

Agenda Item	10.ii
Report No	HC/16/22

HIGHLAND COUNCIL

Committee: Highland Council

Date: 30 June 2022

Report Title: Establishing a Short-Term Let Control Area for Ward 20:
Badenoch and Strathspey

Report By: Executive Chief Officer Infrastructure, Environment & Economy

1 Purpose/Executive Summary

- 1.1 This report informs Members of the outcome of the statutory consultation process for the establishment of a Short-Term Let Control Area for Ward 20 (Badenoch and Strathspey) which was agreed to be undertaken by the Economy & Infrastructure Committee (ECI) at its meeting on 2 December 2021.
- 1.2 The report also invites Members to determine, in light of the consultation responses, if they wish to submit the proposal to designate Ward 20 (Badenoch and Strathspey) as Short-Term Let Control Area to Scottish Ministers for formal approval.

2 Recommendations

- 2.1 Members are asked to:-
- i. note the new and emerging legislation to control and manage Short-term lets (STL) as summarised in Section 4;
 - ii. consider the consultation feedback and the potential implications that a STL Control Area will have on communities within Ward 20 (Badenoch and Strathspey) as set out in **Appendix 1** and summarised in Section 5; and
 - iii. Based on the consultation feedback and available evidence, agree to apply to Scottish Ministers to designate Ward 20 (Badenoch and Strathspey) as a Short-Term Let Control Area and to delegate authority to Officers to:-
 - a) submit the STL Control Area proposal to Scottish Ministers;
 - b) following the decision by Scottish Ministers bring back a further report to the Economy & Infrastructure Committee confirming the outcome and outlining the next steps, including the date of the commencement of the Control Area; and

- c) arrange a Member's workshop to discuss the differing planning policy options for considering and determining planning applications for secondary letting within the STL Control Area.

3 Implications

- 3.1 **Resource** – The work undertaken in progressing the STL Control Area for Ward 20 to date has been extensive and has involved a significant number of officers across a variety of services prioritising this work which has negatively impacted on other work streams.
- 3.2 Should the progression of the Badenoch & Strathspey STL Control Area be agreed the statutory process would have to be met from existing Service budgets and by existing staff resource.
- 3.3 The ongoing need to consider and determine STL planning applications within the STL Control Area will have an ongoing impact on performance, staffing and budgets. The Council will need to consider whether the additional fees generated can be utilised to support the resource needed to process these new applications.
- 3.4 **Legal** – The Council has the power under Section 26B of the Town & Control Planning (Scotland) Act 1997, as amended by the Planning (Scotland) Act 2019, to designate a STL Control Area.
- 3.5 **Community (Equality, Poverty and Rural)** – The aim of returning STL properties back into full-time residential units has the potential to increase the full-time rural population and increase housing supply which will support the equality of Highland rural areas. Conversely, the loss of tourist accommodation and the potential resultant loss of tourists could have a negative impact on businesses and incomes within the Control Area.
- 3.6 **Climate Change / Carbon Clever** – The anticipated outcome of returning STL properties back into full-time residential units will, arguably, reduce the need to build additional housing to satisfy full-time occupancy demand, thus reducing the need to develop Highland finite land resource and use finite building materials, in pursuance of the Council Climate & Ecological Emergency declaration. However, it might necessitate the development of additional 'tourist accommodation' to compensate for the loss of STL being moved back into full-time housing.
- 3.7 **Risk** - The risks (and benefits) of the STL Control Area for Ward 20 are explored in detail, as part of the body of this report.
- 3.8 **Gaelic** – No direct impacts.

4 Background and Context

- 4.1 Following Ward 20 Members concern over the number of dwelling houses within Badenoch and Strathspey being lost to secondary letting at the Highland Council meeting on 9 September 2021 at the specific request of Ward 20 Members, it was agreed that the Council would pursue the consideration of establishing a Short-term Let Control Area across Badenoch and Strathspey.
- 4.2 This detailed consideration of establishing this Short-term Let Control Area across Badenoch and Strathspey was undertaken at ECI Committee meeting on 2 December

2021, where a detailed report outlining the issue that secondary letting is having across Badenoch and Strathspey was presented. Members thereby agreed to advance to the formal consultation stage of the process.

- 4.3 This formal consultation ran for a 6-week period, from 31 January 2022 until 7 March 2022, via the Council online engagement software. The online consultation was also supported by a public information video outlining the issues around secondary letting and both the positive and negative implications establishing a Short-term Let Control Area could bring.
- 4.4 Officers also made direct contact via email, with all Community Councils within Ward 20, the main website organisations offering this type of accommodation and the main trade organisations. The engagement process was also aided by the Cairngorm National Park Authority who contacted local business partnerships.
- 4.5 During the six-weeks consultation period, a total of 332 responses were received, all are summarised in **Appendix 1** and the salient points are discussed in detail as part of the main body of this report.
- 4.6 Additionally, the engagement exercise asked for comments/feedback on the Council draft 'Statement of Reasons' for establishing the Short-term Let Control Area for Badenoch and Strathspey. Following feedback (which is again discussed in the main body of the report), an updated version of the Council Statement of Reason is contained in **Appendix 2**.

5 Review of Consultation Responses

- 5.1 As noted above, during the six-weeks consultation period, a total of 332 responses were received. Out of these 52% were from private individuals, 44% from Short-term let operators/management companies and the remainder were local businesses/business organisations/the National Park (9) and from Community Councils (5).
- 5.2 Given the near 50 / 50 split between local residents and STL Operators/management companies who responded to the consultation, it is unsurprising that the results are equally split at 45% each way as to whether the Council should establish a Short Term Let Control Area for Badenoch and Strathspey. The remaining 9% were unsure at the time of completing the survey.
- 5.3 Included in the above numbers, are responses from the Association of Scotland's Self-Caterers, Shepherd Wedderburn on behalf of Airbnb, the Cairngorm Business Partnership and the Cairngorm National Park Authority (CNPA). These responses are also included as part of the Summarised Consultation Responses at **Appendix 1**.
- 5.4 The majority in favour of the STL Control Area noted the likely outcome would be homes being returned to local full-time occupation, either for sale or long-term rental and at a price/availability suited to the local market. The results of this would safeguard the character of the locale, whilst creating more resilient local communities, where younger families could be based and employed locally.
- 5.5 The CNPA and many others broadly welcomed the STL CA proposal as one tool to manage housing pressures in the area, whilst noting a possible consequence of the STL CA is that properties, which have been historically used for secondary letting might just become second homes that are used less often and therefore contribute less to the local economy.

