

## Policy and Sustainability Committee

10.00 am, Friday 17 January 2025

### Present

Councillors Meagher (Convener), Aston, Beal, Cameron, Campbell, Davidson, Dijkstra-Downie, Dobbin, Kumar, Lang, Miller (substituting for Councillor Bandel), Mumford (substituting for Councillor Miller for item 2), Mowat, Nols-McVey (substituting for Councillor Nicolson), O'Neill (substituting for Councillor Booth), Staniforth, Watt and Whyte.

### 1. Deputations

---

**a) British Holiday and Home Parks Association (in respect of Item 4.1 on the agenda – A Visitor Levy for Edinburgh – Final Scheme)**

The deputation indicated the draft scheme which had been published in September 2024 initially exempted temporary pitches which had been a welcome move for their two member parks, however, the final scheme had removed this exemption creating uncertainty and unfairly impacting businesses. They stressed that holiday parks in Edinburgh mainly catered for visitors who brought their own accommodation and just hired the pitch space and that charging someone to sleep in their privately owned, self-contained accommodation seemed unreasonable.

The deputation felt that the levy risked making holidays unaffordable to those on lower incomes, either reducing stays or deterring visits altogether and that the loss of affordable accommodation would continue impacting the decline in domestic tourism. They urged the Committee to reinstate the exemption of temporary pitches and recommend a full holiday park exclusion in the Edinburgh Levy given the low potential revenue from the 27 structures.

(see item 2 below)

**b) Edinburgh Tourism Action Group (in respect of Item 4.1 on the agenda – A Visitor Levy for Edinburgh – Final Scheme)**

The deputation expressed support for the introduction of a visitor levy scheme, which they believed presented a unique opportunity to generate significant funds for the city's long-term development and recognised the levy's potential to generate transformative funds for the benefit of all who lived, worked, and visited Edinburgh.

The deputation urged the committee to embrace this as a chance to be ambitious and visionary and in the years ahead, hoped to look back and see

how the visitor levy had played a vital role in shaping a future where residents and visitors alike could enjoy world-class, authentic, and memorable experiences in the city. They felt that the visitor levy presented a unique opportunity to preserve Edinburgh's cultural heritage, promote sustainable growth, and improve the quality of life for residents which could only be achieved through the contributions of visitors to Edinburgh.

(see item 2 below)

**c) Living Rent Edinburgh (in respect of Item 4.1 on the agenda – A Visitor Levy for Edinburgh – Final Scheme)**

The deputation was pleased with the amendments which proposed an increase in the spend on housing and urged the Committee to consider these proposals. They felt that if the Council were able to spend £5m on housing in Edinburgh, this should be increased to £7.7m as this would be enough to house those currently in hotels and Bed and Breakfast accommodation and therefore free up those places for visitors.

The deputation indicated that members of the Housing, Homelessness and Fair Work Committee had expressed a need for funding to solve the problems outlined and that this was a perfect opportunity to do that.

(see item 2 below)

## **2. A Visitor Levy for Edinburgh – Final Scheme**

---

Following the commencement of the Visitor Levy (Scotland) Act 2024 and the completion of a 12-week consultation exercise on the draft, details were provided on the proposed final Visitor Levy for Edinburgh scheme, together with recommended adjustments.

### **Motion**

- 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.
- 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.

- moved by Councillor Meagher, seconded by Councillor Watt

## **Amendment 1**

- 1) To note the outcome of the consultation on the draft Visitor Levy for Edinburgh scheme.
- 2) Agrees to adopt the final Visitor Levy for Edinburgh scheme, as set out in Appendices to the report by the Interim Executive Director of Place, with the following changes:

“To agree to set the levy rate at 7%, payable for a maximum of seven consecutive nights.

To agree to spend £20m per annum on mitigation of tourism on housing. To retain £5M to be used as annual capital debt repayment and a further £15M to be allocated as grant funding with further details and approvals to be discussed at Housing, Homelessness, and Fair Work Committee.

To agree to set participatory budgeting at £125,000 per electorate ward. To not agree to spend £300,000 on citywide, top-down implementation. Instead, to agree to allocate an additional £375,000 to wards with higher levels of SIMD 1-4 to encourage local engagement and delivery in areas that need additional community planning capacity.”
- 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) Agrees to defer the following items in Appendix 6 to the report items as individual reports to each relevant executive committee for discussion / approval.
  2. Mitigation of Tourism on Housing
  5. City Operations and Infrastructure
  6. Culture, Heritage and Events
  7. Destination and Visitor Management.

- moved by Councillor Kumar, seconded by Councillor Campbell

## **Amendment 2**

- 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 be subject to further officer advice ahead of the decision of Council.

- 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 of the scheme and the use of Spend to Save funding.
- 6) Notes that, should Council approve the scheme, each investment theme will be presented to the relevant executive committee for approval, and agrees 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 is consistent with the statutory requirements, be used to benefit communities across Edinburgh and not just the core city centre.

