

Water and Sewerage Charges: Charges for Vacant Non-Household Properties – Scottish Government Consultation

4. Written Responses – Questions

COSLA welcomes the invitation from the Scottish Government to comment on its consultation on proposals to introduce water, sewerage and drainage charges for vacant non-household properties. COSLA's response to the consultation questions is set out below.

The Government's Proposal

- 1) Do you agree, in principle, that vacant non-household properties should be charged for water, sewerage and drainage services?

Yes

No

COSLA agrees in principle that vacant non-household properties should be charged for water and sewerage. However COSLA believes that this should not solely be about removing an inconsistency. The principles behind the proposals focus on removing the cross-subsidy between occupied and vacant properties and encouraging the disconnection of services. COSLA would argue that a further principle should be to incentivise bringing back empty properties into use, along the same lines as the empty property relief for Non Domestic Rates. There is a risk that without this principle the removal of the exemption could discourage commercial investment.

It is worth bearing in mind also that there is a cost for local government resulting from the proposals. Councils often hold vacant property in order to maximise the public benefit in utilising or disposing of property. Removal of the exemption for council owned vacant properties could cost an additional £1m - £2m per annum for Scottish local authorities, though there would be some offset from the proposed recycling of revenue to limit future increases in water charges.

- 2) Do you agree that water and sewerage charges for vacant properties should be the same as those for occupied properties regardless of the reason for the vacant status?

Yes

No

Whilst the system of exemptions and reliefs for water charges is distinct from those for Non Domestic Rates, COSLA believes that there is a strong link between the policy intention of the proposals and the empty property relief for NDR. Whilst it may still be too early to gauge whether the changes to NDR empty property relief have been successful in generating incentivisation, nonetheless the policy intention should be reflected in any changes to water charges.

COSLA would therefore suggest that consideration be given in the proposals to providing incentives and exemptions. This could be along the lines of those for Non Domestic Rates empty properties which would bring a degree of consistency. However this seems to COSLA to be a missed opportunity to look again at how reliefs and exemptions can be used to stimulate and encourage local economic investment.

Charges – Drainage Services

- 3) Do you agree that drainage charges should be the same as those for occupied properties?

Yes No

The same comments apply as to 2) above.

Timetable for introduction

- 4) Do you agree that the current exemption should be removed from 1 April 2017?

Yes No

COSLA notes that the proposed timing of 1 April 2017 is to reflect the assumption made in the Water Industry Commission for Scotland's Final Determination of Water Charges. This gives some time to give further consideration as to how the removal of the charges and new charges should apply. This time should be used wisely to look at the policy intentions in the round.