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Co-producing solutions to the challenges faced by low- income renters in Scotland

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Executive Summary

The private rented sector (PRS) is now home to one-in-seven Scottish households. The sector has grown significantly over the last twenty years and now houses a diverse population, including families with children, low-income and other vulnerable groups, many of whom face difficulties in accessing other tenures. The Scottish Government is committed to significant further reform of the private rented sector, informed by tenants, as part of their ambition to deliver the Right to Adequate Housing for all and the Housing to 2040 vision. Earlier in 2022, the Scottish Government launched a consultation on their draft Rented Sector Strategy seeking to boost the availability, quality, standards, affordability, and security for all renters. The Joseph Rowntree Foundation (JRF) in partnership with the Scottish Government commissioned this research to better understand the experiences of private renters and their priorities for change, particularly those on lower incomes, to help inform the development of the strategy and future reform.

Drawing upon the insights from the research project, we worked with private renters to co-design recommendations for change in the Scottish private rental sector. These are summarised below:

Affordability

- 1. Rent controls.** No formal proposal for a system of rent controls were developed as part of this project, however, three key areas were identified:
 - a. Renters wanted more security and certainty during the tenancy regarding the rent and its affordability.
 - b. Renters wanted to see greater fairness in rent increases, and renters wanted more transparency and fairness in the rent setting process.
 - c. Renters wanted a fairer system where rents were more affordable, but landlords were able to make a respectable profit from their business, with some form of checks and balances on excessive profiteering.
- 2. Fairness in rent increases.** The Scottish Government to introduce new guidance as what constitutes "fairness" in rent increases as part of the existing protections of the PRT (i.e., the ability to refer rent increases to Rent Service Scotland). Any increases in rent would need to be justified by evidence of increased costs or significant improvements to the property.
- 3. Improvements to housing benefit rates.** The UK Government should reset Local Housing Allowance to cover average rents.

Property conditions and repairs

- 4. Energy Efficiency improvements.** The Scottish Government should set out plans to scale up the incentives for landlords to invest in improving the energy efficiency of their properties and help bring down the running costs for renters.
- 5. Repair severity ratings.** Introduction of new minimum standards for landlords to resolve repairs and maintenance issues. This includes maximum responses times for urgent (48hrs), major (within 5 working days), and minor (within 14 working days) and the introduction of effective enforcement (including compensation for renters for a lack of service).

- 6. Development of a standardised property and inventory condition report.** To develop a standardised property and inventory report for the private rented sector. This would be required to put the property on the market and provided to renters before signing the tenancy agreement. The report would include information on the property condition, heating system, EPC, safety checks, and inventory.

Landlord and letting agent professionalism

- 7. Expansion of registration and development of a kitemark system.** The Scottish Government to expand the current national registration scheme to include both registration of properties and licensing. Landlords would need to undertake training and pass an assessment to get a licence to rent out the property. The Government would introduce a kitemark system (of Bronze, Silver, and Gold) that identifies the quality and professionalism of the landlord.
- 8. Formal limits on inspections.** The Scottish Government would introduce formal limits on routine inspections. For the first year of a tenancy these will be limited to a maximum of quarterly visits. After the first year, routine inspections would be limited to a maximum of once every six months.
- 9. Third-party redress and dispute resolution services.** The Scottish Government would introduce a comprehensive third-party redress and dispute resolution service to help renters and landlords work towards a resolution of issues when the relationship breaks down.

Improving access to the Private Rented Sector

10. The Scottish Government to take action to address **affordability of deposits** to improve renters' ability to access rented properties. Three recommendations include:
- The Scottish Government, working with existing schemes and partners, to design and introduce a new comprehensive deposit bridging scheme, enabling tenants to bridge existing deposits to new properties (with arrangements for a top-up, if necessary), without having to wait for the return of their existing deposit.
 - The Scottish Government would introduce new standards, where landlords and letting agents would need to inform the renter at the start of the tenancy the costs for repairs and damages. Certain repairs and damages would be capped at fair levels. The Government would also introduce a wear and tear standard, that provides clarity on what constitutes fair wear and tear.
 - The Scottish Government, working with existing schemes, partners, and broader organisations, to design and implement a new renters' insurance product that would be developed as an alternative to, but not replacement, of deposits. Renters would get contents insurance and damage insurance and would get a no-claims bonus that would mean cheaper prices in the future.

Tenant rights and information

- 11. The right to a home.** The Scottish Government to create the 'Right to a Home', by legislating not only for minimum property standards, but for renters to have the right to have a pet and decorate their home from day one of a tenancy, subject to obligations to return the property to a 'rentable' standard (new guidance as to what constitutes a 'rentable condition' and wear and tear standards to be introduced). Furthermore, to provide greater security to renters, landlords would need to provide advance notice of material

information of plans for the property over the medium term, including plans for sale or renovation.

- 12. Property improvements made by the tenant.** The Scottish Government should develop a system to enable renters to have the right to make improvements to their home after six months if they obtain written permission from the landlord in advance. This would involve a system of the landlord providing compensation to the renter and preventions on rent increases following the improvements for a period of two years.
- 13. Improve existing documents and create shorter information packs for renters.** The Scottish Government to improve the existing required documents provided to renters and to introduce a supplementary shorter information pack that is in plain language and engagingly designed.
- 14. Development of a dedicated webspace for Scottish Renting.** Alongside the new information pack, the Scottish Government should introduce a website, and possibly an app, for renters, landlords and letting agents to provide easy to digest information on renting. This would provide all the information needed by a renter on their rights and if they were experiencing a problem. As part of this the Government would introduce distinctive branding for 'Scottish Renting'.

Principles underpinning reform

- 15. Consider the cost of reforms to renters.** Renters are concerned about the already expensive housing costs to live in the private rented sector and were apprehensive about any potential impact of regulation on costs and availability. The Scottish Government should assess all future PRS reform, in the 'round' through the lens of its impact on low-income renters, and those in more vulnerable circumstances and take steps to protect them from any adverse consequences.
- 16. Consider how rights are designed, implemented, and enforced.** Housing is a fundamental need; secure shelter is vital to our survival and a home is necessary to flourish in society. Currently renters need to enforce their rights by making a complaint, however renters feared that retaliatory action could occur. The Scottish Government need to consider how renters are empowered to challenge poor practice and bring about change so that the regulation of landlords and agents is related to quality assurance rather than quality control to ensure the regulations put the burden onto landlords demonstrating compliance.
- 17. Knowledge of rights, a level playing field and legislation to move all renters onto the PRT system.** Through this research, we found in general there was a lack of knowledge and understanding regarding tenants' rights across the renters we talked to. The Scottish Government should legislate to bring all private tenants onto the new PRT by the end of this Parliamentary term, to ensure all renters and landlords can benefit from a single, simplified system of rights and responsibilities.
- 18. Consider joined-up approach to policymaking.** Throughout the workshops and through our analysis, it has become more apparent to us that a joined-up approach to several of the proposals would likely have more beneficial outcomes than recommendations undertaken individually.
- 19. Improving housing affordability.** A key challenge for renters is housing affordability, including the cost of rent, the cost of utility bills, and the inability to save for a deposit. The Scottish Government need to take action to improve the access of affordable housing across all tenures, enabling renters to not have to choose between cutting down on essentials and their rent and to support those that wish to achieve their ambitions of homeownership.
- 20. Ensure participation from renters throughout the process.** Renters are experts by experience and their participation is key to the effective design of further reform. This

will need to be adequately resourced, and renters supported, through a programme of capacity building and development support, to be meaningful and equal partners.

Conclusions and what next?

This research project has examined the challenges faced by low-income renters living in the private rented sector in Scotland and what their priorities for further tenancy reform are. Drawing together insights from a literature review, new survey evidence, and qualitative research with renters, we worked with current private renters to co-design recommendations for change. These recommendations draw upon the experiences of renters directly and are here to stimulate and inform meaningful policy development that can improve the lives of renters. Alongside this, we have proposed a series of principles that should underpin the next stage of policy design to ensure effective reform of the sector.

In summary, renters' priorities for the future of the sector are as follows:

- For the Scottish Government to take action to improve affordability and fairness in the private rented sector
- An improvement in property conditions, responsiveness to repairs, and greater professionalism and accountability of housing providers
- Improve access to low-cost, high-quality homes across all tenures
- Improved and more accessible sources of information, so all those in the private rented sector can better understand their rights and responsibilities

As the Scottish Government continue with the policy design and implementation process, renters need to be meaningfully involved throughout. Further participatory research and policy design is needed to continue this journey. Renters are experts by experience and their participation is key to the effective reform of the private rented sector.

1. Introduction

The private rented sector (PRS) is now home to one in seven Scottish households. The sector has grown significantly over the last 15 years and now houses a diverse population, including families with children, low-income and other vulnerable groups, many of whom face difficulties in accessing other tenures (Cole et al., 2016; McKee et al., 2020; Soaita et al., 2020). Previous research underscores a range of challenges facing low-income private renters including: unaffordable rents; insecurity and precarity; accommodation in disrepair; and limited awareness of – and reluctance to exercise – their housing rights in disputes (McKee et al., 2020; Moore & Dunning, 2017; McKee and Soaita, 2018). Research draws attention to the intersections between housing, labour markets and the welfare state, with those experiencing precarious housing often also grappling with low-paid and insecure work (Hoolachan et al., 2017). Such households have also been amongst those hardest hit by successive waves of welfare reform, including the rollout of Universal Credit (O’Leary & Simcock, 2022).

