

Ariane Burgess MSP, Convener
Local Government, Housing and Planning
Committee

localgov.committee@parliament.scot

30 January 2024

Dear Convener,

My letter to the Committee of 27 October 2023 set out the scope of implementation monitoring for short-term let licensing. I indicated I would write again at the end of January 2024 to advise you of progress with this work.

Short-term let licence application levels across Scotland

In November 2023 the Scottish Government published [official statistics about short-term let applications](#) covering the period 1 April – 30 June 2023. At the end of June the total number of applications was 4,761, of which 2,452 had been determined with all being granted a licence.

Informal feedback from licensing authorities indicates, as expected, tens of thousands of existing hosts¹ submitted their short-term let applications immediately before the deadline of 1 October 2023. As licensing authorities review and validate these applications, they will be updated on the register of applications available on licensing authority websites. Licensing authorities are in the process of submitting data to the Scottish Government for the period 1 July – 30 September 2023. We expect the statistical publication for that quarter to be available in April 2024. This is slightly later than anticipated and reflects the high volume of applications received in September that are being processed. It is important that we have this data available to review and refer to as part of the implementation update.

Licensing authorities have 12 months to determine applications from existing hosts, and indications are that these continue to be granted with minimal refusals. If they applied before 1 October 2023, existing hosts can continue to take bookings and receive guests until their application is determined. New hosts must obtain a licence before they begin operating. Licensing authorities have 9 months to process those applications but advise they continue to expedite new host applications during this transitional period for existing hosts.

¹ Hosts using their accommodation for short-term lets before 1 October 2022
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Operational processes

In my update to the Committee of 28 June 2023, I outlined the ongoing engagement we are undertaking with a broad range of stakeholders to monitor implementation. In addition to the groups listed previously, we have also involved home exchange organisations; Scottish Festival organisations; the Scottish Federation of Housing Associations; Scottish Local Authorities Economic Development Group and short-term let global platforms. We have also taken account of matters raised with us in correspondence from hosts/ operators, agritourism and industry bodies.

This has enabled us to build on the knowledge about implementation experiences shared with us since implementation began in 2022 and to consider operational improvements that are within scope of this work.

Operational Improvements

Noting the scope I outlined to you in October, I want to reiterate that it is not my intention to amend the types of short-term let requiring a licence (home-sharing, home letting (includes home exchanges) and secondary letting). These are core principles of licensing alongside mandatory and additional conditions, public scrutiny and delegating powers to licensing authorities to administer local licensing schemes, which the Committee and Parliament recognised as being integral to the original legislation, and many tens of thousands of hosts have already applied to the scheme on this basis.

The work to identify and deliver improvements to operational processes is ongoing, and I will report on these in coming months, however, we are taking some initial actions as follows:

- at the end of February 2024 we will bring forward an affirmative Scottish Statutory Instrument (SSI) that will amend The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022
- Scotland's Housing Network is convening a new short life sub-group specifically to explore short-term let licensing operational improvements

The SSI will include provision to introduce powers enabling the transfer of short-term let licences and the option for prospective hosts constructing or converting buildings for short-term let use to apply for a provisional licence that can be confirmed once the premises are complete. Representations from industry bodies, agritourism and hosts/operators emphasised the importance of these to enable the sector to comply with regulation and for businesses to be able to continue to thrive. We have developed this SSI at pace that, subject to the approval of Parliament, will ensure these provisions can take effect from May 2024, providing certainty for the sector at the start of the summer season.

We are also using the SSI to clarify the period and operation of temporary exemptions, to deliver the intention that these are for a single continuous period of up to six weeks in any 12 month period starting on the date of the temporary exemption (which is set out in the Policy Note that accompanied the original legislation). In addition, guest rooms in specific types of accommodation will be excluded, as will temporary emergency short-term foster arrangements where such arrangements are not the main residence of the foster child.

The new short life sub-group to explore short-term let licensing operational improvements is in the process of being convened. Core membership will consist of several licensing

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authorities that have volunteered to contribute and it is envisaged this group will liaise with other groups as required including the Industry Advisory Group (facilitated by Visit Scotland), SOLAR and the wider Scotland's Housing Network short-term let licensing information sharing forum.

It is my intention to provide you with a more comprehensive update on implementation in May/ June 2024. This will be informed by:

- analysis of official statistics for the period 1 October 2022 to 30 September 2023;
- information about local operation of licensing schemes;
- data gathered via Heads of Planning about planning activity for short-term lets since licensing was introduced;
- findings from engagement, including what further actions will/ are being taken in partnership with COSLA/ licensing authorities and other stakeholders;
- areas that require further monitoring (and consultation) before action might be taken;
- consideration of ongoing monitoring structures and feedback mechanisms;
- actual data in place of estimated information in previously published impact assessments, where available and within scope.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul McLennan', with a long horizontal flourish underneath.

PAUL MCLENNAN
Minister for Housing

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