

JAOC INTELLIGENCE DOSSIER

EAST LoTHIAN COUNCIL: PROPOSED 5% VISITOR LEVY

REFERENCE: JAOC-INT-2026-0806-A

DATE: 6 August 2026

AREA: Whole of East Lothian

CLASSIFICATION: CONFIDENTIAL

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SOURCES: East Lothian Council, Scottish Government, industry bodies, public records

1. EXECUTIVE SUMMARY

East Lothian Council is consulting on a 5% Visitor Levy on all paid overnight stays, projected to raise GBP1.5M gross / GBP1.2M net per year.

- Applies to hotels, B&Bs, caravan parks, campsites, self-catering and short-term lets across the entire county
- Not yet law - earliest possible start Spring 2028
- Serious concerns persist: no full independent impact assessment, disproportionate burden on small operators, and high risk of suppressed trade
- This process follows the exact pattern of the controversial North Berwick parking scheme: substantial local opposition is recorded, yet proposals advance as if the outcome was decided long before consultation began
- Revenue is legally restricted to visitor-related uses; however, there is no guarantee funds will be spent visibly or within East Lothian

KEY CONCERN: This process follows the exact pattern of the controversial North Berwick parking scheme - substantial local opposition recorded, yet proposals advance as if the outcome was decided long before consultation began.

2. LEGAL FRAMEWORK

Statutory Power

Visitor Levy (Scotland) Act 2024

Proposed Rate

5% calculated only on accommodation cost - excludes meals, parking, or extras

Council Duties

Must conduct consultation that is fair, adequate, and accessible; net proceeds must be used only for facilities or services substantially used by visitors

Exemptions

Limited strictly to permanent residents, asylum seekers, emergency housing, and certain benefit recipients - no additional local exemptions are proposed

Implementation

Minimum 18-month lead time required by law

3. WHO IS DRIVING THIS PROPOSAL

Lead Councillor

Councillor John McMillan (Scottish Labour)

Portfolio: Provost; Cabinet Spokesperson for Environment, Economic Development and Tourism

Background: Councillor since 2012; former business coach

Role: Has been the sole public face and driver of this policy since late 2024

Council Timeline

- Approval to prepare draft scheme: October 2024
- Approval to launch consultation: 23 June 2026
- Final decision expected: Late 2026

4. CONSULTANTS: ROLE, BACKGROUND & CONCERNS

Firm	Official Role
Stantec	Economic modelling, scheme design, technical advice
56 Degrees Insight	Stakeholder engagement, surveying, analysis

Serious Questions Remain

- Stantec: An international consultancy frequently criticised for producing findings aligned with the commissioning authority rather than independent reality
- 56 Degrees Insight: Local criticism includes:
 - Early business survey results presented selectively
 - Limited direct engagement with smaller operators
 - No independent audit of methodology or data handling
- Core Issue: The same bodies that design the scheme are also assessing its acceptability - a fundamental conflict of interest

5. CONSULTATION PROCESS & MEETINGS

Timeline

- Early engagement: Oct-Nov 2025
- Formal consultation: 26 June - 18 September 2026

Deficiencies in Process

- No general public meetings have been scheduled anywhere in East Lothian
- Engagement is limited to online forms, email, and invitation-only sessions for selected groups
- No drop-in events for residents or small business owners
- Information is almost exclusively digital - making meaningful participation difficult for many

ASSESSMENT: The consultation process is structurally deficient. No public meetings, no drop-in events, and digital-only access excludes large segments of the community.

6. IMPACT & COSTS

On Accommodation Providers

- Additional administrative burden that falls heaviest on family-run businesses
- Operators face the choice of absorbing the loss or raising prices and losing bookings
- No support or compensation offered for collection duties

On the Wider Local Economy

- Tourism contributes GBP300M+ annually to East Lothian
- This levy will make the area less competitive than neighbouring regions
- Local survey data shows 20% of visitors will not return if charges are introduced; 87% cite cost as the primary reason
- Reduced footfall will devastate shops, pubs, and services that receive zero benefit from levy revenue

Revenue Projections

Figure	Amount
Gross annual yield	~GBP1.5 million
Net after admin costs	~GBP1.2 million
Retained by operators	2% for collection costs

7. COMPARISON: NORTH BERWICK PARKING SCHEME

Aspect	Visitor Levy Proposal	North Berwick Parking
Public Stance	Significant business and community concern	Clear majority opposed
Council Response	Proceeding regardless of objections	Minor changes only; forced through
Impact Data	No independent study published	Post-launch: 20-60% trade loss
Transparency	Vague spending promises	No contract details disclosed
Pattern	Decisions appear pre-determined	Decisions appear pre-determined

CONCLUSION: This is not consultation - it is a public relations exercise for a decision already made.

8. YOUR RIGHTS & AVAILABLE OPTIONS

You are not powerless. These are your lawful and firm courses of action:

Option 1: Respond Demanding Proper Process

Deadline: 18 September 2026

State clearly: We demand public meetings in Haddington, North Berwick, Musselburgh and Dunbar. We demand full independent audit of all consultant work and economic modelling. We will not accept a process that is incomplete or biased.

Option 2: Require Independent Verification

Insist that: All analysis by Stantec and 56 Degrees Insight must be independently reviewed by a body with no connection to East Lothian Council before any decision is taken.

Option 3: Formal Complaint

If requests are ignored:

- Raise complaint with the Council's Monitoring Officer
- Escalate to the Public Services Ombudsman for Scotland
- Refer concerns to Audit Scotland under Best Value duties

Option 4: Legal Challenge

If approved despite clear opposition and flawed process:

- Grounds for Judicial Review include inadequate consultation and pre-determination
- This is a proven legal path when councils ignore public opinion

Option 5: Collective Action

Unite caravan parks, hoteliers, traders and community councils

- Submit joint responses
- Share costs for expert legal or economic advice

9. DEMANDS

We demand:

- > 1. Open public meetings across all major towns
- > 2. Full independent economic impact assessment
- > 3. Independent audit of all consultant data and methodology
- > 4. Guarantee that all revenue remains and is spent within East Lothian
- > 5. Pause the proposal until these conditions are met

Would you like us to draft a formal objection letter using these exact demands? Contact JAOC Investigations.

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