



Consultation Briefing: the draft Rented Sector Strategy

About this briefing - This is a new type of briefing exclusively for CIH members. These briefings are designed to inform you about current consultations, highlight potential implications for the sector that you might want to consider in your own response and set out CIH Scotland's position.

Background

The consultation for [A New Deal for Tenants - Draft Rented Sector Strategy](#) opened on 20 December. The Scottish Government is inviting responses on their [online consultation portal](#) by 15 April 2022 and plans to publish the final strategy by the end of 2022.

What is in the Strategy?

The paper sets out the Scottish Government's ambitions to deliver improved conditions for tenants in the rented sector by 2025 through:

- enhanced rights for tenants, including eviction reform;
- new requirements for data collection on rents in the private sector which will underpin a new effective system of national rent controls;
- new cross-tenure housing standards, including near term energy efficiency targets; and
- a new Private Rented Sector Regulator.

A new deal for tenants

This section of the strategy considers how to establish high service standards within the rented sector for the benefit of both tenants and landlords. Suggested ways to achieve this include:

- establishing a national participation panel for the private rented sector (PRS) to help develop and implement policy for the rented sector; and
- encouraging development of tenants' unions and looking at how they influence decision making and what role they could play in supporting tenants.

The Scottish Government notes that it aims to raise national awareness of tenants' rights through a campaign early in 2022 and will also consider how rights can be further improved. This includes:

- Reforming the current grounds for repossession contained within the [Private Residential Tenancy](#) so landlords cannot evict tenants in order to use the property for short-term holiday lets.
- The introduction of pre-action protocols on a permanent basis in the PRS as well as

the revision of current requirements within the social rented sector. This would include a new obligation to ensure domestic abuse and the impact of universal credit cuts are considered as a cause of rent arrears.

- The right for victims of domestic abuse in the PRS to stay in their own home.
- How tenants can be provided with greater flexibility to personalise their home. For example, through decorating their home and keeping pets.
- Introducing extended notice periods over the winter period. Alternatively, delaying the ability to serve a notice to leave or begin proceedings until the end of a prescribed winter period.

Also under consideration is the potential for the introduction of a requirement for Sheriff Courts and Tribunals to delay eviction orders and decrees over the winter period.

The consultation also seeks feedback on whether students living in purpose-built student accommodation should be offered the same rights as those who are renting privately. It recognises the difficulty in ensuring that this would not impact upon the supply of purpose-built student accommodation.

The consultation states the intention of the Scottish Government to work with local authorities to consider both pitch agreements and rent affordability via demonstration projects through the Gypsy/Traveller Accommodation Fund looking to both inform future policy and share good practice.

Affordable Rents

The consultation states the Scottish Government's intention to improve the evidence base for the PRS to provide evidence for any future rent control policy. Provisions are set to be included in a Housing Bill that is due to be introduced in 2023 mandating private landlords to supply rental information and other property data.

In terms of rent adjudication, it is proposed that legislation will only allow adjudications that either decrease or maintain rent at the level proposed by a



landlord, not allowing rent increases as is currently the case. Rent controls are only proposed for the PRS at this time.

Supply of rented homes

The consultation welcomes investment in the Build to Rent market and seeks suggestions on how to overcome any barriers currently hindering growth.

The Scottish Government has also committed to work alongside local authorities to review the level of short-term let activity in summer 2023, to evidence how current measures are working and assess the need for additional measures. Should the review ascertain there are continuing issues with high concentrations of short-term lets, additional action may be taken to enhance powers. There are also plans to increase fines in respect to licensing offences relating to short-term lets.

The consultation asks whether the current approach in Scotland towards allocations achieves the correct balance between supporting those in social housing and those who are looking to move into the sector. It suggests landlords should be developing monitoring frameworks alongside policies to ensure the correct mechanisms are in place.

