



Scottish Tourism Alliance Response to Highland Council Planning Control Area Consultations

Highland Rural STLCA and Inverness City STLCA

The Scottish Tourism Alliance (STA) welcomes the opportunity to respond to Highland Council's consultations on the proposed expansion of Short-Term Let Planning Control Areas (PCAs) covering:

- the Highland Rural STLCA; and
- the Inverness City STLCA.

The STA recognises the significant housing pressures facing many communities across Highland and supports the need for balanced, evidence-led and sustainable policymaking.

However, the STA has serious concerns regarding the proposed expansion of Planning Control Areas in the absence of robust evidence demonstrating that the existing model has materially achieved its intended policy outcomes.

Tourism Is One of Scotland's Greatest Economic Assets

Tourism and hospitality are fundamental to Scotland's economy, employment and communities.

As highlighted within the STA's 2026 election priorities and First 100 Days policy document:

- tourism-related industries are now the single biggest source of employment in Scotland;
- the sector generated £11.4bn total visitor spend in 2024;
- and tourism remains one of Scotland's strongest opportunities for sustainable economic growth.

The STA has consistently argued that tourism should be treated as a future industry and a safe return on investment for Scotland, not as a sector to be continually subjected to additional uncertainty and regulatory burden.

In Highland in particular, self-catering accommodation forms a critical component of the tourism and hospitality ecosystem, supporting:

- visitor dispersal;
- rural and island economies;
- local supply chains;
- hospitality businesses;
- transport providers;
- visitor attractions;
- and employment across fragile communities.

Many parts of Highland rely heavily upon flexible visitor accommodation infrastructure in areas where traditional hotel provision is limited or economically unviable.

Sustainable Communities Require Sustainable Economies

The STA is concerned that the current consultation narrative increasingly frames tourism and housing as competing interests.

This is an oversimplification of a far more complex reality.

Sustainable communities require:

- both housing;
- and viable local economies.

Tourism businesses, including self-catering accommodation providers, support:

- local jobs;
- local services;
- economic diversification;
- year-round economic activity;
- and community resilience.

Without economically sustainable communities:

- depopulation accelerates;
- local services decline;
- young people continue to leave rural areas;
- and fragile communities weaken further.

The STA is therefore concerned that the consultations increasingly imply causal relationships between:

- self-catering accommodation;
- depopulation;
- school decline;
- and fragile communities

without sufficiently robust evidence demonstrating direct causation.

Many of these demographic and structural challenges are long-standing, complex and multi-factorial in nature.

Evidence and Proportionality Must Come First

The STA is particularly concerned that Highland Council is proposing one of the largest expansions of Planning Control Areas in Scotland before demonstrating that the existing Badenoch and Strathspey Control Area has materially achieved its intended objectives.

At present, there remains:

- no clear evidence of measurable housing benefit;
- no comprehensive economic impact assessment;

- and no robust demonstration that the proposed interventions are proportionate relative to the potential economic consequences.

The STA believes that policy interventions of this scale must be grounded in:

- robust evidence;
- measurable outcomes;
- proportionality;
- and balanced economic assessment.

The organisation is concerned that broad “STL” statistics are increasingly being used without sufficient distinction between:

- hospitality-led self-catering accommodation;
- home sharing;
- ancillary accommodation;
- glamping and unconventional accommodation;
- and conventional residential properties capable of contributing to mainstream housing supply.

These are not equivalent categories and should not be treated interchangeably for policymaking purposes.

Alignment with Scotland Outlook 2030 and STA Priorities

The concerns raised by the STA align directly with the ambitions set out in Scotland Outlook 2030 and the STA’s 2026 election priorities.

The STA has consistently called for Scotland to:

- nurture the tourism and hospitality sector rather than stifle growth;
- avoid unnecessary regulatory burdens;
- strengthen investment confidence;
- support sustainable and responsible tourism;
- and position tourism as a major future growth industry for Scotland.

The current proposals risk undermining those objectives by:

- creating investment uncertainty;
- weakening business confidence;
- discouraging tourism infrastructure investment;
- and potentially reducing accommodation capacity in key visitor destinations.

This is particularly concerning at a time when Scotland should instead be:

- strengthening competitiveness;
- encouraging sustainable tourism growth;
- and supporting businesses to invest in product, people and place.

Planning and Licensing Concerns

The STA also notes significant and growing concern across the tourism sector regarding the cumulative interaction between:

- Planning Control Areas;
- licensing requirements;
- Mandatory Condition 13;
- and evolving planning interpretation.

Many lawful operators commenced trading openly and transparently at a time when planning permission was not generally understood or advised to be required in many cases.

The STA recognises the serious concerns now being raised regarding:

- legal certainty;
- investment confidence;
- procedural fairness;
- and retrospective regulatory burden.

The STA supports the position that existing lawful operators require:

- clarity;
- consistency;
- and proportionate treatment.

The organisation further notes the concerns raised by the Association of Scotland's Self-Caterers (ASSC) regarding:

- proportionality;
- legitimate expectation;
- and potential implications under Article 1 Protocol 1 ("A1P1") rights and the Provision of Services Regulations 2009 if measures are applied in a manner that creates disproportionate or effectively retrospective barriers to continued lawful operation.

Grandfathering and Long-Term Clarity

The STA supports calls for clear protection and certainty for existing lawful operators, particularly those operating prior to the introduction of the 2022 STL licensing framework.

The tourism and hospitality sector requires:

- certainty;
- confidence;
- and a stable investment environment.

The STA believes that future policy should prioritise:

- national consistency;
- legal clarity;
- evidence-led regulation;
- and collaborative partnership working with industry.

The organisation would support continued work towards a clearer long-term framework, including consideration of a formal Use Class Order capable of delivering greater consistency and proportionality across Scotland.

Conclusion

The STA respectfully urges Highland Council and Scottish Ministers to:

- pause further PCA expansion pending robust evaluation of existing control areas;
- undertake comprehensive economic and regulatory impact assessment;
- ensure future interventions are evidence-led and proportionate;
- provide certainty and protection for existing lawful operators;
- and work collaboratively with the tourism sector to develop sustainable long-term solutions that support both thriving communities and a thriving visitor economy.

Scotland's tourism and hospitality sector is one of the country's greatest economic assets and a vital contributor to communities across Highland and beyond.

Future policy must therefore ensure that efforts to address housing pressures do not inadvertently undermine the very economic ecosystems that sustain Scotland's communities, livelihoods and visitor economy.