

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 order for your response to be accepted. If you don't wish to 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

Third sector (charitable, campaigning, social enterprise, voluntary, non-profit)

Optional: You may wish to explain briefly what the organisation does, its experience and expertise in the subject-matter of the consultation, and how the view expressed in the response was arrived at (e.g. whether it is the view of particular office-holders or has been approved by the membership as a whole).

Child Poverty Action Group works for the one in four children in Scotland growing up in poverty. It doesn't have to be like this. We use our understanding of what causes poverty and the impact it has on children's lives to campaign for policies that will prevent and solve poverty – for good. The Early Warning System

Please select the category which best describes your organisation

(EWS) was set up by CPAG in Scotland to collect and analyse case evidence about how welfare changes are affecting the wellbeing of children, their families and the communities and services that support them. To date over 5,000 case studies have been gathered from frontline workers, including welfare rights advisors, housing officers and support workers. The views in this submission were informed by case evidence from the EWS. CPAG in Scotland are not housing experts, we are responding to this consultation as we wish to highlight the need to consider social security policy alongside housing policy.

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).

Child Poverty Action Group in Scotland

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))?

Fully opposed

Please explain the reasons for your response.

We are responding to this consultation because we wish to highlight that changing housing policy alone may not have the intended consequences for people in receipt of assistance to pay rent through social security. Local housing allowance is the maximum rate of support than someone can receive for their private rented housing costs through housing benefit or the housing element of universal credit. Originally set at the median local rent, it was reduced to the 30th percentile, then frozen for four years between 2016 and 2020. The increasing gap between the local housing allowance (LHA) and private rents has rendered many properties unaffordable, or left tenants having to pay the difference from income or benefits intended for living costs. Analysis by Crisis shows that in 15 out of 18 of the rental markets in Scotland there is a monthly shortfall between rents and the amount of LHA tenants can receive. This problem has not arisen as a result of this proposal - it is a longstanding issue - but neither does the proposal seek to address the issue. A 19 year old client who is due to give birth shortly is moving into her own tenancy. The rent is £510 a month, but her maximum housing element in universal credit (UC) will be £259.78 a month until the baby is born (shared-room rate) and £444.42 thereafter (2 bedroom LHA rate). Neither amounts will be enough to cover the full rent and the shortfall will have to be found from the remainder of her UC award. #1942 (25/10/18) In the proposal, the example is given of a rent of £500 being increased by 3% (2% CPI + 1%) so that the new rent is £515. If the LHA does not increase alongside the rent, the tenant would have to pay the additional £15 from their other benefits or income. If the rent was allowed to increase by 3% every year, but the LHA rates were frozen for four years as they were between 2016 and 2020, the tenant could find themselves having to find an extra £60 a month to pay to their rent, without any additional support

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from housing benefit or universal credit. For this proposal to cap rent increases to have the fullest impact, the Scottish Government may wish to consider if and how it could use the powers conferred by s29(3) of the Scotland Act 2016 with regarding to the determination and calculation of housing costs in universal credit. The proposal also states that Ministers will have the power to change the inflation index if interest rates rise suddenly and by a significant amount to protect landlords – but consideration must also be given to protection for tenants in such an event.

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?

Unsure

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.

Better data about rent levels will help to measure whether financial support to pay rents through social security is sufficient or not.

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)?

Unsure

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

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?

Unsure

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

No Response

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

General

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

Where we have answered 'unsure' this is because it is outwith CPAG in Scotland's expertise.