

**Evidence for the Housing & Local Government Committee
on the impacts of the Scottish Government's
Short-Term Lets Licensing policy
on B&Bs and guesthouses and hence on tourism to Scotland**

29 May 2024

This document contains written evidence as requested by the **Housing & Local Government Committee** of the Scottish Parliament, relevant to the Civic Government (Scotland) Act 1982 (Licensing of Short-Term Lets) (Amendment) Order 2024.

The evidence details the effects of the Scottish Government's (SG) "Short-Term Lets" (STL) Licensing policy, as implemented from 1 October 2023, on Scotland's B&Bs and guesthouses specifically, and hence on the visitor economy of Scotland – a sector vital to Scotland's economy and a major services export and employer, especially in rural, coastal and island communities.

The evidence is compiled by the **Scottish Bed & Breakfast Association (SBBA)**, the national trade association for B&Bs, guesthouses and small independent hotels in Scotland. The SBBA is affiliated with the (UK) [Bed & Breakfast Association](#), established in 2006. The SBBA sits on the Scottish Government's Short-Term Lets "Industry Advisory Group" (IAG) with other industry bodies representing STL businesses.

Background

The SBBA has long lobbied for a "level playing-field" in regulation and enforcement between our members (B&Bs and guesthouses) and premises being let to paying guests via websites such as Airbnb which have been effectively unregulated, and often non-compliant with the health and safety regulations (especially as regards fire and gas safety) that our members have long complied with. In giving evidence to the Scottish Parliament in 2017 on the so-called "sharing economy" and since, we have called for a low or no-cost, light touch national registration scheme for tourism accommodation to achieve this. Such schemes exist in several countries and a low cost, light-touch digital registration scheme for tourism accommodation is now (since 18 March this year) the approved policy of the European Council for adoption across the European Union. The UK Government also plan to adopt such a policy in England.

Contrary to seven years of representations from the SBBA (and many other industry representatives, including ASSC), SG decided to pursue a policy of implementing 32 different local Licensing (not registration) schemes across Scotland; this is as we have made clear to officials and successive Ministers, in our view the worst of all possible ways to achieve the policy objective of achieving health and safety compliance across the whole sector (its stated aim). Furthermore, in our 18 years' experience of dealing with tourism policy development and implementation with Governments in Westminster, Brussels and Edinburgh, the implementation of



STL Licensing in Scotland has been (as we told the Minister, Mr. McLelland, last month) **by far the worst example of policy implementation we have ever encountered.**

The policy as implemented is fragmented, inconsistent, arbitrary, often disproportionately onerous, unnecessarily costly, far too wasteful of the time of both microbusinesses and of local councils, has obstructed the normal market in the sale or transfer of businesses classified as STLs, and is badly targeted, impacting as it does businesses like traditional B&Bs and guesthouses which are already compliant with health and safety rules and already subject to inspection and enforcement (and whose operation is of no detriment to the supply of affordable housing).

“Submitted [STL License application] in September 2023, still waiting for confirmation that license has been granted. Had to provide further irrelevant information at the request of the licensing Council. Have been operating as a B&B for 35 years and have never experienced such poorly thought out, lazy, incompetent, not-fit-for purpose legislation and bureaucracy in the tourism industry.” - SBBA member, May 2024

Local councils have (either willfully or ignorantly) misinterpreted the (badly drafted, weak and vague) SG guidance, and have in many cases flagrantly flouted the supposed limits on fees imposed by the “cost recovery only” principle. They have in several cases flouted the law and have been subject to Judicial Review. They have also needlessly imposed onerous costs on microbusinesses – for example, an SBBA member had to pay £1,200 for architect’s drawings, when a sketch would have been sufficient if the council concerned had properly explained the reasons for its stated requirements.

“If you are already an established guest house and have been trading for a number of years then I don't believe you should need a license to trade. I think you should be able to prove to the council you have all the relevant insurance and safety certificates (which all cost us money) and if you are compliant then you should be allowed to trade.” - SBBA member, May 2024

Ministers themselves have been inconsistent – for example, long insisting that home swaps must come within scope of STL Licensing, only to U-turn recently to exempt home swaps.

76% of our members say that the actual costs of STL Licensing to them have impacted their business revenue or affected the viability of their business – SBBA Member Survey, May 2024

The average actual total cost of STL Licensing per B&B or guesthouse is **£2,147***, which equates to **£498*** per guest bedroom. This to “License” an activity they have already been carrying on in many cases for many years, and already fully compliantly with health & safety legislation. The Scottish Government had, as it planned the legislation, assured the industry that the fees per licence (ie per business) would be less than what turns out to be the actual cost per guest bedroom. So the actual costs are far in excess of what the SG forecast. ^{*SBBA Member Survey, May 2024}

41% of our members say the process of obtaining their STL Licence was so onerous and time consuming that it was damaging to their business – SBBA Member Survey, May 2024

Consequently, STL Licensing has resulted in the closure of many hundreds of businesses – including some 5% of SBBA members – with the direct effect of blighting the livelihoods of former

tourism business owners, and hugely reducing the economic benefits to villages, rural areas, highland and island communities as guest spend locally has been lost. Hence it has damaged Scotland's economy – as we predicted it would in submissions over the last several years.

“This has been a wholly ridiculous process with every council having different agenda. I submitted my details last September (2023) and have still had no word about my license and this has cost me a great deal of money (thousands) which after the ravages of covid was money I could have done without spending.” - SBBA member, May 2024

“Difficult to negotiate your way through. Disproportionately expensive (already feels like an additional tax). As a small B and B it took me away from my core purpose of providing exceptional experiences for our guests. Hitting us hard as we are trying to recover from the Covid years. Far too many of us have decided to stop running a B and B, as it is far too onerous and financially burdensome. Why should a very small B and B have to go through this process, when in effect it is legislative process on my home?” - SBBA member, May 2024

“Living in the remote NW Highlands getting electricians etc to visit was hugely expensive (we had to pay 5 hours travelling time at £90 an hour!) The fact that the council has a year to grant the license after application is nonsensical - literally 12 months where you do not know if you will be able to accept guests that have booked with you! Literally no additional support provided to councils to handle applications - shocking!” - SBBA member, May 2024

79% of our members say that there are now fewer B&Bs in their area since STL Licensing was introduced (0% say the number has increased) – SBBA Member Survey, May 2024

“[The loss of businesses] was forecast and was inevitable. And because of the requirement for any new owner to start from scratch and get a license before they can trade, the businesses that have been lost are unlikely to re-enter the market, in an area that is crying out for visitor accommodation. And the businesses lost have not gone back into the market for locals. They have been purchased as second homes.” - SBBA member, May 2024

“The government must study the effect this has had on overall provision. I think there has been a major contraction in bed provision and a subsequent drop in economic activity.” - SBBA member, May 2024

“for those providers who have opted out of the industry and decided not to continue providing accommodation, this will mean a reduction in availability and choice for the consumer. The consequences of this in my view will be less accommodation, creating a greater demand, meaning a significant increase in prices thereby making Scotland a more expensive place to visit. This in turn will deter visitor numbers and subsequently less money being spent in the overall economy and also having a negative impact on associated industries. This will result in overall loss of businesses, a reduction in taxes being paid to the government and an increase in unemployment and associated welfare benefits. Well done the Scottish Government for creating such a *bourach* - you have excelled yourself!!” - SBBA member, May 2024

The then First Minister wrote to our Chairman, David Weston, almost seven years ago (24 Aug 2017), to tell us how her Government “is working with tourism businesses to promote growth, support ambition and **create a supportive business environment in Scotland**”. She told us: “We are delivering a nationwide drive to improve productivity by supporting businesses to grow”, and emphasised that “**The [tourism] sector's continued growth is crucial to Scotland's economy**”.



