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South Ayrshire Council

Private Rented Sector Strategy  
2003-2008



The private rented sector makes up a small but important part of the housing stock in South Ayrshire. It has an important role in providing accommodation to a wide variety of groups, including lower income people, vulnerable people, young people, students, mobile workers and homeless people.

# Foreword

The Council recognises the role that the private rented sector plays in helping to meet local housing need and we want to support and encourage private landlords in providing safe, well-equipped and affordable housing for rent.

As part of our new approach, South Ayrshire Council wants to work with private sector landlords and give them a stake in decisions that have a direct effect on them. The Council is committed to a healthy private rented sector. Raising the standards of good and well-intentioned landlords is a crucial part of our private rented strategy.



Councillor Andrew Hill  
Leader of the Council

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The Private Rented Sector Strategy forms part of the Local Housing Strategy. It provides the strategic approach to working in partnership with the private rented sector to develop good quality affordable housing, and safe, secure tenancies. It also forms an important part in regenerating town centres through the redevelopment and refurbishment of empty properties. Furthermore, the development of the private rented sector in South Ayrshire will assist in starting to tackle the pressure on public sector housing.

# Introduction

Further information on any of the projects detailed in this document can be obtained from:

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We would also be interested to receive any feedback you have in relation to this strategy. If you would like to provide comments or feedback, please use the form attached to the back of this document and return it to the address above.

# Section 1

## Strategic Context

The development of good quality housing in the private rented sector is key to ensuring that the need for housing in South Ayrshire can be met.

There are a number of strategic areas that rely heavily on partnership working between South Ayrshire Council, private sector landlords and rural landowners.

### *The Local Housing Strategy (LHS)*

The LHS sets out the strategic direction for the development of housing, provision, policy and services over the next five years. It details the need for a successful private rented sector in South Ayrshire. Whilst many of the strategic housing objectives detailed in the LHS are relevant to the private sector, the following objectives are key:

- Sufficient Affordable Rented Housing
- Adequate accommodation to meet the needs of single people and small households
- Sufficient Private Sector Accommodation
- Sufficient Quality Accommodation across all tenures
- Healthy Homes
- Sustainable Rural Communities
- Thriving Town Centres
- Effective Response to the Accommodation Needs of Homeless people

Further detail can be found in South Ayrshire Local Housing Strategy.

### *Homelessness*

The number of households presenting as homeless in South Ayrshire has increased from 799 in 1995/96 to 995 in 2000/01, an increase of 25%.

Although the yearly changes have fluctuated considerably with rises in some years and falls in others, the average number of presentations remains at approximately 990 (up to and including 2002/03).

93% of all homeless applicants originate from the Ayr; Prestwick and Troon areas, which are the most pressured housing areas in South Ayrshire. The combination of high levels of house sales, waiting lists and land values make it increasingly difficult for the Council to ensure that there is an adequate supply of affordable housing for those in housing need. This also has implications for the Council with regard to meeting its statutory obligations to homeless applicants.

The Housing (Scotland) Act 2001 places a new duty on local authorities with regard to homeless applicants. People assessed as unintentionally homeless and in priority need are entitled to secure permanent accommodation and people assessed as homeless and not in priority need are entitled to temporary accommodation. Given that 27% of all applicants fall into the former category and 36% into the latter, (the remaining 37% being not homeless or intentionally homeless), this will result in greater demand and pressure for additional units of affordable housing for both temporary and permanent accommodation. In essence the Council will see a two-fold increase in the number of applicants for which they have a duty to provide temporary accommodation.

The Homelessness etc. (Scotland) Act 2003 provides for the phased extension of priority need (to include all homeless applicants by 2012). The Act also provides that Local Authorities have the power, rather than a duty, to investigate intentionality. In addition, further change includes the removal of the local connection criteria. Together, these three issues will have a major impact on the number of applicants for whom the Council has a duty to provide both temporary and permanent accommodation.

Further detail can be found in South Ayrshire's Homelessness Strategy.

### *Pressured Areas*

South Ayrshire is in general a pressured area where need for affordable housing far outweighs demand. At present the Council owns just over 20% of total housing stock and RSLs just 2%. This is one of the lowest levels of social rented provision in Scotland, the Scottish average being 32% (Scottish Executive blue paper 'A New Single Social Tenancy for Scotland').

There are approximately 5000 people currently on the Council waiting list with a letting turnover of about 850 houses per year.

