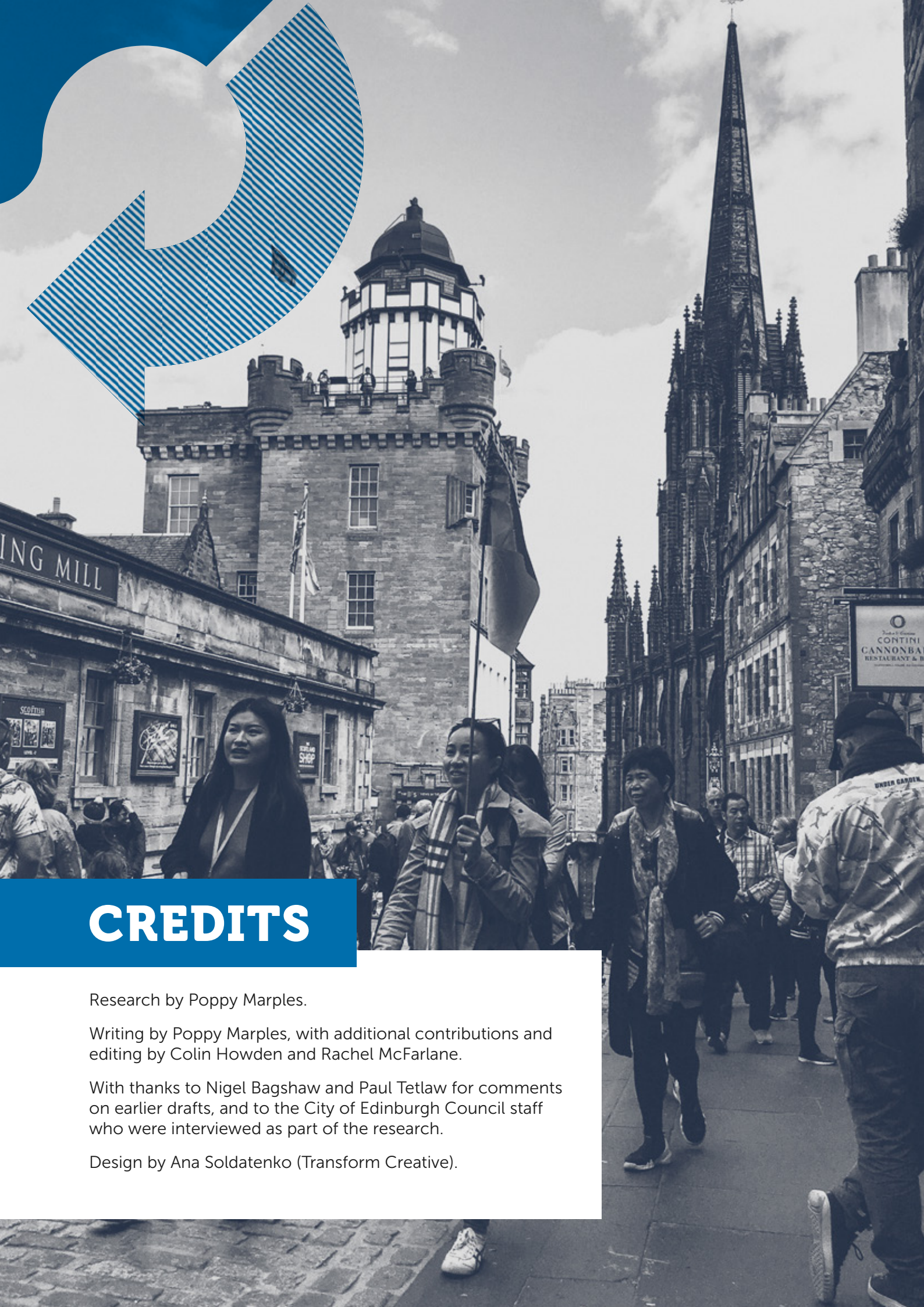


THE TOURIST DUTY

INVESTING TVL REVENUE
FOR THE PUBLIC BENEFIT





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EXECUTIVE SUMMARY



There is now global concern about the many impacts of tourism, from fuelling the growth in aviation emissions, to the impacts that large tourist volumes have on fragile historic environments and ecosystems.

Various responses to these challenges are now under active consideration. In Scotland, it is the Transient Visitor Levy (TVL) that is currently being given most attention.

In light of the debate over the proposed Edinburgh TVL scheme, this report explores the rationale for introducing a TVL, the process for implementing the TVL and the opinions of Edinburgh stakeholders. We also explore how four European cities have implemented TVL schemes and how they spend the revenue generated.

TVL schemes are widespread across Europe, being in operation in 19 countries, and in this report we highlight the schemes in operation in Amsterdam, Dubrovnik, Florence and Geneva.

In Edinburgh, there is now strong public support for The City of Edinburgh Council's proposals, and we conclude that it is now incumbent on the Scottish Government to swiftly come forward with legislation for discretionary powers for Local Authorities to implement TVL schemes that are appropriate to the local circumstances across Scotland. We note that while Edinburgh has an overheated tourism sector, there are other parts of Scotland where a TVL may not be appropriate.

We are not persuaded by the hostility from the hospitality industry towards TVL proposals. We have seen no evidence that a TVL scheme in Edinburgh at a rate of £2.00 would impact on visitor numbers, and nor would we expect a charge less than the price of a coffee to have any impact on demand. We note that Florence has experienced further growth in visitor numbers since the introduction of a TVL scheme in 2011.

Our report takes forward the debate on the Edinburgh TVL proposal by presenting additional public opinion on how the revenue from the scheme should be invested. Transform Scotland's viewpoint is that, given tourism's impacts on these matters, a significant proportion of the revenue should be invested in improving the City Centre public realm and in supporting public transport services. Our survey (see right) largely supports this position. However, our survey also reports strong support for investment in cycling facilities, in curbing the impact of Airbnb, and in helping the city's homeless and disadvantaged.

