

# **Edinburgh councillors back 5% visitor levy in principle**

**Calls for an Edinburgh tourist tax to be raised to up to 8% to tackle the city's housing crisis have been rejected as councillors agreed to go ahead with the new levy.**

A meeting of Edinburgh City Council's policy and sustainability committee today agreed to a 5% visitors levy being introduced in principle but rejected calls from the SNP and Greens to increase it further.

The committee heard calls from tenants union Living Rent to back the higher charges as they described it as "shameful" that tourist industry workers could not afford to rent homes in the city that benefited from welcoming so many visitors.

And they criticised the loss of housing to the short term let industry while hotels were used to provide homeless accommodation saying: "We have an estimated 1,025 homeless people living in hotels while homes are being used by tourists."

The SNP had argued that raising the tax to 7% would bring an additional £16million into the council which could provide more than 1,000 affordable homes over the next five years.

The Greens wanted to go further raising it to 8% which they said would create an additional £70million over the next three years with a call for more of the income to be committed to affordable housing.

The council's Conservative group, however, called for a lower visitors levy arguing that the addition of VAT had not been taken into account.

The committee, which was chaired by council leader Councillor Jane Meagher, agreed to back the original levy proposed in principal as well as approving the recruitment of a chairperson for a new Visitors Levy Forum.

The proposals could see the levy in place by May this year to allow the industry a three month transition period, however an industry request for a longer period of up to nine months to prepare is still being considered by the council.

Councillors asked their legal advisers about to possible impact of a legal challenge on the proposals after it was reported the Scottish Touristm Alliance had threatened action which could result in a judicial review of the decision to approve the levy.

They were told that such a challenge could delay the introduction by up to 18 months.

Councillor Meagher told the committee the proposals had been a long time coming with consultations carried out in the tourist industry and among residents and visitors.

Putting forward the motion to approve the 5% levy in principal, Councillor Meagher said: "We have listened to many voices and I am confident this is the best option. It will be reviewed in three years time."

The final decision on the proposals will be taken at a full council meeting next week.

Following the committee's decision, SNP group leader Councillor Simita Kumar, whose alternative proposal was eventually rejected by nine votes to five hit back at colleagues who opposed it.

She said: "Our city is beautiful and abundant in culture, so it's no wonder that so many people from all over the world want to visit it. But that popularity comes with consequences for the people who live here, not least those working in the tourism and hospitality industries, who are often lower paid and struggle with high housing costs.

"I'm delighted that the Scottish Government has given Edinburgh this valuable tool to harness the popularity of Edinburgh as a tourist destination in a way that benefits all our citizens. We need to use that to its fullest extent. The unwillingness of Labour and their Lib Dem and Tory allies to do that shows their lack of commitment to tackling the greatest structural challenge facing our city – the lack of affordable housing."

By Marie Sharp Local Democracy Reporter