



## *Everyone Home* Collective

A route forward for the  
Private Rented Sector (PRS)



#EveryoneHome

## A route forward for the Private Rented Sector (PRS)

It's right that people who are homeless, or at risk of homelessness, can access a **range of housing** options – enabling them to **exercise choice** over the features of a home which matter most to them.

It follows that where renting privately best meets people's needs and preferences, they should have somewhere reliable to go where they can **access good quality, well managed, affordable PRS homes**.

Just as important is that households who live in the PRS can access advice and support to sustain their tenancy if and when they need it – including help to make a planned move to an alternative home, avoiding homelessness.

This route map sets out a framework of ideas and actions which aim to bring the PRS more confidently into the mix of housing options accessible to households who are homeless or at risk across Scotland and improve the overall sustainability of the sector for private tenants at highest risk of future homelessness.

We don't shrink from highlighting the challenges the PRS can present, especially at its more affordable end. We plot a route which acknowledges and seeks to address those challenges, whilst balancing the sector's potential as a source of good, settled homes.



## What about social housing?

Social housing has always been the primary response to homelessness in Scotland. Everyone Home believes this should continue to be the case. We recognise the vital role played by social housing in reducing homelessness and poverty (especially child poverty), improving health and creating jobs<sup>1</sup> and welcome the Scottish Government's commitment to investing £3.4bn in a five-year affordable housing supply programme with a goal to build 110,000 affordable homes by 2032, a mid-term commitment that would result in the delivery of 38,500 social homes by the end of this parliament in 2026. The PRS, in contrast, has tended to be seen as a minority option or a last resort for people experiencing homelessness. The tenure is also often cited as a disproportionate source of homelessness, compared to other tenures.<sup>2</sup>

Calls to enhance the role played by the PRS as a solution to actual or potential homelessness can, therefore, attract differing responses.

It's important to state here that our ambition to more actively include the PRS as a housing option for people who are homeless does not imply a reduction in the role played by social housing. Nor is it about aiming for a number or target percentage of people housed in the PRS, whilst ignoring what people want, or expecting them to accept housing which isn't sustainable.

**Getting more and better from the private sector does not mean getting less from, or lessening our focus on, the social sector.**

We do, however, want to turn the dial on willingness to think about, make use of and improve the PRS as a viable housing option for people who are homeless, by supporting clear pathways into good, well-managed, affordable homes. In line with recommendations from the Prevention Review Group, we want to think more carefully about private landlords as partners in preventing homelessness. And consistent with Housing 2040, we want to begin to explore what social and private landlords and tenants share, and how services, challenges and practice can be considered cross-tenure.

## In this route map...

We start by noting some key facts on the PRS, explaining why we think there must be greater focus on its role at the current time. We then look at the landscape of PRS access services in Scotland, based on desk-based research carried out in 2021-22.



We set out key principles and a 'preferred future' for the tenure's interaction with homelessness prevention and resolution and conclude by proposing some steps which plot how to get there at national and local level.

## The PRS in a nutshell

### How big is the PRS?

Around 15% of Scotland's homes were privately rented in 2021, compared to 23% in the social sector.<sup>3</sup> The proportion of PRS homes by individual local authority varies widely – from 24% in Edinburgh to 5% in Falkirk.<sup>4</sup> The PRS represents over 40% of the total rented stock in a third of Scottish authority areas,<sup>5</sup> although there is evidence that the sector is starting to shrink with suggestions that increased regulation, an unfavourable tax regime, challenging energy efficiency requirements and the benefits system are affecting the retention of landlords.<sup>6</sup>

### What's the PRS like?

In many ways, the PRS is more diverse and more dynamic than the social rented and owner-occupied sectors. Turnover is higher, with most moves driven by tenants, creating more letting opportunities. PRS homes are found in a wider range of neighbourhoods, styles and types of let than social rented homes, with a greater number offered as furnished or part furnished.

Diversity also characterises PRS landlords and tenants. Compared to 175 social landlords, there are almost 250,000 registered private landlords in Scotland, mostly owning just one property but some with larger portfolios.<sup>7</sup> Around a third are managed by one of nearly 900 registered letting agencies. The geographic distribution of privately let homes also shows that the majority of PRS properties are a few large cities (Edinburgh, Glasgow, Dundee and Fife), with rural areas having fewer properties for rent.

People who live in the PRS are also highly diverse – in terms of household income, ethnic group and reasons for using the tenure. For the PRS to be a suitable rehousing option for all, specific consideration needs to be given to those who may have one or more protected characteristics under the Equality Act. The ambition is to ensure that *everyone* has a warm, safe, affordable and accessible home that meets their needs.

This is reflected in the equalities position statement attached to Scottish Government's Housing to 2040<sup>8</sup> which recognises the key role that housing has in addressing and reducing inequality.<sup>9</sup>

As Scotland sees a rise in an ageing population who may require property adaptations to remain in their homes, private landlords can play their part by agreeing with tenants to any changes in property and working with the tenants and local authorities to ensure adequate and suitable adaptations are carried out. Other groups particularly at risk of homelessness, and therefore likely to find accommodation in the PRS, would include non UK nationals, young people, those identifying as LGBTQ+ , lone parents and women. It is important that specific attention is paid to these groups within a context of the PRS to ensure that, where possible, accommodation is safe for those groups, available and accessible.