The impact of the size of the housing stock against the level of demand is that the average waiting time for a 2 bedroomed property in South Ayrshire is 4 years. This average is as high as 11 years in some areas.

South Ayrshire has the greatest net loss of housing through Right to Buy of all rural authorities. Average net loss in South Ayrshire through right to buy is 42%. (Scottish Executive blue paper 'A New Single Social Tenancy for Scotland'). This percentage is far higher in many of the villages and in one case, (Straiton), is 100%.

People who buy their homes through this policy and then sell them on, do so at market value. Ex-council houses are not resold cheaply to people on low incomes. Further detail can be found in South Ayrshire Council's Pressured Areas Consultation Document.

### *Housing Improvement Task Force*

The issue of repair and improvement in private housing has been under review by the Housing Improvement Task Force (HITF) and their Final Report "Stewardship and Responsibility: A Policy Framework for Private Housing in Scotland" was recently published. This Report considered a range of possible solutions, which include changes to the legal regime for tenancy management and maintenance of common structures. An increase in grant funding is generally agreed to be needed in the PRS and South Ayrshire Council is putting together proposals at this time, with a view to improving the quality of housing made available to homeless people.

# Section 2

## **The Private Rented Sector in South Ayrshire**

### *National Context*

The Scottish Executive commissioned the Universities of Glasgow and Heriot Watt to produce a report "Research on the Private Rented Sector in Scotland" which was published in 2002. It tells us in the introduction (1.1) that the Scottish Executive seeks to modernise this part of the

market. However, the development of policy has been hindered by the lack of information regarding the PRS in Scotland, particularly with regard to the nature of tenancy problems faced by landlords and tenants. Against this backdrop, the Scottish Executive's HITF asked for research into the PRS in Scotland with the "aim of assessing the operation of the existing tenancy regime and licensing framework, with particular attention to the implications for investment and housing quality".

This Report goes on to tell us (2.2) that the importance of the PRS for housing policy far outweighs its size. It is generally recognised that the sector has an important role in providing accommodation for a number of important niche groups in Scotland (Kemp, 2000). As well as a declining group of elderly people, the sector accommodates young people, including students, living away from the parental home. It also provides (2.3) many homes for newly formed households, and accommodates households who are unable, at least for a brief period, to gain access to social housing, many of whom are dependant upon Housing Benefit to afford their rent.

In addition (2.5) the importance of the PRS may grow as the number of households rise over the next 2 decades, particularly the increase in one-person households. Importantly, this report tells us (5.26) that there is a lack of systematic information for local authorities regarding the PRS.

The PRS offers an opportunity to access good quality, affordable housing, for people who are experiencing housing need. The HITF Final Report considered social disadvantage and failed management within the PRS, however, it portrayed a positive view about the role the PRS does play, and can play, in the future in providing well managed, good quality accommodation for the diversity of types of tenants who, through choice or necessity, take up residence in the sector.

### *The South Ayrshire Context*

Evidence suggests that there has been steady, if small, growth in the PRS in South Ayrshire over recent years. Figures compiled from the 1991 census tell us that the private rented sector in South Ayrshire comprised 4.8% of the housing stock with the 2001 census indicating a rise to 5.45%.

Until recently the majority of contact between South Ayrshire Council and the PRS has been in relation to homelessness. South Ayrshire's

Homelessness Strategy indicates that approximately 41% of households who presented as homeless during 2000/01 were placed in temporary accommodation (based on HL1\* data), and that 90% of these households were accommodated in either bed and breakfast or hostel accommodation. The Strategy goes on to indicate that there is a clear need to increase the range and type of temporary accommodation in order to reduce the over reliance on bed and breakfast which is unsuitable and expensive.

### *Empty Properties*

In order to improve the information base on the physical condition of property in the PRS, the Council commissioned South Ayrshire Homes (now Ayrshire Initiatives) to identify properties that were in need of repair, and had been empty for a period of time. This report was published in June 2003 and the Database will be held and upgraded by South Ayrshire Council.

### *Housing Quality*

The HITF's Final Report suggests that there is a greater percentage of properties in poor repair in the PRS. Problems with low energy efficiency levels are also worse in private rented housing than in other tenures.

