

Fair Rents (Scotland) Bill

Introduction

A proposal for a Bill to protect private sector tenants by introducing measures to limit rent increases and to increase the availability of information about rent levels. The consultation runs from 15 May 2019 to 8 August 2019 (extended from 6 August). All those wishing to respond to the consultation are strongly encouraged to enter their responses electronically through this survey. This makes collation of responses much simpler and quicker. However, the option also exists of sending in a separate response (in hard copy or by other electronic means such as e-mail), and details of how to do so are included in the member's consultation document. Questions marked with an asterisk (*) require an answer. All responses must include a name and contact details. Names will only be published if you give us permission, and contact details are never published – but we may use them to contact you if there is a query about your response. If you do not include a name and/or contact details, we may have to disregard your response. Please note that you must complete the survey in a single session, you can choose "Save and Continue later" at any point. Whilst you have the option to skip particular questions, you must continue to the end of the survey and press "Submit" to have your response fully recorded. Please ensure you have read the consultation document before responding to any of the questions that follow. In particular, you should read the information contained in the document about how your response will be handled. The consultation document is available here: [Consultation document Privacy Notice](#)

I confirm that I have read and understood the Privacy Notice attached to this consultation which explains how my personal data will be used

About you

Please choose whether you are responding as an individual or on behalf of an organisation. Note: If you choose "individual" and consent to have the response published, it will appear under your own name. If you choose "on behalf of an organisation" and consent to have the response published, it will be published under the organisation's name.

on behalf of an organisation

Which of the following best describes you? (If you are a professional or academic, but not in a subject relevant to the consultation, please choose "Member of the public".)

No Response

Please select the category which best describes your organisation

Public sector body (Scottish/UK Government/Government agency, local authority, NDPB)

Please choose one of the following:

I am content for this response to be published and attributed to me or my organisation

Please provide your name or the name of your organisation. (Note: the name will not be published if you have asked for the response to be anonymous or "not for publication". Otherwise this is the name that will be published with your response).

Rebecca Pringle
Strategy Officer , East Lothian Council

Please provide details of a way in which we can contact you if there are queries regarding your response. Email is preferred but you can also provide a postal address or phone number. We will not publish these details.

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Aim and approach - rent cap

Q1. Which of the following best expresses your view of capping private sector rent increases annually across Scotland at one percentage point above inflation (measured according to the Consumer Price Index (CPI))?

Fully supportive

Please explain the reasons for your response.

1. East Lothian's private sector rents are rising yearly, within the context of a highly pressured housing market. This means that private rented sector is becoming unaffordable for individuals and households both in receipt of benefits and those on low incomes. Through the Scottish Household Survey we know that the Private Rented Sector is no longer only a tenure of choice for students and young professionals who feel the sector benefits them. But the sector now caters for a percentage of the population who are retired, with little to no income and also individuals with disabilities and health problems. Capping rents will ensure that rents do not continue to rise above what local people can afford.

Rent level appeals

Q2. Which of the following best expresses your view of providing that, when tenants appeal their rent, rent officers and the First-tier Tribunal would be able to either lower or maintain the rent but not increase the rent?

Fully supportive

Please explain the reasons for your response.

2. East Lothian Council is supportive of the proposed response to rent level appeal. However, the increased responsibility and powers which will be demanded of rent officers must be accompanied with increased resources from the Scottish Government. With consultations on the extension of HMOs and regulations on short-term lets, the scope of what local authorities are expected to do is increasing on a large scale. This requires significant resources to ensure compliance.

Landlord registration scheme

Q3. Which of the following best expresses your view of expanding the landlord registration scheme so that landlords must input the rent that they charge when they register, and update the system when the rent changes?

Fully supportive

Please explain the reasons for your response.

3. East Lothian Council is fully supportive of expanding the landlord registration scheme. As the scheme is already in place, and with knowledge of the private sector limited through-out Scotland, it is an ideal opportunity to increase local knowledge of the PRS. 10. Whilst ELC are fully supportive of improving systems to gather evidence of rent levels across the county and implementing legislation to ensure rents are fair, there needs to be a much more holistic approach to setting rents and improving our knowledge of the PRS as a whole i.e. - Information of house type i.e. flat, house etc. - Information of house size - Information on whether furnished or not - Information on quality / Energy Efficiency - Information on household type / age etc The current landlord registration scheme is about ensuring landlords are 'fit' to be landlords and nothing else. This bill would require a review of the scheme to ensure all necessary data could be captured.

