

E: shorttermlets@gov.scot

8 September 2022

Dear Industry Advisory Group Members,

SHORT-TERM LETS: GUEST HOUSES

We are aware that there have been questions raised as to whether or not guest houses require a short-term let licence – specifically, those with planning consent within Use Class 7 of the Use Classes Order.

It may be helpful to set out first of all that the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 (the “Licensing Order”) does not exempt accommodation because it is in a particular use class (of the Town and Country Planning (Use Classes) (Scotland) Order 1997) for planning purposes.

Therefore some, but not all, accommodation listed in Use Class 7 is exempt from short-term let licensing. Schedule 1 of the Licensing Order lists this accommodation as

- a hotel, which has planning permission granted for use as a hotel
- a hostel

In addition, the following exemption will also be relevant to some Use Class 7 premises (including hotels and guest houses):

- premises in respect of which a premises licence within the meaning of section 17 of the Licensing (Scotland) Act 2005 has effect and where the provision of accommodation is an activity listed in the operating plan as defined in section 20(4) of the 2005 Act

Guest houses were originally listed as excluded accommodation in a previous version of the Licensing Order laid in December 2020. However, in response to feedback to this draft Order we subsequently removed guest houses from the list of excluded accommodation and

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undertook further public consultation on this in June 2021. This reflected that, as they can be variants of home sharing, guest houses should not be automatically excluded. Further information is set out in the 2021 consultation paper (item 1 in table 2 at page 12): [Short term lets - draft licensing order and business and regulatory impact assessment \(BRIA\): consultation - gov.scot \(www.gov.scot\)](#).

Unless otherwise excluded by any of the criteria set out in Schedule 1 of the Licensing Order, use class 7 premises are therefore within scope of the definition of a short-term let in the Order laid in November 2021 and approved by the Scottish Parliament in January 2022.

The above information has been circulated to licensing authorities to clarify this matter for the purposes of determining whether or not accommodation is captured by any of the exclusions set out in Schedule 1 of the Licensing Order.

We will monitor the application of this as part of the review already announced for 2023.

Yours sincerely

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