

Response to report Shelter's initial views on the second report of the Housing Improvement Task Force

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This paper outlines Shelter's initial views on the second report of the Housing Improvement Task Force. The first section deals with general points, and the second section reviews the report chapter-by-chapter.

The report brings together a wide range of ideas that, if implemented, could result in sustained improvement in the quality of private housing. There are some areas where Shelter believes a more assertive approach would have been justified: for example, in governing the relationship between the state and private landlords. The report is a starting point for, rather than the last word in, the kinds of approaches that may be useful in the future. However, implementation is the key. Good ideas do not, in themselves, produce better houses. We do have some hesitation about the degree of reliance being placed on the market to secure higher quality. We also suggest that the key role being placed on local housing strategies needs to be backed by sustained efforts to develop local authority capacity to deliver local strategies.

The single most important gap is the absence of an implementation plan, similar to that developed after the publication of the Homelessness Task Force report. Without this, it is difficult to judge the level of conviction that lies behind many of the proposals.

General Points:

- **Core themes.** Shelter supports the core theme that 'there is a need for a greater awareness and acceptance by owners of their responsibility for repair and maintenance of their property'. We are pleased that the report concludes that public policy should reflect the legitimate needs of low income owner-occupier households. We are unclear that the provisions on advice and information will actually result in significantly better-informed owners. Nor are we entirely clear that all the tools are in place to oblige those property owners who can afford to do so to invest in the long-term fabric of their building. Only by doing so will scarce public resources be directed towards those on lower incomes.
- **Greater focus on management standards.** At times the report is the victim of its own remit. Poor repair and maintenance is often a symptom of and exists side by side with wider management malaise. But the report does not directly recommend any minimum standard of management, instead mentioning this as an example of future work, which might be required. In Shelter's view, because many of the problems in the private rented sector, in particular, relate to management styles as much as to physical conditions, statutory standards for repair should be coupled with some minimum standards of management.
- **Market incentives and tax and benefit changes.** While the first report recognised that 'there were few market incentives to help owners keep their house in good condition.', the second report has failed to recommend specific changes or improvements. There are no recommended changes to tax and benefits.

- The recommended **review of the assured and short assured tenancy regime** is also welcomed. However, Shelter is disappointed that the task force did not consider as it had planned to, the options for changing the short assured tenancy framework, including the case for considering a longer minimum period or incentives to choose longer periods. Shelter believes that continuing to have a system where, after six months, a tenant can be evicted by a landlord, whatever the circumstances, will undermine other improvements that the Housing Improvement Task Force is seeking to make. Fundamentally, we fear that many tenants will not exercise improved rights to better standards or redress if, at the end of six months, all the cards are stacked in the landlord's favour.
- **Evictions.** Shelter is concerned that there is no mention of legislation to deal with unlawful evictions. This was laid down as a policy option to be considered, but is not even acknowledged in the draft report. Although the Homelessness Monitoring Group currently has unlawful evictions in its remit there is little sense that it is being treated as a priority.

Shelter's view is that current legal arrangements do not offer private tenants the necessary protection from illegal eviction. The inadequacy of current arrangements is confirmed by the Homelessness Task Force final report which indicates that whilst anecdotal evidence of unlawful evictions exists, legal action is very rare (with just 15 people prosecuted between 1995 and 1999).

- **Resources.** According to the report, 'available evidence suggests that one of the main reasons for the decline in the use of statutory powers has been the reduction in the resources allocated to tackling private sector housing problems.' Despite this view, the report contains no conclusions regarding the level of investment needed. Shelter believes that had the report made such recommendations, it would have strengthened the hand of those who are currently campaigning for increases in government investment in housing. It is important that this report becomes a building block of the next Comprehensive Spending Review in 2004.
- **Role of building industry.** There is very little in the report that reflects on the role of the industry that builds and repairs almost all private homes. This is undoubtedly a reflection of the appalling way in which the construction industry is organised in Scotland, with the main industry bodies failing to engage in any areas of strategic policy. We note that the policy options paper contained a proposal to look at regulation of contractors which has not survived into the final report. That would at least have provided a form of engagement which is crucial for implementation.

Chapter 3 (Standards)

- Broadly the proposals seem consistent with the policy proposals, although a lot of the detail remains to be decided. For example, the guidance around the revised tolerable standard will determine how narrow or expansive it will be.
- The decision to exclude serious disrepair from the tolerable standard is not one we find wholly convincing, given its inclusion in the English “fitness standard.”
- It is not clear what the link between the Scottish Housing Quality Standard and the Scottish Social Housing Standard will be. The implication is that the latter will differ only by having a target date set against it. This needs to be clarified.
- The recommendation to exclude noise problems from the SHQS misses an opportunity to tackle a significant cause of neighbour disputes and should be left open as an option. Improving noise insulation may not address all sources of noise but should ease many problems.

Chapter 3 (Buying and Selling)

Shelter does not have many clients who come with problems of buying and selling a house. Their problems are rather more basic. So it has always been a frustration that the task force agenda has been so popularly identified with this one specific area and that the propensity to leak proposals to the press has been higher in this area of policy. It is, however, a crucial area of strategic policy. The current system of multiple surveys means cheap surveys. Cheap surveys mean owners who are poorly-informed about their properties and about their responsibilities. This means a build up on neglect and eventually a need for the state to intervene to help. This reduces the amount of money available for those who cannot afford to remedy poor conditions.

