

<b>Subject:</b>	<b>Short Term Lets</b>		
<b>Date of Meeting:</b>	<b>15<sup>th</sup> September 2022</b>		
<b>Report of:</b>	<b>Executive Director for Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Julia Gallagher</b>	<b>Tel: 01273 292592</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

1.1 This report provides an update on the paper presented to this Committee on 5<sup>th</sup> March 2020. The update was requested by Council in a Notice of Motion on 21<sup>st</sup> July 2022, when the following was agreed:

1.1.1 To request a report to come to the next TECC Committee which provides updates on the report from March 2020, including new legislation in Wales, changes in tax policy, and suggestions made by AirBnB themselves.

1.1.2 Submit a response to the government's call for evidence.

1.1.3 Request the Chief Executive write to the Housing Secretary, lobbying for powers to;

- Designate a minimum percentage of rented housing to be reserved for long term lets and place a cap on the number of holiday lets.
- Introduce a licensing scheme similar to that laid out by the Welsh Government, to not only limit the number of second homes and holiday lets, but to ensure fair taxation is extracted from them.
- Change planning laws to require landlords wishing to convert their property into a holiday let to have to apply for change of use to a new class use for holiday lets.

1.2 The council has previously reviewed options to regulate short term lets, which have confirmed that it has no current powers to license short term lets.

1.3 The government have recently assessed the impact of short term lets in England and have launched a consultation on regulation in June 2022, which closes on 21st September 2022.

## **2. RECOMMENDATIONS**

- 2.1 That Committee agrees that officers should submit a response to the government's call for evidence to inform the development of a tourist accommodation registration scheme. (see Appendix 3).
- 2.2 That Committee note the updated information in this paper following the previous report to TECC in March 2020.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Following a deputation to the Tourism, Equalities, Communities & Culture Committee (TECC) on 26th September 2019, on 5th March 2020 the Interim Executive Director Housing Neighbourhoods and Communities presented a report to TECC outlining what action could be taken to address large-scale short-term holiday lets in residential areas. On 21<sup>st</sup> July 2022 Full Council agreed that an update on this should be considered by TECC Committee.
- 3.2 The TECC Committee in March 2020 agreed to officers using existing powers to investigate and respond to complaints about short term holiday lets, ensuring a co-ordinated approach to enforcement between services, and that legislation can be used more effectively to address some of the issues such as noise and anti-social behaviour. To that end officers established:
  - A single point of contact of complaints available on the Environmental Protection website, [ehl.environmentalprotection@brighton-hove.gov.uk](mailto:ehl.environmentalprotection@brighton-hove.gov.uk) however, the number of complaints received has been small.
  - Work was undertaken by officers to join up work relating to complaints about short term holiday lets to ensure there is a coordinated approach.
  - A letter was sent by the Chief Executive to the Secretary of State to lobby in relation to the matters requested by TECC Committee and a letter was sent to AirBnB setting out concerns raised.
- 3.3 Officers have considered whether the Council's existing powers would enable it to set up a registration scheme. Whilst the Council would not have any enforcement powers, such a scheme might allow officers to have a better idea of the number of such properties in the City and where they are located. However, with the potential number of properties identified there would be resourcing implications in terms of staff to administer such a scheme. Given the government's current consultation on developing a tourist accommodation registration scheme in England it is prudent to wait for the outcome of the consultation prior to taking any further action to avoid duplication and unnecessary expenditure. The consultation closes 21st Sept 2022.
- 3.4 The Welsh Government and Plaid Cymru have a Co-operation Agreement which includes a commitment to tackle the issue of second homes affecting many communities in Wales. The package of measures being announced by the Welsh Government includes:
  - Changes to planning regulations by the end of the summer. These will introduce three new planning use classes – a primary home, a second

home and short-term holiday accommodation. Local planning authorities, where they have evidence, will be able to make amendments to the planning system to require planning permission for change of use from one class to another. They will also introduce changes to national planning policy to give local authorities the ability to control the number of second homes and holiday lets in any community.

- Plans to introduce a statutory licensing scheme for all visitor accommodation, including short-term holiday lets, making it a requirement to obtain a license. This will help raise standards across the tourism industry.
- Following a consultation about varying land transaction tax locally in areas with large numbers of second homes, work has started with local authorities to develop a national framework so they can request increased land transaction tax rates for second homes and holiday lets to be applied in their local area.

3.5 The Welsh Government has already introduced a range of measures to address the issue of second homes, including giving councils the discretionary power to increase council tax premiums on second and empty homes and it has changed the rules on holiday lets so owners and operators make a fair contribution to their local communities. This is an accommodation Tax and regulation on home ownership.

3.6 During 2019 AirBnB commissioned BritainThinks to undertake a series of in-depth qualitative consultation with stakeholders in the housing and tourism sectors, on the implementation of a registration scheme for Short Term Lets (STLs). The consultation reached over 70 stakeholders through a combination of regional roundtables, in-depth interviews, and an online questionnaire. Officers from Brighton & Hove City Council engaged with this AirBnB – BritainThinks consultation, when one of their regional roundtables was held in Brighton during February 2020.

