Introduction and General Comments
1. As the representative body for Local Authority Chief Housing Officers in Scotland, ALACHO welcomes the opportunity to respond to the Finance Committee questionnaire on the Financial Memorandum to the Housing (Scotland) Bill. ALACHO has been actively involved in all aspects of the pre-Bill consultation process, in particular the deliberations of ARHAG (the Scottish Government led Affordable Rented Housing Advisory Group) which considered the affordable housing allocations and tenancy provisions of the Bill, the consultation on Housing Tribunals, the Private Rented Sector Strategy Group, and the future of the Right to Buy consultation document, all of which made significant recommendations subsequently reflected in the provisions of the Bill.

Consultation
Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?
2. Yes, on both counts.

Do you believe your comments on the financial assumptions have been accurately reflected in the FM?
3. We are content that our comments have been reflected in the FM to the Bill.

Did you have sufficient time to contribute to the consultation exercise?
4. Yes. Having been involved in the consultation process from inception we are content with the time allowed. Indeed we would commend Scottish Government both for the time allowed and the inclusive way in which consultation was undertaken.

Costs
If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the FM? If not, please provide details?
5. As a representative body the Bill has no direct financial implications for ALACHO. The financial implications will be experienced by the 32 Scottish local authorities which make up our membership. As noted above, we are content that the costs of implementing the provisions of the Bill have been given reasonable consideration and that where individual councils have concerns over their particular circumstances, that they will bring these to the attention of the Finance Committee through their response to this questionnaire. We also understand that local authority directors of Finance are also responding through COSLA.
Do you consider that the estimated costs and savings set out in the FM and projected over 15 years for each service are reasonable and accurate?

6. Having been involved in earlier consultations on each aspect of the Bill, and having had the opportunity to comment on potential costs as appropriate, ALACHO is broadly content that the estimates of costs and savings set out in the FM are reasonable, albeit within the constraints of course of 15 year estimates, over which time frame much can and will change.

7. It should be acknowledged however that for local authorities it is particularly difficult to estimate the costs of any increased duties arising from measures in the Bill especially those pertaining to new duties towards the private rented sector, so this will need to be kept under careful review e.g. in relation to the proposal to allow third party (i.e. local authority) application to an expanded PRHP on the repairing standard, or any requirement to police the activities of letting agents. With regard to the former several ALACHO members have drawn attention to the fact that the need to gather evidence on property condition, the processing of applications and defending a case (on appeal of a decision in court) could give rise to significant and potentially onerous new duties to local authorities.

If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?

8. As noted above there are no significant resource implications for ALACHO arising from the provisions of the Bill. We would however draw attention to our observations in response to question 5 above. Undoubtedly further work will be required for local authorities to collate the costs involved in complying with any new duties relating to the private rented sector, some of which may only be established in practice.

Does the FM accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

9. ALACHO understands that many of the provisions are based on estimates of cost and timescales, often in a context where empirical data has not hitherto been collected. We also understand the variable nature of some types of service provision and associated outcomes. In this context, we are broadly content that a reasonable attempt has been made to identify costs and timeframes over which they will arise. However, given the acknowledged uncertainty around some of the estimates, the key issue for ALACHO is that costs are kept under review and resource support made available to councils adversely affected. This is particularly important in the current environment where council HRA revenues are being reduced considerably as a consequence of welfare reform provisions such as the bedroom tax.

Wider Issues

Do you believe that the FM reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?

10. Whilst we believe the FM reasonably captures the costs associated with introducing the Bill, as noted in response to Question 7 above, it is being introduced at a time where Scottish Local Authorities are experiencing serious pressure on their housing budgets. The FM can be no more than a best guess at this stage, albeit an
informed guess. As noted above it is vital that costs are monitored on a regular basis. We are certain that councils will do this and bring any significant unintended or unforeseen costs of implementation to the attention of government.

**Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?**

11. As noted elsewhere in our response, ALACHO believes there could well be unforeseen costs associated with the Bill, depending on future circumstances and the take up of provisions within the Bill (e.g. the extent to which councils decide to pursue third party appeals on behalf of private sector tenants). It is difficult to quantify these costs at present, for the reasons described at various points above. Such costs however are likely to impact not only councils but other agents also e.g. private sector landlords and letting agents will undoubtedly face costs in complying with a new regulatory regime, or in engaging with the new tribunal system.