
RESPONSE TO TRANSIENT VISITOR TAXES IN SCOTLAND: A SCOTTISH GOVERNMENT DISCUSSION DOCUMENT

Report by Executive Director

EXECUTIVE COMMITTEE

29 JANUARY 2019

1 PURPOSE AND SUMMARY

- 1.1 This report provides a draft formal Scottish Borders Council response to the National Discussion Document published by Scottish Government on 23rd November 2018 as 'Transient Visitor Taxes in Scotland: Supporting a National Discussion'.**
- 1.2 The Discussion Document (Appendix A of this Report) seeks views on the need for, and purpose of, a transient visitor tax in Scotland, in the context of current challenges and future opportunities for supporting sustainable and inclusive growth.
- 1.3 A Scottish Borders Council response has been prepared for Members' consideration and is appended to this Report as Appendix B.

2 STATUS OF REPORT

- 2.1 This Report is urgent. Scottish Government emailed interested parties on 14th January setting a deadline for submission of evidence of 5pm on Friday 25th January 2019. The Council sought an extension for submission to Thursday 31st January on the basis that 10 working days was insufficient time for formal consideration of a draft submission by Elected Members sitting in committee. Initially unwilling to permit an extension, Scottish Government has now agreed to permit an extension. To comply with this deadline necessitates consideration of the Council's proposed submission at the Executive Committee of 29th January.

3 RECOMMENDATIONS

- 3.1 I recommend that the Committee approves the draft response to the National Discussion on Transient Visitor Taxes in Scotland, as detailed in Appendix B to this report.**

4 TRANSIENT VISITOR TAXES IN SCOTLAND

4.1 For some time, a number of local authorities, and the Convention of Scottish Local Authorities (CoSLA) have called for the Scottish Government to grant the powers to allow them to levy a transient visitor tax, or tourist tax (TVT), in their areas, should local circumstances be supportive. Scottish Government has responded by initiating a National Discussion about 'Transient Visitor Taxes in Scotland', and published a comprehensive Discussion Document (Appendix A) to facilitate dialogue. The Discussion Document:-

- Seeks views on the need for, and purpose of, a transient visitor tax in Scotland, in the context of current challenges and future opportunities for supporting sustainable and inclusive growth.
- Encourages debate on available options for addressing underlying challenges and opportunities within Scotland's tourism sector;
- Encourages partners and stakeholders to provide and share evidence of potential impacts of tourist taxes on the tourism sector, visitor economy and local government; and
- Encourages partners and stakeholders to articulate challenges and issues that would need to be addressed were devolution of a transient visitor tax power to the local authority level to be considered or taken forward.

4.2 Additionally, to support discussion, the Scottish Government held events in Perth, Glasgow, Edinburgh, Aberdeen, Inverness and, on 19th December, at Tweed Horizons in Newtown St Boswells. Like the other events, the session in the Scottish Borders brought together a wide range of leaders from the tourism sector, representatives from the business community, and local authority representatives, and created a forum for consideration of the issues related to transient visitor levies. Chaired by Aileen Campbell, Cabinet Secretary for Communities and Local Government, the event was attended by Councillors Mark Rowley, Carol Hamilton and Gordon Edgar, together with Scottish Borders Council's Corporate Policy Advisor.

4.3 Noting that 'tourism tax' was a more accurate description of what is being discussed, Councillor Rowley set out the Council's views on the Discussion Document and the issues it raises. There were three strands to this:

1. Any discussion about empowering local authorities to raise taxes locally, including transient visitor tax, should be seen as a strand of a wider discussion about the adequacy of the resources and the lack of fiscal powers available to councils in undertaking the broad range of functions for which they are responsible.
2. The Council has no plans to pursue a transient visitor tax within the Scottish Borders Council area. The Council considers that to do so would have a negative impact on the number and expenditure of visitors in the area, owing to price sensitivity.
3. The Council has concerns that a transient visitor tax may exacerbate the existing concentration of visitors and spend in Scotland. Such an approach would appear to run counter to the principles of inclusive economic growth, and self-defeating in providing new and improved facilities to draw yet more visitors to those areas with the greatest concentrations of visitors and spend already.

- 4.4 The draft response at Appendix B to this report amplifies the concerns verbally expressed on behalf of the Council on 19th December 2018, and is presented for Executive approval.

5 IMPLICATIONS

5.1 Financial

There are no direct financial implications as a result of this consultation.

5.2 Risk and Mitigations

On the basis that a TVT would require legislation, the risks associated with this Report relate to the decisions Scottish Government/the Scottish Parliament takes following conclusion of the present discussion. By submitting a response, which considers and responds to the potential implications of Consultation proposals for councils generally and Scottish Borders Council specifically, the Council is doing what it can to mitigate those risks.

5.3 Equalities

No equality impact assessment (EIA) has been undertaken in this case on the basis that the Report relates to a Discussion Document of Scottish Government, not a proposal of the Council.

5.4 Acting Sustainably

No direct economic, social or environmental effects directly flow from this Report, but should proposals for a TVT emerge, they would be expected to have a potential economic, social or environmental impact. Subject to the Council's response to any proposals, such impacts would require to be assessed.

5.5 Carbon Management

There is no direct carbon management impact as a result of this report. If proposals for a TVT were to emerge, they would be expected to have a potential carbon management impact. Subject to the Council's response to any proposals, such impacts would require to be assessed.

5.6 Rural Proofing

The Council's proposed Response actively seeks to protect the Scottish Borders rural economy and to promote the interests of tourism and related businesses in the area.

5.7 Changes to Scheme of Administration or Scheme of Delegation

This Report has no implications for the Scheme of Administration nor the Scheme of Delegation.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR, the Clerk to the Council are being consulted and comments received will be reported at the meeting.

Approved by

Rob Dickson
Executive Director

Signature

Author(s)

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Background Papers:

Previous Minute Reference: N/A

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Michael Cook can also give information on other language translations as well as providing additional copies.

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