

## Section 4 Integrated Impact Assessment

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### Summary Report Template

Each of the numbered sections below must be completed

Interim report		Final report	X	(Tick as appropriate)
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**1. Title of proposal**

City of Edinburgh Council Short Term Lets Licensing Policy

**2. What will change as a result of this proposal?**

On March 2022, the Civic Government (Scotland) Act 1982 (Licensing of Short Term Lets) Order 2022 (the 2022 Order) was enacted to introduce new powers for local authorities to regulate short term lets through the introduction of a licensing scheme under the provisions of the Civic Government (Scotland) Act 1982 (the 1982 Act).

As a result of the introduction of this mandatory legislation, all short term lets, unless exempt, will require to be licensed. The licensing scheme includes a new mandatory safety requirement that will cover every type of short term let to ensure a safe, quality experience for visitors. It will also include a 'fit and proper' person test to assess whether the applicant is suitable to hold such a licence, as with all other types of licensable activities under the 1982 Act. The Council also has the discretion to apply further appropriate conditions to address any local concerns. Some operators will also be required to demonstrate that they have planning permission in order to be considered for a licence.

**3. Briefly describe public involvement in this proposal to date and planned**

The Council has engaged in public consultation throughout the process of developing a licensing policy for short term lets. On 31 March 2022, the Regulatory Committee instructed officers to carry out a two-stage consultation exercise on this issue.

An initial consultation was carried out from 15 April to 10 June 2022, in order to gain a broader understanding of community and business views in relation to what a short term let licensing policy should include and whether the Council should adopt any discretionary powers. 1902 responses were received.

Following consideration of those responses, a draft statement of licensing policy was developed. Subsequently, a second round of public consultation was carried out between 25 July and 5 September 2022 to seek views on the draft policy. This round of consultation received 1039 responses.

Both rounds of consultation were advertised on the Council's website and Twitter accounts. Furthermore, key stakeholders including trade bodies, online accommodation platforms, community council's and House of Multiple Occupancy licence holders and agents were contacted directly or through the Scottish Government's Short Term Lets Working Group, to inform them of the proposed policy and related consultations.

**4. Is the proposal considered strategic under the Fairer Scotland Duty?**

No.

**5. Date of IIA**

20 September 2022

**6. Who was present at the IIA? Identify facilitator, lead officer, report writer and any employee representative present and main stakeholder (e.g. Council, NHS)**

<b>Name</b>	<b>Job Title</b>	<b>Date of IIA training</b>
<b>Christopher McKee Co-facilitator Lead officer Report Writer</b>	<b>Regulatory Team Leader Facilitator Lead officer Report Writer</b>	
<b>Catherine Scanlin</b>	<b>Licensing Manager</b>	
<b>Jackie McInnes Co-facilitator</b>	<b>Senior Planning Officer</b>	<b>25 April 2018 3 May 2018 20 June 2018 5 September 2018 8 November 2018 9 March 2022</b>
<b>Gordon Hunter</b>	<b>Regulatory Officer</b>	<b>2015</b>
<b>Morag Leck</b>	<b>Principal Solicitor - Licensing</b>	<b>15 November 2018</b>

## 7. Evidence available at the time of the IIA

Evidence	Available – detail source	Comments: what does the evidence tell you with regard to different groups who may be affected and to the environmental impacts of your proposal
Data on populations in need	Yes <ul style="list-style-type: none"> <li>• Consultation Responses</li> </ul>	The consultation responses gave data on respondents ethnic group or background, sexual orientation, age, national identity, gender, religion, religious denomination or body
Data on service uptake/access	Yes <ul style="list-style-type: none"> <li>• Consultation Responses</li> </ul>	Information on the service uptake/access to STL accommodation, through online platforms, could be considered commercially sensitive and therefore the Council has not been able to access this information. However, the consultation process has resulted in information being received from the following groups: Customers STL Operators STL Online Booking Platforms Tourism Trade Bodies Neighbours / Residents Community Councils
Data on socio-economic disadvantage e.g. low income, low wealth, material deprivation, area deprivation.	Yes <ul style="list-style-type: none"> <li>• Consultation Responses</li> </ul>	Information received during the consultation process from STL operators, STL online platforms, and Tourism bodies stated that by introducing a licensing policy which restricts STL accommodation from operating would result in a loss of income for a number of people, including operators, business which serve STLs such as cleaners, and the wider tourism economy in Edinburgh as a whole. This would create a socio-economic disadvantage for those groups and any dependents.
Data on equality outcomes	Yes <ul style="list-style-type: none"> <li>• Equal Opportunities: Impact of Short-Term Regulations</li> </ul>	There is some evidence to suggest that women may be more likely to be involved in short-term letting than men.  There is some evidence to suggest that those employed in the tourism and

