

# West Dunbartonshire Empty Homes Strategy (Private Sector) 2021/24

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## Introduction

### Scottish Empty Homes Partnership

The Scottish Empty Homes Partnership is funded by the Scottish Government and hosted by Shelter Scotland. The partnership exists to encourage Scotland's approximately 40,000 privately-owned long-term empty homes back into use. At a time of a housing emergency we know that every home matters.

The partnership was first formed in 2010, after the review of the private rented sector identified that empty homes can play an important part in meeting our housing challenges.

The aim of the Scottish Empty Homes Partnership is to bring as many privately-owned empty homes back into use as possible by meeting the following four objectives:

#### **Encourage every council in Scotland to have a dedicated Empty Homes Officer**

In local authority areas where owners can access advice and information, more homes are unlocked;

#### **Support the national network of Empty Homes Officers**

Empty Homes Officers give advice and information on a range of issues and the partnership support them with tailored training, workshops and facilitated best practice meetings;

#### **Encourage registered social landlords, community groups and other private bodies to engage in empty homes work**

A single empty home can cause a nuisance to a community and clusters of empty homes can lead to a spiral of decline. The partnership aims to make sure that other organisations recognise the importance and value of bringing derelict properties back into use.

#### **Encourage councils to mainstream empty homes work**

It doesn't make financial sense to allow properties to remain empty and deteriorate.

### What is an Empty Home and why are they empty?

An Empty Home is considered to be one that has been sitting empty for 6 months or more. There are a number of reasons why properties become empty including:

- The property is difficult to sell or let;
- The property is being renovated;
- The owner does not have the finances, motivation or time to deal with the property;
- The property has been re-possessed;
- Probate issues; and/or
- The owner is in care/hospital or has moved out of the country.

## Section 1 – Policy context and key objectives

### National context

Scotland has more than 40,000<sup>1</sup> long term empty homes in the private sector. It is estimated that 23,000 new homes will need to be built each year to keep up with the growing number of households in Scotland. The reuse of empty homes would help towards achieving this goal.

According to the 2019 Scottish Household Survey, covering 2.50m households, the private rented sector accounts for 14% of the housing market (up from 5% in 1999), whilst in the same time the social rented sector accounts for around 24% of the market (down from 32% in 1999).

The number of households living in the private rented sector has increased from 120,000 in 1999 to 340,000 in 2019, this is an increase of 283%. There are 130,000<sup>2</sup> households on waiting lists in Scotland, with 22,386<sup>3</sup> homes being completed across the country over the year ending June 2019.

Therefore, the empty homes problem is an issue that needs addressing. Through empty homes work the Council can provide an added boost to local housing supply and help regenerate communities. The Scottish Government has recognised and prioritised the issue of empty properties by asking Local Authorities to demonstrate in their Local Housing Strategies how the issue of empty homes is being addressed.

### Local context

West Dunbartonshire Council currently employs an Empty Homes Officer (EHO) that is a shared service with Renfrewshire Council. This post has been in place since August 2012 and the EHO also works closely with Shelter Scotland, who run the Scottish Empty Homes Partnership. This involves attending Best Practice Group meetings with fellow Empty Homes Officers, where best practice ideas are shared and knowledge developed. A system has been set up to allow Empty Homes to be tackled in a targeted manner using a number of information sources including Council Tax records. The most recent data, published by the Scottish Government, showed that West Dunbartonshire had 352<sup>4</sup> properties recorded as being empty for over 6 months, 246 of which had been empty for longer than 12 months.

### Strategic links and key objectives

The Scottish Government has included Empty Homes within the scope of the Local Housing Strategy. West Dunbartonshire Council's Local Housing Strategy 2017/22 recognises the part that bringing empty properties back into use can play in increasing housing supply. It is important therefore that we can demonstrate the measures the Council is taking to get empty homes back into use and our Empty Homes Strategy has the following key objectives:

- Maximise the re-use of empty homes;
- Reduce the number of long term empty problem properties;
- Help to alleviate the effects of homelessness and waiting list in WDC; and
- Support Town Centre regeneration.

