

# Visitor Levy continues its way through parliament

Edinburgh has been at the forefront of introducing the Transient Visitor Levy or tourist tax for at least the last decade.

Successive administrations in the capital want Edinburgh to be the first city in the UK to introduce it, in an effort to address some of the effects that tourism has on residents and on Edinburgh.

Tourist tax is seen as a bit of a golden goose with benefits estimated at anything up to £37 million for the city's coffers.

In 2017 the city administration became an SNP-Labour coalition founded on 52 commitments set out in the coalition deal, one of which was an ambition to introduce the TVL to the city. In truth this commitment was premature. As is the way of these things (such as the pavement parking ban) The Scottish Government had to pass legislation first, so the council has had to wait to put their plans out to residents in the form of a consultation. Even now it is not yet possible for any of the 32 councils in Scotland to decide how it will spend any monies earned in this way as the government will have to set out some guidelines when it eventually passes the Visitor Levy (Scotland) Bill into law.

When it was being discussed in 2017/18 the council thought it could suggest a tax of £1 per night on all of those staying in hotels and B&Bs. That has since jumped to £2 and the alternative of a percentage charge is also on the table. But the capping of any tax at just seven nights is generally regarded as fair by most supporters.

## **Scottish Government to debate amendments on Tuesday**

COSLA the local authority body agreed with Edinburgh that the council should pursue the policy with The Scottish Government and they offered the opportunity to every council in Scotland to implement it. Whether or not every council will remain to be seen.

Now the legislation has been approved at its First Reading and has progressed to Stage 2 for line by line analysis and amendment at the Scottish Parliament on Tuesday. In Edinburgh the council consultation has ended amid a flurry of positivity shared by the council. Almost 4,000 people replied to the questionnaire with “broad support” evident for the proposals. Community groups want to see funding reinvested in essential public services such as those needed to keep the city clean and moving. Business groups would like spending on destination marketing and industry support, and most want it to be simple to administer.

Watch the meeting today where TVL will be discussed at The Scottish Parliament the [Local Government, Housing and Planning Committee here](#).

The members of the committee have submitted their suggestions for amendments which you can [read in detail here](#). Miles Briggs the Lothians Conservative MSP has suggested that the rate should be a flat rate and not a percentage of the cost. He has also set out details of what he would like the exemptions to

look like (for example if people stay in hotels while visiting a family member in hospital).

## **The City of Edinburgh Council to discuss TVL at Policy and Sustainability Committee on Tuesday**

Watch the [Policy and Sustainability Committee here](#) – either live or as a recording.

Cllr Cammy Day, City of Edinburgh Council Leader, said: “Edinburgh has been lobbying the Scottish Government for more than a decade for the local powers to introduce a visitor levy. Finally, we are edging closer to this long-called for legislation.

“Throughout the years, we have repeatedly and actively engaged with our tourism and hospitality industry, as well as with residents, seeking views at various stages on the type of visitor levy Edinburgh needs. At every turn, we’ve had overwhelming backing at a community level and have witnessed growing support from those in the tourism and hospitality industry. This is only building as we head towards the last Parliamentary hurdle.

“Edinburgh has an enviable reputation across the world as a bucket list destination and just this week was crowned Europe’s Leading Cultural City Destination at the World Travel Awards and listed as the best city in Scotland to live in, visit and invest. We’re very proud that Edinburgh is one of the world’s most popular visitor destinations, but we’re equally aware that this success comes at a cost. A small overnight charge is common practice in other major cities and destinations, so why not here? The introduction of a levy will provide a funding stream that would be reinvested in the city and our infrastructure, to the benefit of our visitors and,

crucially, the people who live here in our great Capital city all year round.

“While I welcome how far the Bill has come, I also echo the concerns shared by COSLA that it needs to allow visitor levies to be more flexible and quicker for Councils to roll out. Now that Edinburgh is ready to lead the introduction, I hope to see these adopted in the amendments which members of Parliament debate.”

The levy will be discussed at the council’s Policy and Sustainability Committee when the Edinburgh Green group supports a percentage charge rather than a flat rate and would like the TVL to be spent on tackling the housing emergency in the city – though this would need government approval.

In February Cllr Adam Nois-McVey, the former SNP leader of the council, referred to the city’s consultation on TVL and asked that the monies are spent in communities in Edinburgh with, for example, “a minimum of percentage of the total revenue each year from the TVL to be ring-fenced and shared across every Council-run school’s Parent Council. This would allocate budgets for local projects and initiatives to allow Parent Councils to invest in facilities within and outwith the school and take measures to close the attainment gap. This funding would be given to each Parent Council with distribution weighted towards schools with higher catchment of SIMD 1-4 and highest levels of free school meal entitlements”. He envisages a mode something along the lines of the participatory budgeting adopted by Leith Chooses.

He has also asked for “a minimum of percentage of the total revenue each year from the TVL to be ring-fenced and shared across the entire City to increase budgets for Community Grants funds to allow communities to invest in their local priorities. This funding would be allocated across every locality and neighbourhood, with allocations weighted towards neighbourhoods with the highest levels of SIMD 1-4”. A similar

amendment has been tabled for today's meeting.

## **Federation of Small Businesses**

It is the mechanics and practicalities which concern small businesses who might be involved in the collection of the tax. In 2018 the FSB said that three quarters of Edinburgh's small businesses were against the introduction of the tax. Now it seems that it is the small print which is of most interest.

Garry Clark, Development Manager for the Federation of Small Businesses (FSB), said: "Members of the Federation of Small Businesses welcomed the opportunity to discuss the Visitor Levy proposals with the council and they gave a clear view that tourism businesses must be at the heart of the development of a strategy for this new tax in the city. Whilst some small accommodation businesses have concerns that they may end up absorbing some of the cost of this tax, there was a wider view that the needs of small businesses must be prioritised in determining how the Visitor Levy is to be collected and spent.

"Over the past year, we have seen how the clumsy adoption of measures affecting tourism businesses in the city have resulted in the decimation of the city's short term let sector. Edinburgh cannot afford for the council to get the Visitor Levy wrong too. FSB would strongly counsel against moves to accelerate the introduction of this tax. We cannot afford another botched job affecting Edinburgh's tourism economy, driving up the cost of staying in the city even further and pricing even more visitors out of the city."

## **Scottish Greens support TVL**

Ariane Burgess MSP, the Scottish Green Party's local democracy spokesperson, said: "The detailed committee scrutiny is the next important step in giving local authorities the powers to

raise additional funds for vital services.

“We are lucky that so many people want to visit Scotland, but this can put a strain on local services and communities. By applying a small visitor levy, we can ensure that visitors and not just local residents contribute to the cost.

“The funds it raises can be reinvested in local services like public toilets and litter collection which benefit tourists as well as those of us who live here all year round.

“Visitor levies are already common across Europe and beyond. A lot of visitors don't even notice when they pay it, and are happy to do so when they are visiting such fantastic places.

“I am proud that we are on the verge of delivering it in Scotland. It is a small charge that will make a big difference for our local authorities and our communities.

“It will be a breakthrough moment for local government, and is just one of the steps Scottish Greens are taking to give more powers to local communities, alongside giving local authorities the ability to double council tax on empty and second homes.”



10/08/2023

Picture Alan Simpson

Lots of Tourists on the Royal Mile.