	<p>on Women – ASSC</p> <ul style="list-style-type: none"> <li>• Frontline (2017) Self-catering in Scotland: the economic impact of Short-term letting on the Scottish Economy. Association of Scotland’s Self Caterers</li> </ul>	<p>related services may be adversely affected economically by a licensing scheme being introduced</p> <p>There is some evidence to suggest that a number of small, local businesses serve the STL industry. Families and those with specific needs are key users of STLs.</p>
<p>Research/literature evidence</p>	<p>Yes</p> <ul style="list-style-type: none"> <li>• Rettie &amp; Co – Analysis of the Impact of the Edinburgh Short Term Rental Market – 16 July 2018</li> <li>• The City of Edinburgh Council’s Response to the Scottish Government’s Consultation on Short Term Lets – 2019.</li> <li>• Short term lets: licensing scheme and planning control area legislation Business and Regulatory Impact Assessment (BRIA), Scottish</li> </ul>	<p>The Business and Regulatory Impact Assessment, prepared by the Scottish Government in relation to the introduction of a STL licensing scheme, identifies a range of benefits and costs to a wide range of groups.</p> <p>Reports prepared by the Scottish Government highlights issues with STLs. This includes impacts on:</p> <ul style="list-style-type: none"> <li>• Affordability and availability of housing;</li> <li>• Residential amenity as a result of anti-social behaviour, noise and other nuisance;</li> </ul> <p>An equalities impact assessment was carried out as part of the Scottish Government’s consultation report in 2020 which stated there are no potentially negative impacts to equality groups as a result of the introduction of a STL licensing scheme.</p> <p>Some consultation responses have referred the Committee to existing research and literature on a range of issues including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Impact of STL licensing scheme on local businesses and wider tourist economy.</li> </ul>

	<p>Government, November 2021.</p> <ul style="list-style-type: none"> <li>• Consultation Responses</li> <li>• Short Term Lets Impacts on Communities, Scottish Government, October 2019.</li> <li>• Report to Corporate Policy and Strategy Committee, 7 August 2018, Short Term Letting in Edinburgh</li> <li>• Consultation Report on Proposals for a Licensing Scheme and Planning Control Areas for short-term lets in Scotland – Scottish Government – December 2020.</li> <li>• Report to Planning Committee, 23 February 2022 – Short-Term Let Area of Control Designation.</li> </ul>	<ul style="list-style-type: none"> <li>• Impact of self-catering sector to the Scottish economy.</li> <li>• Impact of STL sector on communities</li> </ul> <p>The titles and links to the above research and literature are included in the responses to the consultation.</p>
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Public/patient/client experience information	Yes	
Evidence of inclusive engagement of people who use the service and involvement findings	Yes	<p>During the public consultation exercises, information has been provided from those who work in the STL trade, including operators and trade organisations, and those who have identified themselves as customers/users of STL accommodation. To encourage participation, the public consultations were open to all interested parties to contribute.</p> <p>Two separate rounds of public consultation were held, totalling 14 weeks, in order to provide a detailed and robust evidence base from which to inform any decision making.</p>
Evidence of unmet need	No	<p>The consultation process did not produce evidence of significant unmet demand for STL accommodation.</p> <p>However, some responses highlighted that during certain periods of the year, there is significant demand for STL properties.</p>
Good practice guidelines	Yes	<p>In forming a STL licensing policy, the Council has referred closely to the Scottish Government's guidance for 'Short Term Lets in Scotland Licensing Scheme'.</p> <p>Some respondents to the consultation process also highlighted existing good practice guides which are used by some within the STL sector already.</p>
Carbon emissions generated/reduced data	No	
Environmental data	No	
Risk from cumulative impacts	No	
Other (please specify)		The approach and decisions of other Scottish local authorities in relation to implementing a STL licensing policy, were considered as part of this process.
Additional evidence required	No	No

