

# **Private Housing (Tenancies) (Scotland) Act 2016**

## **Rent Pressure Zones**

**November 2017**

# Private Housing (Tenancies) (Scotland) Act 2016

## Rent Pressure Zones

This document specifies the requirements that a local authority must meet for a Rent Pressure Zone (RPZ) application to be valid in terms of section 35 of the Private Housing (Tenancies) (Scotland) Act 2016 ( 'the Act').

### Background

1. Section 35 of the Act enables a local authority to apply to the Scottish Ministers to ask that all or part of the authority's area be designated as an RPZ.
2. Within 18 weeks of receiving a valid application, Ministers must lay before the Scottish Parliament, either draft regulations designating an RPZ, or a document explaining why they have not done so. An application will only be valid if it fulfils all of the specified requirements in this document. The 18 week period will only begin once an application has been assessed as valid.
3. The RPZ provisions (sections 35 to 43 of the Act) are intended to be used by a local authority to protect **existing tenants** who have a **Private Residential Tenancy** from rents rising by too much.
4. Authorities must provide a profile of Private Rented Sector (PRS) properties in the proposed area. Property characteristics will include such details as house type, size, age, location etc. If the rental profile of any area has changed and contributed to rent rises, details of this change and impact on rent rises should also be provided.
5. Authorities will need to collect rent data to evidence a rent rise. Rent data used in the application must be about existing tenants, who have had a rent increase in the same property, but may include different types of tenancy. The rent data must be representative of the property profile. For an RPZ to be designated, authorities must show that rents are rising by too much across most property characteristics in the profile and most properties in the proposed area.
6. Section 38 of the Act requires that any rent cap set by Ministers must allow rents in an RPZ to rise by at least the **percentage change in the Consumer Price Index (CPI) since the last rent change (or tenancy began) + one percentage point** (see Box 1 below), although when setting the rent cap, Ministers will have the power to add additional percentage points to this if they consider this appropriate. Therefore, as a minimum, authorities will need to provide evidence of rent rises greater than CPI + 1 percentage point for existing tenants in order to demonstrate that rents are rising too much in the proposed RPZ.
7. Evidence of rent rises alone will not be sufficient to prove that they are rising by too much. Authorities also need to prove that rent rises in the proposed RPZ are causing undue hardship to tenants; and the rises are having a detrimental effect on the local authority's broader housing system.

## Limits on a designation

8. The RPZ provisions have been designed in such way as to prohibit the introduction of blanket national rent capping.
9. Section 39 of the Act provides that the Scottish Ministers cannot designate an area as an RPZ without receiving a valid application from the appropriate local authority.
10. An area can only be designated as an RPZ once on the basis of the same application.
11. If Ministers designate an RPZ, the cap set by Ministers will apply to rent increases for **existing tenants**, in the same properties, in that zone who have a **private residential tenancy**. The cap set will not affect rent increases for any other private tenants in the zone e.g. those who have a **short assured** or **assured tenancy** (under the Housing (Scotland) Act 1988) or a **regulated tenancy** (a private tenancy which began before 2 January 1989).
12. The regulations designating the RPZ will cease to have effect after five years unless they, or another enactment, provide that they cease to have effect sooner, or unless they are revoked before the five years have elapsed.

## Outcomes

13. By capping rents in a particular area, and using this as part of a wider housing strategy, a local authority could expect to achieve the following outcomes:
  - existing tenants who have a private residential tenancy will be protected from rents rising by too much in the same properties;
  - investors will feel confident when planning their investment knowing that any cap set by Ministers will be at least CPI + one percentage point;
  - property improvements will continue as landlords can recover costs to reflect improvements made;
  - initial rents for new tenancies are not affected by the rent cap and will continue to be market-led;
  - the PRS will remain attractive to those that live, work and invest in it.

## Requirements that must be met for an RPZ application to be valid

14. An application to the Scottish Ministers for designation must be made in writing. An application template will be made available. The local authority must set out its reasons for requesting a designation along with supporting evidence. A checklist of what information a local authority must submit to Scottish Ministers in its application for an area to be designated is provided at **Annex 1** together with guidance on methodology, analytical quality, sample and conducting interviews at **Annex 2**.

