

LOCAL REVIEW BODY

25 April 2024

Application No: 23/01289/P

**12D Bush Terrace, Musselburgh**

Appointed Officer's Submission



## **23/01289/P – REVIEW AGAINST DECISION – PLANNING OFFICERS' SUBMISSION**

Planning application review against decision (refusal): Change of use of flat to short term holiday let (Retrospective) at 12D Bush Terrace, Musselburgh

### INDEX OF CONTENTS

1. Statement of Case: Officer's report for planning application 23/01289/P.
2. Copy of stamped refused drawings relating to planning application 23/01289/P
3. Copy of Decision Notice (including reason for refusal) relating to planning application 23/01289/P.
4. Copy of consultation responses from Anti-Social Behaviour, Police Scotland, Environmental Health, Economic Development and Housing Strategy and Development.
5. Copy of Policy 30 (Tourism) of National Planning Framework 4 and Policies RCA1 (Residential Character and Amenity) and T2 (General Transport Impact) of the adopted East Lothian Local Development Plan 2018.
6. Schedule of Conditions.

# OFFICER REPORT

**20th December 2023**

App No. **23/01289/P**

Application registered on **3rd November 2023**

Target Date **2nd January 2024**

Proposal	<b>Change of use of flat to short term holiday let (Retrospective)</b>	SDELL	N
		CDEL	N
Location	<b>12D Bush Terrace Musselburgh EH21 6DF</b>	Bad Neighbour Development	N

APPLICANT: **Mr Peter Oliver**

Is this application to be approved as a departure from structure/local plan? N

**c/o Sue Oliver  
12D Bush Terrace  
Dirleton  
Musselburgh  
EH21 6DF**

DECISION TYPE:

**Application Refused**

## PLANNING ASSESSMENT

The property to which this application relates is a first floor flat set within a three storey flatted building accessed via a communal entrance to the front (south) elevation. The property is located within a predominantly residential area as defined by Policy RCA1 of the adopted East Lothian Local Development Plan 2018.

The property is bounded to the north by the public road of the Promenade, to the east by neighbouring residential properties, to the south by a path which provides access to the neighbouring flatted buildings as well as the applicants' property and further beyond by a communal garden for the flatted properties of 12 Bush Terrace and to the west by a public footpath and further beyond by a neighbouring residential property.

Planning permission is sought retrospectively for the change of use of the residential first floor flat of 12D Bush Terrace, Musselburgh as a two-bedroom unit of short-term self-catering holiday let accommodation.

No alterations have been undertaken to the flat, either internally or externally, to facilitate the proposed change of use.

Subsequent to the registration of the application the applicant has confirmed in writing that:

The flat will be used for holiday letting for an estimated 9 months in a year; (ii) the property can accommodate up to 3 people (one double room and one single room); (iii) the property is typically let to single guests, couples and couples with a child; (iv) at most there could be two lets per week because the owner stipulates that there must be a minimum of 29 hours between each let, i.e. check-out is 10am and the check-in is no earlier than 3pm the following day. However, the average length of stay is one week; (v) the minimum length of stay is 2 nights and the maximum is 60 nights; (vi) the property is cleaned after each let by an Edinburgh based company; (vii) the property has operated as a holiday let for over 6 years; and (viii) the property provides tourist accommodation for those who wish to stay in East Lothian and guests spend money with local shops and businesses. Guests have included those visiting for work, golf and leisure.

Section 25 of the Town and Country Planning (Scotland) Act 1997 requires that the application be determined in accordance with the development plan unless material considerations indicate otherwise.

The development plan is National Planning Framework 4 (NPF4) and the adopted East Lothian Local Development Plan 2018.

Policy 30 (Tourism) of NPF4 and Policies RCA1 (Residential Character and Amenity) and T2 (General Transport Impact) of the adopted East Lothian Local Development Plan 2018 are relevant to the determination of the application.

No public letters of objection have been received in relation to the application.

This application seeks retrospective planning permission for the change of use of a two-bedroom, first floor flat to a two-bedroom unit of holiday let accommodation. The holiday let comprises of a hall, living room/kitchen, bathroom and two bedrooms. The flat is capable of sleeping/accommodating 3 people.

The East Lothian Economic Development Strategy 2012-22 identifies tourism as one of the strengths of the East Lothian economy and a source of employment opportunities in the future and the adopted East Lothian Local Development Plan 2018 states that a range of hotel, guest house and other accommodation attracts visitors and encourages them to stay and benefit the economy of East Lothian. The adopted East Lothian Local Development Plan 2018 states that all leisure and tourism related development proposals, including visitor attractions, hotels and holiday accommodation, will be assessed against all relevant Local Development Plan policies.

The retrospective change of use of the residential flat to a holiday let provides holiday accommodation within Musselburgh that attracts visitors and encourages them to stay in East Lothian, which supports the existing established business and benefits the wider economy of East Lothian.

The adopted East Lothian Local Development Plan 2018 does not contain a specific policy on the change of use of flats to holiday lets. However, part e) of Policy 30 (Tourism) of NPF4 states that:

Development proposals for the reuse of existing buildings for short term holiday letting will

not be supported where the proposal will result in:

- (i) An unacceptable impact on local amenity or the character of a neighbourhood or area;
- or
- (ii) The loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits.

Policy RCA1 (Residential Character and Amenity) of the adopted East Lothian Local Development Plan 2018 states that the predominantly residential character and amenity of existing or proposed housing areas will be safeguarded from the adverse impacts of uses other than housing. Development incompatible with the residential character and amenity of an area will not be permitted.

In the determination of this application, it is necessary to assess the impact of the change of use of the application property to a unit of holiday let accommodation upon the amenity of the existing neighbouring residential properties.

The Council's Senior Environmental Health Officer advises that whilst the normal use of a property would not result in loss of amenity to neighbours, the use of properties for short term holiday let can result in future guests misusing and abusing the property in a manner that is antisocial and can result in a significant impact upon amenity of neighbours. However, it is stated that the Council's Environmental Health Service cannot assume that antisocial behaviour issues will arise and thus cannot impose any enforceable conditions to protect the amenity of neighbours.