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<sup>1</sup> <https://emptyhomespartnership.scot/about-us/>

<sup>2</sup> <https://www.gov.scot/publications/scottish-household-survey-2019-annual-report/>

<sup>3</sup> <https://news.gov.scot/news/11-percent-rise-in-number-of-new-build-homes-completed-in-2019>

<sup>4</sup> <https://www.gov.scot/publications/housing-statistics-empty-properties-and-second-homes/>

## Section 2 – Impact of Empty Homes and benefits of bringing them back into use

### Impact of Empty Homes

When a property remains empty for a significant period of time, or is attracting unwanted attention, it could be considered to be a problematic long term empty property. Engaging with the owners of these properties and encouraging them to tackle the specific challenges that exist, can be a lengthy process that requires persistence to achieve a successful end result of 'back in use'.

Empty properties can also become an eyesore for a local community and can attract unwanted antisocial behaviour. People who live next to or in sight of empty homes tend to suffer from increased stress and anxiety, and can be shown to have decreased levels of trust in their Council. Bringing these homes back into use not only helps alleviate these impacts but also helps restore faith in the Council.

### Benefits of bring Empty Homes back into use

Bringing Empty Homes back into use can help address housing need. At the end of 2019/20, there were 4876 households on the Council's housing list and during that year there were 1021 homeless presentations made in West Dunbartonshire. Increasing the number of properties that can be used for affordable housing is beneficial as it increases the housing options for the most vulnerable members of our community.

Another key benefit of empty homes work will often be Council Tax retrieval. This occurs in a number of ways. Firstly, there is the fact that many empty homes are being charged a discounted rate of Council Tax for the first year (between 50% and 90% of the full charge), so if those properties are brought back into use quicker, then the owner is paying full Council Tax quicker, and therefore the Council increases the revenue generated.

An owner may also not have realised they are being charged Council Tax for an empty home, they may not be able to afford to pay and some disagree with the principle that they should be paying.

Providing assistance to bring these properties back into use has a positive impact in terms of debt recovery, as owner will often clear their arrears once their house is sold or let and new owners/tenants tend to pay their Council Tax more promptly.

There are also social benefits of having less empty homes in an area. These include greater pride in an area, which can lead to less crime, particularly vandalism. Empty homes are more prone to anti-social behaviour than an occupied home because there is nobody living in the house keeping it secure. Consequently, they can be entered more easily either by squatters or people looking to use the property for anti-social purposes or to commit anti-social acts.

As well as locking communities into a spiral of decline, areas with concentrations of empty homes can trap local authorities and other public services into a spiral of reactive spend as a result of this activity.

A high number of empty homes in an area reduces the confidence of investors in that area, whereas the sight of a number of formerly empty dwellings springing back to life gives confidence that an area is recovering and will be a safe and desirable place in which to invest.

There are other benefits which are less direct but no less important. When a home is occupied, the household will, depending on its size, spend thousands, potentially tens of thousands of pounds in the local community. This could be anything from buying groceries locally, going to local pubs/restaurants, and buying clothes, furniture and other goods locally.

It is sometimes better when thinking of this particular benefit to consider the costs of these houses remaining empty rather than the benefits of them being occupied; lots of empty homes in a particular area cost local businesses a huge amount of money. These companies could then go out of business and therefore make the area less desirable and actually increase the chances of there being more empty homes in that area.

Then there are the benefits that might be accrued from having empty homes bought by new owners who want to spend money on them. Those owners are likely to hire local builders to do remedial works, often using local building supplies. This creates job opportunities for people both in the building trade and the building supply industry. They are more than likely to spend money on decorating supplies and furnishings too, and again are likely to source these locally. This has obvious positive impacts for the local economy.

Finally, there are environmental benefits. According to the Scottish Government; *“The Empty Homes Agency has calculated that each new home in its study generated 50 tonnes of GHG (CO<sub>2</sub>e) compared with 15 tonnes of GHG (CO<sub>2</sub>e) for bringing an empty home back into use. Renovating an existing property removes the need for the energy locked into new build materials and construction”.*

More recently, The Royal Institute of Chartered Surveyors (RICS) has estimated that for residential premises 51% of the lifecycle carbon is emitted before the building is even completed. These calculations suggest it will be decades before some new buildings pay back their carbon debt by saving more emissions than they created.<sup>5</sup>

Reducing the impact on the environment is a key consideration for the Council, as is increasing the supply of affordable housing, so to be able to do both at the same time is incredibly beneficial.

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<sup>5</sup> <https://www.bbc.co.uk/news/business-53642581>

## Section 3 – Options for owners

The Empty Homes Officer uses an approach to engaging with owners that involves:

- Advice and information;
- Financial and practical assistance; and
- Enforcement.