Across the UK, there has been legislative and regulatory reform to change the experience of private renting (Marsh & Gibb, 2019). In Scotland, significant reforms have included the Private Housing (Tenancies) (Scotland) Act 2016, which introduced a range of measures including the new Private Residential Tenancy, Rent Pressure Zones, and changes to security of tenure. The Scottish Government has committed to publishing a new Rented Sector Strategy, informed by renters, and which will then inform a forthcoming Housing Bill. The Joseph Rowntree Foundation in partnership with the Scottish Government commissioned us to undertake a research project to explore what people living on a low income want to see from further reform to the private rented sector in Scotland.

Our research project had four key aims:

- To identify the challenges faced by low-income renters in Scotland and the areas for change,
- To explore the challenges and experiences faced by different equalities groups and their priorities for change,
- To build the knowledge, capacity, and confidence of renters to enable them to represent themselves to policymakers in the co-production element of the research, and,
- To bring renters and policymakers together to co-produce policy recommendations to address the challenges and areas for change identified.

The project comprised: a rapid evidence review of previous research into experiences of renters; a qualitative study to develop an in-depth understanding of the challenges faced by low-income renters and their emerging priorities for change; a bespoke survey of private renters in Scotland; and, finally, an innovative participatory co-production exercise where we brought together renters along with other stakeholders to discuss the key challenges faced by renters and to co-produce proposals for change.

Building upon the reports of the previous parts of this research project, this report focuses on our co-production element. Firstly, we provide information on the design of the workshops, then discuss in turn the key process and findings of each stage, before concluding with the final co-produced recommendations for change.

2. Research design and process

This project set out to develop a better understanding of the challenges faced by low-income households and different equalities groups, and to co-produce workable solutions to these challenges. The research has further expanded our understanding of the challenges faced by renters in Scotland through the evidence review, bespoke survey, and interviews and focus groups with renters. Building upon these activities we set out to co-develop recommendations for change with renters, stakeholders, and policymakers.

To do this, we developed an innovative Participatory Co-production Study to allow tenants to represent themselves to policymakers and co-produce recommendations for addressing the challenges experienced by low-income renters in Scotland. The study involved virtual workshops with renters, stakeholders, and policymakers. The virtual approach

initially presents some challenges in terms of facilitating interaction – particularly if it is necessary to screen share to present information to participants - but, on the other hand, it maximised accessibility by allowing participants to be involved in the project on a basis that suited them and enabled us to bring together participants from across Scotland into the same workshop space.

The study entailed a parallel series of workshops in three phases, supplemented with online input into continuing collaborative development of policy proposals. For each of the three phases, we ran five workshops, equating to a total of 15 workshops. Each workshop lasted approximately 1 hr 30 mins.

The workshop phases were designed to build upon each other, as follows:

1. The first workshop phase involved an initial exploration of the issues of concern, using themes drawn from our interviews and survey as stimulus material, to co-develop an outline of potential areas for change and initial policy solutions
2. The second workshop phase involved more detailed discussion of areas for change and development of potential solutions
3. The final phase involved discussion of the proposed recommendations and their further refinement.

The renters were recruited through Taylor McKenzie and drew upon those that had participated in the earlier wave of qualitative interviews; full participant numbers are found in Table 1 below. Where necessary we further recruited new renter participants through Taylor McKenzie for each workshop phase. The number per phase can be found in Table 2 below. The recruitment of 'new' renter participants into a workshop phase had the benefit of allowing 'fresh eyes' to look over the proposed recommendations and bring additional and alternative suggestions to the conversation. Across the three phases of workshops, 32 individual renters participated in at least one of the workshops.

Table 1. Number of participants across each workshop phase			
	Workshop Phase 1	Workshop Phase 2	Workshop Phase 3
Renters	24	23	27
Stakeholders and policymakers	5	10	4
Total	29	33	31

Table 2. Number of new renter participants per phase of workshops	
	New renter participants per phase of workshops
Workshop Phase 1	6
Workshop Phase 2	1
Workshop Phase 3	5
Total	12

A core element of our programme was to build tenants' knowledge, confidence, and capacity. Participants came to this process with different levels of familiarity with their rights as a tenant, current legislation, and their ability to represent themselves to policymakers. While we will discuss issues of renters' knowledge of rights later in the report, we note that the team needed to be flexible during the workshop process as a consequence of varied awareness and understanding amongst tenants and had to adapt the process to take account of these issues. In addition, it was essential to ensure that everyone was given the confidence to fully engage in this activity. We aimed to achieve this in part by building out from the concerns that had already been identified as important to renters, where they brought the expertise of experience, and establishing clear ground rules. For instance, due to some renters' lack of knowledge of their current rights, we adapted the engagement of stakeholders and policymakers, by asking these participants to take more of a listening role through the workshops to help ensure that renter participants were not put off engaging by power differentials or any sense that they were speaking from a relatively less informed position. Furthermore, we

started by located the process of the workshop in the issues and challenges faced by the renters and emphasised the genuine commitment on the part of Scottish Government and Joseph Rowntree Foundation to giving renters' concerns a central place in shaping the policy agenda. All these tactics assisted in maintaining engagement throughout the workshop series.

Our analytical approach involved the rapid processing of the data from each workshop phase and synthesising the input from across the workshops in order that a summary of the key messages was available to inform the discussion in the next phase. Following phase 1 and phase 3 workshops, we sent out an online survey to renter participants. The first survey involved five open-ended questions to elicit further input into the process, including questions on the challenges faced by private renters; whether the research had missed any challenges; if there were any potential solutions that had not been discussed; and reflections on experience of participating in the first workshop process. The phase 3 survey involved presenting the draft recommendations drawn up the researchers based on the phase 1 discussion and asking for comments on these recommendations. We were keen to ensure that tenants felt the draft recommendations adequately captured the flavour of the previous discussions and to capture any concerns they had about the proposals as presented. Within the survey, we further asked renters to rank the importance of the policy change to them, and we asked in an open-ended comment box for the renter to reflect on their experience of being part of the workshops. In survey one, we received four responses, and for survey two, we received six responses. While these responses only reflect part of the participant base, they do provide some important reflection on the study process.

2.1 Workshop 1: Initial exploration of the issues of concern

Each phase 1 workshop started with a presentation of findings that emerged from our national survey of tenants renting privately in Scotland (see Simcock, 2022) and our qualitative interviews (see McKee, Simcock and Harris, 2022). The aim was to invite our workshop participants to provide a further sense check on these findings and an opportunity to elaborate upon their own experiences in the relevant aspects of private renting. This led to a preliminary discussion of key areas for change and potential policy solutions.

We noted that our research findings presented a nuanced picture of renters' experiences. While many respondents reported a positive experience of renting privately, there were those who did not. We had drawn together the messages from the study under six themes:

- Accessing the private rented sector
- Affordability
- Security and flexibility of tenure
- Property conditions and repairs
- A sense of home
- Support with disputes and information

In concluding the presentation, we also referred to the issue of landlord professionalism – or lack of professionalism. Renters through the research identified a range of undesirable and negative behaviours, but also discussed issues of accountability of landlords, and alongside discussion with stakeholders around training, education and professionalism, the research team have grouped these under the term professionalism.

The overall message from this first phase of workshops was that from our participants' perspective we had appropriately identified the broad areas in which issues occurred. The tenant participants elaborated on some of our points with examples from their own experience. They also added some further considerations. For example, not only was the frequency of landlord inspections identified as an issue but also the way in which the limited notice received in advance of inspections could cause logistical issues.

2.2 Workshop 2: Detailed discussion of areas for change and development of potential solutions

The phase 2 workshops were again structured around a PowerPoint presentation. The presentation synthesized the suggestions made as part of the preliminary discussion of areas for change and potential policy solutions during phase 1. However, in this instance we took each topic in turn and explored more fully participants' views on possible responses.

We grouped our discussion around six themes:

- Affordability
- Information and rights
- Access to properties to rent
- Repairs and property conditions
- Making the property a 'home'
- Professionalism

We also took the opportunity to test participants' awareness of existing written materials designed to provide information on rights and responsibilities. The two key documents are the Easy Read Notes for the Scottish Government Private Residential Tenancy Agreement and The Private Residential Tenancy Statutory Terms Supporting Notes. We found that awareness of these documents was limited. Only a small number of participants could say with any confidence that they had seen one or other of the documents before, and those participants that had looked at the documents stated that they had not found them easy to understand.

These documents were not the only aspect of current support or the current regulatory regime about which participants demonstrated differing levels of knowledge during the course of our discussions. For example, knowledge of the role of the rent officer in determining whether PRT rent increases are fair was patchy, and there were suggestions for policy developments or desirable changes to structures and/or process that were largely identifying provision that already exists. The research process itself therefore underlined the informational challenges in the sector.

The area of affordability generated considerable discussion, with much of it focused on the issue of the 'fairness' of rents and rent increases (Table 3). Participants were typically thinking in terms of fairness to both landlord and tenant.

In introducing this topic, we acknowledged that the Scottish Government is already engaged in a policy development exercise around rent regulation, on the basis of the current administration already having made concrete commitments for change. We also noted that policy responsibilities in this area are more complex because one of the key issues identified – inadequate benefit and LHA rates – lies with the Westminster Government.

Table 3. Initial ideas for responding to issues: Affordability

Issue	Possible response
Unfair rent and unfair practices for rent increases	Rents need to reflect running costs and respectable profit, with a limit on extreme profiteering.
	Rents should be linked to the quality of the property and the service provided
	Make the rent setting process more transparent (landlords need to provide a breakdown of costs)
	Caps/limits on increases during a tenancy
Benefits / Local Housing Allowance rates don't cover the rent	Improve local housing allowance rates so they can cover more properties

There was broad support for better – and more easily discoverable – information on rights and obligations (Table 4). While there was some support for an uber-style ratings system for landlords, such support was not broad-based among tenants. There was little support for an uber-style rating for tenants. There was considerable concern that systems were open to being gamed or used punitively. There was more support for a kitemark or quality standard, particularly if administered by an independent third party. But tenants were mindful of the costs of implementation and administration and were concerned as to whether landlords might pass the cost on to renters through higher rents.