- moved by Councillor Lang, seconded by Councillor Dijkstra-Downie

### **Amendment 3**

- 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 following changes:
  - a) Replaces the 5% levy with a recommended 8% levy in line with other European cities to raise an additional c.£70m of income in the first 3 years of the scheme.
  - b) Increases the housing allocation to £7.7m to be committed to capital borrowing repayments, meaning £128m of investment which could unlock a further £97m of borrowing, equating a total of £225m of funding to be spent on housing, whilst remaining within Section 95 officer guidance.
  - c) Sets the fixed amount to be allocated to Participatory Budgeting at £400,000 per electoral ward + £600,000 running cost over the first three-year cycle. This would total £7.4m over three years, which equates to c.4% of the total income raised over this period of time at an 8% Visitor Levy rate.
  - d) Makes any additional adjustments to figures in line with the 8% figure as required.
- 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) Agrees that the development of projects under the Transient Visitor Levy themes for investment should also demonstrate their adherence to existing Council strategies and, where applicable, targets to support climate mitigation, adaptation and nature recovery, and that this will be a further criteria for any proposed spending.
- 6) Agrees that the Visitor Levy Forum should contain an equal number of representatives from community and business organisation and recommends that at least 40% of the representatives must be women.
- 7) Agrees that all members of the Visitor Levy Forum receive an induction including information on the Council Business Plan as well as training on existing Council strategies around tackling the climate and nature emergencies, and reducing inequality.
- 8) Notes that an initial decision on how housing funds will be spent will come to Housing, Homelessness and Fair Work committee in May 2025 and requests that this report should set out what options are legally possible across different housing tenures including social housing.
- 9) 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.

- moved by Councillor Staniforth, seconded by Councillor Mumford

#### **Amendment 4**

- 1) To note the outcome of the consultation on the draft Visitor Levy for Edinburgh scheme.
- 2) To agree to amend the proposed scheme, as set out in Appendix 1 to the report by the Interim Executive Director of Place, with the following changes:
  - At 3. The levy rate, should say “The levy rate will be 4%, payable for a maximum of five consecutive nights and will apply at the same level, year-round, across the entire City of Edinburgh Council boundary area.”
  - At 7. Use of net proceeds, the line “Housing and tourism mitigation (£5m p.a.)” should be deleted. And
  - At 7. Participatory budgeting (£2m over 3 years). The following wording is added “with appropriate audit checks in place to ensure that these funds are spent on facilitating the achievement of the scheme’s objectives”
- 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.

- moved by Councillor Whyte seconded by Councillor Mowat

In accordance with Standing Order 22(13), Amendments 1, 3 and 4 were adjusted and accepted as addendums to the Motion, and Amendment 2 was accepted as an addendum to the Motion.

In accordance with Standing Order 22(13), Amendment 2 was accepted as an addendum to Amendment 1, and Amendment 3 was adjusted and accepted as an addendum to Amendment 1.

In accordance with Standing Order 22(13), Amendments 1 and 4 were adjusted and accepted as addendums to Amendment 3, and Amendment 2 was accepted as an addendum to Amendment 3.

### **Voting**

The voting was as follows:

#### **First Vote**

For the Motion (as adjusted)	-	7 votes
For Amendment 1 (as adjusted)	-	5 votes
For Amendment 3 (as adjusted)	-	3 votes
For Amendment 4 (as adjusted)	-	2 votes

(For the Motion (as adjusted): Councillors Beal, Cameron, Davidson, Dijkstra-Downie, Lang, Meagher and Watt.

For Amendment 1 (as adjusted): Councillors Aston, Campbell, Dobbin, Kumar and Nols-McVey.

For Amendment 3 (as adjusted): Councillors Mumford, O'Neill and Staniforth.

For Amendment 4 (as adjusted): Councillors Mowat and Whyte.)

There being no overall majority, Amendment 4 fell and a second vote was taken between the Motion and Amendments 1 and 3 (all as adjusted).

#### **Second Vote**

For the Motion (as adjusted)	-	9 votes
For Amendment 1 (as adjusted)	-	5 votes
For Amendment 3 (as adjusted)	-	3 votes

(For the Motion (as adjusted): Councillors Beal, Cameron, Davidson, Dijkstra-Downie, Lang, Meagher, Mowat, Watt and Whyte.

For Amendment 1 (as adjusted): Councillors Aston, Campbell, Dobbin, Kumar and Nols-McVey.

For Amendment 3 (as adjusted): Councillors Mumford, O'Neill and Staniforth.)

## Decision

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 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.”
- 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.
  2. Mitigation of Tourism on Housing
  5. City Operations and Infrastructure
  6. Culture, Heritage and Events
  7. 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.

(Reference – report by the Interim Executive Director of Place, submitted.)