Finally, we propose that the term 'Tourist Duty' should now be used in public policy debate in preference to the clumsy, jargon-ridden term 'Transient Visitor Levy', as the former term better reflects the responsibility that tourists themselves have to the locations that they visit.

OUR SURVEY FINDINGS ARE AS FOLLOWS:

- A majority (**69%**) report being frequently impacted by tourism
- People think more can be done to manage tourism (**87%**)
- People are aware of proposals for a TVL (**93%**)
- Most do not consider TVLs when booking a holiday (**89%**)
- Most would not be put off booking a holiday because of a TVL (**89%**)
- Over half (**52%**) were unaware of the existence of a TVL at a destination they had visited
- People feel that TVL is a good way to protect the city and manage tourism (**78%**)
- Investment in city infrastructure and green spaces gained the strongest support (**42%**)
- Respondents also expressed their own opinions on how to invest TVL revenue — from investing in cycling, to monitoring Airbnb, to helping the homeless and disadvantaged.

INTRODUCTION

Edinburgh's proposal to introduce a Transient Visitor Levy has added to the already lively debate about the future of tourism in Scotland's Capital.

The city is experiencing an ever-increasing number of tourists, currently attracting over four million visitors each year.¹ While the rapid increase in tourism has undoubtedly benefited the private sector (such as hoteliers and the wider hospitality industry) and some private homeowners (e.g. those engaged in peer-to-peer private rental), it is not clear whether the increase in tourism has resulted in equivalent levels of public benefit.

There are multiple ongoing disputes within the city around 'over-tourism' issues. These include the impacts of the various Festivals on city centre public space; of Airbnb on availability of private rental capacity for Edinburgh residents; and the disruption suffered by public transport services due to the additional traffic movements in the city during peak tourist periods.²

One of the measures implemented across Europe as a response to the increased demands imposed by tourism has been that of the Transient Visitor Levy (TVL; popularly referred to as a "tourist tax"). TVLs are defined as charges levied on short-term accommodation which tourists are obliged to pay. The revenue generated from a TVL can be reinvested into the city where the TVL is implemented and help improve the lives of its residents. TVLs have been successfully implemented in 19 European countries including cities such as Brussels, Vienna and Florence.

In Scotland, a number of Scottish Local Authorities have expressed an interest in developing a TVL scheme, such as Aberdeen City Council and Highland Council. However, the most advanced proposal is that being developed by The City of Edinburgh Council (CEC).

CEC's policy is to both accommodate increased visitor numbers whilst protecting the historic value of the city.³ The Council argues that its TVL proposal goes some way to address this balance. It argues that the impacts of tourism can be managed and appropriate levels of revenue can be reinvested into keeping Edinburgh a desirable tourist destination, whilst maintaining the city as a place where people want to live. Its proposal has received overwhelming public support in its consultation carried out in late 2018, with 91% of residents expressing support.⁴ However, concerns have been raised by a minority of businesses, who claim that a TVL scheme would cause the city's visitor numbers to decrease (in the Council's consultation, 12% of businesses expressed strong opposition).

THE PURPOSE OF THIS REPORT

In light of the debate over the proposed Edinburgh TVL, this report explores the rationale for introducing a TVL, the process for implementing the TVL and the opinions of Edinburgh stakeholders. We also explore how four European cities have implemented TVL schemes and how they spend the revenue generated.

While Edinburgh's proposal for a TVL has been framed as a 'tourism policy' concern, it is clear that the levels of tourism experienced has significant impacts on the city's transport infrastructure and services, both public transport and the public realm — and it is this issue which is of most concern to Transform Scotland. In the final section of the report, we explore this issue by means of a survey of Edinburgh residents carried out earlier this year; we trust that these findings will provide useful guidance as to how the revenue raised by the TVL could be invested.



1

THE GROWTH OF TOURISM AND THE CASE FOR TVL

THE GROWTH OF TOURISM

Visitor numbers around the world have increased because destinations which were once inaccessible or too expensive to visit are now accessible due to the rapid expansion of aviation, in particular by the 'low-cost' carriers. The International Air Transport Association (IATA) reported that in 2017, airlines carried four billion passengers, an additional 280 million trips than in 2016. IATA have said that this figure is expected to double by 2023, from over 4 billion passengers flying in 2018 to 7.8 billion. The number of visitors coming to Edinburgh mirrors this trend, with growth from 3.85 million visitors in 2015 to 4.26 million in 2016.⁵

The Scottish tourism industry makes an important contribution to the Scottish economy; it is estimated that it contributes £1.6bn of GDP to the economy of Scotland and that the sector provides employment for over 207,000 people. Between 2011 and 2018 there was a 12% increase in employment due to the tourism industry, representing an extra 20,000 jobs.⁶ The tourism industry creates a vital stream of revenue, provides employment, increases diversification, improves infrastructure and facilities, supports local communities and improves quality of life.

The impacts of this growth, both globally and locally, are vast.

When not planned for or managed correctly, the tourism industry can degrade individual destinations. There is now a large and growing literature about cities or visitor attractions struggling from the negative impacts of tourism, and which has had no choice but to limit visitor numbers or implement additional actions to protect itself. Thailand's Maya Bay, Cinque Terre, Boracay, Venice, Machu Picchu and Barcelona are examples of destinations around the world struggling as a consequence of tourism.⁷

Furthermore, the rapid growth in cheap flights that has fuelled the tourism boom itself represents a massive challenge in terms of meeting climate change emission reduction targets.

The transport sector is the largest source of emissions, and the sector where there has been no progress in decarbonisation over the past thirty years. It is aviation that forms the fastest-growing part of transport emissions.⁸

THE ROLE OF TRANSIENT VISITOR LEVIES

TVLs are a popular way of attempting to manage the impact tourism has on a destination, having been implemented in 19 European countries. The revenue generated from a TVL can be reinvested into the city which is implementing the levy and contribute towards improving the lives of residents and the environment in which they live. CEC have characterised the different TVL options as follows:⁹

The 'progressive visitor levy'

is when visitors are charged different amounts depending on the grade of their accommodation. Visitors staying in expensive luxury accommodation will pay more than those staying in budget accommodation.

