

Briefing for the Stage 3 debate of the Private Rented Housing (Scotland) Bill – 17 March 2011

The private rented sector (PRS) plays an important role in meeting housing need in Scotland, but it can, and must, do more. In general Shelter Scotland supports the measures contained in this Bill, but believes that it is a 'half way house', the first phase in developing further-reaching reform to create a thriving and professional PRS sector.

Shelter Scotland has comments on the following 3 amendments which are set out in the order in which they will be taken.

Amendment 1 in the name of Pauline McNeill

We do have sympathy with the underlying intention of amendment 1 from Pauline McNeill. However, we are concerned about adding specific examples to a general power – (section 131 of the 2006 Housing (Scotland) Act, which sets out the broad criteria to be used by local authorities in considering applications), as it could undermine the generality of that power. In short, a risk in doing this will be local authorities focusing on these specific requirements at the expense of a comprehensive and holistic approach, taking account of the particular circumstances of each case.

An alternative would be to ensure that the guidance to local authorities on licensing HMOs makes reference to sub-divisions and moving water and waste pipes as well as other important issues.

Amendment 15 in the name of Ted Brocklebank

This amendment is concerned with the numbers of HMOs which are allowed a licence in particular localities and gives local authorities the power to refuse a license if they consider that there is "overprovision" of HMOs in that locality.

Shelter Scotland has a number of concerns about this amendment. In practice, it will prove very difficult for local authorities to assess "overprovision" in a particular locality with any accuracy and use of this proposed power could easily expose councils to legal challenge. Limits of this nature could potentially prevent the good quality landlords from entering the market or expanding the accommodation they provide., even if the accommodation they are providing is better quality and better-managed than existing HMOs in the locality.

Arbitrary restrictions on the number of licensed HMOs will leave more young people or those on housing benefit having to resort to unlicensed and, therefore unregulated accommodation. It is estimated that we are likely to see a requirement for a further **7500 HMOs** in Scotland due to the UK Government's welfare reform.

Shelter Scotland argues that the best way forward to tackle problems with HMOs is to ensure the HMO licensing regime is robust and able to enforce both management and physical standards effectively rather than putting limits on the numbers of HMOs licensed.

Amendment 2 in the name of Mary Mulligan

Shelter Scotland **strongly supports** this amendment, as we believe it is vital that the use of the new discretionary power to serve an overcrowding notice is reviewed. In particular, it is important to look at the impact the power has on reducing overcrowding and the extent to which persons have become homeless as a result of its use.

We also believe it would be useful for the Scottish Government to carry out a more comprehensive review of overcrowding in the future to look at what other mechanisms could be developed to reduce this problem of overcrowding.

Longer term changes to the Private Rented Sector

Given the timescales involved in developing this Bill, we appreciate that the measures are relatively modest in scope. They seek to bring about incremental changes to the existing policy arrangements for the PRS, rather than comprehensive reform of the sector.

Shelter Scotland would like to see in the longer term:

- **A review of the short assured tenancy regime** to see if it is meeting the needs of ALL tenants; to look at the possibility of longer term tenancy options for tenants, as in the absence of social housing and, in light of the risks and costs associated with home-ownership, tenants are likely to consider the PRS sector.
- **An overhaul of the systems for regulation** of private landlords with the aim of creating a flourishing, dynamic and professional PRS sector.
- **A new approach developed to provide tenants with information and advice** to ensure that they become better-informed consumers.

In addition Shelter Scotland recommends that further consideration be given to **how tenants can more easily access justice**. In the LGCC Stage 1 report the Gill review was mentioned - 'Lord Gill recommended introducing a dedicated housing court' and the Minister has mentioned a dedicated housing panel option which would incorporate the Private Rented Housing Panel. Shelter Scotland would strongly support further consideration of these proposals, linked to the wide-ranging review suggested above.

For more information, please contact Debbie King debbie_king@shelter.org.uk or 0344 515 2447