The First Minister told us: "There are many challenges the industry faces, whether it's digital connectivity, skills access and development, and the fact Scotland is competing in an ever-growing global market. We continue to listen to the industry in what policy and approach will help to overcome these challenges and support the growth of the visitor economy". She gave examples of her Government's support, which included "**Reducing the cost of doing business in Scotland**".

We very much welcomed those assurances then, and feel badly let down by what has happened since, which (we feel) has gone back on the FM's assurances of seven years ago.

It is a case of the Scottish Government's actions not reflecting its own words. We understand the government's concerns around access to affordable homes to buy and for rent (though **B&Bs have no effect on those issues**), and we agree with the Government's stated objectives around increasing health and safety in tourism accommodation.

We told the then First Minister on 22 August last year that "we do not believe that this legislation will positively impact either of these objectives in its current form. It will only inflict hardship on thousands of small businesses across the country." Sure enough, our latest survey data proves that this has indeed happened as we and others predicted.

We also told the FM last August that: "International hotel chains will benefit from this policy. When local competition from microbusinesses dissolves, they will raise rates – making Scottish holidays only accessible for the wealthy. These multi-nationals will also likely build more "aparthotels" (exempted from SG's STL Licensing) – taking land that could be used for housing, while taking tourism income out of Scotland. The Scottish Government risks being seen to side with the 1%, rather than backing the 99% of small businesses that make up the backbone of Scotland's economy."

Again, this has indeed been what has happened, due to SG policy – on 12 May The Times reported that Scotland is now losing out to England as a result of SG's policies restricting the supply of tourism accommodation. It reported that: "The supply of properties let to tourists.. **has fallen the most in Edinburgh (46%), Glasgow (11%), London (8%) Belfast (6%) & the Highlands (4%)**" and explained that "**The collapse in investment in Scotland is to do with a blizzard of new rules regulating the sector**".

The supply of holiday lets falling in Scotland relative to England [The Times, May 2024]:

Where the supply of holiday lets has grown or fallen most in past five years

Based on total nights booked in 2019 v 2023



↑ Grown

1. East Yorkshire	99%
2. Isle of Anglesey	81%
3. Lancaster/Blackpool	81%
4. Nottingham/Lincoln	76%
5. Scarborough	68%

↓ Fallen

1. Edinburgh	-46%
2. Glasgow	-11%
3. London	-8%
4. Belfast	-6%
5. Highlands	-4%

Graphic by The Times and The Sunday Times. Source: AirDNA

Again as predicted, this reduction in tourism accommodation – especially in Edinburgh and the Highlands – has led to very sharp increases in prices for hotel and other accommodation, especially at times of high demand due to festivals, concerts and sporting events. Basic or midscale accommodation in Edinburgh at such times has recently been reported as exceeding £600 per room per night. **Scotland has started to accrue the perception as being an expensive destination – compared to other European countries and, crucially, compared even to England.**

“A lot of my competition has withdrawn from the market, prices have increased as demand exceeds supply, so we are in a better position. However I have no idea whether I will be able to sell as a going concern when I want to.” - SBBA member, May 2024

“When the unfair tourist tax comes in, we are out! It seems this government is determined to support freeloading camper van tourism over all other providers - shame on you. We cannot compete when we are being hit by so many bits of awful legislation so close together. As a lifelong nationalist, the STL and proposed tourist tax has made me decide to vote for another party - there are a lot of people working in tourism who can no longer support this government because of this.” - SBBA member, May 2024

“The STL licence is certainly one of the factors in this reduction in B&Bs. Small businesses suffer when heavy handed regulation is imposed on them, and as ever the Scottish Government makes no attempt to listen to business concerns.” - SBBA member, May 2024

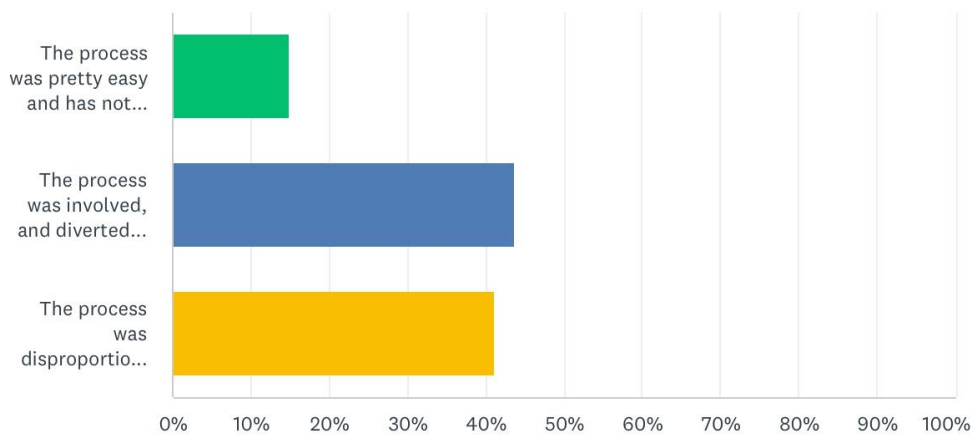
“The area has lost over 110 bedroom spaces since the Pandemic. In the main STL has been the final straw for a majority of those lost bedrooms as folks have opted to retire or close.” - SBBA member, May 2024

SBBA Member Survey, 23-27 May 2024

After receiving the Housing Committee’s invitation to give evidence by 29 May, we ran an online survey of our members between 23 and 28 May 2024, specifically on their own experience of the

application and licensing process. A significant proportion (around 1 in 5) of our subscribing members have responded in detail (despite the survey period being over a very busy Bank Holiday weekend), so the results below are very timely and the individual comments from members give a granular level of detail which may be useful to the Committee and to policymakers generally:

1. Which statement is closest to the truth about the PROCESS (rather than the costs) of obtaining an STL Licence (mandatory since 1st October 2023) as far as YOUR business is concerned?



ANSWER CHOICES	RESPONSES
▼ The process was pretty easy and has not significantly affected my business	15.00% 12
▼ The process was involved, and diverted a significant but manageable amount of management time	43.75% 35
▼ The process was disproportionately onerous and time consuming, so damaging to my business	41.25% 33
TOTAL	80

Individual member comments on the **process** of STL Licensing:

- 1 It was inconvenient that you could not enter some information, save it and continue the next day
- 2 It's a load of rubbish aimed at the wrong group of people ie guesthouse and b&b owners who've always had everything in place. Applied for the licence September 2023 still nowhere near getting it
- 3 Process required information outside of what seemed relevant. Process had too much repetition. Guidance wasn't clear.
- 4 Our local authority were disjointed between departments and the STL team there to support applicants were even unsure of the process and unnecessary strict enforced, not followed by all authorities
- 5 It has taken them so long to process our claim that the proof of insurance has expired so we have to send them new proof almost 8 months later, no doubt putting us at the back of the queue
- 6 Still heard NOTHING from Highland Council who say it could be up to 12 months from time of process starting!!
- 7 It was an absolute nightmare to complete - the goal posts kept changing, information kept changing, most of the information required is not relevant for my business. We wish that SG had agreed to go along the route of registration. We are in Moray which is not a control zone. This process is onerous and has caused me a great deal of stress.
- 8 I was lucky as I have just finished renovating and extending my property so many of the onerous requirements I happened to have to hand for different reasons... eg full architectural drawings

