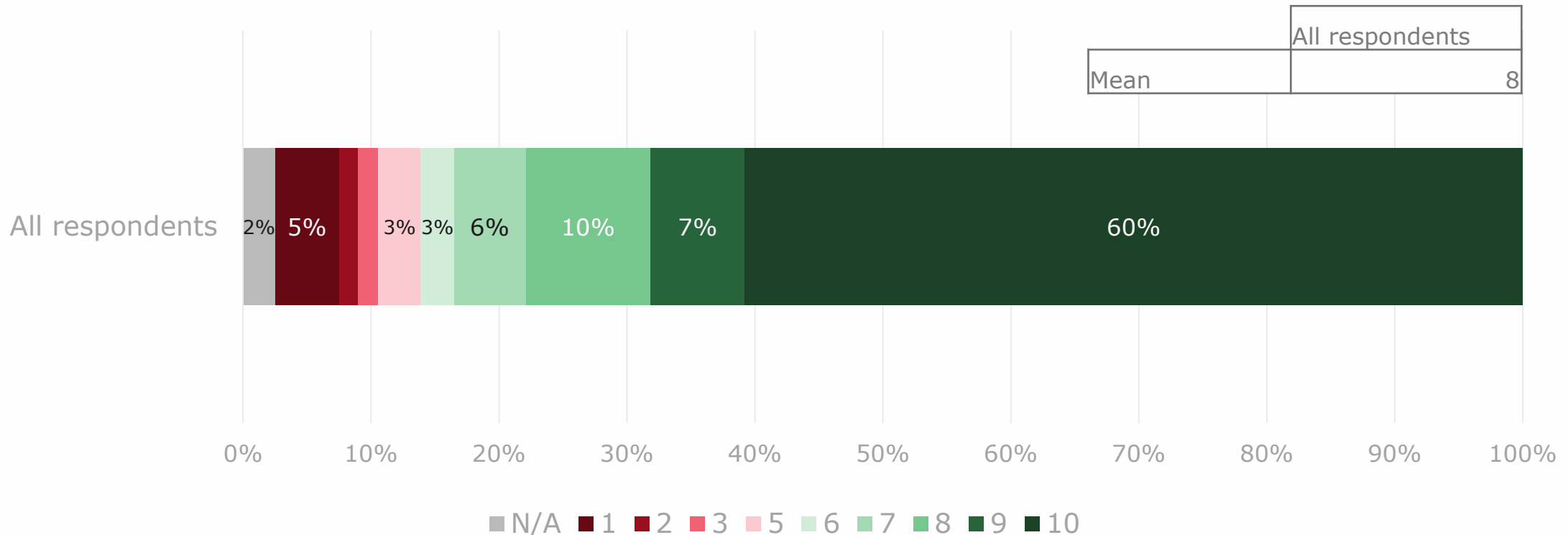
Alternative or specific investment proposals

- The majority of alternative proposals were provided by residents.
- Around one in ten residents (12%), 4% of visitors and 9% of 'other' respondents felt that the revenue from the levy should be invested into areas that would benefit residents.
- Around one in ten (9%) residents, 4% of visitors and 6% of 'other' respondents felt that revenue should be invested into housing, particularly affordable or social housing.
- 8% of residents and 5% of 'other' respondents wanted to invest in improving roads and the look and feel of Edinburgh.
- Investing in our climate and nature goals, local community needs, reducing poverty, homelessness and inequalities, improving leisure facilities, improving education and supporting physical and mental health conditions/illnesses were also proposed.