### Key message

The PRS is characterised by diversity on all fronts – in terms of its size in local areas, the groups of tenants housed and the landlords who manage those homes. This suggests 'one size fits all' approaches are unlikely to work but for some groups, particular efforts should be made to make the PRS a suitable option.

## What about security of tenure?

Introduced in 2017, the Private Residential Tenancy (PRT) improved tenure security by abolishing time-limited tenancies and requiring evictions to be supported by at least one of 18 statutory grounds. During the pandemic, all grounds became discretionary; following which the Coronavirus (Recovery and Reform) (Scotland) Act made these grounds discretionary on a permanent basis.

While this means private landlords must always be able to persuade a Tribunal that eviction is reasonable in the circumstances – thereby improving PRS security – these changes don't bring equivalence with the social sector. Private landlords can still make use of eviction grounds unrelated to tenant conduct, such as intending to sell or move into the property.

Research has suggested that experience of illegal eviction and harassment by private landlords was rare across all tenants.<sup>10</sup> Tenants are more likely to have a sense of security due to trust in the landlord, being able to afford their rent and having secure employment, than possession of legal rights. This may reflect the fact many tenants see privately renting as transitional, with most moves tenant-driven.<sup>11</sup>

For tenants on low incomes or in housing need, however, research highlights a reduced sense of choice/autonomy (feeling 'trapped' as opposed to secure) and a reluctance to exercise rights – out of real or perceived fear security could be jeopardised, regardless the terms of the contract. For these groups, the balance of power often favours the landlord.<sup>12</sup>

### Key message

Most PRS tenants in general, don't experience a sense of insecurity, many landlords being happy to house tenants on benefits on a long-term basis. However, research does show that the experience of renting can be very different for those on lower incomes who have fewer options and less market power to exercise them.

## How affordable is the PRS?

There's no common definition of housing affordability in Scotland, although a Scottish Government group is undertaking work to develop one. Many tenants in both rented sectors also experience poverty without housing directly contributing – for example, in situations where welfare support meets housing costs in full, but personal income is too low to meet basic expenditure.

Two elements which do directly affect housing affordability are rent-setting practices and the comprehensiveness of housing-related welfare support. PRT landlords can legally increase rents annually, but most don't do so in practice (unlike social landlords). Research suggests a low percentage of private tenants report experiencing unreasonable in-tenancy rent rises. New tenancy rent levels, as opposed to in-tenancy rent increases, often play a larger role.<sup>13</sup>

This is where the welfare system, and inequality between the rented sectors, comes in. Housing cost entitlements are limited by Local Housing Allowance (LHA) rates and rules in the PRS – but not in the social sector. Welfare support is unrestricted by age or house size in the social sector due to the use of DHP to meet 'bedroom tax' shortfalls, but private tenants face barriers such as the under 35s Shared Accommodation Rate. This can create an insurmountable economic barrier for young people who are subject to benefits restrictions and conditionality, often low pay if in work, and limited state support in paying for housing. The Shared Accommodation Rate places a cap on the amount awarded for housing costs for claimants between 18 and 35 with only very specific exceptions, meaning young people are forced to look for a room in a shared house or a bedsit at best. Some high-pressure market areas will have little or no options available.

LHA levels are set to meet the lowest 30% of local rents but were frozen for several years, not increasing with inflation. They were re-set at the 30th percentile in 2020, releasing more property to the market, but have since been frozen again. New tenancy rents have risen during the current housing supply / cost of living crisis so LHA now falls short of rents in many areas.<sup>14</sup> PRS tenants whose earnings exceed a threshold for welfare support may also struggle to pay rents comfortably. This relates to the generosity (or not) of the ‘taper’ which governs the extent to which benefits reduce as household earnings increase.

More than a third of PRS tenants spend more than 30 percent of income on rent. Research suggests rent affordability is a key factor in limiting access to private renting for low-income households, tenants from ethnic minorities and single parents in particular.<sup>15</sup> Many tenants say they pay a significant proportion of their income in rent, and just over one in ten tenants described their rent as difficult to afford.<sup>16</sup> For those who do, often single parents, people with disabilities or minority ethnic groups, affordability can be an ongoing struggle leading to trade-offs and needing to navigate the welfare system. These factors feed into power imbalances with landlords. As affordability is also often a key barrier to accessing the PRS for such groups, tenants may avoid ‘rocking the boat’ in a tenancy, making it hard to exercise rights if a landlord falls short.

Recent research has highlighted the acute challenge of affordability within the PRS for low income/benefit dependent households, with access to PRS or moves within it, becoming increasingly challenging.<sup>17</sup> The rise in the cost of living will inevitably disproportionately affect low income tenants and it can only be assumed that affordability will become more of an acute challenge, especially if LHA rates remain at their current level. Wider problems of poverty and precarious low paid work are not solely reflected in tenants of the PRS. Indigo House research, funded by Nationwide Foundation, does make it clear that because of these affordability challenges, the PRS may not be the right place for many financially vulnerable households who would benefit from living in the social rented sector where there is more support to navigate the benefit system.<sup>18</sup>

### Key message

For tenants who experience difficulties in affording their rent, exercising tenancy rights becomes a challenge. The threat of losing a home will overshadow legal rights where choice is limited. For young people relying on benefits or on a low income, finding an affordable private rented property can be an almost impossible task.

