
PROPOSED FINANCIAL CONTRIBUTION TO FUND A DEDICATED EMPTY HOMES OFFICER

Report by Executive Director Corporate Improvement and Economy

Executive Committee

20 April 2021

1 PURPOSE AND SUMMARY

- 1.1 This report seeks approval to use £40,000 from the second homes council tax affordable housing investment budget to fund a full time, dedicated Empty Homes Officer for a period of 24 months.**
- 1.2 The Housing (Scotland) Act 2001 places a statutory requirement on local authorities to develop a Local Housing Strategy, supported by an assessment of housing need and demand. This strategy sets out the strategic direction for housing investment and service delivery in the Scottish Borders for 2017-22 and was approved by Scottish Borders Council and submitted to the Scottish Government in September 2017. The LHS identifies the need to bring empty properties back in to effective use.
- 1.3 Since 2010 the Scottish Empty Homes Partnership, funded by the Scottish Government and co-ordinated by Shelter Scotland, has been working with Councils and their partners to develop services aimed at bringing private sector empty homes back into use. One focus of the partnership is to support local authorities to develop empty homes work and ensure dedicated resources to work with owners. The Empty Homes Partnership will fund 50% of the staffing cost for 24 months as kick-starter funding. 22 Local Authorities across Scotland currently employ a dedicated empty homes officer.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Executive Committee:-**
 - (a) Notes that a contractual arrangement will be finalised with the Scottish Empty Homes Partnership (SEHP) to utilise kick-starter funding to support the recruitment of an Empty Homes Officer**
 - (b) Approve that the additional funding for the post be provided from the revenues raised from the second homes council tax affordable housing investment budget.**

3 BACKGROUND

- 3.1 Empty homes represent a wasted resource in the Borders (as elsewhere) and can also cause significant problems for neighbours and surrounding communities. There is merit in securing capacity to develop dedicated services for this type of work, as it is recognised that working proactively with owners to bring properties back into use can be time consuming and complex.
- 3.2 The Housing (Scotland) Act 2001 places a statutory requirement on local authorities to develop a Local Housing Strategy (LHS). The LHS sets out the strategic direction for housing investment and service delivery in the Scottish Borders for 2017-22 and was approved by Scottish Borders Council and submitted to the Scottish Government in September 2017. Tackling issues around empty properties and bringing them back into effective use remains a priority for action in this strategy.
- 3.3 In March 2021 the Scottish Government published a 20 year Strategy for Housing; [Housing to 2040](#). A number of key actions specific to empty homes have been identified including:
- Work with local authorities to audit empty homes and determine those that should be brought back into use
 - Give councils the powers they need to regulate and charge owners appropriately for homes lying empty and ensure they have the mechanisms to bring them back into productive use
 - Create a support package for homeowners in trouble to help them stay in their home if that is right for them and to prevent homes falling into disrepair or becoming empty in the first place.
 - Establish a new fund for local authorities to apply to in order to bring empty homes and potential empty homes back into residential use and convert suitable empty commercial properties in town centres.
- 3.4 To contribute to achieving the vision that no home remains empty, a network of Empty Homes Officers is continuing to expand across Scotland. These officers are predominately employed by local authorities, supported by the Scottish Empty Homes Partnership (SEHP) who offer two-year 'kick-starter' funding to local authorities to introduce and establish this type of post.
- 3.5 SEHP exists to facilitate bringing private sector empty homes back into use. Discussions have taken place with them with a view to further developing partnership working with the Council to enhance existing services to help bring empty homes back into use.
- 3.6 In light of the success achieved elsewhere by establishing a dedicated Empty Homes Officer post, it is now proposed to establish such a post for the Scottish Borders.
- 3.7 The SEHP have agreed that they will contribute financial assistance (50% funding for the first 2 years) for the employment of an Empty Homes Officer. This position would be incorporated into the structure of the Housing Strategy, Policy and Development Service within Planning and Housing and will contribute to the strategic objectives for empty homes as

highlighted in the [LHS](#), the [Strategic Housing Investment Plan](#) (SHIP) and the [Rapid Re-Housing Transition Plan](#) (RRTP). In addition tackling empty properties supports the approach to town centres and regeneration. Reducing the number of empty properties can help improve the sustainability of town centres and the re-provisioning or re-purposing of existing buildings can help better meet the needs of the current/future population.

