



OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government, Housing and Planning Committee

Tuesday 14 December 2021

Session 6



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LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
15th Meeting 2021, Session 6

CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

DEPUTY CONVENER

*Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

COMMITTEE MEMBERS

*Miles Briggs (Lothian) (Con)

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Meghan Gallacher (Central Scotland) (Con)

*Mark Griffin (Central Scotland) (Lab)

Paul McLennan (East Lothian) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Tony Cain (Association of Local Authority Chief Housing Officers)

Andrew Mitchell (City of Edinburgh Council)

Ailsa Raeburn (Community Land Scotland)

Chief Inspector Nicola Robison (Police Scotland)

Leon Thompson (UK Hospitality)

CLERK TO THE COMMITTEE

Euan Donald

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 14 December 2021

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Ariane Burgess): Welcome to the 15th meeting in 2021 of the Local Government, Housing and Planning Committee. We have received apologies from committee member Paul McLennan.

I ask all members and witnesses to ensure that their mobile phones are on silent and that all other notifications are turned off during the meeting.

Our first agenda item is a decision on whether to take items 4 and 5 in private. Item 4 is an opportunity for members to reflect on the evidence that we will take today on short-term lets, and item 5 is a chance for the committee to agree its approach to budget scrutiny for 2022-23.

No members object, so we agree to take items 4 and 5 in private.

Subordinate Legislation

Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 [Draft]

Town and Country Planning (Short-term Let Control Areas) (Scotland) Amendment Regulations 2022 [Draft]

10:01

The Convener: The second agenda item is to take evidence as part of the committee's work on short-term lets. This is the second of three sessions on the regulations. The committee will hear from the Cabinet Secretary for Social Justice, Housing and Local Government next week.

I welcome Tony Cain, who is the policy manager at the Association of Local Authority Chief Housing Officers; Andrew Mitchell, from regulatory services at the City of Edinburgh Council; Ailsa Raeburn, who is the chair of Community Land Scotland; Chief Inspector Nicola Robison, from Police Scotland; and Leon Thompson, who is the executive director of UK Hospitality for Scotland. Thank you for joining us.

If witnesses wish to respond or contribute to the discussion, please type R in the chat box. We will move straight to questions.

I direct the first questions to Ailsa Raeburn and Andrew Mitchell. Will the proposed short-term let licensing system be effective in tackling the negative impacts of some short-term lets on neighbours and communities? Also, do local authorities require overprovision powers?

Ailsa Raeburn (Community Land Scotland): Thank you very much for the opportunity to speak to the committee today. I do not want to say that I am nervous, but I am slightly overwhelmed about being the only community representative here. As you know, my colleague Kirsty Henderson from PLACE Edinburgh had to send her apologies—she is a key worker and could not get additional time off work to attend the meeting. It is a shame that there are not more community voices being heard in these meetings, but I will do my best to represent the communities that I have spoken to about the issue.

You asked whether a short-term let licensing system would help to deal with the negative effects of short-term lets. The licensing scheme as a whole is to be hugely welcomed. It has taken such a long time to get to this point. I know that it has been under consideration for a number of years now, while short-term lets have continued to operate. A lot of the elements of the scheme will have a positive impact, not least in relation to

health and safety issues around individual properties and ensuring that properties at least meet the requirements of private tenanted long-term lets. That is absolutely critical.

The licence will be really useful if complaints need to be made, as people will be able to find out who owns a short-term let, even though that will be via the local authority. We know that the current system is not working. At the moment, there are only two potential routes to go down for someone who has a complaint. One is via the police, through some sort of antisocial behaviour measure, although by the time things are investigated, the people who have caused the nuisance have gone and the owner of the short-term let can disclaim all knowledge of the behaviour. The other is via the planning system, which is hugely overburdened.

Licensing is a positive step that is to be welcomed, but there are elements of the [*Inaudible.*] put out in October by the cabinet secretary which hugely water down its potential effectiveness.

One element is the need to have the natural names of the owners available. It has never really been clear why owners' names would not be freely available when they are available for houses in multiple occupation and on the Scottish landlord register. We are not quite sure what the difference is between short-term lets and those other types of operation, as they are all commercial operations. Given the Scottish Government's move towards transparency around ownership through the register of persons holding a controlled interest in land and the land register more generally, it seems wrong that the provisions on making sure that natural names are included and publicly available have been taken out. That is a real concern for us.

The overprovision element is absolutely essential. Planning control area orders will not address the issues around overprovision, particularly in places such as Edinburgh and in some rural communities, such as Skye, Mull and Tiree, the east coast of Fife and so on. PLACE Edinburgh and Community Land Scotland believe that the removal of the overprovision powers shows a fundamental misunderstanding of the scope of the new short-term let control areas in planning legislation. We welcome the powers that have been included, but they only remove the materiality check—the check on whether the change of use of a dwelling house is material and would require planning permission.

Short-term let control areas can only be used to tackle the overprovision of short-term lets by denying a property planning permission if there is a supporting policy in a council's local development plan, and an LDP can be changed only every five years. The City of Edinburgh

Council has put into motion the process to put the policy into its LDP—[*Inaudible.*]—the short-term let control areas, which control overprovision in any sense.

The overprovision policy needs to be reintroduced into the legislation and the licensing scheme to give local communities and local authorities the ability to control the number of short-term lets in very specific areas where they are causing a problem. I will give some examples. In cities such as Edinburgh, huge numbers of short-term lets have hollowed out communities. In places such as Mull, Skye and Tiree, huge numbers of short-term lets have impacted massively on the availability of affordable housing stock, particularly for young working families. People are being made homeless and are not able to return or move to those areas—thereby addressing the issue of depopulation—as a result of the huge numbers of houses that are being taken out of permanent residential use and made short-term lets.

If people can rent out their property for £500 a month to a local family—a family that provides important services and sends their kids to the local school—or let it for £1,000 a week as a short-term let, it is a no-brainer which option they will choose.

The market is completely uncontrolled and the overprovision policy needs to be put back in to enable local communities and local authorities to manage the issue.

I have gone on a bit, but those two points are really important.

The Convener: Thank you. Andrew Mitchell, can we hear from you on the same question?

Andrew Mitchell (City of Edinburgh Council): Good morning, committee. The council strongly welcomes the introduction of the short-term let licensing scheme. As the previous witness said, it seems to have been a long time coming in terms of the concerns of local communities in Edinburgh.

Currently, the sector is largely unregulated and the licensing scheme will give local authorities important powers—mostly discretionary—to tackle some of the issues that communities face. The council has not formally reached a view as to the overprovision element being taken out of the legislation. It is fair to say that I imagine quite a number of elected council members and indeed the community at large would have preferred those measures to stay in the legislation.