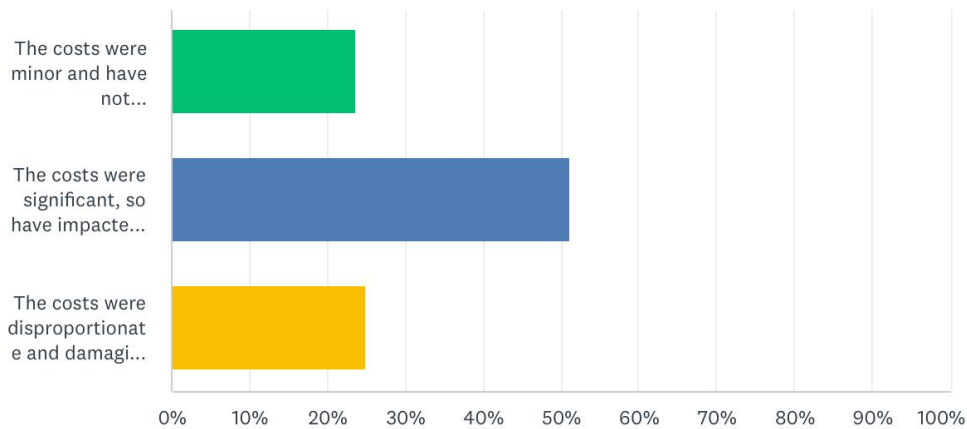


The Scottish Bed & Breakfast Association

- 9 I did find it very hard to go through all that was required and having to take photos of plans of my house, and uploading when submitting my STL. There was a lot involved and extremely time consuming as I did it all on my own without any outside help or help from my husband. Despite submitting my form in September, I have still not received anything from my council, only the acknowledgement that it has been received.
- 10 Worst still for new bed and breakfast businesses since you can't even trade until you have a license. And in our experience the process doesn't move fast!
- 11 Nothing except my husband was terminally ill at the time and I was working as well as being his full time carer. I asked for an extension to apply but it wasn't possible
- 12 Online systems had to be completed in one hit, but, many question required expert answers, Electrician, Fire etc. Which meant lost time as you could not save the position you were at in the application process. Obtaining services of a certified and qualified Electrician took months. Each time, having to start the application process over and over gain. The cost of all of this outweighed any benefit of applying to the point of actually considering closing the business.
- 13 I haven't yet had a reply to my application last autumn.
- 14 We have been given a STL licence number from Scottish Borders Council but still do not have any evidence of a licence as such. SBC says it is too busy to issue a licence despite charging for it. The requirements include a floor plan which is completely unnecessary for any guest to see.
- 15 For a small B&B in our home it was a nonsense as we have been trading for 18 years and we are always here with our guests
- 16 Most of the documentation required we already had in place with the exception of the scale drawing. It was a pain to collate and scan in to PDF format. Fortunately I am competent with the computer.
- 17 I have still not had anything approved or paid any money. I keep asking when they are going to deal with my application but the Council say they are too busy and there is a back log in West Lothian. My daughter runs a small B&B next door to mine and she is also still waiting. I am fully booked until the end of September for B&B so just carrying on
- 18 Still awaiting licence
- 19 Difficult to get safety checks done due to lack of qualified electricians and disinterest in type of work.
- 20 My daughter who is completely computer literate helped me - otherwise the process would have been a lot more complicated
- 21 Updates on process slow to be revealed by Highland Council. Prior to October 1st last year there were weekly updates on applications and those in process. This has now slipped to monthly.
- 22 After more wrangling (and because the rules and interpretation kept changing), we have been told by someone in the council that we are exempt. However nothing official in writing, and they still have our fee!
- 23 Submitted application in September, was informed a member of the local team would be in contact, but have heard absolutely nothing since from Highland Council, so have no idea.
- 24 Took me months. It's not easy on a small island getting electricians, etc - the process was time consuming and took a lot of time.
- 25 Submitted in September 2023, still waiting for confirmation that licence has been granted. Had to provide further irrelevant information at the request of the licensing Council. Have been operating as a B&B for 35 years and have never experienced such poorly thought out, lazy, incompetent, not-fit-for purpose legislation and bureaucracy in the tourism industry.
- 26 The process focussed on things like the LA wanting hot and cold pipe run drawings whilst neglecting the fire safety requirements as the local fire brigade refused to carry out any audits
- 27 Burdensome having to do so with paper documents when not possible online. Unnecessary copying and preparation of documents eg plan of property.
- 28 Still waiting for a Licence, very little communication from Argyll and Bute Council.
- 29 This has been a wholly ridiculous process with every council having different agenda. I submitted my details last September (2023) and have still had no word about my licence and this has cost me a great deal of money (thousands) which after the ravages of covid was money I could have done without spending.
- 30 Disproportionate amount of time spent by Highland Council awaiting input from external agencies (Police / SFRS). No allowance (staffing, funding, etc.) had been allowed for this as part of the overall STL implementation.
- 31 I submitted my application at the start of August 2023 but have not yet received a decision nearly 10 months later. What a farce!
- 32 Difficult to negotiate your way through. Disproportionately expensive (already feels like an additional tax). As a small B and B took me away from my core purpose of providing exceptional experiences for our guests. Hitting us hard as we are trying to recover from the Covid years. Far too many of us have decided to stop running a B and B, as it is far too onerous and financially burdensome. Why should a very small B and B have to go through this process, when in effect it is legislative process on my home?

- 33 Think it's awful that it has been 11 months since we applied and still don't have it.
- 34 It is now 8 months since we made our application and have still not had confirmation that it has been granted.
- 35 I am still waiting for a license therefor can only put on my property 30 days at a time
- 36 Living in the remote NW Highlands getting electricians etc to visit was hugely expensive (we had to pay 5 hours travelling time at £90 an hour!) The fact that the council has a year to grant the licence after application is nonsensical - literally 12 months where you do not know if you will be able to accept guests that have booked with you! Literally no additional support provided to councils to handle applications - shocking!
- 37 Difficult to get tradesmen to fulfill requirements plus expensive
- 38 Too confusing and not clear enough.
- 39 Generating and collating the required information took considerable time and cost but did not significantly impact business as I managed this during off peak time.
- 40 Unnecessary paperwork, stress, time and money waste.
- 41 We did not have to do this as we have a licenced Bar
- 42 Should be simplified.
- 43 Good if implemented properly
- 44 I was pleasantly surprised by how easy the process was

2. Which statement is closest to the truth about the overall COSTS (ie adding the license fee and the costs you had to incur in meeting the application requirements) of obtaining an STL Licence as far as YOUR business is concerned?



ANSWER CHOICES	RESPONSES
▼ The costs were minor and have not significantly affected my business	23.75% 19
▼ The costs were significant, so have impacted the net revenue from my business	51.25% 41
▼ The costs were disproportionate and damaging to my business, affecting its viability	25.00% 20
TOTAL	80

Individual member comments on the **costs** of STL Licensing:

- 1 The actual cost of the licence itself was not insignificant and I am concerned as to the renewal cost in future. However as a business owner I already had most of the paperwork in place.
- 2 The costs were several hundred pounds for a licence that is for 3 years only ... so whilst it didn't really impact in my revenue, it was still a cost I had not paid in the past
- 3 Some of the costs related to getting documents which don't seem relevant.

