Rapid Rehousing Transition Plans:

Improving access to the private rented sector

Report and recommendations by CIH Scotland in partnership with Fife Council

Chartered Institute of Housing
Scotland

Fife
COUNCIL

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Foreword

This is the final report in our series examining local authority approaches to tackling homelessness through Rapid Rehousing Transition Plans (RRTPs) first introduced at the end of 2018. In the intervening five years, an already challenging operating environment has been stretched further than any of us could have predicted.

The housing sector is still dealing with the aftermath of the global Covid-19 pandemic which saw construction, routine maintenance and new lets grind to a halt, and left many tenants trapped in their homes. Social landlords responded with creative solutions making better use of technology, checking in on tenants remotely and distributing life-saving food and support packages, making sure that everyone in Scotland had a roof over their head and the support they needed.

The cost of living crisis which we are still navigating has seen households' income eroded by the highest rates of inflation in a generation while landlords have been dealing with spiralling costs of building materials, service provision and labour shortages – and now inflation. The humanitarian crises in Ukraine and the Middle East continue to put pressure on already stretched homelessness services as we work to provide shelter for the thousands displaced by war.

With more households making homeless applications and the average length of stay in temporary accommodation increasing, it is clear now that we need to look at new ways of working.

The best solution in the long-term is to increase the supply of social and affordable housing, this is something that CIH Scotland will continue to strongly advocate for. But we also need to look for more immediate solutions and increase short term housing supply across tenures to give households choice – albeit constrained for some. Following feedback from our earlier work on RRTPs, this report seeks to better understand some of the barriers for people trying to access the private rented sector (PRS) and to make recommendations about how we can make the PRS an attractive and viable housing option for households who are experiencing homelessness, or those who are at risk of homelessness.

Previous reports from our RRTP project are available online:

- [Rapid Rehousing Transition Plans: Making the case for the next five years](#)
- [Rapid Rehousing Transition Plans: A monitoring framework for local authorities](#)
- [Rapid Rehousing Transition Plans: Assessing the affordability of the private rented sector for LHA (Local Housing Allowance) recipients in Scotland](#)

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1. Executive summary

This report draws on expertise from local authorities and key stakeholders across the private sector and third sector to identify barriers and solutions to accessing the private rented sector (PRS) to alleviate pressure on homelessness services. The Scottish Government's commitment to improve the rights of tenants and to take action through the forthcoming Housing Bill is welcome. Steps need to be taken to make the PRS a secure, affordable, accessible, and attractive housing option. However, it is clear that well intentioned interventions are not always having the intended results.

Despite new legislation, a new tenancy regime, and greater protections against evictions, fewer people experiencing homelessness are successfully finding permanent accommodation in the PRS. Instead, a range of household sizes and types are facing lengthy stays in temporary accommodation, waiting for social tenancies that are in short supply – particularly for single people and larger families. The Scottish Government's recent decision to cap rent increases for existing private tenancies has not provided the blanket protection for tenants that the approach suggested it should. Tenants in some areas have still experienced rent increases far higher than inflation due to loopholes and unscrupulous practice.

As local authority housing and homeless services remain under immense pressure, we need to think about different approaches to housing, and ensure that a full range of housing options are available to people experiencing homelessness or at risk of homelessness – and this includes a renewed focus on the role of the PRS and how private tenants and landlords can be better supported.

Key points from our research are summarised below. Recommendations for the Scottish Government, local authorities and other stakeholders are included throughout the document and collated in the final chapter.

Key points:

- **The PRS is an essential part of our housing system** and can play a positive role in providing housing options for people who are experiencing or at risk of homelessness. PRS homes can provide a wider range of choices and potentially help to avoid or reduce time spent in temporary accommodation, but only if steps are taken to make sure the PRS is a viable and attractive option.
- **The PRS is lacking strategic direction and leadership**. Reactive policymaking in the absence of robust data has created uncertainty and may risk the loss of residential accommodation if landlords decide to leave the market in significant numbers. The Scottish Government needs to set a clear vision for the sector and publish a final rented sector strategy.
- **Policy development should be evidence based** and developed in partnership with landlords and tenants. The Scottish Government must address data gaps so that future policy can be led by evidence and developed in such a way that all stakeholders feel heard.
- **Any new regulations need to be underpinned with advice, information and support** for both landlords and tenants and, where appropriate, effective enforcement. This means clear communication, trusted sources of information and better resourcing for local authorities.

2. Introduction

The PRS is an essential part of our housing sector providing accommodation for around 15 per cent of all households in communities across Scotland. While official statistics on the make-up of the sector and how it operates are lacking, it's clear that as the profile of our housing sector has shifted over the years, the profile of private renters has shifted too. More households are living in the sector for the long-term and want to feel secure in their homes. As affordable housing supply remains short of demand, more people who would have previously expected to rent from a social landlord might have to consider renting privately.

In 2021, CIH Scotland carried out an online survey of local authorities across Scotland asking about progress with implementation of Rapid Rehousing Transition Plans (RRTPs) and 70 per cent of respondents said that to tackle homelessness, local authorities need to make better use of the PRS. There simply aren't enough social lets available to meet needs. At the same time, respondents made it clear that increasing use of the PRS would be dependent on the affordability, security, and quality of the homes on offer.

Since 2021, the pressures facing local authority housing and homelessness services have become more acute. With more homelessness applications than at any time since records began and households facing increasing stays in temporary accommodation, it's more urgent than ever that we consider how to make the best use of all housing options. In the long-term this means increasing the supply of social and affordable housing, but addressing immediate issues will require more immediate solutions such as taking advantage of existing homes available in the PRS.

In this report, we explore some of the barriers to accessing the PRS, and what needs to be done to make the PRS a suitable and attractive housing option for people who are experiencing homelessness or may be at risk of homelessness.

3. Scope of the project and methodology

The project sought to better understand the barriers to entering the PRS and the potential role it could play in preventing homelessness or providing housing options for people at risk of experiencing homelessness. The project scope included:

- Exploration of options for effective regulation of the PRS with a paper published in June 2023
- Commissioning of research to assess affordability issues associated with Local Housing Allowance (LHA) published in November 2023
- Consideration of the potential impacts of PRS proposals for the forthcoming Housing Bill
- Identifying and proposing solutions to barriers to entering and sustaining tenancies in the PRS.

We conducted a literature review covering published work in this area, identifying key themes and gaps that could be explored further with stakeholders. A discussion paper was developed to inform the early stages of the project.

An expert steering group was established to help drive the project forward and inform the work. The group met virtually throughout 2023. It was chaired by Gavin Smith, chair of the CIH Scotland board and service manager at Fife Council, and included representatives from housing, third sector and PRS organisations.

We sought further input from local authorities across Scotland with 19 responding to an online survey and 11 taking part in an online workshop to discuss emerging themes in more detail.

A full list of participants is available at Appendix 1.

4. Overarching issues

Homelessness context

The Scottish Government's annual homelessness statistics for 2022/23 showed concerning increases in homeless applications, open cases, and length of stay in temporary accommodation:

- 39,006 homelessness applications, an increase of nine per cent on the previous year and the highest since records began.
- 32,242 households assessed as homeless or threatened with homelessness, an increase of 10 per cent.
- 15,039 households in temporary accommodation, an increase of six per cent, and 9,595 children in temporary accommodation, an increase of nine per cent.
- An average of 223 days spent in temporary accommodation, up from 214 days the previous year and 175 days in 2017/18 when the series began.

The latest update published in February 2024, covering the period April to September 2023, showed a continuation of these trends with homeless applications, assessments, open cases, and households in temporary accommodation all increasing compared to the same period in the previous year.

A range of emergency measures brought in to support tenants and restrict evictions throughout the Covid-19 pandemic and more recently in response to the cost of living crisis appear to have had a positive impact on reducing homelessness from the PRS between 2020 and 2022. The following interventions were put in place to support the PRS:

- Financial support – the Scottish Government established a PRS Landlord Covid-19 Loan Support Fund and Tenant Hardship Loan Fund in 2020 to help mitigate the impact of the pandemic and prevent evictions.
- The Coronavirus (Scotland) Act 2020 extended notice periods for most eviction grounds, made these discretionary and banned the enforcement of eviction orders.
- The Cost of Living (Tenant Protection) (Scotland) Act 2022 introduced a cap on rent increases for existing tenancies, a moratorium on some evictions and increased penalties for illegal evictions (currently in place until the end of March 2024).

The statistical update showed a promising reduction in the proportion of households made homeless from the PRS, reducing to 13 per cent from April to September 2023 compared to 19 per cent in the same period the previous year. However, it is too early to tell if this will be reflected in the next annual statistics. There are also significant concerns about levels of homelessness from the PRS increasing as emergency measures come to an end and if private landlords decide to exit the market (see below for more details on supply). While the Scottish Government has set out plans to introduce interim measures to prevent a sudden spike in rents through the rent adjudication process, this will not be in place until after the publication of this report and so we cannot comment on the effectiveness of the approach. There is a clear need for continued focus on prevention of homelessness from the PRS.

Graph 1: Number and percentage of households assessed as homeless from the PRS
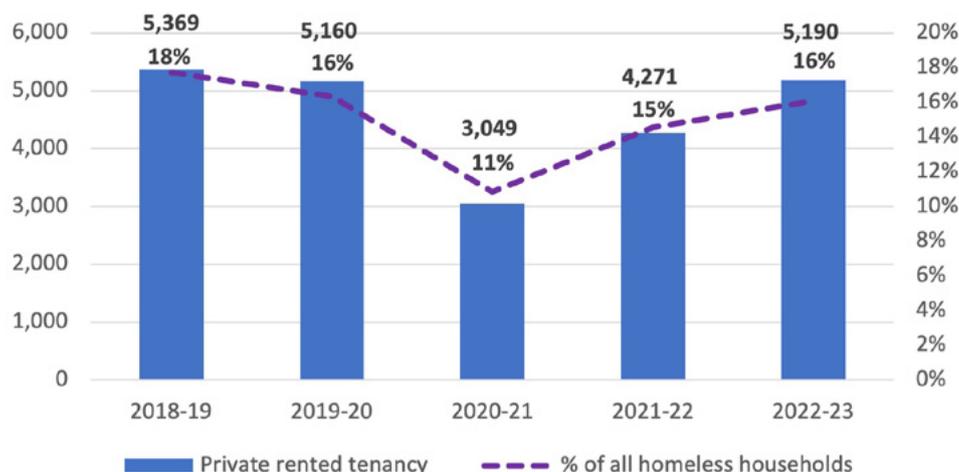
Source: Scottish Government homelessness statistics 2023/23

Increasing pressure on housing and homelessness services throughout 2023 led to several high-profile statements highlighting concerns and calling for urgent action from the Scottish Government.

A thematic review of homelessness first published by the Scottish Housing Regulator in February 2023 highlighted significant challenges for some local authorities in delivering statutory homelessness duties stating that "Some councils are finding it increasingly difficult to meet these challenges, and so to meet their statutory duties." The Regulator concluded that there was an emerging risk of systemic failure for some local authorities.

An update to the review published in December 2023 built on these concerns noting that the number of homeless applications had continued to increase and adding that, "…we are of the view that there is systemic failure in the services provided to people who are homeless by some councils and that there is a heightened risk in other councils."

Three local authorities declared "housing emergencies" in 2023 indicating that they were no longer able to meet basic housing needs. Argyle and Bute, Glasgow City Council and Edinburgh City Council all suggested that additional investment and government support is needed to address unmet needs.

The Association of Local Authority Chief Housing Officers (ALACHO) and the Society of Local Authority Chief Executives (SOLACE) published a joint report in July 2023 highlighting concerns with the ability of local authorities to deliver housing and homelessness services. CIH Scotland and ALACHO also sent a joint letter to the Housing Minister echoing concerns from across the housing and third sectors.

In response, the Scottish Government has reiterated its commitment to ending homelessness. The draft budget announced in December 2023 included £8 million to continue RRTP work for another year but cut the affordable housing supply budget by nearly £200 million – a decision that has been widely criticised by housing, homelessness, and anti-poverty organisations.

Availability of social and affordable housing

The original RRTP guidance published in 2018 suggested that social landlords may need to consider increasing the proportion of allocations made to homeless households to tackle backlog housing need, and this approach is supported by the Scottish Government and COSLA. The Ending Homelessness Together annual report for 2023 shows that in 2022/23, 41 per cent of social lets were made to homeless households. Local authorities increased the proportion of lets to homeless households to 49 per cent of all lets (up from 46 per cent in 2021/22) and RSLs increased their proportion of lets to homeless households to 35 per cent (up from 33 per cent).

