



**Guidance Notes for Residential Letting of Manses
and
Other Domestic Properties owned by General Trustees**

The following notes are designed to assist Financial Boards as they consider whether to let a vacant manse. The notes will also apply to other residential properties such as church officers' houses and the like. These notes will apply until the Private Housing (Tenancies) (Scotland) Act 2016 comes into force – probably sometime in 2017.

1. General Considerations

(a) *Length of the Let*

Under a Short Assured Tenancy (which is the type used by the General Trustees) the tenant has a guaranteed, minimum period of tenancy of 6 months. Our standard Lease provides for an automatic 2-monthly continuation of the tenancy thereafter without the need for any further paperwork. Your Board is free to offer longer initial and roll-over periods although, generally, the Trustees would not recommend this where the property is a manse vacant pending the induction of a minister.

(b) *Level of Rent*

Your Board may be aware of the general level of rent in your area which your manse will fetch but the Trustees would recommend that you seek the advice of local Letting Agents. Your Board does not need to insist on obtaining the market rent for the property and can accept a lower rent if it feels the circumstances justify this.

(c) *Deposit*

The Trustees always recommend that a deposit is paid. This would normally be a sum equivalent to one month's rent plus £100 but cannot be more than two months' rent and must be paid by the tenants immediately prior to the start of the tenancy.

All deposits must now be paid into one of three Tenancy Deposit Schemes. The Trustees use the Scheme run by SafeDeposits Scotland. There are detailed rules and strict timescales for payment into, management of and repayment of deposits. If you are using a Letting Agent, then they will deal with this for you. If not, the Secretary's Department will do so.

(d) *Furnishings*

Your Board will need to consider the extent of furnishings to be provided as part of the lease. The vast majority of manses are let on an unfurnished basis except for items such as carpets and floorcoverings, curtains and a variety of white goods. The Trustees would not normally prepare a detailed Inventory of Furnishings in this sort of scenario unless the Board specifically wishes to do so. Any items of soft furnishings included as part of the lease must comply with current fire safety standards.

(e) *Pets*

The Trustees' standard Lease stipulates that pets – primarily dogs and cats – are not permitted but your Board can decide otherwise in which case the tenants will be liable to make good any damage caused by their pets.

(f) *Approvals*

Once your Board has approved in principle to let a vacant property, it will need to seek formal approval from the Presbytery. The Trustees' Secretary has delegated authority from the Trustees to approve a let so long as Board and Presbytery approvals are in place.

(g) *Access to the property after letting*

In terms of our standard Lease, access for the purposes of carrying out maintenance and repair requires written notice to be given to the tenant at least 24 hours in advance. If your manse is being let during a vacancy, as is usually the case, it may be necessary to show a potential candidate around the property. However, our strong recommendation in this situation is that the tenant should be given at least 48 hours' notice and, if you are using letting agents, then the necessary arrangements to visit the manse must be made through them. This will avoid any suggestion that you are encroaching on a tenant's privacy.

2. **Preparing the Property**

There is now a significant amount of external legislation which affects the residential letting market. The following are the main items which your Board must consider:

(a) *The Repairing Standard*

In an attempt to ensure that all let properties are properly habitable, the Government requires that they must meet the Repairing Standard. A checklist is attached at Appendix 1. In the case of a vacant manse, you may well have been asked by your Presbytery to complete a Manse Condition Schedule. If this has been done and items identified have been dealt with then the property should meet the Standard. Otherwise, any items identified as a result of the checklist must be attended to before the start of the tenancy. Please remember that the Standard applies to any building included in the tenancy such as a garage, lean-to or other outbuilding.

Any repairs which become necessary during the course of the tenancy must be attended to as soon as possible bearing in mind the need to liaise with the tenant with regard to access.