- 3.8 The role will also include co-ordinating a cross-Resource working group with representation from other Council services such as council tax, homelessness, environmental health, anti-social behaviour, legal, landlord registration and planning as well as external partners such as local RSLs, Rural Housing Scotland and South of Scotland Community Housing.
- 3.9 The dedicated officer will provide a range of services, advice and assistance tailored to the individual needs of each owner who engages with the service. Monitoring and reporting arrangements will be put in place (including a financial assessment of the impact of the revised approach to the service). As the service develops and becomes established it is likely in future this may also require a small operational budget. The most common hurdle for empty home owners is the financial cost of bringing the property back into use, costs typically ranging from £6k to £25k. The creation of a specific fund to assist owners of empty homes to bring the properties back into use will be explored; potentially utilising some of the revenue generated by the empty home council tax surcharge, as there is an expectation for a proportionate contribution from the extra income to support the action on empty homes and be used to assist empty home owners to bring their properties back into use.

4 EMPTY HOMES IN THE BORDERS

- 4.1 The costs of empty homes to the local economy impact on both the community and the Council. Community impacts include reduction in property values, anti-social behaviour, vandalism, increased levels of stress and anxiety and a loss of community pride. Bringing these properties back into use will help to reverse these negative effects. The benefits to the Council include an increased supply of housing across tenures, supporting communities, creating an improved property market, increased revenue through collection of council tax (if the property was previously exempt), potentially reduced legal costs and less intervention required by staff.
- 4.2 Homes lying empty cost communities in financial terms (as well as social) for example in lost rent, lost local spending, cost of boarding up properties, dealing with and responding to anti-social behavior, crime, and emergency services call-outs. By proactively tackling empty homes in addition to saving on these costs, the estimated community spend generated through the re-occupation of an empty home is estimated as £13,410 per property per year¹.
- 4.3 National Registers of Scotland (NRS) data suggests that LTE homes currently make up 2.8% of the total housing stock in the Borders which is higher than the national average of 1.8%. Council Tax Data from 2019/20

¹<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/familyspending/2014-12-02>

relative to unoccupied dwellings, and long term empty (LTE) properties shows that at 31st March 2020, there were 1,543 properties registered as long term empty (LTE). 54% of these owners were paying a 100% levy on their council tax. This figure has remained broadly consistent over the past seven years as the number of empty homes in 2013 was 1,379.

Table 1: Long Term Empty properties by HMA and as a proportion of all properties by HMA

HMA	All Long Term Empty	All Dwellings*	Long Term Empty as a proportion of all dwellings
Berwickshire	306	10,931	2.8%
Central	957	34,077	2.8%
Northern	218	12,303	1.8%
Southern	62	1,483	4.2%
Total	1,543	58,794	2.6%

Source: Council Tax Data

- 4.4 While the majority of empty homes brought back into use are likely to be market housing (for sale or private let) there will also be opportunity to create new affordable homes. On average there are approximately over 1,200 lets every year among the four Borders Based RSLs. Across the region 1,362 properties were made available to let during 2019/20. Bids were made by both existing tenants and housing list applicants. Collectively there were 21,602 bids made for available properties, an average of 16 bids per property.
- 4.5 Bringing empty homes back in to use is not only a sustainable way of increasing the local supply of housing, but reduces the negative impact that neglected empty homes can have on communities and has the environmental benefit of reduced CO2 production compared with new build.