### Advice and Information

The reasons for homes becoming and remaining empty are varied. In many cases, the provision of advice and information is enough to encourage an owner to bring their property back into use. Advice and information is made available through a suite of leaflets that are available on the Council's dedicated Empty Homes webpage. The EHO will go out to meet with a homeowner at their empty property if necessary, work out why the property is empty and explain the various options that are available to them to assist getting the property back into use. The EHO will then maintain regular contact with the owner to see what stage the property is at and continually provide support and assistance until the property is brought back into use.

Maintaining contact with an owner and achieving the aim of getting the property back into use can be a long process due to problems getting owners to engage and then getting them to address the problems associated with their property. Since the initiative began in 2012 and to March 2020, 94 properties have successfully been brought back into use in West Dunbartonshire through the advice and information route. More than half of these have been in the last two years. Some of these cases being in progress for a year or more before they could finally be closed off.

### Financial and practical assistance

Financial assistance is available to Empty Homes owners in the form of the Empty Homes Loan Fund. The Council has a £150,000 fund from the Scottish Government to enable us to offer loans of up to £15,000 to owners of properties that have been empty for over 6 months and currently do not meet the repairing standard.

Once renovated to an acceptable standard, properties can be used as affordable housing for a minimum of 5 years. The rental income will run at approximately 10% below current Local Housing Allowance (LHA) rates. This income will be used initially to pay off loans then subsequently as income to the landlord.

Loan repayments to the Council are recycled allowing for the fund to be used to provide further loans to upgrade more empty properties until repayment by the Council to the Scottish Government is required.

Some owners are reluctant to let their properties and do not want to fall into the role of being an 'accidental landlord'. The Council also participates in the "Loan to Sell" option available via this fund. This is designed to target owners of empty properties who wish to refurbish their property and subsequently sell them, as opposed to renting them out.



When participating in the Loan to Sell scheme, the owner can borrow up to the £15,000 then sell the property, in line with Scottish Government LIFT (Low cost Initiative for First Time buyers) prices, known as the Open Market Shared Equity Scheme (OMSE), where the prices are based on the number of bedrooms.

When an owner wishes to participate in either loan scheme the council carries out a Schedule of Works for the owner which highlights to them the necessary works required for the property to be brought up to the repairing standard.

BEFORE RENOVATION



AFTER RENOVATION



To date, the take up of each loan fund option has been relatively low with owners being put off by the tight regulations placed upon them, criteria includes renting at 10% less than the Local Housing Allowance rate, selling at the restricted OMSE rate and also that a charge is secured against the title of the property as security of the loan. The Council is looking at options to try to make the Loan Fund a more viable option and has submitted a request to the Scottish Government to vary the conditions of the loan to include the option of loan to occupy and to ease the restrictions on selling and renting.

The Scottish Government expected 60% of the empty homes loan fund to be repaid by March 2019. However the Empty Homes Loan fund is being reviewed and this repayment has been delayed. The Scottish Government has intimated that the fund may now have to be paid in full by 2023. The Scottish Government have said that they would consider changes to the loan fund to allow participating Councils to use unspent money in conjunction with Registered Social Landlords (RSL's) for buying properties. RSL's have been briefed about this potential funding stream and they have been asked to contact the EHO if they wish to express an interest.

The Council revised the Buy Back Policy in October 2019 and it is hoped that this will also help more suitable family homes being brought back into use. The Buy Back Scheme is financed through the Housing Revenue Account and is regularly monitored. One of the key aims of the Buy Back Policy is to potentially assist with empty homes. To date 40 properties in total have been bought back via the Council's Buy-Back Scheme, 15 of these have been empty properties. Should more empty properties be able to be purchased through this scheme, the Council could then use the existing Empty Homes Loan Fund to refurbish these properties if necessary, and have more family homes available for social rent for perpetuity.

The EHO keeps up to date with any other funding streams that become available and prepares bids for any that the Council could benefit from.



## Enforcement

The Council has powers to use a Compulsory Purchase Order to try and force an owner into action and, if they don't act, to take possession of the property so the Council can sell it and then recover their costs. This is a very costly and time consuming process and there is no guarantee that the Council would be able to actually recoup their losses (as this would depend on the value of the property).

