
Report To:	General Purposes Board	Date:	13 April 2022
Report By:	Head of Legal & Democratic Services	Report No:	LS/036/22
Contact Officer:	Anne Sinclair	Contact No:	01475 712034
Subject:	Short Term Lets: New Licensing Powers Consultation		

1.0 PURPOSE

- 1.1 The purpose of this report is to update the General Purposes Board on the new powers which have been given to local authorities to regulate short term lets in the form of a licensing scheme and to seek authority to carry out a statutory consultation on the draft policy and conditions framework for short term lets.

2.0 SUMMARY

- 2.1 The Civic Government (Scotland) Act 1982 (Licensing of Short Term Lets) Order 2022 which was enacted on 1 March 2022 has introduced new powers to local authorities to regulate short term lets through the introduction of a new licensing scheme under the 1982 Act.
- 2.2 This report sets out the issues the Council will have to consider as a result of the legislation coming into force and provides information on how Officers propose to consult on a draft Short Term Let Policy Statement and conditions framework in order to be prepared for the scheme opening on 1 October 2022 in accordance with the Timeline set out in **Appendix 1**.

3.0 RECOMMENDATIONS

- 3.1 The General Purposes Board is asked to:
- (a) Note the terms of this report;
 - (b) Note the commencement of the Civic Government (Scotland) Act 1982 (Licensing of Short Term Lets) Order 2022 on 1 March 2022 which requires local authorities to open a licensing scheme for short term lets by 1 October 2022;
 - (c) Authorise Officers to carry out a statutory consultation on the draft policy and conditions framework for short term lets.

Iain Strachan
Head of Legal & Democratic Services

4.0 BACKGROUND

- 4.1 The Civic Government (Scotland) Act 1982 (Licensing of Short Term Lets) Order 2022 ("the 2022 Order") which was enacted on 1 March 2022 has brought short term lets within the scope of licensable activities covered by the statutory provisions of the Civic Government (Scotland) Act 1982 ("The 1982 Act").
- 4.2 The 2022 Order has introduced new powers to local authorities to regulate short term lets through the introduction of a licensing scheme under the 1982 Act.
- 4.3 As a result of bringing short term lets within the scope of the 1982 Act the 2022 Order enables local authorities to implement a licensing scheme for short term lets in order to improve safety and mitigate the impact on communities.
- 4.4 The licensing scheme includes a new mandatory safety requirement that will cover every type of short term let to ensure a safe experience for visitors. It will include a "fit and proper" test to assess whether the applicant is suitable to hold such a licence, as with other types of licensable activities under the 1982 Act. Local authorities have the discretion to apply further application conditions to address any local concerns.

5.0 PROPOSED TIMELINE FOR IMPLEMENTATION

- 5.1 The 2022 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.
- 5.2 The legislation contains transitional provisions which allow existing operators to continue hosting guests while 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:
 - 1 October 2022: licensing system open to applications;
 - 1 April 2023: existing hosts or operators must have made an application to the Council and can continue to operate while the application is processed and determined;

New entrants to the market will require to have a licence application granted before being permitted to operate;

- 1 July 2024: all short term lets to be licensed.

6.0 PROPOSED CONSULTATION PROCESS

- 6.1 The implementation of any discretionary powers or conditions will require the Council to carry out a statutory consultation on whether or not to adopt certain powers and their scope. If agreed, any discretionary powers would again be likely to require a transition period to allow for compliance.
- 6.2 Subject to the approval of the General Purposes Board, a two stage consultation exercise will begin in mid-April 2022 as set out in **Appendix 1**, with each stage lasting for a period of eight weeks. An initial consultation will aim to gather a broader understanding of community and business views in relation to what a short term let licensing policy should include, and whether the Council should adopt any discretionary powers.
- 6.3 Following consideration of the results from the initial consultation, a draft statement of licensing policy and licence conditions framework will be developed. A second consultation, again taking place over eight weeks, will seek views on the draft policy and conditions. The two consultation stages, lasting approximately 16 weeks in total, should provide the General Purposes Board with significant evidence on which to base future decisions.

6.4 Given the timescales involved, officers will continually monitor the responses received in response to the consultation, in order to inform the work carried out on the draft policy and conditions.

7.0 PREPARATION

7.1 The introduction of a mandatory licensing scheme and adoption of further discretionary powers, will present a significant number of issues for the Council which will require to be resolved.

7.2 Introducing a licensing regime will be a significant undertaking for the Council to effectively deliver. It is difficult to be certain about the number of short term lets operating in Inverclyde but a scan of the relevant websites suggests that it could be of the order of 100 properties. This will result in a substantial increase in workload for both the licensing and planning services and will place additional pressure on the current ICT infrastructure for processing applications. Officers are currently assessing the effect that this will have on existing resources and what measures can be introduced to mitigate the impact of the new licensing regime.

7.3 There is also the potential for the business of the General Purposes Board to increase if there is a high number of applications requiring Board oversight. The General Purposes Board currently deals with existing applications under the 1982 Act. A new licensing scheme could result in a large number of objections or exemption requests being received by the Council which would then require Board scrutiny.

7.4 Consideration will require to be given to the capacity of the General Purposes Board meetings and whether changes will require to be made to processes, including amending delegated powers and/or other business to allow for any increased volume of business.

8.0 FURTHER STEPS

8.1 A two stage statutory public consultation exercise will begin in mid-April 2022 and officers will seek to engage with relevant stakeholders to ensure that a wide range of views are received. Officers are engaged in collating a list of appropriate consultees.

8.2 Officers will monitor and review the comments made during the consultation process. A further report will subsequently be brought forward detailing the responses to the consultation and providing recommendations in relation to a statement of licensing policy and conditions framework.

9.0 IMPLICATIONS

9.1 Finance

Officers will undertake work to revise a new fee structure for short term lets and will bring this back to Committee for approval.

Financial Implications:

As noted above, there will likely be a financial impact arising from the implementation of the 2022 Order, but that will be assessed further in a future report to the Board.

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

9.2 **Legal**

The Legal issues are set out in the body of this report.

9.3 **Human Resources**

There are no immediate Human Resources issues arising from this report.

9.4 **Equalities**

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES
X	NO - A full Equalities Impact Assessment will be completed as part of the consultation process.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report’s recommendations reduce inequalities of outcome?

X	NO - This duty will be assessed as part of the Equality Impact Assessment.

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

9.5 Repopulation

There are no repopulation implications.

10.0 CONSULTATIONS

10.1 There will be a requirement to carry out a statutory consultation as part of the process of adopting further discretionary powers and conditions and forming a short term let policy. In developing a policy, it will be necessary to consult with a wide range of stakeholders which should include organisations such as Community Councils, local residents, local business communities, existing businesses, trade/tourist organisations and Police Scotland.

11.0 BACKGROUND PAPERS

11.1 None

SHORT TERM LETS CONSULTATION TIMELINE