Table 4. Initial ideas for responding to issues: Information and rights	
Issue	Possible response
Lack of knowledge and information about rights and obligations	Central website for Scottish Rental Sector
	Information packs for renters setting out in plain language rights, obligations and where to turn for help
Lack of information about the landlord and lack of transparency	References from previous tenants
	Uber-style rating system of both landlords and tenants
	Kitemark or quality standard or quality rating – linked to property rating

Participants provided some vivid examples of issues around deposits, as well as differential awareness of the existence and activities of organisations such as Safe Deposits Scotland. While the taking of deposits was not questioned, there were concerns about the size of some of the deposits being required and about the way that delays in returning a deposit can present challenges for moving on (Table 5). Unfair deductions or lack of transparency over how much was going to be deducted from deposits was widely reported. There was considerable support for greater clarity and certainty in this area. Both caps on maximum deposits and the availability of a mechanism to allow bridging of deposits would be viewed as positive developments.

Table 5. Initial ideas for responding to issues: Access to properties	
Issue	Possible response
Difficulties in affording deposits and difficulties in raising two deposits	Cap on deposits
	Development of a system that allows deposits to be bridged between two properties
Issues with getting deposits back from letting agents/ landlords and Unfair requests or deductions	Support with tenancy deposit disputes
	Better guidance
	Property report showing condition at the start of the tenancy
Renters without references finding it difficult to access properties	Improve fairness of selection processes
	Better guidance/policies that must be followed

Repairs and property conditions was a topic that particularly exercised tenant participants. While some tenants were able to report that they had no complaints about the speed or quality of their landlord's performance in this area, experiences of poor landlord or letting agent service were frequently cited. The principle that private landlords should be required to work within specified timescales for repairs – with the timescale being different for repairs of different degrees of urgency – received widespread support, although some participants were cautious about how that might work in practice (Table 6). The idea of a report summarising the condition of a home at the start of a tenancy also attracted support, although there was again caution in relation to its administration.

Table 6. Initial ideas for responding to issues: Repairs and property condition	
Issue	Possible response
Repairs can take a while/too long to complete	Have specified time frames / timescales for repairs
Repairs are not always to an acceptable standard	Repair/property condition standard that is clearer and easier to understand
	Improve enforcement of repair standard
Poor energy efficiency and rising energy bills	Encourage landlords to undertake improvements to the property/change culture to show landlords that it in their interest to make the property better
Lack of information about the property and quality	Renters home report on condition and rental price at the start of the tenancy

Workshops explored being able to decorate or make modifications and improvements to the property, or to keep pets, as being important to creating a sense of home (Table 7). This was an area in which views differed. In part this was a function of expected tenancy length. Those who were not expecting to stay for a long period were less exercised by the issue of personalisation than others. But several participants reported spending considerable sums of money on their property to make it more of a home, and they were not expecting to recover that money. The paradoxical nature of contracts which require the property to be returned in exactly the same condition as it had been at the start of the tenancy, even when significant money had been spend on improving it, was noted. Others reported a willingness to spend time and money on a property or a garden if that could be recognised and reimbursed but highlighted that current arrangements do not allow for that, dissuading tenants from spending their own money on the property. This results in, for example, gardens remaining untended and having a negative impact on the neighbourhood.

Table 7. Initial ideas for responding to issues: Making a house a home	
Issue	Possible response
Not being able to decorate	Right to decorate as long as the property is returned to a 'rentable' condition at the end of the tenancy
	Costs to redecorate / improve the property – landlord repayment/reimbursement of costs
Furniture quality	Improving practice to get landlords/agents to involve renters in decisions or to improve quality of furnishings
	Make it more desirable for properties to be furnished to a higher quality (or more unfurnished properties?)
Not able to have a pet / exclusionary clauses on pets and children	Should ensure that no pets and no children clauses are not allowed and encourage pet acceptance/legal right
Need more information in advance/ guarantees of security	More information on plans for property and longer notice periods for non-fault grounds. As renter lived in property for longer, then increased rights, such as longer notice periods

The issues that we might capture under the theme of landlord "professionalism" recurred in different ways across the workshops (Table 8). Tenants had differing views on whether the more business-like approach of letting agent or corporate landlord was preferable to the more personal social relation of letting from an individual landlord, reflecting prior experiences and preferences. There seemed to be a sweet spot where competent, professional behaviours in property management were coupled with approachability, understanding and flexibility. We might capture that in the idea of a landlordism with a stronger customer focus.

Table 8. Initial ideas for responding to issues: Professionalism

Issue	Possible response
Issues between landlord and tenant & power imbalance	Dispute resolution service to support and empower renters
Letting agents are too intrusive with too frequent inspections of the property	Limits on frequency of routine inspection visits to the property
Some landlords don't know their obligations / Inconsistent or poor practice by some landlords and letting agents	Greater professionalism/knowledge by landlords and letting agents to ensure everyone has a good experience

2.3 Workshop 3: Refinement and review of proposed co-developed solutions

Having gathered participants' views on the initial responses to the issues it was clear that some suggestions did not command sufficiently broad support to continue through to the next stage. The research team took each of the initial responses that did attract broad support and translated the initial idea into a clearer and more precise draft statement of policy.

Participants in the phase 3 workshops were presented with these draft statements. The proposals were discussed individually. The sessions did not use such a strongly thematic structure as the previous two phases. Instead, the facilitator moved through the specific policy statements guided by the way the discussion developed. The total number of policy proposals was such that it was not possible to discuss all proposals in every session, and the proposals discussed reflected the nature of the discussion and interests of the participants. However, in order to ensure broad coverage of the issues identified in phase 2, the research team steered the discussions to ensure that all the proposals were considered by more than one workshop.

Four of the five workshops were asked to finish their session by carrying out a prioritisation exercise. They were asked to identify their top three priority areas for reform. We discuss the results of this exercise below.

The draft policy proposals were reviewed in the light of the phase 3 workshop discussion and, where necessary, reformulated. The outcome of this process is discussed fully in section three below.

2.4 Reflections on the co-design phase

The process of policy co-design undertaken for this project was innovative. The whole exercise was conducted over Zoom. This had the potential to constrain the extent of social interaction and the flow of the discussion. Our assessment is that overall, while it is necessary for the discussions to be relatively explicitly "chaired", and a minority of participants experienced technical issues with their internet connection, working digitally did not appear to significantly constrain the discussion. It also had benefit of allowing tenants from across the country to participate. Groups could bring together participants based in five or six different local authority areas. Even when participants were within the same local authority area, they could be sufficiently geographically distant as to be facing distinct local housing markets. The exploration of commonalities and differences of experience across these localities was a strength of the approach.

The workshops were held at different times of day – morning, afternoon, and evening sessions - to try to ensure participation by different type of household juggling different commitments. Repeat participants appeared in different combinations in different phases. Workshops therefore had to be reset at the start of each phase. It also meant that group dynamics were not predictable. In most groups there was broad-based participation without any specific individuals dominating. On only a few occasions were there participants who were less engaged, even in the face of the facilitator's efforts to bring them into the conversation. Notwithstanding these benefits, the absence or limited influence of non-verbal cues and interaction could be considered as a limitation of online focus groups. While most participants kept their cameras switched on, there were occasions where participants switched cameras off,

limiting visual interactions.

Several non-tenant stakeholders were present at the some of the phase 2 and 3 workshops. These were typically professionals within the policy community who are practiced in putting their position across in public. This has the potential to alter the social dynamics of the workshops significantly. However, our assessment is that this was not the case. As requested, most stakeholders did not introduce themselves with their organisational affiliation at the start of the workshop. Members of the Scottish Government typically operated in listening mode throughout, although in one or two cases helpful contributions were made at the end of the session. The contributions for other professionals during the workshops were universally on topic and were helpful in building on contributions from tenants or opening up relevant new lines of discussion. These contributions were typically framed in terms that did not jar with those of the tenant participants: for example, drawing on family experience of the private rented sector to open out a line of discussion. This was helpful in minimising the visibility of underlying differences in knowledge of the sector and expertise.

3. Final recommendations for change

In this section we present the final recommendations for change co-produced by renters, the research team, and stakeholders to address the challenges faced by low-income renters in Scotland.

The research study concludes with 15 proposals for change under the following challenges and areas:

1. Affordability
2. Repairs and property conditions
3. Professionalism
4. Making the property a home
5. Access to properties to rent
6. Information and rights

We discuss each of these co-produced recommendations in turn and then identify broader principles for change during this period of tenancy reform.

3.1 Affordability

Affordability was found to be a key challenge for low-income renters across Scotland. Many of our participants described spending significant proportions of their income on rent and reported difficulties in being able to pay their rent. Even where they were currently making their rent payments tenants worried about what would happen if that were to change. Current rises in energy prices and more general inflation heightened those worries. Three key areas for change were identified and discussed:

1. Rent controls
2. Fairness in rent increases
3. Improvements to housing benefit rates

Rent Controls

Throughout this research project, the affordability of rents was a key challenge raised by renters. There was some discussion on the topic of rent controls, and this was put forward as a potential solution by renters. However, there was some concern raised by renters on the potential longer-term impact of rent controls on the sector. As a project team, we decided not to focus on the development of specific rent control solutions. This was due to the breadth of challenges identified, but also that separate work is currently on-going to develop proposals and the Government

have confirmed their intention to deliver a new proposal during the lifetime of the current parliament.

