

Chamber of Commerce say “more transparency needed” on Tourist Tax

Edinburgh Chamber of Commerce has called on The City of Edinburgh Council to engage transparently on finalising its Visitor Levy scheme.

A report will be presented to the council this Friday and will also be considered at a full Council meeting a week later. The report which extends to 103 pages sets out the council's final draft proposal following a 12-week public consultation period. It is difficult to know what the chamber actually is looking for. Many pages and articles have already been published about the tax in the many years since it was first promoted.

But Chamber Chief Executive Liz McAreavey said: “There is an acceptance of the Visitor Levy amongst business, and the sector has so far engaged positively and with determination to make the Levy work as successfully as possible for the city.

“We are progressing towards a conclusion, and to ensure that is a positive one, we need the Council to demonstrate that they are not only listening to business, but also responding to what they are hearing and showing a clear understanding of the impacts on businesses who will bear the burden of gathering the Levy.

“Council Leader Jane Meagher has described the introduction of the Visitor Levy as a once in a lifetime opportunity for the city. To make the most of the opportunity will require all concerned to work together as Team Edinburgh.”

The Chamber says it welcomes a number of the proposals, in particular the confirmation that the Levy will remain at 5% (some councillors had called for a higher rate of 8%); that the cap on the number of nights to be charged has been reduced from seven to five; and that businesses would be given time to update their prices and terms and conditions to ensure they conform with existing consumer legislation via a newly-introduced transition period. The tax will be payable on any bookings for accommodation from July 2026 onwards – but that means any bookings made ahead of time from 1 May 2025.

The funding pot that had been created for Culture, Heritage and Festivals, has also been renamed Culture, Heritage and Events, to provide broader scope for supporting the sector. A further change following the consultation is that a proposed exemption has been removed, meaning that campsites will now also be included.

A flat rate of 2% of the Levy raised by accommodation providers is proposed to allow the businesses to recover a portion of their administrative costs. Previously large businesses were to receive 1.5%, which was seen as inadequate, and smaller businesses 2.5%.

Council Leader Jane Meagher also reaffirmed the Council's view that all monies raised through the Levy must be spent within the parameters set in the enabling legislation to support and sustain the visitor economy, and to improve the experience of visitors to the city.

Two areas of proposed spending are likely to come under particular scrutiny, and the Council continues to work on preparing detailed proposals. One proposal is to spend £5 million of the Levy raised on funding borrowing to support an improved affordable housing supply, benefiting workers in the hospitality sector and visitor economy. Details of how this scheme might demonstrate direct or indirect benefits to the visitor economy are being developed and are due to be presented to councillors in May. It is believed that this sum

could raise borrowing of around £70 million.

Another area is the Participatory Budgeting allocation, now set at a fixed sum of £100,000 per electoral ward and £300,000 for running costs for the first three-year cycle, totalling £2 million. This is in contrast to an earlier proposal of 2% the Levy. This funding will enable community groups from every council ward in the city to submit bids for assistance.

Finally, an independent Chair of the Visitor Levy Forum, which will provide oversight of the new scheme, is to be appointed as soon as possible. The new Forum will have representation from the accommodation providers (Edinburgh Hotels Association), Edinburgh Association of Community Councils; Edinburgh's Young People forums; city Diversity groups; workers engaged in tourism (via a recognised trade union); tourist organisations (Edinburgh Tourism Action Group); and the city's cultural and heritage sector (Edinburgh World Heritage sites, Edinburgh's Festivals). The detailed membership is to be discussed with the new Chair once appointed.



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Picture Alan Simpson

Lots of Tourists on the Royal Mile.