5 IMPLICATIONS

5.1 Financial

- (a) This post has been graded using the Council's job evaluation scheme. 50% of these costs will be provided by SEHP over the next two years to assist with the initial implementation of this service. It is recommended in this report that £40k is allocated from the second home council tax affordable housing investment budget to match fund the SEHP commitment for 24 months.
- (b) The affordable housing investment budget income can be used by local authorities to support revenue and capital expenditure related to a range of affordable housing activity including "bringing empty properties back into affordable housing use and topping up or establishing an Empty Homes Loan Fund". The ambitions of the empty homes post meet the suitability criteria for the Council tax income generated from second homes. Table 2 sets out current commitments.

Table 2: Second Homes Council Tax Commitments:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Funding brought forward	2,879	3,200	2,807	3,952	5,135
Anticipated 2nd Homes Council Tax	1,211	1,247	1,285	1,323	1,363
Total Funding Available	4,090	4,447	4,092	5,275	6,498
Current Investment Commitments	890	1,640	140	140	890
Available Funding	3,200	2,807	3,952	5,135	5,608

- (c) Dedicated resource should result in more empty homes being brought back in to use. Where these empty homes are currently charged 200% Council Tax there would be a reduction in Council Tax income. It is difficult to quantify at this stage what that reduction may be, however at paragraph 3.9 the intention to carry out a financial assessment of this revised approach within the 24 month “kick starter” timeframe has been set out.
- (d) Where any specific actions are considered as having a further resource implication for the Council Officers would bring back proposals for consideration by the Executive Committee as they arise.

5.2 Risk and Mitigations

- (a) Delivery of the LHS aims and objectives in relation to empty homes is largely dependent upon a number of variables, not least of which relate to resource and other political and organisational decision making processes beyond the control of the Local Authority.
- (b) Toward the end of the 24month kick-start period there will be a review of the empty homes service and the resource requirement, to assess the potential to appoint a full time Empty Homes Officer if appropriate, or alternative action as deemed necessary.

5.3 Integrated Impact Assessment

- (a) A full Equality Impact Assessment was carried out on the current LHS (2017-2022). Equalities forms an integral part of the LHS process and is part of the LHS guidance.

- (b) A full Integrated Impact Assessment will be embedded in the development process of the new Local Housing Strategy.

5.4 Sustainable Development Goals

It is considered that the recommendations in this report will contribute positively to goals 7, 8 and 11. Bringing empty homes back in to use reduces the negative impact that neglected empty homes can have on communities and contributes to the local economy as noted at 4.2.

5.5 Climate Change

It is considered that there are no direct effects on the Council’s carbon emissions arising from the report recommendations. There are likely to be positive effects by promoting sustainability through better use of existing stock. Bringing empty homes back in to use is a sustainable way of increasing the local supply of housing and has the environmental benefit of reduced CO2 production compared with new build. Officers will also promote and support energy efficiency upgrades and installation of renewable technologies where renovations are undertaken.

5.6 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

5.7 Rural Proofing

The LHS 2017-22 has been rural proofed and it is anticipated there will be no adverse impact on the rural area from implementation. In relation to empty homes there is likely to be a wide range of positive outcomes for rural communities, including improvements in communities through bringing homes back in to use and possible increased availability of affordable housing in a variety of tenures.

5.8 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Scheme of Administration or Scheme of Delegation as a result of this report.

6 CONSULTATION

- 6.1 The Executive Director (Finance & Regulatory), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR & Communications, the Clerk to the Council and Corporate Communications have been consulted and any comments received have been incorporated into the final report.

Approved by

**Rob Dickson
Executive Director Corporate
Improvement and Economy**

Signature

Author(s)

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Background Papers: 2013 [Guidance Note for Local Authorities](#) to cover the new powers enabled by the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act, and related regulations.

[Local Government and Communities Committee Report](#) in to Empty Homes in Scotland November 2019

Previous Minute Reference: None

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Donna Bogdanovic can also give information on other language translations as well as providing additional copies.

Contact us at housingenquiries@scotborders.gov.uk or tel:01896 661392