
EMPTY HOMES GRANT SCHEME PROGRESS UPDATE

Report by Director – Infrastructure and Environment

EXECUTIVE COMMITTEE

14 February 2023

1 PURPOSE AND SUMMARY

- 1.1 **The report provides an update on the delivery of the Empty Homes Grant Scheme since its implementation in December 2021.**
- 1.2 The Housing (Scotland) Act 2001 places a statutory requirement on Local Authorities to develop a Local Housing Strategy (LHS). This strategy sets the strategic direction for housing investment and service delivery and identifies the need to bring empty properties back into effective use.
- 1.3 The most common hurdle for empty home owners is the financial cost of bringing the property back into use. In [December 2021 the Council approved](#) the creation of a specific fund to assist owners to bring homes back in to use either for occupation or to be let as affordable homes.
- 1.4 The introduction of the empty homes grant contributes to the strategic objectives highlighted in the LHS, the Strategic Housing Investment Plan and the Rapid Re-Housing Transition Plan. In addition, tackling empty properties supports the approach to town centres and Place based regeneration.
- 1.5 This report provides an update on progress made to date and information on applications for financial support made by empty homes owners.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Executive Committee:**
 - (a) **Note the progress made in the delivery of the Empty Homes Grant Scheme.**
 - (b) **Note that should the grant assistance prove successful, Officers will bring back proposals recommending an ongoing financial annual allocation from the revenues raised from second homes council tax to continue to support this initiative.**

3 BACKGROUND

- 3.1 The report to Committee in December 2021 highlighted that empty homes represent a wasted resource in the Borders, which can also cause significant problems for neighbours and surrounding communities. It is recognised that working proactively with owners to bring homes back into use can be time consuming and complex and that one of the most significant barriers to bringing homes back into use are the associated costs. Inflationary pressures and material shortages, as well as the general Cost of Living Crisis, have caused further barriers to owners investing in their properties.
- 3.2 In March 2021 the Scottish Government published a 20 year Strategy for Housing; Housing to 2040. A number of key actions specific to and prioritising, empty homes have been identified in this strategy.
- 3.3 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.
- 3.4 The report to Committee in December 2021 recommended that the executive committee agree to allocate an initial £500k from the second homes council tax affordable housing investment budget to provide grant assistance to owners of empty homes to help bring them back into use, principally as affordable housing.
- 3.5 The discretionary fund, which is aimed at homes that are currently empty and in need of refurbishment, was approved by the Executive Committee in December 2021.

4 EMPTY HOMES GRANT SCHEME PROGRESS UPDATE.

- 4.1 Following committee approval in December 2021, Officers initially focussed on finalising the eligibility requirements, grant criteria and developing the appropriate documents and processes for the Scottish Borders Council Empty Homes Grant Scheme.
- 4.2 The SBC Empty Homes Grant Scheme was officially launched 15th September 2022 as part of [Scottish Housing Day](#). Owners who are recorded on the long term empty premium rate of Council Tax were contacted in a phased mail out which included a newsletter detailing the key grant criteria, detailed in Appendix 1.
- 4.3 The grant is available to owners of empty homes which have been registered empty and not been used as residential accommodation for at least one year and require a package of works to bring the property back into use. The grant is open to owners who wish to live in the property or rent the property within the Private Rented Sector. Those looking to rent the properties upon completion agree to rent the property at [Local Housing](#)

Allowance rates for a period of 5 years, contributing to the local supply of affordable housing.

4.4 There is a maximum award of £25k per empty home which is capped at 50% cost of works for owner occupiers and 75% total cost of works for rental. All planning permissions, consent and building warrants, if required, must be approved prior to application. A minimum of two comparable estimates are required for consideration.

4.5 From January 2022, as part of Officer activity a number of potential empty homes projects were identified and owners made aware of the grant scheme. As part of a soft launch the first applications were received in July 2022. Table 1 details the applications received and their current status.