- 5.6 On the other hand, those arguing against the creation of the STL Control Area state that the importance of secondary letting for the tourism sector in Badenoch & Strathspey is vastly undervalued and the restriction of supply and addition of further regulation will have a significant negative effect on the local tourist and employment markets.
- 5.7 Many respondents note that STL owners utilise the services of numerous local suppliers (including laundry services, window cleaners, gardeners, firewood suppliers, construction trades and food & drink suppliers), they invest heavily in their properties and the users of the properties spend significant monies locally visiting attractions, utilising local shops, cafes and services.
- 5.8 The Association of Scotland's Self-Caterers along with numerous other contributors highlighted that STL are a longstanding presence in Highland communities and provide an economic boost for local areas and enhance Scotland's tourist accommodation offering. Many of which are owned and operated by local people, thus providing them employment and a good income and, as such a Control Area risks impacting significantly on the very communities it is trying to help.
- 5.9 These contributors go on to note that parallels can therefore not be drawn with the proposed STL CA being advanced in Edinburgh (currently the only other Local Authority progressing a STL CA), as they argue such a large city has numerous other sources of employment and it is not primarily reliant on tourism as the main source of income, unlike Badenoch & Strathspey.
- 5.10 A high number of objectors, again including the Association of Scotland's Self-Caterers and Cairngorm Business Partnership raise the issue that the Council has not undertaken any specific economic impact assessment work as to the likely impacts the control of secondary letting within the Control Area will create. Whilst this assertion is correct, there is nothing preventing Member's deferring decision and commissioning such work if felt necessary.
- 5.11 Regardless, if the respondent supported or objected to the creation of the Control Area, an overriding theme was that the STL Control Area is just one small part of a wider housing policy and the housing issues in Ward 20 (and much of the UK) will only be solved by providing a mixture of new housing (both affordable and regular), more houses made available for long term lets and tourism organisations providing staff accommodation for seasonal workers rather than through the STL CA.
- 5.12 The issue of second homes was raised by both sides. However, the STL Control Area is limited to the control of secondary letting only and does not cover second homes, which accounts for about 10% of all homes across the B&S Housing Market Area. Furthermore, a number of objectors to the STL Control Area noted that it is likely the number of second homes within B&S will increase as a result of the STL Control Area, as a percentage of current secondary let homes are unlikely to transfer back into the open housing market and instead owners might retain them as 'second homes'.
- 5.13 The STL CA for Badenoch & Strathspey is being advanced at the request of the Local Ward 20 Members and was agreed at the Council meeting on 9 September 2021 and currently the Council is not working to progress a Control Area elsewhere within the Council area. Under Section 26B of the Town & Control Planning (Scotland) Act 1997, as amended by the Planning (Scotland) Act 2019 (the 1997 Act) the Scottish Government has given planning authorities the power to designate '...all or part of their

area as one or more (short term let) control area...' and therefore, there is no barrier to establishing a Control Area limited to Ward 20: Badenoch & Strathspey.

- 5.14 With regards to the Council draft Statement of Reasons, 48% of respondents agreed with the Statement of Reason (SofR), whilst 51% did not agree with it. Again, the main objections to the SofR relates to the economic value that secondary letting in terms of tourist overall spend contributes to the local economy and the fact that adding additional regulatory process to the STL market, especially given the commencement of the STL licensing scheme in October 2022 will not increase the availability of housing for the local market.
- 5.15 Conversely the respondents who supported the SofR, were of the opinion that it was balanced and proportionate and the STL CA would help to resolve some of the issues around housing supply within Badenoch & Strathspey.
- 5.16 Most contributors who had concerns over the SofR, which include Airbnb, the Association of Scotland's Self-Caterers and the Cairngorm Business Partnership have grave concerns over the evidence base the project is being progressed upon, Noting the evidence is 'Qualitative' and is not specific to secondary letting and instead relates to a wider 'tourist accommodation' and/or 'second home' market. As such, they argue the Council's own evidence does not justify the promotion of a STL CA.
- 5.17 The response from Airbnb goes on to note that the previous Committee Report '...fails to consider projected stock increase in the Area and whether that is likely to address need and demand without the need for the introduction of a Control Area...this information is readily available through the Council's Housing Land Audit and also through the recently published Housing Need and Demand Assessment 2020..' with the same respondent noting that the Council's Housing Land Audit concludes that '...existing planned developments provide an adequate supply of available housing land across the Highland area...'
- 5.18 At the time of the previous report to Committee the HNDA & HLA were not approved and did not obtain 'robust and credible' status until 23 December 2021. Therefore, the data they contained was not considered as part of the previous report and, whilst some of the point raised are relevant, they were not part of the previous consideration.
- 5.19 In addition, to the specific comments related to the establishment of the STL Control Area, several other comments were raised by respondents, which are summarised below:
- 5.20 A high number of contributors noted that the STL Control Area proposal was being advanced at the same time of a STL licensing scheme, in general this licensing scheme was supported by all parties (subject to appropriate costs and requirements).
- 5.21 However, many respondents questioned bringing both systems of control in concurrently, given the costs both will inflict on a market which was badly affected by COVID and the uncertainty which exists around both systems.
- 5.22 Additionally, a high number of contributors questioned if adopting control of secondary letting alone would bring about any meaningful change and argued that a whole housing focus approach should be adopted which included the support for greater house building (both affordable and open market).
- 5.23 The Council along with its partners (including the CNPA) is working hard to deliver greater affordable housing across the Badenoch & Strathspey Housing Market Area, but this will take time to deliver the benefits and to ensure the Council is making best

use of all the housing stock, and it is considered appropriate to consider all housing control mechanisms.

- 5.24 A large number of comments regardless if they support or object to the proposal, raised the issue of 'second homes' – these are homes where no one resides full time, but are also not considered as secondary let. Undoubtedly, there is a high number of these across B&S (and much of Highland) and the Council has little power to prevent more homes being lost to this sector and it is accepted that the STL CA might increase this form of housing stock.
- 5.25 The only option available to the Council to control second homes, is to charge full Council Tax, which the Council is already doing. If an owner is willing to pay the additional revenue, the Council has no other legislative powers.
- 5.26 A number of comments from both sides of the argument, agree that it is hard to make definitive comments in the absence of detailed planning policy, with which the Council will determine the planning applications a STL Control Area would create.
- 5.27 This assertion is noted and is to a degree accepted, Officers had planned to progress this work further by now. Unfortunately, this work has been delayed.
- 5.28 However, Council is reviewing the options around the policy landscape and plan to hold a Member's workshop over the summer to discuss the policy options with Members (assuming Members vote to progress with the STL CA) and then present a report to the E&I Committee in August 2022 before holding a public consultation exercise.
- 5.29 A number of representations, whilst in support of the STL CA, make comment that the CA should not be retrospective and not require existing properties which are used for 'secondary letting' the need to apply for planning permission.
- 5.30 The legislation surrounding the STL CA requirements is specific and will require all properties used for secondary letting to either obtain planning approval or if they have been used for a period of greater than 10years as a STL to obtain a 'Certificate of Lawfulness'.
- 5.31 It would be open for Members as part of the Planning Policy work (see Sections 5.23 - 5.25 above) to develop a policy which would support existing properties utilised for secondary letting. Which whilst not removing the need to obtain planning approval, this could give existing operators some certainty in terms of the planning application outcome.