However, while the average proportion of lets made to homeless households across Scotland has increased, it must be noted that in many areas, low turnover and lack of supply means that the number of lets available is still significantly below what would be needed to meet demand, not just for homeless households but for others in housing need. In addition, the total number of lets made by social landlords reduced significantly during the pandemic and has not yet returned to pre-pandemic levels. Lets by local authorities in particular remain lower.

**Graph 2: Number of lets (excluding exchanges) local authorities and RSLs**
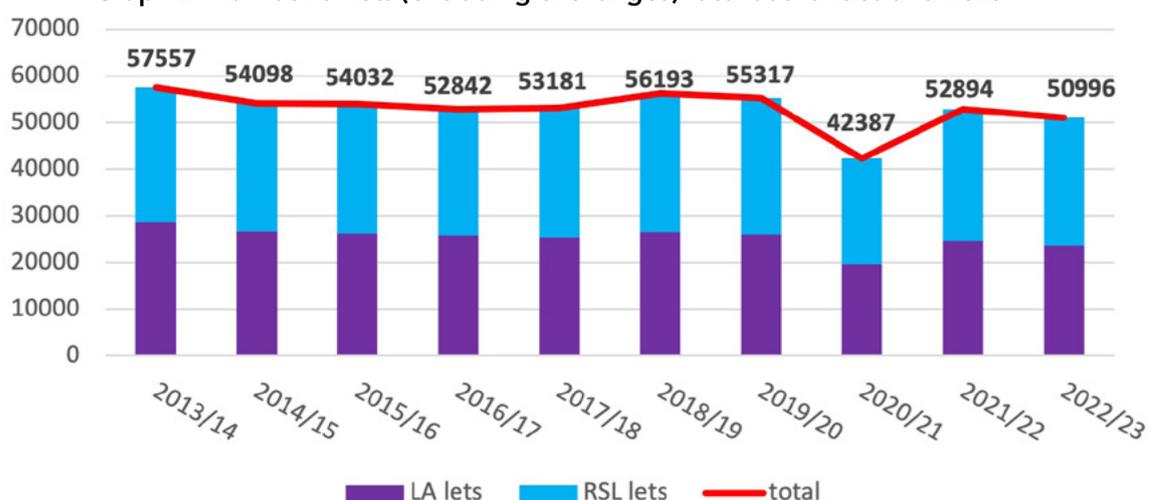
Source: Scottish Housing Regulator charter data all social landlords 2029/20 – 2020/13 and 2013/14 – 2018/19

The sector must also be mindful of meeting the needs of a range of households, such as those living in unsuitable housing or needing to move due to a change in circumstances. We do not want to engineer a situation where the only viable route into social housing is through making a homeless application.

While increasing the supply of social and affordable housing will remain a top priority for CIH Scotland, our members, and other key stakeholders in the sector, the financial reality means that supply is likely to be curtailed in the coming years. Inflation has added to the cost of delivering new homes with the latest Affordable Housing Supply Programme Outturn reporting the average cost per unit has risen to £167,115 for RSL social rent and £169,359 for local authorities. The joint report published by SOLACE and ALACHO in 2023 suggests that the cost per unit in rural areas can be as high as £300,000.

The AHSP outturn shows an increase in affordable housing completions in 2021/22, but a slow down in approvals and site starts will result in fewer completions in the coming years. The £200 million reduction in the AHSP budget will also have a significant impact on future delivery if not addressed.

Graph 3: Affordable Housing Supply Programme delivery 2015/16 – 2021/22
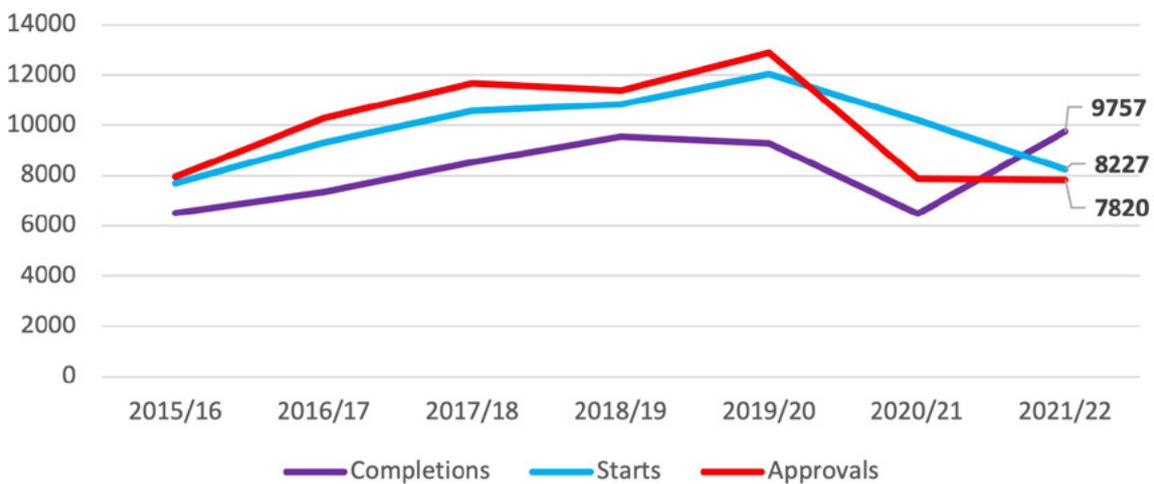
Source: Scottish Government AHSP out-turn reports

If significant government investment is not made available in the coming years, the sector will need to consider different approaches to delivering the homes we need alongside making the best use of existing homes across all tenures.

The role of the PRS in tackling homelessness

Responding to our first RRTP survey in 2021, 70 per cent of local authorities said that to meet RRTP ambitions while social and affordable housing supply remains significantly short of meeting demand, we need to make better use of the PRS. However, in order for it to be a viable and attractive housing option, the homes on offer need to be affordable, secure, and good quality.

While the Housing Options approach is now firmly embedded across Scotland and should be used to help people consider all available housing options, the proportion of homeless households being housed in the PRS is actually decreasing. This is despite the introduction of a wide range of measures intended to make the PRS a more fair and secure tenure for renters such as the introduction of the Private Rented Tenancy (PRT), removal of "no fault" evictions and the short-term emergency measures mentioned above.

Graph 4: Number and percentage of households assessed as homeless where the outcome was a private rented tenancy
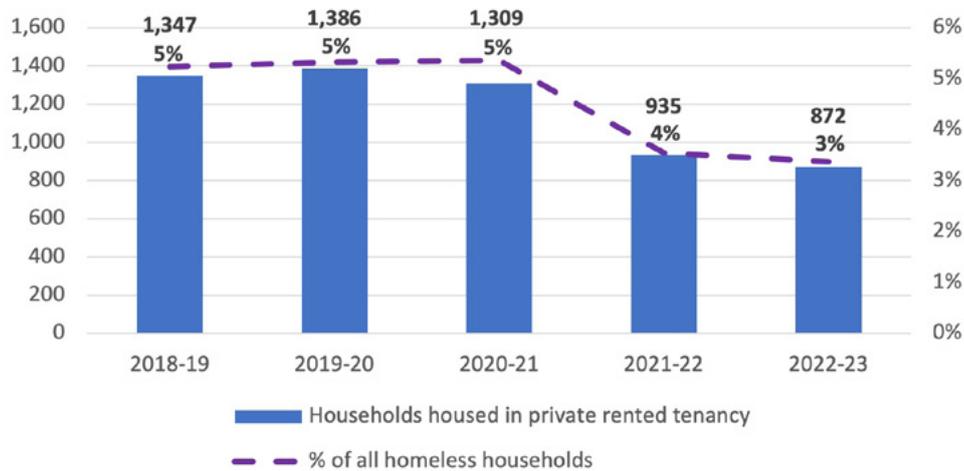
Source: Scottish Government homelessness statistics 2023/23

PREVENT1 statistics for 2022/23 show that an average of two per cent of Housing Options cases across Scotland where the household didn't go on to present as homeless had an outcome in the PRS. This varied significantly across Scotland from zero to 26 per cent.

The PRS can potentially provide greater flexibility for households by presenting options in areas where there may be no social housing available or not the right size/type, or by providing a more immediate option to avoid a long stay in temporary accommodation. While noting that there is potential for more people to be housed within the PRS, it is important to acknowledge that it will not be the best option for everyone, especially those with support needs who made up 51 per cent of households assessed as homeless in 2022/23.

If the remaining 49 per cent of homeless households have no identified support needs and primarily require a home to suit their needs, it is clear that there is scope for greater utilisation of the PRS in providing settled accommodation. The barriers to doing so and some possible solutions explored through our steering group and local authority workshop are outlined in Chapter 5.

Key publication: Everyone Home Collective

In 2023 the Everyone Home Collective developed A Route Forward for the PRS setting out ideas and actions to improve the sustainability of the PRS. The publication sets out the following conditions needed to widen access to the PRS for people who are experiencing or at risk of homelessness:

- **Access** – Equal access to the PRS for people who have been homeless; consistency across Scottish local authorities.
- **Prevention** – Integrated, informed, supported strong partnerships between the PRS and public/third sectors to avoid preventable homelessness.
- **More settled homes** – Converting empty private homes, properties used for non-residential and PRS used for temporary accommodation to settled housing options.
- **Options** – Diversity of options within the PRS, expanding choice for people who have been homeless.
- **Framing** – A new frame shifting how we talk and think about the PRS.

Read the full report here.

The need for a strategic, evidence-based approach

A common theme that came up during discussions was a lack of clarity around the Scottish Government's long-term vision for the PRS. Housing to 2040 sets out some high level aims for the housing sector over the next twenty years and the draft rented sector strategy, A New Deal for Tenants, sets out some further thinking on improving rights for tenants across the private and social rented sectors. However, there has been no final strategy published and it is not clear how the Scottish Government sees the PRS contributing to the housing sector as a whole and what the ideal tenure balance should be.

The last PRS strategy, A Place to Stay a Place to Call Home, which was introduced over a decade ago in 2013, set out a number of actions with a clear ambition to grow the sector through institutional investment. There does not appear to have been any analysis of the strategy's success, or rationale made for moving away from its core aims if that is indeed the case.

Some criticisms have been made of the way in which policies are being developed and implemented in the PRS with a lack of robust data available to provide evidence for the changes needed and private landlords often feeling left out of the discussion. This is particularly true of the introduction and extension of the emergency rent caps and restrictions on evictions with little formal consultation undertaken to inform the process. The strength of feeling of PRS representatives was seen in the legal challenge that was taken against the Scottish Government's emergency cost of living legislation.

While there has been a clear attempt by the Scottish Government to address power imbalances in the sector, providing more rights for private tenants and a commitment to establish a Tenant Participation Panel, achieving a well-functioning PRS will require input from tenants and landlords. Neither should be left out of these sector-defining conversations.

There is also a widely acknowledged lack of robust data available to support the development and implementation of effective PRS policies. Data from online portals such as CityLets and Zoopla can give an idea of the number of lets available and advertised rents, but these will only reflect the part of the market using their services. Advertised rents can also present a skewed version of affordability, not capturing the actual amount paid by new tenants (if the rent level is negotiated) or changes in rents during tenancies.

It is concerning that rent data published by the Scottish Government and used by Rent Service Scotland to calculate LHA rates is predominantly based on advertised rents rather than actual rents making it difficult to accurately assess changes in the market and affordability. The issues of rent data and the way that LHA is calculated are explored more fully in the research we commissioned, summarised in the next chapter or available in full online.

Landlord registration data may also give some insight into how many landlords are operating across Scotland and the size of their portfolios, but the three-year registration period means that data is not updated in real time and so will not capture landlords reducing their property portfolios or leaving the market.

We asked local authorities whether a review of the landlord registration system could provide better data and whether changes to the system would be feasible. It was acknowledged that changes would require investment, but if the Scottish Government is to address data gaps, taking advantage of an existing system would make sense. Participants thought there was potential for the landlord registration system to support data collection on:

- **Actual rents charged** (rather than advertised rents commonly used by researchers and policy makers)
- **PRS supply** - making it a requirement for landlords to de-register if they are leaving the market. Asking for reasons may also help to understand landlord behaviour
- **Stock condition** – requiring information on property type, EPC rating, gas, and electrical safety
- **More stringent fit and proper person test** – to improve professionalism in the sector.

It was felt that current registration fees are low and that a modest increase would be justified if it would provide a better system and an evidence base for policies that could have a significant impact on the sector, such as rent control.

The Rent Better project, funded by the Nationwide Foundation, is a five year research project which seeks to measure the impact of recent changes to the PRS, tracking awareness of changes and how these may have affected the balance of rights, responsibilities, and behaviours in the sector. It has included large scale surveys of private tenants, landlords and letting agents, qualitative interviews, and data analysis. This type of research should be fundamental to understanding the implications of policies and informing next steps.