Quality: Raising standards

By improving both regulation and standards there is a commitment to a unified housing standard, making it easier to ensure standards are aligned across all types of housing and accommodation. For example, as well as differences between the social sector and PRS, different standards and rights are associated with agricultural tenancies and pitch agreements for residential mobile homes or Gypsy/Traveller sites to be addressed.

To achieve this, one of the proposed actions is to review the existing registration scheme for private sector landlords to look at opportunities to strengthen and improve PRS standards.

The consultation also discusses the Scottish Government's intention to consult on the principles that will underpin a new housing standard. This will eventually lead to legislation in 2024 or 2025 which will be implemented on a phased basis from 2025 to 2030.

Regarding energy efficiency within the rented sector, the original intention to introduce minimum energy efficiency standards within the PRS to be achieved by 2025 has been pushed back to a later date. This means regulations will be introduced in 2025 requiring all private rented properties to achieve a minimum standard EPC C, where technically feasible

and cost-effective. This will apply at change of tenancy from 2025 and by 2028 all remaining properties in the PRS will be expected to meet this standard.

The consultation also notes that the Scottish Government intends to bring forward legislation to require the installation of zero, or very near zero, heating in existing buildings. This goes along with the commitment to phase out installations of new or existing fossil fuel boilers in off-gas properties by 2025 and on-gas areas by 2030. All buildings will be required to meet this standard by 2045 at the latest. This section also mentions the Scottish Government's intention to allocate at least £1.8 billion over the next five years to accelerate the deployment of heat and energy efficiency measures and to assist those who are least able to pay.

In terms of disability and the PRS, existing arrangements for funding adaptations are seen to be complex and too closely welded to housing tenure.

The consultation sets out plans to increase supply of accessible and adapted homes to give a greater choice to both tenants and homeowners. This includes a retrofitting programme for social homes and new building standards underpinning a Scottish Accessible Homes Standard which must be met by all new homes including those being built by private builders.

To drive up management standards of properties the consultation states that the intention is for the Scottish Housing Regulator to have a greater role in improvement, similar to Healthcare Improvement Scotland.

There is a commitment to creating "a new housing regulator for the private rented sector to improve standards and enforce tenants' rights" and will be based on clearly defined standards of quality, affordability and fairness that reflect the aim of tenure neutral outcomes.

The CIH view

The Rented Sector Strategy is an opportunity to improve standards and tenant experiences across both the PRS and social rented sector. However, this strategy must be about more than adding regulation to the PRS but instead recognising the opportunity to combine the best standards and services from both the social and private sector to create a fairer housing system and better outcomes for all tenants.



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Our system is complex with a multitude of factors informing wellbeing and tenant outcomes and that is why we need alignment of the rented sector to consider a wide range of issues. We must start with the alignment of standards of our homes. There is no compelling case as to why we have differentiation of home and housing standards across the rented sector. However, tenant experience is about more than just bricks and mortar. Therefore, to capitalise on this opportunity for system change we also need to consider the opportunities for alignment on tenants' rights and transparency, regulation, professionalism, and customer service and on affordability.

Some of these issues are already under consideration by the Scottish Government in the draft strategy, but others, including professionalism and customer services, are notably not. We believe that the development of a Private Rented Sector Charter, setting out what tenants and other customers can expect from landlords, how tenants can hold landlords to account, as well as the behaviour tenants can expect from housing professionals is vital to improving cross tenure housing outcomes.

Equally, we are surprised at the lack of attention given to the role of housing professionals, continuous professional development (CPD) and housing education as a means to improve housing practice. We believe a review of professional training and development to consider the appropriate qualifications and standards for housing staff across different tenures and ongoing CPD requirements should be conducted. This should be informed by a review of what impact mandatory qualifications for letting agents have had on improving outcomes for tenants in the private sector.

The outline of the Rented Sector Strategy is welcome. But without a clearer focus on housing professionals and transparency over rights and responsibilities, we do not consider that it will meet the Scottish Government's ambitions for the sector and for tenant outcomes.

We would like to hear what CIH members think about the draft consultation paper. You can share your thoughts by emailing scotland@cih.org