Level of support for introducing a visitor levy in Edinburgh

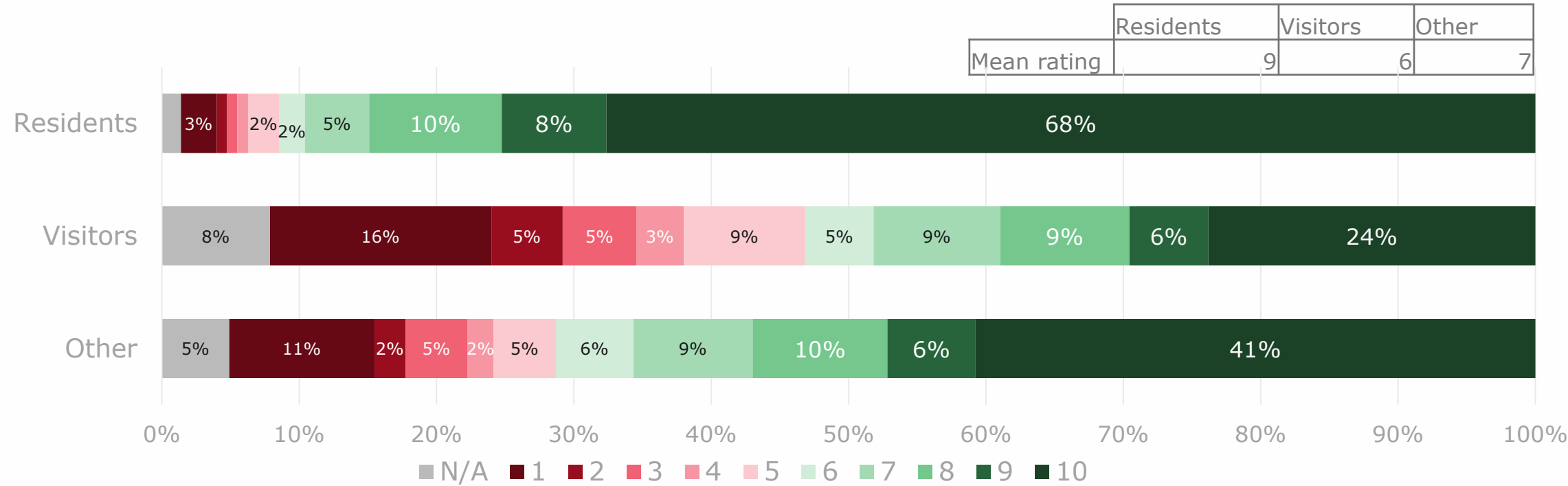
- Respondents were asked to rate their level of support to introducing a visitor levy in Edinburgh on a scale of 1 to 10, where 10 is totally in favour and 1 is totally against.
- The majority of respondents were more supportive of introducing a visitor levy in Edinburgh (85% selected a point between 6-10 on the scale), with 60% totally in favour.



Base: 3,941 respondents

Level of support for introducing a visitor levy in Edinburgh

- The majority of residents were more supportive of introducing a visitor levy in Edinburgh (91% selecting a point between 6-10 on the scale), with 68% totally in favour.
- However, visitor opinion differed considerably with only 53% selecting between 6-10 on a scale for supporting the introduction of a levy and only 24% totally in favour.
- 39% of visitors were less likely to support introducing a levy (selecting between 1-5 on the scale).



Base: 3,941 respondents (Residents: 3,155; Visitors: 521; Other: 265)

Reasons for choosing a rating of 1 to 5 on a scale of 1 to 10 (where 1 is totally against and 10 is totally in favour of introducing a visitor levy)

From % of respondents who chose a rating of 1-5, by reason

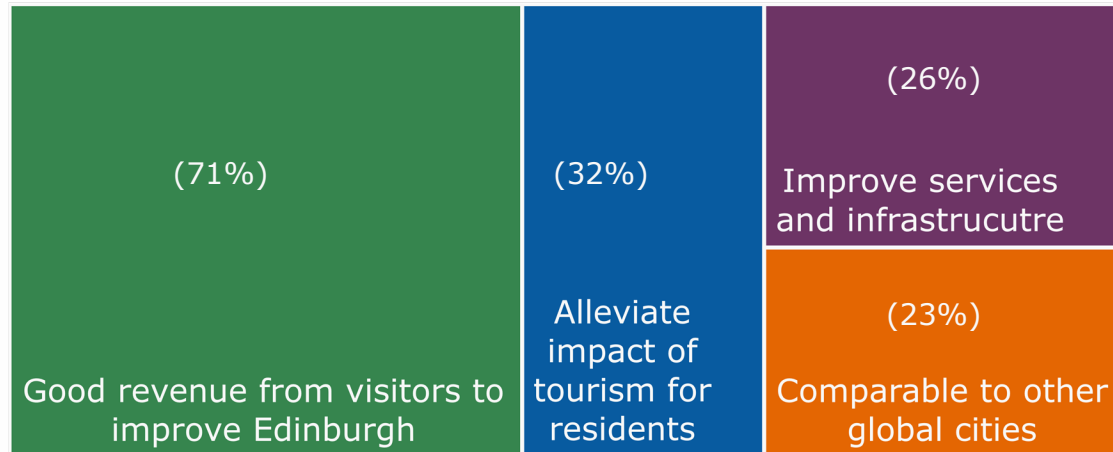
12% of respondents (7% of residents, 39% of visitors, and 24% of 'other' respondents) selected a rating between 1 to 5 on a scale of 1 to 10 (where 1 is totally against and 10 is totally in favour).