- 4 We nearly gave up but we were caught up in a difficult situation as we had just purchased the business in Jan 2020, just before COVID with no support as we had not begun trading before lockdown.
- 5 Older people do not have the technical skills to draw out a floor plan and have to pay for it to be done. Friends have told us their total costs have been between 1/4-1/3 of their profit for that year.
- 6 Disgraceful for small businesses. Will take a substantial time to recoup. To add to this bookings are down this year which is causing huge upset to mental wellbeing
- 7 We are seriously considering closing our business as the costs to the licence are not easy to recover.
- 8 As I had a lot of work done the costs were limited to the electrical certificate, the license itself and a small amount of administration costs however that will require me to trade an additional 10-15 days to cover the cost. As a pensioner I am only doing B&B to extend my pension so my income is a livable level.
- 9 Professionals ie electricians etc put their process up as it was supply and demand to get the checks done.
- 10 We are a small family run B&B. The cost to apply was wholly disproportionate to the size of the business.
- 11 I haven't yet had a reply to my application last autumn.
- 12 We did not have to pay for a floor plan to be produced as we were able to contact the architect who had drawn up plans for an extension, prior to us purchasing the business. This would have been a significant cost otherwise.
- 13 The total cost was just over £3000
- 14 For me not being good at Technology I had to employ a town planner to present my application and this made it very expensive for a small B&B.
- 15 The costs involved were mainly in getting electricians in to certify our electrical system.
- 16 no idea of the cost
- 17 I had to cease trading for months as I was unable to apply by 1st October
- 18 Electrical cert & PAT, Change of Planning Use
- 19 We were already operating to the standards required. The only additional cost was for the 1:25000 site plan.
- 20 Fee in Fife £430
- 21 Costs have significantly dented our finances, reducing our profitability and will cause us to have to increase our prices and make our business less attractive to customers.
- 22 I spend considerable costs raising the fire safety standards and rightly so but there was no financial assistance in doing so, I spent c£7,000
- 23 We live on the premises and feel this should not have applied to our Bed and Breakfast.
- 24 Again costs of this - a licence for electricians etc. to print . money and the council to get money - still my paperwork was submitted in September and nearly a year later I am still waiting to see if I get a licence or not - Total chaos from a bunch of pen pushers
- 25 Most of the 'full time' businesses operating in this area should have been there or thereabouts anyway with the legal requirements (EICB, PAT Testing, Gas Safe, Insurance, Fire protection, Regd. Food Provider, Food Hygiene Certification etc.). So the main cost element should have been the License itself.
- 26 They came at a time when we were still recovering from the impact of Covid restrictions and when the Highland Council-operated Corran ferry was not running which all affected income significantly in 2023. Awful timing to impose STL.
- 27 Far too expensive
- 28 I think it was an extra cost the hospitality industry could have done without, We were just trying to get back on our feet after covid.
- 29 In our case I would say that the costs were significant but have not significantly affected my business. It is galling though that we still have not received the license.
- 30 The costs go on a per room basis. However a self catering flat is classed as one unit
- 31 See above - should have been provision made for remote business' For a 3 room business our outlay was a huge portion of our small profit margin.
- 32 Very costly having to use professionals and buy additional equipment.
- 33 We still need to do all the certificates and licences, it is expensive.
- 34 This was an unnecessary expense , we have a Class 7 property and were compliant anyway.
- 35 If I had not reduced number of rooms, which the council had approved 10+ years ago, I would have incurred major costs for change of use, which would not have been viable for those of us operating a short season
- 36 Getting in qualified artisans is expensive. But like everything as we eat the money everybody wants their share

3. What is your total occupancy (no. of paying guests when you are full)?

Average answer: **maximum number of guests is 8.6**

This equates to **4.31** guest bedrooms (doubles or twins)

NOTE: This underlines the small size of these microbusinesses – at an average price per room-night of £114.37 (blended from £56.64pppn in peak [weighting peak by 66.66%] and £58.27pppn off peak) and an occupancy rate of 54.67% [Source: [VisitScotland Scottish Accommodation Occupancy Survey 2022](#)], the total average gross sales turnover (not profit or net revenue) is some £98,400 per business. This is of course before any costs are deducted (eg staff, food, laundry, cleaning, electricity, gas, water, insurance, mortgage/finance costs, repairs & maintenance, decoration/refurbishment, fire, gas & safety measures, agent commissions (typically 15-20%), advertising and marketing, IT costs, business rates or council tax, VAT (20%) etc.). The net figure after all those costs have been deducted is the revenue of the business – which typically has to provide the livelihoods of two people. Running a B&B or guesthouse is not a shortcut to riches.

4. What is your best estimate of the TOTAL COST to your business of obtaining an STL Licence, including the licence fees and the costs of meeting all the application requirements?

Average answer: **£2,147 cost of STL Licensing per B&B**

Minimum answer: £300 Maximum answer: £7,500 (in written comments)

So this equates to **£498 per guest bedroom** (based on doubles/twins)

NOTE: We (mistakenly, it has proven) gave an upper limit of £5,000 for answers to this question; some 12% of respondents selected that maximum figure of £5,000. In the written comments, one stated that their total costs were £7,500. So it seems certain that the above average of answers is an **underestimate** of the actual average costs to small businesses.

5. Improving the STL Licensing scheme: what specific suggestions would you give the Scottish Government on how the STL Licensing schemes should be improved (by changes in the regulations and/or the official guidance to Councils)?

1 STL licenses should not be issued to property in obvious community housing areas or to relatively new builds.

2 We have not received our licence yet nor have we had any update from the council.

3 Licences are unnecessary and costly for licensee and licensor A simple registration is all that is required
Commitment to supporting tourist industry (not large hotels and tourist attractions only) by both central and local governments
Acknowledgement that we are often the solution not the problem

4 Aim it at those who don't comply with legislation

5 Online process rather than printing off and scanning documents. Somebody to talk to on progress of licence rather than emails which nobody responded to. Scrap licence for established B&B. Make it easier to transfer to new owner when selling.

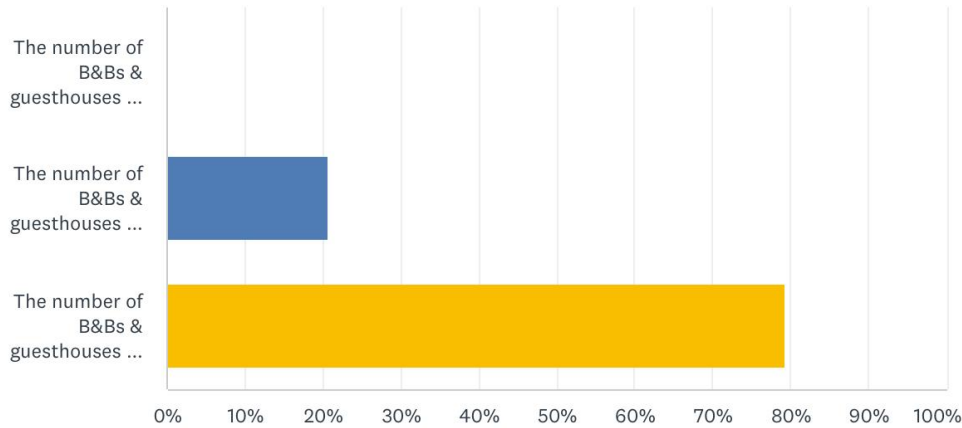
6 I feel that if the B&B is part of the owner's actual home, which the owners live in full time, a license should not be necessary, just a simple registration so that the business as an entity is recognised by the authorities, making it obvious it is a legitimate business - thus making it easier during, for example, covid times, when financial support was needed, when it was hard for some folks to prove that they were an existing business.