'Fixed rate' or 'flat fee' visitor levy

is when everybody pays a standard fee. This is the levy option the CEC will most likely implement in Edinburgh.

'Tax liability levy'

is when accommodation is classified with a tax liability per room per year depending on the accommodation type and the size of the room. Accommodation providers have the flexibility of choosing when to charge customers and how much to charge them seasonally, permitted they make enough to cover the tax liability.

HOW TVLS ARE USED ACROSS EUROPE

Currently, 19 European countries have implemented TVLs, each applying the levy in different ways. Here we present four short case studies about the TVL schemes which have been implemented in Geneva, Amsterdam, Dubrovnik and Florence.



Image by Flickr user Xavier

GENEVA, SWITZERLAND

The amount of TVL that tourists are charged when travelling to Switzerland varies depending on the town or city they are visiting. The typical amount is CHF 2.50 (£1.96) per person per night.

HOW IS THE TVL LEVIED?

In Geneva tourists are either charged the TVL as a separate bill on arrival at their accommodation or the TVL is included in their final bill.¹⁰

HOW IS THE REVENUE SPENT?

The TVL revenue is allocated to the development of tourism, strengthening the promotion of Geneva abroad and strengthening collaboration with other bodies with similar tasks.¹¹ The revenue is also used to fund tourist infrastructure, such as information services, cultural performances and free travel cards for tourists.¹² Geneva offers a free 'Transport Card' which allows tourists to use public transport (trains, trams, buses and boats) for free during their stay in the city. When visitors arrive at Geneva airport, they are given a free 80-minute travel ticket which allows them to get to their accommodation and once they arrive at their accommodation, they are given a travel card.¹³



Image by Flickr user tomanouc

AMSTERDAM, HOLLAND

The capital of the Netherlands and tourism hotspot, Amsterdam, received 7,270,000 visitors in 2016 and almost 14 million recorded overnight stays in hotels or similar accommodation.¹⁴ The number of visitors coming to the city is increasing and the benefits they bring are beginning to be overshadowed by negative impacts.

HOW IS THE TVL LEVIED?

Amsterdam has introduced a TVL in which visitors are charged by their accommodation provider on arrival.

HOW IS THE REVENUE SPENT?

The Dutch Municipal Law stipulates that the TVL is a general tax, which means there is no direct relation between the tax and the costs of municipal services. The revenue generated by the general tax is not directly for tourism projects or programmes but instead contributes towards the overall budget of the municipality levying the tax.¹⁵

The Amsterdam city coalition agreement of May 2018 states that “visitors will start to contribute more fairly to the tourism industry in Amsterdam”.¹⁶ The levy rate that visitors pay has increased in 2019, from 6.0% of the accommodation cost to 7.0%.¹⁷ Another form of TVL which has been introduced is a Day Tourist Tax applicable for transit sea and river cruise passengers who moor within the municipal boundaries of Amsterdam. The Day Tourist Tax was introduced on 1 January 2019, applies to everyone above the age of two, and is levied at the rate of €8.00 per person per day.¹⁸



Image by Flickr user Herbert Frank

DUBROVNIK, CROATIA

Dubrovnik has been struggling with overcrowding because of the increasing number of tourists which visit the city. This has resulted in its World Heritage Status being placed at risk by UNESCO.¹⁹ Additional visitor pressure followed its high-profile appearance in 2011 in the international hit TV series 'Game of Thrones'. The unexpected surge in visitor numbers has forced measures to be taken to protect the city and improve the life of residents. These included increasing TVL, limiting the number of cruise ships which visit the city and capping the number of visitors which can enter the city walls at one time.

HOW IS THE TVL LEVIED?

A TVL, known in Croatia as 'Sojourn tax', was introduced in Dubrovnik in 2005 and the amount visitors are charged will be raised from eight Kuna (£0.96) per person per night during peak season to ten Kuna per person

per night (£1.20). In 2017, the Croatian National Tourism Board collected 464 million Kuna (£55 million) from the TVL.²⁰

As well as limits on cruise ships, Dubrovnik is also trying to manage the visitor impacts through a 25% increase in the TVL which will come into effect in 2019.²¹

HOW IS THE REVENUE SPENT?

The revenue generated from the TVL is distributed to the Red Cross, to local tourist boards and destinations within the country.²² Gari Cappelli, the Croatian Tourism Minister, has said that tourists should not be put off visiting a destination because they have introduced a TVL but instead be glad to contribute towards the infrastructure, promotion and beauty of the country of Croatia.



Image by Flickr user Marc Buehler

FLORENCE, ITALY

Thirty-two cities and towns in Italy have implemented a TVL and the highest rate a visitor will be charged is €7.00 in Rome.²³ Visitors over the age of 12 travelling to Italy must pay a TVL for seven consecutive nights. Visitors are charged per person per night and the amount they must pay depends on which city they are visiting and what type of accommodation they are staying in. The higher the rating of accommodation the more money visitors are charged.

HOW IS THE TVL LEVIED?

A TVL was introduced in Florence in 2011. Tourists staying in one star accommodation must pay €1.00 per person per night and tourists staying in five star accommodation pay €5.00 per person per night. If visitors are staying in Airbnb accommodation, they must pay €3.00.²⁴

Exemptions include students of the University of Florence, police, firefighters and civil protection who are in Florence for service purposes and are staying in municipal facilities.

There is also a list of people who can pay 50% of the TVL, that includes young athletes and members of groups who are participating in sporting events organised in collaboration with the municipal administration.²⁵

Since the introduction of the TVL, Florence has received two million more visitors than in the period before the levy was introduced.²⁶

HOW IS THE REVENUE SPENT?