That said, as the previous witness highlighted, Edinburgh is quite far down the road in relation to looking at its LDP and consulting on the short-term let control area order within the planning context. In terms of the legislation running in parallel and providing that protection, we are already taking

steps to put that issue before the council so that it can make a decision early in the new year.

The Convener: I direct my next question to Tony Cain and Leon Thompson. What are your views on the changes that were made to the draft licensing order from the version that was presented to our predecessor committee in February?

Tony Cain (Association of Local Authority Chief Housing Officers): Forgive me, convener—the changes were set out in the cabinet secretary's letter of a couple of months ago. On balance, one or two of them make sense, but there are others that we are concerned about. The changes around notification make sense, as do the changes that require the applicant, rather than the council, to do a neighbour notification.

However, there is an issue around what the overprovision elements will achieve. Our concern, which is in part an answer to the previous question, is that there are some, but not many, areas in Scotland where there are far too many short-term lets and the number needs to be reduced. However, there is nothing in the licensing regime or the planning provisions that will allow for the number of short-term lets in an area to be actively managed down.

We have heard from one member of the community, and I have spoken to others in the most pressured areas who say the same thing. Substantial overprovision is doing great damage to local communities, to individuals who live next door to poorly regulated or poorly managed short-term lets, and, by constraining the availability of accommodation—particularly affordable accommodation—to the local housing market. My concern about the changes is principally that it is not clear how any of the provisions will allow a reduction in the number of short-term lets in the most pressured areas.

The indication of an intention to set out an average fee and provide stricter guidance around the use of inspections is, frankly, inappropriate. Local authorities know how to manage licensing schemes, they know what the sensitivities are in their communities and they know how much it costs to deliver licensing schemes. The fee, the regulatory regime, verification and enforcement are matters for local councils and should be left to them. The issues vary so dramatically ward by ward and area by area that I do not think that it is possible for the Government to make properly flexible guidance at that level, and it should be a matter for councils to manage those issues.

The Convener: Before I bring in Leon Thompson, I have a supplementary question about your comments on overprovision. What

would we need to bring in to manage down the numbers in those areas?

Tony Cain: We would have to go through a process of removing licences and permissions to operate. One of the objections to that will always be, "You cannot do that. People are running that short-term let as a business. You cannot stop them."

I was thinking about this earlier. We regularly prohibit activities that were previously unregulated, and this is one of those areas. Ten years ago, there was no such thing as a short-term let. It has taken 10 years to get to a place where we understand how short-term lets need to be managed and the risks of unmanaged short-term lets. We need to be bold and say that there are too many in certain areas. It needs to be done fairly and transparently, but we need to simply select those that can no longer operate. I would suggest that Edinburgh's approach to tenements, for example, is a good starting point. Short-term lets in flats, particularly in high-density areas, are extremely difficult to manage in a way that is sensitive to the local community.

I would also argue for strict liability on the part of the operator and owner. The idea that somebody can disappear out of the country and leave nobody liable for their bad behaviour is offensive. The owner must carry strict liability for things that go on in their properties, and that should be written into the legislation.

The Convener: I come to Leon Thomson. What are your views on the changes made to the draft licensing order from the version that was presented to our predecessor committee in February?

Leon Thompson (UK Hospitality): The changes that have been made in the draft order show that the Government has listened to the concerns of my colleagues who represent the short-term letting sector. Some of the changes are to be welcomed and reflect the fact that short-term lets are an important part of the mix for tourism in Scotland. The changes take away some of the more restrictive elements that were in place in the original draft of the order, which is helpful for tourism to continue to thrive.

At UK Hospitality Scotland, we support the draft licensing order that is being brought in. The priority for us is to arrive at a point where all accommodation businesses operate in the same way, follow the same rules and are liable for tax. Those are the overriding concerns for us and for our members.

10:15

It is pleasing to see that things such as the overprovision powers have been removed because they would have created a lot of challenges for people running short-term let businesses. Similarly, we would highlight focused use of inspection and work with local authorities on guidance to reduce the fees. As the committee will know from last week's evidence session, the fees are a major concern for businesses.

UK Hospitality Scotland welcomes the changes. We are not anti-competition; we welcome the fact that we have a thriving short-term let market in Scotland. Competition is always good and we are not here to stifle it. We support a strong system of regulation so that short-term let businesses fall into line with traditional accommodation providers.

Ailsa Raeburn: To give an example of how a overprovision policy could work, there is the opportunity under the Planning (Scotland) Act 2019 for communities to introduce local place plans together with local authorities. If there was a need for a local overprovision policy, that would be an effective route to do it through because you could consult everybody in the community then come to a local decision on the appropriate number of short-term lets for that particular community. That number will differ from community to community. The Cairngorms National Park Authority is currently taking that route as part of its draft development plan, so there are processes in place for looking at overprovision in a democratic, open, fair and accountable way.

The Convener: Thank you for adding that useful perspective on a tool that communities can use—that is a great point.

Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP): Before I ask my questions, I refer members to my entry in the register of members' interests. I am still a serving councillor at East Ayrshire Council.

My first question is directed at Chief Inspector Nicola Robison and Andrew Mitchell. The committee has heard that powers already exist to deal with the illegal or antisocial behaviour that is associated with a small number of short-term lets. Have those powers proved to be effective in practice? I am thinking particularly of the evidence in Police Scotland's letter. I am concerned about the possibility of women being trafficked across the country into prostitution; I am also worried about county lines drugs activities as well as the potential for puppy farming.

Chief Inspector Nicola Robison (Police Scotland): Thank you for giving Police Scotland the opportunity to provide feedback on the issue. There are powers in existing legislation that we

can use. However, we find that those powers have certain limitations, which presents us with further challenges in respect of how we can then support local communities when they come to us with potential issues. That is primarily caused by the quick turnover of people week in, week out and every weekend. We find it very difficult to get the intervention and prevention opportunity that we would like.

The proposed licensing system would give us the opportunity to feed back to local authorities to give our point of view in respect of whether someone is a fit and proper person. It would allow us to do our checks and to ensure that we are safeguarding any persons who utilise those properties. By doing that, we can also identify the owners of the properties and know that they are fit and proper persons, which again will help us to support the local communities and the local authorities if problems are identified to us.

