

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

**LOCAL GOVERNMENT FINANCE (UNOCCUPIED PROPERTIES ETC.)
(SCOTLAND) BILL**

SUBMISSION FROM SHETLAND TENANTS FORUM

Housing Support Grant:

Firstly we would like to say thank you for the invitation to attend and submit evidence on behalf of the Shetland Tenants Forum. Shetland Tenants Forum was formed over 22 years ago and has been based here at our Water Lane, Lerwick office for the last 12 years. We are the umbrella group for the 7 Associations we have scattered around the different areas of Shetland.

The Housing Debt we have here in Shetland is not of the Shetland Tenants making, it is of the UK Government in the 1970's putting pressure on the Shetland Islands Council to get the Oil Flowing through Sullom Voe Terminal, at whatever cost. This consisted of building houses to house incoming workers, new roads, schools etc.

We feel that to abolish the Housing Support Grant would be detrimental to the Shetland Tenants, as rents would have to rise and many tenants will not be able to pay a rent increase, this impacts on everything, house repairs, older tenants, working tax credit, lack of affordable housing. Yes we do realise we are the only Council in Scotland receiving HSG, but we are the only Council with a massive Housing Debt of approx. £40M due to the 1970's Oil era. While we realise the HSG is going to be withdrawn, something else has to be done about the Debt we have hanging over our heads through no fault of our own. Several Governments have promised debt commutation, but no commitment has ever been made.

Also you must remember living in a remote Island Community the cost of living is greater than on the mainland of Scotland.

Our Council is not able to build houses at the moment as they have to service the debt first and foremost. Here in Shetland we are in great need of one and two bedroomed properties for the younger people in our communities.

We have been closely consulted and involved here at the STF to keep rents to a minimum increase over the last few years, but now feel our tenants are going to suffer severely if our HSG is abolished and the Debt is not reduced.

We have consulted on this matter with the various Tenants Associations that we have in the surrounding areas of Shetland and you will find their comments on the next page. We felt this was the fairest way to get the broader information from tenants across the Isles, not just here in the Lerwick area.

This is the Views of different Shetland Tenants Associations:

The balance of Shetland life is under threat owing to the lack of houses, a waiting list of around 1000, someone has to bite the bullet and help pay towards servicing the housing debt that is the only way out of our dilemma. If the HSG is stopped, rents will rise to an unaffordable level, this will lead to a spiral of rent arrears, eviction etc.

While we appreciate cuts are on the cards, so is the paying off, of our debt, this needs to be addressed. We feel that if the HSG is abolished then the tenants of Shetland have a bleak outlook, as the rents are going to rise sky high, then the chicken and egg situation comes into place yet again, why should todays tenants be paying for the debt.

No new houses are being built by the local Council owing to them having to service the debt. Our young people have no chance to get themselves on the housing ladder. More tenants will use their right to buy, this reducing tenants paying rent. They are around 1000 people on the waiting list.

To remove the Housing Support Grant completely is very disturbing.

Shetland has a long historical housing debt not of current tenants making, already tenants pay one of the highest rents in Scotland to pay this debt and it is a constant burden which must be considered when setting budgets, not all the implication made in this proposed bill of Local Authorities behaving irresponsibly.

The removal of the Housing Support Grant in Shetland would immediately increase the rents by £10.00 per week or more, something most folk in social housing could not afford to bear particularly in rural areas where the services and facilities are more sparse than in the main town. There is the danger that as more and more people would be unable to pay their rent, eviction would be inevitable and create a spiral of homelessness, etc. putting even more burden on the local authority housing department as there is not enough surplus housing or the funds to build more in the local budget.

As chair I have consulted with other tenants in my group concerning this matter and all are agreed with the bill in general but not to withdraw the Housing Support Grant unless the ministers of this current government assist with the reduction of the considerable debt hanging over the tenants of Shetland Islands Council of which I am one.

We feel that a reduction of the Housing Debt would be the way to go, and would strengthen the case for a more gradual phasing out of the HSG, e.g. over a period of three years at least, however our worst fear is that the tenants of Shetland will suffer. The prospect of an increase of £10 a week on the average rents will **not** be greeted favourably by tenants, especially those on low income; this will also impact on the right to buy.

If they are going to stop the HSG then it should be done on a phased basis, and not affect the Tenants of Shetland by the rents having to be increased.

While we appreciate the HSG is on the cards to be withdrawn, this should be done over a five year period. We do object to the Shetland Tenants being the people having their rents increased to cover the servicing of the debt. This debt was not caused by us. This was done to support the Oil Industry in the 1970's, to benefit the Governments income. Living in a remote island does increase the cost of living. The Central Belt of Scotland has a completely different way of life to anyone living on a Scottish Island. Our young people have no incentive in applying for a house, just to be told, they will have a wait of probably up to five years.

If the HSG is abolished this would, inevitably, result in a considerable increase in rents, probably in the region of £10 per week. This will also cause Housing Benefit in Shetland to rise abruptly. Shetland Tenants should not be penalised for this as it is not our fault we have a huge debt.