The revenue generated from the TVL is reinvested into tourism accommodation and services such as public transport, tourist information points, cultural activities and the money also contributes towards cleaning the city and road maintenance.²⁷



3

IMPLEMENTING TVL IN SCOTLAND

THE SCOTTISH GOVERNMENT'S 'NATIONAL DISCUSSION' ON TVL

The Scottish Government engaged with stakeholders from the tourism industry, Local Authorities and the business community in Scotland about the potential to introduce a TVL during a 'National Discussion' held from 23 November 2018 to 25 January 2019. The Government organised a series of roundtable events, held in Edinburgh, Aberdeen, Perth, Glasgow, Newton St Boswells, and Inverness, allowing stakeholders all over Scotland the opportunity to share their opinions. The results of the roundtable events were published in March 2019.²⁸ Participants from different parts of Scotland had varied opinions on the topic and accommodation providers were among those who were mostly opposed to a TVL. One question asked during the roundtable events was, "What Would the Reasons Be for Introducing a Transient Visitor Tax?".²⁹

COMMON THEMES IDENTIFIED INCLUDED:

- Shared appreciation that tourism is a key sector of the economy and is an important industry for economic growth and opportunity.
- Tourism facilities and infrastructure must be supported and invested in, to ensure Scotland continues to be an attractive destination.

- Roads, public toilets, transport links and internet availability must be maintained to a standard that visitors expect, especially in rural areas with growing visitor numbers.
- The revenue generated from the TVL would improve destination marketing, cultural events and attractions and support the provision of public services.³⁰

The Convention of Scottish Local Authorities (COSLA) submitted a document about introducing a TVL in Edinburgh and are in support of empowering Local Authorities to make choices for local communities.³¹ COSLA and Local Authorities such as Edinburgh and Aberdeen city councils have expressed support for the transfer of powers to allow Local Authorities to implement TVL schemes. The COSLA leadership team have been in support of this as a policy and helped bring all 32 Local Authorities behind the idea too.³²

However, for TVL to come to fruition in Scotland, the Scottish Government will now have to come forward with legislation for discretionary powers for Scottish Local Authorities. It is now expected that there will be a national consultation on the new legislation which will allow Local Authorities to implement TVL schemes. It is expected that this process may take up to two years to complete.³³

EDINBURGH'S PROPOSED TVL

Edinburgh visitor numbers are growing rapidly, from 3.27 million in 2010, to 3.85 million in 2015 to 4.26 million in 2016.³⁴ It has been reported that the Fringe Festival's audience has grown by nearly a million in the past decade, hitting record numbers.^{35 36} However, Edinburgh is a small city with a population of around 500,000 (2017), yet is expected to have the capacity to receive millions of visitors.³⁷

Councillor Adam McVey, the Leader of The City of Edinburgh Council (CEC) has indicated that plans for a TVL has been part of the Council's policy since 2012.³⁸ Cllr McVey has been calling for these powers for a number of years. He commented "*when I formed a new administration, I decided we were going to do it differently, by building an evidence base.*"³⁹

CEC stated in their submission to the National Discussion that the levy powers are needed for several reasons. Firstly, that the tourism industry continues to grow, and with it pressure on housing, at a time when public funding is reducing. Secondly, in order to continue being a world leading tourist destination, Edinburgh must compete with other global cities but also make sure residents are happy and support the increase in tourist numbers. Thirdly, with the tourism industry expanding and no source of sustainable investment, there is a risk that what the city has to offer tourists and residents will be degraded. As such, it was considered that a TVL scheme will help ensure the sustainable success of the city of Edinburgh.⁴⁰

The City of Edinburgh Council are proposing that the TVL charge rate be set at £2.00 per person per night.⁴¹

Eighty-five per cent of stakeholders that responded to CEC's eight week long consultation were in favour of introducing a TVL in Edinburgh: 67% supported a £2.00 per person per night charge and 18% felt that this amount was too low. It was decided that if the TVL was any higher Edinburgh would need to compete with other European cities and if it was any lower it would not be worth implementing.

If the charge of £2.00 per person per night is introduced, it would create a revenue stream of around £11.6-14.6 million to the city.⁴² CEC have said that the revenue generated from the TVL will be spent on sustainable measures to protect the city and the areas of the city where the TVL will have the greatest impact.⁴³ This revenue could be used to contribute towards general infrastructure in and around Edinburgh, or to tourism infrastructure and tourist services.⁴⁴ The funds could contribute towards minimising the impact tourism has on Edinburgh residents. Pedestrian infrastructure could be improved by widening pavements or making streets pedestrian only, reducing congestion. The revenue generated could also fund extra policing during busy periods to help manage visitor numbers and prevent overcrowding. Residents could get discounted entry to attractions or be permitted to skip queues and Airbnb premises within the city could be limited which would enable more people to live within the City.

However, it has not yet been decided how the revenue generated from the TVL will be spent, and there are many contrasting opinions from different industries and areas within Scotland on how the revenue should be distributed.

STRONG PUBLIC SUPPORT FOR EDINBURGH'S PROPOSAL

CEC carried out a public consultation on the draft TVL proposals between October and December 2018. More than 2,560 individuals responded to CEC's survey or to public discussion forums held as part of their consultation.⁴⁵ Of the 1,996 residents who participated in the online survey, 91% of Edinburgh residents were in favour of the levy.⁴⁶

This high level of support is perhaps not surprising. Edinburgh residents must share their city with millions of tourists. In particular during the summer Festivals and 'Edinburgh's Christmas', the city becomes overcrowded and can make it difficult for residents to move around the city. The revenue generated from a TVL could contribute towards reducing overcrowding by improving infrastructure for pedestrians like wider pavements or pedestrianised streets in busy areas.