Failure to comply with the Standard may trigger an application by either the tenant or the local authority to the Private Rented Housing Panel which has power to force compliance including the ultimate sanction of a criminal fine. In this scenario, the Trustees would likely have their Private Landlord Registration removed at least for that local authority area. ***Patently, this is not a situation which the Trustees would be prepared to accept and they reserve the right to instruct all necessary work to be carried out in the event of wilful or unreasonable delay or refusal by a congregation to deal with the matter.***

(b) *Energy Performance Certificate*

Your Board will also have to provide what is known as an Energy Performance Certificate which is designed to highlight the energy efficiency (or otherwise) of the property. Most firms of Chartered Surveyors will be qualified to inspect the property and to provide such a

Certificate. Alternatively, most Letting Agents will usually offer to obtain this as part of their service. In either event, the cost is likely to be around £120. It will be up to your Board to decide whether to implement any of the recommendations for improvement. It is now a requirement that the Energy Grading of the property has to appear on all adverts for let so this document will inevitably have to be provided early in the letting process. The EPC lasts for 10 years.

(c) *Gas Safety Certificate*

Prior to the start of the tenancy, gas appliances and their flues must be checked by a Gas Safe-Registered engineer and a Safety Certificate issued. Each tenant must be given a copy of the Certificate (see para 4(d)) and a copy must also be kept in the manse for inspection by the tenants. The Certificate must be renewed on an annual basis.

In addition to the Annual Gas Safety check, your Board must also ensure that gas installation pipework, gas appliances and their flues are serviced and are maintained in a safe condition.

(d) *Electrical Systems and Appliances*

Prior to the start of a tenancy, the fixed electrical system and any appliances which are being included in the lease must be checked by a competent electrician and an Electrical Installation Condition Report (EICR) issued. Each tenant must be given a copy of the EICR (see para 4(d)) and a copy should also be left in the manse for the tenants' information. Thereafter, the appliances should be checked and certified annually while the fixed system should be checked on a five-yearly cycle.

(e) *Smoke and Heat Alarms*

The current requirements are:

- One functioning smoke alarm in the room which is frequently used by the occupants for general daytime living purposes;
- One functioning smoke alarm in every circulation space, such as hallways and landings;
- One heat alarm in every kitchen;
- All alarms must be interlinked – which in practice means that they must be hard-wired to the mains electricity supply.

The number and position of the alarms will depend on the size and layout of the house. There should be at least one alarm on each floor. The foregoing installation is likely to need a Building Warrant from your local authority.

(e) *Carbon Monoxide Detectors*

Scottish building regulations now require that from 1 December 2015, CO₂ detectors/alarms must be fitted in any space that contains a carbon-based fuel appliance (except cooking appliances) –eg a gas/oil boiler, gas/oil fire, wood burning stove or open fire. There must also be a detector fitted in any room that is bypassed by a flue. The detectors can be powered either by long-life batteries or mains electricity.

(f) *Legionella Testing*

Although the risk of exposure to legionella in residential properties is low particularly where there is sufficient daily use to turn over the water system, landlords are obliged to assess the level of risk. As many manses are let after periods of lying vacant, there is a higher risk

of legionella to the extent that it you should discuss with the letting agent or the Department whether a specialist assessment is necessary. In all cases, the Trustees strongly recommend that, as a basic minimum, simple control measures are taken including:

- flushing through the whole of the water systems by running bath, basin and sink taps, operating showers and flushing toilets;
- preventing debris getting into the system by installing a close-fitting lid on any cold water tank and cleaning showerheads;
- setting hot water tank temperatures to a minimum of 60° C;
- removing any redundant pipework.

3. Finding Suitable Tenants

Unless your Board already has tenants in mind, the Trustees would strongly recommend that you consider appointing a firm of local Letting Agents to identify suitable tenants and to undertake the appropriate reference checks on them. Fees will vary so the Trustees recommend that you obtain comparative quotes. The contract (usually referred to as a management or agency agreement) with the Letting Agents will run in the name of your Board which will initially be directly liable for settling the Agents' fees and outlays although these costs can be recouped later from the rent income. Sometimes, the Agents will insist on the General Trustees also being party to the contract. The contract should clearly set out the scope of what the Agents will be doing for you. Please note that if your Board decides to place an advert for tenants, the advert must contain the General Trustees' landlord registration number for the local authority area in which the manse is situated so you will need to contact the Trustees' Secretary.

