



**ASSC Evidence to the Scottish Parliament’s Local Government, Housing and Planning Committee:
Revised National Planning Framework 4**

Founded in 1978, the Association of Scotland’s Self-Caterers (ASSC) are the leading source of knowledge on short-term letting and holiday homes in Scotland and are the only trade body representing the interests of the traditional self-catering sector. We represent over 1,700 members, operating tens of thousands of self-catering properties throughout Scotland, from city centre apartments to rural cottages, to lodges and chalets, to castles. The ASSC commits its members to maintaining the principles of “quality, integrity, cleanliness, comfort, courtesy and efficiency” and to offering visitors to Scotland consistently high standards within their self-catering properties.

Parliamentary Scrutiny of NPF4

The ASSC welcomes the opportunity to provide written evidence to the Local Government, Housing and Planning Committee’s consideration of the Revised National Planning Framework 4. We note that there is limited opportunity for scrutiny of the revised draft as the parliamentary process needs to be concluded by 20th December 2022. We hope that our comments here will be taken into consideration by the LGHP Committee and relayed to the Scottish Government, and we would be content to provide oral evidence if required. We do, however, express disappointment that the Scottish Parliament’s Culture, Tourism, Europe and External Relations Committee will not have the opportunity to assess Policy 30, which will impact Scotland’s vital tourism sector.

ASSC’s Policy Position on NPF4

The ASSC concurs with the statement in NPF4 that tourism can *“bring a wealth of economic, social and cultural benefits to our communities, cities and regions, supporting resilience and stimulating job creation”*, but believes the sector needs to be supported for its recovery from the impact of Covid-19, and that an appropriate balance in the regulatory framework is required. We also endorse the First Minister’s comment in Scotland’s Outlook 2030 that *“an innovative, resilient and welcoming [tourism] industry is vital, not only for Scotland’s future prosperity, but for Scotland’s place in the world”*. Scotland’s self-catering sector wants to play our full part in achieving this objective.

Overall, we are supportive of the concept of sustainable tourism and believe that self-catering accommodation has a key role in facilitating this development. We can lead the way in providing holiday accommodation that balances the creation of memory-making vacations for our guests while also being a key part of our cities, towns, and villages. We are immensely proud of our businesses, of those we employ, and our record of not only being a fundamental part of our wonderful tourism offering but also of the communities that we live and work in.

However, we are concerned that Policy 30 on short-term lets will entail unintended consequences – namely, a reduction in the diversity of accommodation offered to visitors to Scotland, as well as a decrease in one of the most environmentally sustainable forms of tourist accommodation, a situation which will neither help local communities or Scotland’s net zero goals.

Background: How Self-Catering Provides Economic and Environmental Benefits

Tourism is a mainstay of the Scottish economy; and self-catering is hugely important to Scottish tourism in terms of jobs, revenue, and world-class experiences offered to guests. To be such an essential part of Scotland’s tourism mix is even more remarkable for our sector when most self-caterers operate small or micro businesses. Our professional self-caterers are diligent and considerate business owners who are too often unfairly maligned. They do not, for example, ‘hollow out communities’, as some have claimed, but rather are part of local communities across Scotland and have been for many, many years.

For Scotland to remain competitive as a leading tourism destination, it needs to be responsive and adaptive to consumer trends, both in respect of the range of accommodation available, as well as for more environmentally conscious options. As the Scottish Tourism Alliance told the Scottish Government, when articulating concerns from the tourist industry about short-term let licensing: *“In these Covid times there has over these past months been a sizeable upturn in demand for self-catering accommodation and insights would suggest that this trend is unlikely to change in the years ahead...In 2021 we have seen a significant increase in domestic tourism since re-opening in the summer. Many guests have chosen to travel domestically for the first time and self-catering has been the accommodation of choice. While international travel is likely to recover strongly in 2022, I am confident that we will continue to see strong demand for Scottish self-catering.”* [1]

Self-catering provides a **£867m** per annum boost to the Scottish economy, benefiting local communities the length and breadth of Scotland, supporting **23,979 FTE jobs** [2]. Given the importance of this sector to the Scottish tourism industry, which has experienced such a challenging time due to the impact of Covid-19 and the cost of living crisis, an appropriate regulatory balance is a necessity, as is a supportive environment to help businesses recover and flourish. **The recovery of Scottish tourism will benefit small businesses, while responsible and sustainable tourism can help communities to recover too.**

How we live and work can represent the beginning of a bold new approach putting our communities, our people, our visitors, our businesses and our environment at the heart of everything we do – and ever more so in a post pandemic environment, but only if the regulatory landscape enables that approach. **In taking forward any new approaches through the NPF4, we need to consider how this links and interacts with other Scottish Government policies and initiatives to ensure policy coherence and alignment.** This would include Scotland Outlook 2030, the Principles Agreement with business organisations, and the National Performance Framework.

The ASSC was proud to be part of the Strategy Steering Group to develop Scotland’s National Tourism Strategy: Scotland Outlook 2030. This commits the tourism sector to make a full contribution to our national ambition to become a net-zero society by 2045. It also commits to ensuring *“the value of tourism to Scotland’s economy continues to increase, and delivers shared prosperity for all, by encouraging the right growth in the right areas.”* As a condition of success, it identifies policy as one of the key six areas:

“The potential contribution that tourism can deliver must be understood and acknowledged with the right policy and regulatory landscape in place to support our vision of 21st century tourism.” [3]

The right regulatory landscape is therefore essential for self-catering to continue to provide the economic and environmental benefits promised by Scotland Outlook 2030.