15. Before submitting its application to the Scottish Ministers, the local authority must have published on its website the fully completed application and all supporting evidence.

16. To safeguard the interests of responsible landlords, Ministers are required to ensure that any cap takes account of inflation and other reasonable costs, and to consult tenants, landlords and other relevant stakeholders before designation. As an additional safeguard, landlords would be able to increase the rent reasonably to recover their legitimate costs to reflect property improvements completed after the tenancy started, or (where applicable) since the date of the last rent review (for example, if they had recently replaced the boiler in the let property).

17. Alongside draft regulations designating an RPZ, the Scottish Ministers must also lay before the Scottish Parliament a document which sets out a summary of the consultation responses and the evidence which leads them to believe that in the proposed area: rents are rising by too much; the rises are causing undue hardship to tenants; and the rises are having a detrimental effect on the local authority's broader housing system.

### Identifying an area for designation as an RPZ

18. The RPZ provisions are intended to be used by a local authority to deal with rents that are rising by too much for existing tenants in the same properties, who have a private residential tenancy where Ministers consider that:

- rents payable within the proposed RPZ are rising by too much; **and**
- the rent rises within the proposed zone are causing undue hardship to tenants; **and**
- the local authority is coming under increasing pressure to provide housing or subsidise the cost of housing as a consequence of the rent rises within the proposed zone.

19. The area to be designated might, for example, be a street(s), a postcode sector or a datazone. The data and evidence provided to support the application must match the area chosen. For example if a street is proposed, evidence must be provided at street level. Therefore, when choosing the extent of the proposed RPZ, local authorities need to give careful consideration as to how they will collect the required data and evidence for that area in a way that is robust. The provisions in the Act on rent pressure zones address the problem of rents rising by too much in hot-spot areas and they are not intended to be applied to a whole local authority area.

## Consideration of the application and granting designation

20. Before granting a designation, the Scottish Ministers will have to be satisfied that the application:

- has been made in writing;
- provides a clear description of the area to be designated including its boundary. Ideally this would be a map. There should also be a clear list of the areas within that boundary e.g. datazones, postcodes etc. This should be detailed enough to allow any member of the public to determine if their property is within the designated RPZ;
- sets out how long the local authority would like the designation to last (this cannot exceed five years) and why;
- sets out the date the local authority would like the designation to come into force (this will be a date after the local authority has adequately advertised the designation to relevant persons in the area);
- provides robust evidence to support the application, the methodologies used to collect that evidence and how that evidence leads the local authority to believe that the criteria in paragraph 18 are met;
- states what other steps will be taken, and by when, should the application be successful, to advise the relevant persons that the area has been designated as an RPZ;
- includes a recommended percentage point (X) to be added to CPI + 1 percentage point when calculating a new maximum rent increase in the RPZ (a worked example is shown below in Box 1);
- includes an explanation of why the particular value of X, recommended in the application, has been chosen;
- provides a demonstration of the impact which the recommended level of X would have on rents in the area, and the subsequent impact that these rents would have on easing undue hardship on existing tenants and easing pressure on local authorities to provide housing or subsidising the cost of housing;
- provides evidence in the application that the Local Authority has put in place housing supply plans, policies or strategies; and
- provides confirmation that the fully completed application and all supporting evidence has been published on the local authority's website.

21. The Scottish Ministers will notify the local authority of their decision in writing. Ministers will have 18 weeks from receipt of a valid application to lay before the Scottish Parliament either draft regulations designating an RPZ or a document explaining why they have not done so.