PRS supply, affordability and LHA issues are explored in more detail below and in the next chapter.

Recommendations

- The Scottish Government needs to show leadership and set a clear, evidence-based vision for the PRS through the publication of the final rented sector strategy. The strategy should review the impact of the existing legislative and regulatory regime before setting out ambitions for the future.
- Tenants and landlords should both be closely involved in the development and delivery of a rented sector strategy and action plan.
- The Scottish Government must review PRS data collection, introducing robust but proportionate measures of rent levels and supply. The landlord registration system could provide a mechanism for data collection.

PRS supply

As noted above, lack of robust data makes it difficult to accurately track PRS supply and there are conflicting opinions of whether the sector is shrinking, and if so, to what extent.

The Rent Better project (wave 2 report published in 2022) suggests a reduction of around 8,000 available lets over two years, and reports that half of the landlords who took part in their survey indicated that they were considering leaving the sector in the next two to five years. This survey was carried out before the introduction of emergency cost of living legislation and rent capping so the situation may have shifted.

A report published by Rettie and Co. in 2023 suggests that uncertainty and unfavourable financial conditions created by the emergency rent cap has put £3.2 billion of PRS investment "on hold" or "at risk". It found that none of the investors who took part in their interviews considered Scotland as an "attractive place to invest" causing Scottish cities to lag behind others in the UK in the delivery of build to rent homes.

Anecdotally, CIH members have expressed concerns about private landlords leaving the sector, increasing the risk of homelessness to existing tenants and reducing the supply of residential housing in their area. 68 per cent of respondents to our online survey said that there has been an increase of private landlords leaving the market in their area and 47 per cent were concerned about increasing homelessness presentations from the PRS.

"There is live and emerging evidence that private landlords are seeking to leave the sector citing affordability issues. These are caused by, for example recent interest rates increases, costs of maintenance and repair to required standard, and tenants affected by cost of living pressures paying late or failing to pay rent."

Another local authority commented:

"From March 2020 to June 2023, [the council] has seen a drop of approximately 1,369 active landlord registrations. This is for a range of reasons, but we have seen that through homeless presentations that more landlords are selling their properties due to financial issues and restrictions."

Graph 5: Have you experienced an increase in the number of private landlords leaving the market in your area?

- Yes (72%)
- No (0%)
- Unsure (28%)
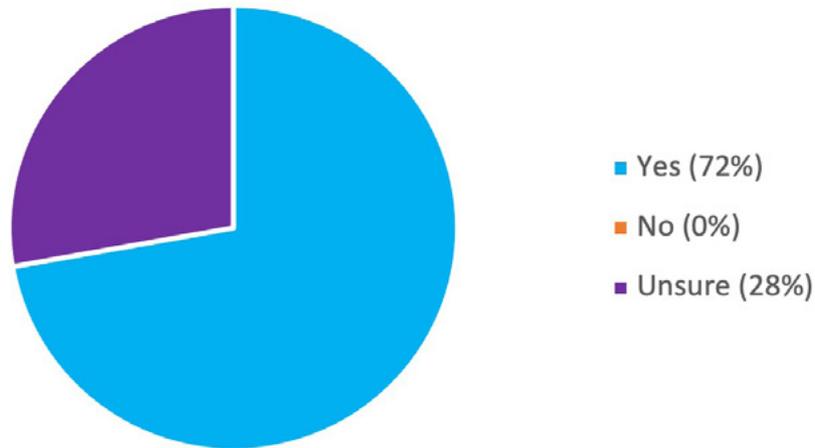
Source: Local authority online survey

The Crisis Homelessness Monitor published in January 2024 supports our findings stating that:

"The annual flow of private rented vacancies has begun to fall back in recent years. Almost all (25 of 30) local authority survey respondents identified a decline in in the availability of private rented accommodation for those experiencing homelessness in the last year […] The vast majority of local authority survey respondents (25 of 30) nevertheless think that more use should be made of private tenancies in preventing/alleviating homelessness."

Lack of supply affects housing choice and can increase demand potentially causing rents to rise or allowing private landlords to be more selective about who they rent to.

Recommendations

- The Scottish Government should work to develop longer term certainty for private landlords and investors – this can be addressed through the publication of the final rented sector strategy as outlined above.
- As part of the development of the final strategy, the Scottish Government should consider build to rent and the extent to which (if any) this should contribute to housing supply.

Regulating the PRS

The last decade has seen significant changes to the scale and make-up of the PRS and this has been accompanied by a range of legislative changes including the introduction of landlord registration, letting agent registration and mandatory qualifications, changes to the Repairing Standard, a new tenancy regime, removal of the "no fault" clause and restrictions on evictions, pre-action requirements, emergency legislation relating to Covid-19 and the cost of living crisis. In addition, the Scottish Government has committed to introducing a permanent system of rent control and minimum energy efficiency standards for the PRS.

Through our discussions, lack of regulation was not raised as an issue, in fact the volume of changes could have contributed to creating a confusing environment for landlords and tenants. But lack of awareness and enforcement of existing standards was regularly mentioned.

The Rent Better baseline report published in 2020 found that only a third of tenants surveyed were aware of the new PRT. Qualitative interviews supported these findings with the report stating,

> *"…most tenant participants had very limited awareness regarding tenancy rights and the implications of reform and expanding rights for tenants."*

Awareness was higher among landlords and letting agents with 92 per cent being aware of the introduction of the PRT but knowledge of the details of the new regime was lower among landlords than letting agents which is concerning. For example, only 88 per cent of landlords were aware of the removal of the "no fault" clause and only 77 per cent were aware of new notice periods. Of course, awareness may have improved since the publication of the report but there is a clear need for consideration of how new policies are communicated to the sector when they are introduced.

The Scottish Government has committed to introducing a new regulator for the PRS and there is some agreement that this approach could provide a number of benefits including:

- Clarity for tenants and landlords
- A trusted source of good quality, up to date information
- Dedicated resource for monitoring and enforcement.

However, there are questions over whether the introduction of a new body, distinct from the existing Social Housing Regulator, would be a good use of resources and whether it would be welcomed by the sector while there is already so much uncertainty about the future direction of the PRS. In the short term, efforts should be focussed on providing access to good quality advice, information and support for tenants and landlords (see the next chapter for more details) and ensuring that existing rights are effectively upheld.

Under the current system, the enforcement of standards is most often left to tenants, relying on their ability and willingness to challenge poor standards. Some may be reluctant to do so for several reasons including fear of retaliation (rent increases or eviction), lack of awareness or knowledge of rights. Others may lack the confidence or knowledge to take a case to the housing tribunal. Support may be available for some through the third sector or local authority third party reporting, but this is not available to everyone. Landlords may be more able than tenants to pay for legal representation which can lead to an imbalance of power that the tribunal was intended to avoid by taking PRS cases out of the court system. This situation needs to be resolved in order to support effective regulation.

When new grounds for possession came into force in 2017, the Scottish Government committed to reviewing them within five years. While emergency legislation has led to changes including removal or mandatory clauses and the introduction of pre action requirements, a full review of the grounds for possession, including how they are being applied, would be beneficial.

Lack of local authority resources can also prevent proactive enforcement taking place, often only tackling the very worst cases. The landlords who took part in the Rent Better survey spoke of their frustration with the lack of enforcement and not tackling "bad landlords" negatively impacting the reputation of the wider sector. The report calls for greater emphasis on strong and targeted enforcement of existing regulations, particularly at the lower end of the market where tenants have less market power to demand changes and less choice to move. This is dependent on local authorities having adequate resources.

A CIH Scotland report published in 2023, <u>What role for a PRS regulator?</u> suggests some approaches to the future of regulation in the PRS including options that may not require legislative intervention such as the introduction of a PRS "charter." This would not introduce any new requirements but would clearly set out existing rights and responsibilities for private landlords and tenants.

Recommendations

- The Scottish Government should explore options for short to medium term solutions that won't require legislative intervention, such as a PRS charter, and more resources for local authorities to carry out enforcement activity.
- The Scottish Government should also consider how effectively existing rights are being upheld, including a review of grounds for possession and the housing tribunal service, assessing how users navigate the system and whether further guidance or support is required.

5. Barriers and solutions

Tenancy deposits

Most private landlords require a deposit to be paid at the start of a tenancy to insure against damage caused to the property, cover the cost of cleaning required at the end of the tenancy or cover any rent arrears outstanding. Legislation specifies that the maximum chargeable amount is equivalent to two month's rent and that the deposit must be paid into a recognised tenancy deposit scheme.

If there is no dispute at the end of the tenancy, the full amount will be paid back to the tenant. If the landlord wishes to claim all or part of the deposit, the tenancy deposit scheme acts as a neutral arbitrator, keeping the full deposit while the dispute is resolved. This can take up to 12 weeks, although the <u>Dispute Service</u> reports the average time to solve disputes is 13.4 working days.

The average value of a tenancy deposit increased from £665.64 in 2013 to £748.75 in 2022 and at the end of the tenancy in 65 per cent of cases it was split between the landlord and tenant. In 19 per cent of cases, the full amount was returned to the tenant and in 16 per cent the full amount went to the landlord. The number of disputes has risen steadily since the introduction of tenancy deposit schemes with the <u>Dispute Service statistical briefing</u> for 2021/22 showing 224 adjudications taking place in 2013 rising to 5,012 in 2021.

The Scottish Government has identified that there is an issue with some deposits remaining unclaimed and is considering how best to make use of these funds. Through our discussions it has been suggested that unclaimed deposits could be reduced if tenants paid deposits directly into tenancy deposit schemes (rather than to landlords). After every effort has been made to return deposits, it is agreed that any remaining funds should be used to support improvements in the PRS which could include:

- Supporting access to the PRS through tenancy deposit schemes
- Provision of advice and information for tenants and landlords
- Training for landlords
- Tenancy sustainment.

Tenants paying deposits directly to tenancy deposit schemes could also prevent the small minority of cases where landlords do not pay the deposit into a recognised scheme.

Discussions with our steering group and other stakeholders raised several barriers that the current deposit system creates in accessing the PRS or moving to a new tenancy. These include:

- **Up-front costs** – Some tenants will struggle to cover the cost of a deposit.
- **Delays in deposit return** – When any amount of a deposit is disputed, the full amount is retained by the deposit scheme until an agreement is made. The time taken to resolve any disputes and return the deposit can prevent the tenant moving into a new tenancy.
- **Inconsistent access to tenancy deposit schemes** – Some local authorities and third sector partners offer help to cover the deposit, but this service is not uniformly available.

Through our local authority survey and online searches, we identified 16 tenancy deposit schemes offered directly by the local authority or through a delivery partner (See Appendix 2). The most common features of these schemes were covering damage to the property or rent arrears. One survey respondent also mentioned making use of other funding (Homelessness Prevention) to supplement their tenancy deposit scheme covering the first month of rent.

Of those local authorities that offered a rent deposit scheme (either directly or through a third party) the numbers supported varied significantly from just a few households per year to around 80 households per year for one local authority.

Over half of respondents (53 per cent) did not think that enough resources were available to meet demand for tenancy deposit schemes in their area.

Graph 6: Do you think there are enough resources available to meet demand?

- Yes (11%)
- No (53%)
- I don't know (37%)
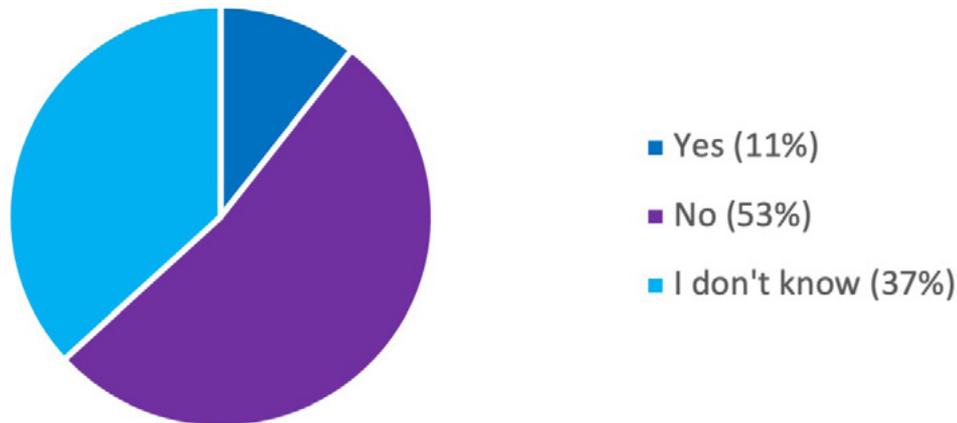
Source: Local authority online survey

At our online workshop, several local authorities explained that their deposit service is not widely advertised and is limited to supporting households at risk of homelessness rather than supporting access to the PRS more generally. This was due to a lack of resources requiring careful targeting, it was agreed that if additional resources were available access could be expanded. However, others pointed out that providing the deposit for a potential tenant was just the first step and additional support and resources may be required to secure and maintain a tenancy in the longer term. One respondent to our online survey said:

"The scheme requires dedicated resources and to be delivered well, giving people a quick turn around on applications with accurate advice provided to understand next steps involved. Good advice, signposting, and assistance to move into the new home and to avoid any housing related problems which can lead to tenancy breakdown, risk of homelessness, and repeat homeless instances. In order to achieve this, resources are required."