4. The Lease Paperwork

(a) *Lease Agreement*

Whether or not the Board uses a Letting Agent to find satisfactory tenants, **the Lease Agreement has to be prepared by the Trustees' Secretary's Department** and it will be necessary for the Letting Agents to pass on the full details of the tenants and their current address so that the Agreement can be prepared. The Lease must run in the name of the General Trustees who have to be the Landlords in their capacity as the owners of the property.

The let will take the form of a Short Assured Tenancy and as indicated earlier would normally be for an initial six-month period with a two-month roll-over thereafter. In practice, it is usually the tenants who give notice of their intention to terminate the tenancy. In cases where notice is to be issued by the Trustees, they would recommend that if at all possible a longer time is given over and above the minimum two-month period.

Where a manse is being let prior to the induction of a new Minister, the Lease will contain a specific reference entitling the General Trustees to recover possession of the property for this purpose. However, your Board should be aware that an awkward tenant can always delay recovery of possession by objecting in which case a court action will need to be raised. This should be borne in mind if an induction of a new Minister becomes a distinct possibility.

(b) *Form AT5*

This is a Notice issued to each tenant (along with the Lease Agreement) telling them that the lease is in the form of a Short Assured Tenancy. Each tenant has to sign an acknowledgment section on their Form.

(c) Record of Condition

A comprehensive written and photographic record should be prepared of the condition of all rooms in the manse and of the exterior after completing any work necessary to bring the property up to the Repairing Standard. This record should then be printed on a room-by-room basis with a basic description of any contents and signed by the tenants and on behalf of the Trustees. A style is attached in Appendix 2. If you are employing Agents to factor the property then they should provide this service for you. A consequence of the Tenancy Deposit Scheme (see para 1c.) is that tenants are more likely to challenge the withholding of any part of a deposit with the onus of proof on the landlord. The Record will be essential otherwise you are unlikely to be successful in retaining part or all of the deposit against the cost of damage, etc.

(d) Tenant Information Pack

Introduced by the Scottish Government for tenancies starting after 1 May 2013, the Pack contains generic information about tenancies and has to be issued to each tenant either in hard copy or electronically. Each tenant has to sign an acknowledgment section confirming receipt of the Pack as well as the Lease Agreement, AT5 Form and (where appropriate) the Gas Safety Certificate.

Although not technically required by the legislation, each Pack should also include copies of the EICR and the Energy Performance Certificate.

Where Letting Agents are appointed, they will deal with the issuing of the Pack otherwise the Secretary's Department will do so.

5. Looking after the Property

The Trustees strongly recommend that your Board should consider appointing the Letting Agents to factor the property once the tenants have moved in. Agents' commission will be around 10% of the monthly rent but again this can vary and quotations should be obtained. If Agents are appointed then they will collect the deposit. The Agents will remit to the Secretary's Department the balance of the monthly rent after deduction of their commission and any outlays.

Alternatively, the Board can decide to manage the tenancy itself in which case the rent will be paid by the tenants directly to the Secretary's Department usually by way of monthly bank transfer. The Secretary's Department will also collect the deposit. In either event, the rent is credited to the Consolidated Fabric Fund where it is available to meet a wide range of fabric-related expenditure not just in relation to the manse but also the other buildings for which the congregation is responsible.

If your Board is not using Letting Agents to factor the tenancy then at the date of entry your Board will need to:-

- show the tenants round the property and advise them where the stopcocks and meters are located;
- read the meters and agree the figures with the tenants;
- advise the energy suppliers and the telephone provider of the tenants' names as the new person is responsible for payment;
- tell the tenants that it is their responsibility to insure their own belongings and personal property;

- tell the tenants who the local congregational contact is;

Whether or not your Board is using Letting Agents then it will need to:-

- advise the Church of Scotland Insurance Company Ltd that the property is now occupied (and also when it falls vacant upon the tenants' departure);
- advise the Local Authority Council Tax section of the tenants' full names and the starting date of the tenancy.

