

# Consultation on landlord registration applications and fees

## Shelter Scotland response

June 2018

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## 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.

Shelter Scotland is supportive of expanding the range of requirements that landlords must confirm they comply with in connection with an application to register as a landlord. Setting out the individual components of the 'fit and proper person' test in this way will go some way to ensuring that landlords are fully aware of their responsibilities when it comes to letting out property.

This is important because private renters in Scotland currently experience poor quality service, standards and management far too frequently. 46% of the calls that came to Shelter Scotland's helpline in 2016/17 related to private rented sector issues. Further, the sector has tripled in size since 1999 and now houses 370,000 households – 16% of all households in Scotland. Given the importance of the sector as a provider of homes to Scotland's population there must be a robust system of regulation in place to ensure that every renter can enjoy good quality, safe and secure accommodation in Scotland's private rented sector.

However, the regular approach adopted by local authorities and others must involve more than an expanded self-certification test for landlords. If no further quality assurance takes place, then landlord registration and the 'fit and proper person' test will effectively continue to fail to be applied in a meaningful way. For landlord registration to meet its purpose – to provide assurance that landlords letting out property are fit and proper to do so – more than self-certification by landlords that they comply with a certain set of requirement is required. This will require local authorities to pursue a more hands-on approach to landlord registration administration and their engagement with private landlords more generally.

One approach trialled in Highland and Dundee and now fully embedded within Dundee City Council is the Private Landlord Support project. A Private Landlord Support Officer sits in the local authority's private rented sector services team. Their role is to provide private landlords in the council area with support and advice on how to comply with the rules and regulations which apply to private renting. When landlords apply to register with the local authority they are sent a pack which includes a checklist covering everything they need to know before they let out their property. They are also given the contact details of the Private Landlord Support Officer who is available to have a general chat with the landlord about their responsibilities and anything they might be unsure of or are currently failing to comply with.

Where landlords are uncertain whether they fully meet the requirements of

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landlord registration the Private Landlord Support Officer will provide the landlord with further information and advice. If the landlord requires it, the Private Landlord Support Officer can provide more intensive 1-2-1 support to help the landlord through particularly complex issues.

The Private Landlord Support Officer's role goes beyond helping newly registered landlord to comply with the legislative requirement associated with private renting: where there are concerns that a particular landlord is not complying with the fit and proper person test, then that landlord can be referred to the Private Landlord Support Officer. At this point a 1-2-1 discussion can be had with the landlord about how they might improve their practice, pursuing a compliance-first approach in relation to concerns about failures to meet the requirements of landlord registration. This is an important first step before a poorly performing landlord is referred to the local authority's enforcement team.

Both the trial in Dundee and Highland are supported by Shelter Scotland have seen positive results in varied contexts. In 2017 the Lochaber project responded to 106 direct landlord enquiries, tackled 163 unlawful advertisements for private rented property, distributed 2 newsletters to a pool of approximately 10,000 landlords and held 2 good practice events and a major event for private landlords held in Inverness which saw over 100 landlords attend and was oversubscribed. This event received overwhelmingly positive feedback from attendees and demonstrates the demand for knowledge and support from landlords in the Highland area.

In 2017 the Dundee project took on 443 landlord cases and engaged with a further 64 tenants through landlords who came through the project. The vast majority of this activity was generated through Dundee City Council's regular email update which goes out to over 10,000 landlords.

The positive impact the landlord-focused element of the project has had is well articulated by the feedback we have received from private landlords who have been assisted by the project's Private Landlord Support Officers:

"Just to let you know I have organised everything. Only I am waiting for the EICR certificate from an electrician which is already in schedule. I am informing you as you want me to let you know when everything is done according to the guidance. Thanks you very much for your help and support."

"I would like to thank you for referring me to Warmer Home Scotland. My tenant applied and as a result gas heating has been installed and a new front door has been fitted. Would never have known about this scheme had I not spoken to you."

"I wish to thank the Private Landlord Support Officer & the Housing Support Manager for their help assisting my tenant who fell in to rental arrears when he lost his job and found it difficult through lack of experience to negotiate the benefits system. [The Private Landlord Support Officer] was able to get my tenant the assistance with his rent and other benefits to which he was entitled, thereby reducing his rent arrears and giving him money to buy food and pay for his utilities etc."

