

Edinburgh will be first with the tourist tax

Councillors agreed today to take the next steps to impose a Transient Visitor Levy or tourist tax on those visitors who stay overnight in paid for accommodation in the capital.

The council conducted a consultation from 15 October to 10 December 2018 and say that the overwhelming results from that indicated that Edinburgh residents and businesses supported the new tax which would be a first in the UK. The Scottish Government set out the legislative possibility in their budget bill passed last week. The government has to pass laws to allow any of the 32 councils in Scotland to introduce such a tax, and under pressure from Edinburgh councillors they have agreed to do so.

The proposal is that the tourist tax will be £2 per room per night and will be capped at 7 nights. The council estimates they can raise £14.6 million in this way.

It has to be said that all political parties except the Conservative Group are behind the imposition of the Tourist Tax, so the likelihood is that following further consultation, Scottish Government legislation and further discussion in the City Chambers it is highly likely to be introduced.

There was a lot of discussion but the motion to proceed with the process towards a Transient Visitor Levy was carried by 43 votes. There were key comments from councillors of all political colours.

During the debate Labour Cllr Lezley Marion Cameron said :

“Last week I went to the Edinburgh Tourism Action Group (ETAG) and listened to expert, Megan Epler Wood. She shared her views on tourism and the need for a city to take account of what she calls the Invisible Burden. We all know that our infrastructure is stretched.” The Invisible Burden refers to the additional cost to the city of accommodating extra visitor, and is usually attributed to additional utility costs.

Conservative Cllr Iain White offered to clarify what the Tories position on TVL is. He said : “There is muddled thinking among the various political groups. What you will do if you support the administration motion is to support TVL without knowing what the implications are. It is putting the cart before the horse. Ultimately it is a muddled policy and it is too early to say whether we can support it.”

Green Councillor Claire Miller pointed out that there are a couple of priorities, and said : “We need to be clear about what it is spent on.”

Kevin Lang said the LibDems have supported this tax throughout. He said : “The Tories are going to oppose this, but I find their position utterly perplexing. Why don’t they agree that we charge tourists who benefit from council services too? They are totally out of touch on this. I am not prepared to look my constituents in the eye and tell them that they have to pay more but tourists don’t.”

Conservative Cllr Rose challenged a statement made earlier in the debate. He said : “I just want to nail an easy convenient and wholly unsustainably false argument used earlier by Cllr Kevin Lang when he said “We do not charge tourists a penny”.

“We charge VAT and a whole range of taxes. Of course tourism provides employment too in our city.”

Cllr Nick Cook Conservative pointed out that the tax had already increased before it was even introduced. He said : “It

is already £2, although it started at £1. It simply does not make sense.”

Labour councillor Gordon Munro pointed out that initially the discussion had been whether to use the money for infrastructure or programming cultural events. But he pointed out that there is some detail in the report before the council today. He suggested that Cllr Cook should look again at paragraph 3.2 He said : “It tells him there! (He then proceeded to read out the whole of paragraph 3.2 from the report). The relevant paragraph reads:

The purpose of the TVL would be to:

3.2.1 Ensure Edinburgh’s status as one of the world’s great cities in terms of culture and heritage is sustainable

3.2.2 Ensure that future investment in culture heritage, arts and sport, which benefit the city and enhance tourism

3.2.3 Ensure sustainable investment in promotion of Edinburgh as one of the world’s best cities to visits all year round.

3.2.4 Ensure that tourist and visitors equitably invest in public services and ensure visiting this city is an enjoyable and safe experience

3.2.5 Support the Council to manager the impact of a successful tourism industry.

Cllr Munro concluded by suggesting that Cllr Cook ‘should read the report and support the coalition’.

Cllr Mowat suggested that this proposal on TVL be held in abeyance until the plan is fully costed and the Conservative Group decide whether they can either support it or not.

Cllr Barrie said he found the Tory argument a little strange. He said : “They want every detail agreed here, whereas it

takes Scottish legislation to get this policy underway. This enabling legislation can then be used and the final decision to go ahead will take place in this chamber.”

Cllr Rust stated that he thinks the picture is a bit confused and that the SNP Government moved for political expediency. He said : “It is not progressive to impose the same charge on a B&B as customers of The Balmoral.”

Cllr McVey criticised what he saw as a ‘garbled approach’ from the Conservatives which he said just muddies the waters even further.

He said : “I have not relished my role in this debate as the face of TVL. But we have led the turnaround which has led to the possible change. I think the chamber is churlish if it does not recognise the difference in approach that this administration has undertaken since 2017.

“We have done the work to craft this, and we now have the responsibility to take this forward. The Tories are not speaking for the residents on this matter. They are against this policy, whereas it is a policy clearly in the interests of this city. We have set the parameters of what this tax will be used for. The proposed process includes a stakeholder group but it will be elected members who take the final decision. We will have the views of stakeholders but the final decision on spending the money will rest with us. This policy will be additional funding which we can put to sustaining our tourism industry.”

The administration accepted an addendum from the Greens to seek an assurance from Holyrood that the enabling legislation will be brought forward as a matter of priority. Also they want to be clear that this money is additional funding to other forms of revenue support from The Scottish Government. This would enable the powers to commence just as soon as possible. This is clearly needed in light of the funding gap

at the City Chambers which is now at £33million rather than the £41million it was just a week or two ago. But perhaps the important point is that there is still a gap.

Green councillors in Edinburgh welcomed the overwhelming city council backing for the capital to implement the first tourist levy anywhere in the UK.

Green councillor Gavin Corbett said

“More than 7 years after my Green colleague Steve Burgess first secured council backing for a tourist tax, I’m pleased that the council today has taken the next step to make it a reality. It has overwhelming public support and can help make sure that the city is improved for the benefit of visitors and residents alike.

“I’m genuinely puzzled by the opposition from the Tories. Tourist levies are increasingly the norm in cities across Europe and in those cities, hotels and hostels have continued to do well, and economies have continued to thrive.”