



ASSC SECTORAL SURVEY: THE IMPACT OF SHORT-TERM LET LICENSING ON THE B&B SECTOR IN SCOTLAND

Introduction

- The Association of Scotland's Self-Caterers (ASSC) is the leading source of knowledge on short-term letting in Scotland. **The ASSC conducted a Scotland-wide sectoral survey relating to issues concerning the impact that STL licensing would have on the Bed and Breakfast accommodation sector.**
- The online survey elicited over 300 responses from Bed and Breakfast operators in Scotland.
- The results offer valuable insights into the experiences and problems faced by Scottish Bed and Breakfast operators and the threat this licensing will have on valuable micro businesses.

Survey Overview

- The ASSC gathered data from Bed and Breakfast Businesses to ascertain the percentage of businesses that would fall into Use Class Order 9 (residential) and fall within the scope of the regulations and gain insights into how this legislation would affect them.
- The ASSC ran an online survey consisting of 11 questions. This was publicised via the ASSC's social media pages on Twitter and Facebook and shared across the tourism sector in Scotland.
- In just 48 hours, the survey generated 308 responses.
- The full list of questions and survey results are set out below. It also includes examples of powerful testimony from individual respondents relating to their current difficulties and why this legislation is not fit for purpose, and is damaging to the bed and breakfast sector.

Summary

It is hoped that the survey results will inform The Local Government and Communities Committee regarding the impact of this Legislation on Bed and Breakfast Operators in Scotland, as well as what changes are necessary to protect livelihoods to businesses which are a key component part of Scotland's tourism offering.

Some of the key findings include:

- 88% of respondents have businesses in rural / semi-rural / island locations across Scotland
- 78% of businesses have been operating over 3 years, with 20% of businesses over 15 years, one business has been operating for over 37 years
- **76% of Bed and Breakfasts fall in UCO9 (residential) compared to 24% UCO7 (Guest House) Therefore, 76% will be required to obtain a licence**
- **39% of respondents believe that any additional licence fee would render their business unviable**
- **55% of respondents believe it would have a negative impact on their business**
- Bed and Breakfast Operators in Scotland do not have positive outlook: 85% are feeling pessimistic or very pessimistic about their business over next 6 months, and 73% over the next 12 months.

Q1 WHERE IS YOUR BUSINESS BASED?

The vast majority of respondents are based in rural areas across Scotland.

Local Authority	Number of Respondents
Aberdeen City	1
Aberdeenshire	1
Angus	4
Argyll & Bute	38
Clackmannanshire	1
Dumfries & Galloway	13
Dundee City	1
East Ayrshire	2
East Dunbartonshire	0
East Lothian	1
East Renfrewshire	0
Edinburgh City	4
Eilean Siar	14
Falkirk	0
Fife	3
Glasgow City	1

Local Authority	Number of Respondents
Highland	168
Inverclyde	0
Midlothian	0
Moray	14
North Ayrshire	11
North Lanarkshire	1
Orkney	12
Perth & Kinross	7
Renfrewshire	0
Scottish Borders	4
Shetland	0
South Ayrshire	2
South Lanarkshire	0
Stirling	5
West Dunbartonshire	1
West Lothian	3

Q2 HOW WOULD YOU DESCRIBE THE LOCATION OF YOUR B&B?

126 Businesses (41%) are located in a rural area, with 20% semi-rural, 27% are located on an island. (A total of 88% of businesses in this demographic, while just 12% are urban or suburban)

Urban	24	7.79%
Suburban	13	4.22%
Semi-Rural	61	19.81%
Rural	126	40.91%
Island	84	27.27%

Q3 WHAT IS THE TOTAL NUMBER OF GUEST BEDROOMS IN YOUR B&B PROPERTY?

238 Businesses (77%) have 4 bedrooms or less, signifying that the main demographic of the B&B sector consists of micro businesses.

No of guest bedrooms		
1	17	5.52%
2	92	29.87%
3	85	27.6%
4	44	14.29%
5	19	6.17%
6	21	6.82%
7	10	3.25%
8	8	2.60%
9 or more	12	3.90%

Q4 WHAT IS THE TOTAL NUMBER OF BEDROOMS IN YOUR PROPERTY?

223 Businesses (72%) operate from properties with an average of 3 to 6 bedrooms in total.

No of total bedrooms

1	8	2.60%	6	45	14.61%
2	19	6.17%	7	19	6.17%
3	55	17.86%	8	13	4.22%
4	64	20.78%	9 or more	26	8.44%
5	59	19.16%			

Q5 DOES YOUR B&B ACCOMMODATE 7 OR MORE GUESTS IN TOTAL?

YES	113	36.69%
NO	195	63.31%

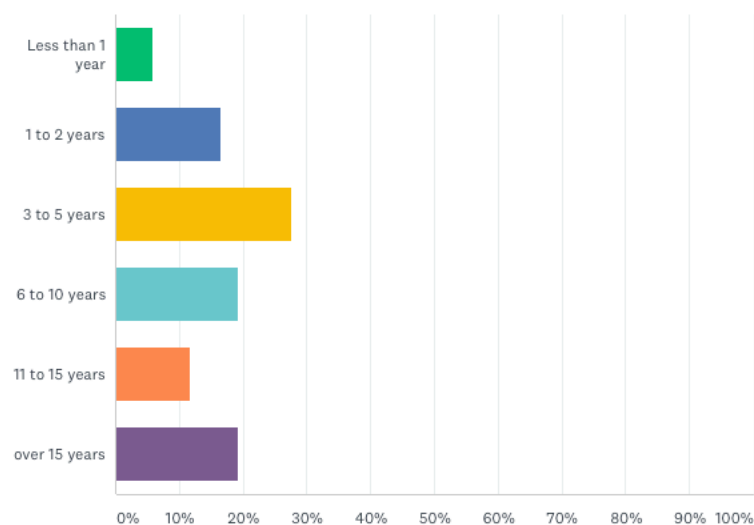
Q6 HOW LONG HAVE YOU BEEN OPERATING YOUR B&B?

