

# Results of tourist tax consultation 'overwhelmingly positive'

The City of Edinburgh Council has described the answers to its tourist tax consultation as revealing 'strong support' for the introduction of the tax.



Tourists from Perth Australia on Hogmanay 2018. Over 2,500 people responded during the eight week public consultation held in the last few months of 2018. 85% of those who responded said they strongly support the introduction of a tourist tax in the capital. The Council proposed either introducing a fixed £2 per room per night rate or a 2% rate, chargeable all year round on all types of accommodation but

capped at 7 nights. The council believes this could raise between £11.6m and £14.6m per year.

They say that the responses show that :

- 85% expressed strong support for the proposals including 51% of accommodation providers
- The majority of respondents (72%) agree that Edinburgh's TVL should be set at a rate of around £2 a night or 2% of the cost of accommodation, while 19% felt this was too low
- Most respondents (47%) prefer the option of a flat '£ per night, per room' rate but a high number (38%) would rather see a charge introduced which is based on the percentage of the room fee
- 81% of respondents want to see at least a seven-day cap on charges to help protect festival performers and other non-leisure visitors
- Respondents agreed with the Council objectives of supporting sustainable investment in tourism and managing the impact of tourism on the city and its residents.

A final proposal on how the Council hopes to take forward a TVL scheme will now be developed for elected member approval in February, before being passed to the Scottish Government as it considers its position on the legal framework for a TVL.



Councillor Cammy Day and Councillor Adam McVey 21 August 2018  
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**Council Leader Adam McVey, said:** “Once again, we are finding that there is a huge swell of support for a tourist tax in Edinburgh with residents and all types of business backing a scheme that is fair, sustainable and one which would be reinvested into the ongoing success of our tourism and hospitality industry and the services which matter most to local people.

“Edinburgh welcomes over four and a half million visitors annually, spending over £1.8bn. Our tourist economy is extremely strong and expected to continue to grow. A majority of businesses agree the vibrancy of our industry wouldn’t be threatened by a small levy but would benefit from the additional investment. Interestingly, this includes more than half of accommodation providers, dispelling fears in certain quarters that the industry wouldn’t support a TVL.

“As a Council, we have a strong track record of investing in and supporting our cultural offering and heritage – but as the

demands on our city increase, we will need a secure additional source of funding to sustainably invest in and manage the impact of this growth. 91% of Edinburgh residents back our plans because they know it will help us better manage the pressures in the City and help protect their environment. We stand with residents in our support for a tourist levy for the good of our Capital.”

**Depute Council Leader Cammy Day said:** “These results add yet more weight to the case for a TVL in Edinburgh and demonstrate how our plans not only have the support of residents, but the backing of accommodation providers and many others in the tourism industry as well.

“We’re determined to co-produce a scheme that works best for the whole city, including our local hospitality industry, in order to create a TVL proposal which is fair, simple and workable. As such, we have been engaging with key industry stakeholders over the past few months during what has been a robust and comprehensive process. These results will form another key part of the case which we’ll shortly be presenting to Scottish Ministers. It’s now time for a tourist tax for Edinburgh!”

**COSLA President, Alison Evison, commented:** “This is important news and certainly strengthens the case for the introduction of a local tax – to address local issues – in this case a transient visitor tax for Edinburgh. This is hard evidence from a consultation that shows an overwhelming appreciation of the potential benefits of a discretionary tax.

“At COSLA we work to strengthen local democracy and promote local decision making, and this is an excellent example of designing a model in partnership and consultation with the local area to address local needs and ensure sustainability. Edinburgh should be applauded.”

**[Research by Marketing Edinburgh](#) also shows that many residents**

are in favour of the tax and that the majority of visitors would still visit Edinburgh. John Donnelly, Chief Executive of Marketing Edinburgh, added: “Combined with Marketing Edinburgh’s own independent research – which found that 88% of summer visitors would still come to Edinburgh if a £2 per room, per night charge were in place and that 59% of residents are in favour – the results are conclusive. A transient visitor levy is a widely supported means of keeping the city at its best for residents, visitors and businesses alike.

“There is a real need to manage our success as a leading destination, and with Transient Visitor Levies used to great effect throughout the world, it’s encouraging that the public welcome the City of Edinburgh Council’s plans to help secure sustainable investment in Edinburgh’s growing tourism industry.”



Liz McAreavey, Chief Executive, Edinburgh Chamber of Commerce  
**The Edinburgh Chamber of Commerce (ECC) conducted its own investigations. These showed that** nearly 70% of Edinburgh businesses back a Transient Visitor Levy, **Liz McAreavey, CEO of ECC, said:** “We are pleased that further research into this issue has been undertaken, the results of which do point to a clear direction of travel. Consultation with our members found broad support for the principle of a levy, particularly if proceeds were dedicated to improving the city’s infrastructure. We hope that the Council’s final proposal will factor in the needs of the broad range of our vital local



businesses.”

### **The Federation of Small Businesses says it seeks further answers on plans for Edinburgh tourism tax**

Garry Clark FSB development manager for the East of Scotland, said: “The City of Edinburgh Council survey is an interesting contribution to the ongoing debate in the capital on the merits and drawbacks of a tax on overnight guests to our city. Edinburgh businesses will want to digest these consultation results but many may ask how it addresses evidence suggesting that even a 3 per cent drop in Edinburgh’s visitor numbers could result in a £42m drop in the benefits of tourism to the city.

“As the Council doggedly pursues these proposals, businesses will reasonably expect detail on which firms would have to administer such a tax and what say they would have over how revenues were spent. All of this must also be viewed from the context of how such a tax would impact the tourism industry in Scotland as a whole. Ultimately, tourism is currently a Scottish success story – and we must not do anything to undermine this vital industry.”

**Lothian Labour MSP, Kezia Dugdale said:** “It has been encouraging to see the consultation responses show that there is overwhelming demand for the introduction of a Tourist Tax in Edinburgh. The levy on those visiting the city could raise between £11.6m and 14.6m every year and assist the council in delivering investment in our schools, roads and community services. Asking tourists to contribute towards the upkeep of the city through a visitor levy is the right thing to do.

“It’s not just residents who support a tourist tax, but local accommodation providers as well who have recognised that a small levy won’t have a negative impact on tourism to the city and that they would also benefit from additional investment in local public services and infrastructure.

“The SNP Government now need to take notice and give local authorities the powers they need in order to raise revenues through a tourist tax to help alleviate the pressure from the budget cuts being passed on to them. Local government should be trusted to take the best decisions in the interests of local people.”

Ms Dugdale lodged a motion in Parliament today recognising the support for the tax.

**Motion Text:**

That the Parliament recognises that proposals by the City of Edinburgh Council to introduce a tourist tax on accommodation in the city have, it considers, been overwhelmingly supported following a public consultation; notes that more than 2,500 people responded to the public consultation on the proposal to introduce a charge of either 2% or £2 per room per night, chargeable all year round on all forms of accommodation, including short-term lets, but capped at seven nights, with 85% of those responding supporting the plans; recognises that more than half, 51%, of accommodation providers and 91% of residents said that they support the introduction of a tourist tax; considers that between £11.6 million and £14.6 million every year would assist the council in delivering investment in schools, roads and community services at a time when the Scottish Government, it considers, is reducing local authority budgets, and calls on the Scottish Government to give local authorities the powers that it believes they need in order to raise revenues through a tourist tax to help alleviate pressures from budget cuts being passed on to them.