The Scottish Government have said they intend to legislate to introduce a Compulsory Sale Order Power for vacant land and buildings. This would allow local authorities to force long term empty homes onto the open market so someone else can reuse them. This would give the EHO an additional tool in those instances where all other means of engaging with the owner have been exhausted. The intended legislation that would introduce these powers was delayed because of BREXIT and has further been delayed because of the COVID-19 pandemic.

## Section 4 – West Dunbartonshire approach to Empty Homes

### Investigating Empty Homes

Letters and surveys are sent out to all registered empty homes owners dependant on the Council Tax discount they are receiving. Surveys are returned and the EHO acts on the results accordingly and tailors the empty homes service offered to the owner. Follow up letters are also sent to those who do not reply to initial enquiries about their empty properties. A database of information has been collated from these surveys and this outlines the properties that have been targeted and the progress to date. Through close working with other Council departments properties that are empty but not recorded as such can also be targeted. These are usually highlighted through neighbour complaints, Councillor enquires or referrals from other council departments such as Environmental Health.

As mentioned, a property may become empty for various reasons such as, reluctance to let out, probate, bankruptcy, long term care, or simply a lack of awareness on the owners part. The surveys help the EHO find out why the property is empty and help point out the best course of action to bring a property back into use.

Empty homes can be a financial drain on owners and can cause unnecessary stress and anxiety. The impact is exacerbated by the current financial climate, due to an increasing number of owners being unable to sell their properties for the desired price. The EHO acts as a point of contact for these owners who in some cases feel they have no one to turn to and cannot see other options available to them.

Challenges include owners who do not want to engage with the EHO over their property, as it is privately owned and they do not see it as the Council's business regarding what they do with their property. Some measures have been initiated to try to mitigate this type of response from owners but additional powers that could help to force these owners into action would certainly help empty homes work.

Not all empty properties are located in run down areas, nor are they always semi derelict, boarded up and causing a problem. A large number of properties naturally become empty, such as for periods of time between buying and selling and in between tenancies. These properties can be viewed as 'quick win' properties, where with a little intervention from the EHO they can quickly be turned around and brought back into use.

## Council Tax

An owner may also not have realised they are being charged Council Tax for an empty home, they may not be able to afford to pay and some disagree with the principle that they should be paying. Providing assistance to bring these properties back into use has a positive impact in terms of debt recovery as owner will often clear their arrears once their house is sold or let and new owners/tenants tend to pay their Council Tax more promptly.

On the 1 April 2013, the Local Government Finance (Unoccupied properties etc.) (Scotland) Act 2012 came into force. This allows local authorities to charge increased Council Tax on certain homes that have been empty over a year.

On 6 February 2014 the Council approved the following changes which came into effect on 1 April 2014:

- to reduce the Council Tax discount for empty and unfurnished properties from 50% to 10% after 6 months;
- to remove the 10% current discount currently awarded after 12 months; and
- to charge the full Council Tax liability for the property plus an additional 100% charge for properties which have been empty for more than 12 months, except where the liable party can produce evidence of the property being actively marketed for sale or rent at realistic market price.

Supplementary Guidance on Local Authority Discretion was released by the Scottish Government in March 2015, to highlight to Local Authorities that a blanket approach to the increased charge can be too punitive to force upon all empty home owners. The Scottish Government confirmed that they would keep the guidance under review and the guidance was reviewed again in April 2018. This guidance provided clarification on the flexibility local authorities have in applying a council tax increase on long-term empty homes.

West Dunbartonshire Council implemented the following discretionary element to the increased charge in 2015:

- Introduction of a discretionary element for a maximum of 3 months for new owners that have purchased a property and where the property has exhausted all previous exemptions and discounts. This provides a safeguard for new owners who have purchased empty properties that require work to be completed, that is not structural or major, to bring the property up to a suitable standard for habitation;
- A further discretionary period of up to 9 months will be considered to bring the property back into use if the owner has agreed with the Council to:
  - a. take positive steps to occupy their property and
  - b. agree to an 8 weekly inspection to review progress.

The introduction of this 200% Council Tax charge on properties empty over a year, means that owners who are not actively working on their empty property or have it for sale or let, have this additional financial burden. In some instances, council tax may have been in arrears prior to the 200% charge being imposed, or go into arrears as a result of the charge being imposed. If the owner cannot afford to pay council tax, the money is a debt that the council may find hard to recover<sup>6</sup>.