Andrew Mitchell: The core benefit of the licensing system is that, as Nicola Robison just said, it brings transparency: we know who the operators are and they are subject to checks to ensure that they are fit and proper. It also allows local authorities and the police to tackle particular problems that arise. Thus far, Edinburgh's experience is that the current powers are nowhere near good enough in doing that effectively. The current antisocial behaviour legislation is designed to deal with people in the community, such as those living in tenancies, who are creating longer-term problems. It would be naive to think that that legislation would be easily used to deal with the types of problems that communities in Edinburgh face.

We gave evidence to the Government—I would be happy to send it on to your clerks, if that would help—about how difficult it is to use the very limited powers under antisocial behaviour legislation to tackle problem short-term lets. In one case, I think that we ended up spending £30,000 on court costs trying to get a management control order to deal with just one landlord. The antisocial behaviour powers do not assist in any meaningful way with the current problems that communities face.

Elena Whitham: I think that the committee would appreciate it if you sent us the evidence that you provided to the Government.

The committee has heard concerns that local authorities might not have sufficient staffing or resourcing to effectively administer the licensing scheme or to take prompt enforcement action. Do you share those concerns? If so, how could they be best overcome? I direct that to Tony Cain and then to Andrew Mitchell.

Tony Cain: Yes, we share those concerns. Resources have been an issue across local authorities for a number of years. The licensing scheme is an additional burden, and it will be a challenge. The licensing scheme comes under the Civic Government (Scotland) Act 1982, which means that the fees that are set must cover the whole cost of the activity—that is, the licensing process itself and verification. However, that does not cover enforcement action, which is where the difficulty arises.

Councils will know what it will cost to set up an appropriate licensing and verification process that fits with the concerns of, and the pressures and issues arising in, local communities, so I think that that is a matter for councils. The bigger issue arises in the enforcement activity—that is, responding to and addressing concerns and complaints when they arise day to day. That is where the principal difficulty will be with the scheme, as it is with HMO licensing, for example, and to an extent with landlord registration.

If you like, I could make a special plea for specific funding to assist councils to enforce such issues, but I am not sure that that would be the appropriate solution, or one that colleagues in the Convention of Scottish Local Authorities would be in favour of. However, finding the resources to carry out enforcement work outside the licensing process will be a challenge. That is always an issue, and that matter is for the Government and COSLA to talk about.

Andrew Mitchell: Local government is well used to operating a licensing system under the 1982 act. Operating the new scheme will be a challenge, given the scale of the issue in Edinburgh and the number of properties that we are likely to have to deal with. However, local authorities will put in place funding and provisions to deal with applications as they come in. In Edinburgh's case, the current year's budget has a funding allocation of £250,000 to look at the start-up costs of dealing with licence applications and the stuff that we talked about earlier. The fee structure in the 1982 act allows local authorities to recover the cost of operating a licensing system.

To reflect on some of the evidence that the committee heard last week, I would say that local authorities, particularly Edinburgh, are bearing those costs now. We are dealing with communities that are unhappy with the rapid and uncontrolled expansion of short-term lets. On the problems that come with that, planning colleagues have highlighted that they have had more than 400 inquiries in the past three or four years. Local councils are paying to manage some of the effects currently, and a licensing system that allows local authorities to recover an appropriate fee from the

businesses that they regulate would be appropriate to redress some of the current spend.

Elena Whitham: Thank you. That last comment was particularly helpful, Andrew.

Meghan Gallacher (Central Scotland) (Con): Like Elena Whitham, I refer to my entry in the register of members' interests. I am a serving councillor in North Lanarkshire Council.

Last week, we heard from witnesses who raised concerns about the cost of a short-term let licence. How much would the panel members expect a three-year short-term let licence to cost? Do they believe that the cost could harm small businesses and their ability to function?

Leon Thompson: The cost of a licence has been an on-going issue for short-term let operators and the bodies that represent them. The Scottish Government has been pretty clear and consistent all the way through the process that a three-year licence would cost £200 to £350 or so. That seems to be borne out in the conversations that it has had with several local authorities on the issue. It is key that we have guidance in place to keep the costs as low as possible.

At the moment, there is a huge discrepancy between the Scottish Government figures, which it has been clear about, and the figures that are being used by the Association of Scotland's Self-Caterers and others. The Government has been clear on the figures. We have talked about possible options in relation to potentially capping the fees. That will not necessarily happen, but it would be helpful to have guidance on setting fees.

There are cost-effective ways of managing a licensing system. The process can allow for self-certification up to a point, which would be helpful and should allow local authorities to conserve resources and time and thereby not pass on additional costs to businesses. Clearly, it is an area of concern for some businesses but, if we are looking at between £200 to £350 or so for a three-year licence, that is a relatively small amount of money.

Tony Cain: I do not have the exact figures in my head, but I would expect the range of fees to be similar to the range of fees for HMO licensing. It is a similar activity, with a similar range of concerns. The range of fees reflects local decisions about how licensing schemes are managed.

The fee will be set to cover the costs—that is the primary constraint. I do not think that the operators have any legitimate grounds to claim that other people should pay for the regulation of their industry. Also, it is a common cost—everybody in a particular area will pay the same fee. In terms of the impact on business, those are

the terms of trade and it is for Government and local government to set the terms of trade. If there is a licensing cost, all the businesses that are operating within a licensing regime in an area will pay the same cost.

Frankly, I think that the licence fee issue is a red herring. The issue to focus on is whether the proposed regime will be effective in delivering the level of control and safety for the communities that we are talking about. As has been said, local authorities have a lot of experience of running licensing schemes. They are subject to best-value regimes that control how they go about their business. Nobody has presented any evidence from other licensing schemes to suggest that councils actively, willingly or deliberately set excessive fees for whatever reason. The fees will be set at the necessary rate to deliver the licensing regime that is considered appropriate for a particular area. Those are the terms of trade, and the people who want to enter the trade will need to accept those terms.

Meghan Gallacher: Andrew Mitchell has indicated that he wants to come in. After that, I will move on to my next question.

10:30

Andrew Mitchell: I want to reiterate the point that local government is experienced in setting fees in order to recover costs, and that there are transparent mechanisms for doing that. Edinburgh contributed fully to the Government's calculations. Like Tony Cain, we argue that it is likely that, for those who are operating what are in effect commercial operations 24/7, local government will set the licence fee at something like the level of HMO fees.

Under the 1982 act, there is no reason why someone who is operating only occasionally or perhaps renting out one bedroom while still living in the property could not be subject to a less onerous licensing system beyond the mandatory conditions, and the fee would no doubt reflect that. I strongly urge the committee to trust local government to represent communities and to reflect on the cost, because they do that day in and day out.

Meghan Gallacher: Thank you for your contributions. Do any of the witnesses have concerns about the inclusion of traditional bed and breakfast accommodation in the definition of a short-term let? Can you provide reassurances to those who own such accommodation?