However, we drew three key areas from the discussions with renters in which there was consensus regarding rent setting and potential for rent controls. We believe that these three areas would be useful to bear in mind for the development of any system going forward.

- Firstly, renters told us in the workshops that they wanted more security and certainty during the tenancy regarding what the rent would be and whether this would be affordable.
- Secondly, renters wanted to see improvements to the property to justify any rent increases. Renters were concerned that they were paying ever higher costs not because the property had been improved but simply because market conditions had shifted. This relates to renters wanting to see greater fairness in rent increases. We discuss this further below.
- Thirdly, fairness was also raised in the context of contrasting paying a mortgage and paying rent. Renters wanted to see more transparency and fairness in the rent setting process. Throughout the interviews and workshops there was an understanding that landlords needed to make a profit from their business activities; but many felt that some landlords and letting agents were charging unfair rents and excessively profiteering. Renters wanted a fairer system where rents were more affordable, but landlords were able to make a respectable profit from their business, with some form of checks and balances on excessive profiteering.

Fairness in rent increases

A key challenge expressed by renters related to high levels of rent and what was expressed as unfair practices for rent increases. Renters throughout the workshop process identified four areas that laid the groundwork for developing a policy solution to help address this challenge. These four areas included:

- Renters suggested that rents should reflect the running costs and a respectable profit. Renters were concerned about extreme profiteering and would like this to be limited. There was also acknowledgement that for some landlords there is no mortgage on the property and therefore lower running costs, and this would need to be factored in.
- Rent increases should be in some way linked to improvements in the quality of the property and/or the service provided.
- The rent setting process should be more transparent, such as landlords needing to provide a breakdown of costs.
- Renters wanted more certainty during the tenancy and wanted limits on increases during a tenancy.

We explored with renters their knowledge and understanding of the new Private Residential Tenancy system and the safeguards this brought in. These include limiting rent increases to once every 12 months; that the landlord must provide at least three months' notice of any increase; and that any rent increase can be referred to a rent officer to decide if the increase is fair. Broadly, across the workshop cohorts, there was limited awareness of these new rights, with the rent increase being limited to 12 months the most well-known; however, this was still across a small number of the renters. Many of the renters thought that these new rights would be useful, but there were questions from renters on what 'fairness' in a rent increase meant in this context. Many renters wanted to understand how "fairness" was defined: was it tied to what was 'fair' given prevailing market conditions or, as tenants preferred, was it linked to whether the landlord has made any substantial improvements to the property that warranted an increase. This is a departure from existing practice, where rents are set by landlords and appeals over the 'fairness' of rent increases are determined by Rent Officers through comparison of rents for similar sized properties in the local area (unless the property is located in a Rent Pressure Zone).

From these discussions, the following proposal was co-created:

"Renters can currently under the new PRT system refer rent increases to a rent officer at Rent Service Scotland, who will decide if the rent increase is fair. New guidance will be introduced on what

constitutes “fairness” in rent increases. The landlord would have to demonstrate to the rent officer improvements to the property and increases in [out-of-pocket] costs to justify an increase. This would enable the rent officer to make a better-informed judgement.”

Improvements to housing benefit rates

The disconnect between local housing allowance and market rents has been demonstrated to be a key challenge for renters both in the existing literature (O’Leary and Simcock, 2020) and within the qualitative element of this study. There was consensus across the renters and stakeholders that the level of support available was not enough in the current context, with many recommending that more financial support should be given. Based on the discussions, the following proposal was developed:

“The calculation of the local housing allowance rates should be returned to 50th percentile of existing rents, to better cover rents for low-income households.”

3.2 Repairs and property conditions

Poor property conditions and issues with getting repairs completed quickly is a common theme in the existing literature; these were issues that were raised in all our workshops and were evident in the findings from our survey. Our workshops identified four main challenges relating to repairs and property conditions. Several solutions were discussed. Through this process, we were able to co-produce three recommendations to address these issues.

Encourage landlords to invest in energy efficiency

Renters highlighted the low level of energy efficiency of the rental stock as a major problem. In the context of rising energy bills, many renters discussed the challenges they face in heating their property affordably. These challenges could arise from poor property conditions (such as windows not closing properly), inefficient heating, or poor insulation. A common theme was that landlords should be encouraged to invest in their properties and to invest in energy efficiency upgrades specifically, with some renters and stakeholders suggesting that an energy efficient property would be more valuable to the landlord over the longer-term. Through discussion this developed into a recommendation to the Scottish Government to change the culture across the sector to demonstrate to landlords that it is of mutual interest to improve the property. The following recommendation was co-designed:

“Landlords will be encouraged to invest in energy efficiency upgrades to the property. The improvement of the property is to the long-term advantage of all, including to the landlord through improved property condition and prices; to the renter through improved health and wellbeing due to better property conditions and cheaper energy bills; and to society through improved environmental impacts.

The Scottish Government, along with industry bodies, stakeholders, and local authorities, will develop a specific outreach programme - including training, education, and communication campaigns - to encourage landlords to invest in energy efficiency upgrades to their properties.

The Scottish Government would explore the opening of part-grant funding (such as match or % funding) of improvements to the property, and/or would examine the introduction of tax measures for energy efficiency improvements (such as tax relief on sale of improved energy efficient properties or tax relief on rental income).

This would complement existing measures to improve energy efficiency such as minimum standards for rental properties.”

There was broad consensus amongst the participants supporting this recommendation for change. However, concern was raised about the potential disruption to renters in the short-term and potential displacement if significant works are needed on the property. A potential solution to this was identified as recommending or incentivising landlords to undertake works in-between tenancies.

Furthermore, there was some nuance in the response of renters: some noted that while investment in energy efficiency measures could be beneficial in improving energy costs, this might lead to higher rents where the landlords seek to recoup the costs for the improvements. The net financial benefit to tenants could then be limited.

Finally, some renters would have liked the recommendation to go further. They suggested that rents should be linked to energy efficiency ratings. More specifically, they suggested that, rather than investment in energy efficiency measures leading to higher rents, landlords of properties with poor energy efficiency should not be able to charge full market rents.

Repair severity ratings

A common challenge faced by our renter participants was that repairs took too long to be completed and were not always to an acceptable standard. Through the workshop process, several areas for potential improvement were identified; firstly, the need for specified time frames for repairs; secondly, for improved enforcement against poor quality repairs; and, thirdly, for a (legal) property standard that are easier to understand.

One idea that resonated with renters was the potential to use a 'traffic light' system of repairs to highlight the different level of urgency associated with different types of repairs. This was developed into the following policy proposal:

"A three-tier system of repair severity ratings will be introduced that landlords and letting agents must operate within.

- The three categories of repair will be:
 - a. Urgent (where the repair is an urgent and serious risk to the property or the individual – this could include major electrical faults, gas leaks, and breakdown of the heating system),
 - b. Major (such as a broken shower), and
 - c. Minor (such as faulty light fitting).
- Each repair severity rating would have different time frames for rectification, with shorter time frames for more urgent repairs.
 - a. Urgent repairs would have to be completed within 48 hours of notification by the renter.
 - b. Major repairs would have to be completed within 5 working days of notification by the renter.
 - c. Minor repairs would have to be completed within 14 days of notification by the renter.
- The Scottish Government would introduce clearer guidance on property conditions and standards of repair that supports both renters and landlords.
- Failure to operate within this system (without good reason) by landlords and letting agents could end with formal enforcement from the regulator and compensation to the renter for lack of service provided.
- This compensation would be awarded by the First-tier Tribunal and be a minimum of the rent paid by the renter for the period of dis-repair. Additional compensation could be awarded by the First-tier Tribunal where repairs have not been completed and are causing significant harm and distress."

The principle of this policy recommendation received support from across the cohort of renters; renters believing that this would be useful in helping them to get repairs undertaken in the necessary timeframe. Through the discussions it was suggested that this policy would be an effective deterrent for poor practice and would provide renters with greater clarity on what to expect.

However, renters recognised that there are several areas where this policy proposal would need further refinement for implementation: how the standards would be enforced; how compensation is sought and paid; who would

determine the of types of repairs that fall within the different timeframes; when a problem occurs, who decides how a particular repair is classified; and how is the time period for a specific repair triggered.

One area in which there were clear differences of opinion was on what should happen if a landlord did not complete a repair within the specified timeframe. Some tenants thought that it should default to the tenant to have the power to arrange to have the work done and deduct the (documented) cost of works from their rent payments. Others were concerned that they would not necessarily be comfortable or confident in dealing with the problem themselves. There is also the question of whether they would have sufficient financial liquidity to do so.

In their 2021 consultation over a rented sector strategy, the Scottish Government has confirmed its intention to establish a regulator for the private rented sector that would be tasked with enforcing defined housing standards. It would be conceivable that this regulator would be able to enforce the standards and set the timeframes for different repairs set out in the above proposal. In relation to the compensation, it is likely that the renter would need to make an application for compensation to either the regulator or the First-tier Tribunal for Scotland for an award to be made. Finally, it would be prudent, if this proposal were to be taken forward, to also consider any potential loopholes, for instance if the landlord does not agree with the tenant on a potential categorisation of the issue and the potential mechanisms for resolving this. In addition, thought would need to be given to how the relationship between the renter and the landlord is managed and repaired if a renter were to report the way a repair had been handled. Tenants were concerned, as they are within the current system, that acting to make this system effective would lead not only to a deterioration of the relationship but potentially also to what would effectively be retaliatory eviction.

One way in which this issue might be addressed is to explore whether it is possible to reframe it normatively so that when a tenant triggers a repair process they are primarily viewed as fulfilling their role in a system of maintaining and sustaining the housing stock rather than acting against or complaining about their landlord.

