

Council calls on government to devolve tourist tax powers

Scottish Ministers have been urged by Edinburgh's councillors to step up efforts to devolve tourist tax powers it is claimed could raise up to £35 million a year for the city.

Council leader Cammy Day called for pressure to be put on The Scottish Government so that the levy can be introduced as soon as possible.

He said that Manchester introduced a visitor charge "using its devolved powers" – but councillors were quick to point out this had been set up by businesses and the council there did not have a direct say over how the revenue raised was spent.

The council has already agreed on support for a tourist tax, previously suggesting a charge of £2 per room per night, capped at £14 per visitor.

It is estimated the scheme would bring in between £5 million and £35 million a year for the council, depending on the final model agreed.

A report to councillors in November said Holyrood's Transient Visitor Levy bill could take another two years before being fully implemented.

Speaking at a full council meeting held on Thursday Cllr Day said: "If there's any opportunity for bringing this forward sooner then we should look at that."

And the council leader accepted that the Manchester system – which is voluntary and means that cash is ring-fenced by the businesses involved – was “not the model that Edinburgh will be looking to deliver”.

He said: “My motion asks us to engage with the Government and start pushing for the tourist tax that we’ve lobbied for, for many, many years.

“It has to be a progressive tax that’s fit for the future, and one that the council clearly has control over.”

Cllr Katrina Faccenda said it was crucial to see “everyone in the city of Edinburgh benefit” – a point repeated by several other members during the debate.

SNP group leader Adam McVey, said as council leader in the last term his administration began fleshing out the details of the levy.

He said: “This is now beyond principle and the legislative process that’s currently ongoing – and we’ve had certain letters from a government minister to suggest that some flesh on the bones has been put on that policy – we have already moved way beyond that.

“I agree with where Labour are coming from on this. We need to advocate for this policy and we need to advocate strongly, but we also need to advocate it in a way that people understand exactly what we’re asking for so that we can get exactly what the city needs.”

Fellow SNP councillor Kate Campbell accused Cllr Day of trying to ‘take credit’ for the work put in by the ex-council leader – something Cllr Day strenuously denied and gave credit to his former coalition partner. (In the last administration SNP and Labour were in coalition running the council together.)

“He needs to take credit for it responsibly,” she said, adding

that by trying to “score political points” he had “cast a cloud, a bit of doubt around this policy”.

Cllr Campbell said: “The policy that he’s comparing it to in order to try and score some points over The Scottish Government is nowhere near the kind of policy that we need for Edinburgh.”

A tourist tax is supported by all parties in the City Chambers except the Conservatives – although Tory group leader Iain Whyte said he would favour the model introduced in Manchester.

“I’d probably like to see it being revenue varying in the long term rather than just revenue raising,” he said.

Cllr Whyte said the council has “never been clear about what it would spend the money on”.

He added: “I do wonder whether we need to be a bit more honest with the public about this.

“What we have to have, if the council leader is going to support this, is some clarity within the council on how we’d run it and how the money would be spent.”

When the Tourist Tax or Transient Visitor Levy was discussed in 2022, there was renewed agreement that the city will pursue setting it up here. It has been under discussion in Edinburgh since 2017 with a consultation which more than 2,560 individuals responded to. In response 85% of those who took part in the consultation favoured the introduction of a Transient Visitor Levy.

As to the ways in which the revenue will be used one suggestion was that it would “provide additional sustainable investment in supporting and managing the impacts of tourism within the city” but that more discussion with a new multi-stakeholder group to be set up would be conducted.

by Donald Turvill, Local Democracy Reporter.

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