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?

1. Building Standards officers were involved in consultation during 2011 on the Building Repairs (Scotland) Bill, which addressed some of the aspects in this Bill. Finance officers have not been involved in any previous consultation exercise.

2. Not applicable.

Did you have sufficient time to contribute to the consultation exercise?

3. Building Standards officers were content with their involvement in the above consultation exercise.

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?

4. For South Ayrshire Council (SAC), we are satisfied that the financial implications as they arise from the introduction of charging orders have been accurately reflected in the FM. While the re-introduction of charging orders is another tool that can be used to improve the recovery of the cost of making safe dangerous or defective buildings, they do not provide a complete solution and as a consequence SAC anticipate continued exposure to financial risk arising from the Bill. For example, where the owner of a property does not have funds to repay the Council, a charging order may assist the local authority in recovering costs incurred at the point in time when a property is sold, but not up to that point. Furthermore, where the cost of the work is greater than the value of the property (e.g. SAC is currently negotiating a contract to demolish buildings on a site contaminated with asbestos where the cost will exceed £250,000 and the residual property value is less than £100,000) then a charging order will not assist the local authority in fully recovering its costs.

5. We found no reference to projected costs and savings over a 15 year period in the accompanying documentation. However, we consider the use of the term ‘savings’ to be potentially misleading as although the Bill provides tools to improve
recovery of costs, we do not consider it likely that any aspect of the Bill will lead to efficiencies. At best the Bill will provide an opportunity to reduce losses.

**If relevant, are you content with 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?**

6. SAC are content that it can meet the financial costs associated with the Bill as they directly relate to the process of issuing charging orders. We continue to have concerns regarding the ability of the Bill to ensure that local authorities are not exposed to financial risk arising from making dangerous buildings safe. The increased scope of the Bill to cover defective buildings may encourage greater activity, leading to a potential increase in costs incurred. As stated above, charging orders will not in themselves ensure greater cost recovery, although they are a useful tool to help improve cost recovery. One possible solution to how these costs could be met is a central capital fund allocation (e.g. similar to that employed for flooding) that could support local authorities until the costs incurred were recovered.

**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?**

7. Please refer to our responses to Q4-6 above.

**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?**

8. With reference to our responses to Q4-6 above, we believe that the FM reasonably captures costs directly associated with the Bill, i.e. costs associated with raising charging orders. However, such costs are a fairly minor element when compared to the cost of making dangerous or defective buildings safe.

**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?**

9. No future costs that we are currently aware of.

**Other comments**

- With reference to section 46E(4) of the Bill, we seek clarification of the difference in powers between a “charging order” and a “notice of liability for expenses”.
- The Bill makes no reference to compulsory purchase orders (CPO). We consider that, possibly as measure of last resort, CPO would be a strong tool in enabling local authorities to recover the cost of making safe dangerous and defective buildings.
- We acknowledge similar ongoing consultation processes with regard to the Local Government and Regeneration Committee and also the Community Empowerment (Scotland) Bill.