POLICY NOTE

THE CIVIC GOVERNMENT (SCOTLAND) ACT 1982 (LICENSING OF SHORT-TERM LETS) (AMENDMENT) ORDER 2023

SSI 2023/XXX

1. The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) (Amendment) Order 2023 ("the Licensing Amendment Order") is made by Scottish Ministers in exercise of the powers conferred by sections 3A, 44(1)(b), (2)(a), (b) and (d), and 136(2) of the Civic Government (Scotland) Act 1982 ("the 1982 Act"), and all other powers enabling them to do so. This instrument is subject to affirmative procedure at the Scottish Parliament.

Purpose of the instrument.

2. The Licensing Amendment Order amends The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 (SSI 2022/32) ("the Licensing Order") to extend the transitional arrangements for existing hosts applying for a short-term lets licence, giving them an additional 6 months to apply. This extension is in recognition of the challenges faced by businesses during the cost of living crisis.

Policy Objectives

3. The Licensing Order establishes a licensing scheme for short-term lets to be managed and operated by licensing authorities. The Licensing Order includes a definition of short-term let, sets out the activity to be licensed and the mandatory conditions which licensing authorities must apply across Scotland. The Licensing Order requires local authorities to establish a licensing scheme in their areas for all short-term lets by 1 October 2022. Under transitional provisions, existing hosts operating at 1 October 2022 are required to apply for a licence before 1 April 2023 but can continue operating whilst their licence application is being determined.

4. The Licensing Amendment Order extends the transitional provisions for **existing hosts,** within Article 7 of the Licensing Order, by 6 months. No changes are made in respect of **new hosts** *(see* Short term lets - licensing scheme part 1: guidance for hosts and operators *for definitions of new and existing hosts).*

5. This extension to the transitional provisions gives existing hosts additional time to apply for a short-term let licence in recognition of the wider cost of living crisis that is placing pressure on existing hosts and businesses. This will give businesses more time to spread the cost of the licence fee, and any necessary work to secure compliance with mandatory conditions. Additional time will also assist those businesses who are facing difficulties in procuring contractors to carry out necessary work such as gas safety checks, and energy performance assessments to obtain an EPC.

6. The effect of the changes in this instrument are that existing hosts must apply for a licence before 1 October 2023 in order to continue to operate whilst their application is being determined, as allowed by the transitional provisions (*previously they had to apply for a licence before 1 April 2023*).

7. Consequentially, the deadline for all short-term lets to be licensed is 1 January 2025 (*previously 1 July 2024*) – this being the latest period at which a licence application from an existing host can be determined by the licensing authority.

8. Licensing authorities have 12 months to determine applications from existing hosts made during the transitional period. Licensing authorities also have powers to suspend consideration of applications by existing hosts during the transitional period where they consider that the use of the premises would be a breach of planning control.

9. Where licensing authorities exercise this power, the suspension lasts for a period of three months beginning on the date notice was given to the host (notice must be given as soon as reasonably practicable).

10. Licensing authorities have 12 months from the date the relevant person notifies the licensing authority that a planning or CLUD application has been made to determine the application or from 1 January 2024, whichever is the earlier (*previously 1 July 2023*). This means that any such applications must be determined by 1 January 2025 at the latest (*previously 1 July 2024*).

Consultation

11. The Scottish Government has consulted extensively during the development of proposals for the regulation of short-term lets. Details can be found here: Short-term lets: regulation information - gov.scot (www.gov.scot)

12. The Licensing Order was approved by Parliament in January 2022 and came into force on 1 March 2022. Updated licensing guidance was prepared in consultation with stakeholders and published in March 2022.

Impact Assessments

13. The Scottish Government has conducted pre-screening or full impact assessments, for: Children's Rights and Wellbeing (CRWIA); Equalities (EQIA); Data Protection (DPIA); Fairer Scotland Duty; Island Communities (ICIA); and a Strategic Environmental Assessment (SEA). These can be found in the 2020 consultation report.

Financial Effects

14. An updated *Short-term lets: licensing scheme and planning control area legislation - Business and Regulatory Impact Assessment (BRIA)* was published in November 2021 to accompany the laying of the Licensing Order and Control Area Amendment Regulations.

Scottish Government
Local Government and Housing Directorate

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