Others pointed out that unaffordable rent and the LHA shortfall would still create issues regardless of whether assistance with the deposit was required and that high demand for private tenancies in some areas meant that landlords may be less likely to let their homes to households in receipt of benefits or without a cash deposit.

One survey respondent noted that although tenancy deposit assistance was available through a third sector partner, it has not supported any households.

> *"We've had zero success in terms of issuing a deposit – primarily as it's an underwritten deposit and the sector is buoyant enough that it attracts those with a cash deposit - the cost of rents in the area can be a prohibitive factor."*

While affordability was mentioned as a key concern by many, we think that if LHA shortfalls are addressed and other recommendations acted upon, tenancy deposit schemes can play a key role in supporting access and mobility in the sector and would benefit from being expanded.

One local authority suggested an up-to-date database for private tenants showing how they could access tenancy deposit support. Crisis does have an online database which tenants can use to search for help in their area. Lack of awareness of tools such as this point to the need for better connections between local authorities and third sector partners.

Another option to expand access would be to encourage private landlords to accept tenancy deposits in instalments, an option that is currently available but rarely offered. This would support tenants who are able to afford the rent but may struggle to cover a large one-off cost.

Recommendations

- Expand access to tenancy deposit schemes. The Scottish Government could consider establishing a national fund to cover areas where no scheme is currently offered and/or making use of unclaimed tenancy deposits.
- When a landlord wants to keep part of the deposit, the undisputed amount should be returned to the tenant while mediation is undertaken.
- Private landlords should be encouraged to accept tenancy deposit payments in instalments.
- Aa part of the Housing Bill Scottish Government should explore the feasibility of tenants paying deposits directly into tenancy deposit schemes to help limit unclaimed deposits and avoid unprotected deposits.

Affordability and local housing allowance

The cost of renting in the PRS creates a significant barrier to access, but affordability issues and general experiences of renting privately are not uniformly felt across Scotland or across different economic groups. The Rent Better project's initial findings published in 2020 found that most private renters were satisfied and felt secure in their homes. However, this positivity was reliant on having a good relationship with the landlord and feeling able to pay the rent.

Low-income renters, including those in receipt of benefits, may have far greater concerns about long-term security linked to affordability, and may feel less able to challenge poor practice.

Despite the emergency rent cap introduced in 2022, the latest Scottish Government private rent statistics show that the average rent for a two-bedroom home increased by 14.3 per cent between 2022 and 2023. But during this time, average rent increases ranged from 1.5 per cent in Dumfries and Galloway to 22.3 per cent in Greater Glasgow. Over the last year 11 out of 18 BRMAs (Broad Rental Market Area) experienced rent increases above inflation. Over the longer-term, six out of 18 BRMAs have experienced a cumulative increase above CPI (Consumer Price Index).

Graph 7: Cumulative average per cent increase in two-bedroom rents between 2010 and 2023
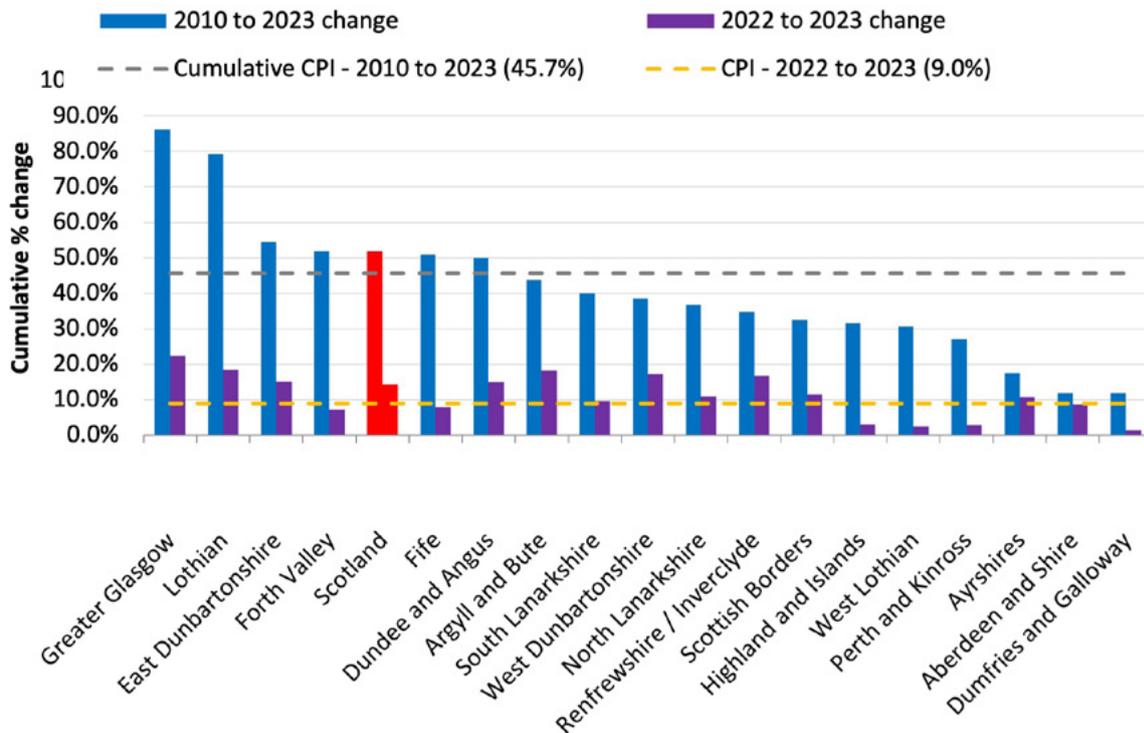
Source: Scottish Government private rented sector statistics

As set out in Chapter 4, it is imperative that the Scottish Government establishes a robust mechanism for collating data on private rents to help inform our understanding of affordability and develop appropriate responses to best support the sector.

The significant increases in rent in some areas despite the emergency rent cap illustrate how well-intentioned policies may result in unintended consequences. Responding to calls for evidence on the impact of the emergency measures, some respondents suggested that the measures may have contributed to:

- Landlords increasing rents during tenancies when they may not otherwise have done so
- Significant rent increases between tenancies and when one member of a joint tenancy decides to leave the household therefore ending the existing tenancy
- Landlords deciding to leave the sector.

These points must be carefully considered by the Scottish Government as it designs a new system of permanent rent control. Again, it would be useful to consider rent and affordability as part of a holistic rented sector strategy, taking account how decisions in one area may have impacts in another. For example, if restrictions on rent increases result in landlords leaving the market or investors deciding not to invest in the Scottish PRS, how will the consequences be managed?

As part of this project, we commissioned research into affordability and access to the PRS for households claiming LHA which has been frozen by the UK Government since 2018/19 and so has not reflected recent increases in rent causing significant shortfalls between the actual cost of renting and the amount of financial support on offer. The [research](#) found that:

- Just eight per cent of PRS homes across Scotland were covered by LHA, far short of the 30th percentile the policy is intended to cover.
- The average shortfall across Scotland was £108 per month, the largest was £200 per month in Greater Glasgow.
- The cost to restore LHA to the 30th percentile would be around £98 million per year.
- Discretionary Housing Payments (DHPs) could provide support for private renters but of the £80 million available in 2022/23 just £1.3 million was used to help LHA shortfalls.
- 693 people are subject to the Shared Accommodation Rate (SAR) which limits single claimants under the age of 35 to a bedroom within a shared flat significantly reducing their housing options. SAR is unfair and illogical.
- Lack of data impacts the way in which LHA is calculated with low sample sizes and 86 per cent of records used in the calculation based on advertised rents rather than actual rents.

The report recommends a review of PRS data, how LHA is calculated, and the geographical boundaries that it is applied to. As with rent control, changes to LHA could result in unintended consequences and so should be carefully considered before any decisions are made.

The UK Government did announce in the [2023 Autumn Statement](#) that the LHA freeze would be lifted from April 2024, however this was only guaranteed for one year giving no long-term certainty to tenants or landlords. The new 2024 LHA rates are included in Appendix 2 along with comparison to average and 30th percentile rents from our 2023 LHA research based on Zoopla data. While the LHA increase is welcome, there is a risk that some households could be caught out by the overall benefit cap. Our initial analysis suggests that smaller households will be largely unaffected but two child households in higher rent areas requiring two bedrooms, most notably Edinburgh and Greater Glasgow, could be capped. Nearly all areas for families with two or more children requiring three or more bedrooms could be capped.

It should also be noted that while the LHA uplift will reduce the shortfall faced in most areas, our comparison with rent levels from our previous research still shows shortfalls between two-bedroom LHA and the 30th percentile in 23 local authority areas ranging from just a few pounds per moth up to £96 per month in the Scottish Borders. It is clear that more needs to be done to address affordability issues.

While the Scottish Government has committed to [mitigating the benefit cap](#) as part of their approach to tackling child poverty, we know that only a small proportion of DHP is currently used to support private renters. Eligibility for help with housing costs need to be flexible and clearly communicated to households affected.

Recommendations

- The Scottish Government should consider how it can better support low-income private renters in the long term. This could be achieved through more resource for DHPs and greater flexibility in how this can be used.
- The Scottish Government should consider using social security powers to abolish the Shared Accommodation Rate to improve access and options for young single renters.
- The Scottish Government should consider how well the current LHA system reflects the actual cost of renting and whether changes to data or BRMA boundaries could be beneficial.

Advice, support, and tenancy sustainment

While all local authorities provide some form of advice, information and support for private tenants and landlords, there was wide agreement that these services are inconsistent across different areas. Some local authorities provide information online only, some offer advice through Housing Options or dedicated PRS staff and others commission services or signpost to third sector organisations in their area.

The services on offer differ between local authorities and the route to accessing them may not always be obvious. Private tenants and landlords may not know who to approach when they need help – whether to contact their local authority, a third sector organisation, or take a case to the housing tribunal.

The general feeling among participants was that social housing tenants are far more likely to get support from their landlord or local authority and this must be addressed to make tenancy support tenure blind. It was also suggested that lack of awareness of the range of support that can be provided for tenants could prevent private landlords from letting homes to low-income tenants.

Just over a quarter (26 per cent) of local authorities who responded to our survey thought there were sufficient resources available to meet demand for advice, information, and mediation, 63 per cent thought additional resources were required. Respondents mentioned increasing demand as more people require assistance and are presenting with more complex needs, while at the same time resources have not increased and some partners are having to scale back due to their own budgetary pressures.

> *"People are presenting with more complex needs which requires specific skills and more time to ensure trauma informed approach. Additional resources are required to meet demand for support organisations."*

Additional resources to provide earlier intervention and prevent homelessness would be welcome.

> *"With regards to the current PRS service we are working with households from the PRS who seek homelessness advice, but we believe that there are others who would benefit from the support of the team, however current resource would not be able to manage this."*

Some local authorities at our online workshop talked about difficulty in engaging with private landlords. Even offering free advice or events saw little take up from landlords and it was generally thought that this would remain the case while there is no statutory requirement for landlords to take part. However, proactive engagement was seen as a positive if time and resources were available to help build trusted relationships.

The next case study outlines how Fife Council has been working with private tenants and landlords to support tenancy sustainment.

Case study: **Fife Council's Resilience Fund for Rent Resolution**

As part of Ending Homelessness Together, Fife Council put a focus on tenancy sustainment in the PRS through the introduction of the Resilience Fund for Rent Resolution (RFRR). This fund aims to prevent homelessness and sustain tenancies by reducing, alleviating, or paying off rent arrears, where a tenant in the PRS has faced difficulties. In 2023, the fund has assisted nine customers with a total spend of £26,743.00 to remain in their current private let, or where this is not sustainable, it has assisted with a move to a more suitable tenancy.

Fife work in partnership with Fife Private Rental Solutions (FPRS) to facilitate the use of the fund. FPRS receive referrals for the fund, either directly to their service, or from Fife Council's housing options teams. They work with the customer to address any external factors which could be contributing to the arrears in the tenancy and liaise with the landlord to establish what it would take to stop an eviction from progressing. An application for the fund is then sent to Fife Council's Private Rent Team for consideration along with a proposed repayment plan, which the customer agrees to.

