

# Finance and Resources Committee

10.00am, Thursday, 12 August 2021

## Edinburgh Shared Repairs Service (ESRS), Property Enquiry Certificate (PEC) Charges – Short Life Working Group Outcome

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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- 1.1 It is recommended that Finance and Resources Committee notes:
- 1.1.1 The recommendation from the working group to refund charges for statutory notice Property Enquiry Certificate (PEC) reports showing no debt is outstanding and that this needs to be considered as part of the 2022/2023 budget setting exercise; and
  - 1.1.2 The financial implications of this change in procedure on future budget forecasts.

#### Paul Lawrence

Executive Director of Place

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# Report

## Edinburgh Shared Repairs Service (ESRS), Property Enquiry Certificate (PEC) Charges – Short Life Working Group Outcome

### 2. Executive Summary

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- 2.1 On [20 May 2021](#), the Finance and Resources Committee considered a petition and deputation in relation to the current charge for information on outstanding statutory notices. Committee undertook to set up a short life working group to consider further the Council process involved in a property search of statutory notices during the sale of tenement flats in the city.
- 2.2 The short life working group met on 14 June 2021 and considered a discussion paper containing options to address the concerns raised in the petition. This report informs on the proposed outcome from the working group.

### 3. Background

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- 3.1 On 20 May 2021, the Finance and Resources Committee considered a petition report and delegation in relation to the current charge for information on outstanding statutory notices. Committee undertook to set up a short life working group to consider further the Council process during a property search of statutory notices during the sale of tenement flats in the city.

### 4. Main report

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- 4.1 The short life working group met on 14 June 2021 and considered a discussion paper which included:
  - 4.1.1 Details of the process undertaken by owners and their representatives during the conveyancing process;
  - 4.1.2 Details of the information available for officers to provide a response to the request, e.g. the register and finance systems;
  - 4.1.3 The presentation of the information to the public and consideration of the legal position; and
  - 4.1.4 Options for improvements in the information available for processing.

- 4.2 The options considered by the working group were:
- 4.2.1 Stop charging for debt information in relation to statutory repair notices. The working group considered whether the charge should continue when setting the Council's budget for 2022/2023. If the charge was cancelled, this will present a budget pressure of approximately £150k per annum from financial year 2022/23 onwards;
  - 4.2.2 Remove the public register completely. Concerns raised by this option included the potential increase in the volume of requests. The public register helps to reduce the volume of requests and reduces the likelihood of owners and conveyancers incurring a charge for information they already hold, or otherwise do not require. If no register was available, all conveyancing searches for the city would be requested through the form, increasing the workload for the Council. This would also increase the costs to the requester/conveyancing process, as they would be requesting a search for every property sale. According to Registers of Scotland (RoS), there were 3,378 residential property transactions in Quarter 4 of 2020/2021 in Edinburgh. If the data was removed from public view this may result in ESRS receiving 1,000 PEC requests per month whereas, at present, ESRS receive on average 220 per month;
  - 4.2.3 Remind requesters that they can request the information through the Freedom of Information (FOI) process, at no cost. While this was welcome, it would not solve the issues raised in the petition due to the timescales typically required in the conveyancing process;
  - 4.2.4 Investigate the removal of notices with no debt from the register. Two concerns arose with this option. The first was that this may not be viable due to considerations in relation to the public register. There may be a General Data Protection Regulation (GDPR) risk as notices remaining on the register will identify flats with debt and owner's details could be easily found to match, through the Landlord register and RoS. A second concern relates to I.T. connections between systems and provision of the audit trail for the Council record of statutory notices; and
  - 4.2.5 Investigate refunds for PEC reports which found there was no debt on any live notices outstanding, on the property referenced in the enquiry.
- 4.3 Following consideration of options within the discussion paper, the working group agreed for officers to investigate the possibility of refunding charges for PEC reports which resulted in the finding that there was no debt outstanding on notices on the property referenced in the enquiry.
- 4.4 Officers have investigated the refund process with colleagues and can confirm, subject to approvals, that this process can be implemented on the Barclaycard payment system by a separate Council team based in Customer and Digital Services.
- 4.5 During the PEC enquiry process, ESRS officers would be required to raise a refund request through forms submitted in the Kayako system in MyICT.

- 4.6 In conclusion, implementation of the preferred option can only be done from 1 April 2022 and will require acknowledgement of the budget pressure created based on current budget assumptions.

## **5. Next Steps**

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- 5.1 There are no immediate next steps, but Committee is requested to consider whether the charge and refund process should be considered as part of the 2022/2023 budget setting exercise.

## **6. Financial impact**

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- 6.1 The income generated to enable reimbursement of the costs incurred in preparation of the Statutory Notice Debt Reports by ESRS forecast in 2022/2023 amounts to £150,000.
- 6.2 Analysis of enquires between July 2020 and May 2021 suggest that the implementation of the refund process will reduce the income by approximately 75% to £37,500.

## **7. Stakeholder/Community Impact**

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- 7.1 There are no stakeholder/ community impacts arising from the consideration of this report.

## **8. Background reading/external references**

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- 8.1 Committee Petition Report - Finance and Resources 20 May 2021.

## **9. Appendices**

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- 9.1 None.