In December 2021, the Scottish Government signed a Principles Agreement with business organisations that *“recognises the success, health and growth of this diverse and dynamic business community is fundamental to Scotland’s future economic prosperity and wellbeing... this agreement sets out the principles which will underpin genuine partnership working between the Scottish Government”* and business and tourism organisations [4]. This underlines the importance of collaborative working between business and government and that there is a balanced approach in terms of stakeholder engagement and any regulations taken forward.

The **self-catering sector supports Scotland’s National Performance Framework** in many ways. For instance:

- Short-term lets are one of the more **sustainable** holiday sectors with businesses supporting communities through local visitor spend and through business sourcing local tradesmen and suppliers;
- Our sector demonstrates **fair work and business, encouraging** innovation and development;
- In terms of **alleviating poverty**, short-term lets generally offer excellent value for family holidays, which are important for health and mental health in particular;
- Rather than hollowing out **communities**, self-catering units support them and retain the visitor pound in the local economy, demonstrating community sustainability;
- Tourism plays a vital role in supporting **culture**. Self-catering units have a long history and are part of all our cultural heritage, plus playing their part in providing a wide range of accommodation for major events, world-wide for cultural visitors, audiences and performers such as at the Edinburgh Fringe and Festivals; and
- In terms of the **environment**, short-term lets offer a sustainable way to holiday, with operators increasingly adhering to a range of environmental conditions and a significant number belonging to the Green Tourism accreditation scheme.

Impact of Policy 30

1. *e) Development proposals for the reuse of existing buildings for short term holiday letting will not be supported where the proposal will result in:*
2. *An unacceptable impact on local amenity or the character of a neighbourhood or area; or*
3. *The loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits.*

In respect of Policy 30, highlighted above, we would remind policymakers that **the traditional self-catering sector is dealing with an increased regulatory burden – through the introduction of a mandatory licensing system as well as planning control areas – in what are already challenging circumstances for Scottish tourism**. Taken collectively, we have already argued in numerous consultation responses that these policies will entail a materially negative impact for Scotland’s tourism sector, will cost jobs and livelihoods, and will reduce the number of short-term lets available without increasing housing provision. Policy 30 would compound this.

The ASSC firmly believes that there should be no further short-term let regulations in Scotland until the cumulative effect of licensing and control areas has been fully analysed to ensure there are no unintended consequences and that they are clearly meeting policy objectives. There needs should be clear evidence that existing planning law, including control areas and local development plans, has improved access to affordable housing. To this end, the ASSC have submitted metrics to the Scottish Government’s Short-Term Let Working Group in respect of the upcoming review in Summer 2023 of short-term let licensing.

Conclusion

While the ASSC has some concerns about the details underlying Policy 30, we endorse moves towards sustainable tourism in Scotland as we offer authentic, local, diverse, and sustainable accommodation for guests and visitors, and recognise the contribution we need to make to tackle climate change.

During the earlier stages of the pandemic, when international travel was severely restricted, the demand for ‘staycations’ within Scotland increased. However, holidaying within Scotland, rather than jumping on a plane to a resort overseas, should not only be encouraged during a global pandemic – but as an environmental, social and economic positive going forward. Self-catering properties can, therefore, be viewed as a solution to sustainability, not the problem. Indeed, as one of our members – Louise Dickins (owner of Dickins Edinburgh Ltd) – so ably put it: *“Quite often in our rural locations [self-catering units] are the main choice of where to stay. And they’re an opportunity to stay in the heart of nature. They’re affordable to families too. Scotland is one of the most beautiful countries in the world and so we’re so lucky across the UK to be able to holiday here and not damage the planet in the process.”* [5]

Self-catering units can help to disperse guests around Scotland and are available in areas that are not often well-served by hotel chains, thereby spreading the economic benefits even wider. As academic studies have shown, there are *“clear economic benefits”* for areas containing short-term lets, and the type of tourist staying in such accommodation *“has a high annual spend relative to other tourists and much of this expenditure seems to be concentrated in the local area. This may facilitate the development of tourism areas into less seasonal and more sustainable areas. These findings need to be incorporated into the broader debate which criticizes holiday home tourists as creating ‘ghost towns’ and reconstructing the social fabric of local villages.”* [6]

We believe that traditional self-catering provides both economic and environmental benefits for communities and the country as a whole. However, in order to ensure benefits are realised, self-catering needs to be actively encouraged as a sustainable option for travellers and an enabling regulatory landscape, not a draconian one, is critical.

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References

[1] Letter to Cabinet Secretary for Housing Shona Robison MSP from Scottish Tourism Alliance, 30th September 2021.

[2] Frontline Consultants, *Economic Impact of the Scottish Self-Catering Sector to the Scottish Economy* (2021). Url: <https://www.assc.co.uk/policy/economic-impact-study-self-catering-worth-867m-to-scottish-economy/>

[3] *Scotland Outlook 2030* (2021). Url: <https://scottishtourismalliance.co.uk/scotland-outlook-2030-overview/>

[4] Scottish Government, *Principles Agreement* (2021). Url: <https://www.gov.scot/binaries/content/documents/govscot/publications/agreement/2021/12/principles-agreement/documents/principles-agreement-between-scottish-government-business/principles-agreement-between-scottish-government-business/govscot%3Adocument/principles-agreement-between-scottish-government-business.pdf>

[5] ASSC, 'Short-Term Lets Vital for Sustainable Tourism in Scotland', Jan 2021. Url: <https://www.assc.co.uk/short-term-lets-vital-for-sustainable-tourism-in-scotland/>

[6] Mottiar, Z, 'Holiday Home Owners: a Route to Sustainable Tourism Development: an Economic Analysis of Tourist Expenditure', *Data. Journal of Sustainable Tourism*, Vol. 14, no.6, pp.582-600.