3.7 In June 2021 Airbnb published its Whitepaper (see Appendix 2), calling for a UK registration system for short-term lets operators. The White Paper asks Government to create a simple-to-use, national registration system for the short-term letting sector, which would empower local authorities and communities, hosts and guests in equal measure.

3.8 Airbnb is proposing the Government should introduce a registration system that is simple, centralised and cost-effective, requiring hosts to obtain a registration number in order to list their homes on all short-term letting platforms in the UK. The system would be:

- Simple, centralised and digital.
- Industry-wide and mandatory for hosts in order to capture all short-term letting activity.
- Provide data and transparency for local enforcement bodies.
- Drive awareness of existing health and safety standards.
- At a minimal cost to hosts.

- 3.9 As well as the registration system, their paper proposes two additional policies to ensure hosting can continue to grow and support the UK economy:
- Clarifying planning rules.
  - Removing barriers to hosting, reforming leasehold agreements, tenancy agreements and mortgage terms.
- 3.10 Forming part of their Tourism Recovery Plan (see Appendix 1 - page 48, item 90), and on 29th June 2022 the government launched a call for evidence to inform the development of a tourist accommodation registration scheme, with evidence to be submitted by 21st September 2022.
- 3.11 The purpose of the call for evidence is to give the government a better understanding of the benefits and challenges of the increase in short-term and holiday letting, focusing on the size and shape of the market; the application, awareness, and enforcement of regulations regarding the health and safety of customers; and on the impact on the housing market and local communities. They will also gather initial evidence on the potential impact of a range of possible policy responses in this space. The evidence base will help the government to consider options for a tourist accommodation registration scheme.
- 3.12 The government recognises the challenges that have come with the expansion of short-term and holiday letting which include:
- The rapid expansion in the market has weakened our data on the size and nature of the guest accommodation sector, particularly at a sub-national level. Enforcement agencies, for example, have argued that they do not know how many lets are offered in their area, making it difficult to enforce regulations in areas such as fire safety.
  - An 'unlevel playing field' in the application, awareness and enforcement of regulations that apply to operators of paid for guest accommodation. For example, it is argued that some new entrants in the market are not abiding by existing key health and safety legislation designed to keep consumers safe. There are also concerns with potential breaches by hosts of mortgage and tenancy agreements.
  - Negative housing and community impacts, such as the impact on housing supply and reports of anti-social behaviour from guests.
- 3.13 The government also recognises that there could be differences in how these challenges manifest in different regions of the country. They acknowledge that anti-social behaviour is greater in urban areas, or that housing supply is more adversely affected in tourist 'honeypots' in rural or coastal areas.
- 3.14 There are six potential responses the government could consider after taking into account the evidence gathered by this call for evidence:
- Do nothing.
  - Provide more information to the sector.
  - Develop a self-certification registration scheme.
  - Develop a registration scheme with light-touch checks.
  - Develop a registration scheme with physical checks of the premises.

- Address any issues through a regulatory alternative to a registration system.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 Not applicable.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 During 2020 Brighton & Hove City Council Officers engaged with the AirBnB – Britain Thinks consultation on the implementation of a registration scheme for Short Term Lets.

5.2 Brighton & Hove City Council officers have formulated a response to the governments call for evidence on the development of a tourist accommodation registration scheme, which will be submitted by 21stSeptember 2022 (see Appendix 3).

5.3 As agreed by full Council the Chief Executive will be writing to the Secretary of State (DLUHC), lobbying for powers to;

- Designate a minimum percentage of rented housing to be reserved for long term lets, and place a cap on the number of holiday lets.
- Introduce a licensing scheme similar to that laid out by the Welsh Government, to not only limit the number of second homes and holiday lets, but to ensure fair taxation is extracted from them.
- Change planning laws to require landlords wishing to convert their property into a holiday let to have to apply for change of use to a new class use for holiday lets.

#### **6. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

6.1 There are no direct financial implications arising from the recommendations of this report. The cost of officer time, document production and consultation associated with the recommendations in this report will be funded from existing revenue budget within the Tourism service. Any significant variations to budget will be reported as part of the council's monthly budget monitoring process.

*Finance Officer Consulted: John Lack*

*Date: 15/08/22*

##### Legal Implications:

6.2 If new powers are brought forward by the government, the legal implications will be carefully considered in future reports. If the Council was considering setting up its own registration scheme it would need to obtain specialist advice to determine the extent of its existing powers.

*Lawyer Consulted: Alice Rowland*

*Date: 2/8/22*

Equalities Implications:

6.3 None

Sustainability Implications:

6.4 None

Brexit Implications:

6.5 Unknown

Public Health Implications:

6.6 None

Corporate / Citywide Implications:

6.7 Awaiting the outcome of the governments call for evidence on the development of a tourist accommodation registration scheme.

**SUPPORTING DOCUMENTATION**

Appendix 1 – The Governments Tourism Recovery Plan, June 2021:  
[The Tourism Recovery Plan \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/94422/the-tourism-recovery-plan-2021.pdf)

Appendix 2 – AirBnB Short-term Lets Registration White Paper:  
[UK RegistrationWhitepaper 2021.pdf \(airbnb.com\)](https://www.airbnb.com/press/uk-registration-whitepaper-2021.pdf)

Appendix 3 – Brighton & Hove City Council Response to Tourist  
Accommodation Scheme Consultation