### Box 1: Formula used to calculate the new maximum rent in a proposed RPZ

Section 38(1) of the Act sets the formula to be used when calculating the maximum rent which can be charged for a property in an RPZ as:

$$R \times \left( 1 + \frac{CPI + 1 + X}{100} \right) + Y$$

In the above equation:

- **R** is the amount of rent payable before the rent increase, in Pounds Sterling.
- **CPI** is the percentage change (if any) in the Consumer Prices Index over the period from the day of the last rent increase on the property to the date stated on the rent-increase notice, or if the rent has not been increased before, from the date the tenancy began (CPI is published with a lag, therefore the latest available CPI figure on the date when the rent-increase notice is issued should be used for this calculation).
- **X** is the number of percentage points to be added to CPI as set out in the regulations made by the Scottish Ministers e.g. 0.5 or 1.0 or 2.3 etc. (Local authorities applying for an RPZ to be designated will be asked to recommend a level for X and explain the reasons for their recommendations).
- **Y** is the amount (if any), in Pounds Sterling, that the rent officer has allowed the landlord of a property to charge to reflect improvements made to the property. N.B. Landlords must apply to Rent Service Scotland (RSS) to get a determination for the value of Y.

#### Rent Increase Calculation: Example

In a situation where:

- The monthly rent payable before the increase was **£800**
- The percentage point change in CPI over the period from the last increase in rent to the date of the proposed changes was **0.6**.
- The percentage point increase set by Ministers was **2.0**
- A rent officer has determined that the landlord can charge an additional **£30** per month on the new rent to account for an improvement made to the property.

Then the maximum rent to be charged on the property in the next period would be calculated by:

$$£800 \left( 1 + \frac{0.6 + 1 + 2}{100} \right) + £30$$

Giving a new maximum rent of **£858.80 per month**.

## **Evidence to support the application**

22. The Act is not prescriptive about the types of evidence that a local authority would be required to submit with an application. This is because the Scottish Government recognises that authorities may collect and use data which could be unique to each application.

23. The evidence will be a mixture of quantitative analysis e.g. statistics which demonstrate rent increases and qualitative analysis e.g. consultation with tenants. Councils will have to gather specific/ new evidence themselves where they do not hold this information already or where national data collections do not provide the level of detail required for an application. As such, councils might consider contracting with a third party with statistical and research expertise. A short guide to sampling rent data and other relevant research methods is provided at **Annex 2** together with some minimum requirements for local authorities on data quality.

24. Excessive rent increases may be a consequence of the demand for housing outstripping the supply (of all tenures) in an area. Designating such an area as an RPZ will only give tenants relief from excessive rent increases for the duration of the designation. It will not of itself do anything to moderate increases in the longer term. For that to happen supply in the area would need to increase. Given that, the Scottish Government expects any local authority seeking a designation to have plans for increasing supply, either in the area to be designated or elsewhere in the authority's area. To help set the application for a designation into the context of the authority's wider plans, the application should refer to those plans – usually by citing relevant parts of the authority's current housing strategies.

## **Requirement to publish the application and all supporting evidence**

25. In the interest of transparency, openness and accountability, before submitting an application to the Scottish Ministers to request an RPZ designation, the local authority must publish on its website the fully completed application and all supporting evidence (ensuring that no individuals or households can be identified).

## **Advertising that an area has been designated**

26. If Ministers make a designation, a local authority will need to publicise that the area has been designated as an RPZ. As the circumstances for each area will differ, the local authority is able to decide the most suitable approach to letting landlords, tenants, letting agents, lenders and the wider community know that the designation has been granted. The application to the Scottish Ministers must set out the approach that the local authority has determined would be the most effective way to advertise the designation has been granted.

27. This could include:

- a letter or email to all registered landlords, letting agents and lenders in the area;
- a letter to all privately rented properties in the area;
- a notice in a local newspaper or community council newsletter;

- local radio adverts;
- information posted on notice boards in a local library, community centre, council or housing association office;
- information posted on-line e.g. via social media using a local community Facebook group;
- engaging with national and local housing organisations and businesses e.g. mortgage lenders, letting agents, Shelter Scotland, Citizens Advice Bureau(s), etc.

28. In its application to the Scottish Ministers, a local authority must include the date it would like the rent cap to come into force. This date must allow a local authority sufficient lead-in time to effectively publicise the designation to relevant persons in the area to ensure that they are fully aware of the forthcoming start date of the rent cap.