Development of a standardised property and inventory condition report

Private renters face challenges accessing properties. High demand and competition for properties were identified by renters throughout this research as a major cause of stress. In high demand markets properties could be rented without a detailed viewing, and in some cases no viewing at all, for fear of missing the opportunity. Renters discussed how this meant that they had ended up taking a tenancy in a property that wasn't in the best condition. Further challenges relate to disputes about the return of the deposit (which are covered in more detail below). A key problem identified through this research was the lack of information about the property and, importantly, the quality and condition of the property and inventory ahead of starting the tenancy. Renters believed that having more information readily available would enable them to make a better-informed decision on committing to renting the property and that an inventory condition report would support them with any disputes at the end of the tenancy. These ideas were developed into the following policy proposal:

"A standardised property and inventory report will be required for each property.

- This report would be up-to-date at the point of letting and be provided to renters before signing the tenancy agreement. This report would include information on:
 - a. the property condition,
 - b. heating system,
 - c. EPC,
 - d. safety checks, and
 - e. Inventory (including age of furnishings).
- The report would include photographic evidence of condition.
- To produce a report, a systematic check on the condition of the property would need to be conducted by a suitably qualified/trained individual.

- The property condition report would provide a classification of properties, across three levels; Gold, Silver, and Bronze.
- Failure to provide a property and inventory condition report would be a regulatory offence. Formal enforcement would be via the regulator and compensation could be awarded to the renter up to x1 the monthly rent.”

There was broad support among renters for this policy proposal, with renters identifying that this would ensure they had all the key information to hand to make an informed decision, while providing further impetus for landlords to improve the quality of their property.

However, a number of considerations were identified that mean this proposal would need further refinement. These include the timescales for the report, for instance if there is substantial tenancy turnover during a year, would this mean that a new report would need to be undertaken multiple times per year. It is likely that this would not be the case, and a more suitable approach would be for the report to have a standard shelf-life of approx. 6-months to 1 year, with the inventory element needing to be refreshed for each tenancy. Furthermore, there is issue of the training and development of a “suitably qualified/trained individual”. A question for further refinement is the level and type of skills needed to produce the report and whether the report could be produced by the landlord subject to training or whether it would need to be undertaken by a third-party. Broadly speaking tenants favoured independent assessments because they were considered more credible. But tenants were also concerned about how much of the additional cost of producing the report the landlord would be able to pass on to the tenant.

3.3 Professionalism

We found a varied picture of the relationship between the landlord/letting agent and the renter. Many renters have a positive relationship with their landlord; this was evident through the qualitative research and workshop process where several renters were happy with their landlord. However, others reported significantly negative experiences with landlords and letting agents. Several issues were identified by renters, including the following:

- the perceived power imbalance between landlords and tenants, which made some renters reluctant to raise complaints or maintenance issues;
- management practices that they found unsettling, with too frequent inspections of the property conducted at short notice;
- concerns across the workshop participants (both renters and stakeholders) that some landlords are unaware of their obligations which resulted in some inconsistent or poor practice by some operating in the sector.

It was further evident from the workshops that renters were not all aware of relevant recent reforms or existing protections, such as landlord registration. Currently, landlords are obliged to register properties with local councils, to register their deposit with an approved tenancy deposit scheme, and to ensure a number of minimum property standards are met. The registration process does not include any differentiation on the quality of a property nor information on landlords themselves, and tenants were often unaware of landlord responsibilities with respect to registration.

Through the workshop process, three proposals were co-produced with renters and stakeholders to address challenges and issues related to landlord knowledge, practice, and professionalism. These were to:

1. Expand the current landlord registration scheme and develop a kitemark system
2. Introduce formal limits on the frequency of property inspections
3. Introduce a third-party redress and dispute resolution system

Expansion of the current landlord registration scheme and development of a kitemark system

Low-income renters discussed several issues they had experienced with landlords and letting agents. This included poor or inconsistent practice around repairs or deposit disputes, but also a lack of information and transparency about the landlord before entering the relationship. Some renters discussed how they would have liked to have been able to access information or reviews about the landlord so that they could have made a better decision on whether to sign up for a tenancy with them. Initial solutions for these challenges included a landlord charter, making available references from previous tenants, an Uber style rating system of landlords and tenants, a kite mark or quality mark for both landlord and property, and greater training of landlords. On a few occasions renters raised the need for landlords to be licenced to undertake their business activities and used the metaphor of needing a licence to drive a car or to practice as a professional in other areas. Through these workshops and from discussing the current registration scheme, there was broad support amongst renters that the evolution of the existing registration scheme to a new licensing and kitemark system was the preferred approach. The following is our co-produced proposal on these issues:

“The current national landlord registration scheme to be expanded, to include both registration and licensing, and the development of a new kitemark system:

- Landlords would need to register all properties and submit for a licence. To get a licence, the landlord would need to undertake training, pass a “fit and proper person” assessment, and pass a ‘landlord’ knowledge assessment.
- Once licenced, the landlord would be able to apply for a quality kitemark. These kitemarks would have three levels, Bronze, Silver, and Gold. Gold being the highest quality landlord/letting agent.
- To move up the levels, a landlord/letting agent would need to gain a certain number of points.
- A landlord’s kitemark level and their number of points would be influenced by, but not limited to, additional training and CPD, membership of a recognised trade body, membership of a redress scheme/resolution service, property inspections by an independent third party, and tenant feedback.
- Points, the kitemark and the licence can be lost due to recognised poor practice or poor feedback, such as unfair rent increases, not protecting the deposit, and being in breach of other legal requirements, or being subject to formal enforcement activity (i.e., banning orders).”

Across the workshop cohorts many renters thought that this system would be beneficial. They would find it reassuring to know that their landlord had the requisite knowledge and awareness of their responsibilities. The kite-mark would in most circumstances help in choosing properties to rent. Further, renters were supportive of the proposal as it would help to scrutinise landlords and provide better accountability.

However, a small number of renters did make the point that in ‘hot’ property markets with high competition and a low number of properties to rent renters could find themselves in a position where the only option would be to rent lower grade properties due to lack of choice. Furthermore, there were additional elements that would need to be considered. Tenants noted that higher level kitemarks should be tied to meaningful indicators: for example, demonstrably better practice or higher quality service rather than attendance at hours of CPD training that do not translate into action. One area that needs development is whether this may incentivise landlords to charge higher rents if they and their properties have higher level kitemarks (i.e., gold level). A further area for consideration for implementation would be the level of training required and how are landlords transitioned into the new system. For example, a few renters discussed the issue of experienced landlords: if they had been a landlord for 20 years, would this experience be considered and lead to exemptions of some sort? However, it was noted that the individual may have been a landlord for a long time but may never have acquired the right knowledge to be an exemplary landlord.

Introduce formal limits on inspections

One area of concern raised by renters through this research process was the nature of property inspections and how this prevented renters from feeling at home in the property. Currently there are no limits to the number of inspections that can be carried out and must provide the required notice (unless it is an emergency). The current notice period is 24 hours if a short assured or assured tenancy, or 48 hours' notice if the renter has a private residential tenancy (PRT). Renters expressed that they felt letting agents were too intrusive with frequent inspections and visits to the property, with some highlighting monthly inspections and raising concerns as to the short notice given for inspections. A key solution was identified through discussions on limiting the frequency of these routine (non-repair) visits to the property. This was co-developed into the following proposal:

"To support renters' quiet enjoyment of the property, the Scottish Government would reform the current notice period for visits and introduce limits on regular inspections. This would include the following:

- For the first year of a tenancy, routine inspections will be limited to a maximum frequency of quarterly visits.
- After the first year of a tenancy, inspections will be limited to a maximum of once every 6 months.
- Landlords and letting agents will also have to provide enhanced notice of an inspection, with a minimum of five working days' notice. The inspection/visit can only occur at a time mutually agreed by the renter and the landlord and/or letting agent.
- Failure to operate within this system could see the landlord and/or letting agent face sanctions by the regulator and compensation to the renter."

Overall, there was broad support for this proposal across all renters, with both renters and stakeholders present in the workshops identifying that this proposal was fair on both sides and "very reasonable". In the future development of this proposal, there would need to be consideration of how this system is enforced, whether this would be the local council, trading standards, central government or, perhaps, the proposed new regulator for the private rented sector. The future development of this proposal would need to consider whether issues were identified and how to incorporate follow-up visits within this, or whether follow-up visits would fall out of the scope of this limit.

Introduction of a third-party redress and dispute resolution service

A further challenge faced by low-income renters was the difficult of dealing with issues in the face of the perceived power imbalance between landlord and tenants. Some renters shared how they were anxious to raise repair concerns to their landlord in fear of potential rent increases or other retaliatory action. In high demand areas renters reported feeling fortunate to be living in their current property at their current rent and did not want to do anything that risked losing it because they anticipated it would be difficult – or, in some areas, impossible – to find alternative accommodation they could afford. Several renters shared that they had experienced disputes over the return of their deposit for a property and had positive views of the third-party dispute service provided by the tenancy deposit protection services. Through the discussions, renters and stakeholders identified the potential for expanding this type of dispute service to cover other issues. This would enable an independent third-party to help mediate and broker solutions where the relationship between renter and landlord breaks down. Our co-produced proposal is as follows:

"The Scottish Government would introduce a comprehensive third-party redress and dispute resolution service. Renters would be able to contact this independent third party to work towards a resolution of issues when the relationship between the renter and landlord breaks down or when the renter does not feel comfortable approaching the landlord directly."

