

Visitor Levy – council to make a decision today

The final version of the plans to impose a tourist tax on overnight accommodation in Edinburgh will be agreed on Friday afternoon at a special online meeting of all councillors. The meeting is to be held online due to Storm Éowyn, making it impossible to hold this important meeting in person.

Edinburgh has for around seven years debated how they could place themselves in the position of being the first city in Scotland to introduce a tourist levy on overnight accommodation. The Scottish Parliament introduced the necessary legislation and now it is open to the city's council to set out how they will gather the tax and how they will spend it.

The council's Policy & Sustainability Committee met last Friday and agreed a proposal (set out in full below) which will come before the full council today for approval.

Administration position

The Labour administration have lodged an amendment agreeing to increase the amount allocated to participatory budgeting to £2 million over three years (previously it was estimated to be £1

million over the first three years). But the Labour group say they will agree to a nine month transition period not three, and the levy will only be applied to bookings “paid for” after 1 October 2025 which would be liable to the levy.

Greens position

Greens maintain their demand to increase the levy to 8% with £400,000 given to each council ward and allocated by participatory budgeting.

Reacting to the changes which the administration now propose, Edinburgh Greens Co-Convener Cllr Chas Booth said: “Labour must not cave in to corporate lobbyists by weakening Edinburgh’s visitor levy.

“This vote marks the final step towards Edinburgh having a UK-leading visitor levy, and represents the culmination of years of work, research and consultation. Yet on the eve of this decision, Labour have made a u-turn to reject the detailed plan brought before us and delay the introduction of the levy by a massive 9 months.

“This followed lobbying from private accommodation providers who – despite extensive engagement throughout the development of the scheme – have made last-minute claims that they will be unable to implement the policy without a lengthy lead-in period. Any delay will simply reduce the amount of money available to the council for public services, supporting the visitor economy, and building affordable housing for hospitality workers. Council officers estimate this delay could hit the council for more than £1.5million in lost income. This vote is the first major test for Cllr Meagher since she took over the council, and it’s disappointing she seems set on putting corporate interests above the best interest of the city.”

SNP position

The SNP want to set the levy at 7%, thus raising another £47 million of income in the first three years. They would use £20 million of this each year to mitigate the effect of tourism on housing. £5 million of this would be leveraged against £65 million of borrowing and the total allocated to housing would be £130 million. The group would set participatory budgeting at £125,000 per ward.

Liberal Democrat position

The LibDems would like to delay charging until 1 August 2025 but agree that the date when the whole scheme comes into force will remain as 24 July 2026.

Conservative position

The Conservative Group leader, Iain Whyte told The Edinburgh Reporter that they have now adopted a pragmatic approach. Rather than opposing the introduction of the tax as they have in the past, it is now clear that the council will plough ahead. As a result the Conservative group have suggested minimal changes to the proposal. They would like the scheme to apply to “overnight stays from 24 July 2026 booked and paid for (in part or full) on or after 1 October 2025”. This would clear up any dubiety in the administration proposal above. But they also want the rate reduced to 4% over five nights and they do not want to spend any of the funds raised on the proposed “housing and tourism mitigation fund”. And they would like audit checks on the participatory budgeting scheme.

The meeting will be held online from 2pm.

[The papers are here](#)

There is also a verbal deputation to be made to the meeting by

Living Rent Edinburgh.

The full proposal put to the meeting today is as follows:

To approve the following adjusted Motion by Councillor Meagher:

1) To note the outcome of the consultation on the draft Visitor Levy for Edinburgh scheme.

2) To agree to adopt the final Visitor Levy for Edinburgh scheme, as set out in Appendix 1 to the report by the Interim Executive Director of Place, with the exception of the proposed three-month transition period and note this would

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be subject to further officer advice ahead of the decision of Council, and with the following change:

At 7. Participatory budgeting (£2m over 3 years). The following wording be added “with appropriate audit checks in place to ensure that these funds are spent on facilitating the achievement of the scheme’s objectives.

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3) To agree to begin the recruitment for the Chair of the Visitor Levy Forum immediately, with the appointment subject to the approval of the Council.

4) To agree in principle the use of the Spend to Save fund to support preparatory work for the Edinburgh Visitor Levy scheme as well as its implementation.

5) To refer the report to the Council meeting on 24 January

2025 for approval

and ratification of the scheme and the use of Spend to Save funding.

6) To agree to defer the following items in Appendix 6 to the report by the

Interim Executive Director of Place as individual reports to each relevant

executive committee for discussion / approval.

Mitigation of Tourism on Housing

City Operations and Infrastructure

Culture, Heritage and Events

Destination and Visitor Management.

7) To note that, should Council approve the scheme, each investment theme

would be presented to the relevant executive committee for approval, and to

agree to reaffirm previously agreed principles, namely that spending should:

a) prioritise additionality in terms of investment in services and

improvement projects, and,

b) wherever possible and in a way that was consistent with the statutory

requirements, be used to benefit communities across Edinburgh and

not just the core city centre.

8) To agree that the development of projects under the Transient Visitor Levy

themes for investment should also demonstrate their adherence to existing

Council strategies where applicable.

9) To agree that the Visitor Levy Forum should contain an equal number of

representatives from community and business organisation and recommend

that at least 40% of the representatives must be women.

10) To note that an initial decision on how housing funds

would be spent would
come to Housing, Homelessness and Fair Work Committee in May
2025 and
to request that this report should set out what options were
legally possible
across different housing tenures including social housing.