The Council's Antisocial Behaviour Team advise that they have had no records of any incidents relating to antisocial behaviour matters at this address and thus they raise no objection to this retrospective planning application.

Police Scotland advise that there have been no police incidents at this address and thus they raise no objection to this retrospective planning application.

The Council's Road Services raise no objection to this retrospective planning application. Accordingly, the proposal does not conflict with Policy T2 of the adopted East Lothian Local Development Plan 2018.

The applicant's property is a two-bedroom flat located at first floor level within a three-storey flatted building which contains a flat at ground level, 3 flats at first and second level. The flat is accessed via a communal door from a path situated to the south of the flatted building. There is a communal garden situated to the south of this path which serves the flatted building.

The use of the application property as a holiday let enables it to be let out for short stays resulting in a turnover of people over short time periods with a significant proportion of occupants likely to be visitors. Such a regular turnover of users/occupants would change the nature of comings and goings not only to the application property itself but also within the communal entrance and hallway of the residential building. Most users/occupants of the holiday let would have a degree of luggage or other property to take through the communal entrance and hallway which in itself would lead to a level of disturbance and nuisance not associated with the permanent/long term residential use of the property. This is harmful to the amenity of the occupants of the residential property within the residential flatted building. It is

accepted that permanent residents may also make noise but they tend to keep their luggage in their homes and do not move them with the same frequency as regularly changing guests who arrive and depart sometimes at unsociable hours, and this differs from typical residential circumstances.

Along with the extra comings and goings of users of the holiday let at check in/check out there is also an additional level of activity not only at the application property but also within the communal entrance and hallway as a result of people regularly accessing both the building and the application property itself to service/clean it and remove waste and recycling material after each guests stay. This level of additional activity is evidently different to that expected with the permanent/long term use of the flat as a private residence again which is harmful to of the amenity of the occupants of the residential property within the residential flatted building.

Moreover, allowing frequently changing guests unfettered access to otherwise secure shared areas changes the actual and perceived level of security for permanent residents. Whilst permanent residents are likely to have visitors of their own from time to time, those permanent residents would remain in control of security to communal areas. The introduction of frequently changing guests regularly into these secure areas, independent of the owner, would therefore differ from typical residential circumstances.

Given the specific circumstances and location of the application property within the residential building named, which contains other permanent/long term residence which shares a communal entrance, internal stair and hallway, the retrospective change of use of the applicant's first floor flat as a two-bedroom unit of short term self-catering holiday let accommodation is incompatible with and harmful to the amenity of the occupiers of the property within the residential building named. By having an unacceptable impact on local amenity, the proposal is contrary to part e) of Policy 30 of NPF4 and with Policy RCA1 of the adopted East Lothian Local Development Plan 2018.

It is now necessary to assess the impact of the change of use on the loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits as is stated in part e) of Policy 30 of NPF4.

The Council's Housing Strategy & Development Service advise they do not object to this retrospective application as although this property is a 2 bedroom flat in Musselburgh, the property is a long term established short term let since 2017; the property has been let and is open to be let to seasonal workers; and the occupancy rate of the property is over 6 months.

The Council's Economic Development Service Manager advises that there are demonstrable local economic benefits delivered by all types of short-term holiday lets in East Lothian and that existing provision of this type of accommodation must be retained, protected and supported where there is no demonstrable impact on local amenity, the character of the area or loss of residential accommodation. In the particular circumstances of this case it is stated that:

- o The operation of short-term holiday letting is a bonafide business activity that contributes to employment and economic benefit in East Lothian. The proposal provides high-quality tourist accommodation attracting visitors to Musselburgh and the surrounding area providing economic benefit.
- o There is a demonstrable economic benefit to having a wide range of accommodation types in East Lothian, with the tourism sector contributing £155m to the local economy in 2021

and supporting 10% of the workforce. Visitors staying overnight in non-serviced accommodation contributed £60.1m to the local economy in 2021, a figure which has been rising year on year. The majority of visitors to East Lothian are repeat visitors, 81%, and rely on good availability of high-quality accommodation year on year to facilitate this.

o Non- serviced accommodation (short term holiday lets) contributes positively to the local economy (£279m in 2019), this property accounts for 3 bedspaces and a potential annual economic impact of £68,181 and 1.5FTE jobs. This is borne out by the supporting information provided by the applicant.

o An increasing number of overnight stays in East Lothian are for work purposes, e.g. major events, servicing major infrastructure. This is expected to increase over the next 10-15 years as more nationally significant infrastructure is developed or decommissioned in East Lothian. In this context, the loss short term accommodation is likely to have significant negative impact on the local tourist economy in monetary and reputational terms.

Therefore, the Council's Economic Development Service Manger supports this planning application stating that the change of use of the flat to short term holiday let accommodation supports the strategic goals and objectives of the Economic Development Strategy 2012-2022 and the intent and outcomes of part e) of Policy 30 of NPF4.

However, the local economic benefits associated with the use of the applicant's first floor flat operating as a two-bedroom unit of short term self-catering holiday let accommodation does not outweigh the unacceptable impact on local amenity. Therefore, the change of use is not in accordance with the Development Plan and there are no material planning considerations that outweigh the fact that the change of use is not in accordance with the Development Plan.

The application property of 12D Bush Terrace, Musselburgh as a holiday let is unauthorised and a breach of planning control. If the use of the flat as a short term let does not cease enforcement action will be taken to ensure the cessation of the holiday let use with the period for compliance with the enforcement notice being three months.