An earlier survey, conducted by Marketing Edinburgh in 2018, also established public support amongst Edinburgh residents for a TVL. Its survey found 59% of residents and 47% of visitors are in favour of a TVL scheme. Although a small majority of visitors were against a TVL, 78% said they would still have visited Edinburgh if the TVL existed and would pay as high as £4.00 per person per night.⁴⁷

A RATHER MIXED RESPONSE FROM ORGANISATIONAL STAKEHOLDERS

Proposals for a TVL has divided opinion amongst businesses. Stakeholders' opinions differ depending on how the tourism industry affects them and whether the TVL will have a negative effect on the amount of revenue they generate. Of the 170 Edinburgh-based accommodation providers which responded to CEC's consultation, 51% were strongly in support yet 37% were strongly opposed (due to increase in prices that visitors would face).⁴⁸ Accommodation providers expressed concern that a TVL would reduce the number of visitors who travel to Edinburgh.

Strong opposition has come from the accommodation and hospitality sectors. Amongst opponents to the TVL is the Federation of Small Businesses (FSB) and the Association of Scotland's Self-Caterers (ASSC). The FSB presented the results of a survey it had conducted in 2018 that found that most of Edinburgh businesses were against a TVL: 76% of respondents were strongly opposed to the TVL and 73% thought it would have a negative impact on the local economy.⁴⁹ The ASSC wrote an open letter to Cllr McVey, expressing their opposition to the TVL.⁵⁰ The letter declared that introducing a TVL in Edinburgh would be harmful to the tourism and hospitality industry and would reverse much of the positive work that CEC have done to promote the city as a prosperous tourist destination. Meanwhile, 'The Caterer' magazine claimed in January 2019 that the introduction of a TVL could make Edinburgh the most expensive destination in Europe, and that at a time of political and economic uncertainty, implementing a TVL may have a detrimental effect on the tourism industry.⁵¹

Transform Scotland is, of course, sceptical of the claims from the accommodation and hospitality sectors that a £2.00 TVL rate would have any impact on demand. We have certainly not seen any independent research which demonstrates the likelihood of any demand impacts.



4

**TRANSFORM SURVEY
OF EDINBURGH
RESIDENTS ON
INVESTING TVL
REVENUE**

While there is widespread public support for a TVL, there has not as yet been a broad discussion about how the revenue generated should be invested. This is puzzling, as one way of establishing support for new charges will be to communicate the new investment that will be brought about as a consequence of its implementation.

In order to address this, we created our own online survey. The aim of the survey was to collect primary research data from Edinburgh residents, focussing on questions which have not previously been asked. We wanted to know what residents think about the tourism industry in Edinburgh, if they are put off visiting destinations which already implement a TVL and how they think the revenue generated from the potential TVL should be distributed.

The survey consisted of nine questions and took respondents approximately three minutes to complete. It was publicised on social media from 9 April to 14 May 2019.⁵² **320 Edinburgh residents** responded to the survey. The survey questions are set out in full in Appendix 1.



SUMMARY OF SURVEY FINDINGS

The results of our survey show:

69%

Report being frequently **impacted by tourism**

87%

People think more can be done to **manage tourism**

93%

People are aware of **proposals** for a **TVL**

89%

do not consider TVLs when booking a holiday

89%

would not be put off booking a holiday because of a TVL

52%

were **unaware of the existence** of a TVL at a destination they had visited

78%

People feel that TVL is a good way to **protect the city** and **manage tourism**

42%

Support investing the revenue in **city infrastructure** and **green spaces**

Respondents also expressed their own **opinions on how to invest TVL revenue** — from investing in cycling, to monitoring Airbnb, to helping the homeless and disadvantaged

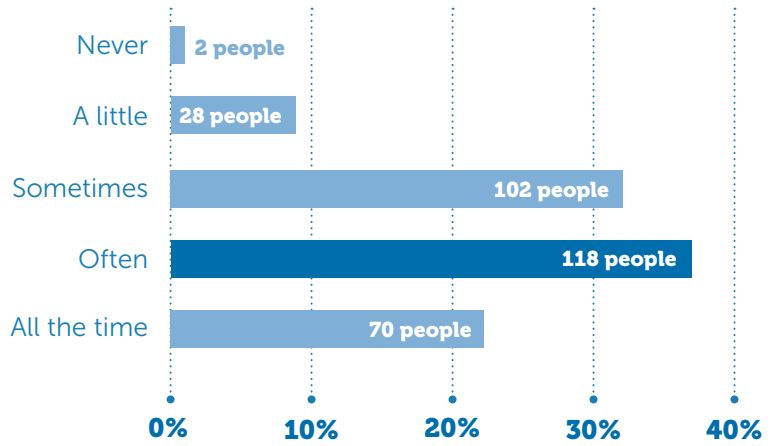
Q1

A MAJORITY REPORT BEING FREQUENTLY IMPACTED BY TOURISM

Tourism often impacts a majority of survey respondents (**22% "all the time"** and **37% "often"**).

With the Capital's visitor numbers growing each year and Princes Street and the Royal Mile becoming extremely busy areas during the Summer and Christmas periods, it is of little surprise that most respondents report that they are impacted by tourism.

Q1: How often does tourism impact your life in Edinburgh?

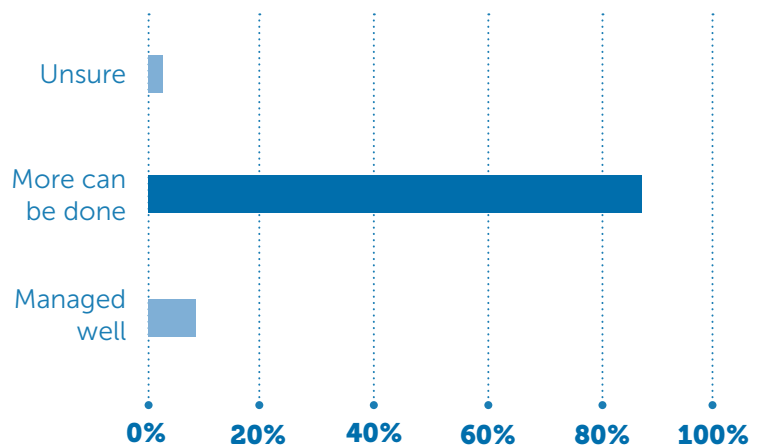


Q2

MORE CAN BE DONE TO MANAGE TOURISM

An overwhelming majority of respondents (**87%**) agreed that **more can be done to manage tourism**. With visitor numbers growing and almost all respondents saying their lives are impacted by tourism, a TVL would help manage the tourism industry. The money generated from the TVL will be invested into the City of Edinburgh, protecting and improving facilities and infrastructure which residents and the millions of visitors coming to the city use and rely on.