- 7 I think we all have to be accountable, and show due diligence in every aspect of our business, however as a working owner a lot of my free time now is spent on more paperwork
- 8 Where owners/operators live in the premise they should be exempt. Different unit types on a shared site should be a single license. Costs should be proportional to business size.
- 9 These regulations were too open for individual councils. B&B establishments which are also the owners homes should not have been included in this category. I do believe in registration of some sort eg appropriate fire safety, PAT testing etc but not the process we have had to endure. We are in our homes and policing any issues which is where this regulation initially stemmed from. These businesses are our homes. Ideally I would like to see compensation for the trauma and costs of this regulation.
- 10 Allow a licence to be applied for prior to buying a new business or allow a licence to be transferred to new owners so that if selling we don't have to cancel 1000s of guests ruining their holiday.
- 11 Re think the entire scheme. Start supporting the sustainable accommodation providers and take action to totally eliminate 'free for all' so mistakenly being called 'wild camping' in vehicles. Not acceptable - and happening in our small village opposite our home and business!!
- 12 For us in Moray - a registration system would be far more beneficial, after all most of us operate legally in terms of H&S as we have to provide these docs to OTAs
- 13 Scrap the scheme for guest houses, B&Bs and hotels.
- 14 I am a group/class 7 building (Guest House) BUT Stirling Council insist I am not exempt under this legislation unless I hold a liquor license as well. There cannot be many operators who want to offer alcohol at breakfast. My view is this just the bureaucrats going mad but I don't have the resource to fight them
- 15 I think that this should not have included the small B&B's such as myself as it has caused a great deal of strain timewise and financially. I have extremely good reviews and have been a member of Visit Scotland being Quality Assured for the past 9 years. This should have been more centred around accommodation providers who have not been accredited in any way, shape or form. Also to those who have bad reviews.
- 16 The license could run for 5 years not 3. For first time licences if there is a significant timeline between application and approval councils should allow applicants to sort their insurance out at the point of approval rather than early in the process so to not waste clients money.
- 17 Making it transferable when selling business. The new owners could then just have personal checks done and provide evidence of insurance as everything else applies to the property
- 18 Scrap it Repeal the legislation
- 19 There are still tenements in the Edinburgh old town with 10 key boxes at the front door. The effect of this legislation seems to be Zero. The council raked in millions but no effect.
- 20 Traditional B&Bs should be exempt from STL Licensing.
- 21 I agree something has to be done, but have a good look at the accommodation that doesn't comply
- 22 First and foremost B&Bs and Guest Houses should not be included in this legislation in the first place! The licence should attach to the property not the owner of the property. The current situation makes it impossible to sell the business as a going concern. The councils themselves do not understand the requirements. Scottish Borders Council were not aware that we did not need to have £5million PL insurance. When I raised this with them they refused to accept it was unnecessary and we were forced to purchase additional insurance that we do not need.
- 23 I don't think B and Bs and guest houses should have Licence. It should have just been the Airbnbs like in England.
- 24 For anyone running a B&B it should not apply. When we stop doing B&B this is our home and we will continue to live here. We are a quiet establishment we never would put up with rowdy guests
- 25 The application process had to be restarted if you either timed out or closed the website. There should be an option to carry on where you left off.
- 26 Scrap it altogether
- 27 Changes to regulations and official guidelines to make it easier and fairer
- 28 Concentrate on bad landlords, ones with poor reviews and on platforms that allow anyone to operate ie airbnb
- 29 To be able to transfer license when selling. Cheaper renewal.
- 30 I feel I should not have been charged per persons £180
- 31 Transferring the licence to new owners. It's mostly about ensuring the property is ticking the right boxes. If a property has the licence it should be transferable to another person providing they pass the enhanced person police check.
- 32 Keep it simple and consistent

- 33 Definitely the ability to sell a licence with a going concern business Actually use the licence to control the numbers of Holiday lets (we don't think Fife Council will be doing this, even though there are already 400+ self catering holiday lets in St Andrews with many more in close proximity. Here it pushes up the costs of renting, buying etc
- 34 Scrap it altogether and set up a lighter touch registration scheme, as has been suggested by ASSC & SBBA. This could be administered by Visit Scotland, or another similar body.
- 35 Excluding home share b&b from the scheme.
- 36 adopt same procedure as in England. Registration scheme.
- 37 Abort it
- 38 1) A registration scheme of sorts was already operating in the shape of VisitScotland, through their grading assessment scheme which incidentally will cease operating in Scotland next year (2025). What a complete waste of an established resource with a ready made frame work to incorporate a licensing element into the accommodation sector! 2) A square peg does not fit in a round hole, and one size does not fit all - this legislation was politically motivated and Edinburgh/Glasgow centric with little thought given to the needs of the rural and island communities who rely heavily on tourism for their economies. How will the STL scheme be monitored, evaluated and it's aims and objectives met? How does a VisitScotland 4 star GOLD graded B&B operated from the owner's private home have any impact on the availability of rental properties and the reduction of antisocial behaviour? 3) This scheme should be scrapped and the existing network and criteria used by VisitScotland should be utilised. This will create employment, continue with the quality assessment and grading scheme, and enhance further the tourism industry throughout Scotland.
- 39 B&Bs are excluded and heavy focus on fire safety as many have wrongly done risk assessments without undertaking and meeting the right fire standards
- 40 It should be necessary to evidence compliance with food safety/hygiene requirements for all businesses if food is provided.
- 41 Better communication.
- 42 A) Scottish Government should have waited till this was rolled out by the UK government and should have been in tandem with same. Not by some egotistical idiots in the Scottish Parliament 'Wanting to roll it out first and doing it their way' which has been like everything else they do - TOTAL CHAOS.
- 43 To introduce enforcement officers as clearly most AirBnB owners have completely ignored the legislation in my area and it angers me as this was the area for which this STL was mainly introduced for. Guesthouse owners and B&B owners who live onsite and need legislation to trade should be exempt.
- 44 Transferability. Split the License into Part A: Property and Part B: Person(s). On selling the business, Part A is transferable, Part B is not.
- 45 Allow transfer of licence.
- 46 STL should not be such an umbrella requirement for all accommodation businesses. The impact of remotely rented Airbnbs in big cities on long term rentals and their nuisance factor for residents is vastly different from my situation where I myself live at my B&B and contribute to my local economy where tourism is one of the few possible ways of earning a small income in a very rural location.
- 47 Both of the above
- 48 I don't think it should have applied to small businesses, we only have 3 rooms.
- 49 Removing class 7 premises from future requirements for a license. They should never have been included. Change the rules about relicensing in the event of a sale of a property.
- 50 A requirement on councils to communicate the requirements of the scheme directly to operators and guidance specific to operators in their council area. A requirement on the council to police the scheme and identify unlicensed premises Provide updates on progress of applications eg we are still waiting to hear about one of our licences applications from last August
- 51 Allow the STL to be transferable on sale of the business
- 52 Grow up! Should be consistent across all regions. Provide nominated and fixed cost tradepeople nationally to fulfil the certification requirements. Allow a cool down period if a licence is rejected (ie you need not call people booked already to say they cannot stay with you due to licence rejection). Scale the legislation to the size of the business - I cannot believe any one or two room B&Bs are still trading when you look at costs compared to profits. Their official tourism organisation (Visit Scotland) should not still be advertising business who do not have a licence!
- 53 Scrap it
- 54 help older people who run a b&b and who are not now due to paperwork