A Private Sector Stock Condition Survey has been carried out to provide details on the levels of investment required and identify the areas with the poorest stock. Figures we currently have indicate that there were 453 Below Tolerable Standard properties within the private sector in 2000. Although this represents less than 1 per cent of the total housing stock, it is also 32 more BTS properties compared to 1997.

The Scottish Executive Fuel Poverty Statement states that 47% of all households in the private rented sector are experiencing fuel poverty. In 1997, the average private sector dwelling had an NHER score of 3.9 (on a scale of 1 through 10, where 10 is the most efficient), and spent £860 a year on energy. The entire private sector within South Ayrshire consumed 5230 TJ/year in 1997. By 2001, this energy consumption had fallen by almost 5 per cent to 4977 TJ/year, hence reducing CO2 emissions by just over 6 per cent.

### *Fuel Poverty*

The Private Sector House Condition Survey, once analysed, will assist in

\* HL1: provision of statistical information on homelessness to the Scottish Executive.

the identification of people either living in, or potentially living in fuel poverty in South Ayrshire.

Initial analysis shows that whilst the incidence of fuel poverty in South Ayrshire is more prevalent within the private sector, it is particularly prevalent amongst people who own their own house outright.

However, people most likely to be fuel poor are those on incomes less than £199 per week, and particularly people with incomes less than £100 per week. People on this level of income may well be housed within the private rented sector.

# Section 3

## **Progress and Emerging Projects**

### *Research*

During the development of the LHS, South Ayrshire Council recognised the need to look in more detail at the role of the private rented sector, and to develop a Private Rented Sector Strategy in partnership with landlords.

The Council commissioned NFO System Three and DTZ Pineda Consulting to assist in finding solutions for meeting the new duties contained in the Housing (Scotland) Act 2001 and its report on Private Sector Landlords was published in 2002.

Two of the reports main recommendations were:

- Different private sector initiatives should be investigated and:
- South Ayrshire Council should appoint a Private Sector Liaison Officer to develop the private rented sector strategy.

Following these recommendations South Ayrshire Council appointed a dedicated officer in April 2002 to develop a partnership with interested landlords, produce a PRS Strategy and to identify and implement suitable projects.

### *Empty Property Database*

A database of private sector empty properties has been compiled in

partnership with Ayrshire Initiatives. The information is being regularly updated and used to identify properties, which could potentially be brought back into use, both providing suitable affordable accommodation and reducing the numbers of empty properties, particularly in town centres.

### *Partnership Working*

Joint working arrangements have been developed within private, public and voluntary sector organisations that are providing a service to homeless people in South Ayrshire. The aim is to share information, provide details of projects and to ensure that a good and informed level of service is provided.

### *Rent Deposit Scheme*

Run by SeAscape and supported by South Ayrshire Council, this scheme aims to take the perceived financial risk away from landlords who provide tenancies in the private rented sector

### *Homemaker Starter Pack*

This project provides a grant to assist homeless or potentially homeless people in the purchase of white goods and carpets in an attempt to create the environment whereby people can sustain their tenancies. The project was developed in partnership with the PRS and Voluntary Agencies, and is administered through a referral system. The first phase of the Project ended in February 2003, having assisted 68 homeless people, and the second phase ended in February 2004, having assisted 99 homeless households. An interim report is available reflecting the positive progress of this Project.

### *Supported Tenancy Scheme*

This is a joint project through Supporting People whereby landlords are being paid to provide practical support to their tenants. During the first phase seven landlords with 12 properties were identified who will make their properties available to homeless people. The Supporting People Team will monitor the level of landlord support and there will be assistance to landlords and tenants when/if required.

### *Good Practice Checklist*

A Checklist of good practice in providing private rented sector tenancies has been drawn up in partnership with landlords, for

landlords, with the aim of assisting landlords to provide good quality safe accommodation. This checklist and disclaimer can be used in projects such as the Empty Homes Database and supported tenancy schemes, amongst others.

### *Voluntary Accreditation Scheme*

An accreditation scheme for landlords in the private rented sector is currently being developed. The aim of this scheme is to encourage good practice in the private rented sector.

### *Grant Assistance*

Options are being investigated for providing grant assistance for landlords who voluntarily sign up to the accreditation scheme and work in partnership with the Council to provide accommodation for homeless people. A pilot project started in January 2004.

### *Housing Benefits Initiatives*

A Resource Officer has been appointed to assist in developing joint working with Unified Benefits to ensure prompt payment of housing benefit to landlords in the private sector. This officer will also develop PRS strategy around benefit issues.