Q2: Do you think tourism in Edinburgh is managed well or more can be done?

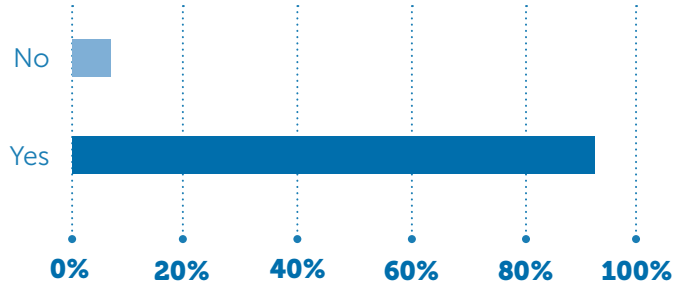


Q3

PEOPLE ARE AWARE OF PROPOSALS FOR A TVL

The topic of introducing a TVL in Edinburgh has been a popular conversation over recent years so it was no surprise that a vast majority of respondents **(93%) were aware that a TVL may be introduced in Edinburgh.**

Q3: Are you aware that a Transient Visitor Levy (tourist tax) may be introduced in Edinburgh?

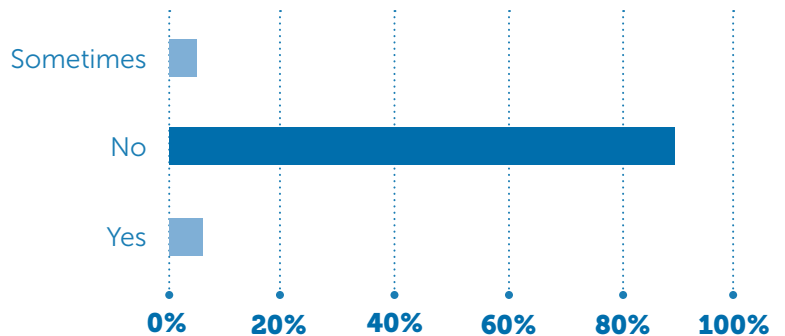


Q4

MOST DO NOT CONSIDER TVLS WHEN BOOKING A HOLIDAY

Those opposed to a TVL being introduced in Edinburgh have argued that visitors will be put off visiting Edinburgh if they are charged a TVL. However, the vast majority of respondents to our survey **(89%)** said it is **not something they would take into consideration.**

Q4: Is a Transient Visitor Levy something you take into consideration when booking a holiday?

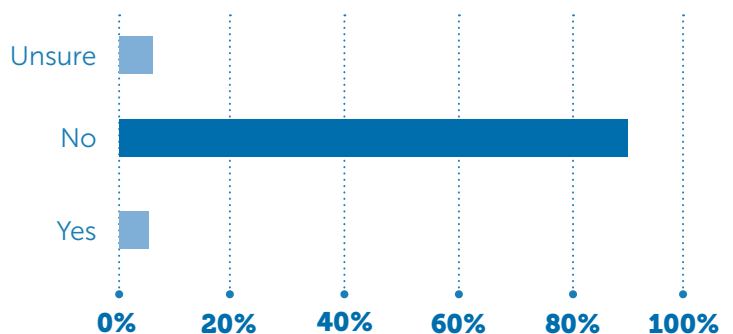


Q5

MOST WOULD NOT BE PUT OFF BOOKING A HOLIDAY BECAUSE OF A TVL

The same overwhelming share of respondents **(89%)** said they would **not be put off visiting somewhere which has a TVL.**

Q5: Have you ever visited a destination that has a Transient Visitor Levy and been completely unaware of the tax until your arrival or departure?



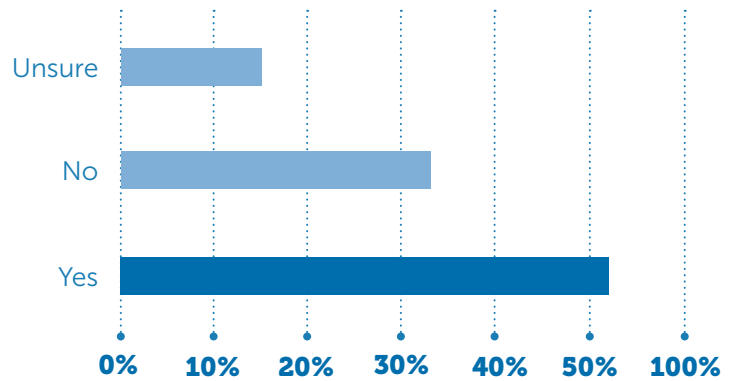
Q6

MOST WERE UNAWARE OF THE EXISTENCE OF A TVL AT A DESTINATION THEY HAD VISITED

Over half of respondents (**52%**) indicated that they have visited a destination which has had a TVL implemented and have been completely **unaware of the levy until their arrival or departure**.

A third of respondents (33%) indicated that they were aware of any TVLs while on holiday and 15% said they were unsure.

Q6: Have you ever visited a destination that has a Transient Visitor Levy and been completely unaware of the tax until your arrival or departure?