- 55 Making the licence transferable, I have a 6 bedroom house³ are let as b&b, my pension is my house which now is effectively worthless as you can't get a commercial mortgage on the property, this isn't a first time buyers home
- 56 Shortening time scales for councils to grant. Applied a month before the cut off and still have heard if granted
- 57 Nationwide standards NOT locally variable standards and costs.
- 58 Scrap it. A waste of time and money.
- 59 We are blocked in East Lothian due to no licence for shared door properties so going to sell up
- 60 Consistent policies and costs across all councils. Rates proportionate to turnover. Standard templates made available for required documentation
- 61 There is big difference between countryside guest house/B&B and hotel. Can't apply the rules for the car parks.
- 62 People should be registered and have the correct safety certificates in place, but the fee the council charges is too high, and the requirements list very long
- 63 Allow licence transfer to new owner if property sold
- 64 The licences must be made transferable. At the moment there is a barrier to selling out of or buying into the sector
- 65 If you are already an established guest house and have been trading for a number of years then I don't believe you should need a licence to trade. I think you should be able to prove to the council you have all the relevant insurance and safety certificates (which all cost us money) and if you are compliant then you should be allowed to trade.
- 66 Maybe a helpline to offer assistance to anyone submitting an application
- 67 Remove businesses who already have class 7 planning permission from the scheme. We already have to have all the legal compliances required.
- 68 Proper guidance to LA's. Grandfather rights to be observed for businesses operating for 10+ years. Removal of B&B's/Guesthouses from the scheme
- 69 Allow license to be passed to new owners when property is sold
- 70 Cut out the bureaucratic nonsense. Stream line it
- 71 Make the licenses transferable

6. Other B&B and guesthouse businesses in your area: which statement below is closest to the truth?



ANSWER CHOICES	RESPONSES
▼ The number of B&Bs & guesthouses in my area has increased compared to before STL Licensing	0.00% 0
▼ The number of B&Bs & guesthouses in my area is about the same now as before STL Licensing	20.78% 16
▼ The number of B&Bs & guesthouses in my area has reduced since STL Licensing came in	79.22% 61
TOTAL	77

Individual member comments about the change in the number of B&Bs or STLs due to the introduction of STL Licensing:

- 1 I know of small scale guest house/B&B owners - friends of ours - locally who have completely given up letting any rooms due to the licensing, as they felt it was too intrusive and onerous. They would definitely have carried on letting rooms - in an area of the northwest of Scotland where demand for rooms outstrip supply, and where individual, in-home letting rooms are really appreciated by guests.
- 2 In the 9 years I have been here, the number of other guest houses has gone from 11 to 4
- 3 License process is too costly and onerous for small businesses with marginal profits.
- 4 In our street alone we have lost 3 large guest houses including our neighbours.
- 5 Very few businesses operating. Scotland's tourism has been changed beyond recognition. Shameful from this Scottish Government
- 6 At least 6 have closed, this has had a significant drop in visitor numbers to the town. Tourists don't have enough places to stay anymore - it's shameful.
- 7 anecdotally I have been told that 25% of rentals on offer locally have withdrawn from the market but I have no specific evidence of this
- 8 Significant reduction in properties available with more currently trying to sell. I would have gone last year also had my husband not fallen ill (he passed away early Dec 23)
- 9 the reduction of B&B/Guest Houses in this area is wholly due to the red tape of the STL Tourism tax
- 10 I hear on the grapevine that many B&B owners have packed it in.
- 11 The STL licence is certainly one of the factors in this reduction in B&Bs. Small businesses suffer when heavy handed regulation is imposed on them, and as ever the Scottish Government makes no attempt to listen to business concerns.
- 12 Only one guest house shut down but I'm not sure on Self catered premises.
- 13 We are the only remaining traditional B&B in our village. There is a cafe where rooms are let

14 I am generally in favour of the STL because it ensures a certain standard is met for the safety of guests. I think the method of application and cost was off putting for many of the smaller B&Bs. Someone letting one bedroom in their home for some extra income had to spend a higher percentage of their income to meet the terms of the licence. The smaller B&Bs may also not have been quite so tech-savvy when it came to the online form. The Government is promoting the Highlands as a holiday destination without ensuring that the infrastructure is there to support it. I am hoping that some of the money raised will go towards this.

15 It will have a major impact on tourism in the Islands. Our Island relies heavily on tourism for employment. Loss of tourism will lead to unemployment and, therefore, depopulation. Sad state of affairs. All because Edinburgh has a problem with housing.

16 I don't know

17 The area has lost over 110 bedroom spaces since the Pandemic. In the main STL has been the final straw for a majority of those lost bedrooms as folks have opted to retire or close.

18 Tragic loss to our economy

19 Not aware of any major changes - every year 1 or 2 disappear and some have recently converted into aparthotels.

1 was sold to be converted into very expensive flats. There aren't many bnb/guest houses left. STLs definitely affect our opportunities to trade outwith the peak season as too many for the demand

20 Many smaller operators have decided not to continue running, others we are aware are running 'under the radar'.

21 12 B&B's have closed.

22 People I have spoke with are fed up with SG and bureaucracy.

23 We have lost a significant number of Bed and Breakfast due to the cost of re-wiring and having to upgrade their properties when they have been trading adequately and safely for a number of years.

24 Overall cost to the consumer has gone up, due to a) increased operating costs (STL), increased day to day running costs (food & beverage, energy costs) and finally Supply & Demand.

25 See previous comments

26 It was forecast and was inevitable. And because of the requirement for any new owner to start from scratch and get a license before they can trade, the businesses that have been lost are unlikely to re-enter the market, in an area that is crying out for visitor accommodation. And the businesses lost have not gone back into the market for locals. They have been purchased as second homes.

27 The process was too onerous for some people. A lot of B&Bs have given up. This in itself is affecting tourism into the area

28 We have lost about 1/3 of B&Bs locally due to this nonsense.

29 People didn't have the money or resources to carry out any upgrade.

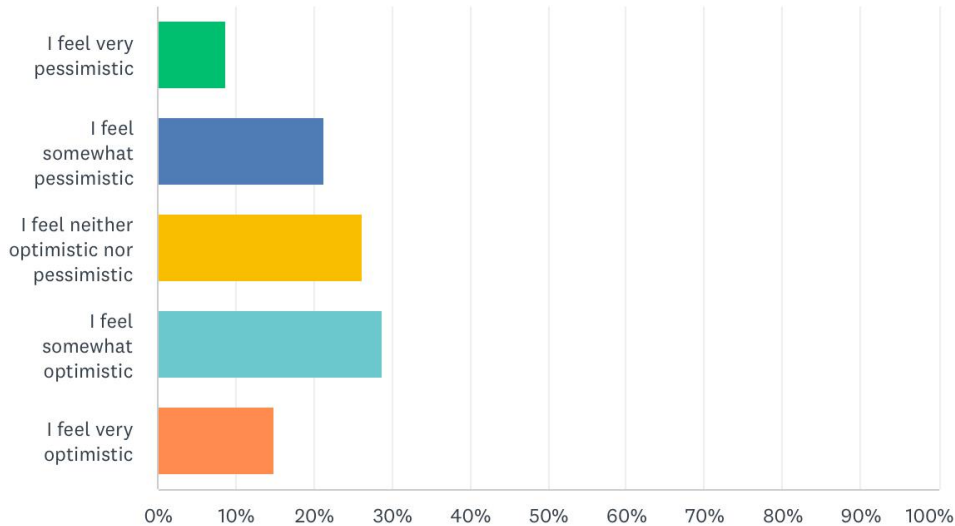
30 Extra unnecessary expenses and requirements. Not all properties has to be become with commercial look and feel.

31 The government must study the effect this has had on overall provision. I think there has been a major contraction in bed provision and a subsequent drop in economic activity

32 I don't know the figures for this question

33 We have lost 6 or 7 at least and this is a small area 5/23/2024 12:53 PM 34 Many B and B's closed during/after Covid and many of those left decided to sell up due to licensing.