29. A local authority, from its knowledge of the community in the area, should consider providing translations into other languages.

30. If, following designation of an RPZ by Scottish Ministers, the local authority subsequently fails to take some (or all) of the steps outlined in its application to publicise the designated zone, Scottish Ministers will consider laying before the Parliament draft regulations revoking the designation.



## ANNEX 1

Checklist of information and evidence required for a written RPZ application to be assessed as valid		
CRITERION	ELEMENTS TO INCLUDE	√
<b>Criterion 1 - The proposed area must be defined clearly. A member of the public must be able to determine if their property is in a designated RPZ</b>	<ul style="list-style-type: none"> <li>• The proposed RPZ boundary, ideally including a map; and</li> <li>• Clear description of the geographies (this needs to include a standard geography such as postcode or data zone or a list of Unique Property Reference Numbers).</li> </ul>	
<b>Criterion 2 - How long does the local authority want the designation to last</b>	<ul style="list-style-type: none"> <li>• The proposed start date (allowing sufficient time for publicising a designated zone);</li> <li>• The proposed number of years for the designation to last (cannot exceed five years); and</li> <li>• The local authority's reasons for these proposals.</li> </ul>	
<b>Criterion 3 - Evidence that rents payable within the proposed rent pressure zone are rising by too much</b>	<ul style="list-style-type: none"> <li>• A profile of PRS property characteristics (e.g. house type, size, age, location) and details of any changes to this profile impacting on rent changes;</li> <li>• Time series administrative or survey data and/or other research evidence showing the size of the rent increase, for existing tenants in the same properties, in a range of property types, sizes and ages;</li> <li>• Information on the sample used to demonstrate the rent increase (e.g. sample frame, methodology, size, non-response rates, sample error or biases and coverage issues, including efforts made to increase coverage);</li> <li>• Details of the methodology/ies used to analyse this evidence; and</li> <li>• A statement based on this evidence (and any other evidence gathered) to explain why the local authority believes that rents are rising by too much in the proposed RPZ.</li> </ul> <p>Rent data must be collected from existing tenants who have had a rent increase (in the same properties) and be representative of the PRS profile of the area. Other rent data (i.e. new lets) can be used as context only and cannot be used as supporting evidence as they may not represent the rents of existing tenants.</p>	

<p><b>Criterion 4 - Evidence that the rent rises within the proposed zone are causing undue hardship to tenants</b></p>	<p>Evidence that tenants are experiencing hardship which is due to rent increases among existing tenants.</p> <p>Although specific methods are not prescribed, details must be provided of the methods and sources for collecting and analysing this evidence.</p> <p>A statement based on this evidence (and any other evidence gathered) to explain why the local authority believes that rent rises in the proposed zone are causing undue hardship to tenants.</p> <p>Evidence in relation to new lets can be used to provide context, but cannot be used as supporting evidence as it may not represent the experiences of existing tenants.</p>	
<p><b>Criterion 5 - Evidence that the local authority within whose area the proposed zone lies is coming under increasing pressure to provide housing or subsidises the cost of housing as a consequence of the rent rises within the proposed zone</b></p>	<p>Evidence that the rent rises outlined in Criterion 3 have either:</p> <ul style="list-style-type: none"> <li>• Increased the pressure the local authority faces to provide housing; or</li> <li>• Increased the pressure the local authority faces to subsidise the cost of housing.</li> </ul> <p>Although specific methods are not prescribed, details must be provided of the methods and sources for collecting and analysing this evidence.</p> <p>A statement based on this evidence (and any other evidence gathered) to explain why the authority believes that they are coming under increasing pressure to provide or subsidise housing due to rent rises in the proposed zone.</p> <p>Evidence must refer to rent rises among existing tenants. Other rent data (i.e. new lets) can be used to provide context, but cannot be used as supporting evidence as they may not represent the rents of existing tenants.</p>	
<p><b>Criterion 6 - Information about how successful designations will be publicised</b></p>	<p>Details should be provided of the steps that will be taken, and when, should the application be successful, to advise relevant persons that the area has been designated as an RPZ.</p>	