**8. In summary, what impacts were identified and which groups will they affect?**

<b>Equality, Health and Wellbeing and Human Rights</b>	<b>Affected populations</b>
<p><b>Positive</b></p> <p>The introduction of a licensing scheme and licensing policy specific to Edinburgh, will bring all accommodation used for short-term letting into the licensing system. This will allow all groups to participate in the licensing process.</p> <p>The introduction of a licensing scheme and associated policy for STLs will help to improve the safety of STL accommodation through mandatory and additional licence conditions framework.</p> <p>The STL licensing scheme and licensing policy will provide a transparent decision-making process and improve the feeling of control over what happens in local communities.</p> <p>The STL licensing scheme and licensing policy may lead to an overall reduction in the number of STL accommodation. This may have a positive impact by increasing housing availability and may make housing more affordable.</p> <p>May improve feelings of community and personal safety (e.g., unknown and frequently changing occupants, noise and anti-social behaviour) through knowledge that appropriate scrutiny of STL accommodation has taken place through licence application process.</p> <p>Would allow the approved licensing policy to be applied in order to determine the appropriateness of STL accommodation</p> <p>Some groups may experience a more pleasant residential environment through regulation of STL accommodation</p> <p>The introduction of a STL licensing scheme may improve access to the housing market for some people or groups if the total number of STL properties is reduced.</p> <p><b>Negative</b></p> <p>Requirement to engage in the licensing process may be seen as a barrier to some people or groups.</p>	<p>All groups</p>

<p>The introduction of a STL licensing scheme and policy could lead to a financial impact on operators, hosts and those persons/groups or businesses which service the STL sector.</p> <p>The introduction of a STL licensing scheme and policy could have a negative impact on people's ability to use their property in a particular manner.</p> <p>The introduction of a STL licensing scheme and licensing policy could lead to a reduction in the number of STL accommodation in Edinburgh. This could negatively impact the requirement for certain services, such as cleaning and laundry services, thus affecting local employment and well-being.</p>	
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<p><b>Environment and Sustainability including climate change emissions and impacts</b></p> <p><b>Positive</b></p> <p>If the introduction of a STL licensing scheme and associated licensing policy leads to an overall reduction in the number of STL accommodation, this may result in less travel to Edinburgh by air, road or other means of transport, thus reducing carbon emissions.</p> <p>The introduction of a STL licensing scheme and associated policy may have a positive impact on noise pollution and other disturbances as a result of the STL licence conditions framework.</p> <p>The introduction of a STL licensing scheme and policy may have a positive impact on residential amenity as it would require STL premises to have adequate facilities for the storage and disposal of refuse.</p> <p><b>Negative</b></p> <p>The licensing scheme and associated policy may push STL accommodation out with the Council area, thus increasing the amount of travel to and from the city. This could lead to an increase in carbon emissions.</p> <p>The licensing scheme and associated policy may impact on the quality of housing and appearance of areas if operators or hosts are no longer generating income from STL use, thus creating a lack of incentive for them to maintain the accommodation.</p>	<p><b>Affected populations</b></p> <p>All groups</p>
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<p>The licensing scheme and associated policy may result in properties becoming vacant due to operators not being successful in obtaining a STL licence.</p>	
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<p><b>Economic</b></p> <p><b>Positive</b></p> <p>If the introduction of a STL licensing scheme and associated licensing policy leads to an overall reduction in the number of STL accommodation in Edinburgh, this could lead to operators being able to charge more for their STL accommodation due to higher demand.</p> <p>A reduction in visitor numbers to the city may lead to some services and resources being more focused on meeting the needs of residents in the city.</p> <p>The requirement to obtain a licence could lead to an increase in demand for licensing consultancy services.</p> <p>The introduction of a STL licensing scheme and policy may give visitors confidence that STL accommodation is regulated to an appropriate standard and lead to increased visitors to the city.</p> <p><b>Negative</b></p> <p>If the introduction of a STL licensing scheme and associated licensing policy leads to an overall reduction in the number of STL accommodation in Edinburgh, this could lead to higher costs for visitors. This could lead to a decrease in the number of tourists and visitors to Edinburgh.</p> <p>A reduction in the number of STL accommodation, as a result of the STL licensing policy, could have an impact on businesses which serve the STL sector. E.g., cleaning and laundry services.</p> <p>A reduction in the number of STL accommodation, as a result of the STL licensing policy, has the potential to negatively impact the tourism economy (including restaurants, theatres, licensed premises, gig economy venues etc) in Edinburgh. A reduction in numbers of visitors to Edinburgh may affect employment opportunities for residents and create a socio-economic</p>	<p><b>Affected populations</b></p> <p>All groups</p>
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disadvantage, which would not only impact on the worker and any other staff but also any family members who are dependent upon their income. The continuing increases to the cost of living (e.g. fuel, food & energy costs), at the time of writing, was also noted and that any loss of income would exacerbate any cost increases for those affected.