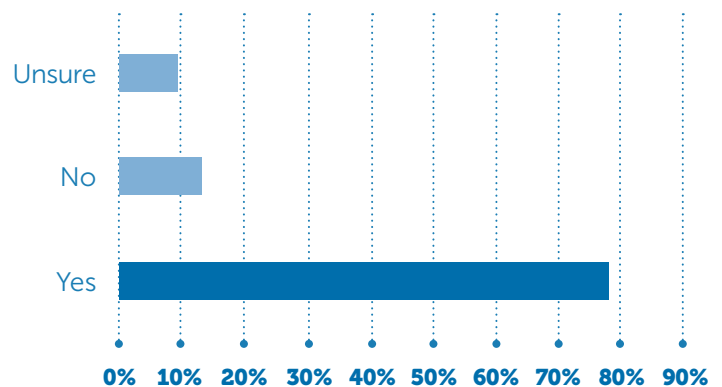
Q7

TVL IS A GOOD WAY TO PROTECT THE CITY AND MANAGE TOURISM

The vast majority of respondents (**78%**) said that they thought a **TVL was a good idea**. Interestingly, our survey result here was less strongly in favour of TVL than the result of CEC's own public consultation, which found 91% in favour. If people answered that they did not think a TVL was a good idea, they were given the option to leave comments about their answer. A number of responses here were what we might have expected. For example, that it was 'just another way for CEC to make money', that visitors 'already pay enough' and should not be charged anything extra, that visitors may be 'put off coming to Edinburgh'.

However, others indicated that they would be in favour of the levy but were unsure of how exactly the money generated would be distributed and, therefore, in what ways it could be beneficial. These answers support our contention that greater clarity about how the revenue generated will be spent could engender greater support for the overall concept of the TVL.

Q7: Do you think introducing a Transient Visitor Levy in Edinburgh is a good way to protect and promote the city and manage the tourism industry?



Q8



INVESTMENT IN CITY INFRASTRUCTURE AND GREEN SPACES GAINED THE STRONGEST SUPPORT

For this question, we presented a closed range of options based upon what other European cities have done with their TVLs.

The survey found that **'improving the city's infrastructure and cleanliness and maintaining parks and green spaces'** to be ranked as the most important way to invest the revenue generated from the TVL, with **42%** of respondents ranking that option as number one. The second most popular choice was 'improving infrastructure for pedestrians around Edinburgh, for example, wider pavements, or pedestrianised streets in busy areas', with 31% of people ranking that as number one. The third most popular option, ranked as number one by 24% of respondents, was 'improving public transport in and around Edinburgh for residents and visitors by making public transport more affordable, accessible, comfortable and environmentally friendly'.

Q8: If the Scottish Government approves a £2.00 per person per night Transient Visitor Levy in Edinburgh, it could generate up to £14.6 million in revenue, how do you think this money should be distributed? (rank in order of importance)

133

PEOPLE

Improving the city's **infrastructure and cleanliness** and maintaining parks and green spaces

99

PEOPLE

Improving **infrastructure for pedestrians** around Edinburgh, for example, wider pavements or pedestrianised streets in busy areas

77

PEOPLE

Improving public transport in and around Edinburgh for residents and visitors by making **public transport** more **affordable, accessible, comfortable** and **environmentally friendly**

8

PEOPLE

Creating **free travel cards** for tourists to use around Edinburgh during their stay in the city (similar concept to the one implemented in Geneva, Switzerland)

3

PEOPLE

Creating **discounts** at the city's attractions **for Edinburgh residents**

RESPONDENTS ALSO EXPRESSED THEIR OWN OPINIONS ON HOW TO INVEST TVL REVENUE

Respondents were given the option to leave comments on how they think the revenue should be spent, if not covered by question 8. A wide range of comments were made, some of which are set out below, but common themes included:

- Improving infrastructure and facilities for cyclists
- Lifting litter, cleaning streets and graffiti removal
- Monitoring Airbnb locations
- Helping the Edinburgh's homeless and disadvantaged
- Increasing availability of affordable housing
- Providing free public transport or subsidising the cost of public transport
- Improving public toilets
- Funding policing during peak tourist periods

“ It should be used to improve facilities, transport and life for residents primarily – not solely on tourist infrastructure. ”

“ Providing more oversight and control to holiday let / Airbnb-type accommodation to improve experience for both visitors and residents and open up other areas of the city to spread potential tourism by using other parks and spaces. ”

“ Improving public toilets. ”

“ Helpers at busy bus stops to assist tourists. ”

“ Improving active travel infrastructure more broadly – also creating more spaces for people cycling a variety of bicycles (including adapted trikes, cargo bikes, e-bikes etc). ”

“ The first priority for investment should be to permanently pedestrianise The Royal Mile, Cockburn Street and Victoria Street. ”

“ Clean the streets and improve the roads. Edinburgh is filthy, roads are worst I’ve seen in Edinburgh. ”

“ Make public transport free for everyone. ”

“ Spend the money on services, facilities, and amenities in North Edinburgh – Granton, Pilton, Davidson’s Mains etc – the areas not visited by tourists. More regular street cleaning (litter/dog mess/fly tipping is a HUGE problem here); more and better bus services; more social and cultural facilities. ”

“ Maintaining and supporting housing for actual Edinburgh permanent residents so that the city centre doesn’t become a ghost town, with no people living permanently in it. Having permanent residents mixing with visitors and students etc is what makes a city feel vibrant and interesting – precisely why visitors come. ”

“ If this levy is aimed at tourists then the revenue should be spent in ways that enhance positive and sustainable tourism e.g. used to restore historic tourist sites, supporting eco-tourism, maintaining pavements and footpaths (Arthur’s Seat and Calton Hill need some love!). ”

“ Edinburgh gets millions of visitors per year and therefore the money generated should be put towards things like maintenance of historic landmarks and controlling pollution caused by visitors. ”

“ Helping to house the homeless. ”



5

CONCLUSIONS

There is now global concern about the many impacts of tourism, from fuelling the growth in aviation emissions, to the impacts that large tourist volumes have on fragile historic environments and ecosystems.