# Section 4

## **Consultation**

South Ayrshire Council is committed to both consultation and working in partnership. However, the NFO System Three and DTZ Pinda Consultation Report on Private Sector Landlords indicated in their main recommendations (p20) that local landlords felt that the council communicated with them poorly. They advocated the re-start of a landlord's forum and/or a regular landlord seminar/conference. It was stressed by landlords that their interest extended beyond tenant's issues: and included grants, licensing regulation and benefit administration.

Measures have been put in place to respond to these concerns including:

- An action plan has been put in place working to an approved agenda and timescale.
- A formal referral system has been put in place, incorporating a database of landlords and letting agents.
- A series of forums was started in November 2002. These have given the opportunity to hear the landlords and letting agents' points of view and make sure their ideas were fed into the Local Housing Strategy. These forums will continue on a regular basis.
- A Newsletter was started in January 2003, aimed at landlords and letting agents. Copies are distributed to people who have shown an interest in the PRS across South Ayrshire.
- A good tenant guide informing tenants of their rights and responsibilities in the PRS, under current legislation, is also being developed.
- Regular contact with landlords has been established, including the adoption of a mediating role between landlord and tenant.
- A PRS Steering Group became operational in December 2003, to progress and monitor the PRS Strategy.

# Section 5

## **Strategic Objectives**

Research carried out into the private rented sector in South Ayrshire, together with consultation with elected members, council departments and landlords, and the strategic requirements of the Local Housing

Strategy and the Homelessness Strategy have resulted in the following objectives being agreed in relation to the PRS.

- To provide quality accommodation in the PRS
- To prevent homelessness and meet the needs of homeless people
- To provide sufficient private rented sector accommodation
- To promote equalities
- To provide a range of support services for people in PRS accommodation.

Details on how these objectives will be achieved are set out in the Action Plan. Joint working is essential for their success.

# Section 6

## **Monitoring And Evaluation**

The attached action plan gives details of lead responsibility and timescales for achieving the objectives laid out in section 5. Progress will be monitored in the following way: -

- PRS Steering Group will receive regular progress reports and will evaluate progress.
- The Housing Strategy Member Officer Group will receive progress updates.
- The newsletter will provide the opportunity to receive feedback.
- The Council website will be used along with surveys to gauge customer opinion and feedback.

The above is set within the overall monitoring and evaluation framework of the Local Housing Strategy.

## SOUTH AYRSHIRE COUNCIL PRIVATE RENTED STRATEGY

## ACTION PLAN

| OBJECTIVE  | PARTNER  | ACTION  | TIMESCALES            | RESOURCES   | MONITOR  |
|--|--|---|-----------------------|---|--|
| Quality Accommodation in the Private Rented Sector.<br>Lead Officer: Jim Fenton                                | Landlords/<br>Colleges/<br>University/<br>Hospitals/<br>Environmental Health | Set up a voluntary Accreditation Scheme and approve landlords willing to provide accommodation in the PRS   | April 2004            | Homeless Strategy Funding                                 | <ul style="list-style-type: none"> <li>• Development of scheme</li> <li>• No. landlords registered</li> <li>• Stakeholder satisfaction</li> </ul>                                |
|  | Rural Landowners   | Develop a partnership with rural landowners   | Ongoing to April 2008 |   | Rural Landowners database set up   |
|  | Local companies  | Investigate the opportunities of working in partnership with local companies to fund improvement to properties  | Ongoing to April 2008 | SAC grant aided expenditure/<br>Private Finance           | PRS Steering Group   |
|  | Ayrshire Initiatives/<br>Georgina Donald                                     | Maintain empty property database so that grants can be targeted to bring properties back into use   | Ongoing to April 2008 | SAC Grant Aided Expenditure/<br>Homeless Strategy Funding | System in place to maintain database e.g. no of properties available for homeless applicants   |
|  | Iain Davidson/<br>Mervyn Toshner/<br>Landlords                               | Investigate feasibility of making available housing grants to encourage landlords to improve properties to be made available to homeless applicants                       | Ongoing to April 2008 |   | <ul style="list-style-type: none"> <li>• Amount of funding levered in</li> <li>• No of grants targeted</li> <li>• No of empty property back into use</li> </ul>                  |
| To assist in the prevention of homelessness and meet the needs of homeless people.<br>Lead Officer: Jim Fenton | Referring agencies/<br>Homeless Team   | Responsibility: Homemaker Starter Pack Project for homeless people who have been allocated more settled accommodation   | March 2004            | Homeless Strategy Funding                                 | No. of people accessing funds<br>Project evaluation.<br>No. of packs still in situ.  |
|  | SeAscape/<br>Elizabeth Copeland/<br>Georgina Donald                          | Support and expand the rent deposit scheme  | March 2004            | Homeless Strategy Funding                                 | No. of referrals.<br>Level of funding.<br>No. of landlords providing accommodation   |
|  | Landlords/<br>Letting agents   | Run a series of forums across South Ayrshire for landlords/letting agents to encourage them to accept homeless people   | Ongoing to April 2008 |   | Feedback from Landlords and PRS Steering Group<br>No. of landlords attending seminars  |
|  | Georgina Donald/<br>Audrey Thomson   | Develop a close working relationship with colleagues in Unified Benefits to ensure prompt payment of housing benefit. Help to develop PRS strategy around benefit payment | Ongoing to April 2008 |   | Feedback from landlords PRS Steering Group.<br>No. of benefits processed within timescale.<br>Introduction of Fast-track system on processing benefits for accredited landlords. |