- **Introduction of sellers surveys and information pack.** The draft report places a large emphasis on the introduction of a single survey and a purchaser's information pack. It proposes that both initiatives be introduced as voluntary market-led schemes. The market-led voluntary approach is of concern given that:
 - a range of other policy options which would have had legislative force (legislation to require log books of repair work for home-owners; legislation to abolish caveat emptor; legislation to require a minimum notice period; and legislation to oblige local authorities to provide repair and maintenance information) are rejected on the grounds that these two initiatives will be sufficient to deal with the current problems.

- The first report concluded that the market is often driven by factors other than housing conditions. Despite this, a market-led approach to the scheme has been proposed.
 - The cost and responsibility for the accuracy of the purchasers pack is to lie with the seller. Homeowners may feel there is little incentive to outlay extra money whilst the initiative is voluntary.
- **Review.** The report proposes a review following the pilot phase. In Shelter's view it is crucial that this review be thorough and give serious consideration to the option of using legislation. If it finds that the voluntary approach is failing it may also be necessary to reassess some of the other policy options rejected in the report in favour of the single survey and purchaser's pack. It is important that the review looks not only at how the system works but how widely it is being used. In Shelter's view a system of single, higher quality surveys needs to be widespread or universal across Scotland. If a voluntary approach does not deliver that then a statutory approach is needed.
- **Quality of Information.** It is vital that the quality of information provided by the single survey and purchasers packs be reviewed after the pilot phase, particularly as the report anticipates there being no scope for the surveyor to be available to answer any points of clarification arising out of the report. If the reports are not comprehensive this could result in buyers being left with inadequate or confusing information, which they are unable to query.
- **Reducing costs and delays.** There is a reliance on the single survey proposal to address costly multiple valuations and artificially low upset prices. This makes it crucial that it is introduced in an effective manner.

Chapter 4 (Facilitating Common Repairs and Maintenance)

- **Mandatory entitlement to grant assistance.** Shelter supports the report's proposal that 'the current mandatory entitlement for owners to receive grant assistance in such circumstances has constrained the use of these powers for communal repairs and maintenance.' Future provision should more accurately reflect need.
- **Involvement of local authorities.** Shelter welcomes increased local authority involvement, and that an emphasis is being placed on increasing the awareness of owner occupiers with respect to their repair and maintenance responsibilities.
- **Regulation and accreditation of property managers.** While Shelter welcomes the proposal to introduce accreditation for property managers, it is disappointing that regulation seems to have been ruled out.
- **Community mediation.** Shelter supports the views on use of community mediation and its role in resolving disputes regarding communal repairs and maintenance. This

however must be seen as part of a wider plan to prevent disputes arising in the first place.

- **National advice and information agency.** The proposals on advice and information are fragmented throughout the report. The policy proposals promised something much more substantial and it seems, at times, that we are being left with an assertion that advice is important and should be provided. A much bolder approach to integrating advice across the housing sector needs to be taken.

Chapter Five (Public Sector Intervention and Support at the Local Level)

- **Loans.** Shelter supports the proposals to make loans available to those households that find it difficult to obtain them with commercial banks. While Shelter supports the policy intention, we are also concerned about not burdening low income households with high levels of debt. Debt advice and assistance should be made available to all those participating in the loans scheme.
- **Cost-effective methods of providing assistance.** While we agree that local authorities should be looking at cost-effective methods of providing assistance, we are concerned at the high level of discretion being given to local authorities regarding the type and amount of assistance proposed. Some guidance should be produced by the Scottish Executive to ensure consistency and that local authorities are sure of the policy intention.

Chapter 6 (Improving Standards in the Private Rented Sector)

Shelter took part in the sub-group which prepared the proposals on the private rented sector. We agree with many of the proposals but differ on some key areas.

- We believe that the preferred option to combine voluntary accreditation schemes and discretionary licensing schemes is too complex and will have little take-up. Our preferred option is for a mandatory “light-touch” certification scheme, coupled with voluntary accreditation. We will continue to press the case for this.
- **Strengthening the tenancy regime to provide greater support for tenants and landlords in improving housing conditions.** Shelter welcomes the extension of the role of Rent Assessment Committees to create a Private Rented Housing Tribunal for Scotland, but urges that the issues involved in extending its role so significantly are carefully managed and sufficiently resourced.
- **The assured tenancy regime.** Shelter is disappointed that the task force did not consider the options for changing the short assured tenancy framework. This is discussed in more detail in general points (above).

- **Evictions.** Shelter is concerned that there is no mention of legislation to deal with unlawful evictions. This is discussed in more detail in general points (above).
- **The emphasis on improved information and advice** on tenancy matters is important but there is a lack of concrete recommendations on improving this. (529). There are also no specific actions identified to address the particular problems faced by vulnerable households and members of minority communities in accessing reliable information on rights (rec 54 report 1).

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