



Item: 3

Licensing Committee: 5 November 2024.

**Civic Government (Scotland) Act 1982 (Licensing of Short-Term Lets)
Amendment Order 2024: Fees.**

**Joint Report by Corporate Director for Strategy, Performance and
Business Solutions and Corporate Director for Neighbourhood Services
and Infrastructure.**

1. Overview

- 1.1. The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2024 Amendment (“the Order”) came into force on 30 August 2024 and amends the existing short-term let licensing regime.
- 1.2. The Order makes certain amendments to existing legislation, including the introduction of two new licence application types connected to short-term lets, being a provisional short-term let licence and the transfer of a short-term let licence. The Council will be required to process such applications, and therefore the introduction of relevant licence fees is required.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
 - i. Note that the Civic Government (Scotland) Act 1982 (Licensing of Short-Term Lets) Amendment Order 2024 has been passed by the Scottish Parliament.
 - ii. Approve the proposed additional fees in relation to the new categories of applications for short-term let licences as set out in Appendix 2.

3. Background

- 3.1. The Civic Government (Scotland) Act 1982 (Licensing of Short-Term Lets) Order 2022 (‘the 2022 Order’) brought short-term letting within the scope of licensable activities covered by the statutory provisions of the Civic Government (Scotland) Act 1982 (‘the 1982 Act’).
- 3.2. The 2022 Order required local authorities to implement a licensing scheme for short-term lets (‘STL’). On 1 September 2022, the Council adopted a licensing

policy and additional conditions for STL. The existing fees set under this policy are attached to this report in Appendix 1. The Civic Government (Scotland) Act 1982 (Licensing of Short-Term Lets) Order 2024 ('the 2024 Order') amends the 2022 Order.

- 3.3. The 2024 Order makes minor amendments to certain areas of the 2022 Order.
- 3.4. The 2024 Order also adds licence types which are not replicated elsewhere in the 1982 Act for any other licence type. The nearest equivalent in licensing legislation would be the Licensing (Scotland) Act 2005 ('the 2005 Act') (which regulates the sale of alcohol), which makes provision for transfer of a premises licence.

4. Amendments Resulting from the Order

- 4.1. The Order includes the following points:
 - i. Clarification that certain types of activity fall outwith the scope of the requirement to obtain a STL licence (such as foster care arrangements).
 - ii. Addition of new statutory provision for
 - Provisional STL licences;
 - Transfer of an existing STL licence where the licensed business is sold, or on the death of a licence holder; and
 - Provisional licences for new build STL properties while under construction, and subsequent confirmation of licence compliance once complete.
- 4.2. A review of the Council's STL policy will be required to include additional text which deals with the amendments summarised above. In the meantime, the Licensing Service will give effect to the new requirements now that the new legislation is in force.
- 4.3. The Council functions as a licensing authority are funded directly by income raised from licence application fees. The minimum annual increase to these fees is normally approved by the Council as part of the annual budget process. The Licensing Committee approves the fees and has delegated powers to add or amend a licence fee structure or to amend any existing fee structure.
- 4.4. Following the introduction of provisional licences and transfer of licences, a fee requires to be set. It is therefore recommended that the additional fees set out in Appendix 2 are approved. These are based on the framework for fees under the 2005 Act, which is the nearest equivalent with a percentage split of 80/20 for the fee

for a provisional licence and its subsequent confirmation. It is not known how many applications are likely to be received for these new licence types.

- 4.5. Given that the existing fee structure allows for a 25% discount on fees in respect of properties not on the Orkney mainland or linked south isles, it is proposed that the same level of discount is allowed in respect of the new licence types.

5. Consultation

- 5.1. Full consultation is not required by the legislation. Officers have been in regular communication with the Scottish Government, officers within national groups, national officer groups, trade bodies, individuals, partners and internal consultees.

6. Next Steps

- 6.1. If agreed, the new fee structure is to be advertised and communicated as appropriate. This will include direct contact with all STL licence holders and agents.
- 6.2. The Council's STL Licensing Policy will be updated upon the conclusion of the current review to reflect the statutory changes made by the 2024 Order.