6 Next Steps

- 6.1 As demonstrated in the body of this report, the consultation response feedback is equally split in support of and against a STL Control Area. Many respondents questioning the robustness of the data used to progress the work and if the full economic value of the secondary let market has been fully considered.
- 6.2 However, on balance and given the clear decision of Members at the previous two committees it is recommended that based on the evidence available and consultation

feedback, the evidence supports the designation of Ward 20 as Short-Term Let Control Area and the Council should apply to Scottish Ministers to designate Ward 20 (Badenoch and Strathspey) as Short-Term Let Control Area.

- 6.3 Officers will prepare and submit the required information to Scottish Minister at the earliest opportunity and progress the planning policy work, including the organisation of a Member's Workshop, over the summer.
- 6.4 It is clear that there is interest from across the Council area in the work being undertaken for Badenoch & Strathspey. It is important that this initial Control Area is progressed, the policy to support it is developed and the process implemented and assessed to inform the consideration of any further roll out.

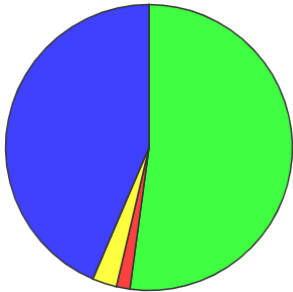
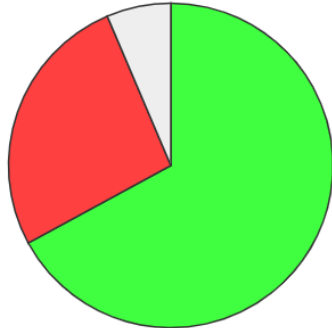
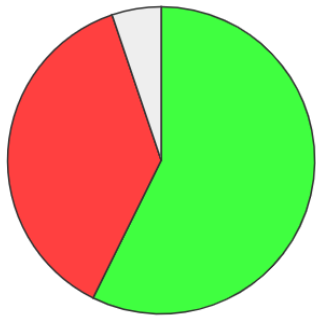
Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 13 June 2022

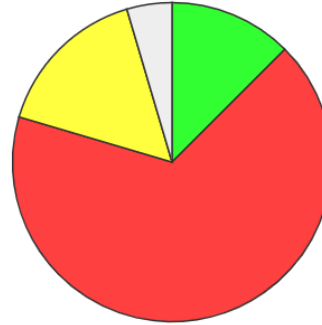
Author: Matthew Hilton, Planning Officer / Urban Designer

Background Papers: **Appendix 1** – Summarised Consultation Responses
Appendix 2 – Updated Statement of Reasons (showing tracked changes)

B&S STL CONSULTATION RESPONSE ANALYSIS

<p>Respondent:</p>		<p>Question responses: 328 (100.00%)</p> <table border="1"> <thead> <tr> <th></th> <th>% Total</th> <th>% Answer</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Private individual (...)</td> <td>52.13%</td> <td>52.13%</td> <td>171</td> </tr> <tr> <td>Community Counc...</td> <td>1.52%</td> <td>1.52%</td> <td>5</td> </tr> <tr> <td>Business (not a S...</td> <td>2.74%</td> <td>2.74%</td> <td>9</td> </tr> <tr> <td>Short Term Let op...</td> <td>43.60%</td> <td>43.60%</td> <td>143</td> </tr> <tr> <td>Total</td> <td>100.00%</td> <td>100.00%</td> <td>328</td> </tr> </tbody> </table>		% Total	% Answer	Count	Private individual (...)	52.13%	52.13%	171	Community Counc...	1.52%	1.52%	5	Business (not a S...	2.74%	2.74%	9	Short Term Let op...	43.60%	43.60%	143	Total	100.00%	100.00%	328
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<p>Do you currently live in Highland?</p>		<p>Question responses: 307 (93.60%)</p> <table border="1"> <thead> <tr> <th></th> <th>% Total</th> <th>% Answer</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>67.07%</td> <td>71.66%</td> <td>220</td> </tr> <tr> <td>No</td> <td>26.52%</td> <td>28.34%</td> <td>87</td> </tr> <tr> <td>[No Response]</td> <td>6.40%</td> <td>--</td> <td>21</td> </tr> <tr> <td>Total</td> <td>100.00%</td> <td>100.00%</td> <td>328</td> </tr> </tbody> </table>		% Total	% Answer	Count	Yes	67.07%	71.66%	220	No	26.52%	28.34%	87	[No Response]	6.40%	--	21	Total	100.00%	100.00%	328				
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Are you on the Council's Housing Register?



Question responses: **313 (95.43%)**

	% Total	% Answer	Count
Yes	12.50%	13.10%	41
No	67.07%	70.29%	220
N/A	15.85%	16.61%	52
[No Response]	4.57%	--	15
Total	100.00%	100.00%	328

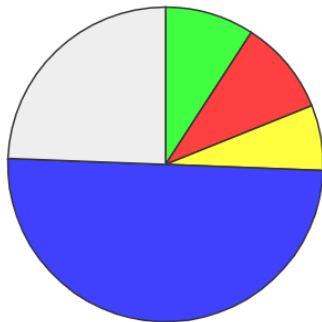
Do you currently own or plan to open a Short Term Let within the next 12 months?



Question responses: **316 (96.34%)**

	% Total	% Answer	Count
Yes	47.26%	49.05%	155
No	46.95%	48.73%	154
N/A	2.13%	2.22%	7
[No Response]	3.66%	--	12
Total	100.00%	100.00%	328

Have you experienced difficulty buying or renting a house for full-time occupancy in the last two years?



Question responses: **248 (75.61%)**

	% Total	% Answer	Count
Impossible	9.15%	12.10%	30
Much difficulty	9.76%	12.90%	32
Some difficulty	6.71%	8.87%	22
No difficulty	50.00%	66.13%	164
[No Response]	24.39%	--	80
Total	100.00%	100.00%	328

Do you agree with the proposal to establish a Short Term Let Control Area for Badenoch and Strathspey (Ward 20)?



