

**REPORT TO:** Cabinet

**MEETING DATE:** 13 September 2022

**BY:** Executive Director for Council Resources

**SUBJECT:** New Licensing Fee Structure for Licensing of Short Term Lets

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## **1 PURPOSE**

- 1.1 To provide Cabinet with details of the proposed licence fee structure for a licence for Short Term Lets under the new licensing regime for such activities which comes into force from 1 October 2022.

## **2 RECOMMENDATIONS**

- 2.1 That Cabinet agree to fix the licence fee for licences to be issued under the Order (as defined at paragraph 3.1 below) at the levels proposed at paragraph 3.3. below.

## **3 BACKGROUND**

- 3.1 It is noted that the Scottish Government looked to address the issues around Short Term Lets in three ways, Licensing, Planning, and Tax Treatment.
- 3.2 The review of the tax treatment of short-term lets is being taken forward separately by the Scottish Government.
- 3.3 The Planning Service are currently considering the issue of Short Term Lets and intend on bringing forward a report on this to a future meeting of Cabinet. This will focus on whether or not there is a need to designate any Short Term Let Control Areas within East Lothian.
- 3.4 This paper seeks to address Licensing matters.
- 3.5 A new licensing regime in respect of activities involving Short-term Lets is being introduced by The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 (hereinafter referred to as "The Order"). This new licensing regime takes effect from 1 October 2022.

- 3.6 There is a need for Cabinet to agree an appropriate fee level for the Council to administer this new regime. The regime should operate on a cost neutral/cost recovery basis. Accordingly, the fee levels being proposed are based on a methodology and chargeable officer Hourly Rates. These are shown below.

Hours	Hourly Rate	Number of applications	Total	Comment
10	£23.09 (Grade 6)	300	£69,270	Processing application
1	£34.72 (Grade 9)	300	£10,416	Review of application
6	£34.72	60 (20%)	£17,739.00	Inspection of premises by EHO
7	£23.09	60 (20%)	£9697.80	To be heard by LSC
4	£26.42 (Grade 7)	60 (20%)	£6412.80	Committees Clerk
1	£23.09	150 (50%)	£3463.50	General enquiries (phone / email)
			£116,999 / 300 = <b>£390.00</b>	

- 3.7 It is proposed that the initial fee for a three year licence be set at a flat rate of **£390**. This fee will be reviewed once the new licensing regime has had a chance to become established and the numbers and consequent administrative burden becomes clearer. It is estimated that this fee, covering a three year period, amounts in effect to a fraction of the rental charge based on current average rental rates in the short term market.

#### 4 POLICY IMPLICATIONS

- 4.1 Licensing of Short-term Lets will soon become a statutory obligation for East Lothian Council. This report is based upon Legislation and Scottish Government guidance for licensing Short-terms Lets.

#### 5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

#### 6 RESOURCE IMPLICATIONS

- 6.1 Financial – This relates to a new licensing regime in respect of short term lets and creates additional work along with a new income stream with

regard to the fee as agreed in respect of the new licensing activities outlined above.

6.2 Personnel - None

6.3 Other – None

## 7 BACKGROUND PAPERS

7.1 The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022

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