Workshop participants were supportive of this proposal as being of benefit to all renters, however, several considerations for implementation were also identified. Firstly, there is the consideration of who would provide this service and how much it would cost to access. There is likely an argument for the provision of this service by the existing deposit services, but there may be the opportunity to develop a separate mediation service as part of the

proposed regulator or first-tier tribunal. This service should also be an 'umbrella' service that covers all aspects of renting so that renters would not need to approach different redress or dispute schemes for different things. This would make the system easier for renters to navigate. Finally, a further consideration would be the potential vulnerability of renters in the event that a landlord is not content with the outcome of the resolution service. It may be possible for the renter to then take the matter to the Tribunal in relation to retaliatory eviction. It is likely that a robust process is in place that provides support for the renter if retaliatory action is taken.

3.4 Making the property a home

Previous research has demonstrated the positive effects of having a place to call 'home' (Rolfe et al., 2022; Preece et al., 2020; McKee et al., 2022; McKee et al., 2020). However, this study has highlighted the challenges renters face in making their rented property a home. This includes having a pet, being able to decorate, or, more generally, having a sense of control over their own space. This is captured by the following two quotes from renters in the workshops:

"The function of a house is to be a home, it needs to be lived in a reasonable period. You need to be able to live in the property, not just sort of exist in the walls not touching anything."

"All I wanted to do is just make a house a home and with everything with regards to the flat and that does include not having all these restrictions or limitations put on you. So yeah being able to put those things on the wall, or being able to have a pet. ... living and renting is such a big part of your life you want to be able to feel at the most comfortable and almost have the most freedom I suppose as well in your own personal space."

The right to a 'home'

This research project has provided further illustrations of the difficulties facing renters who wanted to make their private rented property a 'home'. While some of those who only planned to stay in their property for a relatively short period were content to leave the property as it was when they moved in, many expressed frustration at being unable to personalise their property through redecoration and/or upgrading their property because the landlord did not allow painting or drilling holes in the wall. Others had issues with the furniture, with furniture being outdated, broken/poor quality, or being mis-matched throughout the property. Our discussions with renters highlight that the ability to have a pet was seen as key to being able to call the property "home". A further key dimension of making a home is the ability to put –down roots and 'feel settled' (Hoolachan et al., 2017). Many renters shared frustrations and anxieties about not knowing the landlord's plans for the property and therefore what the future held: this made them feel like there was little guarantee of security in being able to stay in the property for the medium to long term.

Through the discussions with renters and stakeholders, several ideas for addressing these difficulties were examined and explored. This included suggestions for a right to decorate the property, with a caveat that the property would need to be returned in a 'rentable' condition rather than in contrast to the current situation of returning the property in exactly the same condition. Other suggestions including providing rights to allow pets, making it more desirable for properties to be furnished to a higher standard/quality, and making sure landlords provided more information on plans for the property at the start of the tenancy, where these were known. Some of these ideas were combined and further co-developed into a proposal called "giving renters 'the right to a home'":

"Renters to have rights and the freedom that enable them to make a home in the property. These rights will include the following:

- From the start of a tenancy, renters will have the right to have a pet. Landlords and letting agents will not be allowed to discriminate against pet ownership and could face sanctions from the regulator and the prospective renter could be entitled compensation if discrimination was identified. If renters decide to have a pet, the renter will have to cover any damages to the property caused by the pet.
- From the start of a tenancy, renters will have the right to decorate their property. If renters decide to decorate, then the property must be returned in a rentable condition, unless agreed with the

landlord.

- Before signing the tenancy, the landlord would have to provide material information on plans for the property over the medium term, including plans for sale or renovation. If plans for the property change during the tenancy, landlords must provide advance notice to the renter(s).

These new rights and guidance will complement existing protections under the Consumer Protection Law regarding wear and tear. The Government would introduce enhanced guidance on wear and tear in rental properties. This guidance will further make clear that properties are to be lived in, and that landlords and/or letting agents are not able to claim in deposits for wear and tear of the property.”

There was discussion with renters on who would decide what a ‘rentable’ condition, this would require further consideration for the implementation of this proposal. Further development and consideration are needed for the provision of material information to provide greater security to renters. There may be a need to consider additional protections. For example, this could be a prohibition on recovering the property for the first year unless contract terms are breached and implementing a greater notice period for sale of the property. In Wales, the Renting Homes (Amendment) (Wales) Act 2021 will extend minimum notice periods under section 173 to six months for the landlord to end the contract. On the other hand, if a landlord needs to sell the property due to a change in circumstance, an option would be the sale of the property with a sitting tenant. A consideration would be how the government could support the growth of these types of sales, or in contrast purchase these properties themselves and offer renters a social/affordable rent rather than private market rent. A further consideration in the development of this proposal would be the length of time which covers the landlords’ plans. For example, does medium term cover 1 year, 2 years, 3 or 5 years. A balance would need to be struck between practicality and providing the security and certainty that renters’ need.

Property improvements made by the tenant

Some renters expressed that they would like to make improvements or modifications to the property beyond decorating (i.e., painting or putting up pictures), such as installing new light fittings, new flooring, or improvements to the garden (such as installing decking). Several renters discussed how they had installed new carpets at their own expense. Other renters shared how they would like to make an improvement to the property but felt uncompelled as the longer-term benefit was for the landlord, not for themselves. For example, one renter shared that they would like to improve their garden, which would benefit not just their lives, but their neighbourhood, but were put off due as they would not receive any financial support from their landlord. Renters were keen to see a solution that would provide them with the opportunity to improve the property with the landlord’s permission, but to have a reimbursement of some of the costs for the improvement. Many renters felt that it was fair for some form of reimbursement as the improvement was to the benefit to both the renter and landlord. However, some renters did feel that there could be a potential for the landlord to increase the rent after the improvement to the detriment of the renter, with some suggesting that landlords may exploit the renters following their efforts to improve the property, and other renters suggested that this might remove the impetus for landlords to improve the property. While attempting to consider these concerns, the following recommendation was developed and had broad consensus amongst renters:

“Renters to have the right to improve their home after six months if they obtain written permission from the landlord in advance:

- Improvements include installing new flooring (such as carpet or laminate), new outdoor decking, new heating appliances, new light fittings.
- Renters will be able to claim compensation from the landlord for certain improvements made to the home.
- Landlords would be prevented from making any rent increase to reflect such improvements for a period of 2 years following their completion.”

3.5 Access to properties to rent

Difficulties in accessing properties to rent was a challenge identified throughout this research. For the majority of tenants, the key issue was affordability and the limited number of properties available within their budget due to high levels of competition in the rental market. Pre-tenancy checks created further barriers for some renters who had to rely on family members to act as guarantors to pass relevant credit checks. Many renters also described how the need for sizeable deposits and/or rent in advance was challenging. For some the main challenge was raising a deposit while waiting for the return of the deposit for the previous property. While not related specifically to accessing properties to rent, many renters shared their frustrations with the deposit system and the issues they had when trying to get the deposit back from landlords or letting agents, with some sharing stories of unfair deductions. Through the workshop process, final proposals were co-developed to help address these challenges for low-income renters.

A bridging system for deposits between tenancies

Alongside the cost of renting, a key challenge for renters in trying to access properties to rent was affording a deposit. Several low-income renters discussed the more specific difficulty in affording a deposit for a property while waiting for the deposit for the previous property to be returned. Through the discussions, a prominent idea was for a system through which the deposit can be bridged from one property to another. Renters identified that such a system would help make moving to another properties easier and more affordable, especially for those on low incomes. It could also help to address the power imbalance with landlord and/or letting agent. Through the workshop process, the following proposal was co-developed with renters:

“When moving to another rental property the renter will be able to bridge their current deposit (held by an authorised deposit holding organisation, “the provider”) to their next property, supplemented as necessary if the deposit on the new property is higher:

- If there is a dispute regarding potential deductions, the deposit amount disputed would be frozen by the provider until the dispute is resolved, however, this would not prevent the full deposit from being used for the next property.
- If deductions are deemed appropriate, the renter will then need to top up the deposit held by the provider.
- The renter would then have up to 12 months to top up the balance of the deposit, in line with an agreed payment plan.
- Failure to top up the deposit would incur charges from the provider and the provider would be able to seek recovery of funds.”

Set charges for certain issues for deposits

An issue raised frequently by renters during the workshop process was unfair deductions at the end of a tenancy. Many renters identified how they felt they had been unfairly charged for small issues, predominately cleaning. A key concern was a lack of transparency over the scale of charges. One renter mentioned how they had spent the whole evening cleaning and were still charged for a full professional clean, even though they felt that the property had been returned to a rentable condition. Several initial ideas were explored across the workshops, including improving support with tenancy deposit disputes, better guidance for landlords, the introduction of a property report showing the condition at the start of the tenancy, better understanding of wear and tear, and a ‘shopping list’ of charges that were capped to fair levels. While there was interest for the other ideas, and some have been discussed further in other sections, the idea of a ‘shopping list’ of charges gained traction with participants. Renters particularly believed this would benefit them as it would allow them to know what the fees were likely to be at the end of the tenancy and ensure unfair charges were stopped. As part of this, renters felt that landlords and letting agents were trying to make deductions for what they believed what fair wear and tear of the property, such as light marks on the walls or deterioration of the property over time, rather than investing in the property to make it rentable. As part of this

process, it was identified that renters wanted better guidance and policies around wear and tear. To address these challenges, the following proposal was co-produced:

“Landlords and letting agents must at the start of the tenancy inform the renter of the cost for certain repairs and damages. Further, the costs associated with repairs and damages will be capped to fair levels by the Government. The Government would introduce a wear and tear standard, that provides clarity on what constitutes fair wear and tear.”