Question responses: **311 (94.82%)**

	% Total	% Answer	Count
Yes	42.99%	45.34%	141
No	42.99%	45.34%	141
Not sure	8.84%	9.32%	29
[No Response]	5.18%	--	17
Total	100.00%	100.00%	328

Reference

Support CA STL

THC135, 256, 257, 042

The lack of control on the STL market is encouraging the loss of housing to this form of tenure and this has now reached a tipping point.

THC001. 005, 019, 032, 052, 090, 106, 081. 082, 118, 143, 327, 129, 124, 134, 181, 238, 256, 266, 273, 287, 288, 276, 121, 164, 169, 213, 216, 237, 270, 296

Many homes are brought for investment purposes and being turned into STL homes, resulting in a shortage of homes for local families/workers.

THC052, 063, 091, 102, 106, 067, 079. 082, 148, 240, 256, 266, 269, 277, 281, 237

Local businesses are struggling to attract staff as there is no available suitable long-term accommodation

THC001, 063, 094, 098, 064, 067, 046, 079, 024, 083, 118, 120, 121 125, 124, 150, 154, 269, 276, 237, 270

Given the demand for STL, house prices for purchase and rental are raising above local wages.

THC006, 013, 025, 032, 062, 063, 091, 046, 125, 154, 140, 237

The raise of STL has resulted in a loss of long-term rentals, and those which are left are unaffordable.

THC006, 067

Employment types in B&S result in a high percentage of modest incomes, which prevent local workers securing permanent homes.

THC007, 047, 098, 064, 079, 083, 109, 154, 181, 183, 120, 121, 140, 175, 237

STL change the character of the area, residential areas effectively morphs into a tourist/commercial area, which can result in antisocial behaviour from guests

THC008, 047, 106, 120, 140, 159, 175

The needs of local residents and communities should be put above STL profiteers

THC012, 059, 229, 228

This will potentially reduce the number of STLs in the area and thereby get housing price inflation under control

THC013

Something needs to be done and Highland Council first responsibility should be to the constituents & not to passing tourists.

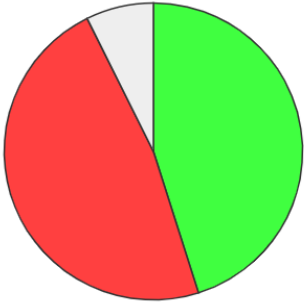
THC018, 094, 064

STL results in a high number of vacant properties throughout the year in the community.

THC027, 030, 043, 076, 085, 093, 091, 090, 094, 067, 138, 146	STL are restricting the supply of housing for sale and long-term rental across the area (including social and affordable).
THC032, 105, 064, 080, 079, 119, 132, 269, 237	The number of STL is killing local communities and soon some communities will have no full-time residents
THC331	STL CA are one tool to manage the housing sector and we welcome the use of it as part of an overall housing supply control mechanism
	Against CA STL
THC011, 048, 051, 040, 108, 115, 136, 147, 148, 154, 178, 289, 198, 223, 265, 271, 264, 277, 293, 311, 068, 071, 084, 086, 322, 320, 316, 300, 162, 163, 174, 182, 192, 193, 258, 290, 157, 130, 330, 332	Tourism is a major employer of B&S and the Council should be supporting this rather than restricting supply and adding further regulation, which is likely to impact negatively on the local tourist sector.
THC004,048, 051, 033, 040, 053, 108, 164, 185, 198, 236, 271. 293, 068, 036, 071, 084, 086, 320, 300, 163, 174, 192, 193, 209, 290, 158. 157, 130, 332	The users of STL benefit the local area in many ways including visiting attractions, utilising local shops, cafes and services
THC099, 036, 156, 252, 290, 158, 332	STL operates have invested in properties, many of which were empty previously and in doing so utilised local trades and suppliers.
THC074, 324, 299, 149, 248, 157, 332	The STL CA will impact adversely on small business, which are just recovering from the impact of COVID, it would be better for the Council to support tourism and the short term let industry.
THC004, 051, 036, 252	STL owners utilise the services of local suppliers (including laundry services, window cleaners, gardeners, firewood suppliers, trades and food & drink suppliers).
THC204, 332	Operating a STL allows flexibility with work and offers a better work-life balance.
THC004, 017, 051, 070, 099, 036, 071, 086, 258, 130, 332	This area survives on tourism, and this has to be recognised, restricting tourist spend will result in less employment opportunities for key workers and could result in further depopulation.
THC004, 011, 017, 037, 033, 220, 271, 304, 289, 308, 309, 187, 182, 171, 165,068, 071, 160, 162, 190	A key-worker housing policy is required rather than restricting established tourist accommodation. STL are being used as a scapegoat for the lack of genuine affordable housing/council housing and the CA will make no difference to the availability of this form of housing
THC009, 040, 084, 036, 071, 084, 086, 187, 190, 206, 215, 227, 226, 258, 209, 290, 130, 332	The B&S housing issue needs to be solved by providing a mixture of new housing (both affordable and regular) more houses made available for long term lets and tourism organisations providing staff accommodation for seasonal workers rather than through the STL CA.

THC011, 056, 072, 073, 132, 198, 232, 084, 036, 041, 139, 320, 226, 290	An increasing proportion of visitors prefer STL as their accommodation option, much of which is in the high-end offering bracket and restricting supply will push up costs, forcing users to go elsewhere.
THC017, 196, 293, 086, 247, 258, 332	The STL CA will result in second homes owners no longer renting out homes, rather than selling them. This will therefore not solve the housing issue, whilst concurrently reducing tourist visit/spend.
THC158	My home is too large for locals.
THC017, 068	Current and emerging laws governing long-term rentals give much of the power to tenants rather than landlords, coupled with less favourable taxation rules and new regulations, make long-term rental less attractive
THC039, 048, 116, 272, 309, 084, 316, 294, 130	The problem is not STL accommodation which brings in revenue, but second homes which are empty most of the time.
THC051	Restricting STL will result in the big national hotel companies making more profit, which are less likely to be invested in the local economy.
THC107, 110, 111, 112, 113, 126, 127, 128, 324, 089, 189, 286, 303, 310, 086, 290, 157	Unfair just to target/pilot in B&S when other areas of Highland have equal, or greater STL percentages.
THC053, 272, 217, 290	The new licensing scheme will cover everything the STL CA will do, so no need and introducing both will increase bureaucracy and costs.
THC033	STL in town centres above commercial units have improved the viability of town centres
THC323, 153	STL should be controlled via the existing planning powers.
THC153, 200, 221, 255, 200	The costs associated with complying will be high and will drive up costs.
THC184, 188, 264	Most STLs are not what local residents are seeking to purchase or are large homes which are not the type of accommodation locals require
THC194, 084	The property is used as a second home and only let for short periods to cover the costs
THC198	House price increase is due to a range of issues, including people relocating (fulltime) from outwith the area
THC260, 289, 041, 322, 300, 294, 186, 262, 263, 244, 279, 157, 332	Evidence & research provided is poor and does support the creation of a STL CA
THC267	The profiteering of some STL companies is causing issues for all.
THC036,	Bringing in a STL CA will make house prices fall and increase second homes.
THC041	The project appears just to be a revenue generating programme for the Council.
THC117, 163	The issues around long-term rentals are not from STL it is the changing national legislation, which has made it less attractive to long-term rent.