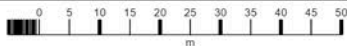
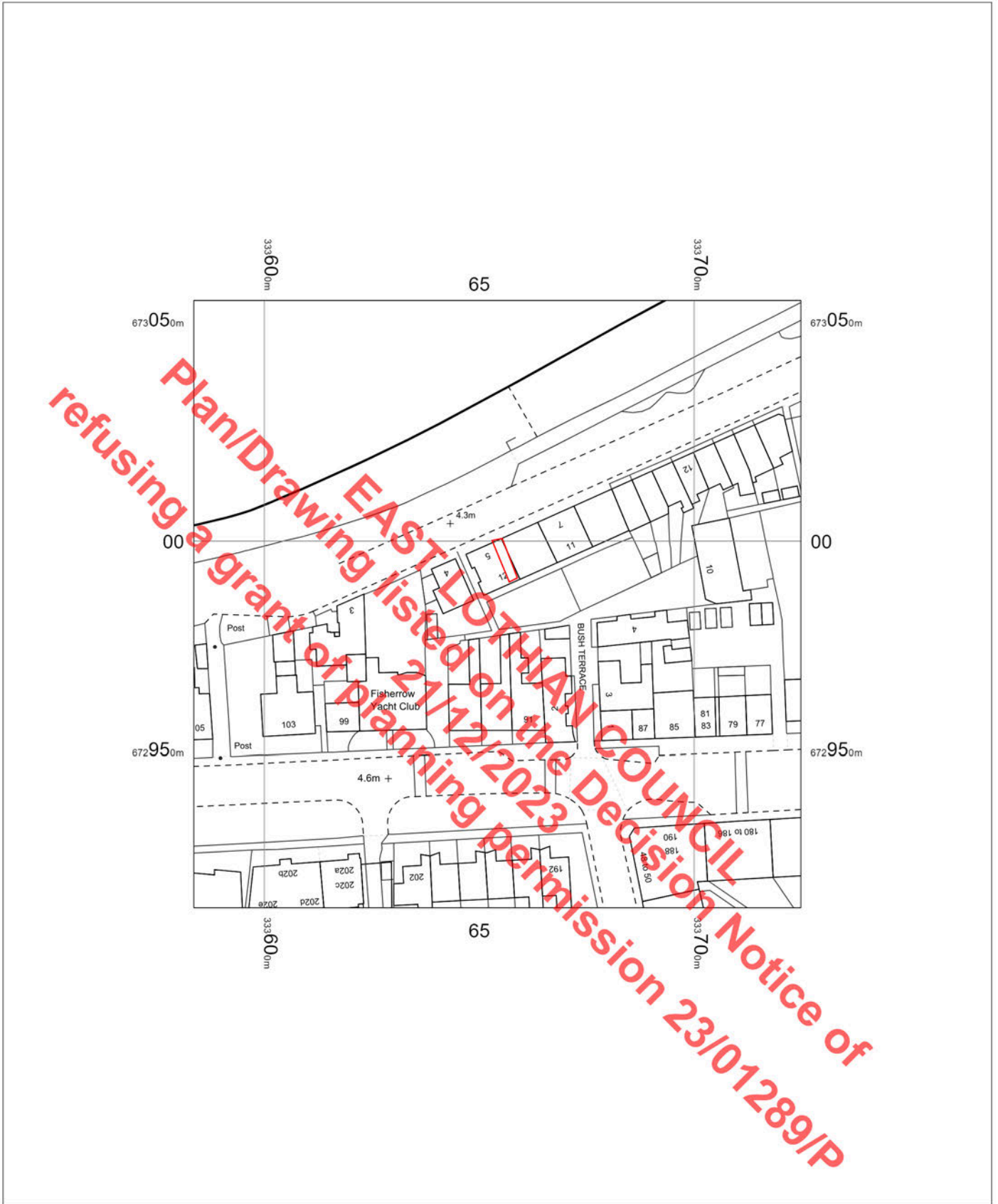
#### REASON FOR REFUSAL:

- 1 The holiday let use of the flatted property is incompatible with and harmful to the amenity of the occupants of the other flatted properties within the residential building of 12 Bush Terrace, Musselburgh and as such is contrary to part e) of Policy 30 of National Planning Framework 4 and Policy RCA1 of the adopted East Lothian Local Development Plan 2018.

#### LETTERS FROM

20th December 2023





12d Bush Terrace,  
Fisherrow,  
Musselburgh,  
East Lothian  
EH21 6DF

OS MasterMap 1250/2500/10000 scale  
Thursday, October 19, 2023, ID: MPMM4-01131592  
[www.nicolsondigital.com](http://www.nicolsondigital.com)

1:1250 scale print at A4, Centre: 333654 E, 672985 N

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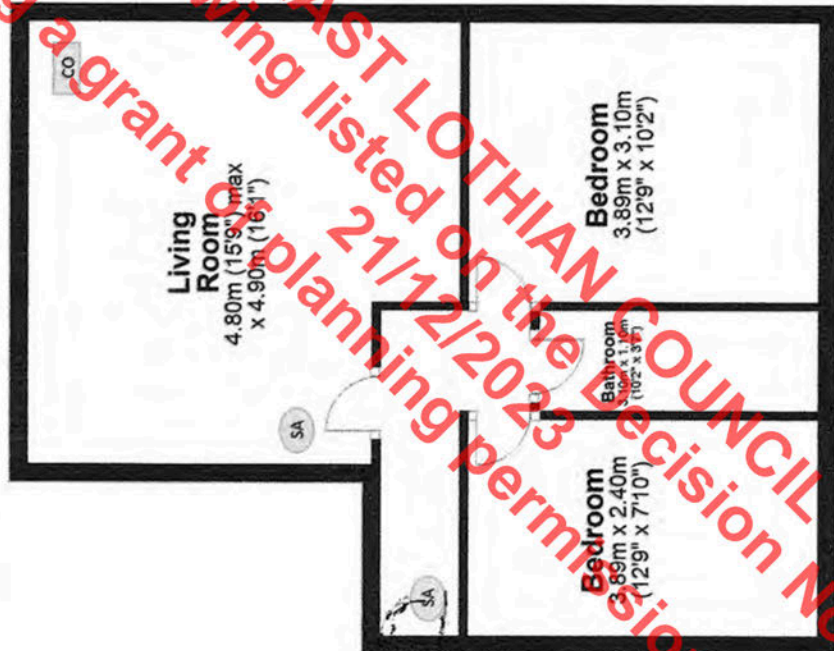


STL 75212

12D Bush Terrace, Musselburgh EH21 6DF

**Ground Floor**

Approx. 48.2 sq. metres (518.3 sq. feet)



CO = Carbon Monoxide

SA = Smoke Alarm

Total area: approx. 48.2 sq. metres (518.3 sq. feet)