Tenants were conscious that while such a system would bring greater clarity to decisions over deductions there was still scope for disagreements over the extensiveness of the remedial work required and hence the deductions justified. In implementation, therefore, it could be appropriate to raise the profile of the established dispute resolution system around deposits. A further consideration that the Scottish Government may need to examine is the cap on deposit amounts. Renters were conscious that the current limit of two months deposit was not affordable if this full amount was required. Many renters through the workshops discussed that they usually pay between one and one and a half months’ rent as a deposit. Many felt that one and a half months’ rent as a deposit was the maximum that was realistic. To further address affordability and improve access this may be a further step needed. However, there may be some unintended consequences, such as without introducing the right to a pet, this could affect landlords accepting offers from renters with pets.

Development of a risk-based insurance system

As previously discussed, one key challenge for low-income renters was affording the deposit when moving properties. One solution that was proposed was the use of an insurance-based system rather than upfront deposits. An initial proposal included ending the deposit system and to be replaced solely with an insurance system. However, renters were not keen on this part of the proposal. Renters saw this as attaching an additional cost to the rental that would mean it ended up costing more over time, whereas, in contrast, the renter would likely get the deposit money back at the end of the tenancy. Renters instead wanted this to be an option to sit alongside deposits as an alternative, rather than as a replacement. Renters believed that the proposal would be beneficial to low-income renters who may not be able to afford the deposit – a low monthly fee for insurance would be a better alternative. This would then support these renters to access properties to rent more easily. The final co-produced proposal is as follows:

“A new renters’ insurance product would be developed as an alternative to the use of deposits.

- This insurance would include contents insurance for renters’ belongings and would cover potential damage to the property and fixtures and fittings.
- This insurance would enable the renter to get a no-claims bonus and would be based on risk, where past claims could influence future policy prices.
- Mediation of disputes would continue and be undertaken by a third party funded in part by the insurance providers.”

3.6 Information and rights

Our discussions with renters did not suggest a high level of awareness about the new rights afforded to tenants by the Private Residential Tenancy (PRT), which came into effect 1 December 2017. Not all tenants were aware of the shift towards open-ended tenancies or the notice period they were entitled to should their landlord wish to sell and/or move back into the property. Further, there was limited knowledge on who to contact for support, with many renters reporting that they would contact Citizens Advice or google the issue. Other renters did not feel empowered to raise a complaint if things went wrong. Through the discussions, renters stated that improving information and access to information on renting would be a key benefit. This led to the co-development of two specific proposals.

Improve existing documents and create shorter information pack for renters

Renters expressed desire to be better informed about renting and their rights but did not know where to turn to for

support or found the existing documents ‘overwhelming’. In the 2nd workshop phase, we assessed knowledge of the information packs that need to be provided to the renter at the start of the tenancy. Across the renters on the new PRT, while the documents were recognised by a minority, many stated that they didn’t recall seeing the documents before. Some suggested that the documents could have been included alongside other documents when they were signing up to their lease and perhaps didn’t stand out as something that needed to be read. Among those who did recognise the document there were strong views that the document could have been in clearer and more accessible language. Renters further thought that specific branding for documents about ‘renting’ that stands out would help them to know that they are looking in the right place.

Based on the discussions, a proposal was co-developed that included the improvement of existing document packs and the introduction of a new shorter information pack that is visibly more striking. Renters stated that they thought this would have helped them understand their obligations and rights better. The proposal for change is as follows:

“The Scottish Government will improve the existing documents provided to renters by landlords/ agents and introduce a supplementary shorter information pack that is in plain language and appropriately and engagingly designed (i.e., to stand out and encourage readership). These documents would have distinctive branding, and this would be carried over to all other related documents and webpages.”

Development of a dedicated webspace for Scottish Renting

Alongside the improvement of existing documents and information packs, renters were keen to see the development of a dedicated webspace for ‘renting’ where renters could turn to if they had a problem or wanted to find out more. Few felt that they would seek information about renting on the main Scottish Government website. Renters felt that they didn’t know if the information on websites was up to date or was applicable to Scotland due to differences across the border.

We also discussed the possibility of a mobile app as the medium for providing information about renting. This proposal met with a more mixed response. Some renters thought this would be helpful, while others stated a preference for a website – they didn’t think that this was something they would want to install on their mobiles. The lack of enthusiasm for an app was not noticeably age-related. Some renters of student age stated a preference for a website.

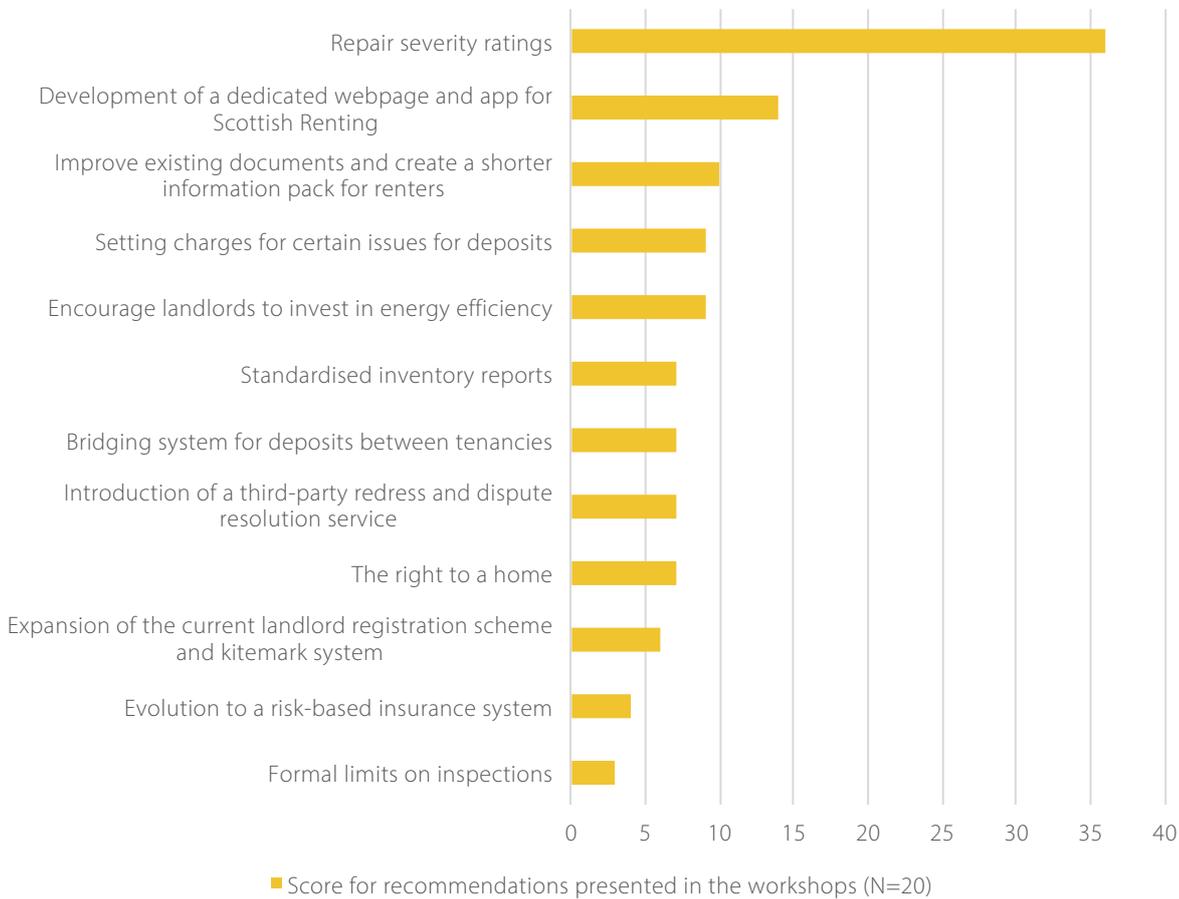
From these discussions, the following proposal was co-produced with renters to address this challenge:

“The Scottish Government would introduce a website, and possibly an app, for renters, landlords and letting agents to provide easy to digest information on renting. This website would provide all the information needed by a renter if they were experiencing problems or wanted to know a more about their rights. As part of this, the Scottish Government would introduce distinctive branding for “renting”, and this would be carried over to colour of paper documents/pdfs, social media, and information campaigns.”

3.7 Priorities for change

Following the first cohort of the third series of workshops, the research team, in liaison with the funders, identified a need to understand how renters would prioritise the recommendations that had been co-developed. To do so, we asked the renters at the end of each workshop to identify the top three proposals that had been discussed in the workshop in terms of priority to themselves. It is important to note, that the first cohort were not asked to perform this exercise and not all proposals were shared in each workshop cohort due to time limitations. We asked renters to provide their scores over the chat function on Zoom to the facilitators. Twenty participants provided ratings through the workshop series. We collated the ratings for the recommendations and developed a score, where a recommendation had been given a rank of 1, we gave the recommendation a score of 3, a rank of 2 received a score of 2, and a rank of 3 received a score of 1. These were then added together to provide a total score for each recommendation.

