

Council in coalition – working hard to introduce Transient Visitor Levy

It is now a year since a new council was elected and an SNP-Labour coalition formed. This is a complete reverse of the position in the last council when the balance was Labour-SNP. But when The Edinburgh Reporter met with Council Leader Adam McVey and Deputy Leader Councillor Cammy Day, they both commented that this is a different set up with different people, although their aims are similar.

They found it quite easy to agree the terms of their coalition deal or business plan which is set out in 6 sections with a total of 52 separate commitments.

One of the commitments most often written about is the aims of introducing a Transient Visitor Levy (TVL) to Edinburgh. With the council unable to raise much more in council tax than the 3% rise they imposed this year, they feel that they have to look elsewhere for any increase in their income.



The Balmoral Hotel Edinburgh

The council suggests that imposing a TVL of around £1 a night on those staying in hotels or B&Bs could raise as much as £29 million for Edinburgh. The idea would be that the money is ring-fenced for things like cleaning the city and keeping it in a condition where it continues to attract visitors.

TVL has approval from some and criticism from others, but the Council Leader is keen to stress that they are working hard on getting approval from the Scottish Government for it. It requires legislation from Holyrood since the council does not have the power to introduce the charge.

Commitment 48 : to continue to make a case to the Scottish Government for the introduction of a Transient Visitor Levy and explore the possibility of introducing more flexibility in the application of business rates. Explore the possibility of introducing a workplace parking levy.

We asked Councillor McVey if he thought they would be successful in the lobbying of Holyrood on TVL. He said : "Yes I do. I think our approach this time has been really robust and professional.

"Cammy and I were recently at a round table event with industry leaders, so we are engaging with industry to try and iron out any snags. We want to end up not just with TVL but the right one for Edinburgh in terms of our proposals.

"We are also engaging directly with the government. We have managed to get COSLA's unanimous endorsement of our proposal and so have given every other council the option to implement it, but certainly Edinburgh and the Highlands are two that have expressed an interest. We are much further ahead than anyone else in our thinking and development.

"We are also engaging with the city and that's where our support for this really lies. I am yet to meet a resident of this city who is against the policy. It appears that media outlets who have been out on the Royal Mile interviewing

tourists and residents, they have yet to meet anyone who has a problem with it as well.”

Earlier in the year the FSB said they were alarmed at the report that the council produced on the matter of TVL. Then, Garry Clark, FSB Development Manager for the East of Scotland, said: “As Councillors discuss this latest report, they should bear in mind that three quarters of Edinburgh’s small businesses were against a tourism tax; and almost as many feared that it would damage Edinburgh’s economy.

“The Council’s report raises more questions than it answers, and it is concerning that the report explicitly recommends that the Council should press ahead with plans for the tax irrespective of what businesses, residents and tourists actually say during the consultation.

“The report also suggests that the city’s tourism businesses should pay more to maintain Edinburgh’s tourism environment – an assertion that is in stark contrast to the assurances that the Council were making just last week.

“Let’s not forget that tourists already spend more than £1.4 billion in our city each year and support over 34,000 jobs. That is the real contribution that tourism is already making to Edinburgh.

“If the Council wants a debate on a tourism tax, then let it be one where the result is not predetermined. Give Edinburgh businesses a real say on an issue that will affect them, their customers and the wider local economy.”

https://media.sparemin.com/embed-video/videos/3d/f4/d3/f0/3df4d3f0-4e45-4cf8-b3d2-b5d377e2de67_60618.mp4

Councillor Day said that a huge percentage of the members of Essential Edinburgh’s BID (this includes businesses in the city centre along George Street from one end to the other) were in favour of the proposed tax. Cllr Day said : “It’s

important to point out that this is not a tax on the businesses it is a charge for individual tourists who come here. I have yet to see a country which has brought in a tourist levy that has been damaged by it.

“We heard from some of our leading hotels in Edinburgh at the recent meeting that their business is increasing year on year. It is unconvincing that a pound or so extra will do anything to business, apart from expand it.”

So where do any problems with introducing this in Edinburgh lie? The UK is only one of nine countries in the EU which does not charge TVL, so Edinburgh might be among the first UK city to do so.

McVey said he was quite encouraged by the last FSB survey which showed that 1 in 4 of the businesses who did respond support the introduction of TVL. He continued : “What we have not done is say ‘Here is a fully fledged tourist tax’ and say we will implement it as soon as we get the powers. I think that would have been a disservice to the industry.

“What we are trying to do is get them engaged so that when the government hopefully endorses our plan it will have industry buy-in. We hope that people can then see it and understand it better. They will know what the money is going to be spent on, how it is raised and what the impact on their business might be.”

Edinburgh attracts around 1.6 million overseas visitors each year which is second only to London in the UK, but the council’s recent research concluded that visitors choose a destination on more than just price alone.

The report also suggests that if the council takes no additional action on maintaining the city then it may ‘cause more harm than good’. It also suggests that if there is investment in overall quality, say of attractions and culture, then it will maintain its position as a destination of choice.

With a hotel occupancy of around 82% on average Edinburgh is more popular than most other cities in Europe.

Finally what would the money be spent on? Well that has yet to be decided, but in Barcelona where there is a local backlash against tourists they spend half of the income on 'municipal management projects'. They feel that this allows them to aim services at visitors and adjust their services such as cleaning, waste etc to deal with the demands placed upon them by visitors.