

Council hope to pursue a voluntary 'Tourist tax' model

✖ The council's Policy and Strategy Committee which meets today will be told that there is still a need for a tourist tax in the capital, despite all the responses from the hotel sector who have rejected the idea of a compulsory regime in the past. The tax would impose £1 or so on top of the cost of a room, and might raise as much as £10m for use in improving the city.

The matter has been discussed by the same committee [in December last year](#) and in March 2012 when the council rejected the tax for which legislation by The Scottish Government would have been required. The Green Group supported the imposition of a tax, although it was rejected by the LibDem/SNP coalition and the Conservatives.

The coalition then declared in their Capital Coalition agreement in May that they would consult on the matter further, and the report before the meeting this morning explains that more investment is needed in Edinburgh, but believes it can be achieved on a voluntary basis involving the Business Improvement District or BID model, meaning that the money would come from the business community and not the tourists themselves.

This model of raising funding can be targeted either in a geographical location or on a sector of the business community, such as hotels. Sheffield is quoted as an example of a city where a Hospitality Bid is being investigated which involves both hotels and a stadium to support sports events and concerts. The Scottish Government is said to be actively encouraging this, known as a sectoral BID, from Scottish councils, and appears to have £20,000 sitting waiting for the council to match and then use in setting up a new BID. One of

the main arguments against the compulsory regime suggested by the council in the past was that new legislation would be required from The Scottish Government to enable the council to implement the scheme.

Colin Paton, Chairman and Chief Executive of Portland Hotels Group which owns several city hotels, and who represents the Edinburgh Hotels Association said that there has to be a note of caution attached to the council's new proposal. He said:-"Tourism in Edinburgh is not just about hotels. Tourism in Edinburgh is everybody's business now, so any such initiative should include a very wide range of businesses."

He continued:-"The funds raised should not be paid to the City of Edinburgh Council and then disappear in a black hole. They should be made directly available to Marketing Edinburgh, which must become a true public/private partnership -and applied to its remit in its widest sense."

"This initiative should be 'additional' and also involve a specific 'offer' from Marketing Edinburgh."

The report states that the council invests £11m annually in tourism promotion and infrastructure, which includes funding for the city's main promotional vehicle, Marketing Edinburgh.

Last year Edinburgh hotels were busier than any other UK city including London, according to the council report. The EICC extension will offer new conference opportunities to the city and thus the council feels additional investment is needed, which it believes should come from a mix of public and private resources. This is where the Transient Visitor Levy or tourist tax would come in.

Other cities across the world have introduced such a tax to their benefit, and examples such as Las Vegas, Vancouver and Florence are quoted in support of a money raising initiative which would provide more funds for tourism promotion.