As a result of the licensing scheme and associated policy, existing operators of STL accommodation may have to make significant changes to their property and operation, resulting in high financial costs.

As a result of the licensing scheme and associated policy, STL businesses may be forced to close. This would lead to a loss of income for operators, employees and those who service the industry.

If a STL licensing scheme and associated licensing policy places restrictions on operators ability to trade, it may affect their ability to earn income through use of their property as a STL. This would create a socio-economic disadvantage.

If a STL licensing system and associated policy results in an overall reduction of STL properties, this could result in a fall in demand for licensing consultancy services.

If a STL operator is unable to obtain a STL licence, this could have a negative effect on the terms of the mortgage arrangements for their property.

**9. Is any part of this policy/ service to be carried out wholly or partly by contractors and if so how will equality, human rights including children's rights, environmental and sustainability issues be addressed?**

**No**

**10. Consider how you will communicate information about this policy/ service change to children and young people and those affected by sensory impairment, speech impairment, low level literacy or numeracy, learning difficulties or English as a second language? Please provide a summary of the communications plan.**

The Licensing Service currently deals with customers from a range of backgrounds. This includes those affected by sensory impairment, speech impairment, low level literacy or numeracy, learning difficulties or English as a second language.

As set out in the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022, the Council must introduce a licensing scheme for STLs from 1 October 2022. When the Regulatory Committee agree the STL policy, the licensing service will communicate this in a number of ways. All respondents to the consultation who indicated that they would be happy to be contacted again in relation to STLs, will be written to in order to inform them of the decision along with information on the agreed STL licensing policy, conditions framework and any other appropriate information. Furthermore, the Committee's decision will be communicated using the Council's and Licensing Service's social media accounts in addition to updates being placed on the Council's website. The Licensing Service will also include information of the Committee's decision to those who have signed up for regular email updates in relation to STL licensing. The decision will also be communicated to Community Councils and other stakeholders such as trade or tourism organisations, community groups and online booking platforms.

Where customers require further support to access information in respect of STL licensing, the licensing service will make the necessary reasonable adjustments to cater for this. For example, translators can be provided for those customers whose primary language is not English and who have difficulty understanding this information.

**11. Is the plan, programme, strategy or policy likely to result in significant environmental effects, either positive or negative?** If yes, it is likely that a [Strategic Environmental Assessment](#) (SEA) will be required and the impacts identified in the IIA should be included in this. See section 2.10 in the Guidance for further information.

No.

**12. Additional Information and Evidence Required**

If further evidence is required, please note how it will be gathered. If appropriate, mark this report as interim and submit updated final report once further evidence has been gathered.

At this stage, it has not been established that any additional information of evidence is required. Should the Regulatory Committee request further information, this will be provided.

**13. Specific to this IIA only, what recommended actions have been, or will be, undertaken and by when? (these should be drawn from 7 – 11 above) Please complete:**

<b>Specific actions (as a result of the IIA which may include financial implications, mitigating actions and risks of cumulative impacts)</b>	<b>Who will take them forward (name and job title)</b>	<b>Deadline for progressing</b>	<b>Review date</b>
Include a copy of this IIA in the Regulatory Committee Report due	Chris McKee, Regulatory Team Leader		29 September 2022

to be considered on 29 September 2022			

**14. Are there any negative impacts in section 8 for which there are no identified mitigating actions?**

No

**15. How will you monitor how this proposal affects different groups, including people with protected characteristics?**

It is proposed that the STL licensing policy is reviewed annually, or more frequently, should circumstances require it. A review of the IIA and how the policy is affecting different groups, including those with protected characteristics, will form part of that work

**16. Sign off by Head of Service**

**Name – Peter Watton**

**Date – 23 September 2022**

**17. Publication**

Completed and signed IIAs should be sent to:

[integratedimpactassessments@edinburgh.gov.uk](mailto:integratedimpactassessments@edinburgh.gov.uk) to be published on the Council website [www.edinburgh.gov.uk/impactassessments](http://www.edinburgh.gov.uk/impactassessments)

**Edinburgh Integration Joint Board/Health and Social Care**

[sarah.bryson@edinburgh.gov.uk](mailto:sarah.bryson@edinburgh.gov.uk) to be published at [www.edinburghhsc.scot/the-ijb/integrated-impact-assessments/](http://www.edinburghhsc.scot/the-ijb/integrated-impact-assessments/)