In one case, it was identified through an income and expenditure review that the tenancy was no longer affordable for the customer due to a change in financial circumstances and sustainment long term would be an issue, even if the arrears that had accrued were cleared. The use of the resilience fund on this property would not have been successful as the customer could not afford to continue to reside there. However, through discussion the landlord advised that they had a smaller property coming available in the same area. After completing a new income and expenditure review this was more affordable for the customer and had higher prospects for sustainment. An agreement was made through the use of the resilience fund, that once the customer had signed for the new tenancy, the arrears balance of £2,000 would be cleared. The customer signed for the tenancy a few weeks later, and the payment for the arrears was made to the landlord.

As part of monitoring sustainment after the use of the fund, all nine cases assisted in 2023 have been recently reviewed with the customer and landlord, and there have been no concerns regarding failing tenancies, rent arrears or legal action being taken on any of the tenancies supported by the resilience fund to date.

In Fife there have been some challenges, which includes managing the expectations from customers and landlords, as the fund is not guaranteed to be awarded in full or at all in every case, as it depends on the customers individual circumstances and future sustainability prospects. This is why it is important to have clear guidelines and processes in place regarding the use of the fund and the advice from all involved is consistent. The fund has also not been used as much as hoped in 2023, however this is being addressed with further promotion of the fund through FPRS and Fife Council. Where it has been used though, it has had positive impact ensuring customers are able to remain in an area where their support networks or employment is, and they are prevented from becoming homeless and the uncertainty that can come with that.

Recommendations

- Local authorities need to create clear pathways to advice, information and support regardless of how it is provided or who is providing it. Whether local authorities provide in-house support or work with partners, landlords and tenants need to know how to access it.
- Additional resources to provide advice and support for both tenants and landlords are required to help with early intervention and homelessness prevention.

Securing settled accommodation in the PRS

Local authorities in Scotland have a duty to secure permanent accommodation for any household that is unintentionally homeless. The type of accommodation offered and whether it is suitable will depend on the needs of the household and local authorities have to consider the needs of any children in the household as well as factors such as the location in relation to employment, education, or support networks.

While the majority of homeless households are housed in the social rented sector (77 per cent in 2022/23) local authorities can discharge their homeless duty through a PRT where this would meet the needs of the household (see Section 31 of the [Housing (Scotland) Act 1987 as amended by the Private Housing (Tenancies)(Scotland) Act 2016)](#).

Lack of social and affordable housing supply means that local authorities should be discussing all suitable housing options with households experiencing homelessness, including the PRS where this would be appropriate. The PRS may provide a wider range of options for people and could present an alternative to lengthy stays in temporary accommodation.

While 70 per cent of local authorities responding to our 2021 survey stated that use of the PRS should be increased, they were also clear that this should only be the case where the housing was suitable for the needs of the household.

As set out in Chapter 4, only three per cent of homeless households found settled accommodation in the PRS in 2022/23 and two per cent of Housing Options cases, although these figures vary across Scotland. In 2022 Scotland's Housing Network (SHN) carried out interviews with the six local authorities with the highest proportion of homeless households and those seeking advice through Housing Options who secured accommodation in the PRS. The report explored the reasons why they were able to take advantage of the PRS in their area and how other local authorities might take similar steps.

Key publication: Using the PRS to meet homelessness demand

The report sets out 12 specific practice recommendations with two more general, high-level actions that could potentially be implemented swiftly across Scotland:

- Comprehensively promote housing options in the PRS to applicants to the council. Many applicants may not be aware of the full extent of private sector provision in their area or how potentially accessible it is. The private sector can have many attractions relative to the social rented sector – choice, availability etc. and many applicants may not be familiar with the advantages.
- Develop close and trusted relationships with local landlords and letting agents. Discuss barriers to the local authority being able to refer applicants to their properties, location, property type, condition, affordability, security of tenure and work at mutually beneficial ways of reducing those barriers. Ensure that local landlords and agents are aware of all the ways in which you can support their work through referring potential customers and supporting them to be good tenants.

Read the full report [here](#).

During our discussions with local authorities, some raised concerns over the legitimacy of discharging homelessness duties in the PRS, whether it might be challenged by the household and whether there could be repercussions if the tenancy broke down.

52 per cent of respondents to our survey stated that there are barriers to discharging homeless duties in the PRS including:

- Lack of affordable options in the area and need for LHA to be increased
- Concern about households that have experienced homelessness having to re-present if the tenancy breaks down
- Local authority staff unsure about what constitutes a "reasonable" offer and how to discharge duty if this is refused
- Lack of clarity on how to record cases where duty has been partially discharged
- Lack of dedicated support for PRS tenants
- Credit checks and references required by private landlords
- Landlords' reluctance to let to households that have experienced homelessness
- Households' unwilling to consider a private tenancy.

Five local authorities stated that legal clarifications would be useful, and one suggested a review of the Homelessness Code of Guidance. This could be undertaken by the Scottish Government as part of the ongoing review of the Code of Guidance.

Recommendations

- As part of the ongoing review of the Homelessness Code of Guidance, the Scottish Government should review guidance in relation to discharging homelessness duty and make updates to support local authorities.

Local authority led letting agencies

There are a couple of examples of local authorities successfully establishing letting agencies, providing a service for local landlords and matching tenants to the right property.

- PKC Lets run by Perth and Kinross Council is a well-established service launched in 2010.
- Your Choice Lettings and Property Management was set up by South Ayrshire Council in 2021.

Through our steering group and local authority workshop we discussed the potential benefits of local authority led letting agencies which could include:

- Establishing positive relationships with local private landlords
- Ensuring the quality of homes on offer
- Matching low-income households with appropriate accommodation
- Closer links with tenants to be able to provide tenancy sustainment.

Our survey asked local authorities whether there was any appetite to expand the provision of local authority led letting agencies and just under half (47 per cent) said yes. Of those who said no or were unsure, one stated that they had not considered it as an option, and another thought the idea could be considered while the private sector leasing (PSL) scheme was being reviewed but it wasn't something actively being pursued.

While there is clear interest from some local authorities, several challenges were highlighted including:

- Lack of start-up funding to establish a new service requiring dedicated staff and which could take some time to see any return.
- Knowledge and skills – operating in the PRS requires a very different approach from social letting and has different legal requirements.
- Lack of affordable PRS properties in the area (at LHA rate).
- Concerns that private landlords may not want to work with the local authority as it is also responsible for enforcing standards.
- Difficulty competing with established private letting agencies already operating in the area.
- Limited guidance available and very few examples of success.

While lack of experience in PRS letting was mentioned, some respondents did make comparisons with mid market rent (MMR). Lessons can be learned from the provision and management of MMR housing which many social landlords are familiar with. MMR homes operate under the private tenancy regime and MMR tenants' expectations may be more closely aligned with the PRS.

There are very few examples of local authority led letting agencies in Scotland, but South Ayrshire Council has shown that it is possible to set up a new agency in the current environment if funding is available.

Case study: **establishing a new local authority letting agency in South Ayrshire**

Your Choice Lettings and Property Management was established by South Ayrshire Council in 2021 to offer a high-quality letting service to private landlords in the area and match prospective tenants with the right property. This scheme offers two main services in exchange for a fee; a Tenant Find service and the option of the service taking on Full Management of the property. The service was established with RRTP funding with the longer-term aim of building a portfolio within the community and becoming self-sufficient.

Considerable work was undertaken to produce an online information page with up to date listings of properties with an online tenant application for those interested in accessing the service. Social media channels offer an effective communication tool to raise awareness of the service to both landlords and future tenants. Strong internal structures around repairs and prevention opportunities are required. Informative landlord and tenant packs are well received. There is appetite from people looking to move into the PRS and we believe schemes like this can pave the way for homeless prevention in the PRS.

We are currently managing eight properties and have worked with nine tenants so far. Homelessness has been avoided for seven households who were at risk of homelessness due to overcrowding, ending of current PRS property, relationship breakdown, leaving residential rehabilitation and being asked to leave the parental home.

Our first tenant contacted us due to experiencing challenges accessing the sector due to the shortage of rental properties and the need for credit checks. Affordability and responsibilities are areas we discuss in detail to ensure informed decisions are made before taking on a property. Within a short space of time, they matched with an available property and a viewing was completed, agreement signed before moving into their new home. Support was provided to set up utility accounts, payment of rent, source furniture, connecting to local services and opportunities to promote tenant wellbeing.

We offer a relationship-based housing management service to support tenancy sustainment. The team is made up of a select group of experienced, enthusiastic people who are friendly, approachable, and accessible to our customers who will always be treated with kindness and without judgement.

Despite the challenges there is positive progress in the service, building on new and existing landlord relationships and offering a solution where there was a risk of homelessness. Landlords and tenants have commended the help and advice available from the service which ensures both tenant and landlord are supported.

We also asked South Ayrshire Council to consider some of the challenges raised by local authorities through our online survey and workshop, and what advice they could offer to others.

Challenges and lessons learned

Financial challenges

This was one of the single biggest challenges we had when setting up the service. We were fortunate that RRTPs were being submitted around about the time we had the costed business plan together. We were able to bid for start-up costs and other capital elements and secured approximately £100k of RRTP funding plus another £115K from other budgets to support a business plan for an initial four-year period. Costs would cover staffing, infrastructure and software requirements. Initially the business plan was to acquire 60 properties over the four-year period, but this was pre-covid and the business plan has changed substantially since then, with our aim now to acquire between 15 and 20 properties.

Annual running costs are mainly staffing at approximately £30k and the service generates a small income from rent receipts although it is still running at a loss. However, we see this as a spend to save model due to the other costs to public services that are incurred where homelessness is not prevented. It is also cheaper to the council per property to run a social letting service (SLS) versus a private sector leasing (PSL) scheme due to the nature of the agreement with the Landlord and the SLS not being responsible for repairs/décor/furnishings/gas safety/electrical installation condition reports (EICRs) etc.

Positive returns are not always financial and include good outcomes for individuals. For example, we have had a few tenancies where the outcome has been that the tenant has accessed accommodation they would not previously been able to and been stable. Some are still there whilst some have then moved on, but in a measured and controlled way when they were ready to. To us, that is a success story and shows that the model can work in practice.

Staff knowledge and skills

This was a challenge, but our ethos was based on the [Letting Agent Plus](#) model that Shelter had piloted a few years previously. Our target market is low income, potentially homeless or homeless households, or those with lower-level additional housing support needs. We have already established links to tenancy management service delivery within the housing offices as well as links to support services.

The legal requirements are different, we had to make the case that we as a local authority could register as a letting agent - we are and have recently renewed. This required buy in from several internal departments, as well as approval by Council elected officials. We had to demonstrate that we would not negatively affect the business landscape by entering into this commercial sphere. This involved justifying to ministers that "state aid" rules did not apply as well seeking legal approval with elected members on the appropriate legislative vehicle we could use to develop the scheme. This meant evidencing the "power of wellbeing" in the Local Government in Scotland Act 2003 to justify the gap in the market the service aims to address. A lot of the evidence to support this was borne out of the contextual data contained within the RRTP.

The service sits within the Housing Policy and Strategy team where we have responsibility for landlord registration, PRS support and enforcement as well as being strategic leads for delivery of homeless and housing related services, so this allowed easy integration and upskilling for members of staff who came into post.

Our approach focuses on the tenant and managing agent relationship rather than the managing agent-landlord relationship (whilst still important though) and aims to strike trusting relationships so that any issues can be addressed and managed at the earliest opportunity to reduce the likelihood of tenancy issues or failure. At this point we have not had to make any referrals to the First Tier Tribunal, but have had to engage intensively with some tenants, usually more so during the settling in phase when benefit claims are being made and information is required.

Challenges and lessons learned (continued)

Lack of affordable PRS properties in the area (at LHA rate).

This is and remains a huge challenge and is part of the reason our portfolio is low. We are keen to ensure that properties we take on are affordable. With rising rents, supply versus demand issues, and landlords taking opportunities to sell, we have not seen uptake at the level we had expected pre-covid. We continue to market the service, the positive outcomes we are achieving, and it is leading to positive enquires from landlords. We are being realistic with our expectations and what we can achieve at this time.

Private landlords may not want to work with the local authority

There are many landlords in the sector that do want to work with the local authority and many that don't. we appreciate our service is not going to be for everyone and because of our target market, we look to try and encourage those landlords that may have more of a "social conscience" to work with us as well as selling the benefits of being on our scheme - we visit the property more often than commercial sector, we don't charge commission or extras over and above our management fee, we guarantee three months' rent if tenant falls into arrears without the need for an additional product to be taking out. Also, through the PSL scheme there is already a reasonable relationship there with the sector. We also want to ensure we are working with the landlords that are keen to ensure their obligations and responsibilities are being met.

Competing with established private letting agencies already operating in the area.