### What are conditions like in the PRS?

Almost two thirds of PRS homes in 2019 were assessed as having some level of disrepair, albeit this is 1% lower than Council homes (disrepair is notably lower in both the owner occupied and Housing Association sectors).<sup>19</sup>

Research suggests that expressed satisfaction levels with neighbourhood and home are higher in the PRS than in social housing and expressed dissatisfaction lower. Most PRS tenants are content with the service provided by their landlord and/or agency. Only a minority report living in a PRS home in poor condition.<sup>20</sup>

A poor repairs service is the most common negative experience in the PRS for tenants who do report this. Tenants on low incomes (often also facing financial problems and no alternative housing options) can experience frustration over repairs/conditions and may lack confidence in, or fear, exercising their rights. There may be a reluctance from tenants to use formal methods of redress, such as the Tribunal – even when they have the knowledge and the confidence – because of the risk of retribution from the landlord.

Councils, as well as tenants, can apply to the Tribunal to enforce standards in PRS homes. But local authority approaches to monitoring, supporting and enforcing PRS compliance, as well as join-up with wider PRS work, vary greatly in effectiveness across Scotland.

### Key message

For those on the lowest incomes, there can be multiple barriers to enforcing rights around repairs. They have a lack of market power and should challenging poor conditions result in a threat to the tenancy, there are fewer options in terms of alternative accommodation.

### How accessible is the PRS?

Unlike private renters as whole, those on low incomes face barriers accessing a tenancy. PRS tenants who need to claim benefits during a tenancy may avoid telling their landlord for fear it may jeopardise their security.

There can be reluctance to rent to those claiming benefits, unless assurances or supportive measures are in place. Landlords' reluctance often owes more to experience of welfare system support and administration (especially post-Universal Credit) and linked financial risk than to discriminatory judgements.<sup>21</sup>

This same approach can apply to renting to those who are homeless. This often stems from concerns that Councils or other agencies won't support them or their tenants if they have problems (such as arrears). The prospect of a 'bad tenancy end', especially under the PRT, which can signal a long, costly and often acrimonious eviction process, acts as a deterrent to housing people deemed 'riskier'.

Surveys<sup>22</sup> show most landlords would consider a more flexible approach to both groups if measures were in place to support them. These may range from housing support for tenants, a direct point of contact for landlords, rent guarantees or property management services.

### Are advice and support accessible in PRS?

In view of the inter-linked challenges faced by PRS tenants on low incomes, we can conclude some in this group will have higher needs for timely financial/welfare advice and at times, wider forms of housing support.

Unlike social tenants whose landlords are well linked into welfare and wider advice/support services, surveys suggest private landlords have very low awareness of local 'helping' services. Research shows even (ostensibly better connected) letting agencies can find it unclear how/where to signpost or refer tenants in need of greater advice and support at local level.<sup>23</sup>

Council housing advice/support commissioning responsibilities don't start and stop with social tenants. But research suggests most authorities lack a grasp on the housing support needs of private renters and lack confidence in commissioning effective cross-tenure services.

### Key message

While most private tenants may not require housing advice or support, those who do – especially the most vulnerable to housing crisis – are less likely to know about, or make use of these services than tenants in social housing.

## How do we see the PRS?

Landlords often highlight attitudinal barriers and stigma against them as a group, feeling tarred by the poor practices or profiteering of the few. The “greedy landlord” stereotype is well-lodged in public consciousness. It’s unlikely to become dislodged during a housing and cost of living crisis.

Indeed recent research termed Scottish PRS policy debate “*rhetoric-heavy*” and in danger of engaging in “*the politics of blaming*”<sup>24</sup> It makes easy copy to highlight the actions of bad landlords, harder to proactively promote good ones and challenge the view of policy and decision makers at a local and national level when expressed that all private landlords utilise bad practice

Research also suggests political ideology and attitudes on private landlords can influence how far/well engagement with the sector proceeds.<sup>25</sup> A polarised stance doesn’t support investment in PRS-friendly advice and support services and can lead to a fatalistic view on what the sector can contribute to ending homelessness.<sup>26</sup>

### Key message

How we see and talk about the PRS can impact policy as well as engagement and intervention in practice. Dialling down the rhetoric and use of negative language, encouraging and highlighting good practice supported by examples and evidence, can help rebalance the debate.

## What’s changed since 2020?

Major upheavals of recent years have left their mark on the PRS. Research points to dramatic post-COVID rent and house price hikes in markets which reinforce existing “housing wealth and affordability inequalities”.<sup>27</sup>

While some areas reported increased access to and affordability of the PRS (due primarily to LHA uprating), this has now reversed. A crude lack of housing supply is creating unprecedented demand, rising rents and higher barriers. At the same time, LHA remains frozen. As a temporary measure, the Cost of Living (Tenant Protection) Scotland Act 2022 froze rents and introduced a moratorium on evictions until March 2023. This legislation was amended by the Scottish Parliament in March 2023, whereby the rent cap for private sector tenancies increased to 3% and the pause on evictions was extended to 30 September 2023, with the option to extend for another six-month period, to March 2024, if required.

But this legislation alone won’t tackle some of the long term issues set out in this report.

Lack of rental supply is partly due to landlords selling, without equivalent numbers entering the market. The PRS in Scotland is starting to reduce.<sup>28</sup> It is less clear *which* landlords are leaving, but the balance of investment risk is likely a determining factor in landlord decision-making. This bodes ill for parts of the market which interact with the welfare system, perceived as ‘riskier’.

