

Plans for raising and spending Visitor Levy published

The stage is set for Edinburgh to become the first local authority in Scotland to impose a visitor levy on overnight accommodation in the city from around July 2026.

The intention is that the monies will be used to create a “clean, green and safe city” with heritage and culture firmly at the centre following suggestions made during earlier public engagement.

The scheme will provide for measures which will: “sustain Edinburgh’s status as one of the world’s greatest cultural and heritage cities and to ensure that the impacts of a successful visitor economy are managed effectively and in support of the priorities as set out in the Council’s Business Plan.”

It is estimated that the tax could raise around £40 million or more each year, and the government has confirmed the monies can be used to leverage borrowing for either capital or revenue projects. The council plan for example to use around £5 million to borrow £70 million to spend on affordable housing. The council estimate that if the tax was already in place it could have raised £6 million this month alone.

Councillors will consider recommendations next week to impose a tax of 5% on the cost of overnight stays with a cap on the charge of seven nights. These plans also include an outline of

what the funds raised will be spent on under an umbrella of a range of objectives which “must relate to developing, supporting or sustaining facilities or services which are substantially for or used by persons visiting the scheme area for leisure or business purposes (or both)”.

The proposal is for 50% of the funds raised to be spent on City Operations and Infrastructure, 35% to be spent on Culture Heritage and Events and 15% for Destination Management. Some of the spending will be determined by a participatory budgeting process similar to Leith Chooses when locals vote for their favoured projects.

Cllr Cammy Day, the Council Leader, said that it is possible the “new money” could be used to improve Princes Street, Leith Theatre or the Ross Bandstand, or another possibility (which he has mentioned previously) is the upgrading of Pilrig Park which would benefit both visitors and tourists alike.

Cllr Day said: “We want the city to benefit from this as well. There will be a pot of money – we still need to meet the criteria – but it will allow local people to see the real benefit from this. If we spent funds on a park it could be upgraded and might become a potential venue for festivals – and could be used year round by the local community.”

The council leader was clear that this money – which the council has been chasing since 2018 – will be very welcome. He said: “In the last decade we’ve seen about £3 to £4 million of unfunded pressures in Edinburgh alone at a time when reserves are sitting with government for a rainy day. Well the rainy day is well and truly happening in Edinburgh already. So we are looking at any opportunities for councils in Scotland to get tax raising powers and we’ve argued that for a long time. The SNP’s own manifesto said they would devolve powers to local government and all they’ve done is take powers off them

which is why we need a change in government in Scotland.”

The cost of implementing the scheme will be around £650,000 and after that it is likely to cost the council around £970,000 to run. Accommodation providers will be allowed to retain 1.5% to reimburse them for collecting the tax on behalf of the council.

Councillors will meet on 22 August to consider the proposals. If passed then this scheme will be put out to public consultation on the day after the Scottish Government declare the commencement date.

<https://democracy.edinburgh.gov.uk/documents/g7343/Public%20reports%20pack%2022nd-Aug-2024%2010.00%20Policy%20and%20Sustainability%20Committee.pdf?T=10>