Our management fee is slightly more than in the commercial sector, but we do offer some good services (mentioned above) as well as access to our frameworks for gas safety, EICRs and furnishings should they wish to access these. But there is a gap in the market in our area.

Our service is aimed at those who may present as homeless from the PRS, or previously had negative experiences within the PRS, or have never seen it as a realistic option for them, or can't access the sector through the established routes already there. i.e. Letting Agents etc. So we are not directly competing with mainstream letting agents, but offering another option and choice to help the landscape.

It can be a tough sale when talking to some but for most, they can see why we are there. We are also keen with our marketing not to unduly try to steer business away from letting agents, but we will market ourselves through the normal channels and we do offer our service to new landlords as well as owners of long-term empty properties for example.

Limited guidance available

We followed the Crisis guidance closely and had conversations with them, Shelter, some RSL subsidiaries that were operating in the central belt and Homes for Good as well as Perth and Kinross Council who were the only other local authority operating a letting agency at the time. It was also really important to establish an internal working group that encapsulated not only service delivery on the ground, but also corporate elements of the local authority e.g. elected officials, legal services and finance.

Ours has been the first local authority letting agency set up as part of the RRTP response so far. The model does work for South Ayrshire Council, it isn't the panacea and not the full answer, but it offers choice, offers alternative solutions, and helps us tap a market that we couldn't otherwise. It is cheaper to run than PSL schemes, is cheaper to the public purse and more importantly, provides an alternative option to people who find themselves in crisis situation and may be able to avoid navigating a convoluted, complex, mentally stressful, and expensive homeless system with no real choice at the end of it.

Establishing a letting agency will not be viable or desirable for all local authorities but building close relationships with local landlords and agencies can still be beneficial in supporting access to the PRS. Good knowledge of the local PRS could also help with acquisition of properties if landlords in the area are considering leaving the market, helping to prevent homelessness in the short term and bringing properties into the social rented sector over the longer-term.

Recommendations

- The Scottish Government should consider how best to support local authority led letting agencies when developing the final rented sector strategy. This could include creating a national fund to support the establishment of social enterprise letting agencies where there is a business case for doing so.

Changing the narrative

A common thread that came through our conversations with local authorities and stakeholders was the overwhelmingly negative coverage of the PRS in the media which can be off putting for prospective tenants and lead to private landlords feeling demonised.

We acknowledge that there is some bad practice in the sector, but the collective aim of national and local government and representative bodies should be to support good practice and effective intervention when things do go wrong. As set out in Chapter 4, issues of poor practice in the sector do not necessarily stem from lack of regulation, but there is a definite issue with lack of awareness of tenants' rights and lack of positive action around encouraging compliance and enforcement when needed.

Perpetuating negative stereotypes about the PRS can have a negative impact for both tenants and landlords. Our participants highlighted the following:

- Creating a culture of mistrust between tenants and landlords even if neither have personally had a bad experience
- Preventing prospective tenants from considering a private tenancy
- Contributing to private landlords deciding to leave the sector.

More needs to be done to highlight the benefits of private renting so that prospective tenants see the sector as a positive option and not the last resort.

It was suggested that continuing to professionalise the sector could increase confidence in the market, assuring tenants that their landlord was aware of standards. Currently, there is a mandatory requirement for letting agency staff to undertake qualifications, but no such requirement for individual landlords. Research commissioned by CIH Scotland into the impact of letting agent qualifications and continuous professional development (CPD) suggests that the requirements have had positive results. The report found that:

- The benefits are valued by individual employees giving a foundation of knowledge and confidence to do their job well
- Providing opportunities for career development
- Giving ongoing assurance around compliance and consistency and improving the reputation of the sector as a whole.

While there may not be appetite or resources available currently to extend mandatory requirements to landlords, good practice can still be encouraged. In Chapter 4 we make some suggestions on effective regulation, including consideration of a PRS Charter. This wouldn't introduce any new requirements but would help landlords and tenants to understand their rights and responsibilities.

While there are no requirements for individual private landlords to undertake training or qualifications, letting agencies can play a key role in promoting professionalism in the sector. Letting agents can act as a trusted partner for tenants and landlords helping to resolve disputes, support tenancy sustainment and ensure that all legal standards are adhered to throughout the tenancy.

> **Recommendations**
>
> - All stakeholders (national and local government, third sector partners and representative bodies) have a responsibility to help change the narrative around private renting. This can be achieved by promoting and celebrating good practice, using positive language, and supporting landlords and tenants to find solutions when issues do arise.

Improving the quality of homes

Many PRS homes are good quality and comply with the Repairing Standard. However, Scottish House Condition Survey data shows that only 51 per cent of homes achieve an energy performance certificate (EPC) rating of A-C and 23 per cent of PRS homes have urgent disrepair to at least one critical element.

The quality of the home and the way in which repairs are dealt with are significant factors in tenant satisfaction and perceptions of poor quality may prevent prospective tenants from considering a private tenancy. This is an area where more work is required to accurately measure property condition and ensure landlords are complying with standards. Our participants suggested that the landlord registration system could help here (see the recommendations in Chapter 4).

Lack of resources for proactive investigation or enforcement by local authorities also means that it is often left up to tenants to challenge their landlord if repairs or improvements need carried out, taking their case to the housing tribunal if needed. Some tenants may be reluctant to report repairs or ask for improvements if they think this may lead to a rent increase or eviction action and others may lack the knowledge or confidence to navigate the tribunal system.

As recommended above, the Scottish Government should review the tribunal system to ensure that it is fit for purpose and does not create a power imbalance between tenants and landlords.

For landlords, the cost of improvements or difficulties arranging repairs and improvement in mixed tenure blocks may be prohibitive. There is concern that forthcoming minimum energy efficiency requirements may lead to rent increases or force some landlords to leave the market if financial support is not available.

> **Recommendations**
>
> - The Scottish Government must ensure that new minimum energy efficiency standards are clearly communicated to landlords and tenants. Private landlords must have access to the advice, information and financial support needed to comply with new standards.

Making the PRS a more attractive place to stay

The Scottish Government has recognised the need to support private tenants to feel more at home in the sector, especially if they are renting for the long term. Private tenants should have the ability to personalise spaces and make changes to suit their lifestyle whether that's to accommodate working from home, keeping a pet or just to reflect their personal taste.

Making the PRS a Home research and practice guidance published by the University of Stirling in 2021 highlights the importance of home to tenants' health and wellbeing and sets out the steps that landlords and letting agents can take to build better relationships with their tenants.

We understand that the forthcoming Housing Bill is likely to include measures to allow personalisation of homes and for the default position to be for landlords to allow tenants to keep pets unless there is a good reason to refuse.

All our participants were supportive of providing additional rights for tenants but stressed the need for clear communication and guidance to underpin any new rights. In relation to personalisation comments included:

- The importance of discussing and agreeing changes before any work is done – communication is key.
- Clearly setting out what changes can be made and ensuring that both parties understand the agreement. This includes discussion and agreement about liability for any reinstatement at the end of the tenancy.
- If reinstatement is required at the end of the tenancy, who decides what is "reasonable"? For example, decoration can be very subjective and what a tenant thinks is "reasonable" or tasteful may not align with the landlord's standards.
- Who will pay for any work being carried out?
- Who deals with any disputes arising?

If the government gets it right, extra flexibility for tenants could help to improve relationships with landlords and keep people in homes for longer. The next case study gives an overview of Homes for Good's Love Home project setting out why it is so important not just to provide a tenancy but to create beautiful spaces where tenants can feel at home. See appendix 3 for a full description of the process and stories from three tenants.

Case study: **Love Home**

Love Home was created in 2019, as a unique approach to enable new tenants to settle into their homes and to help existing tenants who may be struggling with their tenancy. The project aims to work with tenants, using interior design to change their environment and how they feel about their home, a subject even more important in the current climate.

It is accepted practice within the PRS, and contained within standard legal tenancy agreements, that tenants are unable to decorate the property they live in without prior written consent from their landlord. Very often, tenants fear to ask for a permission to decorate. This leads to a lack of sense of ownership of the home and reinforces the feeling that the property is a temporary dwelling that belongs to someone else, rather than a home to build a life from.

Love Home is a tailored, specialist tenancy support intervention, focussing on the interior design process to create an environment where tenants feel safe where they belong and which they have actively contributed by personalising their home.

Since June 2019, our tenancy support team has identified 36 Homes for Good tenants, who have been fully involved in the project, including completing an entire room design and install.

Project aims:

- Provide tenants with the opportunity to learn new skills and build confidence
- Engage tenants in creative workshops
- Help them feel safe and secure in the process
- To make tenants happy at their home
- Create a sense of home and ownership
- To sustain at risk tenancies
- Help new tenants to settle quickly into a new home
- Reduce social isolation
- Improve well-being and mental health
- Educate tenants and landlords about creating a home
- Personalising home in a sensible way and improving property condition

Project outcomes

The feedback and outcomes from everyone that took part in the Love Home project so far show that all of our initial aims have been met. Each stage of the process provided tenants with an opportunity to learn new skills such as: building confidence, reducing social isolation, improving mental health and general well-being along with improving skills around budgeting.

Since the start of Love Home in 2019, it became clear that a few tenants only required assistance at the earlies stage. Seeking the right advice and support from family and friends allowed tenants to be able to create changes without additional input from our design team.

The one to one engagement between tenants and designers helped tenants to feel safe and secure during the process. Good communication and understanding of individual needs played an important role in making tenants feel happy with their home, knowing that they are heard and valued. Mark's story (see appendix 3) is one of many that shows how the Love Home project does not have to be time consuming as it can be done remotely via video calls.

While not every landlord will be able to provide such a comprehensive design service, positive communication and support for tenants' requests can help to build positive relationships, foster a sense of pride in rented homes and sustain tenancies.

With regards to pets in rented homes, statistics show that pet ownership in the UK is on the rise following the pandemic, although it may be too soon to predict whether the trend will last. PDSA statistics for 2023 show:

- 53 per cent of all UK adults have a pet
- 29 per cent of adults have a dog and 27 per cent of these have more than one
- 24 per cent of adults have a cat and 40 per cent of these have more than one.

With so many pet owners across the UK it makes sense for the PRS to adapt and not to exclude over half of the adult population. Pets are also important to people's wellbeing and studies have highlighted the risk of people refusing accommodation if they cannot keep a pet.

As above, participants were supportive of the principle to allow pets but again stressed the need for clear guidance. Specifically in relation to pets this should cover:

- The circumstances under which it would be "reasonable" to refuse a pet. This would need to consider the type of pet and suitability of the home.
- Who is responsible for enforcement if the owner does not take responsibility for the behaviour of the pet. This could include dealing with noise complaints, mess in communal areas and behaviour of the pet in communal areas.
- Ability to require additional pet deposits and whether this would need to be covered within the existing maximum deposit amount of no more than two months' rent. If additional deposits are required, this could exacerbate issues of access and affordability outlined above.

Lessons can be taken from the social rented sector where many landlords already have pet policies in place. Dogs Trust also has advice for landlords and letting agents to encourage consideration of letting homes to tenants with pets including:

- Requesting a pet reference from a previous landlord, neighbour, or vet
- Including a pet clause in the tenancy agreement and requesting information about the pet
- Checking whether contents insurance covers any damage caused by pets
- Being aware of banned dog breeds.

These steps could help to reassure the landlord or letting agent that the pet will be well behaved and looked after. Building trust will be important if the Scottish Government does move forward with plans to introduce stronger rights for tenants with pets.

Recommendations

- If the Scottish Government introduces new rights for tenants relating to personalisation and pets, this must be accompanied by clear guidance, developed in partnership with landlords and tenants.

6. Conclusion and summary of recommendations

It is clear that the PRS is an essential part of our housing system and is already providing a positive choice for many people. But it can also do more if steps are taken to address affordability, improve the quality of homes and apply existing regulations to ensure that standards are enforced.

Through this work we have highlighted the areas that we think would benefit from further consideration, and one of the strong messages that came through is that this does not always mean more regulation, but better support for the effective implementation of existing rules and enforcement when required.

The PRS needs certainty for landlords and tenants to plan for the long term and provide people with homes that they can really feel at home in. We think this can be achieved through a clear strategy for the rented sector, an evidence-led approach to new policy development and a change in the way we talk about private renting.

This report sets out recommendations that we think can support the Scottish Government to finalise its strategy for the PRS, inform the Housing Bill and the approach to implementation of any new regulations. The full set of recommendations from the report are repeated here.

All recommendations from the report

The need for a strategic, evidence-based approach

- The Scottish Government needs to show leadership and set a clear, evidence-based vision for the PRS through the publication of the final rented sector strategy. The strategy should review the impact of the existing legislative and regulatory regime before setting out ambitions for the future.
- Tenants and landlords should both be closely involved in the development and delivery of a rented sector strategy and action plan.
- The Scottish Government must review PRS data collection, introducing robust but proportionate measures of rent levels and supply. The landlord registration system could provide a mechanism for data collection.