THC329, 332	As noted in the Committee Report the evidence base, especially the lack of robust and accurate evidence does not warrant a STL CA for B&S. Further evidence should be collated to demonstrate the need before progressing as currently the evidence does not show that any problem of increased house prices in the Area is the result of short term lets
THC329	The original motion before Council which commenced this process which stated that there had been a “massive increase in short term lets and the effect that has on the provision of permanent dwellings” is not supported by the evidence summarised in the Report.
THC329	Neither the Council’s HNDA or HLA data for future housing need and projections published in late December 2021 which is considered ‘robust and credible’ and which concludes that “existing planned developments provide an adequate supply of available housing land across the Highland area in each of the identified programming periods covering all of the different geographic areas of Highland” was considered in the Report – this is a serious and fundamental failure.
	ANY OTHER COMMENTS
THC020	The Council should support STL which are a source of income for local people but restrict for absent owners.
THC313, 314, 193	The legislation is not fit for purpose.
THC100	The impacts of the CA could hit locals more than anyone, as many supplement their incomes with STLs
THC087	The consultation and questions are flawed and bias.
THC144, 307	There needs to be a public register of STL to allow this to be effective
THC041, 315, 307, 224, 279	Not sure if the STL CA will help the housing issues across B&S
THC035	Disagree with the SofR
THC283, 224	Need other controls as well (2nd homes, empty homes etc)
THC108, 282, 311, 133, 151, 169, 252, 330	Planning permission should only apply to new STL and not existing or historic properties.
THC108	What happens to properties which are not STL 100% of the time.
THC223	If limits on the number of STL are proposed, how will this be controlled?
THC002, 033, 045, 211, 236, 245, 246, 131	The STL CA does not cover second homes, which is where the problem lies.
THC069	Unsure how will apply to existing holiday lets registered as businesses
THC210	Should only cover secondary letting not home share and annexes.
THC045	There should be an additional tax to pay if you own a short term let or second home which would be used to benefit local residents
THC021	Any controls should be proportionate to the number of homes in the settlement.

THC021	Any monies generated from the STL CA process should be invested in local infrastructure.																								
THC050	The control area for the whole of Badenoch & Strathspey is not appropriate. A control area should be established for Aviemore, Rothiemurchus and Glenmore areas as this is where the majority of short term lets are based.																								
THC060, 151	Adequate planning policies would also be required, but lacking details on this currently.																								
THC033	The lack of an accompanying planning policy suggests that the due diligence on the practical application of the STL CA has not been undertaken. How will the Council determine an application and who will have the right to comment? Will it be a first come first serve and how will the Council ensure it is applied fairly?																								
THC285, 279	Introducing a STL CA might not address the balance between housing and the local economy and is potentially going to cause more harm than good																								
Do you agree with The Highland Council Statement of Reason?	<div style="display: flex; align-items: flex-start;">  <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="4">Question responses: 304 (92.68%)</th> </tr> <tr> <th></th> <th>% Total</th> <th>% Answer</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>45.12%</td> <td>48.68%</td> <td>148</td> </tr> <tr> <td>No</td> <td>47.56%</td> <td>51.32%</td> <td>156</td> </tr> <tr> <td>[No Response]</td> <td>7.32%</td> <td>--</td> <td>24</td> </tr> <tr> <td>Total</td> <td>100.00%</td> <td>100.00%</td> <td>328</td> </tr> </tbody> </table> </div>	Question responses: 304 (92.68%)					% Total	% Answer	Count	Yes	45.12%	48.68%	148	No	47.56%	51.32%	156	[No Response]	7.32%	--	24	Total	100.00%	100.00%	328
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THC006, 024, 102, 269, 296	The statement accurately recognises all the issues and housing pressures faced by local communities																								
THC013, 057, 062, 082, 083, 109, 140, 160, 172, 173, 218, 270, 276, 301, 316	Anything that helps the local communities and locals buy a house is a good thing.																								
THC020, 179, 230	The rules need to be applied fairly.																								
THC026	Nethy Bridge has empty houses in the winter. It is difficult for working families to find a house.																								
THC045, 082	The control area should also cover second homes which are only used infrequently as a lot of homes sit empty across Badenoch and Strathspey for most of the year. This is particularly galling if you cannot find a house to live in at all.																								
THC046	The Lake District is a good model to look at particularly for a National Park. Housing in the community is not affordable for people who live and work here and will therefore become more holiday houses.																								

THC060	Need strong planning policies to support the introduction
THC067	The growth of STLs need to be controlled and the SofR acknowledges this
THC282	New build houses should also be prevented from becoming STL
THC080	The Council estimates on STLs are too low.
	Does Not Agree
THC009, 169, 182, 226, 232, 252, 285, 307	Recognises that there are issues but does not agree that this approach will have the desired outcome.
THC069, 074, 084, 099, 107, 110, 111, 112, 113, 126, 127, 128, 147, 157, 169, 182, 188, 189, 193, 204, 215, 221, 231, 248, 252, 259, 278, 279, 285, 286, 287, 289, 290, 294, 299, 300, 303, 308, 310, 323, 330	The SofR does not address or explain the impacts on the economics value of tourism across the area.
THC009, 056, 285, 315	Will add to the cost burden for small STL businesses and will discourage offering STL accommodation in the area.
THC011, 033, 053, 084, 151, 157, 182, 193, 215, 243, 255, 258, 259, 289, 300, 320, 324	Other factors including second homes and lack of new supply affect house prices and availability
THC011, 048, 074, 084	STL's input into the economy year-round providing income and jobs.
THC011, 048, 084	Why are STLs being blamed for the housing crisis/lack of housing in the area?
THC011, 048, 074, 169, 186, 223, 245, 246, 265, 277, 285, 289, 290, 294, 315, 322	STL's are arguably less of a problem than other types of occupancy such as second homes or retirement homes that could be occupied by families.
THC033, 034, 070, 151, 157, 186, 188, 196, 222, 247, 252, 258, 262, 263, 272, 279, 285, 287, 289, 290, 294, 300, 303, 309, 310, 320, 330	The SoR is based on qualitative evidence, anecdotes or hearsay.
THC033, 222, 265, 290, 322	No consideration is being given to the positive impact of STLs on the local community and how they fit with the modern tourist trade.
THC033	The policy will not make new or existing houses available or affordable for local workers.
THC034, 151, 157, 229	No legitimate reason has been put forwards why the proposed Control Area is limited to Badenoch and Strathspey when other areas have the same perceived issues.
THC035	Limiting STLs will reduce the need for workers to live in the area thereby potentially solving the accommodation issue at the expense of the economy.
THC037	It will increase workload for THC with no benefit beyond fees.
THC037, 149, 222	Will the legislation apply to properties currently used for this purpose?
THC037, 254	Does the Council not want to encourage visitors to stay in the area?
THC040	Agrees with parts of the SoR but disagrees overall.