**Refusing a grant of planning permission 23/01289/P**  
**EAST LoTHIAN COUNCIL**  
**Plan/Drawing listed on the Decision Notice of 21/12/2023**

App No. 23/01289/P

**EAST LoTHIAN COUNCIL  
DECISION NOTICE**

**TOWN AND COUNTRY PLANNING (SCOTLAND) ACT 1997  
TOWN AND COUNTRY PLANNING  
(DEVELOPMENT MANAGEMENT PROCEDURE) (SCOTLAND) REGULATIONS 2013**

**Mr Peter Oliver  
c/o Sue Oliver  
12D Bush Terrace  
Dirleton  
Musselburgh  
EH21 6DF**

**APPLICANT: Mr Peter Oliver**

With reference to your application registered on 3rd November 2023 for planning permission under the above mentioned Acts and Regulations for the following development, viz:-

**Change of use of flat to short term holiday let (Retrospective)  
at  
12D Bush Terrace  
Musselburgh  
EH21 6DF**

East Lothian Council as the Planning Authority in exercise of their powers under the above-mentioned Acts and Regulations hereby **REFUSE PLANNING PERMISSION** for the said development.

The reasons for the Council's refusal of planning permission are:-

- 1 The holiday let use of the flatted property is incompatible with and harmful to the amenity of the occupants of the other flatted properties within the residential building of 12 Bush Terrace, Musselburgh and as such is contrary to part e) of Policy 30 of National Planning Framework 4 and Policy RCA1 of the adopted East Lothian Local Development Plan 2018.

The report on this application is attached to this Decision Notice and its terms shall be deemed to be incorporated in full in this Decision Notice.

Details of the following are given in the application report:

- the terms on which the Planning Authority based this decision;
- details of any variations made to the application in terms of Section 32A of the Town and Country Planning (Scotland) Act 1997.

The plans to which this decision relate are as follows:

<u>Drawing No.</u>	<u>Revision No.</u>	<u>Date Received</u>
DWG 01	-	30.10.2023
DWG 02	-	03.11.2023

**21st December 2023**



Keith Dingwall  
Service Manager - Planning

## NOTES

If the applicant is aggrieved by the decision to refuse permission for the proposed development, the applicant may require the planning authority to review the case under section 43A of the Town and Country Planning (Scotland) Act 1997 within three months from the date of this notice. The notice of review should be addressed to the Clerk to the Local Review Body, Committee Team, Communications and Democratic Services, John Muir House, Haddington, East Lothian EH41 3HA.

If permission to develop land is refused or granted subject to conditions and the owner of the land claims that the land has become incapable of reasonably beneficial use in its existing state and cannot be rendered capable of reasonably beneficial use by the carrying out of any development which has been or would be permitted, the owner of the land may serve on the Planning Authority a purchase notice requiring the purchase of the owner of the land's interest in the land in accordance with Part 5 of the Town and Country Planning (Scotland) Act 1997.

**From:** [Raselli, Gail](#)  
**To:** [Environment Reception](#)  
**Subject:** FW: 23/01289/P-James Allan - Planning Consultation  
**Date:** 09 November 2023 14:14:13  
**Attachments:** [REDACTED]

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To whom it may concern

There is nothing on the ASB register for this address.

Thanks,  
Gail

-----Original Message-----

From: Black, Kenneth [REDACTED]  
Sent: 08 November 2023 13:42  
To: Raselli, Gail [REDACTED]  
Subject: FW: 23/01289/P-James Allan - Planning Consultation

GR  
Can you check.  
Thanks  
Kenny

-----Original Message-----

From: environment@eastlothian.gov.uk <environment@eastlothian.gov.uk>  
Sent: 08 November 2023 13:21  
To: Black, Kenneth [REDACTED]; [REDACTED]  
Subject: 23/01289/P-James Allan - Planning Consultation

Please see attached document in relation to the following application: Change of use of flat to short term holiday let (Retrospective) at 12D Bush Terrace Musselburgh  
EH21 6DF

**From:** [Baird, Elaine](#)  
**To:** [Environment Reception](#)  
**Subject:** RE: 23/01289/P-James Allan - Planning Consultation [OFFICIAL]  
**Date:** 08 November 2023 14:49:57

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**CAUTION:** This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

**OFFICIAL**

Good afternoon

Address checked over the past 3 years and no police incidents recorded.

Many thanks

Elaine

-----Original Message-----

From: environment@eastlothian.gov.uk [<mailto:environment@eastlothian.gov.uk>]  
Sent: 08 November 2023 13:21  
To: [REDACTED]  
Subject: 23/01289/P-James Allan - Planning Consultation

Please see attached document in relation to the following application: Change of use of flat to short term holiday let (Retrospective) at 12D Bush Terrace Musselburgh  
EH21 6DF

\*\*\*\*\*  
\*\*\*\*\*

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\*\*\*\*\*

**From:** [Clark, Colin - FHO](#)  
**To:** [Environment Reception](#)  
**Cc:** [Allan, James](#)  
**Subject:** RE: 23/01289/P-James Allan - Planning Consultation  
**Date:** 10 November 2023 09:20:25

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I refer to your email of 08<sup>th</sup> November 2023 in connection with the above and would advise as follows.

While the normal use of a property would not result in loss of amenity to neighbours, the use of properties for short-term holiday let can result in future guests in the accommodation misusing and abusing the property in a manner that is antisocial and can result in significant impact upon amenity of neighbours. Environmental Health cannot assume such ASB will arise however, and cannot impose any enforceable conditions to protect amenity of neighbours.

East Lothian Council will have to determine whether or not any such future proposals are acceptable having regard to existing planning policy which may need to be revised to address this situation. I would suggest that you also consult with the Safer Communities Team in the event they may wish to comment further.