This time round, I will start with Andrew Mitchell.

Andrew Mitchell: The inclusion of traditional B and Bs makes sense. If they are not included, a loophole would be created, which would allow

every short-term let to provide a wee breakfast and claim that they were exempt from licensing laws. We strongly support the closure of that loophole by including traditional bed and breakfasts in the definition.

As I said, each local authority will deploy licensing systems that reflect what it sees as the risks. For example, if somebody is living in a property, which is more likely to be the case for traditional B and Bs, they might be subject to a less onerous inspection regime with fewer requirements.

To take Edinburgh as an example, the number 1 category of short-term lets that we get complaints about is accommodation in which there is no host or landlord on the property. In those cases, nobody is managing the property and the tenants or guests are left to their own devices. In designing the local rules and the level of checks, a local authority can distinguish between that accommodation and traditional B and Bs.

Meghan Gallacher: Tony Cain and Leon Thompson want to come in—I am not quite sure in which order, because I cannot see what is in the chat function.

Leon Thompson: I will jump in to make a couple of short points. It is regrettable that B and Bs, which are traditional businesses, have been captured in the definition, although I completely understand why that is the case, given the need to close the loophole. However, it is encouraging to hear what Andrew Mitchell has said about working to ensure that B and Bs would be subject to less onerous requirements. That would help those businesses quite a lot.

Tony Cain: From Andrew Mitchell's evidence, you hear the voice of experience in managing licensing schemes and the types of responses that might be appropriate for lower-risk premises.

On B and Bs, the risk of avoidance is real. The idea that someone might offer breakfast as a way of getting round regulations seems a bit far fetched, but private landlords did exactly that in the 1980s to avoid the regulations that were in place at the time. That common practice was damaging and exploitative. That is a real risk; it is not made up.

The other issue is to do with the fit-and-proper-person test. We had a traditional B and B operating three doors up from us for 10 years. The guy had been in business long term and there were never any issues, apart from the occasional family with suitcases turning up on our doorstep. I have no doubt that many such operators would see the measure as an imposition, but there is a risk in the relationship between residents and landlords—when the latter is in residence, there is a vulnerability. For me, not having a fit and proper

person test for B and B operators is a gap in the provisions and it is a good thing that we will have that protection for those who might be at risk.

Meghan Gallacher: I see that Ailsa Raeburn is also looking to come in.

Ailsa Raeburn: A particular concern of communities is that the industry likes to present itself as just involving individuals who are making a bit of extra income on the side as small businesses. However, we know from Scottish Government and *Sunday Times* data that more than 55 per cent of listings on Airbnb are held by multilisters, and we must assume that that figure is replicated in other booking agencies.

This is big business; it is not small business. I do not think that that data has been highlighted in what the committee has heard so far, but it shows that almost 40 per cent of owners in Scotland have more than three properties, while 8 per cent have more than 100 properties being run as short-term lets. Moreover, in Edinburgh, over 10 per cent of owners have 10 or more properties.

I therefore urge members to think about the nature of these businesses. Many of them are not small businesses; they are really big commercial operators, and there is concern that the reason why the transparency issue is important to them is because they do not want people to know how many of these types of properties they have. You need to think again about the nature of a lot of the businesses that are involved. They are not small, local and independent. It is not a case of granny letting a room in her house—that time has been and gone. In a lot of places, this is really substantial big business.

The Convener: Thank you. It was important to hear that perspective

Miles Briggs (Lothian) (Con): Good morning, and thank you for joining us. First of all, I want to look at certain unintended consequences. Are you aware of evidence from other industries that are subject to local authority licensing or licence renewal resulting in significant disruption for those businesses? Specifically, what proportion of licence renewals for other industries are regularly refused by local authorities? Do you have any data on that? I will start with Andrew Mitchell, then go to Tony Cain and Leon Thompson.

Andrew Mitchell: What struck me from last week's evidence was the industry's fear of what the licensing system will be. The 1982 act provides a good and well understood model, and the reality of licensing decisions on the ground is that the vast majority of licences are granted. The legislation is quite clear: a licensing authority shall grant a licence, unless there is a good reason not to.

A principal advantage of a licensing system is that it is in the business's interests to deal with any problems that arise to ensure that it does not run into any issues when the licence comes up for renewal. In Edinburgh, we process more than 20,000 applications a year, and refusals run into the hundreds. It is not a large figure at all. Actually, if a business is likely to have its application refused, the problem will be the operation of the business itself, not that the licensing system is not operating well.

Tony Cain: I am very happy to reiterate Andrew Mitchell's comments. Councils are not going to make unnecessary work for themselves by poking about in licences for businesses that have been operating in a perfectly effective way over the previous licence period. When I worked for Stirling Council, I signed all the licence approvals; there were hundreds of them a week, and almost every one was routinely approved. Issues arise when there are complaints. The operators will know when there are complaints or problems and will be well geared up to address that in the renewal process, if they are in a position to do so.

I do not think that the renewal process needs to become a burden but, as I said earlier, these are the terms of trade. All the operators in an area will have to go through exactly the same process, will face exactly the same challenges and will be under exactly the same requirements in the way they operate and engage with the council. I do not see anyone being disadvantaged here, but I do see communities being protected.

Leon Thompson: Thank you for the question. Hospitality businesses are already subject to, for example, alcohol licensing, and, speaking from that side of things, I think that they manage perfectly well with the licensing regime, the applications and the renewals. The proposed system for short-term lets will obviously guarantee right of reply and a right of appeal with regard to challenges that might arise. That is the nature of regulating this market, but I can understand why some businesses will be concerned, because it is new territory for them. The key is to make sure that businesses understand the process fully so that they are equipped with all the information that they need.

Miles Briggs: That is helpful. As members of the panel will know, previous witnesses have told the committee that licensing of short-term lets could lead to a significant reduction in their availability and could cost the Scottish tourism industry tens of millions of pounds annually in lost revenue, even given the disruption that has been caused during the pandemic. How would you respond to those claims about the impact of the proposal on the industry?

I will bring Liam Thompson back in. If anyone else wants to respond, could they put an R in the chat?

Leon Thompson: The claims are born of surveys that groups have run among their members, which do not always present the full picture. The results of such surveys depend very much on how the questions are asked. At the moment, tourism businesses are in a difficult situation, so they are not feeling particularly upbeat. That might be a factor in why people are viewing the proposal in a negative way.