6. And finally

The foregoing is for general guidance only. The Trustees' Secretary will be happy to discuss any of the foregoing aspects with you in more detail. Please contact the Department on 0131 225 5722 or email: gentrustees@churchofscotland.org.uk.

The notes are also applicable generally to domestic properties which are owned by local trustees for individual congregations but in these cases your Board should consult the Solicitor of the Church for detailed advice.

June 2016

APPENDIX 1 - REPAIRING STANDARD CHECKLIST

Property is wind and watertight and in all other respects is reasonably fit for human habitation	➤	<p>Look for:</p> <ul style="list-style-type: none"> • holes in ceilings, walls and floors • signs of water ingress – damp patches, mould, etc • damage/rot in sills and joints • cracked/broken glazing in windows and doors • rot in flooring • windows that open and close properly and are wind and watertight
The structure and exterior of the house including drains, gutters and downpipes are in reasonable repair and in good working order	➤	<p>Look for:</p> <ul style="list-style-type: none"> • broken/cracked/holed gutters and downpipes • choked downpipes and drains • plant life – grass, weeds, buddleia, etc • damp-staining/moss on walls • missing/broken roof slates/tiles, ridge tops, etc • missing or defective flashings • defective masonry
Water, electricity and gas systems and installations for sanitation and space and water heating are in reasonable repair and in good working order	➤	<p>Check:</p> <ul style="list-style-type: none"> • all taps work and there is hot and cold running water • the heating systems work • if the radiators need to be bled • the toilets flush and all bath/shower fittings are functioning • electric sockets for cracks and scorching
Any fixtures and fittings and appliances provided by the landlord in terms of the lease are in reasonable repair and in good working order	➤	<p>Check:</p> <ul style="list-style-type: none"> • all appliances work – cooker, washing machine, vacuum cleaner, TV, etc • curtain poles, tracks and blinds are properly fixed • door handles on all doors • door bell/entryphone system • shower curtain or screen • bath and shower sealant is not missing • bath and shower trays and tiles/panels are not cracked or damaged • all locks work • Electrical Safety and/or Gas Safe Certificates are valid and current (less than 1 year old)
All furniture and furnishings provided by the landlord in terms of the lease are capable of being used safely	➤	<p>Check:</p> <ul style="list-style-type: none"> • all furniture, carpets and floorcoverings • none are broken or damaged • mattresses for cleanliness
The house has satisfactory provision for detecting fire and for giving warning in the event of actual or suspected fire	➤	<p>Test all fire alarm/smoke detectors and/or fit new ones to be wired into the mains electricity supply (a copy of the revised (2014) statutory guidance on the requirements for smoke alarms can be found on the Private Rented Housing Panel (PRHP) website at www.prhpscotland.gov.uk</p>
The house has satisfactory provision for giving warning if carbon monoxide is present in a concentration that is hazardous to health.	➤	<p>CO₂ detectors powered by long-life batteries or mains power in any space that contains a carbon-based fuel appliance –eg a gas/oil boiler, gas/oil fire, wood burning stove or open fire. There should also be a detector fitted in any room that is bypassed by a flue.</p>

Appendix 2 - CONDITION SCHEDULE and accompanying photographs of:

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 (manse, etc address)

ENTRANCE HALL

Area	Description	Check-in condition	Check-out condition
Walls and skirtings			
Doors			
Floor			
Ceiling			

CLOAKROOM

Walls and skirtings			
Doors			
Floor			
Ceiling			

And so on...remember to include garage, outbuildings and garden

I/We, (tenant/s) hereby acknowledge that the foregoing is an accurate record of the condition of the property.

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Date: