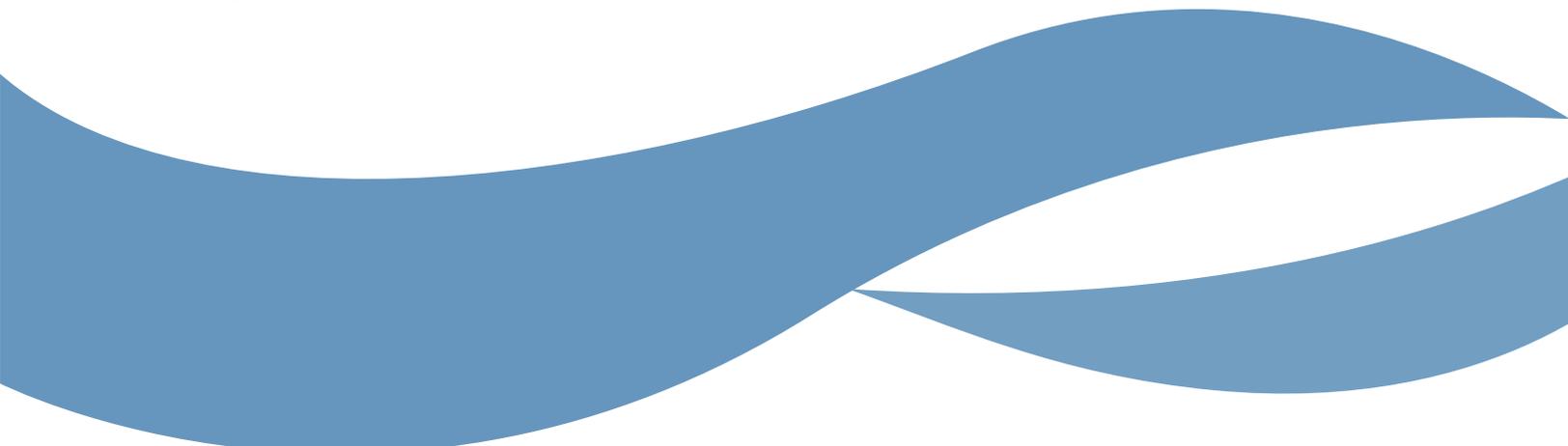


# Update to the initial consultation response from Scottish Government on the proposed short-term lets licensing scheme and planning control areas in Scotland

13 October 2021

## **About Scottish Land & Estates**

At Scottish Land & Estates (SLE) our work helps to ensure that rural Scotland thrives. We are a membership organisation for landowners, rural businesses, and rural professionals. We promote the wide range of benefits land-based businesses provide: tourist attractions, leisure facilities and landscapes enjoyed by the public, as well as housing, employment, tourism & enterprise and farming opportunities. We represent the interests of our members and wider rural Scotland to the UK and Scottish Governments to help ensure that policy and legislation reflects the unique requirements of rural Scotland and its communities.



## INTRODUCTION & UPDATE

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In June 2021 the Scottish Government announced proposals for the introduction of a licensing scheme and planning control areas for the short-term lets sector across the whole of Scotland. We considered these plans to be poorly conceived with the supporting data lacking both accuracy and detail, whilst additionally demonstrating a failure to understand how these proposals were likely to cause the closure of many well established short-term let businesses across the country. There was the opportunity for those operators and other industry representative bodies to comment on these proposals, which generated over 1,000 submissions to the Scottish Government, the vast majority of which we understand were highly critical of the scheme.

Following this Shona Robison MSP, Cabinet Secretary for Social Justice, Housing and Local Government, announced that she would undertake an assessment of the feedback and consider the comments that had been made. She additionally had meetings with industry bodies, including the Association of Scottish Self Caterers (ASSC) to hear concerns first-hand and how the licensing proposals would impact adversely upon the industry. We have recently received a letter from Ms Robison confirming that she had written to the Scottish Parliament's Local Government, Housing and Planning Committee outlining a limited number of changes to proposed licensing order. These in summary are:

- 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.

Whilst we consider these concessions would be welcome if passed by the government, they do not address many of our outstanding concerns or those of our members.

Throughout this process, we have consistently and positively engaged with industry businesses such as ASSC, Airbnb, the Scottish B&B Association, and the UK Short Term Accommodation Association. We fully support the continuing work being done by these key stakeholders to persuade the government that the current proposals will greatly damage the short-term lets industry across the country.