There are many points of view floating about and being put forward, which is getting in the way of the facts. Businesses need to understand fully what is proposed, and that it is not an unusual or outlandish proposal; it is simply a case of bringing businesses that are currently unregulated into the regulated marketplace, where they will operate in a very similar way to their competitors, which is of key importance. According to the Scottish Government's calculations, we are not looking at prohibitive costs.

When we get past the current situation, as I hope we do, and things are a little clearer for businesses, they will be able to make sensible decisions about their future operating arrangements.

Miles Briggs: Thank you—that was helpful.

Ailsa Raeburn: I have two points to make. A lot of the evidence that the committee has heard will have been based on surveys that have been undertaken by the industry. An independent report by the Economic Policy Institute found that claimed increases in economic activity by short-term letting platforms are often vastly overstated, because that spending would have occurred anyway, through travellers staying in other types of accommodation. The EPI stated:

"There is little evidence that cities with an increasing supply of short-term Airbnb rental accommodations are seeing a large increase in travelers."

That is borne out by the VisitScotland economic impact of tourism surveys, which showed no significant—*[Inaudible.]*—2011 and 2018, yet there was at least a tenfold increase in short-term lets during that period. We strongly query the existence of a link between increasing numbers of short-term lets and growth in the tourism economy. We think that the effect is substitutional, not incremental.

Two further surveys have indicated that only 2 to 4 per cent of those who used short-term let accommodation would not have taken the trip anyway. That is a clear statement that such accommodation is a substitute for other types of accommodation. I stay on the west coast. The hotels and traditional B and Bs around here

bemoan the impact that short-term let accommodation, which is much cheaper, unregulated and untaxed, is having on the tourism industry.

My second point is that licensing has been introduced in a number of cities and locations worldwide where such activity has been shown to have a serious detrimental impact on local communities—I am referring to places such as New York, Paris, Amsterdam and Vienna, as well as rural locations—and it has not had a significant impact on the numbers available.

As Tony Cain and Andrew Mitchell have said, it is a cost of doing business. If £300 a year for a licence enables you to change your property from achieving £500 a month on a traditional short-term let to achieving £1,000 a week, that is a pretty good return for money. I query some of the economic assumptions and statements that are being made.

Miles Briggs: Tony Cain, did you want to come back in?

10:45

Tony Cain: Yes. I have two points. First, I support everything that Ailsa Raeburn said. She makes the point very strongly that there is absolutely no evidence to suggest that short-term lets have, in themselves, boosted the tourism industry or that, if they reduced in number, they would reduce the tourism industry. They have substituted quite aggressively.

Secondly, can we get away from the idea that tourism is, of itself, some kind of sacred cow in the world of business? It is possible to have overtourism, and it is absolutely the case that we have overtourism in some areas. Changing the terms of business around that and the way in which we manage these things, and reducing tourism and the way in which it impacts on communities, is probably going to be a good thing.

What is clear, though, is that we have a number of large and powerful operators that have been existing for a long time in what has, essentially, been an unregulated market. I am tempted to call it a wild west context. We have seen those operators being very aggressive in their opposition to, and undermining of, democratic attempts to regulate them. They have also been quite happy to engage in, and encourage hosts to engage in, unlawful activity, such as ignoring court orders, as we have seen in a number of places. There is something really important about those businesses understanding that their terms of engagement, and their respect for the processes and the democratic controls around them, have to be exactly the same as they are for everybody else.

Tourism is not a sacred cow. It is not the only industry in Edinburgh, the Western Isles and the Highlands that provides jobs, and there is no evidence that short-term lets, which did not exist 10 years ago, have changed the world of tourism. Given the way that things are going at the moment, it is impossible to predict where tourism will be in five years' time, and that has got nothing to do with the licensing of short-term lets.

Miles Briggs: My final question regards data around the link between short-term lets and the housing market. The cabinet secretary has said that the regulations could help to address the housing crisis. We know that there are five times as many empty homes in Scotland as there are self-catering units. Does the panel have any evidence of where the potential outcome of the regulations will be achieved?

I will bring Tony Cain back in. If anybody else wants to contribute, please put an R in the chat function.

Tony Cain: In general terms, our data on the operation of the housing market is not good across the piece. The fact that we are short of data in some areas is no great surprise.

Evidence provided in response to the consultation has demonstrated that short-term lets are problematic in the housing market in a very small number of locations, which makes it extremely difficult to generalise. I do not think that anybody—certainly none of the communities involved—will look at Skye, central Edinburgh or the east neuk of Fife and say that the massive growth in short-term letting in those areas, and the transfer of properties out of traditional residential use into a commercial tourism use, has not had an impact on the availability of accommodation. However, it has also had an impact on the price of accommodation in those areas.

It is principally Airbnb properties that get mapped, because of the way in which Airbnb releases the data. You have only to look at the map of Airbnb properties in Edinburgh to see that the availability of accommodation, and the price of that accommodation, has been impacted by the growth of short-term lets. We are short of data on how precise that is. We are talking about a relatively small number of communities, but those communities are facing some fierce problems as a consequence.

Andrew Mitchell: When we listen to the industry, it presents an image of single people renting out bedrooms in properties. A few years ago—back in about 2018—Edinburgh commissioned Rettie to do some research, which highlighted that something like 5,000 properties were potentially lost to the housing market in Edinburgh. The impact of that is that private rented

sector rents go up, because there is more competition for the properties that are remaining. You do not need research, because communities tell us that in some areas they are being hollowed out as a result of short-term lets becoming so prominent, certainly in parts of central Edinburgh.

If it helps, I can send the committee the research that we did, albeit a few years ago, that highlights the displacement of homes from the housing market into commercial short-term let operations.

The Convener: Thank you—it would be good to see that research.

Ailsa Raeburn: I echo Andrew Mitchell's and Tony Cain's points on the impact on local prices, rental and capital values, and housing availability in many rural communities and tourism hotspots on the west coast and the islands, where 30 per cent of properties have been put over to short-term let use. That is hugely impacting the ability of local working-age people and families to secure housing, which then impacts on services. Andrew Mitchell used the phrase "hollowing out of communities", which is absolutely the case on Mull, Skye and Tiree and in Applecross and Plockton—we can all name places in which that is happening.

As well as the impact on prices and availability, a lot of these operators do not pay council tax or they claim small business rates relief. Even if they own 100 properties, they are able to claim small business rates relief on each property. Therefore, they do not make any financial contribution to local services, and there is a loss in council tax and a loss in revenue for local communities and local authorities because the operations do not pay those taxes. It has a really broad impact that is well beyond just the loss of a particular house to a community.

It is such a shame that more of my community colleagues could not be here to tell you articulately and clearly what the impact is on such places.

