

Strategic Housing Policy

Summary and Recommendations

This report provides Board members with an update on the Housing Bill, as well other strategic housing issues.

This paper invites members to:

- i. Note COSLA's Draft response to the Housing Bill in Annex 1;
- ii. Provide any views on the Draft response by COSLA on the Housing Bill;
- iii. Agree COSLA's proposed activities on the Housing Bill;
- iv. Provide views on other strategic housing developments; and
- v. Agree COSLA's next steps.

References

Previous reports:

- 24-04-19 Strategic Housing Policy

Mike Callaghan
Policy Manager
Communities Team
mike@cosla.gov.uk
Tel. 07973 981950

June 2024

Strategic Housing Policy

Purpose

1. This report provides Board members with an update on the Housing Bill, as well as other strategic housing issues.

Current COSLA Position

Housing Bill

2. Members will be aware that in March the Housing Bill¹ was published. It covers a wide range of issues relating to housing and homelessness prevention. The Bill is intended to contribute to a well-regulated rented sector, which balances the needs of tenants and landlords. Its provisions are to deliver the Scottish Government's rented sector strategy and policy proposals for housing set out in Housing to 2040, while also seeking to deliver on the ambition to end homelessness.
3. Additionally, the Housing Bill will introduce 'Ask and Act' that is intended to create a shared public responsibility to prevent homelessness. The bodies covered by 'Ask and Act' are listed in the Bill and include local authorities. The Bill is also intended to make changes to existing homelessness legislation to allow for early intervention by local authorities. As a result, it includes measures for social landlords, including local authorities.
4. The Housing Bill's 7 main parts are outlined below.
 - **Part 1** makes provision about rent including the designation of rent control areas.
 - **Part 2** makes provision about dealing with evictions, including duties to consider delaying evictions and the amount of damages for unlawful evictions.
 - **Part 3** makes provision about residential tenants keeping pets and making changes to let property.
 - **Part 4** makes provision about other matters relating to tenants including unclaimed tenancy deposits, registration of letting agents, ending joint tenancies.
 - **Part 5** makes provision about homelessness prevention including duties of relevant bodies, assessment of housing support services and supporting tenants affected by domestic abuse.

¹ [Introduced | Scottish Parliament Website](#)

- **Part 6** makes provision about other housing matters including mobile homes, fuel poverty and disclosure of information to the new homes ombudsman.
 - **Part 7** makes provision about commencement and other ancillary matters
5. COSLA officers continue working with the Association of Local Authority Chief Housing Officers (ALACHO) to understand the full implications of the Housing Bill through workshop sessions with the Chartered Institute of Housing on 5 June, as well as make preparations for future oral evidence sessions with the Parliament's Local Government, Housing and Planning Committee and the Social Justice and Social Security Committee later in June and September.

Housing Conveners Forum

6. A meeting of the Housing Conveners Forum was held on 29 May that involved the Housing Minister for the main part of the meeting. The meeting covered two main substantive items. These were voids and the Housing Bill.
7. It was identified from the Forum that two of the main causes of voids across local authorities were long delays with utility companies in connecting the meters of properties. As well as the availability of skilled trades people to help turnaround voids more quickly.
8. It was agreed that small Task and Finish Groups will be set up by the Scottish Govt involving COSLA and ALACHO officials, along with other partners. This is to address issues directly with utility companies as well looking at workforce planning.

Housing to 2040 Strategic Advisory Board (SAB)

9. On the afternoon of 7 June Cllr Chalmers, COSLA will be chairing the next Housing to 2040 Strategic Advisory Board (SAB). At the meeting the items that are to be considered include the Affordable Housing Supply Programme Review, Housing Supply and Investment, Housing Bill and Homelessness prevention. Members are asked to provide any comments on these items.
10. Members will recall that the Housing to 2040 SAB is co-chaired with the Housing Minister and also attended by representatives from a range of major stakeholders in the housing sector such as Homes for Scotland, Scottish Federation of Housing Associations, ALACHO, National Landlords Association etc.

Housing Investment Taskforce

11. On the morning of 18 June COSLA will physically host the second meeting of an in person meeting of the Housing Investment Taskforce at the COSLA Conference Centre with the Housing Minister. This involves major institutional investors including some major banks.
12. At the first Housing Investment Taskforce, held in London, the meeting focussed on actions where value can be added, as well as barriers and mapping these for potential housing investment in Scotland.
13. It is planned to have 4 more substantive meetings of the Housing Investment Taskforce and these will cover issues such as trade offs/challenges and social housing, challenges of empty homes and initial stages of mapping these issues out.

Housing Special Interest Group (SIG)

14. On the afternoon of 18 June COSLA will host the 4th meeting of the Housing Special Interest Group (SIG). The SIG will be joined by the Housing Minister Paul McLennan for the first part of the meeting where he will discuss housing investment, as well as provide other strategic housing updates.
15. The second part of the meeting will involve a workshop type session involving all members that will examine issues on the challenges to local authority housing as well as the opportunities to make improvements.

What is Changing?

Housing Bill

16. The Scottish Govt have stated that the Housing (Scotland) Bill fulfils their 2023-24 Programme for Government commitment to bring forward a Housing Bill to deliver their 'New Deal for Tenants'; continued reform of the rented sector, with some aspects of the 'Housing to 2040' strategy; and contributing to the ambition to end homelessness in Scotland.
17. Members will note that the Bill covers a wide range of issues that include rent control areas, capping of rent increases, duties to consider delays to evictions, damages for unlawful eviction, making changes to home, keeping pets, unclaimed tenancy deposits and registration of letting agents.
18. Additionally, the Bill covers ending joint tenancies, social landlords giving notice of rent increases, converting older properties, homelessness prevention, tenants affected by domestic abuse, residential mobile homes, new homes ombudsman, fuel poverty strategy and periodic reports.
19. At this stage some of the key concerns of COSLA that have been reflected at the previous Board meeting and the recent Housing Conveners Forum are the significant resource implications of the proposed homelessness prevention duty and rent controls that appear to be significantly underestimated in the Bill's financial memorandum. There has also been concern over the potential for proposed rent controls to deter future investment in housing in Scotland from private investors.

Proposed COSLA Position


20. Feedback is invited on our draft response to the Housing Bill in Annex 1 from members of the COSLA Community Wellbeing Board's to develop our finalised submission to the Housing Bill consultation. As well as future parliamentary work and engagement with the Housing Minister on the Bill.
21. Members are also invited to provide any views on the issues that will be discussed at the Housing to 2040 Strategic Advisory Board (SAB) on 7 June and the meetings of the Housing Investment Taskforce and the Housing Special Interest Group (SIG) on 18 June.

Next Steps

22. We will reflect the views from the COSLA Community Wellbeing Board on the Housing Bill in our finalised submission to the consultation on it from the Parliament. As well as reflect the views of Board members at the Housing to 2040 Strategic Advisory Board (SAB), Housing Investment Taskforce and Housing Special Interest Group (SIG).

June 2024

Contribution to agreed COSLA Plan and Verity House Agreement:

<p>COSLA Plan 22-27</p> 	<p>Priority Areas</p> <p>Strengthen Local Democracy</p> <p>Secure Sustainable Funding</p> <p>Improve the Wellbeing of Individuals, Families and Communities</p> <p>Enhance Education and Support for our Children and Young People</p> <p>Deliver a Just Transition to a Net Zero Economy</p> <p>Support the Most Vulnerable in our Communities</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p></p> <p>✓</p> <p>✓</p> <p></p>
<p>Verity House Agreement</p>	<p>Shared Priorities</p> <p>Tackling Poverty</p> <p>Just transition to net zero</p> <p>Sustainable Public Services</p>	<p></p> <p>✓</p> <p>✓</p> <p>✓</p>



DRAFT - COSLA Response to Housing Bill

COSLA welcomes the opportunity to provide a response to the Local Government, Housing and Planning Committee's consultation on the Scottish Government's Housing Bill on behalf of our member councils.

Housing across Scotland is facing some major strategic challenges with the Scottish Government declaring a Housing Emergency, as well as six of our member councils declaring local housing emergencies including West Lothian Council most recently on 28 May.

Background

COSLA's response to the consultation on the Housing Bill has been informed by members of COSLA's Housing Special Interest Group, Housing Conveners Forum as well as from the COSLA's Community Wellbeing Board. It has also been informed by ALACHO who are the professional Local Government Association that represent Chief Housing Officers.

- **Measures in the Bill the meet the Scottish Government's Policy Objectives**

At this stage it is unclear if the measures and various provisions set out in the Housing Bill meet the Scottish Government's current policy objectives, given the recent changes with the Scottish Government and the ending of the Bute House Agreement e.g on areas such as proposed rent controls. That said, various aspects of the Housing Bill are in line with the Housing to 2040 Strategy.

- **Our Main Reasons for Our Position on Policy Objectives**

COSLA is supportive of the ethos of the Housing Bill in respect of the prevention of homelessness duties and on preventing domestic abuse, given they are in line with our established political position on homelessness prevention and our support for the Equally Safety Strategy. However, the Bill seems to lack coherence for some measures e.g. rent controls.

Additionally, some elements of the Housing Bill are significantly under costed e.g. proposed homelessness prevention duties and rent controls that appear to be significantly underestimated in the Bill's financial memorandum. As well as the potential of proposed rent controls deterring future investment in housing in Scotland from private investors e.g. mid-market rent developments.

Initial feedback from the COSLA Community Wellbeing Board on 19 April to the Housing Bill was that members welcomed proposed changes to First tier

tribunals, but had concerns about the homelessness prevention duty and the financial implications of it. Members also reflected their concern about the shrinking private rented sector (PRS) and the huge strain this was putting on the social housing sector.