## WHAT ARE WE DOING NOW?

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Our Chief Executive, Sarah-Jane Laing and Policy Adviser Simon Ovenden are to meet Ms Robison on 21 October to raise outstanding concerns which potentially remain a threat to the short-term let business interests of many of our members, the communities within which they exist, and contribute £876m to Scotland's tourism industry.

The key points we will be raising are:

- The one size fits all approach to the licensing proposals does not reflect the diversity and geographical spread of short-term let businesses across Scotland.
- The proposals have been predominantly structured in relation to urban businesses with scant regard to rural areas. This has been made evident within the Business & Regulatory Impact Assessment (BRIA) that was used as a basis for the licensing order.
- The data contained within the BRIA made no consideration of the Scottish Government's 'Rural Scotland's Key Facts 2021' report which highlighted the value of short term lets and essential associated SME businesses within rural communities, 14% of whom are directly linked to the accommodation and food services businesses and rely upon this for their livelihood.
- Unconventional accommodation such as canvas lodges, yurts and similar structures will never be able to comply with the proposed EPC requirements, meaning they would be forced into closure with the consequential loss of jobs.
- There is no differentiation between well managed and reputable businesses who already comply with existing health and safety legislation, and casual hosts who may not be so stringent and offer accommodation on an informal 'cash in the pocket' basis.
- Hotels, serviced accommodation and guest houses are exempt, even though they are not licenced according to health and safety conditions, thereby disadvantaging small businesses.
- The level of licence fees, which are left to local authorities to decide, may be disproportionately high compared to the operator's turnover. They will differ depending upon each local authority, the spatial area that authority covers, the distance between businesses for inspection, and all associated administrative costs which need to be recouped through the scheme, and hence by feeing the short-term let operator.
- Licences will last a maximum of three years, with the threat of a refusal hanging over businesses far too frequently. Many banks will consider this too precarious for the granting of business development loans.
- We are concerned about the disproportionate financial impact of licensing fees on small and micro-tourism accommodation businesses who are still in survival mode due to the crippling effects of the pandemic
- Guests may not book if there is a term between owner and guest saying that if a licence is refused or revoked, that booking will not be able to be honoured

## WHAT CAN MEMBERS DO NOW?

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We totally realise that many of you already responded to the initial Scottish Government consultation in August of this year. You may also have written letters and emails to your (and other) MSPs, government ministers and industry representatives. These actions and others have prompted our meeting with Ms Robison. They have also yielded a further opportunity for all those concerned about the licensing proposals to participate in one further level of the Scottish Parliament's Local Government Committee's

The process is not onerous. There are **only five online questions**, with the opportunity for free comment should you wish. The **consultation closes on 29 October 2021** and can be found at: <https://yourviews.parliament.scot/spice/licensing-of-short-term-lets/consultation/intro/>

**1. You will be asked on what basis you are responding, as:**

- An individual that uses short-term lets
- The owner of one or more short-term lets
- A property management company
- An online booking platform
- A homeowner/occupier living near a short-term let
- A community organisation
- An organisation representing the owners, managers or letting agents for short-term lets.
- A local authority
- Other (please specify below)

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

- We would urge you to Strongly Oppose.

**3. Why do you think this? (please tick all that apply). We would suggest that you tick**

- 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: You might wish to add comments such as *'It should not include traditional self-catering accommodation that already complies with existing health and safety legislation'*, or other remarks directly relating to your own short-term let operations.

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

- You may wish to respond with a comment such as: *I believe that industry has offered a registration scheme solution to exempt businesses that already comply with existing health and safety legislation. This would protect small businesses who already meet the policy objectives, and allow casual hosts to apply for a licence.*

**5. Is there anything else about the proposed licensing system, or its potential impact, that you would like to mention to the Committee?**

- We suggest you consider what would be the impact to your own and other rural businesses if many short-term let businesses were forced to close down as a result of this legislation.
- What would the impact be upon your livelihood, that of your employees, ancillary businesses who provide services such as laundry and cleaning, and the experiences of your visitors? Please add anything that you consider may help to dissuade the Scottish Government from proceeding with this legislation and listen to the people and businesses who best know the sector...yourselves.

Shona Robison MSP, Cabinet Secretary for Social Justice, Housing and Local Government and the Local Government, Housing and Planning Committee appear to be in listening mode, so please do consider taking 10 minutes to express your views and concerns through this consultation method by the deadline of 29 October 2021.

<https://yourviews.parliament.scot/spice/licensing-of-short-term-lets/consultation/intro/>

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