Regards

Colin Clark | Senior Environmental Health Officer, Public Health & Environmental Protection | Protective Services | East Lothian Council | John Muir House | Haddington | EH41 3HA | Tel. 01620 827443 [REDACTED] Email. [cclark1@eastlothian.gov.uk](mailto:cclark1@eastlothian.gov.uk) | Visit our website at [www.eastlothian.gov.uk](http://www.eastlothian.gov.uk)

-----Original Message-----

From: Environmental Health/Trading Standards <[ehts@eastlothian.gov.uk](mailto:ehts@eastlothian.gov.uk)>  
Sent: 08 November 2023 13:57  
To: [REDACTED]

Subject: FW: 23/01289/P-James Allan - Planning Consultation

-----Original Message-----

From: [environment@eastlothian.gov.uk](mailto:environment@eastlothian.gov.uk) <[environment@eastlothian.gov.uk](mailto:environment@eastlothian.gov.uk)>  
Sent: 08 November 2023 13:21  
To: Environmental Health/Trading Standards <[ehts@eastlothian.gov.uk](mailto:ehts@eastlothian.gov.uk)>  
Subject: 23/01289/P-James Allan - Planning Consultation

Please see attached document in relation to the following application: Change of use of flat to short term holiday let (Retrospective) at 12D Bush Terrace Musselburgh EH21 6DF



## PLANNING APPLICATION RESPONSE – SHORT TERM HOLIDAY LETS

*The following observations represent the comments of the consultee on the submitted application as they relate to the area of expertise of that consultee and on the basis of the information provided. A decision on the application can only be made after consideration of all relevant information, consultations and material considerations.*

**Planning application reference** – 23/01289/P

**Proposal** – Change of use of flat to short term holiday let (Retrospective)

**Location** – 12D Bush Terrace, Musselburgh, EH21 6DF

**Planning Officer** – James Allan

### ECONOMIC DEVELOPMENT POLICY BACKGROUND

The East Lothian Community Planning Economic Development Strategy 2012-22 was adopted by East Lothian Council on 9<sup>th</sup> October 2012 and the mid-term refresh was concluded December 2018. Economic development is a key priority for East Lothian and is at the forefront of The East Lothian Partnership Plan 2017-27. The Economic Development Strategy 2012 to 2022 is a reflection of the priority placed on economic development and acts as a guiding framework for future activities. The Strategy is being reviewed and renewed during 2023 and continues to be in effect during that process. It sets out clear strategic direction and is the foundation of the vision set out in the East Lothian Plan of:

*Working in partnership to achieve an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy that enables our people and communities to flourish.*

To help achieve the vision, *two major strategic goals* have been set:

- To increase the proportion of East Lothian residents working in and contributing to East Lothian's economy.
- To increase the number of businesses in East Lothian with growth potential.

The two strategic goals are underpinned by five key objectives:

- To be the best place in Scotland to set up and grow an innovative business.
- To be Scotland's leading coastal, leisure and food & drink destination.
- To explore and develop regional opportunities to support economic development and to encourage study, work and spend in East Lothian.
- To provide high quality employment pathways for East Lothian's workforce.
- To become Scotland's most sustainable and digitally-connected local economy.

## EAST LoTHIAN COUNCIL ECONOMIC DEVELOPMENT AND REGENERATION

### Short Term Holiday Lets in East Lothian

Tourism is a mainstay of the East Lothian economy employing 10% of the workforce (3,075 FTE jobs). Overnight visitors contributed a total of £155m to the local economy in 2021, of that £60.1m was by visitors staying in local non-serviced accommodation. The majority of visitors to East Lothian are repeat visitors, 81%. The 2021 figures show significant negative impact following COVID-19 and taken in isolation are not representative of the value of tourism to the East Lothian economy in 'normal' times. Below we have used the figures from 2019 which was the last pre-COVID-19 year for the sector.

Short term holiday lets, whether flats or houses, are classed as non-serviced accommodation. Stays in this type of accommodation have become increasingly popular in recent years. In 2003, 6% of visitors stayed in a rented house or flat, rising to 30% in 2021. Other forms of accommodation have shown a fall in popularity over the same period, e.g. caravan parks, B&B/ guest houses, serviced apartments, and staying with friends / relatives. Most operators of short term holiday lets in East Lothian are small or micro businesses. Hotel stays during this period have also risen, although there was drop from 20% of stays to 19% between 2018 and 2021 representing a switch to non-serviced accommodation over the COVID-19 period. It remains to be seen if this is a developing trend. Hotel accommodation, and especially accommodation in larger hotels, is limited in East Lothian, promotion to overnight visitors is therefore focused on independent travellers, and not on-group travel.

Accommodation available to visitors does not operate in isolation. It forms a crucial part in the overall experience and destination offer. It is also the case that an increasing number of those staying in East Lothian's serviced and non-serviced accommodation are in the area for work. Significant numbers of workers visit the area regularly in association with the operation and maintenance of Torness Power Station and the Viridor Energy Recovery Facility as well as major sporting events e.g. golf tournaments. Over the next 10-15 years significant new projects to develop electricity grid connections for renewable energy and the decommissioning of Torness are anticipated to place high demand on local accommodation, and there is a risk that this may reduce the number of overnight stays by tourists to the area due to a shortage of beds. Any loss of bed stocks will negatively impact on many sectors that rely on the visitor economy including food and drink, retail, attractions, and activities.

Analysis commissioned by the Economic Development Service of the economic impact of non-serviced accommodation in East Lothian is detailed below. This is based on analysis of economic data from 2019, the last year not to have been impacted by COVID-19.

<b>2019</b>	<b>Total Accommodation</b>	<b>Total Excluding Shared Access NSA</b>	<b>Impact of Removing Shared Access NSA</b>
Number of NSA Establishments	203	114	-89
Number of NSA Bedspaces	6,111	5,495	-616
NSA Visitor Numbers	130k	110k	-20k
NSA Visitor Days	853k	721k	-132k

## EAST LoTHIAN COUNCIL ECONOMIC DEVELOPMENT AND REGENERATION

Direct Economic Impact	£210m	£200m	-£10m
Indirect Economic Impact	£69m	£65m	-£4m
<b>Total Economic Impact</b>	<b>£279m</b>	<b>£265m</b>	<b>-£14m</b>
VAT Revenue	£35m	£33.4m	-£1.6m
NSA Direct Employment (FTEs)	1,007	740	-267
Total Employment (FTEs)	4,434	4,104	-330

There are 89 NSA units in the data set that contribute 616 bedspaces of local accommodation. The total annual economic impact of those as short term holiday lets is £14m, or £140m over the next ten years (at 2019 rates). Those 89 short term lets support 330FTE jobs in East Lothian. Each bedspace in an NSA short term let provides around £22,727 of annual economic benefit and supports 0.5FTE jobs in East Lothian.