Leon Thompson: From a hotel and wider hospitality perspective, the information that I get from our members who operate in rural and urban locations is that they increasingly find it harder to secure the workers whom they need. People are not living there because they cannot afford accommodation. Accommodation for workers not being available is a knock-on effect from this on other parts of tourism.

On taxation, it is very important that all tourism and accommodation businesses pay an appropriate level of tax into their communities. I hope that the licensing scheme will eventually lead to that, which will be helpful in boosting support for tourism in areas where there is currently a lot of negativity towards it.

The Convener: We now move to questions from our committee colleague Willie Coffey.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning. I would like to ask the witnesses to give a brief response to my question. Our witnesses last week seemed to prefer a registration scheme to a licensing scheme. Which would you or your organisation prefer, and why? I ask Andrew Mitchell to start.

Andrew Mitchell: I would describe a registration scheme as licensing lite. It would be nowhere near as effective as a proper licensing system.

There are two categories of registration systems. There are those that are in disrepute, such as the old controls over estate agents back in the 70s or 80s, which—to use another phrase that Tony Cain used—was like the wild west, when anybody could be an estate agent, no qualifications were needed and home buyers were ripped off left, right and centre. There is currently the landlord registration scheme, which might look attractive on the face of it, but if you look into it, you will see that private landlords are probably one of the most highly regulated industries in Scotland. In that regard, landlord registration can afford to be light touch because there are other significant legal protections and controls on how they operate their businesses, not least the First-tier Tribunal for Scotland.

Having a landlord registration scheme for short-term lets would achieve no more than having a register of where short-term lets are, and it would not allow local authorities any meaningful powers to tackle some of the problems that we have spoken about today.

Leon Thompson: It is part of the debate that is being had in tourism: we all agree that there needs to be regulation, but this is where we disagree. The challenges around a registration scheme are that it would largely be toothless, may well lead to more complexity and ultimately, will not deliver what we are looking for, which is to ensure that all short-term let businesses are visible, comply with health and safety measures—they are not particularly onerous and apply to even the smallest hotel operators in Scotland—and are paying their share of tax, which is particularly important at the moment.

We do not believe that a registration scheme would deliver that, whereas a licensing scheme that is thorough and thought through would deliver what we are looking for.

There was a lot of talk from the witnesses at last week's meeting about a registration scheme, but the plan did not appear to be fully fleshed out. Even the proposal from the ASSC suggests a twin approach, where some professional operators

would be registered and then there would be licensing for those unprofessional operators. I am not entirely sure how that would work. The difficulty is that even to go back to look at those proposals would cause delays and we need to have the system in place as quickly as possible.

Ailsa Raeburn: I echo Leon Thompson's points. The proposed registration scheme would not address any of the points around transparency, health and safety, taxation or overprovision. The proposals from the ASSC are not developed in any sense. Any thought about investigating those further would lead to further delays in the implementation of any system. The ASSC has not been clear about who would manage that scheme. Initially it was thinking about VisitScotland but, as far as I am aware—other witnesses may know more—VisitScotland has not expressed any interest in managing such a scheme. It would be self-regulatory if it were run by the organisations themselves and therefore there would be no element of independence or transparency.

As Leon Thompson said, the ASSC is still suggesting that there would need to be a licensing scheme to sweep up the bad operators. The licensing scheme that is being proposed by the Scottish Government is still an integral part of what it is being proposed but with no opportunity for local authorities to recover any costs around that. The ASSC is proposing a hybrid model that will not work and will not provide any transparency or independence.

Scotland should be learning lessons from other places that have issues with short-term lets: they have all rejected registration schemes and have gone for licensing schemes. There is no need to reinvent the wheel. We should look at what other places are doing that have been through the process—they have decided that an independent, transparent licensing scheme is the way forward. That is fairer for everyone, including the operators of short-term lets, the rest of the tourism industry—as Leon Thompson mentioned—and local communities.

Tony Cain: I have two observations on the issue of registration as opposed to licensing. First, we license taxi drivers, window cleaners and other activities because they present a potential risk in the relationship between the operator and the client or customer, and managing that risk is important. Secondly, there is a reason why the chief inspector is in this room: there is a very clear connection between serious organised crime and short-term lets, as well as private renting more generally.

Serious and organised criminals are both serious and organised, so we need a system that is capable of addressing the risk that they present.

That is not an exaggeration. I am confident that Police Scotland would not have committed a chief inspector to the conversation if it did not think that there was a serious issue, which there is. It is interesting that the industry has largely denied that and is seeking to avoid transparency and regulation.

We need to listen to what the police are saying and hear the warning bells that come from a sector that has those connections and does not want to be regulated. We should not be fooled by them. Licensing is important for safety and for tackling organised crime in Scotland. The idea that a registration scheme is a suitable alternative is nonsense.

11:00

Chief Inspector Robison: I echo Tony Cain's concerns. Police Scotland would support the proposed licensing system because of the concerns that surround criminality in the sector, which are based on intelligence that we have received. In addition, it would give us further tools in respect of the antisocial behaviour that is reported to us. At the moment, we do not have a system that recognises short-term lets, because they are not licensed, so we cannot quantify the issue of that antisocial behaviour.

The most important part of a licensing system is that it would give us the opportunity to identify whether persons are fit and proper to hold a licence. Again, that is to safeguard persons who use a property. A licensing system would allow us to check our intelligence system and make an assessment of whether a person is fit and proper. For those reasons, we fully support the proposed licensing system.

Willie Coffey: I would like to clarify a point of law. If an unscrupulous operator of a short-term let has their licence withdrawn, would that make it a criminal offence for them to continue to operate? Similarly, if there was a registration scheme, would it be an offence for an unscrupulous operator to continue to operate if they were removed from the register? That question is for Chief Inspector Nicola Robison, or Andrew Mitchell might be able to answer it.

Chief Inspector Robison: We would treat that in the same way that we would treat a concern about a taxi driver, for example. We would look into the full circumstances. The proposed licensing system would give us the tools to do that.

Willie Coffey: Does Andrew Mitchell have any view on that? Is it an offence for someone to continue to operate without a licence or if they are removed from a register?

Andrew Mitchell: In practice, the answer is usually yes to both questions. In terms of licensing

it is a very definite yes. The disadvantage of most registration schemes is that there is a presumption that someone can continue to operate until such time as there is a problem, whereas with a licensing system, as the chief inspector said, there are proactive checks before people are allowed into the system. That is normally one of the key differences between licensing and registration.

The Convener: I see that Ailsa Raeburn would like to come in on that question.

