

LOCAL GOVERNMENT AND REGENERATION COMMITTEE
LOCAL GOVERNMENT FINANCE (UNOCCUPIED PROPERTIES ETC.)
(SCOTLAND) BILL

SUBMISSION FROM WAVERLEY HOUSING

1. Thank you for inviting us to make a written submission in relation to this Bill, and for inviting us to attend the oral evidence session on Wednesday 23rd May 2012.
2. We support the principle aims of the bill as summarised at section 4 of the explanatory notes. In particular, the proposal to allow local authorities to require owners to provide information on occupancy of properties, and also to have the power to vary and increase the amount of council tax charged against empty properties, may assist in encouraging owners to return them to use.
3. It is essential in our view that every possible and reasonably practicable step is taken to not only increase the supply of housing stock across all tenures, but to ensure that use of existing housing stock across all tenures is maximised. To that extent, inducements to owners to not leave property stood empty through the ability to financially penalise them is a sound general principle.
4. We note that it is sometimes perfectly in order for a property to be empty for what may appear to be a long time (several months, for example) whilst it is established what repair or improvement works are required, and also in securing funds and tendering for the carrying out of works, and any associated defects or snagging periods afterwards.
5. Similarly, there are genuine circumstances (such as relocating for work purposes) where properties can be stood empty whilst being genuinely marketed for sale. Current market conditions can see properties being actively marketed for many months if not longer. We would not support the ability of local authorities to charge in this instance on the grounds that the former occupant would essentially be required to pay two sets of council tax and that might impact on labour market mobility.
6. It is also the case that in certain cases, such as large scale redevelopment works involving transfer of stock ownership, can easily extend over several months if not longer. Delays in obtaining section 66 consent, in organising transfers and decants, in carrying out works and defects can easily see properties stood empty over a year.
7. We would expect that the issues set out in points 4 - 6 above should be capable of being resolved by appropriate guidance being issued to local authorities by the Scottish Government that allows flexibility to the local authorities as to at what point to commence charging and at what rate.

8. It might be the case however that the proposals might be arguably not enough to dissuade certain owners from continuing to leave properties stood empty. Aside from the genuine issues raised above in points 4 - 6, there may be an additional category of owner for whom a modest additional rise in council tax payable is still offset by the medium to longer term gain in capital value of the property.

9. We would therefore suggest that fresh consideration be given to the potential introduction of Empty Dwelling Management Orders to provide an additional tool available to local authorities and partner organisations to assist in such cases as was felt appropriate. Whilst this was considered in Housing Regeneration and Planning RF31/2009 it was not further pursued and we think it is of merit.

10. The issue of grant assistance and risk attached for owners in returning empty homes to use was also recognised in in Housing Regeneration and Planning RF31/2009. It noted that there was relatively little take up, partly due to these issues of complexity of risk.

11. One potential issue to help address the issues noted at point 10 above might be to enable RSL's (or indeed stock retaining local authorities) to look to purchase such units and to be assisted in doing so by being able to apply for grant funding to do so, whether from HAG or from other suitable funding vehicles or mechanisms felt appropriate by the Scottish Government.

12. The suggestion at 11 above should form a part of a wider scheme of enabling the purchase of open market properties and their refurbishment to be eligible for grant funding contributions. This would not only assist in being able to help return empty stock to a social rented/mid market/shared ownership market place, but would be of real benefit in growing the supply of affordable housing more generally in areas where the price of purchase and refurbishment to SHQS standard and beyond is often achievable at much less than the financial cost of acquiring land and building new units.

13. Irrespective of the points made above, we would not wish any gains in income to local authorities through the proposals in this bill to simply see a proportionate reduction in their block grant. We also suggest that the funds be ringfenced for the provision of additional supported housing in the relevant local authority area, the logic being that if the purpose of this proposal is to bring empty properties back in to use then any additional revenue gained from owners not doing this should be invested elsewhere in helping to provide or sustain additional units and housing projects.

14. We will not be significantly affected by the proposed changes to non domestic rates and are not affected by the proposal to abolish housing support grants. For these reasons we make no comment on them.