THC049, 278, 311	Existing STLs should not need to apply																												
THC051	More affordable homes should be built																												
THC071	The proposed licensing scheme is already too restrictive																												
THC086	The STL CA will not increase house supply.																												
THC099, 164, 182, 186, 215, 285, 322	Focus should be on providing new (affordable) homes, not controlling STL																												
THC188, 330	Disagree with the language used in the SofR																												
THC267	House not suitable for full-time occupancy																												
	ANY OTHER COMMENTS																												
THC004, 021	SofR link is not working																												
THC063, 217, 278	Agree with the proposed Licensing scheme																												
THC162, 178, 210	Will it cover other forms of STL (pods / B&B)																												
Do you have any concerns over the establishment of a Short Term Let Control Area for Badenoch and Strathspey? & What advantages do you consider establishing a Short Term Let Control Area for Badenoch and Strathspey will bring to the area?	<div style="display: flex; align-items: center;"> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="4">Question responses: 312 (95.12%)</th> </tr> <tr> <th></th> <th>% Total</th> <th>% Answer</th> <th>Count</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>56.40%</td> <td>59.29%</td> <td>185</td> </tr> <tr> <td>No</td> <td>33.23%</td> <td>34.94%</td> <td>109</td> </tr> <tr> <td>Not sure</td> <td>5.49%</td> <td>5.77%</td> <td>18</td> </tr> <tr> <td>[No Response]</td> <td>4.88%</td> <td>--</td> <td>16</td> </tr> <tr> <td>Total</td> <td>100.00%</td> <td>100.00%</td> <td>328</td> </tr> </tbody> </table> </div>	Question responses: 312 (95.12%)					% Total	% Answer	Count	Yes	56.40%	59.29%	185	No	33.23%	34.94%	109	Not sure	5.49%	5.77%	18	[No Response]	4.88%	--	16	Total	100.00%	100.00%	328
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THC009, 034, 054, 070, 073, 074, 084, 086, 107, 115, 140, 149, 153, 157, 162, 164, 170, 208, 259, 270, 282, 290, 294, 307, 309, 315, 314, 327, 332	Increase costs to STL operators																												
THC056, 070, 107, 164, 170, 190, 290, 294, 307, 315, 332	Increase costs to STL visitors																												
THC011, 034, 035, 050, 084, 139, 151, 152, 157, 182, 242, 243, 245, 248, 260, 270, 271, 272, 290, 294, 307, 315, 327, 332	Issues around (time, costs and processes - objections) of the planning system being able to timely determine the planning applications the STL CA will create																												
THC017, 021, 028, 034, 048, 050, 051, 055, 058, 066, 069, 070, 074, 084, 086, 087, 099, 107, 108, 110, 111, 112, 113, 126, 127, 128, 132, 133, 147, 151, 157, 164, 170, 172, 174, 182, 187, 188, 189, 190, 198, 206, 215, 218, 223, 224, 231, 247, 252,	The impact on the fragile (recovering) economy of B&S - the area relies on tourism																												

258, 262, 264, 270, 272, 275, 282, 285, 286, 290, 292, 294, 299, 310, 315, 314, 320, 324, 327, 332	
THC020, 034, 157, 311	How will the Council ensure it is a fair planning process? Lack of Planning policy info
THC026, 036, 041, 057, 086, 102, 110, 116, 140, 197, 220, 227, 236, 241, 245, 246, 252, 258, 260, 271, 277, 285, 290, 294, 295, 310, 327	There is no control on Second Homes and the STL CA could increase this sector
THC033, 170, 248, 260, 262, 263, 300, 332	Lack of robust evidence to support the process.
THC034, 069, 084, 133, 147, 224, 274	The 'implied' appearance to tourists that the area does not welcome visitors
THC034, 087, 170	Why has B&S been chosen when other areas of Highland are equally or more affected by STL
THC038, 072, 078, 163, 210, 220, 221, 229, 254, 296, 302, 307	Gives greater powers to THC/creates more bureaucracy
THC047, 148, 153, 175, 242	How will it be enforced?
THC067, 186, 193, 196, 229, 230	The STL CA will not be enough to deal with the housing issue across B&S
THC100, 219, 230, 252, 309	Reduce income to locals who own STLs
THC137	Proposal does not go far enough
THC151, 152, 157, 169, 208, 211, 220, 223, 234, 247, 255, 263, 267, 269, 294, 307, 311, 315, 314, 327, 332	Uncertainty for the STL operators
THC157	Duplication of controls (STL CA & licensing scheme)
THC194, 267	Concern over the wider property market
THC206	The STL CA will not address the skills shortage of the workforce
THC232	Reducing STL supply, will reduce visitor numbers
THC237	Locals who move away from work might be forced to sell properties, rather than renting them in the short term, with the plan of moving back.
THC261, 265	If it happens in B&S, it is likely to be rolled out across the rest of Highlands
THC275, 300, 319	Project is unnecessary
THC287	Doing nothing is a concern, better to use the STL CA legislation
THC323	Concern if the appropriate consultation has been undertaken
THC324	Discrimination against individuals and businesses who provide STL
	ADVANTAGES
THC001	Project is a balanced approach to the needs of the community vs the needs of landlords
THC002, 007, 008, 011, 012, 013, 018, 019, 020, 022, 023, 024, 025, 027, 028, 029, 030, 031, 033, 040, 043, 045, 046, 047, 056, 057, 059, 060, 062,	Project might improve housing supply and at a lower cost to allow locals/workers to stay and work in the area.