## SOUTH AYRSHIRE COUNCIL PRIVATE RENTED STRATEGY

## ACTION PLAN

| OBJECTIVE  | PARTNER  | ACTION  | TIMESCALES            | RESOURCES                 | MONITOR  |
|--|--|---|-----------------------|---------------------------|--|
| To assist in the prevention of homelessness and meet the needs of homeless people.<br>Lead Officer: Jim Fenton       | Landlords  | Start a Newsletter for landlords  | Ongoing to April 2008 |                           | PRS Steering Group.<br>No. of landlords on mailing list.<br>Survey of landlords regarding value of newsletter. |
| To develop a range of support services for homeless people in the private rented sector.<br>Lead Officer: Jim Fenton | John Tupper/<br>John Deans/<br>Elizabeth Copeland/<br>Landlords          | Set up a pilot project with the Supporting People Team to encourage landlords to provide practical support to vulnerable tenants. | Ongoing to April 2004 | Supporting People Funding | Pilot steering group and feedback from landlords   |
|  | SeAscape/<br>Homeless Team/<br>Supporting People Team/<br>Other agencies | Liaise closely with all the agencies involved in support for people in the PRS  | Ongoing to April 2008 | Supporting People Funding | PRS Steering Group   |
| Sufficient private sector accommodation<br>Lead Officer: Jim Fenton  | Landlords/<br>Letting agents   | A series of forums for landlords and letting agents to encourage working in partnership to house homeless people.                 | Ongoing to April 2008 | Homeless Strategy Funding | PRS Steering Group   |
|  | Audrey Thomson/<br>Georgina Donald/<br>Derek Mitchell                    | Housing Benefit administration and development of strategy to encourage landlords to let to homeless people.                      | Ongoing to April 2008 |                           | PRS Steering Group   |
|  | Committee (SALA)   | Support the South Ayrshire Landlords Association (SALA)   | Ongoing to April 2008 |                           | Feedback from South Ayrshire Landlords Association   |
|  | Derek Mitchell   | Investigate a Private Leasing Scheme in South Ayrshire  | April 2004            |                           | PRS Steering Group   |
| To Promote equality for tenants in the Private Rented Sector.<br>Lead Officer: Jim Fenton                            | Landlords/<br>Letting agents   | Publish a Tenants Guide Book for tenants in the PRS outlining their rights and responsibilities                                   | March 2004            | Homeless Strategy Funding | PRS Steering Group   |
|  |  | Publish a Good Landlords Guide  | October 2004          |                           |  |
|  |  | Establish a checklist on good practice in the PRS   | Ongoing to April 2008 |                           |  |

# Comments & Feedback

If you would like to be on the Private Rented Sector mailing list and be invited to any future forums please complete the following and return to the address indicated.

|                                       |   |
|---------------------------------------|---|
| Name:                                 |   |
| Organisation:                         |   |
| Address:                              |   |
| Email Address:                        |   |
| Contact Number:                       |   |
| How would you prefer to be contacted? | Post <input type="checkbox"/> Email <input type="checkbox"/> Telephone <input type="checkbox"/> |
| Comments:                             |   |

Please return completed form to:  
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