<p><b>Criterion 7 - The local authority's recommended value for X in the Formula</b></p>	<p>A recommended percentage point (X) to be added to CPI + one percentage point when calculating a new maximum rent increase in the RPZ, including explanation of the recommendation and demonstration of the impact this would have on tenants, landlords and other relevant parties.</p> <p>To demonstrate the impact of the proposed level of X, local authorities may wish to compare the future rent levels, assuming that rents continue to rise in the manner which they have previously risen, with the maximum rents which could be charged under the proposed value of X.</p>	
<p><b>Criterion 8 - Evidence of housing supply plans</b></p>	<p>Evidence is provided in the application that the Local Authority has put in place housing supply plans, policies or strategies.</p>	
<p><b>Criterion 9 - Publicising the application</b></p>	<p>Evidence that the application, including all supporting evidence, has been published on the local authority's website.</p>	

## ANNEX 2

### Guidance on Methodology, Analytical Quality, Sampling and Conducting Interviews

Where local authorities gather data, or have data commissioned, they should ensure that the methodology used is also shared with Scottish Ministers as a way to help evidence that data are robust. Without such methodology, Ministers will exclude the data as evidence.

Given that an RPZ is based on rents rising by too much for existing tenants in the same properties, the focus of the data collection should be to collect information on these rent rises directly from tenants and/or landlords. Councils should ensure that data collected from tenants on rent increases is robust. Councils should be able to prove that they have this evidence if requested by Ministers.

The criteria at Annex 1 provide as much detail as possible about what needs to be included in an application. It is not possible to provide standardised thresholds for all criteria because the profile and performance of rental markets will differ widely. For example the RPZ threshold in a city region with a large, complex and fluctuating rental market is likely to be different than that in a rural setting with a smaller, more uniform, less fluctuating rental market.

However, the overarching principle across all criteria, and in the application marking scheme, is analytical quality. The choices of methodology used to gather the evidence will be crucial to achieving the required levels of quality. The dimensions of analytical quality are:

- **relevance**, how well the evidence informs the criteria;
- **accuracy and reliability**, an assessment of the accuracy of the evidence;
- **time frame for evidence collection**, how up-to-date the evidence is, what time periods it relates to.
- **accessibility and clarity**, including transparency about, and ease of access to, the data used and any supporting methodology;
- **how data confidentiality**, has been assessed and managed for each set of evidence used.

### Using statistical sampling to determine rent increases as part of an RPZ application

The following guidance sets out some key aspects of sampling methodology and places them in the context of rent sampling. It suggests some of the issues local authorities may wish to consider but it is not prescriptive.

The choice of how to gather rent data for this exercise is likely to be determined by two key factors; the size of the proposed RPZ and the length of the time that is chosen to demonstrate a rent rise over time.

If the proposed RPZ is a very small area such as a street, then sampling may not be an appropriate or effective technique. Where the numbers involved are small it may best to simply gather information on rent increases from all existing PRS tenants in the street (like a

Census would). Including all these properties ensures that the data are representative. For larger areas where it is not possible to include all properties then sampling is likely to be more appropriate.

Statistical sampling is the process by which a feature of interest in a population is estimated by measuring its value in a smaller but representative sample. The aim of sampling is to produce estimates that are as close as possible to the real values in the population. A good sample ensures that results are representative of a wider population whilst keeping the amount of data collected to a minimum.

Estimates produced from sampling are unlikely to match the true population values exactly because of the lack of information obtained for the non-sampled values. Therefore it is important to assess the likely precision of the sample estimate in relation to the population value. This precision can be calculated by the sampling error.

The aim of a successful sampling exercise is to minimise the sampling error in order to be confident that the estimate produced is good enough to be useful. If the sampling error is too great then the estimate may be too unreliable or misleading to use.

