

**Scottish Expert Advisory Panel on the Collaborative Economy – Analysis and Recommendations**

**Introduction**

* The Scottish Expert Panel on the Collaborative Economy have published their long-awaited recommendations for consideration by Scottish Ministers.[[1]](#footnote-1)
* In a separate paper, the Scottish Government published an Evidence Paper which summarises the analysis that informed the Expert Panel’s work and covers the six key sector-specific areas, including peer-to-peer accommodation.[[2]](#footnote-2)

**Key Points – Scottish Expert Advisory Panel Final Report**

The Expert Panel report makes a number of specific and general recommendations for the Scottish Government in relation to the advantages and challenges posed by the growing use of digital, collaborative platforms in Scotland. In the Foreword of the report, the Chair of the Expert Panel noted the complexity of the work undertaken, the fact that the report does not address all of the challenges/opportunities, and touches on the need for further dialogue and study of the collaborative economy in 2018 and beyond.

**General Recommendations**

The most relevant recommendations have been highlighted below.

1. **Recognising good practice**: the Scottish Government should take an active role in encouraging TrustSeal in its work to focus on regulatory recognition, such as a commitment to making clear local regulations for providers that operate in different jurisdictions.
2. **Mapping the collaborative economy in Scotland**: the Panel recommended the creation of an “observatory” into the collaborative economy and the government should work with organisations such as Datalab and the Open Data Institute. It makes the important point that*“it is crucial that third party analysts focus on collaborating with platforms to access data at source, rather than relying on data scraped information.”*[[3]](#footnote-3)
3. **Consumer and provider understanding**: the Scottish Government should provide resources to develop a secure, trusted place for individuals to access accurate information on their rights and responsibilities in the collaborative economy.

**Tourism, Accommodation and the Collaborative Economy**

This section focused on the key issues surrounding the growth of peer-to-peer short-term accommodation provision in Scotland.

**Recommendations**

1. **Bringing the benefits to more existing Scottish businesses outside urban areas**: the tourism industry needs to address poor digital literacy and the greater utilisation of digital marketing channels.
2. **Create and promote more diverse tourist experiences across Scotland**: more understanding, attention and support should be provided to collaborative tourist activities that would draw tourists to less congested areas of Scotland.
3. **Health and safety in peer-to-peer accommodation provision**. The report makes four recommendations in this regard.
4. Ensure that there is health and safety regulation parity across all short-term let accommodation that is not the owner’s primary residence
5. Create one code of conduct on which all industry associations can agree for all providers where the owner is also a resident. The report points to the work of the ASSC and STAA as an example of how this could be achieved.
6. Across all booking platforms, hosts should have to declare that they are compliant with the health and safety guidelines appropriate for their type of accommodation prior to their property being listed.
7. When guests book a property in a certain area, the platform should highlight the key parts of local legislation to foster greater awareness of rules and regulations.
8. **Enforcement of health and safety regulations**: all platforms should ask guests if they have any concerns/questions about health and safety in properties in which they have stayed. Local authorities and regulators should experiment with “predictive analytics” (citing their effective use in New York) in areas of high density usage to target their regulatory enforcement resources at those properties most likely to be at risk.
9. **Separating peer rental from running a business.** The report makes the important distinction between what can be classified peer-to-peer rental and those running a business. The Panel make four recommendations:
10. Resourcing the collection of an evidence base in consideration of placing restrictions on short-term rentals.
11. If the evidence base reveals a need, Edinburgh City Council and other large Scottish cities should experiment with a 90-day restriction on any individual wanting to rent their home/property over the course of a 12 month period.
12. Platforms should inform hosts at what point the 90-day limit has been reached.
13. Explore the viability of a seasonal system in central Edinburgh, where the rules are “more permissive during periods of large tourist demand (e.g. Festival and New Year) but more restrictive in other parts of the year, where demand is lower and needs to be managed more carefully.”
14. **Impact on local communities**. This section notes the benefits of peer-to-peer accommodation (i.e. extending tourism into new parts of cities, meeting increased tourism demand at peak times etc.), as well as recognising the negative impact of increased tourist number on local communities. The report underlines the importance of striking a balance between accommodating tourists and supporting local residents, and makes three recommendations:
15. To carry out a specific experiment in a Scottish city that would seek to understand the impact, consequences and opportunities that arise when a provider is required to notify the local authority that they are renting out their property
16. Residents need to be aware that they are able to make complaints and how to go about doing so. Edinburgh could consider a community code of conduct and residents could be asked to report situations outside of the code.
17. “Structured community engagement” should be carried out to increase community participation in decision making.

**Key Points – Scottish Government Evidence Paper**

* Alongside the Expert Panel’s final report, the Scottish Government published an evidence paper that summarises they key points raised in responses to the call for evidence and the submissions to the Expert Panel, and includes relevant quotes and statistics from stakeholders.
* It provides a brief overview of the geography of Scotland, and subsequent implications for the collaborative economy, as well as providing a number of good practice collaborative examples.
* It also supplies background on short-term lets in Scotland and makes particular reference to data from the ASSC, Visit Scotland and Airbnb.
* In terms of the main opportunities and benefits, the report outlines the main arguments set out in the evidence submissions, including the significance of short-term lets for tourism and the Scottish economy. This included the increase in accommodation supply, as well as more flexible and diverse supply, as well as the revenue individuals could derive from renting out properties.
* On the challenges and barriers, it notes the social impacts referred to by respondents, including the negative impact on local communities (i.e. pressure on housing markets, anti-social behaviour etc.). However, when discussing these challenges, it also highlights the views of other respondents who maintained that such concerns were based on misconceptions, anecdote and were not supported by available evidence.
* Other concerns raised included tax implications and the lack of a level playing field in the industry. However, in regard to the latter, the report also highlights the measures taken by short-term accommodation providers to address concerns about the lack of, or insufficient enforcement of regulations.

1. Scottish Expert Panel., *Scottish Expert Advisory Panel on the Collaborative Economy Final Report* (29 January 2018). See: <http://www.gov.scot/Resource/0053/00530703.pdf> [↑](#footnote-ref-1)
2. Scottish Government., *Scottish Expert Advisory Panel on the Collaborative Economy Evidence Paper* (29 January 2018). See: <http://www.gov.scot/Resource/0053/00530694.pdf> [↑](#footnote-ref-2)
3. Scottish Expert Panel, p10. [↑](#footnote-ref-3)