

Tourist tax – the options

Councillors are debating the final plan for introduction of the tourist tax in Edinburgh this morning amid calls to raise the tax either higher or lower, and with various options proposed for spending the money.

The final decision will not be taken until next Friday when there will be a special meeting of the full council.

SNP

The SNP propose an increased rate of 7% payable for seven consecutive nights. The political group would like to spend £20 million on the “mitigation of tourism on housing” retaining £5 million to use to repay the annual capital debt and a further £15 million to be used for grant funding subject to agreement by the Housing committee. They would also like to set the amount allocated to each council ward at £125,000 and rather than spending £300,000 in a top down allocation they would allocate an additional £375,000 to wards where there is deprivation to encourage local engagement. And finally the SNP also want the spending allocation to be deferred to various other committees rather than decided today.

Liberal Democrats

The Liberal Democrats also want each spending theme to be

referred to an appropriate council committee and want spending prioritised services and improvement projects, and that the monies should be used to benefit all communities in the city and not just in the city centre.

Green Group

The Greens back the levy but want it to be charged at 8% so that it raised around £70 million per annum. They would increase £7.7 million to capital borrowing repayments. This £128 million of investment would in their view unlock a further £97 million of borrowing – so a fund of £225 million to spend on housing. The Greens would also increase the sum available for participatory budgeting to £400,000 per council ward (not just £100,000 as proposed at present) and would ask that the council focuses on proposals for social rents not mid-market rents. The members of the Visitor Levy Forum (to be set up after the council agrees how to charge the levy) should be trained on the Council Business Plan and council strategies.

Conservatives

The Conservatives agree to the proposed charge 5% for a total of five consecutive nights highlight the concerns of business groups such as the Scottish Tourism Alliance which has asked for a delay in implementing the tax to allow hotels and B&Bs to catch up with the practicalities of the processes.

Tanya and Sinead from Living Rent told the committee during their deputation that people working in the tourism sector in the capital cannot afford to live in the city due to rising rents, and that Edinburgh needs more council homes.

They explained that rents have risen by 14% in the last year alone. Asked by Cllr Iain Whyte (Conservative) what effect tourism is having on housing supply, the answer illustrated

part of the problem that exists in Edinburgh – there are homeless people living in hotels who require homes. Living Rent said they estimate that around 1,025 people are currently living in hotels – and they pointed out that if these rooms were released for overnight accommodation then they could raise more money for the council in terms of the Visitor Levy, so benefitting everyone. The charity called for the committee to back the Green amendment asking for more of the funds raised to be spent on housing.

[The meeting is ongoing here](#) and is expected to put forward a final proposal for agreement at the second meeting next week, although some of the specifics – particularly around housing – will still have to be finalised.

[The final draft as it stands today is here.](#)



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