

**Charities and Trustee Investment (Scotland) Bill**  
**Response by the Council of Mortgage Lenders**  
**to the Scottish Executive Consultation Paper**

**30th August 2004**

**Introduction**

1. CML Scotland welcomes the opportunity to respond to the Charities and Trustee Investment (Scotland) Bill.

2. The Council of Mortgage Lenders is the representative trade body for the residential mortgage industry. Its 140 members currently hold 98% of the assets of the UK mortgage market. CML Scotland represents those lending in Scotland to the private housing market or for new-build repair and improvement to social housing.

3. CML Scotland members as at 31<sup>st</sup> March 2003 had committed lending of £2.2 billion to registered social landlords in Scotland. A number of those registered social landlords to whom CML members are lending hold charitable status and hence CML Scotland's interest in this Bill.

**Present Position**

4. All registered social landlords in Scotland including those with charitable status are subject to regulation and inspection by Communities Scotland.

5. Communities Scotland maintains a Register of Social Landlords in Scotland and is responsible for developing and maintaining registration criteria and assessing applications from landlords. It also has responsibility for reviewing the governance and financial management of registered social landlords.

6. The existing framework in Scotland has worked well and has overseen the development of a strong RSL sector which CML members have confidence in lending to.

**Charities Bill**

7. The Bill would require registered social landlords which hold charitable status to register also with the new Office of the Charities Regulator in Scotland as well as with Communities Scotland.

8. Many of the functions of the OCRS would appear to overlap with those of Communities Scotland in respect of the regulation of the registered social landlord sector and as a result registered social landlords would be required to file and provide similar information to both OCRS and Communities Scotland.

**Conclusion**

9 .CML Scotland would be of the view that there should be one regulator of the registered social landlord sector in Scotland and that should be Communities Scotland in view of their expertise in this sector.

10. Should registered social landlords which hold charitable status also be subject to all the requirements of the Charities Bill as well as those of Communities Scotland CML Scotland believes that this will lead to overlap, duplication, confusion and additional costs on those RSLs which have charitable status. This may lead to some loss of confidence by CML members towards the RSL sector.

11. CML Scotland is of the view that there is a strong case for some form of exemption being given to registered social landlords who have charitable status from the proposed charities legislation.

Kennedy C Foster  
Policy Consultant, Scotland  
Council of Mortgage Lenders  
10 Auchenbothie Gardens  
Kilmacolm  
PA13 4SQ

01505 874975