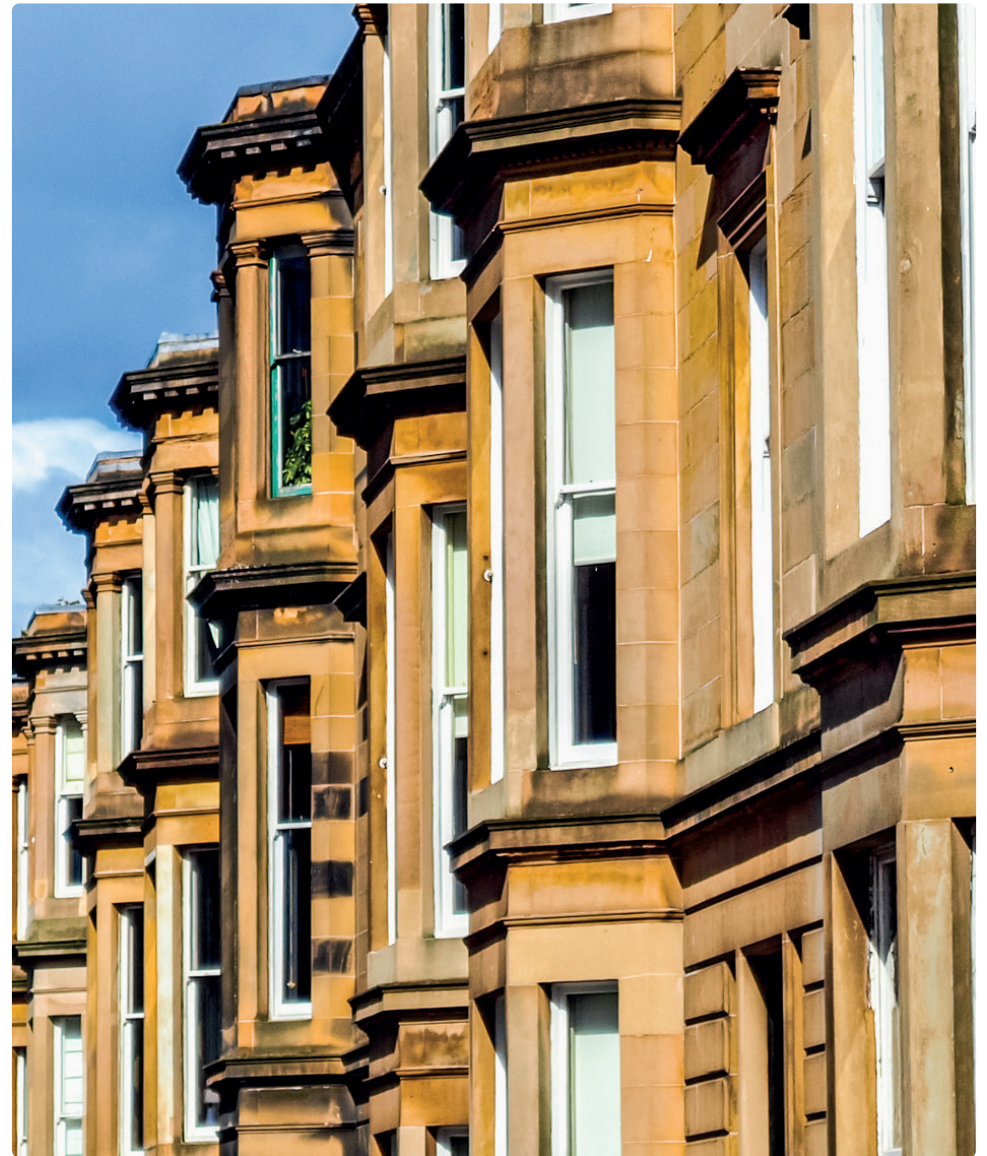


A recent report by The Society of Local Authority Chief Executives highlights how demand for private lets far outstrips supply in many areas, with CityLets data showing properties being let within a matter of days or weeks.<sup>29</sup>

A survey showed landlord willingness to rent to people who were on a low income or in receipt of benefits or work with PRS access services had noticeably decreased in 2022.<sup>30</sup> Reasons for selling up were: constant legislation perceived as “anti-landlord”; feeling victimised; belief ‘good’ landlords have no recourse against ‘bad’ tenants; and decreased profitability.

### Key message

PRS supply is on the decrease, leading to higher rents and competition. It is likely the sort of homes being sold are from the more affordable end of the market.



## The PRS in a nutshell

### Summing up...

**Although** many tenants don't face problems with access, insecurity, affordability or bad conditions in the PRS, these can be serious issues for those on lower incomes for whom power imbalance, lack of alternative housing choice and welfare barriers can make it challenging to enjoy a secure, suitable home and to exercise **their tenancy** rights.

A cost-of-living crisis is likely to increase these challenges, whilst the post-COVID market in which private landlords are selling up – exposing a supply gap at the more affordable end – offers an ever bleaker outlook.

From the perspective of preventing and alleviating homelessness, it may appear that the PRS does not provide a robust solution to the challenge of housing supply.

In contrast, Everyone Home believes it's the right time to embrace the sector. The next section explains why.



## Why use the PRS to end homelessness?

### 1. We can't do without it

Despite a new build programme heavily focused on social housing, Scotland doesn't have enough affordable housing to meet need. The PRS plays a role meeting that need. Dwindling supply reduces the total rented stock accessible to people largely locked out of the mortgage market, putting more pressure on social housing and ultimately homelessness services.

In some areas annual homelessness demand exceeds total social housing turnover. In others, demand can only be met by offering people house types or areas ill-matched to their needs or by removing choice. Where supply is out of kilter with need, people experiencing homelessness get stuck in harmful systems for long periods.

Rapid rehousing approaches intend to change this – but the transition will take years in many areas. In the meantime, people must have the choice to exit homelessness systems quickly, or bypass them entirely, by exploring PRS options. To do this, we need to engage, not alienate, those who provide good, affordable PRS homes.

### 2. It's about a home, not about a tenure

Positioning social housing as the only suitable option for people experiencing homelessness separates those people from the rest of society – a discrete group requiring a single solution. But people experiencing homelessness are a diverse group, with diverse needs, choices, incomes and aspirations.

There may also be Scottish cities, and many towns, where there is no available social housing in the area where someone wants to live. If a safe, accessible, affordable home in the PRS is the only option and is acceptable to the household, this should be accepted as a positive outcome. The emphasis being on the provision of home, regardless of the tenure.

Including a PRS option expands the choice people experiencing or at risk of homelessness have over where and how they live – a choice most of us have when we consider our options.

When making housing choices, tenure is just one of the many elements people consider, as the Prevention Commission set out<sup>31</sup>. It's an important factor, and may be non-negotiable for some. But others will prioritise a different balance: area, accessibility, size, cost, safety and crucially, time, are also part of the mix when making choices in an imperfect system.<sup>32</sup>

### 3. It bolsters prevention, access and supply

There can be a sense of inevitability about flows of people from the PRS into homelessness. But an alternative view is that the tenure is a largely untapped opportunity as far as prevention goes. Services that do engage proactively in the PRS show it's possible to prevent homelessness.<sup>33</sup> Both the introduction of pre-action requirements in the PRS, and the development of new prevention duties represent opportunities to work with private landlords as partners in prevention.

Moreover, preventative work can be done in a way that suits tenants, landlords **and** Councils – often widening access and increasing supply from the same landlords. In a context where risk mitigation is all, services facilitating sustainment (including 'good ends' i.e. moves without eviction) offer landlords a key benefit, making long, costly Tribunal processes less likely.

Many landlords will still choose to sell up due to personal or profitability factors. Others may make different choices if offered landlord-friendly approaches from our sector which prioritise partnership working and sustainment.

## Why use the PRS to end homelessness?

### 4. The groundwork's already done

“PRS access services” – an umbrella term for any service offer (from a cash deposit to a social letting agency) which helps people on low incomes into the tenure – are the critical interface through which risks faced by low-income tenants and landlords who rent to this group can be mitigated, to everyone’s benefit.

By building relationships with landlords, the best services forge a supported pathway into the PRS by procuring good, affordable homes on a long-term basis. They reduce barriers and power dynamics faced by low-income tenants.

Scotland has some well-developed PRS access services which play a key role meeting local housing need. Yet while most areas have **some** level of PRS service offer, the national picture is inconsistent. Practice, expertise and local analysis – groundwork – already exists on this subject. More recently this was accompanied by near-universal local authority support for stepping up the role of the PRS in meeting homelessness need through Rapid Rehousing Transition Plans (RRTPs).<sup>34</sup>

We now need to go beyond a postcode lottery of provision, purposively upscaling, supporting and investing in services which work in partnership with providers of good homes to get the best from the sector for those who rely on it.

**The next section** sums up our ‘principles’ on our approach to the PRS, followed by a short history/summary of PRS access services.



## Key Principles

Evidence tells us the PRS in Scotland has much to offer – but also that it presents particular challenges and risks. For people to be able to exercise meaningful choice about housing, without being placed at unreasonable risk of future homelessness or housing difficulty, we need to find ways to engage with the sector which attract good landlords, upgrade average ones and link clearly into enforcement where standards are beyond improvement. This is our position:

### The Private Rented Sector (PRS) can...

Be a **positive, settled housing option** for some households who have been made homeless

Complement and extend the range of areas, house types and sizes offered by the social sector, enabling some homeless households to **exercise more choice** (including those seeking Mid Market-Rent, Housing First and shared tenancies)

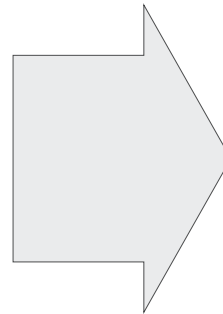
Help us achieve **rapid rehousing** and reduce temporary accommodation use in Scotland

### But the PRS can also...

Pose specific **access barriers** to households who are homeless and/or on lower incomes

**Increase risk of homelessness or housing problems** for some, compared to other tenures (affordability/security/conditions)

Generate **polarised views** on its status as a valid housing option



### In response, we believe...

People who are homeless should be able to exercise **choice and control** across a full range of housing options

Every area should have a **service** for people in housing need which **facilitates access** to **affordable, secure PRS homes of good standard**

Scotland's direction of travel should be to use **PRS** more as a **settled housing option** and less as a form of temporary accommodation

**Engaging** with private **landlords** and agencies as **partners** is key to facilitating access to, and maximising opportunities to prevent homelessness from, the PRS

More focus on funding should be targeted to working towards **equivalence of advice and support** (with clear links to inspection/enforcement) with the social rented sector.