For Further Information please contact:

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Implications of Report

1. Financial

- 1.1. The new STL licensing regime has produced an increase in licensing income, which is expected to be balanced by the increased administration and enforcement costs of the licensing regime.
- 1.2. The suggested new fee framework is attached in Appendix 2. The new fee structure will apply to any application received on or after the date of approval.
- 1.3. The fee structure will have a direct impact on applicants for short term let licences.

2. Legal

The legal aspects are contained in the body of the report.

3. **Corporate Governance**

In terms of the Scheme of Administration, setting fees and charges for those licences, permits, approvals and registrations [referred to above] where the Council has discretion to do so and overseeing any associated consultations with the public or operators as appropriate or necessary, is a delegated function of the Licensing Committee.

4. **Human Resources**

Currently staff time is being met from existing resource but this will continue to be monitored.

5. **Equalities**

The Scottish Government's [Equality Impact Assessment](#) for the 2024 Order built upon the one published in December 2020 for the Short-term Let Licensing scheme. The EIA concluded that the amending legislation does not give rise to any equality issues.

6. **Island Communities Impact** The Scottish Government's Island Community Impact Assessment is available [here](#).

7. **Links to Council Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:

- Growing our economy.
- Strengthening our Communities.
- Developing our Infrastructure.
- Transforming our Council.

8. **Links to Local Outcomes Improvement Plan**

The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:

- Cost of Living.
- Sustainable Development.
- Local Equality.

9. **Environmental and Climate Risk** None.

10. **Risk**

The Scottish Government introduced these licence application types in response to calls to have them available, particularly to transfer licences as part of the sale of a business. The Council is required to approve the fees so officers can make them available. Delays would mean complaints from licence holders who may need to transfer licences.

11. **Procurement** None.

12. **Health and Safety** None.

13. **Property and Assets** None.

14. Information Technology None.

15. Cost of Living None.

List of Background Papers None.

Appendix

Appendix 1 – Existing Short-term Lets – Licences and Other Matters

Appendix 2 – New licence types

Appendix 1

Existing Short-term Lets – Licences and Other Matters.

Licensing Fees.	£.	Non-linked isles £.
	2023/24.	2023/24
Secondary Letting.		
Short-term let for 3 years (capacity up to 4 occupants)	310.00.	232.50
Short-term let for 3 years (capacity 5 - 9 occupants)	380.00.	285.00
Short-term let for 3 years (capacity for 10 or more occupants)	510.00.	382.50
Home Sharing and Home Letting.		
Short-term let for 3 years (capacity up to 4 occupants)	240.00.	180.00
Short-term let for 3 years (capacity 5 - 9 occupants)	300.00.	225.00
Short-term let for 3 years (capacity for 10 or more occupants)	400.00.	300.00
Material change in premises – Secondary Letting:		
Capacity up to 4 occupants	310.00.	232.50
Capacity 5 – 9 occupants	380.00.	285.00
Capacity for 10 or more occupants	510.00.	382.50
Material change in premises – Home Sharing and Home Letting:		
Capacity up to 4 occupants	240.00.	180.00
Capacity 5 - 9 occupants	300.00.	225.00
Capacity for 10 or more occupants	400.00.	300.00
General.		
Temporary licence for short-term let (which cannot exceed 6 weeks).	240.00.	180.00
Material change of circumstances.	75.00.	N/A
Material change of circumstances – name change only.	30.00	N/A
Formal legally certified duplicate or true copy licences or a true copy of an entry in the register of licences.	120.00.	N/A
Simple replacement or copy licences or information about an entry in the register of licences.	30.00.	N/A

Appendix 2 - New licence types

Type of application	£	Non-linked isles
Transfer of a short-term let licence	120	90
Provisional short-term let licence	20% on applicable fee	25% discount on applicable fee
Confirmation of a short-term let licence	80% on applicable fee	25% discount on applicable fee