

# Council Leader urges moves on Tourist tax



The council leader mentioned two words at this morning's council meeting which may or may not strike fear into the hearts of those convening at Holyrood for the budget meeting this afternoon.

Councillor Andrew Burns mentioned that today the Finance Secretary will announce the Scottish Government's financial settlement which will impact on all 32 councils in Scotland. He said: "Speaking on behalf of all 58 councillors what we need is a bit of freedom and flexibility and I urge the Finance Secretary to let go of some powers to the councils across the country. What we need is a bit more control over our destiny and control our own financial affairs. That is my plea to the Finance Secretary when he stands up today.



The Finance Secretary on a visit to the newly completed first phase of Royal Edinburgh Hospital the day ahead of delivering his first budget.

"I have lots of positive news about the local economy here in the capital in my latest Leader's Report. I want to highlight the figures particularly around the hotel industry who have just enjoyed the most successful October ever. There was a jump of 18.4% in profit per room. Edinburgh Airport also had the busiest month ever with the best ever passenger figures reported.

"This leads me to conclude that we need the power for this council to raise a transient visitor levy on the hotel trade. I hope we see some movement on this if not this afternoon

then in the next few months when we are discussing our City Region Deal.”

The words ‘tourist levy’ arising once more in the City Chambers, brings the matter to the attention of the councillors and residents once more. But the important thing is not just to speak about it but to get the message through to the Scottish Government, as the power to impose such a levy on the city lies with them. This tax is something which is common in other world cities and which would bring additional income of perhaps £10 million to Edinburgh.

In 2011 there was practically cross-party support in the City Chambers for the introduction of such a levy which would impose £1 or £2 a night on top of a hotel bill. At the time the Green Group leader Cllr Steve Burgess said: “A small levy of a pound or two on a bed night, less than the price of a cup of coffee, could help the council to continue to provide cultural attractions and services that benefit both visitors and residents. There’s no evidence to suggest it would harm tourist numbers, many other successful tourist destinations around the world successfully operate such a levy.”

The council voted against introducing such a levy in 2012 as they realised they did not have the power to introduce it. This dismayed the Green Group who demanded that the council meet the government to discuss the need to legislation.

There were reports of such meetings between Holyrood and High Street representatives taking place in 2015, which could have meant an additional £10 million for the city’s coffers just at the point when they needed it. While the previous tourism secretary Fergus Ewing said he was not in favour of such a levy there was a hope after the cabinet reshuffle that Fiona Hyslop MSP would take the matter forward, but she rejected any such move earlier in the year.

A survey conducted by the Federation of Small Businesses

concluded that four out of five small firms were against the plans to introduce such a tax being levied on visitors. When the survey results were published in June this year Colin Borland, FSB's head of external affairs in Scotland, said: "While we understand that public sector budgets are under pressure, FSB cannot support the introduction of a regressive tax on visitors.

"Tourism is a key industry for Scotland and the ambitious targets we have to increase the number of return visitors could be undermined by these proposals."

The Scottish Tourism Alliance and British Hospitality Association also opposed such moves.

The Scottish Greens campaigned on the basis of introducing a tourist tax in 2016 which they said would raise about £65 million for the cultural sector in Scotland, but without a major turnaround at Holyrood there would seem little hope of that being included in today's measures.