Various responses to these challenges are now under active consideration. These include limits on cruise ship visits, regulation of Airbnb, and a greater interest in 'eco-tourism'. However, it is the Transient Visitor Levy (TVL) that is currently being given most attention in the Scottish context.

TVL schemes are widespread across Europe, being in operation in 19 countries, and in this report we highlight the schemes in operation in Amsterdam, Dubrovnik, Florence and Geneva. We find that not only is there a variety of ways in which TVL schemes are implemented, but also that there is a wide range in which TVL revenues are invested: while support for tourist services, investment in city infrastructure and public transport services were common, one scheme (Amsterdam) does not ring-fence revenues.

In Edinburgh, there is now strong public support for the City's proposals, and it is now incumbent on the Scottish Government to swiftly come forward with legislation for discretionary powers to implement TVL schemes that are appropriate to the local circumstances across Scotland. While Edinburgh has an overheated tourism sector, there are other parts of Scotland where a TVL may not be appropriate.

We are not persuaded by the hostility from the hospitality industry towards TVL proposals. We have seen no evidence that a TVL scheme in Edinburgh at a rate of £2.00 would impact on visitor numbers, and nor would we expect a charge less than the price of a coffee to have any impact on demand. We note that Florence has experienced further growth in visitor numbers despite the introduction of a TVL scheme in 2011.

Our report takes forward the debate on the Edinburgh TVL proposal by presenting additional public opinion on how the revenue from the scheme should be invested. Transform Scotland's viewpoint is that, given tourism's impacts on these matters, a significant proportion of the revenue should be invested in improving

the City Centre public realm and in supporting public transport services. Our survey somewhat supports this position, with 'improving the city's infrastructure and cleanliness and maintaining parks and green spaces' being ranked as the most important way to invest the revenue generated from the TVL, alongside strong support for investment in the pedestrian environment and in public transport services. However, our survey also reports strong support for investment in cycling facilities, in curbing the impact of Airbnb, and in helping the city's homeless and disadvantaged. CEC clearly has some tough decisions to take on how the TVL revenues should be invested, and we trust that our research provides some further guidance on this matter.

Finally, we note that TVL schemes have been dubbed by tourism industry vested interests as a "tourist tax". It is imperative that we can have a more grown-up debate about the future of tourism, and its impacts. Tourists have a responsibility to be respectful to the locations that they visit and, as such, we propose that 'Tourist Duty' would be a more appropriate framing than the clumsy, jargon-ridden term 'Transient Visitor Levy'.

RECOMMENDATIONS



1

The Scottish Ministers need to urgently legislate to provide Scottish Local Authorities with discretionary powers to develop TVL schemes. Such schemes have been successfully implemented across Europe, and it is overdue for Scottish local government to be given the authority to develop equivalent schemes.

2

The City of Edinburgh Council should continue to develop its TVL proposal. The TVL rate of £2.00 per person per night would generate £13.6 million per annum.

3

CEC should be clearer about how they intend to spend the revenue generated by the TVL. We believe that further clarity about how the revenue generated will be invested will engender greater support for the overall concept of the TVL.

4

As established by the responses to the survey carried out in this report, some or all of the revenue generated should be invested in the City Centre public realm, and/or improvements to public transport services and cycle infrastructure.

5

Other Scottish local authorities should commence investigation of the merits of TVL schemes in their own areas. We would suggest that the other major city authorities (Aberdeen, Dundee, Glasgow) should actively pursue this, as should others who have large tourist flows to deal with (e.g. Highland Council).

6

That the term 'Tourist Duty' should now be used in public policy debate in preference to the clumsy, jargon-ridden term 'Transient Visitor Levy', as the former term better reflects the responsibility that tourists themselves have to the locations that they visit.

APPENDIX 1:

SURVEY QUESTIONS

The nine survey questions were:

- 1.** How often does tourism impact your life in Edinburgh?
- 2.** Do you think tourism in Edinburgh is managed well or more can be done?
- 3.** Are you aware that a Transient Visitor Levy (tourist tax) may be introduced in Edinburgh?
- 4.** Is a Transient Visitor Levy something you take into consideration when booking a holiday?
- 5.** Would you be put off visiting a destination if you knew a Transient Visitor Levy was being implemented?
- 6.** Have you ever visited a destination that has a Transient Visitor Levy and been completely unaware of the tax until your arrival or departure?
- 7.** Do you think introducing a Transient Visitor Levy in Edinburgh is a good way to protect and promote the city and manage the tourism industry?
- 8.** If the Scottish government approves a £2.00 per person per night Transient Visitor Levy in Edinburgh, it could generate up to £14.6 million in revenue, how do you think this money should be distributed? (rank in order of importance).
 - Improving infrastructure for pedestrians, for example, wider pavements or pedestrianised streets in busy areas.
 - Creating free travel cards for tourists to use around Edinburgh during their stay in the city, similar concept to the one implemented in Geneva, Switzerland.
 - Improving public transport in and around Edinburgh for residents and visitors by making public transport more affordable, accessible, comfortable and environmentally friendly.
 - Creating discounts at the city's attractions for residents.
 - Improving the city's infrastructure and cleanliness by maintaining parks and green spaces.
- 9.** If you have any ideas of how the revenue generated from the Transient Visitor Levy should be spent, leave your comments below.

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TOURISTS HAVE A DUTY TO CONTRIBUTE TO THE HISTORIC AND FRAGILE ENVIRONMENTS THAT THEY VISIT.

'Over-tourism' is now a major global concern, with many cities and visitor attractions around the world struggling to cope with tourist volumes. Nineteen countries across Europe have implemented 'Transient Visitor Levies' in order to respond to the pressures imposed upon them, and this idea has now attracted interest in Scotland. In this report, we explore the rationale for introducing a TVL, present case studies of TVL schemes across Europe, set out results of a survey of Edinburgh residents' views on how TVL revenue should be invested, and make policy recommendations for the Scottish Government and Scottish Local Authorities.



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