The impact of removing flats, studio flats, and apartments from non-serviced accommodation bedstock is evident. Fewer staying visitors would be able to stay within the area; the estimated drop in staying visitor numbers is 20,000 with a corresponding drop of 132,000 visitor days. Visitor days take into account those visitors who stay at any destination for more than a day. For example, if a family of five stay three nights, they will not only account for five visitors, but also fifteen visitor days.

The drop in staying visitors would have a corresponding effect on the economic impact of visitors to the area, reducing direct expenditure related to NSA by £10m, and by conservatively taking the wider supply chain into consideration, an overall total economic reduction of £14m to the visitor economy. The negative economic impact would further result in a reduction in VAT revenue of £1.6m. In 2019, the average NSA generated c£86k towards the local visitor economy, buoyed up by the use of the sector by golfers, especially during major golfing competitions.

The above reductions in bedstock and estimated staying visitor numbers would not only impact visitor expenditure and total economic impact, but also employment related to servicing and maintaining 89 properties if removed from accommodation bedstock. Should that happen, there is an estimated direct loss of 267 FTE jobs. Conservatively taking into account the supply chain and indirect employment, there is an estimated total loss of employment of 330FTE jobs within the wider tourism sector.

The needs of those seeking NSA are largely based on length of stay, and for staying visitors to East Lothian the current average length of stay in NSA 6.7 days, which suggests a high level of week-long rentals. It is therefore unlikely this segment of the visitor population would consider serviced accommodation for this length of stay due to cost and difference in amenities and independence, and would therefore seek accommodation out-with East Lothian, with the subsequent loss to the local visitor economy. The economic impact of visitors staying in the area for a week in NSA, far outweighs that of visiting the area as a day tripper- the average spend per person of those staying in NSA in 2019 was £97.44 per day, and £643.13 per stay; the average spend per day tripper was £52.52.

## **EAST LoTHIAN COUNCIL ECONOMIC DEVELOPMENT AND REGENERATION**

### **Context**

Economic Development has been asked to comment on the above application for change of use from a flat to a short-term holiday let in the context of National Planning Framework 4 Policy 30 (Tourism) Part e) development proposals for the reuse of existing buildings for short term holiday letting. The intent of Policy 30 is to encourage, promote and facilitate sustainable tourism development that benefits local people, is consistent with [Scotland's] net zero and nature commitments, and inspires people to visit Scotland. The intended outcomes of Policy 30 are for communities and places to enjoy economic, social and cultural benefits from tourism, supporting resilience and stimulating job creation.

The proposed short term let in question is ground -floor 3 bedspace flat located within Musselburgh and accessed via a communal entrance. The applicant has indicated that the property has been let on a short-term basis since 2017 and has been continually occupied over that period. .

The applicant has provided an example of how the property benefit the local economy: "This holiday let provides tourist accommodation for up to three people (one double bedroom, one single). Families cannot always afford hotel costs: one recent example is of a mother and daughter coming from Germany for a week. Hotel accommodation was going to cost them more than £1000. The flat is a cheaper option. Some guests come to work. These have included authors, performers at the Edinburgh Tattoo and the Festival Fringe, a film producer, a pantomime producer who was working at the Brunton Theatre, academics with short contracts at Queen Margaret University, golf professionals and enthusiasts wishing to visit East Lothian's Golf Coast and a driving instructor doing an advanced course. Some guests have relatives in the area and some are parents who have offspring at Queen Margaret University, whom they have come to visit. Some just come for a holiday. All of these guests have one thing in common: as it is self-catering accommodation, they spend money in the town. They also have leisure time, which they are as likely to spend in East Lothian as in Edinburgh. They therefore contribute to the local economy".

The applicant has indicated that if COU is not granted the property would be retained for use by family and friends, to allow their children to attend School in Musselburgh, and as possible future family residence.

Musselburgh is a popular historic market town known as 'The Honest Toun' and famed for golf and its racecourse. It has the oldest golf course in the world; Musselburgh Links dating from 1672. The Links, which is a former venue of golf's Open Championship, is the oldest continuously played golf course in the world and is now located in the middle of Musselburgh Racecourse. Musselburgh is the largest town in East Lothian and is next door to Edinburgh. It has a long High Street with a mixture of both local and well-known stores.

### **Economic Development Recommendation**

It is the view of the Economic Development Service that in terms of National Planning Framework 4 Policy 30 part e) ii. there are demonstrable local economic benefits delivered by

## EAST LoTHIAN COUNCIL ECONOMIC DEVELOPMENT AND REGENERATION

all types of short term holiday lets in East Lothian and that existing provision of this type of accommodation must be retained, protected, and supported where there is no demonstrable and unacceptable impact on local amenity, the character of the area, or loss of residential accommodation. Furthermore, new applications for short term lets should be supported and encouraged in order that East Lothian continues to expand its capacity to host overnight visitors.

In the above noted case the Economic Development Service supports the proposal for change to short term holiday let.

Reason(s):

- The operation of short-term holiday letting is a bonafide business activity that contributes to employment and economic benefit in East Lothian.
- There is a demonstrable economic benefit to having a wide range of accommodation types in East Lothian, with the tourism sector contributing £155m to the local economy in 2021 and supporting 10% of the workforce. Visitors staying overnight in non-serviced accommodation contributed £60.1m to the local economy in 2021, a figure which has been rising year on year. The majority of visitors to East Lothian are repeat visitors, 81%, and rely on good availability of high-quality accommodation year on year to facilitate this.
- Non- serviced accommodation (short term holiday lets) contributes positively to the local economy (£279m in 2019), this property accounts for 3 bedspaces and a potential annual economic impact of £68.181 and 1.5FTE jobs. We note that if the application is not granted the applicant intends to retain the property for personal use and would not let on a long-term basis or sell the property. This would result in a net loss to the local economy and no benefit in terms of additional housing.
- An increasing number of overnight stays in East Lothian are for work purposes, e.g. major events, servicing major infrastructure. This is expected to increase over the next 10-15 years as more nationally significant infrastructure is developed or decommissioned in East Lothian. In this context, the loss short term accommodation is likely to have significant negative impact on the local tourist economy in monetary and reputational terms.

