

Edinburgh to charge tourists £2 a night 'tourist tax'

Following a consultation process last year the city council is recommending forging ahead with proposals for a £2 a night tourist tax.

The only thing stopping them is that even if councillors agree this at their meeting on 7 February, the council cannot make any progress unless and until The Scottish Government pass laws for imposition of this discretionary tax.

It seems that the council leader Cllr Adam McVey is hoping that there will be some mention of allowing councils to impose such a tax in this week's Holyrood budget. If councillors agree next week to adopt the outline policy then, on condition that Holyrood gives the City Chambers such powers, councillors are also being asked to agree what the next steps might be.

On the basis of a charge of £2 per room per night charge the likely income is £14.6m. It would have been about £3m less if the option of charging 2% had been selected. The allocation of that money is to be decided upon by a stakeholder group making recommendations to the council. Priorities for spending the money would be decided then but would have to adhere to the general principles of supporting and managing the impacts of tourism in the city.

The £2 a night fee would be capped at seven nights and campsites would be exempt.

Most of the 2,560 people or businesses (including 170 Edinburgh based accommodation providers) who answered the consultation thought that a flat fee per room per night was

preferable. This coincides with the council's stated view that any such charge must be fair and simple.

The council leader explained that for AirBnB the collection would be possibly the simplest of all, given that their booking system is completely digital. He had a further meeting with them only last month and they have been completely supportive of such a charge throughout.

It is accepted though that for some accommodation businesses there will be a cost. For that reason, the council recommends allowing businesses to retain 1.5% of the tax recovered in the first year of operation as recompense. The cost to the council of setting all of this up is 'not massive' as it would be collected by the accommodation providers in the first instance.

The Edinburgh Reporter spoke with the council leader after the briefing. Here is what he had to say :

Chief Executive of Marketing Edinburgh, John Donnelly has always supported the introduction of such a levy. The tourism body is faced with swingeing cuts in the draft council budget which call its very future into question.

Mr Donnelly told us : "Our view publicly has always been that with public sector dwindling resources, and with the private sector not willing to step up to the plate, something has to give. For international marketing and ongoing management it is clearly the mechanism to do it. I think what is to be welcomed is that the council have been very professional in their approach.

"Plus, Marketing Edinburgh was the first body in the UK to do primary research with both residents and tourists and the results of that research were overwhelmingly positive. Our

research was empirically based and it clearly showed that residents want this too.

“It is now about destination management and how we manage the city’s ongoing success.

“Of course it is not up to us to say whether it should happen or not, but we are firmly behind the council and added our research into the mix.”