065, 067, 069, 075, 076, 079, 081, 083, 085, 087, 088, 090, 091, 092, 093, 095, 096, 097, 098, 102, 103, 104, 105, 109, 118, 121, 125, 129, 134, 140, 141, 142, 143, 145, 146, 150, 160, 161, 164, 172, 173, 178, 181, 183, 187, 195, 197, 199, 205, 206, 207, 209, 212, 213, 214, 218, 225, 230, 233, 234, 237, 241, 245, 246, 251, 256, 257, 266, 268, 270, 273, 276, 280, 281, 283, 305, 306, 307, 316, 321, 325, 326, 327	
THC006, 009, 017, 026, 044, 049, 067, 102, 104, 124, 199, 243	It will allow for more accountability and greater control over the number of short term lets
THC010, 022, 027, 040, 046, 064, 096, 237, 282, 315	It will discourage people buying second houses
THC010, 027, 033, 046, 075, 083, 091, 101, 160, 228, 301	Encourage more and safer long-term rental
THC017, 049, 059, 067, 094, 104, 121, 183, 197	Reduce anti-social behaviour from STL
THC024, 045, 057, 062, 064, 065, 076, 077, 079, 082, 101, 105, 118, 125, 132, 140, 160, 176, 183, 233, 269, 276, 281, 288, 307	Will aid the creation of/safeguard existing communities
THC047, 057, 060	Reduce the need to build more houses
THC051	Will bring the STL market inline with the long-term rental market
THC056	Reduction in traffic (from less tourists)
THC067	Reduce high concentrations of STLs in certain areas
THC069	Could be to the benefit of quality STL owners
THC114, 118, 129, 134, 139, 257, 266, 277, 296	Reduce/deter the number of STL
THC125	Fulfil the aims of the CNPA LDP
THC140	Help with staff recruitment for local businesses
THC149	Awareness of the area
THC196	Smaller class sizes (as workers leave the area due to a downturn in tourism)
THC216	Reduce the age demographic of the area
THC272	Allow Elected Members to demonstrate they are working for their communities
THC277	It will encourage some other forms of holidaying (camping, hotels etc)

Background

Cùl-fhiosrachadh

The designation of a Short Term Let Control Area requires to be supported by a Statement of Reasons. The following document and attachments make up the Highland Council (thereafter called ‘the Council’) **Statement of Reasons** for the establishment of a Short Term Let Control Area across Badenoch & Strathspey.

Part 1 - Intention to Promote

Introduction

Ro-ràdh

Based on the evidence before the Council, it is concerned that the number of houses and flats being lost to the short-term secondary let sector across the whole of Badenoch & Strathspey is such, that it is unduly restricting housing supply for full time residents and increasing local house prices, all to the detriment of our local communities.

Furthermore without action now, it is anticipated that the problem will continue exacerbate and as such the Council under [Section 26B of the Town & Control Planning \(Scotland\) Act 1997 as amended](#) the Council proposes to designate a ‘Short Term Let Control Area’ across all of Ward 20 (Badenoch & Strathspey), including the Council area within the Cairngorm National Park.

[The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#) sets out the definition of a short-term let and the process for designating a ‘Control Area’. [Scottish Government Circular 1/2021](#) provides guidance on the implementation of the legislation.

Once established, within the Short Term Let Control Area, the use of a *dwellinghouse*¹ for secondary letting will be deemed to be a ‘material change of use’ which will require planning approval. However, a Short Term Let Control Area is not a ban on Short Term Lets, instead it will allow planning policies to be used to assess applications which change the use of a dwellinghouse to this form of use and allow communities and individuals the right to make representations through the planning application process.

It will not change the planning requirements around long-term rentals, Bed & Breakfasts, renting out individual rooms/annexes if the owner/occupier resides in the *dwellinghouse*, second homes where no secondary letting is done or accommodation built specifically for holiday purposes, such as pods, annexes and holiday chalets.

The Scottish Government is however, bringing in separate legislation to licence **all** forms of Short Term Lets. The draft regulations for this were laid before Scottish Ministers in late November 2021 and if the draft legislation is passed as currently proposed, all short-term lets in Scotland, irrespective of type, will require to be licensed by 1 April 2024. The establishment of a Short Term Let Control Area across Badenoch & Strathspey is not related to these new licencing requirements and is instead being advanced only to control *dwellinghouses* being used for secondary letting.

¹ means, for these purposes, an independent dwelling (with its own front door, kitchen and bathroom) being accommodation which ordinarily affords the facilities required for day-to-day private domestic existence such as a house, flat, cottage. See also Annex A of the Circular

Part 2 - Statement of Reasons

The Need for a Short Term Let Control Area in Badenoch & Strathspey

Feumalachd airson Sgìre Smachd Màiil Gheàrr-ùine ann am Bàideanach & Srath Spè

At the [Council meeting on 9th September 2021](#)² at the specific request of all Ward 20 Members, it was agreed that the Council would pursue the consideration of establishing a Short-term let Control Area across Badenoch & Strathspey.

This detailed consideration was undertaken at the [ECI Committee Meeting on 2nd December 2021, where a detailed report \(Item 16\)](#)³ outlining the issues secondary letting is having across Badenoch & Strathspey was presented. Members thereby agreed to pursue the establishment of the Short-term let Control Area for Ward 20: Badenoch & Strathspey.

In summary the evidence, presented to ECI Committee in December 2021 demonstrated that:

- Qualitative evidence highlights that local people struggle to be able to access or afford to buy or rent housing in their local area.
- Qualitative evidence highlights that businesses are struggling to attract staff due to the limited availability of housing to let or buy.
- In 2018, (latest data available) house prices in Badenoch and Strathspey were on average £42,600 higher than Highland average and £42,756 higher than Scotland average ([Statistics.gov.scot](#)⁴).
- Over 17% of potential housing stock has been lost to 'tourist' accommodation in Badenoch & Strathspey (calculated on Non Domestic Rates Self-Catering Units and Council Tax Second Homes within the Badenoch and Strathspey Housing Market Area [HMA]).
- The Council Housing Waiting List for Badenoch and Strathspey HMA area has increased by 40% in the past 5 years. This is considerably higher than across the rest of Highland.
- Cairngorms National Park Local Development Plan 2021 has increased the affordable housing requirement for new developments to 45% in Aviemore to deal with the loss of housing to secondary letting and rising house prices related to it.
- Intensity of Short Term Lets has disproportionately affected the amenity of several communities across Badenoch & Strathspey.
- Supports the Scottish Government's repopulation agenda by helping to ensure the availability of residential properties for full time residential use.

To address these issues the establishment of a Short Term Let Control Area across Badenoch & Strathspey will allow the Council (and CNPA) to ensure new and existing dwellinghouses are available and affordable for local workers and residents, by managing high concentrations of Short Term Let across the Ward area and ensuring homes and land is used to best effect. Additionally, it will allow the Council (and CNPA) to control secondary letting of *dwellinghouses* to protect neighbouring residential amenity and privacy and affords local communities and residents the opportunity to make representations through the planning application process.