This proposal supports the following strategic goals and objectives of the Economic Development Strategy 2012-2022:

- To be Scotland's leading coastal, leisure and food & drink destination.
- To explore and develop regional opportunities to support economic development and to encourage study, work and spend in East Lothian.

The proposal supports the intent and outcomes of National Planning Framework 4, Policy 30 (Tourism):

- To encourage, promote and facilitate sustainable tourism development that benefits local people, is consistent with [Scotland's] net zero and nature commitments, and inspires people to visit Scotland.

## **EAST LoTHIAN COUNCIL ECONOMIC DEVELOPMENT AND REGENERATION**

- Communities and places enjoy economic, social and cultural benefits from tourism, supporting resilience and stimulating job creation.

### Additional recommendation(s)

- That should the application be refused all bookings for 2023/24 should be allowed to be honoured by the applicant, subject to any requirement to obtain a short term let licence.

**Response author:** Jamie Baker, Service Manager, Economic Development **Date:** 20/11/2023

# EAST LoTHIAN COUNCIL: HOUSING STRATEGY & DEVELOPMENT

## PLANNING APPLICATION RESPONSE

### POLICY BACKGROUND

East Lothian Council's Housing Strategy and Development Service are consulted on planning applications to assess the loss in residential accommodation relating to the change of use from long term residential accommodation to short term holiday lettings.

In accordance with Policy 30 (Tourism) of the National Planning Framework 4:

*'e) Development proposals for the reuse of existing buildings for short term holiday letting will not be supported where the proposal will result in:*

- i. An unacceptable impact on local amenity or the character of a neighbourhood or area;*  
*or*
- ii. The loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits.'*

The Housing (Scotland) Act 2001 requires local authorities to prepare a Local Housing Strategy (LHS) for their area, supported by an assessment of housing need and demand. The Local Housing Strategy is the sole strategic document for East Lothian which brings together a wide range of housing priorities. The current priorities of the LHS 2018-2023 relevant to the change of use to short term lettings are:

- Priority 1: Sustainable and vibrant communities are created and maintained
- Priority 2: The supply of housing is increased and access to housing improved
- Priority 3: Homelessness is prevented as far as possible [...]

Housing to 2040 (H2040) is Scotland's long-term national housing strategy and has also been taken into account as part of this assessment. H2040 recognises that local authorities should be empowered

*'to strike a better balance between local housing need and the concerns of residents with that of the tourism industry, both of which are crucial to support thriving communities.'*

### LOCAL HOUSING CONTEXT

When considering a balanced approach between housing and tourism, the property types facing significant pressure in East Lothian and local housing demand by ward were analysed.

An affordable housing supply target of 189 units per annum (36%) and a market housing supply target of 330 (64%) were determined for East Lothian, according to the LHS 2018-2023.

East Lothian's housing stock is predominantly made up of private sector housing, with a substantial owner occupied sector. Owner-occupied homes account for 65.3%, private rented sector 11% and social housing accounts for 23.7% of all stock.

Almost a quarter (24%) of housing list applicants for social housing in East Lothian are made by households currently living in the PRS. There is a need for an increased supply in long term rental properties, particularly in the East of the county. PRS tenants seeking social rented housing in East Lothian are concentrated in North Berwick Coastal (36%), Haddington and Lammermuir (31%) and Dunbar and East Linton (27%).

Current available data shows that there is significant pressure on the supply of 1 and 2 bed properties in both the private and social sector:

- 1) 2 bed properties account for only 2.3% of new build homes in the private sector, compared to 3 and 4 bed homes which account for 40% respectively.

- 2) There is a projected increase of single and two adult households at 14.3% and 13.2% respectively compared to households with children which lies at 5%.
- 3) 80% of homelessness applications are single person households.
- 4) Single households are most affected by Unsuitable Accommodation Breaches.
- 5) Highest demand for 1-2 bed properties are in wards Musselburgh, Tranent/Wallyford/Macmerry and Preston/Seton/Gosford

East Lothian has an estimated unmet need of 430 wheelchair accessible homes and couple households had the biggest need of adaptable homes in 2020. In terms of population increase, those aged 75+ are expected to have the largest increase in population, at 32% and people aged 65 to 74 will also have a significant increase of 23.2%. This highlights East Lothian's ageing population who will most likely require smaller, accessible homes.

#### *Short Term Lets in East Lothian*

The now relatively out-of-date Census 2011 estimated that about 2% of all household spaces in East Lothian are second homes or holiday lets. However, when considering 'flat, maisonette or apartment in converted or shared house', it is estimated that 9% of those residential types are second residence/holiday lets. The LHS 2018-23 estimated that in 2017, 120 properties in East Lothian were short term lets, at which point short-term let properties were not considered problematic.

In 2022, Housing Strategy & Development commissioned Arneil Johnston to undertake research into the Private Rented Sector in East Lothian. This included an insight into the extent to which the PRS in East Lothian has been affected by the growth of Short Term Lets (STLs).

By taking a snapshot of available properties in October 2022, 387 STL vacancies were identified and analysed, with a focus on properties which could only be residential dwellings. This is a 222.5% increase from 2017.

The highest proportion of STL snapshot vacancies were in North Berwick Coastal area partnership (58%), followed by 19% in Dunbar & East Linton. Musselburgh had the lowest proportion of STLs (2%) along with Fa'side and Preston Seton Gosford (3.4%). The study shows that North Berwick Coastal has been impacted the most in terms of properties being taken out of the residential market, with 22% of the properties that could be long term residential, now functioning as STLs.