The impact of sampling errors are usually expressed in terms of confidence intervals. For example, a small sample survey may show that rents have increased on average by 5% for existing tenants over a particular period. However, if this estimate has a confidence interval of +/-20%, then there would only be sufficient statistical certainty that the true increase in rents has been in the range of 4% to 6%.

### **Statistical sampling in monitoring rent rises**

In the context of RPZs, sampling could be one way to establish the level of rent rises in particular areas. However, care should be taken to ensure the sample is representative of the rental profile of the area and data is only collected on rent rises that existing tenants have experienced in the same properties. If a tenant has moved to a different property during the reference period, then any change in rent should not be included in the evidence.

Sampling may be helpful where there are a larger number of properties where existing tenants reside, where it would be impractical to find out about all properties. Where there are a smaller numbers other methods might be more appropriate such as asking all tenants and landlords directly about rent rises. Tenants or landlords could be asked about their current rent level and past rent levels to assess rent rises over time, for the same tenants in the same properties.

Sampling error generally depends on three things:

- **Sample size.** Increasing the sample size covers more rental properties in the population and reduces sampling error.
- **Variability in the population values.** Higher variability in the population will lead to higher variability from sample to sample, and may result in higher sampling error. For example, if an area has many different types of rental properties with a wide range of corresponding rents or if there is a large variation in rent increases applied by landlords, there will be more variability in the sample data. In such circumstances higher sample sizes should be considered to achieve the level of precision required.

- **Sampling method.** The way in which the members of the sample are chosen. A good sampling method will provide a sample that is representative of the population of interest, leading to lower sampling errors.

Representative samples can be achieved by using methods such as:

- **Simple random sampling** – in which each individual in the population has the same chance of being selected. In the case of rent rises this could mean sampling households at random from all the PRS properties with existing tenants in a given area, and finding out about the rent rises for each of the households selected.

- **Stratified random sampling** – in which random sampling is undertaken within clearly defined groups of the population. This can be a suitable technique to use where we need to ensure that different groups are adequately represented in the sample. In the case of rent rises this could mean sampling by the property characteristics of existing tenants e.g. house type, size, age, location etc. to ensure the sample obtained contains a representative number of properties with these characteristics.

- **Quota sampling** – in which units are selected, not necessarily at random, within pre-determined quotas or limits for different groups of the population. In the case of rent rises this could mean building up a sample of information on existing tenants in a particular area until a certain number of records are obtained for each property characteristic. This approach will rely more heavily on the local knowledge of rental properties and judgement of authorities to ensure a representative sample is selected.

Prior to drawing a sample, a sample frame/population needs to be identified from which the sample can be designed and drawn. This might be, for example, a Census, a survey or a Landlord Registration Database.

If sampling is used, by whatever method, it is important to assess the likely sampling error. If the sampling error is too great then the estimate may be too unreliable or misleading to use, or may not provide enough precision to be able to say for definite whether rents over time have been increased by too much.

Depending on the sample population/frame used it may be possible to identify specific addresses to contact, in which case a stratified random sample could be used and confidence intervals calculated.

Whilst it may not be possible to formally estimate sample errors for quota sampling, it should be possible to calculate sampling errors based on a corresponding stratified random sampling approach. This would provide a proxy for absolute minimum sampling errors, which in reality will be greater under the quota sampling approach.

It would also be important to assess and report on any potential sources of bias. This could include an assessment of how the sample was selected, how clustered or spread out any addresses are within the sample, and to consider any other clear sources of potential bias, for example if data items were from a single data source that only covered certain types of lets. An examination of the property profiles may also show potential sources of biases.

Local authorities may find it helpful to seek statistical expertise with regard to any sampling.

## Conducting interviews as part of an RPZ application

Qualitative research could be used to produce rich information to show how rents are rising by too much are affecting existing tenants and could be used to provide evidence for the second criterion; which is that 'the rent rises within the proposed zone are causing undue hardship to tenants'.

The most appropriate method for this is likely to be interviews with existing tenants in the relevant area. In order to have this evidence considered as part of the application, a local authority will need to keep an accurate record of how the research was conducted. The following steps provide a short guide.