Assessment of Short Term Let Planning Applications Across Badenoch & Strathspey Control Area

Measadh Iarrtasan Dealbhaidh Màiil Gheàrr-ùine thar Sgìre Smachd Bhàideanach & Shrath Spè

The majority of the Short Term Let Control Area in Badenoch & Strathspey will be within the Cairngorm National Park Authority (CNPA) area. Within which, applications for the change of use of a *dwellinghouse* to a Short Term Let property will be considered and determined in accordance with the [Cairngorms National Park Partnership Plan](#)⁵ and [Cairngorms National Park Local Development Plan 2021](#)⁶.

² https://www.highland.gov.uk/meetings/meeting/4485/highland_council

³ https://www.highland.gov.uk/meetings/meeting/4529/economy_and_infrastructure_committee

⁴ <https://statistics.gov.scot/atlas/resource?uri=http%3A%2F%2Fstatistics.gov.scot%2Ffid%2Fstatistical-geography%2FS13003009>

⁵ <https://cairngormsviews.commonplace.is/proposals/partnership-plan-pdf/step1>

⁶ <https://cairngorms.co.uk/planning-development/ldp-2021/>

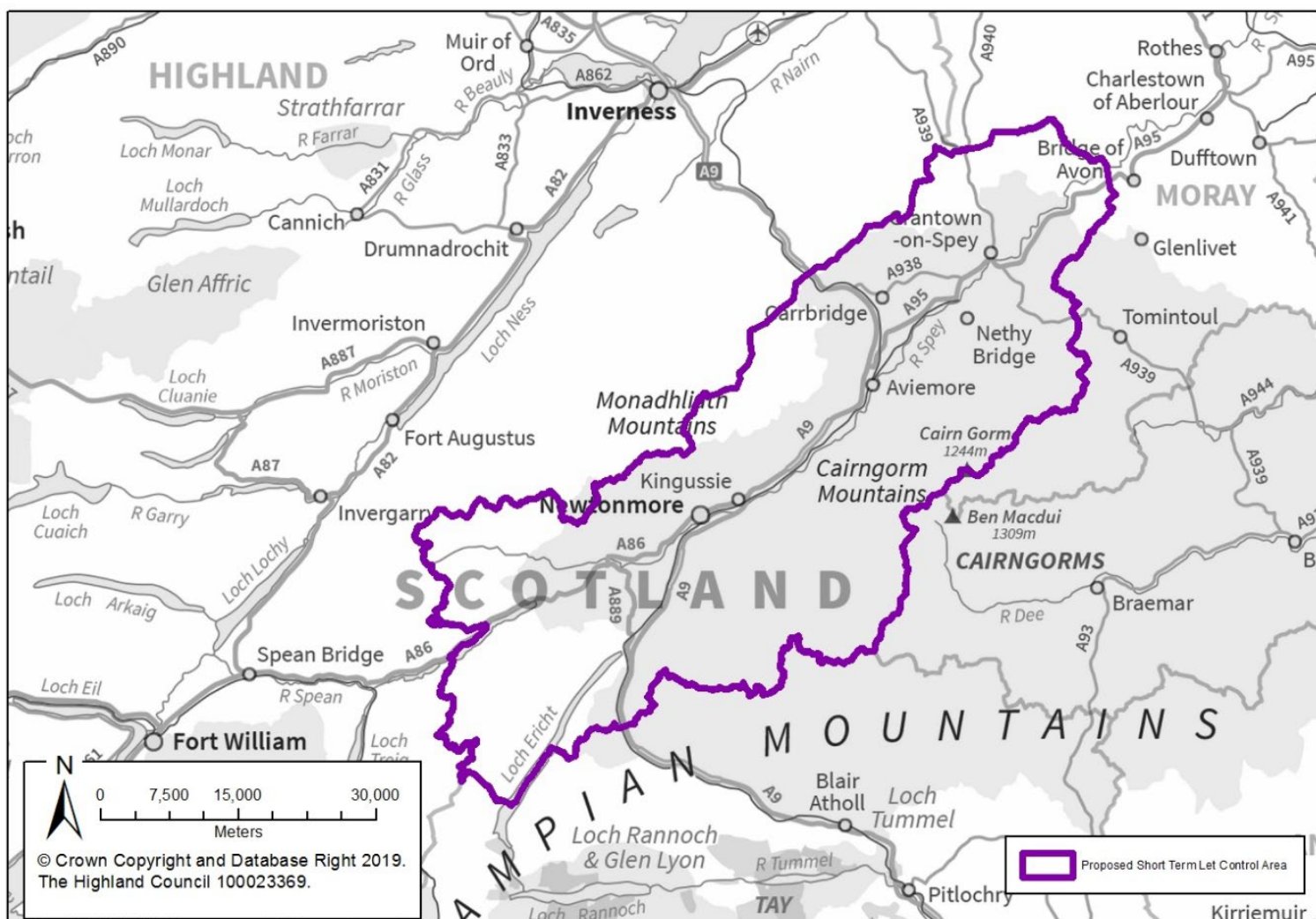
Out-with the CNPA area, applications for the change of use of a *dwellinghouse* to a Short Term Let property will be considered and determined in accordance with the Highland Council [Highland-wide Local Development Plan](#)⁷ and [Area Local Development Plan](#)⁸.

To provide a consistent policy framework to consider and determine applications for the change of use of a *dwellinghouse* to a Short Term Let property across the Highland Council and Cairngorm National Park area, the publication of joint non-statutory planning guidance will be considered. This would be subject to separate consultation in due course.

Part 3 – Map

Proposed Boundary of Short Term Let Control Area Across Badenoch & Strathspey Crìoch ga Moladh airson Sgìre Smachd Màiil Gheàrr-ùine thar Bhàideanach & Shrath Spè

The boundary of the Short Term Let Control Area across Badenoch & Strathspey follows the Ward 20 Boundary Line and includes the Highland Council area within the Cairngorm National Park. Doing so provides clarity on the geographical area where planning permission for a change of use of a *dwellinghouse* to a Short Term Let property is required, ensures the impact of Short Term Lets within the most affected towns and villages within Badenoch & Strathspey are not dispersed to the immediate surrounding rural areas and the Ward 20 political boundary closely follows the Badenoch and Strathspey Housing Market Area boundary, which is used to assess housing need across the Badenoch & Strathspey area.



An interactive version of this map is available on our website – www.highland.gov.uk

⁷ https://www.highland.gov.uk/info/178/local_and_statutory_development_plans/199/highland-wide_local_development_plan

⁸ https://www.highland.gov.uk/info/178/local_and_statutory_development_plans