4.6 Table 1: Summary of applications received and their current status.

Grant / Case ref	Location	End use	Length empty	Grant awarded/ requested	Status as at January 2022
001 (63)	Galashiels Town	Rental at LHA rates	15+years	£25,000	Complete application - Under review
002 (63)	Galashiels Town	Rental at LHA rates	15+years	£25,000	Complete application - Under review
003 (63)	Galashiels Town	Rental at LHA rates	15+years	£25,000	Complete application - Under review
004 (63)	Galashiels Town	Rental at LHA rates	15+years	£25,000	Complete application - Under review
005 (63)	Galashiels Town	Rental at LHA rates	15+years	£25,000	Complete application - Under review
006 (13)	Eyemouth Town	Rental at LHA rates	20+years	£25,000	Incomplete application - Under review
007 (13)	Eyemouth Town	Rental at LHA rates	20+years	£25,000	Incomplete application - Under review
008 (13)	Eyemouth Town	Rental at LHA rates	20+years	£25,000	Under review
009 (75)	Hawick Rural	Owner occupier	20+years	£25,000	Approved
010 (188)	Eyemouth Town	Rental at LHA rates	2 years	£25,000	Approved
011 (189)	Eyemouth Town	Rental at LHA rates	2 years	£25,000	Approved
012 (190)	Eyemouth Town	Rental at LHA rates	2 years	£25,000	Approved
013 (195)	Jedburgh Town	Owner occupier	2 years	£11,000	Approved / Under Review
014 (197)	Hawick Town	Rental at LHA rates	1.5 years	£20,000	Approved / Under Review
015 (200)	Selkirk Village	Owner occupier	1 year	£25,000	Incomplete application - Under review
016 (49)	Duns Town	Owner occupier	3 years	£25,000	Incomplete application - Under review
				£381,000.00	

4.7 During the period 2022/23 16 applications have been received. 4 of these have been approved. Applications are for a range of property types across the borders. All will have a positive impact on their local communities.

- 4.8 The Empty Homes Officer continues to proactively seek out and explore potential project opportunities which would benefit from the grant assistance and address any detrimental impacts identified.

5 IMPLICATIONS

5.1 Financial

- (a) 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 homes back into use”. This income must be utilised in support of the delivery of local housing priorities and the funding allocation meets the suitability criteria for the Council Tax income generated from second homes.
- (b) The grant assistance should result in more empty homes being brought back into use. Where these empty homes are currently charged 200% Council Tax there could be a reduction in Council Tax income. It is difficult to quantify at this stage what that reduction may be, however there is the intention to carry out a full financial impact assessment of the approach to empty homes prior to any future recommendations being presented to committee. The intention of the current 200% levy is to incentivise owners to bring homes back into use.
- (c) It should be noted at this time within the applications currently under review for approval there are 3 homes which are not currently on the council tax register, upon completion these new home will be added to the valuation roll and council tax will become applicable.
- (d) Homes lying empty cost the community and the Council 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 behaviour crime and emergency 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 hoes is estimated at £13,410 per property per year¹.

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 pilot period there will be a review of the empty homes service and the grant assistance offer to assess the potential for an annual budget allocation or whether alternative action is deemed necessary.

¹<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/compendium/familyspending/2015>

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 4.1.

5.5 Climate Change

It is considered that there are no direct effects on the Councils 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 including making appropriate referrals to the Energy Efficiency Area Based Scheme and the Council's Scheme of Assistance.

5.6 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 into use and possible increased availability of affordable housing in a variety of tenures.

5.7 Data Protection Impact Statement

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

5.8 Changes to Scheme of Administration or Scheme of Delegation

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

6 CONSULTATION

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

Approved by

Name John Curry

Title Director Infrastructure and Environment

Author(s)

Name	Designation and Contact Number
Donna Bogdanovic	Lead Officer Housing Strategy & Development 01896 661392
Rachel Whale	Empty Homes Officer 01896 661392

Background Papers: [Local housing strategy | Scottish Borders Council \(scotborders.gov.uk\)](https://www.scotborders.gov.uk)

Previous Minute Reference: [Item No. 07 - Proposal to Introduce Empty Homes Grants Executive Committee Report 7 December 2021.pdf \(moderngov.co.uk\)](https://www.moderngov.co.uk)

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Rachel Whale 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