



**SAL**  
SCOTTISH  
ASSOCIATION  
OF LANDLORDS

## **Consultation Response**

### **Response to the Scottish Government's consultation on landlord registration applications and fees**

Submitted by:  
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The Scottish Association of Landlords (SAL) is the largest and only dedicated national organisation that represents landlords and letting agents throughout Scotland. We support and represent our members' interests through providing resources and assistance as well as delivering lobbying and campaigning work.

SAL welcomes the opportunity to respond to the Scottish Government's consultation on landlord registration applications and fees. We consider that most of the proposed changes to the prescribed information are justified. However we have serious concerns about the proposals to increase fees and remove discounts. We believe that if local authorities and the registration website operated more effectively and efficiently then the current charges would be more than sufficient to cover the costs incurred. It is notable and concerning that very little data has been provided within the consultation paper on costs incurred by local authorities to justify any increase in charges to landlords.

The landlord registration scheme is deeply unpopular with landlords who consider that there is a woeful lack of enforcement of the registration requirements.

It is also notable that while some local authorities use the registration database to provide a service to landlords in disseminating information on changes to legislation, best practice and training opportunities, most do not.

The landlord registration scheme will have more value and credibility if these two areas of concern are addressed as part of the review of the system being undertaken.

## Consultation Answer Form

### Part 1 – Landlord registration: Prescribed information

**Question 1a:** Do you think that landlords should have to confirm whether they comply with each of the requirements specified above? Please explain your answer

Yes ☒ No ☐ Unsure ☐

Please tick only one box and explain your answer below.

This will help to draw landlords' attention to what their legal obligations are and ensure there is no dubiety over what they are required to adhere to in order to operate in Scotland. It is however important that the system makes it clear to landlords what their responsibilities are before the declaration is made.

**Question 1b:** If not, which requirement(s) do you think landlords should not have to confirm that they comply with and why?

Please explain your answer below?

Comments

**Question 1c:** Do you think that landlords should be required to provide evidence of compliance with any of the requirements specified above?

Yes ☐ No ☒ Unsure ☐

Please tick only one box and explain your answer below.

In most cases no as this will be a burdensome exercise for both the landlord and the local authority. But where there are concerns about whether the landlord is in fact adhering to the requirements we consider it sensible to ask them to provide evidence of compliance. All landlords should be warned at the declaration stage that they may be asked for evidence of compliance.

**Question 2:** What other questions, if any, do you think should be included in an application for landlord registration?

Please explain your answer below.

None

**Question 3** If a minimum energy efficiency standard linked to an EPC rating is introduced, do you think that landlords should be asked to provide the domestic EPC rating for property?

Yes ☒ No ☐ Unsure ☐

Please tick only one box and explain your answer below.

This will be an easy and cost effective way to assist with enforcement of such legislation. However, the proposal is that there will be a number of exemptions in the legislation which allow a landlord to continue letting a property which has a rating below the minimum level (where the tenant moved in before the legislation comes in, where planning consent cannot be obtained for improvements etc.). The system should be set up to recognise this and allow landlords to provide basic details (ideally a tick box list) on why their property doesn't meet the minimum standard, where applicable.

**Question 4:** Do you think that the applicants should only be required to provide a home address and a correspondence address?

Yes ☒ No ☐ Unsure ☐

Please tick only one box and explain your answer below.

We agree that this would help to clarify and streamline the registration process. We would ask the government to provide clarity on whether landlords can use a PO box or c/o address instead of their home address.

**Question 5:** Do you think that applicants should be required to provide an email address, home and mobile phone number (if they have one)?

Yes ☒ No ☐ Unsure ☐

Please tick only one box and explain your answer below.

Yes, provided this information isn't displayed on the public register.

## **Part 2 – Landlord registration: Application fees**

**Question 6:** Do you think it is reasonable to increase registration fees in line with inflation, to reflect the increased cost to local authorities?

Yes ☐ No ☒ Unsure ☐

Please tick only one box and explain your answer below.

We consider that the existing fees should be sufficient to cover the local

authority's costs in carrying out the fit & proper person test and processing applications. Landlords who outsource similar background checks on prospective tenants are usually charged around £25 for this. Disclosure Scotland charges £25 for an enhanced disclosure check.

There is a concerning and notable omission from the consultation paper of any data on what costs local authorities incur in processing applications. We are aware from our engagement with the Scottish Government that there is a wide variation in the figures put forward by local authorities on their costs for processing landlord registration applications and many are managing to cover their processing costs with their current fee income. Where local authorities are struggling to cover their costs we suggest this is because they are not operating in an efficient manner and savings could be made by partnership working, sharing resources and best practice with other local authorities.

We feel there needs to be more transparency provided by the government on how local authorities spend the fee income generated by landlord registration applications. Landlords would be more willing to pay if they knew how the money was being spent and felt it was being used appropriately.

We also think the scheme could be run much more efficiently and effectively if it is changed to a national scheme like the new letting agent register rather than being administered and enforced by 32 local authorities.

**Question 7:** Do you think it is reasonable for local authorities to charge a lower additional fee, in cases where the maximum set fee exceeds the costs of the work undertaken to prompt a landlord to make an application?

Yes ☒ No ☐ Unsure ☐

Please tick only one box and explain your answer below.

Yes, they shouldn't be charging more than the cost of the work they have done. They should also be encouraged to exercise more discretion in whether to charge an additional fee in exceptional circumstances e.g. if a landlord has been unable to register because they have been in hospital.

