

# Midlothian fear net loss over tourist tax scheme

**A tourist tax could cost Midlothian Council more to operate than it will bring in each year, a new report has revealed.**

The visitors levy, which could mean that people charged £2 for every overnight stay, is being considered by local authorities in the South East region with The City of Edinburgh Council leading the way.

However a report to Midlothian's members yesterday said while Edinburgh could be looking at revenue of up to £14million from an annual charge, Midlothian Council is likely to bring in around £180,000.

And it warned administration costs to operate the tax could cost between £190,000 to £500,000 a year.

Officers told councillors that currently Midlothian is not at 'visitor capacity'.

It said the county currently has an opportunity to benefit from neighbouring Edinburgh City Council's policy to refuse licences for short term lets in tenement properties, and should 'realise an opportunity to increase accommodation demand and provision in Midlothian'.

But it warned introducing a visitors levy on its own would cost more than it would bring in saying: "major tourist hubs such as Edinburgh City attract high volumes of visitors annually, drawn by multiple factors including rich history and

cultural attractions.

“The implementation of a Visitor Levy in these areas can yield substantial revenue for needed infrastructure improvements. However, Midlothian experiences a significantly lower volume of overnight stays, the revenue generated from a Visitor Levy in Midlothian would be considerably lower and may not sufficiently justify the associated administrative costs.”

Officers said neighbouring councils had discussed introducing a region wide levy system which would share the costs and burdens increasing the chance of everyone making a profit.

However they said Edinburgh City Council was not keen on the regional model.

Figures for the councils in the South East Scotland region showed Midlothian stood to make the lowest potential revenue from a levy at £196,000 annually, followed by West Lothian who could bring in £285,000.

Edinburgh in contrast could expect over £14million followed by Fife making £3.85million, Scottish Borders £2.5million and East Lothian just over £1million a year.

Midlothian councillors agreed keep a watching brief of Edinburgh's progress with the visitors levy before making a decision on its value in the county.

They also agreed to a consultation being launched by their economic development team with local tourism and hospitality in the future when the ability to introduce a levy becomes law next year.

Ian Gardner, chair of Midlothian Tourism Forum, welcomed the approach by the council.

He said: “I welcome this decision by councillors to take a considered approach to any potential visitor levy and to commit to further consultation on the issue in due course.

" Midlothian Tourism Forum will support our members to participate in the local consultation to ensure that the impacts and implications of a proposed levy are fully taken into account before final decisions are taken."

by Marie Sharp, Local Democracy Reporter