We need to find "**a new frame**" for the PRS: we can achieve more by reaching out to housing providers beyond our sector and working together

## What's the preferred future?

From our analysis and sector engagement, we've identified four PRS priorities which have a part to play in moving to a preferred future whereby the tenure contributes as much as possible in relation to preventing and alleviating homelessness.

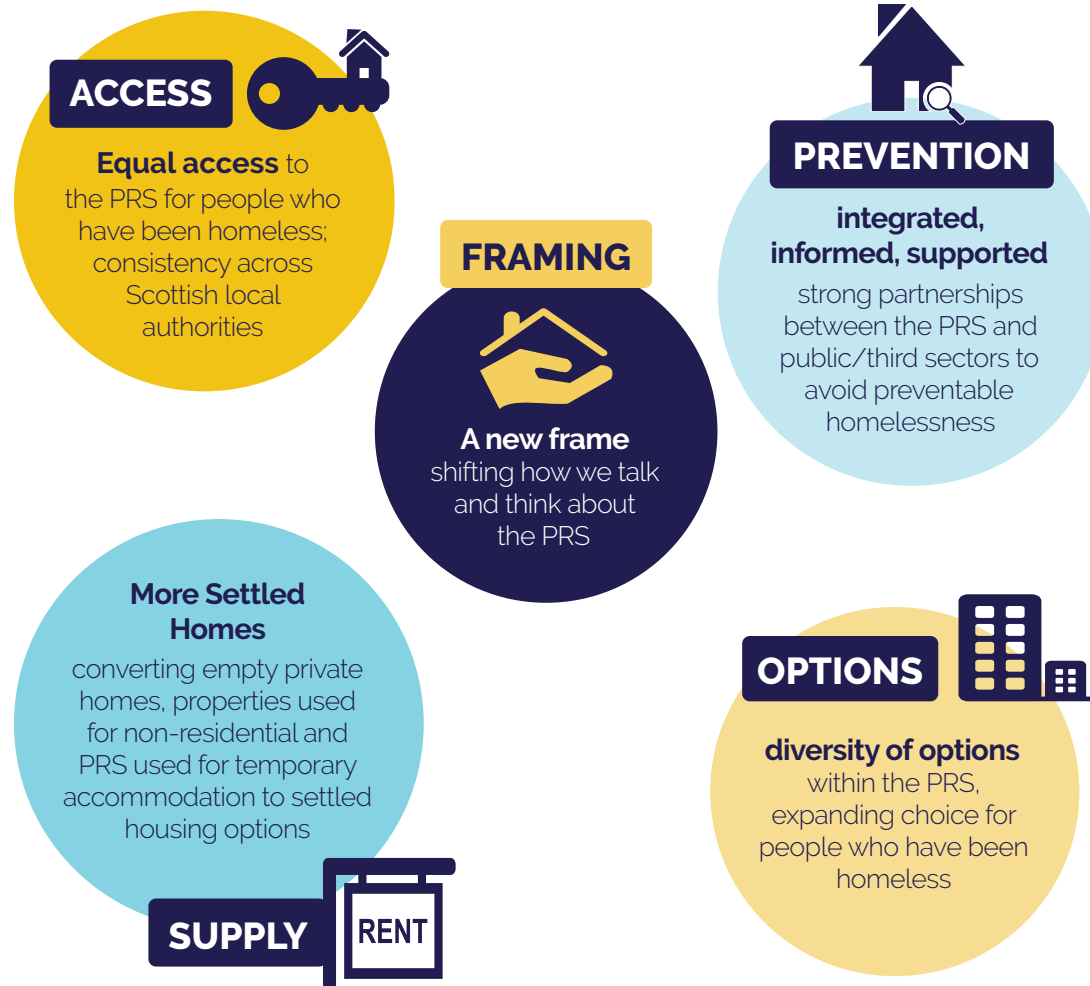
The four priorities are:

- access
- prevention
- supply
- options

It would see access to the PRS substantially widened for people who are experiencing or at risk of homelessness, an expansion of choice in relation to PRS options, an increase in affordable PRS supply, and maximal prevention.

But to create optimum conditions for all four priorities we need a fifth ingredient: a new 'frame' through which to think and talk about the PRS. One which emphasises the sector's role and potential in ending homelessness, which creates a 'can-do' context in which engagement with private landlords is seen as important and worthwhile, both in terms of outcomes for people and preventative spend.

The next section looks more closely at what the 'preferred future' looks like for each area – directly comparing with where we are now.





### Access

- People who are homeless/at risk can get access to good quality advice and information not only on the legalities of private renting but also on availability, location and features of private tenancies locally – so they can make genuinely informed choices.
- People who are homeless/at risk have a service they can go to in their local area which facilitates access to the PRS by addressing/removing the main barriers they face on the open market (i.e. upfront deposits, rent in advance, credit checks, “no DSS”, guarantors, referencing).
- People who are homeless can get help from a service of this type, regardless of where they live in Scotland.
- People moving into a tenancy are able to personalise it to make it home i.e. choosing decorations and having pets.
- People who need support in a tenancy, who have rent arrears, or a poor tenancy history can use the PRS access service.
- People claiming benefits are not unfairly excluded from the PRS.
- The welfare system offers adequate support to people renting privately up to 30th percentile of local rents.
- Access is not achieved at any cost: the services which facilitate access also have processes in place to ensure PRS tenancies procured are affordable to the individual household, of good standard and available as a settled home.
- Local authorities proactively manage the PRS in their area with a PRS strategy, and range of solutions in place to incentivise landlords/ agencies working with services supporting people who are homeless.