Ailsa Raeburn: As I understand it, the proposal that the industry has put forward is for a self-regulating registration scheme, which would not have any powers attaching to it. Therefore, if someone failed to meet the initial or renewal requirements for registration, there would be no penalty whatsoever and they could continue to operate. The real difference, as I understand it, is that licensing will stop bad actors but enable the vast majority of good actors to proceed, while a self-regulatory registration scheme will not have any powers at all.

Willie Coffey: Thank you Ailsa. In the interests of time, convener, I hand back to you.

The Convener: I have a quick supplementary for Ailsa Raeburn and Andrew Mitchell. The survey responses that were submitted to the committee raised concerns that the proposed legislation was designed to tackle issues that are experienced principally in central Edinburgh. Taking that into consideration, what are your views on how short-term lets and housing demands would interact in rural and island contexts?

Ailsa Raeburn: I am aware that the industry has focused particularly on central Edinburgh, where the evidence of impact, particularly the impact of antisocial behaviour, is almost overwhelming.

In rural communities, there tends to be much less impact from antisocial behaviour and much more of the impact that we have already discussed on local rental and capital values. Local people, young people and working age people are priced out of the market. In some places, as I said, 30 per cent or more of the traditional long-term residential housing stock becomes unavailable and moves over into short-term letting. That reduces the number of houses available. It has been suggested that we should be building more houses. We should be doing that, but we are not going to build 30 per cent more houses on Skye in the next five years to replace the amount of stock that is being lost.

When we speak to local young people in places like Skye and Mull, their stories are sad and depressing. They have good jobs and family connections. They want either to stay at home or to return home and the Scottish Government is

promoting repopulation. However, the supply of available and affordable housing is hugely impacted by the loss of so much stock to this type of activity, which provides a much better commercial return than someone living in a house themselves or renting it out to the local plumber and his family.

The evidence is there. If they have not done so already, I urge committee members to read the recent report that PLACE and Community Land Scotland put together. It gives really compelling evidence about the impact of this type of activity in the north, the west, the islands, on the Ayrshire coast and in places such as the Cairngorms and the east neuk. It does not affect all of Scotland, but it affects enough areas to require a nationwide scheme.

The Convener: Andrew Mitchell, I called on you, but you may not have a rural perspective. Do you want to come in? I see that Tony Cain also wants to come in.

Andrew Mitchell: Edinburgh has always argued for a discretionary scheme, albeit with mandatory elements. The licensing scheme and planning controls should be looked at in totality. In more rural communities, the planning controls might give a more effective way of dealing with this. Local authorities across the country will strike a balance between those two schemes to find a solution that meets their local needs. Edinburgh advocated giving local authorities the discretion and freedom to tackle local problems.

Tony Cain: I echo that. Under the 1982 act, licensing schemes operate across all 32 local authorities. They are all very different. The authorities understand their areas and operate those schemes in a way that is right for those communities. They are also accountable to their communities. There is an election coming up in May and they will be held accountable.

As Andrew Mitchell said, there is an issue about the Scottish Government trusting local government and acknowledging local government's sway within its own sphere and its area of democratic accountability. Those schemes can operate flexibly. They are not one size fits all, because the 1982 act does not operate that way. Councils in Moray, Angus, Dumfries and Galloway or Argyle and Bute will not say, "Edinburgh is doing it this way, so we'd better do that." They will be asking how to make that work in their communities for their industries and economy.

It is critically important to trust local government to get on and manage those schemes effectively. They know what they are doing.

Mark Griffin (Central Scotland) (Lab): My questions follow on from the discussion that we

have just had. One is about data; the other is about how we adapt any system locally.

My first question is for Andrew Mitchell, because he talked about a study that had taken place in Edinburgh in 2018. Do we know how many short-term lets there are in the country? Do we know the scale of the issue that we are regulating for? If not, and if we are doing this in the absence of data, how can we be sure that we are going to get it right? Has there been a refresh of the 2018 study to ensure that we know the scale of what we are trying to accomplish?

Andrew Mitchell: I do not agree with the industry that we have no idea of the scale of this. One of the problems that we face is the lack of transparency in the industry itself. Local authorities such as Edinburgh have attempted to quantify the market; I know that the Scottish Government has commissioned consultants at various points to do so; and the industry itself has given statistics to Edinburgh and the Scottish Government that have quantified the market as being in the thousands. The conservative estimate going into the pandemic was that there were about 12,000 short-term lets operating in Edinburgh. I suspect that that number might have dropped somewhat because of travel restrictions, but I see no reason why the market should not return to the same level once travel and tourism return to pre-pandemic levels.

One of the core benefits of the licensing system is that it will allow us to have accurate knowledge of who is operating where and to design a system to deal with that. In Edinburgh, our working assumption is that north of 10,000 will apply for a licence, and we will put in place processes to manage that. As for the idea that thousands of properties will just voluntarily leave the market, I am not sure that there is much evidence from other licensing schemes that have been introduced that bears out the suggestion that the existing industry or businesses will just retreat from the market that is operating.

Ailsa Raeburn: There is, of course, some data available. The Scottish Government has referred to the figure for active Airbnb listings across the whole of Scotland, which was 31,884 in 2019, and we know that Airbnb is just one company among others, such as Booking.com—[Inaudible.] The issue, of course, is that there is no transparency, because there is no licensing system. Nobody knows the exact number, because there is no way of collecting that data.

The other way of checking these things is to look at those properties that have applied for small business rates relief to be let as holiday businesses. Councils have that data, which brings us back to the point that was made by Andrew Mitchell and Tony Cain about local authorities

being much clearer about the numbers on the ground, particularly in hotspot areas where these properties are causing a problem. There is an issue with transparency and the numbers, because we do not have a licensing system, and the situation enables lots of people to operate under the radar. As I have said, there is probably quite a lot of information available locally that local authorities can use to help to design a licensing system on a local scale.

Mark Griffin: That brings me to my second question. Do you feel that a national system should be introduced or are there particular local authority areas that would rather not spend their resources on what they might not see as a pressing local issue? Perhaps we can kick off with Nicola Robison. Does Police Scotland have any data on antisocial behaviour issues in this respect? Is that sort of thing common across the country or is it much more localised? Moreover, if anyone wanted to talk about the issue of a national approach versus devolving powers to local authorities to run something locally, I would welcome it.

Chief Inspector Robison: On the question of what antisocial behaviour is attributable to short-term lets, we have pointed out in our written submission that, unfortunately, we have no way of recording that sort of thing at the moment. We can of course record antisocial behaviour as a whole, but we cannot attribute any proportion of it to short-term lets, because they are unlicensed at the moment. That is one of the challenges that we face.