### Preparation

Before conducting interviews:

1. **Identify who the local authority will invite to participate.** For qualitative research, there are no fixed requirements for creating a sample – the local authority needs to consider the range of individuals (e.g. older people, lone parents and disabled people) and contexts (e.g. employment status, who lives in the household) that would be included to enable the local authority to produce the evidence it needs.
2. **Devise a set of questions** the local authority would ask each interviewee. This ensures consistency and helps the local authority to analyse. The follow-up questions and prompts the local authority use would depend on the answers the interviewee gives, and the local authority would need to approach each interview flexibly.
3. **Establish how the local authority would record each interview** and how it would securely store the interview data and any personal individual data.
4. **Address any ethical issues in the research.** People may find the topic difficult to discuss and the local authority should aim to avoid participants becoming distressed. Individuals are never obliged to participate in research and can discontinue an interview at any time, if they wish to do so. The local authority can encourage and enable, but not force, participation. The local authority should also carefully consider what level of confidentiality it is able to offer participants. The local authority will also need to ensure safety of both the researcher and the participant.
5. **Receive written informed consent from each participant.** Ensure that each participant fully understands what the research is for and how it will be used. Clearly explain the level of confidentiality that the local authority can offer.
6. **Establish how the local authority will analyse,** use and report the findings from the interviews. The local authority must ensure they comply with legal requirements for dealing with personal and sensitive information and ensuring that research participants are not identifiable in any reporting.
7. **Consider what support can be offered.** It may be appropriate to signpost interviewees to where they can access suitable support for the issues raised in the interview – the local authority should be prepared to provide this at the end of the interview.

8. **Consider how to enable the tenant to participate fully in the interview:** what would work best for the interviewee in terms of location, timing, format and recording of the interview? This could include consideration of whether the interview should be conducted in person or over the telephone or via Skype (or equivalent).

Key questions and follow-up questions a local authority might ask

The local authority needs to establish whether rents that are rising by too much have made a material difference to existing tenants. The local authority could consider using the following question derived from the Scottish Household Survey (SHS). The question would need to ascertain how existing tenants were coping before and after the rent increase.

Remember - people may not be coping financially for a number of reasons, but the only evidence that will be accepted is that which relates to rents that are rising by too much. The local authority could **gather evidence on rent increases over time as part of the research - this can be done retrospectively, by asking tenants their current rent and their rent at a previous date/s.**

The SHS-based question is as follows:

**Thinking about everything together, which of these phrases best describes how you and your family are managing financially these days following the rent rise?**

- Manage very well
- Manage quite well
- Get by alright
- Don't manage very well
- Have some financial difficulties
- Are in deep financial trouble
- Refused
- Don't know

If the answers to these questions (or questions like them) suggest that the family is coping or getting by financially then the interview doesn't need to proceed. However, if, following the rent increase an interviewee reports that they are:

- not managing very well, or having financial difficulties **and**
- this is a worse situation than before the rent increase

**Then** follow-up questions will be needed to explore the extent and the impact of the issue.

The areas a local authority might want to explore are:

- **How they are coping financially?**



Prompts could include (these are examples only and a local authority is likely to add others relevant to the local situation):

- Any changes to their income during this period
  - Ability to pay rent, utility (or other) bills, purchase food
  - Whether they are behind with any payments
  - Have they had to cut back on anything e.g. food or heating
  - Have they had to borrow money
  - Are they considering moving house
  - Have they used a food bank
- 
- **Have they had to stop doing anything because they can no longer afford it due to the rent increase? What? How does this affect them?**
  
  - **Has the rent increase affected their health (both mental health and physical health)? How?**
  
  - **Have they discussed their difficulties with their landlord since the rent increase?**



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

© Crown copyright 2017

**OGL**

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.scot](http://www.gov.scot)

Any enquiries regarding this publication should be sent to us at  
The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

ISBN: 978-1-78851-341-8 (web only)

Published by The Scottish Government, November 2017

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS310526 (11/17)

W W W . G O V . S C O T