78% of businesses have been operating over 3 years, with 20% of businesses over 15 years, one business has been operating for over 37 years. Bed and Breakfast businesses like many other accommodation providers are in the industry for the long haul, its not a ‘flash in the pan whim’ and significant investment is usually made by operators to develop their business over a long period of time.

Less than 1 year	18	5.84%
1 to 2 years	51	16.56%
3 to 5 years	85	27.60%
6 to 10 years	59	19.16%
11 to 15 years	36	11.69%
Over 15 years	59	19.16%

How long have you been operating your B&B

Answered: 308 Skipped: 0



Q7 IS YOUR PROPERTY CLASSED AS A RESIDENTIAL HOUSE (USE CLASS 9) OR A GUEST HOUSE (USE CLASS 7)?

76% of Bed and Breakfasts fall in UCO9 (residential) compared to 24% UCO7 (Guest House) Therefore, 76% will be subject to this legislation and will be required to obtain a STL Licence.

House/Residential - Use Class Order 7	236	76.62%
Guest House - Use Class Order 9	72	23.38%

Q8 DO YOU PAY COUNCIL TAX OR NON-DOMESTIC RATES?

77% of Bed and Breakfasts pay council tax fall in compared to 23% who are listed on the non-domestic rates roll.

Council Tax	237	76.95%
Non-Domestic Rates	71	23.05%

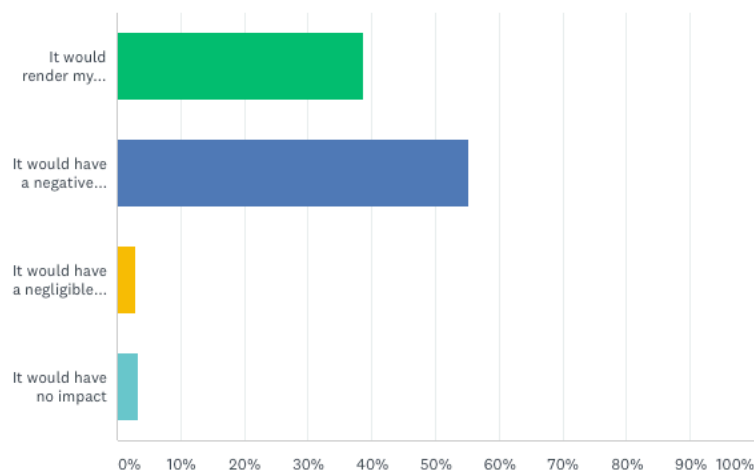
Q9 HOW WOULD THE COST OF A LICENCE PLUS THE COST OF AN ANNUAL MONITORING FEE IMPACT ON YOUR FUTURE MARGINS AND BUSINESS VIABILITY IF A LICENSING SCHEME IS APPROVED?

39% of respondents believe that any additional licence fee would render their business unviable. While, 55% of respondents believe it would have a negative impact on their business

It would render my business unviable	119	38.64%
It would have a negative impact	170	55.19%
It would have a negligible impact	9	2.92%
It would have no impact	10	3.25%

How would the cost of a licence plus the cost of an annual monitoring fee impact on your future margins and business viability if a Licensing Scheme is approved? (we do not know what these fees may be yet, and it will be up to the Local Authority to set the fees)

Answered: 308 Skipped: 0

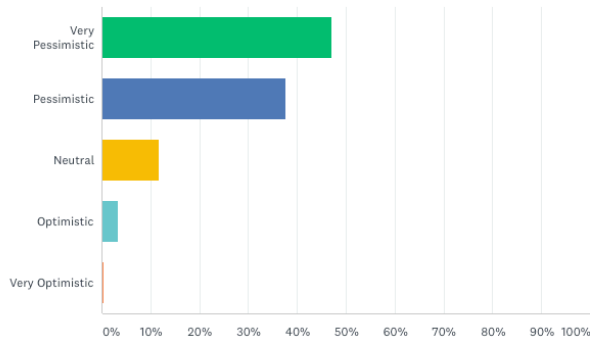


Q10 & 11 HOW DO YOU FEEL ABOUT YOUR BUSINESS IN THE NEXT 6 / 12 MONTHS?

Bed and Breakfast Operators in Scotland do not have positive outlook: 85% are feeling pessimistic or very pessimistic about their business over next 6 months and 73% over the next 12 months.

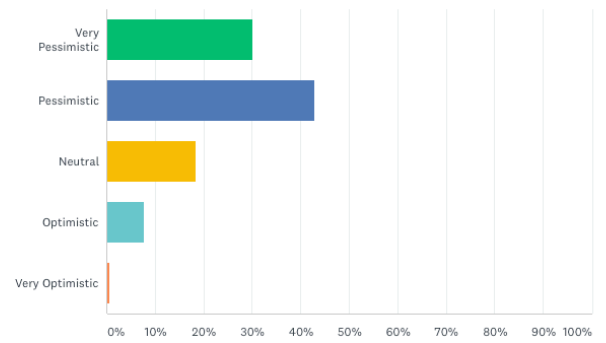
How do you feel about your business in the next 6 months?

Answered: 308 Skipped: 0



How do you feel about your business in the next 12 months?

Answered: 308 Skipped: 0



	6 months		12 months	
Very Pessimistic	145	36.69%	93	30.19%
Pessimistic	116	37.66%	132	42.86%
Neutral	36	11.69%	57	18.51%
Optimistic	10	3.25%	24	7.79%
Vert Optimistic	1	0.32%	2	0.65%