7. Looking forward at the whole 2024 season, how would you best describe your level of business optimism or pessimism?



ANSWER CHOICES	RESPONSES
I feel very pessimistic	8.75% 7
I feel somewhat pessimistic	21.25% 17
I feel neither optimistic nor pessimistic	26.25% 21
I feel somewhat optimistic	28.75% 23
I feel very optimistic	15.00% 12
TOTAL	80

Individual member comments arising from this question:

- 1 Optimistic due to other B&B closing Les choice for guests so very busy this year but lacking accommodation in future could deter visitors from coming to Scotland
- 2 This is the busiest season we have had so far.
- 3 Even though licensing costs are less between application periods the cost of living crisis means times are tough.
- 4 We have worked hard to try to make this work and are fortunate to be busy over the summer months.
- 5 With all the guest houses leaving the industry there is less competition. Inverness has had 10 days in May where there has been no accommodation available on the day being advertised on booking.com and other OTAs
- 6 I suspect we will close our business cone October. Costs are prohibitive and the ongoing encouragement of 'freeloading' tourism is totally depressing. We have had NO support whatsoever. Costs are prohibitive. It is a very very sad time for Scotland and its Tourism Industry which I have been part of in many different areas mist of my working life. Losing the ATB structure with the hundreds of TICs was the start of this slippery slope. Well done SNP!!
- 7 Our voices have not been heard - what is the point of us mentioning anything to the SG, they clearly have their own agenda and have no forethought for tourism in Scotland, they are a disgrace. I have spent around £7000 for the cost of our licence but the [survey answers] scale wouldn't go that high.
- 8 It is early in the season but both I and the Wedding Venue next door have noticed foot fall is very quiet so far this year.
- 9 Due to the area that I live in, it is extremely popular so I know that I will still receive the business that I expect.

- 10 Business is good except I've had to scale it down to make it manageable for me to operate.
- 11 B&B accommodation is getting in short supply due to taxation 2024 will be a short season due to Easter being in mid March which means April is near flat. As is always the case when Easter is so early.
- 12 Business is down so far. Bookings are a bit sparse.
- 13 The hospitality sector has struggled post -pandemic. It is harder to find motivated staff, costs have sky-rocketed and the imposition of an unnecessary licence feels like a huge slap in the face.
- 14 Our business is at the level we want it to be.
- 15 Long established business and have good reputation so really the new legislation isn't affecting me...yet!
- 16 Tourism in Scotland, which is extremely important for Highlands and Islands economic survival. The Scottish Government seems hell bent on ruining tourism in Scotland.
- 17 We have a niche market so generally unaffected by 'trends'
- 18 The loss of bedrooms has made the rest fill up quicker than normal. There has though been a significant increase in motor homes/campervans this year.
- 19 Sales slightly ahead of last year at this stage, but anything could happen! Feb/Mar/Apr very quiet though. There's an over supply in the market. I always worry when councils are given controls to do stuff. If there had to be a licence, then the same rules should apply across SCOTLAND. We now have 32 schemes with very few licences being issued. What are they doing?
- 20 This sector is still recovering from the triple whammy of Brexit implications, covid-19 pandemic and the cost of living crisis.
- 21 Most B&B's have increased their prices, to cover costs. Which seems to have affected tourist numbers in the area, along with other issues i.e ferry capacity etc.
- 22 Despite the obstacles the SNP government throws at us, we're building our brand and our business.
- 23 We are fortunate with our location and we are an established professionally run quality accommodation provider and therefore have not been unduly affected by the STL Licence. HOWEVER, for those providers who have opted out of the industry and decided not to continue providing accommodation, this will mean a reduction in availability and choice for the consumer. The consequences of this in my view will be less accommodation, creating a greater demand, meaning a significant increase in prices thereby making Scotland a more expensive place to visit. This in turn will deter visitor numbers and subsequently less money being spent in the overall economy and also having a negative impact on associated industries. This will result in overall loss of businesses, a reduction in taxes being paid to the government and an increase in unemployment and associated welfare benefits. Well done the Scottish Government for creating such a bourach - you have excelled yourself!!
- 24 While trade is strong I do not feel optimistic about the ongoing profitability of my business due to increased costs and the overall economic environment.
- 25 The tourist tax will have an impact.
- 26 The SG really do need to listen to the experts in the hospitality industry and the negative impact this has on our tourism
- 27 We are practically fully booked until end October and have been since 1st April when the peak season fully kicked in.
- 28 To make ends meet, we have added a third bedroom to our B&B. This cost a significant amount despite doing a lot of the work ourselves, along with a planning fee of £2,500 to change from Class 9 to 7. I pointed out to Highland Council that this would take me 50 weeks (this while season) of selling the room to recoup this fee. Perhaps next year I'll eventually see a decent profit for all the hours I work.
- 29 It has been a slow start, the quietest April, we have had. The cost of electricity and food prices don't help.
- 30 A lot of my competition has withdrawn from the market, prices have increased as demand exceeds supply, so we are in a better position. However I have no idea whether I will be able to sell as a going concern when I want to.
- 31 When the unfair tourist tax comes in, we are out! It seems this government is determined to support freeloading camper van tourism over all other providers - shame on you. We cannot compete when we are being hit by so many bits of awful legislation so close together. As a lifelong nationalist, the STL and proposed tourist tax has made me decide to vote for another party - there are a lot of people working in tourism who can no longer support this government because of this.
- 32 Due to local B&B's not applying for a license we have found that we are a lot more busy.
- 33 I work down south & overseas and use the apartment when I come home so holiday let's suited perfect as a long tenant can't be moved out so now I shall have to sell my home and invest my money somewhere else

34 It's called - nobody cares, work harder. I don't any of you know how much effort, energy, time, money people invest in these tiny businesses. It's is not comparable for working 9-5

35 We are in an area that is high traffic for tourists so we are busy

36 We wish to exit the sector, but haven't as yet found a buyer. Licensing seems to be an issue for new entrants

37 If we did not have American tourists this year, would be struggling.

Scotland's domestic tourism down, outbound up

Figures out yesterday (28 May 24) from analysts 56 Degree Insight show that Scotland's domestic tourism market is faltering: only 18% of Scots have taken a domestic break so far this year – down on last year. And 40% expect to take a holiday or break in Scotland in 2024 – down from 44% the same time last year. Meanwhile: outbound foreign holidays are up, with 41% expecting to visit Europe, and 12% going further afield. This decline in domestic tourism is very worrying, and must be partly due to the reduction in accommodation (especially STLs) and the consequent price increases. **If the perception that Scotland is expensive continues to firm up, the consequences for Scotland's economy are dire: tackling this should be a top priority for the Scottish Government.**

Visitor Ready scheme proves the viability of digital registration

Earlier this year, VisitEngland and AA Hospitality launched "[Visitor Ready](#)" - available UK-wide, this is a simple, digital accreditation scheme enabling owners of tourism accommodation (and other tourism businesses like attractions) to prove to consumers their compliance with health and safety legislation and their public liability insurance cover. It enables owners to upload certificates and documentary proof of compliance. The scheme is so low-cost that AA Hospitality (a private business) is offering it to accommodation owners **free of charge**. The existence of Visitor Ready proves that a simple digital, country-wide, registration scheme based on document uploads is not only possible but proven, viable and **low cost** – imposing very little administrative burden on businesses, and no financial burden. Such a scheme could be a template for a national registration scheme, with risk-based enforcement by safety regulators and/or local authorities. Such a registration scheme would impose a vastly lower burden on local councils than the existing 32 different licensing schemes.

In March this year, the [European Council gave its final approval to the regulation of STLs via a simple digital registration scheme](#). And the UK Government plan a similar registration scheme for England. We believe the Scottish Government ought to adopt the EU model in Scotland.