**Question 8:** Do you think that the 10% discount applied to on-line applications should be changed? If so, what should be changed?

Yes ☐ No ☒ Unsure ☐

Please tick only one box and explain your answer below.

It is accepted practice in many businesses and industries for an online discount to be offered to reflect the saving on processing of manual applications. If the website is not providing savings to local authorities then it suggests that either the website or the local authorities are not operating in an efficient manner.

The example in the consultation of giving support to people applying online as justification for removing/reducing the 10% discount suggests that the website is not as user friendly as it should be and the experiences of our members in using the current website and its predecessor would support this. The new website launched last year was not adequately tested or fully functioning when it went live and as a result there were a large number of teething problems leading to landlords having to seek help from the local authority.

Despite this we doubt that over the long term many landlords require support when applying online and therefore feel that there is no justification for removing or reducing the online discount.

**Question 9:** What are your views on including an amount in the application fee to cover the operating costs of the on-line registration service?

Please explain your answer below.

The Scottish Government and local authorities gain many benefits from the data provided registration system which can be used in analysing the PRS, enforcing legislation and disseminating information. The website is also useful to the general public in providing contact details for landlords which can be used for example when arranging common repairs.

We therefore do not consider it reasonable that the cost of the online system be solely borne by landlords. We consider that the £55 application fee should already be sufficient to provide a reasonable contribution towards the cost of running the website as well as covering the cost of processing applications, as long as local authorities administer the application process in an efficient way as discussed in our response to question 6 above.

**Question 10:** Do you think that a local authority should receive an application fee when they carry out a fit and proper person test on a joint owner?

Yes ☐ No ☒ Unsure ☐

Please tick only one box and explain your answer below.

We do not see any justification for this. The joint owner assessment should not be complex or costly, as in most cases the joint owner will be the spouse or a close relative of the other owner. We consider that the £55 application fee should already be sufficient to cover the cost of assessing joint owner(s).

If a charge for joint owners is introduced there is a high probability that many will not be declared which will increase the cost to local authorities of carrying out enforcement work in pursuing such owners.

**Question 11:** Do you think that each local authority should receive an application fee when a person applies to more than one local authority, and the fit and proper person assessment is required?

Yes ☐ No ☒ Unsure ☐

Please tick only one box and explain your answer below.

Again, we do not see any justification for this. If local authorities work efficiently in sharing information then there should be very few costs for processing applications in second and subsequent local authority areas. There should be no need for each local authority to carry out a full fit and proper person test. The only additional work required for owners with properties in multiple local authority areas is to check legislation pertaining to the actual property is being complied with. The cost of this should be low and covered by the £11 property fee. We believe that local authorities will see a significant reduction in the number of multiple area applications as letting agents (who account for a large number of the current multiple area applications) will no longer be registering on the landlord registration system, so the figures given in Annex G for “uncharged work” are misleading.

**Question 12:** Do you think that landlords should receive a 100% discount on the application fee for a letting agent who has applied to be registered with the Scottish Government?

Yes ☒ No ☐ Unsure ☐

Please tick only one box and explain your answer below.

This reflects the arrangement that has been in place until now where the agent registered themselves and no fee was then incurred by landlords in

allocating the agent to their property on the registration system. The requirements for agents to be admitted to the Scottish Government register include a fit and proper person test along with other stringent requirements so there should be no further assessment of the agent requiring to be done by local authorities for the landlord registration system.

Landlords should be encouraged to use a professional registered letting agent if they don't feel able to manage the property themselves. If a discount is not given this will act as a disincentive in penalising landlords who choose to use agents.

**Question 13:** What are your views on charging a fee for specific changes in circumstance to an existing registration?

Please explain your answer below.

If local authorities and the registration website operate efficiently there should be very few costs, if any, associated with a landlord making changes to their details. We therefore do not consider that there is any justification for charging a fee to landlords making changes to an existing registration. Any such fee will simply lead to landlords not declaring changes until their registration is due for renewal. This will increase the local authorities' enforcement costs in pursuing such landlords and will result in the information on the register being out of date. We consider that the public interest in having an accurate landlord registration database far outweighs any argument for a charging a fee.

**Question 14:** What are your views on offering incentives to landlords and agents to apply for registration and/or improve their practice?

Please explain your answer below.

We fully support offering incentives to landlords and agents who are members of Landlord Accreditation Scotland or a support/information body like the Scottish Association of Landlords. Members of these organisations should be offered a significant discount as they have committed to higher standards of practice and are more aware of and compliant with regulations. Encouraging landlords to be members of such bodies will improve standards and knowledge in the sector which has great public benefit and reduces the cost of enforcing the plethora of legislation pertaining to the sector.

### **Part 3 – Landlord Registration: Impact Assessments**



**Question 15:** Are there any proposals in this consultation which impact or have implications on 'equality groups'? Choose from the following options:

Yes ☐ No ☒ Unsure ☐

Please tick only one box and explain your answer below.

Comments

**Question 16:** Do any of the proposals in this consultation have any financial, regulatory or resource implications for you and/or your business (if applicable)? Choose from the following options:

Yes ☒ No ☐ Unsure ☐

Please tick only one box and explain your answer below.

The proposals to increase fees and remove discounts will have a financial impact on our member landlords, many of whom are already struggling to cover operating costs with all the recent regulatory and tax changes. Any increase in landlords' operating costs will inevitably be passed on to tenants in increased rents.