Other options - Rent Pressure Zones

Q4. Which of the following best expresses your view of tackling the problem of rents rising significantly faster than inflation by making it easier for a local authority to apply to create a Rent Pressure Zone (RPZ)?

Fully supportive

Please explain the reasons for this response.

The introduction of Rent Pressure Zones was welcomed by East Lothian Council. However, the data and evidence required to apply for RPZ was unrealistic and unattainable. East Lothian Council fully supports any efforts to make it easier for a local authority to apply to create a Rent Pressure Zone.

Financial implications

Q5. Taking account of both costs and potential savings, what financial impact would you expect the proposed Bill to have on:

| | Significant increase in cost | Some increase in cost | Broadly cost-neutral | Some reduction in cost | Significant reduction in cost | Unsure |
|---|------------------------------|-----------------------|----------------------|------------------------|-------------------------------|--------|
| Government and the public sector | X | | | | | |
| Businesses (including landlords) | | | X | | | |
| Individuals (including tenants) | | | X | | | |

Q5. Taking account of both costs and potential savings, what financial impact would you expect the proposed Bill to have on:

Please explain the reasons for your response.

a. a significant increase in cost. As suggested in the response to question 2, the increase in responsibility suggested by HMO extension and regulation of Short Term lets will put a huge pressure on resources within Local Authorities. b. East Lothian Council believes that the Bill will have a broadly cost-neutral impact on landlords. It is not anticipated that landlords will see a big reduction in rents with the proposals. c. East Lothian Council believes that the Bill will result in a broadly cost-neutral to some reductions in cost for tenants. As the Bill will allow tenants to query rents the powers will ensure that the tribunal can reduce the rent or keep it the same. This will ensure that tenants costs remain stable and in relation to the market.

Q6. Are there ways in which the Bill could achieve its aim more cost-effectively (e.g. by reducing costs or increasing savings)?

No Response

Equalities

Q7. What overall impact is the proposed Bill likely to have on equality, taking account of the following protected characteristics (under the Equality Act 2010): age, disability, gender re-assignment, maternity and pregnancy, marriage and civil partnership, race, religion or belief, sex, sexual orientation?

Positive

Please explain the reasons for your response.

7. East Lothian Council believes that this will have a positive impact on equalities. However, it is suggested that more must be done to ensure that PRS landlords are supported to accept tenants who receive benefits. While the Bill might allow for tenants who are in receipt of LHA to be able to afford PRS rents in the long term, the discrimination against these tenants will continue to mean that the private rented sector is not a tenure of choice to them, thus limiting the housing options available – and contributing to the further pressurised housing market.

Q8. In what ways could any negative impact of the Bill on equality be minimised or avoided?

8. To ensure negative implications, the Bill must take into account further reforms in the PRS including energy efficiency and short term lets regulation. The majority of PRS landlords in East Lothian have purchased the property to make an income. To ensure that landlords continue to let with the increased regulations, there must be increased engagement with landlords. This includes ensuring they have the knowledge and understanding of their responsibilities as landlords.

Sustainability

Q9. Do you consider that the proposed Bill can be delivered sustainably, i.e. without having likely future disproportionate economic, social and/or environmental impacts?

Yes

Please explain the reasons for your response.

East Lothian Council believes that this Bill can be delivered sustainably if adequate resources are put into it. As previously mentioned, this must include increase resources for local authorities and landlords.

General

Q10. Do you have any other comments or suggestions on the proposal?

It would be useful to clarify how the baseline rents will be set i.e. if the cap just applies to current levels, we could still have an unfair system. Current rents may already be high and if not, linked to quality. This may also result in high energy bills etc. East Lothian Council believes that rents need to be set accordingly to area and quality.

The Bill also refers to 'Rent Officers'. Local Authorities do not have 'rent officers' for the private rented sector, this would thus require additional resources.