

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).

West 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.

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))?

Neutral (neither support nor oppose)

Please explain the reasons for your response.

There may be some advantages to capping private sector rent increase annually across Scotland. It would provide both clarity and consistency across the country. It would be easy to understand and may be easier to implement than rent pressure zones. However, it could lead to rents being increased up to the cap which may make rents higher than they would be if no cap was in place annually. This in turn may have an effect on homelessness presentations if rents are raised to a level that is unaffordable to tenants. According to Scottish Government statistics, average (mean) rents in West Lothian between 2016 and 2018 increased across all property sizes (1, 2, 3 and 4 bedrooms). Increases range from 1.7% for 2 bedroom properties to 4.9% for 1 bedroom shared properties which compares to CPI inflation of 2.4% across this time period. Average rents have also increased for all property sizes between 2010 and 2018. Increases range from 14.4% for 1 bedroom properties to 24.8% for 1 bedroom shared properties, which compares to CPI inflation of 18.7% across this time period. If the cap had been in place between 2016 and 2018, rents would have been higher for 1,2 and 4 bedroom properties but lower for 1 bedroom shared and 3 bedroom properties (assuming all landlords raised rents by CPI +1%) If the cap had been in place between 2010 and 2018, rents would have been higher across all property types (assuming all landlords raised rents by CPI +1%) <https://www.gov.scot/publications/private-sector-rent-statistics-2010-2018/> In terms of a tenant perspective, capping the amount of rent increases would provide tenants with peace of mind as to the extent to which a rent level can increase during their tenure. In some circumstances landlords will increase rent to an amount which is not suitable for the type of property and may be unaffordable for the tenant.

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.

The council is fully supportive of the proposal that when tenants appeal their rent, rent officers and the

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?

First-tier Tribunal would be able to lower or maintain the rent but not increase it. If the tenant requires to refer their rent to the Rent Tribunal, they should not be at risk of the rent rising. It would be beneficial to know how many cases there have been of the rent rising as a result of the rent being referred to the Tribunal. Within the provisions of the new Private Residential Tenancy, landlords are able to increase rent annually. If a tenant does not agree with the increase they can apply for an adjudication of the rent. The Rent Officer can increase this rent if they feel it should be higher from the level set by the landlord. This process has historically deterred tenants from applying to the tribunal who feared an increase. Not being able to increase the rent would benefit the tenant and encourage them to submit an application to the Tribunal.

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.

The council is fully supportive of this measure. This would allow for Local Authorities to easily retrieve the detail of data held on rents when monitoring, investigating cases, and applying good governance to the administration and enforcement of the scheme. Being able to collate individual rent level data also enables the analysis of local datasets and intelligence within the sector. This allows for intelligence-led scrutiny of local rent levels, and to help in the early identification of anomalies within private rental market.

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 requirements around the designation of a rent pressure zone, including the evidence gathering is particularly onerous for local authorities under the current legislation. If rent information was easier to access and (as outlines in our response to question 3 on possible changes to private landlord registration) it may be that the evidence would be easier to collect and consequently makes it more likely that for local authorities have access to the information required to build a well-informed application for designation of a rent pressure zone. The council feels that there should be flexibility for local authorities to determine the boundaries of a designated rent pressure zone, subject to the evidence being available.

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			

Please explain the reasons for your response.

There is very likely be additional resourcing costs in regard to amendments required to the current landlords registration database to include accurate rent levels information for the existing members of the scheme. The changes would also require councils to undertake further enforcement activity in relation to ensure that compliance with the new conditions of membership of the private landlord register. This will require additional resource to cover the additional workload in terms of data input, quality assurance, landlord engagement and issue resolution/enforcement – particularly where information is not provided. The proposals are likely to incur some increase in cost in gathering the evidence, analysis and reporting so that councils can better understand the private rent levels in within the area. However, if the rental information is made available through landlord registration then this would be more straightforward and likely to be less expensive to collect than the current requirements for rent pressure zones. (Individuals) WLC response - There is no indication that costs for tenants or landlords would increase out with normal and fair rent increases. This should not bring additional costs to either group.

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

WLC response – there is currently a 3 yearly charge for registering as a landlord – unless there is a failure to register appropriately, or a compliance issue, then there are currently no other administration costs. This fee has recently been reviewed in consultation with local authorities to ensure that the fee covers the costs of running the scheme – to reduce this fee would inhibit the council’s ability to deliver on current obligations, far less new statutory compliance measures.

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.

In terms of meeting the statutory duties in protecting, encouraging and eliminating discrimination against those from protected characteristics, the proposed changes could potentially have a positive impact. People belonging to one or more of the protected characteristics groups generally are less likely to raise issues or complain about discrimination for fear of retribution. By removing discretion, and making rent

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levels fairer through a more structured, statutory and transparent manner of administering and monitoring fair rents, it is more likely that unfair or discriminatory landlord practices are eliminated.

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

Whilst there are no immediate concerns around negative impacts overall, the introduction of a review period after 12 months would help to identify where improvements could be made based on experience.

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?

Unsure

Please explain the reasons for your response.

Unsure, it would depend on whether private landlords would wish to remain in the sector if rent caps were introduced. A 12 month review would enable data to be examined.

General

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

No