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**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?

N/A

**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.

Requiring that landlords supply evidence that they have complied with the requirements of landlord registration will provide local authorities with the power to take the landlord registration responsibilities beyond the self-certification test, providing an effective tool to ensure that the 'fit and proper person' test is meaningfully applied.

For this tool to be truly effective, documentation submitted to local authorities must be verified in some way. To ensure that resources are used effectively this verification should take place via a combination of a risk-based check and a regular audit of a sample of registered landlords. Where concerns arise relating to a landlord's application this could then be referred to a Private Landlord Support Officer, who can work with the landlord to help them comply with the requirements of landlord registration. This could include, for example, directing a landlord to a contractor who can carry out a gas safety check, explaining how a landlord can obtain an Energy Performance Certificate and referring landlords to one of the tenancy deposit schemes to ensure that deposits are lodged.

To enable this, local authorities need to be structured and resourced appropriately. An effective way of putting this structure in place is to set up a dedicated private rented sector services team. This team should cover everything from landlord registration administration and private landlord support, right through to enforcement. This is an approach that already works effectively in local authorities such as Dundee City Council, Glasgow City Council and East Ayrshire Council.

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

Please explain your answer below.

N/A

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**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 provide the local authority with the means to assess whether the landlord is renting out properties which comply with the repairing standard. Where a property's EPC rating is such that it does not comply with the repairing standard then the local authority can start a conversation with the landlord about the steps they need to take to make the property more energy efficient.

**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.

N/A

**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.

An email address in particular is an indispensable tool to communicate with landlords and every local authority should regularly communicate with registered landlords informing them of best practice and changes to rule and regulations.

## 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.

An increase is reasonable given the length of time that landlord registration fees have remained static. In addition, the private rented sector in Scotland has grown significantly over this time and with it, the expectation that landlord registration is used actively to improve practice and ensure that landlords who

fail to meet expectations are prevented from letting property, has increased.

**Importantly, should the landlord registration fee increase, it is essential that private landlords see an improvement in the current offer from local authorities in terms of the advice and support landlords are given. One straightforward way of doing this is by providing information and support through a Private Landlord Support Officer post.**

Therefore, in Shelter Scotland's view, it is essential that any increase in fees is directed into staff resource associated with ensuring that the landlords registered in any given local authority area are 'fit and proper persons' and providing support and advice to landlords. This should take the form of dedicated private rented sector services teams within each local authority. These teams should handle the administration of the landlord registration system and promote good practice among private landlords, in particular those who need 1-2-1 guidance and advice to meet all the regulatory requirements associated with renting out property following the Private Landlord Support Officer model employed by Shelter Scotland in the Highlands and Dundee alongside our partners Dundee City Council and Lochaber Housing Association.

**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.

N/A

**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.

N/A

**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.

N/A

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**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.

The fit and proper person test should be carried out in the same way for each owner where there are joint owners of a property.

**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.

It is justifiable for a local authority to receive an application fee where a landlord applies to multiple local authorities where the fit and proper person test is carried out. The standard of the properties the landlord rents out in each local authority area may be assessed by each respective local authority, for example.

**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.

N/A

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

Please explain your answer below.

In principle this is a reasonable thing for local authorities to do however it must not be put at a level that might dissuade landlords from notifying local authorities of changes in circumstances.

**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.

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Well-designed and targeted incentives have the potential to improve practice in Scotland's private rented sector. Given the relatively low bar set by landlord registration any incentives would be better focused on improving the conditions and management standards of properties currently let out by registered landlords. Put simply: incentives shouldn't be focused on encouraging landlords to comply with the minimum regulatory floor policed through landlord registration. Instead energy and resource should be invested in targeted policies which, for example, make it easier for low income renters to find and keep homes in the private rented sector, and improve the physical standards of property. Shelter Scotland would welcome a further conversation with the Scottish Government, private renters, private landlords, letting agents and local authorities on this point.

### 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.

N/A

**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.

N/A

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Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

We're here so no one has to fight bad housing or homelessness on their own.

Please support us at [shelterscotland.org](https://shelterscotland.org)

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