

Council Leader says the time is right for Tourist Tax

Tourism bodies including UK Hospitality sent an open Letter to Adam McVey, Leader, City of Edinburgh Council opposing the council's plans to impose a tourist tax on those visiting Edinburgh. The council is running a consultation which is due to close later today.

The Council is [seeking feedback](#) on:

- 1. The detailed components of a scheme that could work in Edinburgh;**
- 2. Wider views on ways in which the council could utilise resources raised; and**
- 3. Feedback on preferences on how the council could increase transparent governance and accountability of an Edinburgh scheme**

The plans require legislation from The Scottish Government, but it is a stated aim of the current council administration to lobby for that. They already have the nationwide backing of COSLA who say they favour the so-called 'tax'. The idea would be to impose a £2 nightly tax on tourists staying in the city and use the funds to help the council maintain infrastructure such as street cleaning.



Council Leader Adam McVey

REPLY FROM THE CITY CHAMBERS

The text of the letter is below but the council leader Adam McVey has issued a strong reply explaining that they have their figures wrong. He said : “Tourism is a key part of the Edinburgh and Scottish economy as is the hospitality sector and it is in all of our interests to support this growth. But we also think it fair that tourists, along with residents, contribute to the continuing success of this city.

“Two independent studies, one conducted in the peak festival season and another during the quieter autumn months, demonstrate that tourists and residents overwhelmingly agree and, critically, that a tourist tax in Edinburgh would not deter visitors. Paris, Berlin, Rome, New York – all of these cities operate some form of tourist tax and all of them remain hugely popular visitor destinations.

“The strength of Edinburgh’s appeal as a tourist destination and the continued growth of the sector is evidenced by the 1,500 additional hotel beds we have in the city over the last year and the 60+ hotels which are in the pipeline.

“The signatories will also be well aware of a recent Scottish Government report on TVL, which quotes the average hotel price for a 3* hotel at £1,589 for a four night stay and, that in the space of four years, a growth in hotel revenue (27%) has exceeded GVA growth and tourism spend in the city. Added to that the fact our festivals have never been busier and the

evidence is overwhelming: Edinburgh's visitor economy is performing extremely well. The right time is now for a TVL in Edinburgh.

"Our online survey is comprehensive, covering all aspects of a potential scheme, and respondents are specifically asked twice on how supportive – or otherwise – they are of our plans. At both points, and elsewhere, the survey provides text boxes allowing for fuller responses.

"We have already had a strong response to survey, with 2,500 individuals and organisations having had their say. We want responses to be as thorough and inclusive of all stakeholders as possible, but especially our industry partners, and I have reiterated our offer to attend any events, sessions or meetings they are holding to discuss our proposals further."

TEXT OF THE OPEN LETTER :

We are writing collectively to express our complete opposition to the City of Edinburgh Council's proposals for the introduction of a Transient Visitor Levy (TVL)/tourist tax in the city.

Such a measure would be hugely damaging to the tourism and hospitality sector and undo much of the positive work that the Council has done to promote the city as a thriving tourist destination.

Edinburgh is a world-class tourist destination, bringing huge benefits to the city and residents through jobs, income and great places to eat, drink and visit. However, we live in a global, price-sensitive economy and any imposition of a tourist tax on consumers will inevitably lead to fewer visitors and lower spending, affecting jobs and investment. The tax proposed in Edinburgh will cost that city's economy £45 million – £175 million if implemented across Scotland.

Hospitality is critical to the Scottish economy, directly employing 275,000 people and supporting about 30,000 jobs in Edinburgh. Total tourist spend in 2017 from Edinburgh visitors was £1.5bn. A visitor levy would have far reaching implications in terms of our attractiveness as a destination as well as diminishing overall spend. As we continue to navigate Brexit, now is not the time to be pushing Scotland further out of reach.

Edinburgh Council's consultation ignores the fact that VAT on accommodation in Scotland (and across the UK) is much higher than virtually all other EU countries including those which levy some form of tourist or bed tax; the UK is one of only three EU countries not to apply a reduced rate of VAT to accommodation and tourism services. Additional taxes on Edinburgh businesses will only make the sector even less competitive at a time of great economic uncertainty.

The hospitality sector pays hundreds of millions of pounds in business rates, making a huge contribution to local authority services across Scotland, proportionately overpaying by more than any other in relation to revenue.

The consultation by Edinburgh Council pre-supposes support both for principle and the imposition of a tourist tax, support for which does not exist within the hospitality sector. Helpfully, the Scottish Government has intervened to hold a national conversation on the issue and we are engaging in that process. It is, however, important that Edinburgh Council does not pre-judge the outcome of that process.

Edinburgh Council needs to heed the voice of hospitality, drop its proposals and work with the sector to develop a dynamic and customer-focused strategy that will help keep the city – and Scotland as a whole – at the forefront of global

destinations.

Yours faithfully,

(Signed)

Kate Nicholls

Chief Executive, UK Hospitality

Calum Ross

Chair, UKH Scotland

Rob Paterson

Chief Executive, Best Western Hotels Great Britain

Russell Imrie

*Managing Director, Queensferry Hotels and on behalf of
Edinburgh Hotels Association*

Angela Vickers

Chief Executive, Apex Hotels

Margo Paterson

Chief Executive, Scottish Youth Hostels Association

Richard Mayne

Cluster General Manager, Radisson Hotels

David Weston

Chairman, Scottish Bed & Breakfast Association

Fiona Campbell

Chief Executive, Association of Scotland's Self Caterers

Colin Wilkinson

Managing Director, Scottish Licensed Trade Association