PRS supply

- The Scottish Government should work to develop longer term certainty for private landlords and investors – this can be addressed through the publication of the final rented sector strategy as outlined above.
- As part of the development of the final strategy, the Scottish Government should consider build to rent and the extent to which (if any) this should contribute to housing supply.

Regulation of the PRS

- The Scottish Government should explore options for short to medium term solutions that won't require legislative intervention, such as a PRS charter, and more resources for local authorities to carry out enforcement activity.
- The Scottish Government should also consider how effectively existing rights are being upheld, including a review of grounds for possession and the housing tribunal service, assessing how users navigate the system and whether further guidance or support is required.

Tenancy deposits

- Expand access to tenancy deposit schemes. The Scottish Government could consider establishing a national fund to cover areas where no scheme is currently offered and/or making use of unclaimed tenancy deposits.
- When a landlord wants to keep part of the deposit, the undisputed amount should be returned to the tenant while mediation is undertaken.
- Private landlords should be encouraged to accept tenancy deposit payments in instalments.
- Aa part of the Housing Bill Scottish Government should explore the feasibility of tenants paying deposits directly into tenancy deposit schemes to help limit unclaimed deposits and avoid unprotected deposits.

Affordability and local housing allowance

- The Scottish Government should consider how it can better support low-income private renters in the long term. This could be achieved through more resource for DHPs and greater flexibility in how this can be used.
- The Scottish Government should consider using social security powers to abolish the Shared Accommodation Rate to improve access and options for young single renters.
- The Scottish Government should consider how well the current LHA system reflects the actual cost of renting and whether changes to data or BRMA boundaries could be beneficial.

Advice, information, and tenancy sustainment

- Local authorities need to create clear pathways to advice, information, and support regardless of how it is provided or who is providing it. Whether local authorities provide in-house support or work with partners, landlords and tenants need to know how to access it.
- Additional resources to provide advice and support for both tenants and landlords are required to help with early intervention and homelessness prevention.

Securing settled accommodation in the PRS

- As part of the ongoing review of the Homelessness Code of Guidance, the Scottish Government should review guidance in relation to discharging homelessness duty and make updates to support local authorities.

Local authority led letting agencies

- The Scottish Government should consider how best to support local authority led letting agencies when developing the final rented sector strategy. This could include creating a national fund to support the establishment of social enterprise letting agencies where there is a business case for doing so.

Changing the narrative

- All stakeholders (national and local government, third sector partners and representative bodies) have a responsibility to help change the narrative around private renting. This can be achieved by promoting and celebrating good practice, using positive language, and supporting landlords and tenants to find solutions when issues do arise.

Improving the quality of homes

- The Scottish Government must ensure that new minimum energy efficiency standards are clearly communicated to landlords and tenants. Private landlords must have access to the advice, information and financial support needed to comply with new standards.

Making the PRS a more attractive place to stay

- If the Scottish Government introduces new rights for tenants relating to personalisation and pets, this must be accompanied by clear guidance, developed in partnership with landlords and tenants.

Appendix 1: Contributing to the report

We would like to thank everyone who contributed their time and expertise to the development of this report through the steering group, online survey and workshop and providing case studies.

Responses to the online survey were anonymous, membership of the steering group and online workshop were as follows:

Steering group membership:

- Fife Council (chair)
- CIH Scotland (secretariat)
- Association of Local Authority Chief Housing Officers (ALACHO)
- Crisis
- Homes for Good
- Safe Deposit Scotland
- Scotland's Housing Network
- PropertyMark
- Tenancy Dispute Service

Online workshop participants:

- Fife Council (chair)
- CIH Scotland (secretariat)
- Aberdeen City Council
- Aberdeenshire Council
- East Ayrshire Council
- East Renfrewshire Council
- Falkirk Council
- Glasgow City Council
- Inverclyde Council
- North Ayrshire Council
- South Ayrshire Council
- West Dunbartonshire Council

Appendix 2: PRS tenancy deposit support offered by local authorities across Scotland

The information in this table relating to tenancy deposit support was developed through information available on local authority websites and responses to our online survey. The Rock Trust can also provide financial support to young people at risk of homelessness. The Rent Deposit Fund is supported by Safe Deposits Scotland.

We have also added useful contextual data on the size of the PRS, homelessness from the PRS and case outcomes, rent and LHA rates across local authorities.

The mean and 30th percentile rents are taken from research we published in November 2023 showing the shortfall between LHA and actual rents based on Zoopla data. We have updated the LHA figures to reflect the 2024 rates published by the Scottish Government and compared with rent figures from last year. This shows that despite the uplift in LHA, almost all local authority areas (23 of 32) still face a shortfall in LHA ranging from very minor amounts of a few pounds a month to £96 per month in the Scottish Borders.

Local authority	Proportion of PRS	Number & % homeless from PRS	Number & % of homeless households housed in PRS	Number & % of Housing Options cases resolved in PRS	Monthly 2-bed rent mean (BRMA)	Monthly 2-bed rent 30th percentile (BRMA)	Monthly 2-bed LHA 2024	Monthly shortfall mean	Monthly difference 30th percentile	Deposit scheme offered?
Aberdeen City	24%	220 (4%)	25 (2%)	50 (2%)	£700.68	£600.00	£648.22	£52.46	+£48.22	None identified
Aberdeenshire	7%	100 (2%)	25 (3%)	45 (8%)	£700.68	£600.00	£648.22	£52.46	+£48.22	None identified
Angus	14%	85 (2%)	30 (7%)	20 (4%)	£700.68	£600.00	£648.22	£52.46	+£48.22	None identified
Argyle and Bute	14%	90 (2%)	20 (6%)	10 (1%)	£692.96	£575.00	£598.34	£103.62	+£23.34	Yes
Clackmannanshire	13%	50 (1%)	10 (3%)	0 (0%)	£682.07	£575.00	£648.22	£33.85	+£73.22	None identified
Dumfries & Galloway	13%	215 (4%)	40 (5%)	5 (1%)	£541.15	£520.00	£448.76	£92.39	£43.24	Yes – delivered by the Hub
Dundee City	26%	130 (3%)	50 (5%)	35 (2%)	£743.08	£650.00	£613.30	£129.78	£36.70	None identified
East Ayrshire	9%	185 (4%)	25 (4%)	20 (6%)	£575.89	£500.00	£473.72	£102.26	£26.28	Yes
East Dunbartonshire	4%	60 (1%)	15 (6%)	0 (0%)	£883.13	£785.00	£747.93	£135.20	£37.07	Yes
East Lothian	15%	65 (1%)	15 (3%)	75 (26%)	£1,174.22	£995.00	£967.33	£197.89	£27.67	None identified
East Renfrewshire	7%	90 (2%)	10 (3%)	0 (0%)	£1,027.67	£850.00	£847.69	£179.98	£2.31	Yes – delivered by CAB
Edinburgh City	26%	700 (13%)	70 (4%)	240 (5%)	£1,174.22	£995.00	£967.33	£206.89	£27.67	No
Eilean Siar	8%	15 (0%)	5 (4%)	0 (0%)	£679.56	£600.00	£593.36	£86.20	£6.64	Yes
Falkirk	10%	135 (3%)	5 (1%)	5 (1%)	£720.98	£625.00	£648.22	£72.76	+£23.22	Closed to new applications

Fife	9%	410 (10%)	100 (6%)	45 (7%)	£682.07	£575.00	£588.38	£93.69	+£13.38	Yes – delivered by FPRS
Glasgow	24%	510 (10%)	115 (3%)	145 (1%)	£1,027.67	£850.00	£847.69	£179.98	£2.31	Yes – delivered by Right There
Highlands	12%	225 (4%)	50 (4%)	0 (0%)	£679.56	£600.00	£593.36	£86.20	£6.64	Yes
Inverclyde	14%	60 (1%)	15 (7%)	25 (4%)	£669.18	£575.00	£523.55	£145.45	£51.45	None identified
Midlothian	6%	50 (1%)	15 (3%)	15 (2%)	£1,174.22	£995.00	£967.33	£206.89	£27.67	None identified
Moray	11%	80 (2%)	5 (1%)	45 (5%)	£700.68	£600.00	£593.36	£107.32	£6.64	None identified
North Ayrshire	10%	230 (4%)	35 (4%)	45 (3%)	£575.89	£500.00	£473.72	£102.17	£26.28	None identified
North Lanarkshire	11%	205 (4%)	15 (1%)	5 (0%)	£618.10	£550.00	£548.51	£69.59	£1.49	Yes
Orkney	8%	5 (0%)	0 (0%)	0 (0%)	£679.56	£600.00	£593.36	£86.20	£6.64	Yes
Perth and Kinross	19%	60 (1%)	15 (3%)	10 (0%)	£654.78	£575.00	£598.34	£56.44	+£23.34	Yes
Renfrewshire	11%	120 (2%)	10(2%)	5 (0%)	£669.18	£575.00	£523.55	£145.63	£51.45	Yes
Scottish Boarders	15%	155 (3%)	45 (8%)	10 (4%)	£606.70	£595.00	£498.64	£108.06	£96.36	Yes
Shetland Islands	7%	15 (0%)	0 (0%)	0 (0%)	£679.56	£600.00	£593.36	£86.20	£6.64	No
South Ayrshire	13%	140 (3%)	30 (4%)	20 (2%)	£575.89	£500.00	£473.72	£102.17	£26.28	No
South Lanarkshire	12%	465 (8%)	35 (2%)	60 (6%)	£670.87	£585.00	£573.43	£97.44	£11.57	Yes
Stirling	13%	75 (1%)	15 (4%)	10 (3%)	£720.98	£625.00	£648.22	£72.76	+£23.22	None identified
West Dunbartonshire	9%	70 (2%)	5 (1%)	10 (1%)	£663.93	£600.00	£593.36	£70.57	£6.64	Yes
West Lothian	7%	110 (2%)	10 (1%)	15 (4%)	£727.58	£675.00	£623.31	£104.27	£51.69	No

Sources:

Proportion of PRS – Scottish Household Survey 2022

Number and per cent homeless from PRS – Homelessness in Scotland 2022/23

Number and per cent of homeless households housed in the PRS – Homelessness in Scotland 2022/23

Number of Housing Options cases resolved in the PRS – Housing Options (PREVENT1) statistics in Scotland 2022/23

Monthly two-bed LHA 2024 - https://www.gov.scot/publications/local-housing-allowance-rates-2024-2025/

Monthly two-bed mean (BRMA); monthly two-bed rent 30th percentile (BRMA) – Rapid Rehousing Transition Plans: assessing the affordability of the private rented sector for LHA recipients in Scotland

Appendix 3: Love Home, full case study

The Love Home Story

Love Home was created in 2019, as a unique approach to enable new tenants to settle into their homes and to help existing tenants who may be struggling with their tenancy. The project aims to work with tenants, using interior design to change their environment and how they feel about their home, a subject even more important in the current climate.

It is accepted practice within the PRS, and contained within standard legal tenancy agreements, that tenants are unable to decorate the property they live in without prior written consent from their landlord. Very often, tenants fear to ask for a permission to decorate. This leads to a lack of sense of ownership of the home and reinforces the feeling that the property is a temporary dwelling that belongs to someone else, rather than a home to build a life from.

Love Home is a tailored, specialist tenancy support intervention, focussing on the interior design process to create an environment where tenants feel safe where they belong and which they have actively contributed by personalising their home.

Project overview

Since June 2019, our tenancy support team has identified 36 Homes for Good tenants, who have been fully involved in the project, including completing an entire room design and install.

In this report we will look in detail at Love Home, focusing on the experience of participants so far. We will reflect on the ways Love Home has improved their home environment and mental wellbeing. Equally, we will outline the benefits of the project on property conditions and landlord's investment.

Our aims

- Provide tenants with the opportunity to learn new skills and build confidence
- Engage tenants in creative workshops
- Help them feel safe and secure in the process
- To make tenants happy at their home
- Create a sense of home and ownership
- To sustain at risk tenancies
- Help new tenants to settle quickly into a new home
- Reduce social isolation
- Improve well-being and mental health
- Educate tenants and landlords about creating a home
- Personalising home in a sensible way and improving property condition

"Home is the foundation for your life"

The process

Referral

As our tenancy support team works closely with all new and existing tenants, they lead on referrals to Love Home. At the referral point, tenancy support discusses areas in the home and/or interests of the tenants that would benefit from time with the Love Home design team.