### Prevention

- The imbalance in access to and provision of advice and housing support for tenants in the PRS, especially those who face higher homelessness risk than social tenants, is proactively redressed –through adequate, PRS-specific funding.
- Private landlords and letting agencies are able to access support, advice and mediation which ultimately enhances tenancy sustainment—they can see benefits of prevention and “no evictions”, rather than feel the targets of it.
- People who are housed through options or PRS access services can access support in their tenancy, and so can their landlords.
- The potential of Section 11 as a homelessness prevention, rather than eviction notification, tool, is fully realised.
- There are targeted, proactive approaches to prevention for groups with higher vulnerability in the PRS/homelessness prevalence and/or known areas of problematic PRS properties.
- There are clear and transparent links between housing options/ prevention services and PRS property standards in local authorities with a compliance-focused approach, but which ends in enforcement.
- Anyone who is homeless/at risk of homelessness is able to exercise choice within the PRS regardless of their level of need, housing type or area of rehousing.
- People who are homeless who have Housing First support are able to secure housing in the PRS where this is their preference.
- People who are homeless and employed have good quality advice on Mid-Market Rent options and there is a pathway in place for them to access that housing type.
- People who have a homelessness duty in one local authority area can get help to explore PRS in other areas where this is their choice.
- People who are homeless and who want to share a tenancy can access a PRS pathway which suits them.
- Positive supportive relationships between tenants and landlords can ensure that difficulties in tenancies are quickly resolved and homelessness is effectively prevented.



## What's the 'preferred future'?



### Supply

- More homes in Scotland presently used for other purposes (or none) are settled homes again with a particular focus on reducing the short term let market to increase the supply of permanent rented homes.
- There are a range of options for (growing numbers of) landlords who wish to sell which expand total amount of affordable rental stock.
- The practice of landlords selling with a sitting tenant is incentivised and promoted as a means to prevent homelessness and retain stock.
- A national conversion fund for social landlords to purchase from private landlords seeking to sell is set up.
- Where PRS stock is used for temporary accommodation, the practice of “flipping” to a PRT is established as an option, imitating the practice already established in the social sector.
- There is a move away from commissioning temporary PSL-type solutions, towards settled SLA-type solutions.
- Every local authority has an empty homes service, and this is stepped up.
- Tax incentives are developed for landlords who rent to lower income households, or who use PRS access services.
- Fewer homes are used as holiday lets in those areas where there is a serious shortage of residential accommodation.



### Options

- Anyone who is homeless/at risk of homeless is able to exercise choice within the PRS regardless of their level of need, housing type or area of rehousing.
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- People who have a homelessness duty in one local authority area can get help to explore PRS in other areas where this is their choice.
- People who are homeless and who want to share a tenancy can access a PRS pathway which suits them.



### Framing

- We reframe how we talk about PRS landlords and properties – approaching the sector as housing providers and partners who can help, rather than as a broken system to be fixed.
- We speak to the sector in one voice, avoiding negative framing and bringing together access and prevention workstreams which can currently seem contradictory to landlords.
- We deliberately position PRS services as serving options and prevention work in one go.
- We highlight common challenges faced by all landlords and tenants regardless of sector, maximising opportunities to share practice between rented sectors.
- We improve information-sharing, data collection and communication in a range of ways on the PRS – so we can better address issues, challenge assumptions but also assess progress and make improvements.
- We intentionally highlight brilliant practice that we see in the PRS and actively promote examples that can be replicated and scaled up.
- We continue to highlight individual poor practice and criminality within the PRS.



## How do we get there?

Moving to a preferred future for each of these priorities is not without cost or challenges. The good news is that some services are already showing the way.

We've set out ten steps to take at local level to move nearer to a preferred future, accompanied by practical examples. We then set out five directions to take at national level, providing the scaffolding, support and ambition required for local work to thrive.

### STEP 1

Bring PRS access and prevention together as one workstream.

#### *Already doing it:*

**Trust in Fife** has long run a commissioned PRS access service. It recently broadened its remit to offer advice and help to anyone living in PRS, as well as private landlords – using its expertise to ensure both groups can easily find and receive help for tenancy problems, aiding prevention.

**Decent & Safe Homes (DASH)** in Derby has achieved great prevention outcomes through its 'Call Before You Serve' support service for landlords, some of whom went on to offer more homes for the PRS access service.

### STEP 2

Adopt a compliance-focused approach to access and prevention: start with advice, end in enforcement.

#### *Already doing it:*

**Dundee Homefinder** inspects all homes before accepting them for their access scheme. Once 'in the system', landlords are a captive audience: they're offered advice and assistance (and sometimes grants) to comply, but if unwilling to meet standards, action is taken.

**Glasgow City Council's PRS Hub** contains property conditions officers who play a similar role, ensuring prevention outcomes are sustainable. Both services have driven up standards in the lower end of the PRS and give housing/other sector staff confidence the option can be safe and suitable, rather than substandard.

