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Convener c/o Senior Assistant Clerk
Local Government, Housing and Planning Committee
Scottish Parliament
Edinburgh
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By email: ewan.donald@parliament.scot

21 June 2021

Dear Convener,

SHORT-TERM LETS: LICENSING ORDER

I am writing to update you on revised plans for the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2021.

This legislation is to establish a short-term lets licensing scheme across Scotland. The purpose of the licensing scheme is to ensure short-term lets are safe and address issues faced by neighbours; to facilitate licensing authorities in knowing and understanding what is happening in their area; and to assist with handling complaints effectively.

As you will be aware, the then Minister for Local Government, Housing and Planning, withdrew the Licensing Order from the Scottish Parliament in February. This was to allow for draft guidance to be developed and to make any other adjustments needed to the Order following further stakeholder engagement. The previous administration committed to laying the revised Licensing Order, accompanied by draft guidance, in June.

We now intend to publish the Licensing Order in draft in June for a final round of consultation and to lay the Order in September. Licensing authorities will now have until 1 October 2022 to establish a licensing scheme, giving them one year from sight of the instrument as laid to do so. However, the later deadlines set out in the legislation including, in particular, the final deadline of 1 April 2024 for all short-term lets to be licensed, are unchanged. In the rest of this letter, I set out the reasons for taking this approach.

Firstly, we want to get the legislation absolutely right. A stakeholder working group was established to develop guidance on the licensing scheme and control areas that was clear, comprehensive and easy to understand. As part of this, the Scottish Government also set

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out to allay any unfounded concerns and actively explore solutions to any real issues, with a view to making any necessary adjustments to the Licensing Order.

Stakeholder working group members have helpfully made a range of suggestions for adjustments to the Licensing Order (as well as providing very significant contributions to improving the guidance). We have taken these on board where they do not detract from the purpose of the licensing scheme set out above. Some of the points raised are complex and nuanced and we would like stakeholders to be able to review the Licensing Order in draft to ensure that the changes have the desired effect and with no unintended consequences.

We also want to facilitate the Committee in its consideration of the Licensing Order. Given that Committees have taken slightly longer to be constituted than was anticipated and with recess fast approaching, it seems appropriate to lay the Licensing Order in September. Our revised approach also gives members the chance to see the Licensing Order as a consultation draft. As you know, there is no opportunity to amend this affirmative instrument once laid.

When we publish the Licensing Order for consultation later this month, we will also publish the proposed accompanying documents and draft guidance. As part of this, we will publish an updated Business and Regulatory Impact Assessment (BRIA) for consultation, giving stakeholders the chance to comment on the draft; something which was not possible on the accelerated timetable in 2020.

We are also changing the date on which licensing authorities must have a licensing scheme open to receive applications from 1 April 2022 to 1 October 2022. This is to give them sufficient time to prepare, given that the Licensing Order and guidance will not be in final form until the autumn of this year. It also means that the requirement for new hosts and operators (i.e. people who have not offered short-term let accommodation before) to have a licence before providing short-term lets will not apply until after this date.

However, we do not consider it is necessary to push back the 1 April 2023 date by which existing hosts and operators must have applied for a licence in order to keep operating, nor the 1 April 2024 date by which all short-term lets in Scotland must be licensed. These deadlines are more significant to residents and communities; any issues from short-term lets they currently face will be caused by existing hosts and operators, to which these deadlines apply.

I hope the Committee finds this information helpful.



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