Home visit

Following the referral, the home visit will take place with one or two interior designers, depending on the tenant's own home circumstances. This is an informal visit to allow the tenant to discuss the Love Home project in more detail. It provides the tenant with an informal opportunity to express how they feel about their home environment, areas they would like to change and interests they may have in art and design for their home. The home visit also gives the design team the opportunity to assess the property for wear and tear and benefits of decorative improvement.

Design session at workshop – mood board

At the first design session the Love Home interior designer works with the tenant one to one, usually taking place in a workshop setting. Together, using workshop resources such as interior magazines, books, and online research a mood board is created. A mood board is a visual tool that illustrates interior ideas and creates a vision for the room the tenant wishes to complete. It can include photographs, colour palettes, textures, and descriptive words to help visualise the tenant's ideas on paper. This is valuable time where designers can discuss the impact of different colours on the overall appearance of their home. Equally, designers can suggest alternative options, where invasive colours can be implemented with objects and texture rather than paint alone. This allows tenants to incorporate personal tastes with the minimum invasion to the overall decor and no additional work for tenants, should they decide to vacate the property in the future.

Design session at workshop – action plan

Following on from the tenant's mood board, another one to one design session takes place with a love home designer, to consider the details of the project and create the action plan.

The action plan details the work to be carried out in the home, including repairs, time scales, budgets and involvement of any Homes for Good team member and external contractors. It will also include plans for workshop activities and items to be made for the home.

Design one to one time

In addition to a home visit and design sessions, each tenant has an opportunity to take part in supported upcycling and creative workshops, shopping trips and upskills sessions from our contractors.

Shopping trips can be a crucial part to the design process, as most of the time it is the point when participants begin to see their designs come to life. They provide each tenant with great social skills and build up confidence when speaking to staff in retail and trade. This one to one time also provides each tenant with some key budgeting skills and focuses on the value versus quality of goods. Sometimes less is more!

Install

Install is the final stage of the project. During this time tenants are supported to put their new or existing skills and design plans into practice. This often involves painting walls and woodwork, dressing up the room and working with the contractors to achieve final finish.

Story 1: Louise, Cambuslang South Lanarkshire

A long-term tenant, Louise, is a perfect example of someone who has benefited from engaging in all activities of the design process. Louise was initially referred to the love home due to her tenancy in a private landlord property. Although feeling safe in her environment, Louise had never truly felt settled or at home due to feeling unable to change rooms to her own style. After her initial referral to the project, the team had discussions with the landlord of the property who was happy for Louise to make some changes along with the love home team.

During an initial home visit, Louise expressed "my house is lovely, and I am very grateful for it, however, it's not mine and it doesn't feel like a home."

Louise worked with the design team to create a mood board for her living room. She explained, this was the only place she felt safe and loved the idea of creating somewhere she could feel totally relaxed and secure. From here an action plan was created and a budget was calculated for the space.

Louise's Mood Board

Louise has been fully involved in the project through the design process and making the final decision on colours and the overall look she wanted for her living room. She had some involvement in decorating but due to health reasons she was unable to paint the whole room, so a skill sharing day with an external decorator was arranged to assist with this.

Louise said:
"It's been a great experience that helped me build my confidence in my own abilities and helped me put my trust back in people."
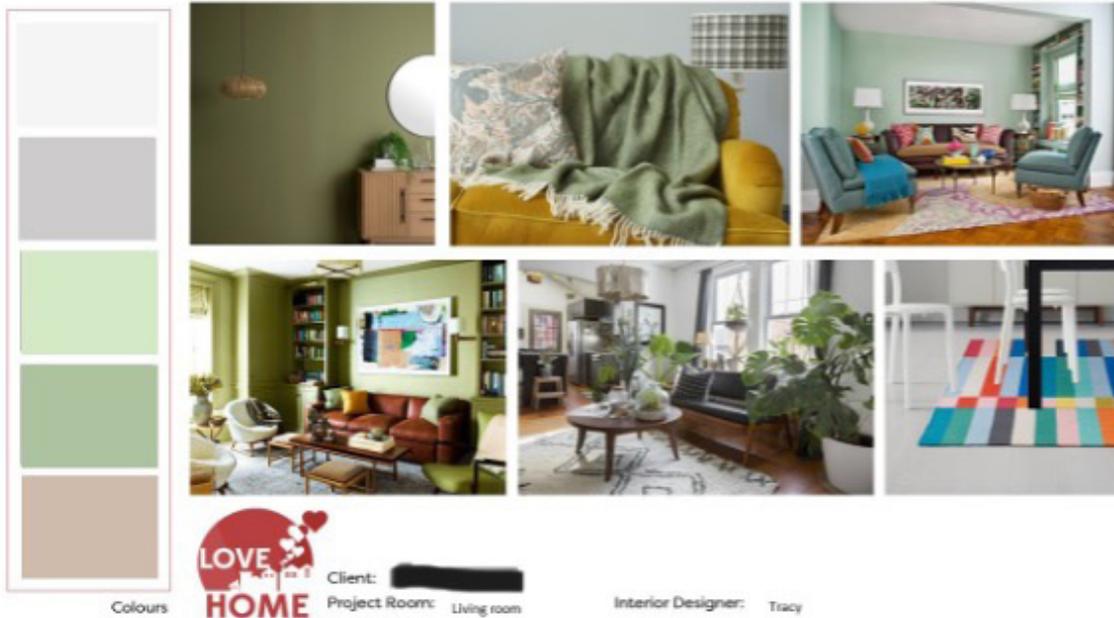
Louise's living room before and after

Story 2: Mark, Johnston, Renfrewshire

Mark was referred to the Love home project to improve the look of his home. He was living here for four years, and he expressed interest in decorating his bedroom. Considering the duration of his tenancy and Mark's intention to stay here long term, it was reasonable for the landlord to contribute towards decorative uplift.

Mark was fully involved in the Love Home project despite the whole process being done remotely for personal reasons. Initial contact was made by phone which turned into a video call to enable the designer to see his room. From this we discussed what he would like to see in his room and the fact he had trouble sleeping as his room wasn't dark enough. We discussed possible colours and purchasing black out curtains to help darken the room.

At first he was unsure about the colours he wanted to use and his room at that time was painted magnolia. It was difficult for him to visualise how a darker colour would look on his walls and how it could tie in with the rest of the room. Once he saw the design boards, he had a much clearer idea of what he wanted to do with the room. He was provided with the materials he needed to paint his walls and woodwork and he had a new carpet fitted. Mark bought curtains and lamps he liked that were worked into the design and the designer sourced bedding, cushions, and accessories.

Mark's Bedroom Before and after

Mark's mood board

> Mark's quote: "I initially asked Homes for Good for permission to decorate the bedroom. They contacted me to say that they had an interior decorator called Tracy and that she could give me some ideas. I sent in pictures and videos of my room, and after some discussions we agreed on a scheme and went ahead with it. The only thing I had to do was the decorating. I'm very happy with the results and will continue to improve the rest of my home.
>
> What was good was the personal touch, good communication and the extra effort to get everything that was needed. Tracy was a very nice understanding woman who didn't pressure me to get results and was always truthful with her ideas. "
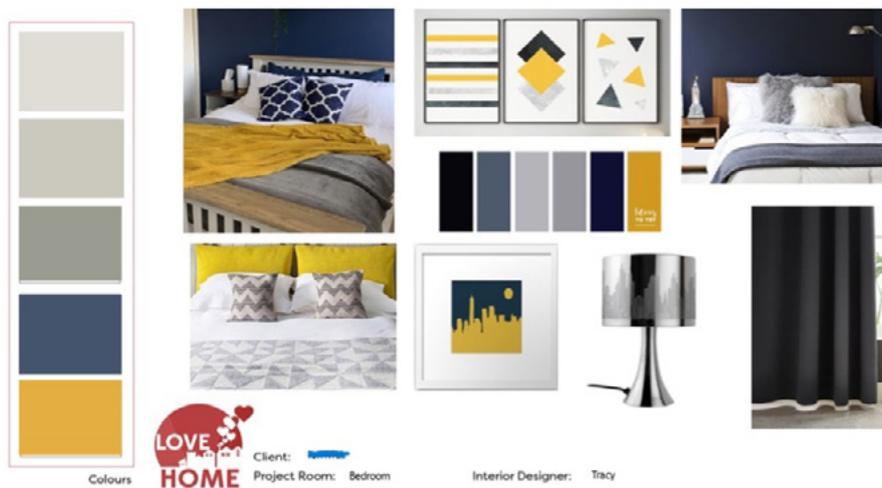
Story 3- Beth, Glasgow

Long term tenant Beth wanted to work on her living room and had expressed she would like to change the carpets to laminate flooring. She lived at her home for 5 years and she felt small uplift will make her enjoy her home even more. The interior designer met with the landlord and discussed the available budget. It was agreed that Beth could have new flooring in the living room and the hall and painting carried out in both areas.

Beth worked with the design team and had a home visit, a one to one design session and shopping trip. An external painter visited the property to teach Beth basic painting and decorating skills.

Throughout the design process Beth was highly involved in her décor choices and took part in the final install day with the design team.

Beth Living room before and after

Beth's Mood Board

Beth's quote: "Love Home brings warmth and happiness to my home and soul."
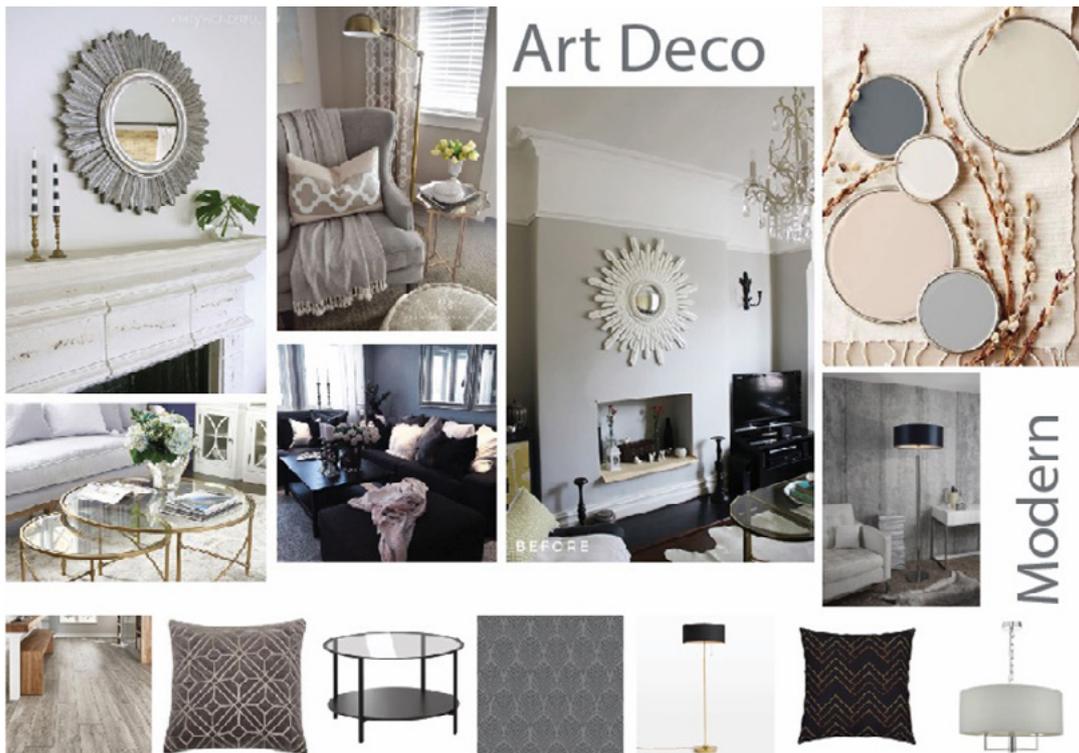
Conclusion

The feedback and outcome from everyone that took part in the Love Home project so far show that all our initial aims have been met. Each stage of the process provided tenants with an opportunity to learn new skills such as: building confidence, reducing social isolation, improving mental health & general well-being along with improving skills around budgeting.

Since the start of Love Home in 2019 it became clear that a few tenants only required assistance at the earlies stage. Seeking the right advice and support from family and friends allowed tenants to be able to create changes without additional input from design team.

The one to one engagement between tenants and designers helped tenants to feel safe and secure during the process. Good communication and understanding of individual needs played an important role in making tenants feel happy with their home, knowing that they are heard and valued. Mark's story is one of many that shows how the Love Home project does not have to be time consuming as it can be done remotely via video calls.

Mediating relationships with landlords by presenting the values of home improvement and steps in creating a home played the key part in building trust with both the landlords and tenants. The visual results of Love Home project clearly show that personalising home in a sensible and planned way can improve property condition, and it also adds to the overall appearance and value of investment.

For tenants, Love Home project created a greater sense of home, ownership, pride and belonging. In turn, this leads to better tenancy sustainment; the win-win result for everyone.