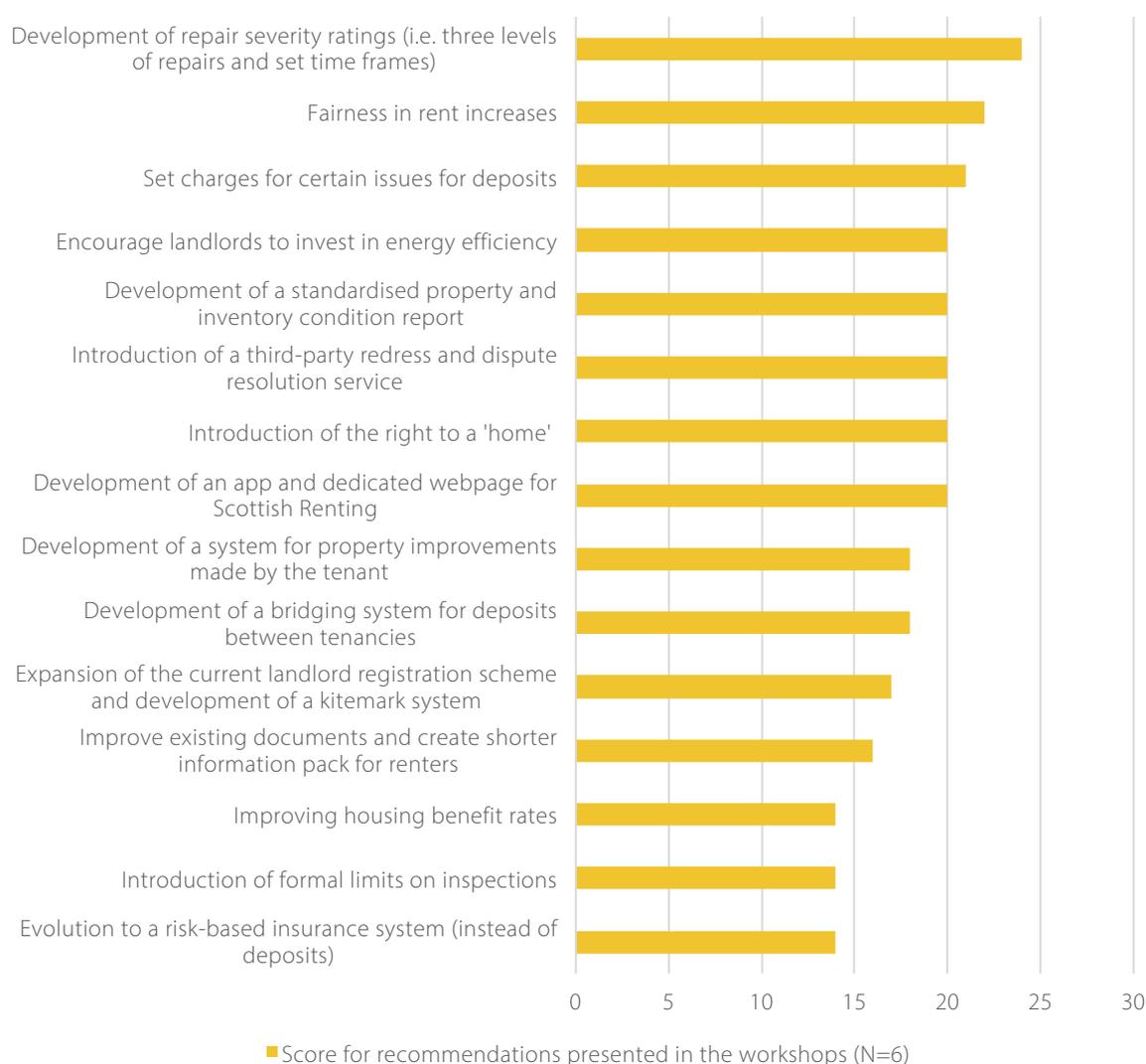
Figure 1. Overall priorities for proposals from renters during the workshops



The analysis of the scores from the workshops highlight that the development of repair severity ratings and improving knowledge and understanding through the development of a dedicated webpage and improvements of existing documents and information packs were highly rated by renters. It is worth noting, that through the workshop process there was more enthusiasm for the webspace over the app.

This scoring system however does favour those recommendations that were ranked first out of three, and not all recommendations were covered in each workshop. To ensure all participants had the opportunity to feed into this analysis and on all the recommendations, a follow-up survey was distributed. Six participants provided input through the survey. In the survey, renters were asked on a 5-point Likert scale (of 1 not at all important to 5 absolutely essential) to rate how important each proposal was to them. The ratings were then added together for each recommendation to provide an overall score for each.

Figure 2. Renters ratings of importance for the recommendations (from the survey)



The findings of the survey show similar findings to the scores from the workshops, with the repair severity ratings being identified as a highly important priority for change. The findings from the survey however highlight less variance across the recommendations in contrast to the workshop rankings. This indicates consensus in the importance and need for each of the recommendations.

It is worth noting that this exercise in determining priorities was designed to be an indicative and quick indicator of initial feelings of renters, and not to be a comprehensive analysis and indicator of priorities. The findings should therefore be interpreted as being at best indicative of priorities, but not a full picture of renters' priorities for change.

3.8 Principles and considerations for change

Through the process of these workshops, in addition to the co-produced recommendations for changes in the private rented sector, we have identified broader principles and considerations for change that should be taken into account. These principles and considerations are based on the discussions with renters, and discussions during the analysis and synthesis of these discussions by the research team.

Our first principle/consideration for change is related to the cost of reforms and the impact on renters. Throughout the workshops, renters expressed concern over already expensive housing costs and the difficulties in finding an affordable property to rent in certain locations. Renters were concerned over the potential impact of any change on possibly higher rents or the supply of properties. A key consideration for future reform would be to ensure that renters are protected from businesses (i.e., the landlord or letting agent) passing costs onto the consumer (i.e., the renter) from reforms to the sector.

Our second principle/consideration of change is related to housing as a fundamental need; secure shelter is vital to our survival and a 'home' is necessary to flourish in society. Nearly half of renters surveyed in Scotland reported that they rent privately because they have no other choice (Simcock, 2022). With high housing costs and the difficulty in finding alternative properties, this can feed into the power imbalance in the relationship between the renter and the landlord, which was discussed by renters throughout the workshops. There is therefore a need to consider how rights are designed, implemented, and enforced. Currently, rights are needed to be enforced by the renter through making a complaint, where private renters throughout the interviews and workshops told us that they feared retaliatory practice (such as an eviction or rent increase) could occur. The future regulation of the sector needs to consider these important elements: firstly, how renters are empowered to challenge poor practice, and secondly, to bring about change so that regulation of landlords and agents is related to quality assurance rather than quality control to ensure that regulations put the burden onto landlords and regulatory bodies rather than onto the renter.

Our third principle/consideration for change is related to the knowledge of rights and ensuring a level playing field. Through the interviews and workshops, we found that in general there was a lack of knowledge and understanding regarding rights across the renters we talked to. We discuss this above in relation to the recommendations for improving understanding. However, to reiterate, there is a substantial need that a general principle for change should be empowering consumers (i.e., renters) in understanding their rights. Furthermore, the Scottish Government introduced substantial reform through the introduction of the new Private Residential Tenancy (PRT) system, however, in discussions with renters, many highlighted how they were on the old AST system as they were longer-term renters. In addition, those renters on the new PRT system did not necessarily know what that meant and what had changed in terms of rights. Going forward, there is a need for consideration by the Scottish Government on how to bring all renters onto the same system to ensure all private renters have the same rights. This would support longer-term renters but would also serve to support landlords and letting agents as there would be then one set of regulations to follow and should reduce any potential confusion of obligations, rights, and responsibilities.

Through the process of discussion with renters, stakeholders, and the research team in analysing these discussions, it became apparent that there could be significant benefits in taking a joined-up approach to several of the proposals. Their impact as a suite of reforms could be greater than when approached individually. For example, the proposals of the development of a dedicated webspace for Scottish Renting, the repair severity ratings, the right to a home, the dispute resolution service and the landlord licensing system can be seen as complementary and thinking of them as a package would deliver a comprehensive response to the issues of poor performance by landlords (such as not undertaking repairs in a timely fashion) and improving renters' sense of home in the property. For instance, the dedicate webspace could be the 'home' for the licensing information, dispute resolution and repair notification among other elements. In a potential scenario, the webspace could provide a portal for the renter/landlord to access and manage all aspects of the rental, including notification of repairs. Through the portal, the renter would notify the landlord of an issue, and this would then keep a log centrally. If the issue is not resolved, then this can be automatically flagged for investigation by the regulatory body. This would transfer the burden from the renter to the landlord, i.e., from the renter needing to make a complaint and enforce their rights, to the landlord needing to demonstrate compliance.

A further consideration is the over-arching high cost of housing; with a key challenge for renters being housing affordability, including not only the cost of rent, but the cost of utility bills and the inability to save for a deposit. Reforms to the private rented sector need to be accompanied by action on housing affordability, such as increasing the stock of social and affordable housing.

Finally, there is a need for the Scottish Government to ensure participation from a broad range of renters throughout the policy process. Renters are experts by experience and their participation is key to the effective design of further

reform. There will be a need for this to be adequately resourced and for renters to be provided with support, through a programme of capacity building and development, so that they can be meaningful and equal partners.

4. Conclusions and what next?

This research project has examined the challenges faced by low-income renters living in the private rented sector in Scotland and what their priorities for further tenancy reform are. Drawing together insights from a literature review, new survey evidence, and qualitative research with renters, we worked with current private renters to co-design recommendations for change. These recommendations draw upon the experiences of renters directly and are here to stimulate and inform meaningful policy development that can improve the lives of renters. Alongside this, we have proposed a series of principles that should underpin the next stage of policy design to ensure effective reform of the sector.

In summary, renters' priorities for the future of the sector are as follows:

- For the Scottish Government to take action to improve affordability and fairness in the private rented sector
- An improvement in property conditions, responsiveness to repairs, and greater professionalism and accountability of housing providers
- Improve access to low-cost, high-quality homes across all tenures
- Improved and more accessible sources of information, so all those in the private rented sector can better understand their rights and responsibilities

As the Scottish Government continue with the policy design and implementation process, renters need to be meaningfully involved throughout. Further participatory research and policy design is needed to continue this journey. Renters are experts by experience and their participation is key to the effective reform of the private rented sector.

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