- **Rent**

Proposals in Part 1 of the Bill on designated Rent Control Areas

We recognise that rent levels particularly in our largest cities have increased significantly over recent years in the private rented sector. That said, we understand that rent controls could actually have significant adverse impacts on investment in various parts of the country and may have unintended consequences such as avoidance by landlords and displacement effects. We are also aware of significant concerns that the proposals set out in the Bill could have negative outcomes.

Additionally, we have concerns about the cost and risks to our member councils of implementing these measures and the weakness of the evidence base to support the designation of rent control areas.

Additional Comments on the Bill relating to Private Tenants

Our view would be that it would be better if rent controls were not needed and that private tenants had stronger and more effective rights to challenge unreasonable rent rises through the existing mechanism involving the Rent Officer. This would be consistent with a consumer rights and trading standards based approach to the sector and considerably more cost effective from a public spending perspective.

We would have further concerns about the quality of data available to support the process of assessing the need for rent control areas and the possibility of legal action against councils who seek to use these powers. As well as the bureaucracy involved for establishing local arrangements.

We would recommend that this part of the Bill is reconsidered or paused to allow further dialogue with the sector on how best to address the problems of affordability in some parts of the PRS. At this stage, our member councils are simply not geared up to provide the significant resources to manage rent controls locally or act in an enforcement capacity.

Evictions – Part 2 of Bill

- We would be supportive of the proposal to require both the Sheriff Court and First Tier Tribunal to consider the option to suspend a decree to allow vulnerable or at risk tenants to manage the process of an enforced house move.
- We would also be supportive of the proposals to improve protection and compensation for unlawful evictions, but we would suggest that the courts should have the power to make awards above the maximum as well as below the minimum were the circumstances of the case to merit it.

- In the context of unlawful eviction, local authority Chief Housing Officers have advised that they would be supportive of criminal sanctions being increased, along with Police Scotland operating with a presumption to investigate any allegation notified by the courts or First Tier Tribunal.

Making Changes to Let Property and Keeping Pets – Part 3 of the Bill

- Tenancy agreements in use in all sectors should be reviewed from a human rights perspective and should be set out in a much clearer way from a consumer protection and trading standards context.
- There are also a number of other issues relating to tenancy agreements that should be reviewed e.g. the inclusion of often punitive clauses imposing interest on overdue rent or charges for sending letters or responding to neighbour complaints.

Joint Tenancies – Part 4 of the Bill

- We would be supportive of proposed changes to joint tenancies outlined in the Bill, particularly where they can help to prevent instances of domestic abuse being perpetrated.

Homelessness Prevention – Part 5 of the Bill

- **Bill's Proposals in Part 5 that deal with Homelessness Prevention**

We would be supportive of the proposal to put homeless prevention work on a clearer statutory footing. That said, we have significant concerns about the significant resource implications for local authorities of implementing the proposals. We do not believe that the financial memorandum has fully captured the likely costs for our member councils, as we fully expect local authorities would require additional staff resources to effectively meet the needs and requirements of Part 5 of the Bill, as well as the reporting arrangements involved. We would suggest that implementation of the provisions of the Bill on homelessness prevention should be stages or phased over a period of time.

- **'Ask and Act Duty' for relevant bodies in relation to Preventing Homelessness**

We have significant concerns that the Scottish Govt has underestimated the cost of effective implementation. It is also not clear at this stage that the public bodies likely to be required to "ask and act" are fully aware of the proposals or prepared for their implementation. As a result, there is a need for this to be clearer, in order that the other organisations involved are properly prepared and resourced for future implementation.

Additionally, the proposal outlined in the policy memorandum, to give certain bodies the ability to make a homeless application (with the consent of the individuals concerned) also requires some further thought in respect of responsibilities.

- **Requirement on Councils to Act Sooner to Prevent Homelessness**

We are supportive of early intervention as being intrinsic to work to prevent homelessness. As a result, we expect that local authority Chief Housing Officers and

other relevant staff will be closely involved in developing guidance that would be required by councils.

- **Proposed Provisions in Part 5 of the Bill on Domestic Abuse**

We strongly support all the provisions in the Bill relating to domestic abuse as this would be in line with the aims of Equally Safe, in respect of helping to prevent violence and domestic abuse against women and children.

Mobile Homes

- **Provisions in Part 6 of the Bill relating to Mobile Homes Pitch Fees Uprating**

We understand significant work on improving services to Gypsy/Travellers including the current improvements to existing public sector accommodation over the last couple of decades that has been undertaken. That said, provision still remains inadequate than that experienced by mainstream social tenants.

Our local authority Chief Housing Officers have advised that the existing rent increase cap is appropriate. However, in the absence of further reform the proposed changes seem acceptable.

Fuel Poverty – Provisions in Part 6 of the Bill

- We support the changes as proposed.

Availability

- We would be available to provide oral evidence to the Local Government, Housing and Planning Committee, as well as the Social Justice and Social Security Committee on the Housing Bill.

We trust our response will be helpful to the Scottish Parliament's Local Government, Housing and Planning Committee to inform the consultation on the Housing Bill.

June 2024
COSLA