A benefit of a licensing system, in addition to the obvious fit and proper person perspective, is that it would allow us to check our national licensing system and see how many short-term lets were registered. We could take it from there for any problems that were identified in local policing divisions. We do not have those figures at the moment, unfortunately.

11:15

Andrew Mitchell: I would struggle to identify a benefit of a national system. The consequence of such a system would be to remove flexibility to deal with local circumstances. It would, in effect, impose a one-size-fits-all system on the whole of Scotland and I suspect that nobody would be particularly happy. People in Edinburgh would be unhappy that the scheme was not strong enough for their local needs, whereas in Highland or Moray they would be unhappy that the scheme was too onerous, given their circumstances. I would struggle to identify any benefit of a national system, other than command and control in terms of centrally dictating what the system does. Licensing schemes operate in many categories of

business, as we have discussed, and I see no reason why local government should not be trusted to get on with implementing a local scheme that meets their local needs.

Tony Cain: I confess that I slightly misinterpreted the question when I first heard it, so I will answer it in two ways.

First, if the suggestion is that a national scheme would be run from Edinburgh, the principles of subsidiarity would suggest that that is not the way to do it. Local authorities and locally controlled organisations ought to be the ones to deliver the scheme. I cannot understand why that suggestion would be made when we already have 32 experienced organisations that are perfectly capable of operating a civic government licensing scheme within their local area in an appropriate way.

Alternatively, my initial interpretation of the question was that it asked, "Why not have a scheme that just covers the hotspots or the areas where there are problems?", but the safeguarding issues are national. Therefore, we need a scheme that is capable of being in place across Scotland, so that the safeguarding issues, in particular, are there for every community where short-term lets are operating.

Leon Thompson: I have interpreted Mark Griffin's question as referring to just having licensing schemes in places where there are hotspots. However, I think that it needs to operate at national level. That is more helpful for businesses. It means that, if short-term let owners are working across a number of different local authority areas, the legislation is the same and they do not have to mix and match depending on where they are operating. The system needs to be implemented across the board. That is ultimately more helpful for businesses and for communities.

Mark Griffin: Thank you.

The Convener: We have a little time left, as panel members have all been very good at answering succinctly. I will open it up and ask whether any of you has anything else that you feel we should hear or that you want to underscore? Just put an R in the chat if you want to come in. I am particularly keen to give Nicola Robison a chance to add anything that she feels has not been aired, since she has not had many opportunities. We will start with Andrew Mitchell and then Ailsa Raeburn.

Andrew Mitchell: One of the points that was raised by the panel last week was that the operation of the licensing scheme could, in effect, allow a de facto ban. I reassure the committee that the protections in the 1982 act, which is fairly comprehensive on how applications will be dealt with, and how licences are granted, simply would

not allow that to happen. If an operator is seeking to renew a licence, provided that they apply before the licence expires, the licence would continue to be in effect until a decision is made. The potential disruption to business foreseen by last week's panel simply would not happen.

Ailsa Raeburn: We are sure that the vast majority of operators are good actors. We want sustainable tourism—all of our members in Community Land Scotland want that. Going back to Tony Cain's earlier point, there can be such a thing as overtourism, where the benefits of tourism are hugely outweighed by the disbenefits. That is felt by local people, who must have more of a say in how tourism is managed. That is the first point.

The second point is that we know from New York, Vienna, Paris and Amsterdam that some of the big global corporations will take every opportunity to challenge licensing, new schemes and new systems. There have been lots of court cases, including ones where those corporations have been fined. We need to be cognisant of that and, given that context and how some of the intermediary agencies operate, acknowledge that a self-administered registration scheme would be completely pointless. We need the backing of local authorities and the Scottish Government to better manage that for all the good actors and good operators out there, as well as to manage the bad operators.

Tony Cain: I go back to the cabinet secretary's suggestion that natural names would be taken off the licensing scheme. I have no idea why that suggestion has emerged. I am not aware of any other schemes in which the named operators are not identified in the scheme.

I have a small concern. I was a member of the working group on this that met throughout 2021. The issue was never raised in that working group. It was never discussed. The operators did not raise it, and it emerged in the cabinet secretary's letter after the operators walked out of those conversations. There is just a bit of a concern in there, not just about the transparency of the process but about the effectiveness of extremely well resourced and well targeted lobbying, which I suspect is what has brought about that suggestion. I do not understand why natural names would not appear on the register, which seems to me to be removing a layer of transparency. It is also a dangerous precedent, because it is not something that we see in other schemes.

Leon Thompson: To follow on from Ailsa Raeburn's point, it is absolutely true that the vast majority of operators in the short-term let rental market are professional in what they do. Many are complying with everything that they need to comply with at the moment. The licensing scheme will not put undue burdens and new pressures on

them. What it will do is to ensure that everybody understands that the STL sector is professional and licensed, and that people are paying the taxes that they are due to pay. That is very important as we look to have tourism recovery. We want to have communities behind tourism and welcoming visitors back, and I think that the licensing scheme can be an important part of that.

The Convener: Nicola Robison, would you like to come in with some final words?

Chief Inspector Robison: Yes, absolutely. As I mentioned before, there is existing legislation that we can use at the moment, particularly in respect of antisocial behaviour. However, that legislation has limitations, which presents us with challenges. We want to support local communities and local authorities as much as we can to prevent antisocial behaviour issues, to prevent the potential for criminality in the short-term let sector and, ultimately, to ensure the safeguarding of the people who are using the properties.

The licensing system would allow us to check whether people are fit and proper to be the owners of such premises. It will also achieve consistency and bring the sector more into line with other areas that are licensed, the details of which are kept on our national licensing system. It is acknowledged that the introduction of the system will have a resourcing impact on local authorities and us, but the benefits outweigh the disadvantages.

The Convener: This has been a very informative session, so I thank the panel very much for joining us. Ailsa Raeburn, I take your point about needing to hear more community voices on the matter. I trust that the panellists have managed to air all their views.

Ailsa Raeburn: Thank you for the opportunity to contribute.

Ethical Standards in Public Life etc (Scotland) Act 2000 (Register of Interests) Amendment (No 2) Regulations 2021 (SSI 2021/438)

The Convener: The third item on our agenda is consideration of a negative instrument. The committee is not required to make any recommendations on the regulations. If there are no comments, does the committee agree that it does not wish to make any recommendations in relation to the regulations?

Members indicated agreement.

The Convener: As agreed earlier in the meeting, we will consider items 4 and 5 in private.

11:26

Meeting continued in private until 12:21.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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