

Report

Report to:	Executive Committee
Date of Meeting:	2 November 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Licensing of Short Term Lets
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the commencement of legislation on the licensing of Short Term Lets, the establishment of a South Lanarkshire scheme and seek approval of the statement of licensing policy attached at Appendix 1 of the report

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the commencement of the Civic Government (Scotland) Act 1982 (Licensing of Short Term Lets) Order 2022 on 1 October 2022 be noted;
- (2) that it be noted that South Lanarkshire Council must open a licensing scheme for short term lets by 1 October 2022;
- (3) that the powers available to the Council in relation to mandatory and discretionary controls under the Act be noted;
- (4) that the proposals for the delivery of this licensing scheme by the Licensing and Registration Team, Finance and Corporate Resources, be approved;
- (5) that the draft Statement of Licensing Policy outlined at section 5 of the report and attached at Appendix 1, be approved; and
- (6) that the responses to the public consultation on the policy shown at Appendix 2 be noted.

3. Background

- 3.1. On 1 March 2022, the Civic Government (Scotland) Act 1982 (Licensing of Short Term Lets) Order 2022 ('the 2022 Order') was enacted to introduce new powers for local authorities to regulate short term lets through the introduction of a licensing scheme under the Act.
- 3.2. The 2022 Order brings Short Term Lets within the scope of the Civic Government (Scotland) Act 1982 ('the 1982 Act') and enables local authorities to implement a licensing scheme for short term lets which is aimed at improving safety within short term lets and mitigating their impact on communities.
- 3.3. The legislation was developed after residents across Scotland raised significant concerns about the impact of short-term lets on their communities, including noise, anti-social behaviour, and the impact on the supply of housing in some areas. It is intended to ensure the needs and concerns of communities are balanced with wider economic and tourism interests.

- 3.4. The licensing scheme includes a new mandatory safety requirement that will cover every type of short term let to ensure a safe, quality experience for visitors. It also includes a 'fit and proper' test to assess whether the applicant is suitable to hold such a licence, as with all other types of licensable activities under the 1982 Act. The Council also has the discretion to apply further appropriate conditions to address any local concerns.
- 3.5. The Order sets out a timetable for the implementation of the licensing scheme, which will take place incrementally to give hosts and operators time to comply. The legislation contains transitional provisions which allow existing operators to continue hosting guests whilst their application is considered and determined. Accordingly, the timeline for local authorities to open a licensing scheme for short term lets to applications is as follows:-
- ◆ by 1 October 2022 – licensing system opens to applications
 - ◆ by 1 April 2023 – existing hosts or operators must have made an application to the Council and can continue to operate whilst their application is processed and determined
 - ◆ new entrants to the market will be required to have a licence application granted before being able to operate
 - ◆ by 1 July 2024 – all short term lets to be licensed
- 3.6. It is proposed that the administration of Licensing of Short Term Lets best sits within Finance and Corporate Resources in the Licensing and Registration Team due to similar services already delivered by that team.

4. Anticipated Application Numbers

- 4.1. Research published by the Scottish Government in October 2019 suggested that there were 209 properties being advertised on Airbnb in South Lanarkshire in May 2019, with 32,000 active listings across Scotland. The suggestion being that the majority of short terms lets are advertised on Airbnb with over half of those being in City of Edinburgh or Highland Council regions. This does not take into account other advertising platforms and the research also noted a continuing growth (from 10,500 in 2016).
- 4.2. At the moment, South Lanarkshire is estimating around 200 applications upwards but actual numbers will not become clear until applications are received.

5. Statement of Licensing Policy

- 5.1. The statement of licensing policy for short term lets is attached at Appendix 1 for approval. It reflects both the terms of the legislation and the Scottish Government guidance.
- 5.2. The policy covers definitions of properties to be licensed, application and objection process, variation, licensing conditions and fees. The fees for a full licence are based upon a three year licence and fees are comparable with other councils.

6. Employee Implications

- 6.1. It is proposed that one additional member of staff is recruited to assist the team in dealing with these applications to be funded from short term let application fee income. Employee resources required will be kept under review as the scheme beds in and the level of demand and number of applications becomes apparent. The grade for the post is shown in the table below.

Job title	Grade	Annual Salary
Licensing and Registration Assistant	Grade 1 Level 1 to 4	£18,322 to £21, 406.08

Employee resources required will be kept under review as the scheme beds in and the level of demand and number of applications becomes apparent.

7. Financial Implications

- 7.1. The cost of delivery of this service will be met from income. A fee structure is proposed which is in accordance with Scottish Government Guidance on Short Term Lets and in comparison, with other licensing fees within South Lanarkshire and by benchmarking fees with other local authorities.

8. Climate Change, Sustainability and Environmental Implications

- 8.1. There are no Climate Change, Sustainability and Environmental Implications arising from the information presented in this report.

9. Other Implications

- 9.1. An upgrade is being developed Scotland wide to the Civic Licensing IT system incorporating this licence type into the existing system for civic licences. The template application form has been developed and, if required, applications can be processed using paper forms should there be any delay in implementing the online applications.
- 9.2. The Council will be in breach of the Civic Government (Scotland) Act if it does not have a Short Term Lets licensing Scheme and Licensing Policy in place.

10. Equality Impact and Consultation Process

- 10.1. The draft statement of licensing policy and licence conditions framework has been subject to public consultation, seeking views on the Policy. The consultation period closed on 30 September 2022 and 4 responses were received. These have been taken account of and the draft policy at Appendix 1 updated. A summary of the Responses is provided at Appendix 2.
- 10.2. Four responses were received to the consultation, 2 of these were detailed comments on the legislation rather than the draft policy. The Council has no discretion to depart from the statutory requirements. The policy has been updated in light of the other two consultation responses received.
- 10.3. It is recommended that further consultation is considered once the scheme has been open for a year.

Paul Manning

Executive Director (Finance and Corporate Resources)

13 October 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient, and transparent
- ◆ Focused on people and their needs
- ◆ Working with and respecting others

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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