<b>Short Term Lets (STLs) by Area Partnership, Snapshot October 2022.</b>			
<b>Area Partnership</b>	<b>PRS</b>	<b>Number of STLs</b>	<b>% of STLs</b>
Dunbar & East Linton	914	76	20%
Fa'side	995	13	3%
Haddington & Lammermuir	1735	32	8%
Musselburgh	844	25	7%
North Berwick Coastal	836	225	58%
Preston Seton Gosford	636	13	3%
<b>Total</b>	<b>5960</b>	<b>387</b>	<b>100%</b>

Source: Arneil Johnston (2022) Research into the PRS in East Lothian

The increase in STLs can lead to a decrease in properties in the long-term rental market as landlords opt for STLs instead. This puts further pressure on an already stretched housing system, increasing long term rents as demand outstrips supply. Rents across East Lothian are already high with an average PRS rent of £1,041 per calendar month with rents in North Berwick (£1,162) being the highest in the region. Tourism often relies on low paid seasonal workers, if there is insufficient affordable housing for these employees there will not be a workforce to sustain the industry.



The private rented sector's contribution to reducing homelessness is important and cannot be understated. The LHS 2018-2023 introduced new policies supporting homeless applicants to find accommodation within the PRS. Recent reforms to the Private Residential Tenancy gives a series of rights to renters about when a landlord can evict a household. Where an individual wishes to convert an existing long term rented residential dwelling into a short term let, **the owners must clearly evidence** that the previous tenant

- has been evicted in accordance with the Private Housing (Tenancies) (Scotland) Act 2016; **and**
- was not made homeless as a result.

## **POLICY APPROACH**

When considering the evidence above, East Lothian has a high housing need and there is already a limited supply of residential rental properties. Therefore even a small number of dwellings converted to STLs could have a disproportionate impact on meeting housing need. This is contrary to the LHS 2018-2023 priorities which seek to create sustainable communities, improve the supply of housing and prevent homelessness.

Housing Strategy & Development Service **will not** favour planning applications::

- Where the property consists of a one bed or two bedroom; as originally built; particularly when located in wards Musselburgh, Tranent/Wallyford/Macmerry and Preston/Seton/Gosford; and/or
- Where the property is deemed as adaptable<sup>1</sup>: level access properties; ground floor properties; no internal steps; potential of wet floor shower adaptation; and/or
- Where the property is located within the North Berwick Coastal ward; and/or
- In cases of tenancy eviction; where meeting the Private Housing (Tenancies) (Scotland) Act 2016 has not been demonstrated.

Housing Strategy & Development **will** favour applications where:

- The proposed short term let is the host's principal home; and/or
- The proposed short term let is deemed as an established short-term secondary let property e.g. has been let for over 5 years from date of application; and/or
- The annual occupancy rate of the property is 6months or more; and/or
- Where the property is advertised to seasonal workers and other persons who would use the property as their principal home for a short term period.
- Where the property has been long term vacant prior to being used as a short term let.

Each case will be assessed based on its own merit and the interconnection of the different criterion mentioned will be weighted in each case.

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<sup>1</sup> A property is defined by East Lothian Council as being adapted or adaptable where it has a ground floor bedroom (or a room that can be used as a bedroom) and ground floor bathroom (or space to provide a bathroom within the existing footprint of the property) and can be ramped to provide level access.)

## **HOUSING STRATEGY & DEVELOPMENT RESPONSE**

**Planning application reference – 23/01289/P**

**Proposal – Change of use to short term holiday let (Retrospective)**

**Location – 12D Bush Terrace, Musselburgh, EH21 6DF**

**Planning Officer – James Allan**

Housing Strategy has been asked to comment on the approval of the change of use of 12D Bush Terrace, Musselburgh, EH21 6DF to a short term holiday let. The proposal is a first application for planning permission for short-term letting of a fully furnished property. 12D Bush Terrace has been marketed as a holiday let since August 2017. On average, in 2022 and 2023 the property has been let for over 6 months. The ground floor property is considered adaptable.

The Housing Strategy & Development Service do not object the proposal set out in the above note application.

Reason(s):

The change in use of this property from a long term residential dwelling to a short term let is not considered a significant loss because:

- Although this property is a 2-bedroom flat in Musselburgh, the property is a long term established short term flat since 2017; and
- The property has been let and is open to be let by seasonal workers; and
- The occupancy rate of the property is over 6 months.

Please advise the applicant that, should planning permission be granted, then the letting of the property to seasonal workers is strongly recommended. Should planning permission not be granted, then the long term letting of the property would be a significant contribution to the housing system.

**Response author: Anne Kripler**

**Date: 22/11/2023**

## **National Planning Framework 4**

### **Part (e) of Policy 30 (Tourism)**

Development proposals for the reuse of existing buildings for short term holiday letting will not be supported where the proposal will result in:

- i. An unacceptable impact on local amenity or the character of a neighbourhood or area;  
or
- ii. The loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits.

## **Adopted East Lothian Local Development Plan 2018**

### **Policy RCA1 (Residential Character and Amenity)**

The predominantly residential character and amenity of existing or proposed housing areas will be safeguarded from the adverse impacts of uses other than housing. Development incompatible with the residential character and amenity of an area will not be permitted. Proposals for new development will be assessed against appropriate local plan policies. In the case of infill, backland and garden ground development, this will include assessment against Policy DP7.

### **Policy T2: General Transport Impact**

New development must have no significant adverse impact on:

- Road safety;
- The convenience, safety and attractiveness of walking and cycling in the surrounding area;
- Public transport operations in the surrounding area, both existing and planned, including convenience of access to these and their travel times;
- The capacity of the surrounding road network to deal with traffic unrelated to the proposed development; and
- Residential amenity as a consequence of an increase in motorised traffic.

Where the impact of development on the transport network requires mitigation this will be provided by the developer and secured by the Council by planning condition and / or legal agreement where appropriate.

**SUGGESTED SCHEDULE OF CONDITIONS – REVIEW AGAINST REFUSAL OF PLANNING APPLICATION  
BY THE LOCAL REVIEW BODY – 23/01289/P**

Should the Local Review Body be minded to uphold the review it is respectfully requested that planning permission be granted subject to the following conditions:

1. The property shall be let for overnight occupation by a maximum of three persons at any one time.

Reason: To ensure that the terms of the lets protect occupants of nearby residential properties from noise/disturbance.

2. A register of the date and number of occupants for each let shall be maintained for the property by the owner/letting agent and shall be available at all reasonable times for inspection, on request, by the Planning Authority.

Reason: To ensure compliance with condition 1.