- Respondents, particularly visitors, thought a levy would deter visitors and reduce Edinburgh's competitive edge.
- They also felt the city was already too expensive, including accommodation.
- There was some distrust and lack of confidence, particularly from residents and 'other' respondents, in the Council managing the levy effectively. There would be more support if they levy was invested in the right priorities, including increased benefits to local residents.
- Some were concerned that the levy would disadvantage certain types of visitors including families, low income, festival artists/creatives, and people visiting for health related reasons.
- There was the view that visitors already spend their money in Edinburgh contributing to the economy. Some felt this would likely have a negative impact on the economy and small businesses by discouraging spend. Some also felt that there is already too many taxes and charges on visitors, e.g. VAT.



Reason for choosing a rating of 6 to 10 on a scale of 1 to 10 (where 1 is totally against and 10 is totally in favour of introducing a visitor levy)

From % of respondents who chose a rating of 6-10, by reason



85% of respondents (91% of residents, 53% of visitors, and 71% of 'other' respondents) selected a rating between 6 to 10 on a scale of 1 to 10 (where 1 is totally against and 10 is totally in favour).

- The majority of these respondents felt that the levy would be a good and sustainable way to bring in essential revenue from visitors to improve Edinburgh for all.

- Many respondents, especially residents, felt that a levy was needed to alleviate the impact of tourism for residents. Many respondents also felt that it should be invested into improving public services and infrastructure.
- Some felt that Edinburgh should follow the example of many other global cities who already charge a levy and visitors now expect to pay this when visiting popular cities.
- Despite the general support, some respondents lacked confidence that the revenue would be invested wisely to the right priorities and managed well. Others felt it needed to be fair, inclusive and should not be a barrier. The high costs of visiting and living in Edinburgh were raised and there were concerns that a high levy might detract visitors, so a balance is needed.

Conclusion

- Overall, respondents were more supportive of the visitor levy. A higher proportion of residents were totally in favour compared to all other respondents. There were more reservations from visitors.
- Over one in two respondents agreed with the aim and objectives of the scheme. However, many respondents, particularly residents, told us they felt Edinburgh residents should benefit more from the levy. Improving the look and feel of Edinburgh was also important for all respondents, as well as giving more priority to sustaining and enhancing essential public services.
- Almost all respondents ranked the 'city infrastructure' in their top three priorities where the visitor levy should be invested. This was followed closely by 'city services'. Three quarters of visitors ranked culture, heritage and festivals in their top three priorities for investment.
- The majority of alternative investment proposals were provided by residents. Around one in ten residents felt that the revenue from the levy should be invested into areas that would benefit residents, as well as affordable or social housing. Around the same proportion of residents wanted to invest in improving roads and the look and feel of Edinburgh.
- On the whole, the majority of respondents felt that the levy would be a good and sustainable way to bring in essential revenue from visitors to improve Edinburgh for all. However, some respondents needed convincing that the revenue would be invested wisely and managed well, would be inclusive and would not detract visitors.

Conclusion (continued)

- Residents and 'other' respondents were more in favour of the visitor levy being charged as a percentage of the total room bill. Many felt that this was fairest approach for visitors and was future proof. Whereas visitors were more in favour of a flat rate due to it being fairer, easier to understand, offering certainty for the visitor, and it being easier to administer.
- Over one in three of all respondents thought the levy should be set to 5%, if charged as a percentage of the accommodation booking. This was due to it being a good middle ground, it would be unlikely to put visitors off visiting, would generate significant revenue, was comparable to other big cities, and would be easy to calculate and administer. Yet, visitor opinion varied between 1% and 5% depending on the type of accommodation they stayed in.
- Over half of respondents felt that there should be a cap on the number of nights that a visitor should pay their levy on in Edinburgh. This was felt more strongly by visitors. Most residents and 'other' respondents preferred no financial cap. However, over half of visitors suggested values for how much a financial cap should be, with a median value of £1.
- Most respondents felt there should be exemptions for who pays the charge. The top three suggestions included, people working in the festivals and artists, people with physical or mental health conditions or illness, and children and young people.

A scenic view of Edinburgh, Scotland, featuring the city's historic architecture on a hillside, including the Edinburgh Castle and the spires of St. Giles' Cathedral. The foreground is filled with lush green trees and a well-maintained lawn. The sky is a mix of blue and soft orange, suggesting a sunset or sunrise. The text 'Thank you' is overlaid in a large, white, sans-serif font in the center of the image.

Thank you