### STEP 3

Go beyond a traditional, un-staffed rent deposit scheme to respond to current market realities.

#### *Already doing it:*

**Perth & Kinross Council** runs a bond scheme, as well as an in-house social letting agency. Both have a full suite of features – including inspections, affordability assessment, rent in advance, landlord liaison, property management and rent collection. These services have seen the PRS play a critical prevention and rehousing role in the Council's successful Home First (rapid rehousing) approach, housing almost 2,000 households in the PRS over past decade and making the sector a realistic, sustainable option for households in need and on low incomes.

## How do we get there?

### STEP 4

ensure links between PRS access & Mid-Market Rent (MMR) enabling landlords to give more choice to people in need.

#### *Already doing it:*

As part of City of **Edinburgh Council's** RRTP, some local MMR providers committed to creating a pathway for people who are homeless and in work. **Crisis Help to Rent** brokered agreements with MMR landlords who are now willing to accept bonds, rather than cash deposits. This has created a clear pathway into PRS homes which are more likely to meet standards and offer long-term security, and whose rents are linked to LHA.

### STEP 5

find a way to monitor and disseminate information on the local PRS market.

#### *Already doing it:*

The Hub runs a commissioned PRS access service in **Dumfries & Galloway**, which identifies suitable PRS properties by carrying out pre-tenancy property condition assessments and ensuring tenancy documentation is compliant. It monitors local, affordable PRS homes weekly, compiling a detailed list, available from The Hub's website. This enables applicants, housing advisers and other staff to offer up-to-date, practical guidance on availability and rent levels and to scrutinise PRS trends over time. It also provides a deposit bond in lieu of a cash deposit and on a case by case basis short term loans where rent in advance is also required.

### STEP 6

Ensure PRS access services are able to monitor and share sustainment rates.

#### *Already doing it:*

**All** commissioned PRS access services (available in 25% of authority areas) must monitor sustainment, reporting an 86% average at one year (comparable to 88% in social housing). Ability to track sustainment, rather than tenancy creation alone, places more focus on prevention and – where sustainment rates are high – gives advisers/referrers confidence in the option.

### STEP 7

Improve access & reach of welfare advice & housing support in the PRS

#### *Already doing it:*

**Glasgow City Council's** PRS Hub has dedicated PRS welfare rights officers, links in with a range of statutory and voluntary services and works by referral, enabling low income households living in the PRS and known to other agencies to receive proactive, bespoke preventative help on affordability issues.

## How do we get there?

### STEP 8

Invest in approaches that improve tenant-landlord relationships.

#### *Already doing it:*

**Action for Children** works with tenants and landlords in Dundee to improve affordability, conditions and sustainability of PRS homes. **Tenancy Relations Services** provided or commissioned by some English local authorities are open to tenants and landlords, offer independent advice, foster mutual communication and aim to take heat out issues before relations go beyond repair.

### STEP 9

Take a strategic approach to the PRS at local level to maximise settled (as opposed to temporary) supply.

#### *Already doing it:*

Private Sector Leased (PSL) properties formed the basis of **Perth and Kinross Council's** social letting agency, with landlords agreeing to make the shift to provide settled homes not temporary accommodation. Empty homes grants are conditional on renting at LHA through the PRS access service, and the Council has a strategic buy-back programme.

### STEP 10

Take a holistic approach to the PRS across local authorities.

This means joining up, and having coherence between, all services engaging with the tenure such that each understands each other's role and remit and how these fit together, and local landlords see a consistent approach across multiple teams.

## Five national steps

Alongside the work being done as part of the Rented Sector Strategy, to improve security, standards, affordability and enforcement in the PRS, the Scottish Government should also prioritise the following five national steps:

### STEP 1

Promote a clear vision for the PRS.

The Scottish Government should promote the role it sees the PRS playing in meeting current and future housing need, setting out a clear vision for the size and role the sector should play in the future tenure-composition of housing in Scotland.

### STEP 2

Support authorities with PRS work.

The Scottish Government should robustly support local authorities – in guidance and in practice – to work productively with the PRS to reduce and resolve homelessness.

### STEP 3

Develop a national PRS network.

The Scottish Government should promote PRS-specific practice exchange and resource-sharing, improving transparency of PRS data and metrics at national level (including from PRS access schemes), and giving more visibility and voice to these services (as with Empty Homes work).

### STEP 4

Develop targeted landlord incentives.

The Scottish Government should explore targeted (rather than universal) measures (i.e. tax, loans, grants) which improve PRS quality, access and affordability, which also to appeal to landlords who rent to lower income households.

### STEP 5

Explore PRS-specific welfare support.

The Scottish Government should explore using its social security powers to top up support for those subject to LHA shortfalls in PRS who are homeless or at risk, aiming towards greater equalisation of welfare support with social tenants.

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## About The Collective



The Everyone Home collective came together at the outbreak of the coronavirus pandemic in spring 2020. We represent a collective of nearly 40 third and academic sector organisations with a strong focus on housing and homelessness in Scotland.

At 2023, we continue to collaborate and meet regularly to respond to the range of crises that continue to impact heavily on housing and homelessness. This includes the cost of living crisis, international conflict, UK immigration policy and the pace of Scotland's affordable housing programme.

Read our current priorities at [www.everyonehome.scot](http://www.everyonehome.scot) and join us on social media at **#EveryoneHome**

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