

Agenda Item	14
Report No	CP/42/21

## THE HIGHLAND COUNCIL

**Committee:** Communities and Place

**Date:** 10 November 2021

**Report Title:** Scottish Parliament survey of proposed licensing scheme for short term lets

**Report By:** Executive Chief Officer Communities and Place

### 1. Purpose/Executive Summary

- 1.1 Members are asked to homologate the attached response to the Scottish Parliament Local Government, Housing and Planning Committee on the detailed proposals for the licensing of short-term lets in Scotland.
- 1.2 Given the scope of the consultation and the consultation timescale, the response was submitted by the deadline of 29<sup>th</sup> October following engagement with the Chair of the Tourism Committee, Chair of the Communities and Place Committee and the Chair of the Licensing Committee and noting the motion agreed at the Council on 28<sup>th</sup> October 2021.
- 1.3 Under the proposed legislation, local authorities will have until 1 October 2022 to establish a licensing scheme, with all short-term lets to be licensed by 1 April 2024. Existing hosts and operators must apply for a licence by 1 April 2023.

### 2. Recommendations

- 2.1 Members are asked to:
  - a) Note the update on the proposed licensing scheme;
  - b) Agree to homologate the survey response which was submitted to meet the Committee's deadline of 29 October.

### 3. Implications

- 3.1 Resource implications: the new licensing scheme will have significant resource implications for the Council in terms of Planning, Licensing and Environmental Health. The majority of these costs can be fully mitigated through the fee structure permitted by the legislation and work is underway to understand the resources required to implement the new regime. This in turn will help set the fees required.

- 3.2 Legal implications: if the Licensing Order is brought into force the Council will have a duty to establish a licensing scheme for short-term lets in the area.
- 3.3 Community (Equality, Poverty and Rural) implications: short term lets have been recognised to bring substantial economic benefits to communities but also have negative aspects in reducing availability of residential housing and in some circumstances, disturbing residents. The Scottish Government's new legislation, including Control areas, are intended to provide local authorities with proportionate powers to manage the negative aspects of short term lets without undue restrictions on the economic benefits.
- 3.4 Climate Change implications: there are no known implications at this time.
- 3.5 Risk implications: the legislation will place a statutory duty on the Council to licence short term lets. There are significant risks of failure to implement the statutory duties if resources are not secured through the fee powers.
- 3.6 Gaelic implications: there are no known Gaelic implications.

#### **4. Introduction and update**

- 4.1 As Members are aware the issues around short-term lets have been considered by Scottish Government over the last few years as provided in the following timeline:
- **April 2017** - The Scottish Government set up the Expert Panel on the Collaborative Economy
  - **January 2018** - The panel reported on peer-to-peer accommodation, and short-term lets more broadly
  - **July 2018** - The Scottish Government published its response to the Expert Panel's report, and this included the establishment of a Short-Term Lets Delivery Group
  - **2019** consultation and independent research (Highland Council response [here](#))
  - **January 2020** - Scottish Government announced proposals:
    - licencing for short-term lets, which will apply to all short-term lets
    - to introduce short-term let control areas
    - to undertake a review of the tax treatment of short-term lets
  - **September 2020** – consultation (Highland Council response [here](#))
  - **December 2020** – Scottish Government publish consultation response, draft legislation & Business and regulatory impact assessment (BRIA) available [here](#)
  - **January 2021** - Scottish Parliament call for views (Highland Council response [here](#))
  - **February 2021** - Scottish Government confirm Licensing Order to be delayed until after the election.
  - **April 2021** – Planning Control Areas legislation comes into force ([The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#))
  - **June 2021** - [Planning Circular 1/2021: Establishing a Short-Term Let Control Area](#) was published on 25 June 2021.
  - **August 2021** – Scottish Government consultation on the draft Licensing Order and draft Business and Regulatory Impact Assessment (BRIA). Highland Council response [here](#).
- 4.2 The Council agreed in September to a Motion to draft a proposal to designate a Short Term Let Control Area covering the whole of Badenoch & Strathspey as detailed under the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021. This is being taken forward by colleagues in Planning.

- 4.3 On the 8<sup>th</sup> of October the Cabinet Secretary for Social Justice, Housing and Local Government sent a [letter](#) to the Local Government, Housing and Planning Committee outlining changes to the licensing scheme. These included:
- Removing overprovision powers
  - Simplifying publicity and notifications
  - Adding an appeal for temporary exemptions
  - Reducing public liability insurance requirements
  - Focused use of inspections
  - Stronger guidance on fees
  - Facilitating home sharing and bed and breakfast
  - Removing natural names from the public register.

4.4 The changes on overprovision address concerns raised by the Council in its response to the August 2021 Scottish Government consultation.

4.5 The Council agreed at a meeting on 28<sup>th</sup> October 2021 to a Motion that the Council strongly urges the Scottish Government to drop its proposed licensing scheme for short-term holiday lets and instead adopt the registration scheme proposed by the Association of Scottish Self Caterers. This would be far less costly for operators and less onerous for the Highland Council to administer, whilst providing proven health and safety protection. The proposed scheme is not appropriate for the Highlands.

## 5. **Survey by the Scottish Parliament Local Government, Housing and Planning Committee**

5.1 On 27<sup>th</sup> September the Scottish Parliament Local Government, Housing and Planning Committee issued a survey seeking views on the suggested licensing scheme for short term lets, particularly on concerns about the proposals and suggestions as to how these could be solved.

5.2 The survey reiterates the purpose of the proposed licensing scheme is to:

- ensure short-term lets are safe,
- address issues faced by neighbours from short-term lets, and
- help councils know and understand what is happening in their areas about the provision of short-term lets.

Under the proposed legislation, local authorities will have until 1 October 2022 to establish a licensing scheme, with all short-term lets to be licensed by 1 April 2024. Existing hosts and operators must apply for a licence by 1 April 2023.

5.3 A response was prepared and is available in **Appendix 1**.

5.4 In summary the response reflects the Council's motion as agreed on 28 October 2021.

Designation: Executive Chief Officer Communities and Place

Date: 28.10.21

Authors:

Alan Yates, Environmental Health Manager

Background Papers: [Survey by the Scottish Parliament Local Government, Housing and Planning Committee](#)



**Scottish Parliament Local Government, Housing and Planning Committee**

**A short survey on the proposed licensing scheme for short-term lets in Scotland.**

**Q1 How would you describe your view of the proposed licensing system for short-term lets?**

(Required)

- Strongly support
- Support
- Neither support nor oppose
- Oppose
- Strongly oppose

**Q2 Why do you think this? (please tick all that apply)**

- It should not include traditional Bed and Breakfast accommodation
- It will disproportionately affect accommodation in rural areas
- It will lead to the closure of short-term let businesses
- It will increase costs for short-term let businesses
- It will increase uncertainty for short-term let businesses

**Other reasons:** No comments submitted

**Q3 Thinking about your response above, how do you think the proposed licensing system could be improved?**

The Council agreed at a meeting on 28th October 2021 to a Motion that the Council strongly urges the Scottish Government to drop its proposed licensing scheme for short-term holiday lets and instead adopt the registration scheme proposed by the Association of Scottish Self Caterers. This would be far less costly for operators and less onerous for the Highland Council to administer, whilst providing proven health and safety protection. The proposed scheme is not appropriate for the Highlands.

**Q4 Is there anything else about the proposed licensing system, or its potential impact, that you would like to mention to the Committee. It would be helpful if you could keep any comments brief and provide evidence to support any claims made.**

- No comments submitted
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