Our members' key asks for changes to the STL Licensing rules:

Summarising our members' key asks, the changes we would like to see are:

- Scrap the 32 local Licensing schemes altogether as soon as possible and adopt the EU's preferred policy: a low-cost country-wide, digital, registration scheme instead
- More directive guidance from SG to councils to make application requirements less onerous, clearer and more consistent
- Reduce the STL Licensing fees into line with what SG said would be the case originally, and in line with the principle of "cost recovery only"
- Exempting premises in Class 7 (hotels and guesthouses)
- Enable the sale or transfer of STL businesses (we recognise that the SSI of 16 May aims to achieve this, for which we are grateful – though the changes are late)
- Stop requiring retrospective planning permission when the law does not require it – as at least one Judicial Review has made clear.
- Stop councils using STL Licensing as a blunt instrument to "manage down" tourism

SBBA comments on the specific provisions in the 2024 Amendment Order

The 2024 Amendment Order includes provisions which have the following practical effect; our brief notes **in blue** follow each explanatory provision from the [BRIA](#) below:

- **Commercial consideration definition** - The wording 'a provision of service' has been deleted from the definition of "Commercial consideration" to recognise that this could be confusing when read in conjunction with Article 3 (d) of the 2022 Licensing Order which excludes accommodation if it is provided for the principal purpose of facilitating the provision of work or services by the guest to the host or to another member of the host's household.
This is welcomed, to correct the original bad drafting which meant that homeowners offering accommodation to someone doing work for them would need to have an STL Licence.
- **Foster care arrangements** - The Amendment Order also clarifies that foster care arrangements will not require a short-term let licence.
This is welcomed, to correct the original bad drafting which meant that homeowners offering foster care would need to have an STL Licence.
- **Single licence for multiple accommodation** – the 2024 Amendment Order clarifies that licensing authorities do not need to refuse an entire short-term let licence application where there are multiple accommodations on a single premises. The licensing authority may grant a licence in respect of all or some of that accommodation.
This is welcomed to correct the original bad drafting, so that councils do not now have to turn down an application simply because one accommodation unit out of many on the site does not meet requirements
- **Licence transfers** – this is a new process whereby a short-term let licence may be transferred to someone else on application by the licence holder. A short-term let licence holder can apply to the licensing authority to transfer the licence into the name of a third party, subject to there being no objections from the Chief Constable. This will support hosts/operators if they wish to

sell by allowing them to market their accommodation as a short-term let (with onward bookings) or if there are other reasons why a licence needs to be transferred such as the licence holder has died and an executor acts on their behalf. The licensing authority will consult the Chief Constable as part of the transfer application and prospective hosts/operators will not have to apply for a new full licence.

This is welcomed, and is what we and others on the IAG have long been calling for; the original legislation was so badly designed that it failed to anticipate or allow for the sale or transfer of an STL business. That failure has caused huge economic damage so far, in obstructing sales, blocking bookings and making finance impossible for many.

- **Temporary exemptions** – local authorities already have the power to authorise temporary exemptions from the requirement to have a short-term let licence for a period of up to 6 weeks. The 2024 Amendment Order clarifies that there may be up to three periods of temporary exemption in each calendar year which must not exceed a combined total of six weeks.

This clarifies what was unclear in the original poor drafting

- **Provisional licences for new build short-term lets**– The 2024 Amendment Order includes provision so that a new host who is building accommodation intended for use as a short-term let can apply for a provisional licence at the construction stage. The provisional short-term let licence can then be confirmed once the accommodation is complete and the host can secure compliance with the licence conditions

This is welcomed, as it allows for new builds of STLs, not allowed for in the original poorly drafted legislation. We believe this should be widened to include existing buildings being converted for STL use as well as new builds.

- **Information to be displayed at Short-term let premises** -The 2024 Amendment Order inserts a requirement for two new pieces of information to be displayed at a short-term let premises as part of compliance with the mandatory conditions for such licences. The new provisions require licence holders to make the following information accessible to guests within the short-term let accommodation: 1) instructions as to what guests should do in the event that the carbon monoxide alarms sounds and, where relevant, 2) if there is a mobile gas cabinet heater in the premises, safety instructions as to the operation and movement of the mobile heater.

We do not believe this is necessary as it is covered by existing legislation

- **Exclusion for guest rooms in specific types of residential accommodation** – The 2024 Amendment Order clarifies that guest rooms provided in residential accommodation where personal care is provided, guest rooms in hospitals, guest rooms in nursing homes and guest rooms in sheltered housing are all classed as excluded accommodation for the purposes of the short-term let licensing regime, if the guest is visiting residents.

This is welcomed, to correct the original bad drafting which meant that people staying in (eg) care homes whilst visiting a relative in care would mean the care home had to have an STL Licence.

Conclusions

As far as its implementation on B&Bs and guesthouses is concerned, STL Licensing has **achieved no benefits – either to tourism or to the supply of affordable housing** - and has **damaged the sector, reduced livelihoods and reduced tourism income for local communities**, especially rural, coastal and island communities. Specifically, it has:

- **Achieved NO SIGNIFICANT GAIN in the health and safety compliance of our sector** – which was already compliant and subject to enforcement
- Reduced Scotland's tourism bedstock (ie capacity), thus **reducing tourism's benefit to Scotland's economy**
- Disproportionately damaged rural, highland, coastal and island communities
- Reduced the livelihoods of those previously running STL businesses which have now closed
- **Achieved NO GAIN in the supply of affordable housing** – the ex-B&Bs are now either large and under-used homes (now generating no income for their local community), or have been sold as second homes to affluent buyers (often from England)
- Increased the cost of staying in Scotland in tourist accommodation, both for international visitors and for Scottish people – with consequent further economic damage as festivals and events migrate to venues in England
- Placed a huge additional and unnecessary burden on local councils
- **Not been enforced at all on those who fail to apply** – on Monday 26 May, The Times reported figures from Police Scotland (who were given responsibility for enforcing the rules) revealing that from 1 Oct 2023 to Mid-May 2024, "zero" breaches of the STL Licensing rules had been recorded by Police. "Despite reports of a burgeoning black market in short-term lets... Police officers have not intervened once in the controversial clampdown on short-term lets across Scotland" The Times reported. Thus the only burden has been on legitimate, conscientious businesses who have applied for a license; those who have flouted the law are getting away with it – this is clearly unjust and means that **there is even more inequity due to unfair competition now than before, because of the way STL Licensing has been implemented**. The exact opposite of the level playing-field we have been asking for since 2017.

The Scottish Government's summary ([part 14](#)) states "The provisions [in the 2024 changes] relating to licence transfers and provisional licences for properties under construction bring benefits to STL businesses, whilst preserving licensing principles." It also adds that "the overall aim of the 2024 Amendment Order is to make technical updates and to **act on emerging unintended consequences**, within the scope of the licensing principles outlined to Parliament."



Of course, the reference to “unintended consequences” is in effect an admission that the original STL Licensing legislation and guidance was very poorly drafted by the Scottish Government – and poorly scrutinised by the Scottish Parliament. Hence many of the “updates” in the 2024 Amendment Order have been to correct some of the many flaws in the original legislation. If the legislation had been fit for purpose, these would not have been required now.

Our view is that these limited “technical updates”, whilst broadly welcome (as per our specific comments above) are too little, too late and **do not in any way address the more fundamental flaws of the STL Licensing legislation outlined in our evidence in this document.**

The regulation of short-term lets in Scotland needs a fundamental rethink – it needs revolution rather than evolution.

This document was issued by the Scottish Bed & Breakfast Association (SBBA) on 29 May 2024.
The SBBA’s contact email is: info@scottishbandbassociation.org