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<sup>6</sup> Scottish Empty Homes Partnership Empty Homes Value Tool 2020

Owners that wish to receive the discretionary element for their increased Council Tax are signposted to the EHO by Council Tax staff. These owners then must allow the EHO to carry out 8 weekly inspections to see if works are being carried out on the property to bring it back into use, in order to be eligible for this discretion.

The EHO also works closely with Council Tax and Corporate Debt regarding empty properties that are sitting with high levels of council tax debt in order to try to get these back into use and address the debt levels. This has achieved significant returns in council tax debt that may otherwise have remained uncollected. A report was submitted to the Housing Improvement Board in October 2018 advising that 3 cases had resulted in the collection of over £41,000 in council tax arrears. At April 2020, there were 121 properties being charged the 200% levy, with 24 properties receiving the discretionary discount.

This cooperation also provides the benefit of data cleansing, as the engagement of EHO helps Council Tax to reclassify properties correctly through correspondence with owners. This usually involves a transition from being classified as empty to being correctly updated to now being back in use, which some owners either forget to do or assume it will be done automatically when they update the electoral register.

## Section 5 – Monitoring and review of strategy

### Monitoring

The Council has developed ways of working in relation to Empty Homes that enables targets to be monitored. Homes that have been brought back into use through local authority involvement count towards a target of bringing 25 properties per year back into use. In instances where the EHO is working directly with owners to bring a property back in use, these also count towards being back in use.

Without the intervention of the Empty Homes Officer these properties may not have been brought back into use. Based on an average Council Tax band D, the table below provides details of the annual financial gain to the local authority by bringing properties back in to use.

Properties brought back into use via direct engagement			
Year	Amount of empty homes	Council Tax - Band D	Accumulated figure
2013/14	2	£1,163.00	£2,326.00
2014/15	6	£1,163.00	£9,304.00
2015/16	20	£1,163.00	£32,564.00
2016/17	16	£1,163.00	£51,172.00
2017/18	0 (post vacant)	£1,163.00	£51,172.00
2018/19	19	£1,233.83	£74,614.77
2019/20	31	£1,293.55	£114,714.82
<b>Total of all years</b>			<b>£335,867.59</b>
Total amount of properties returned to use			94
Works in progress to bring property back into use			
2020	34		

## **Review of strategy**

The first Empty Homes Strategy covered the period 2012-2016, with the second covering the period 2016–2019. This updated strategy covers the period 2021-2024 and reflects changes that have occurred in empty homes work since the previous strategies were written and also outlines progress that has been made to date.

The Covid-19 pandemic may lead to more properties being left empty and it is important the work being done in relation to Empty Homes continues and that opportunities to bring properties back into use are expanded on.

## Empty Homes Strategy 2021/24 action plan

### 1. Maximise the re-use of empty homes

Action	Assigned To	Due date
Bring over 75 empty homes back into use across West Dunbartonshire across the period of the Empty Homes Strategy	Empty Homes Officer	March 2024
Maintain a private sector empty homes database for West Dunbartonshire	Empty Homes Officer	March 2024
Provide information and practical assistance to owners of empty homes to encourage them to bring their properties back into use	Empty Homes Officer	March 2024
Respond to any changes that may be introduced in legislation and ensure good practice is adopted to aid Empty Homes Work in West Dunbartonshire	Empty Homes Officer	March 2024
Continue to capture learning and ensure the work carried out over the term of the period of the strategy leaves a lasting legacy in West Dunbartonshire by embedding policies in mainstream activities.	Empty Homes Officer	March 2024
Review and update the Empty Homes portal on an annual basis	Empty Homes Officer	March 2024
Report progress to the Scottish Empty Homes Partnership and the Housing and Communities Committee and other stakeholders as appropriate	Empty Homes Officer	March 2024

## 2. Reduce the number of long term empty problem properties

Action	Assigned To	Due date
Continue to Manage the Empty Homes Loans Fund	Empty Homes Officer	March 2024
Where negotiation fails, identify the most appropriate course of action to address the issues and in appropriate cases instigate	Empty Homes Officer	March 2024
Influence the development of West Dunbartonshire's Local Housing Strategy with regard to the value in tackling empty homes in the private sector	Empty Homes Officer	March 2024
Continue to build on existing empty homes and empty homes related work in WD	Empty Homes Officer	March 2024
Identify and pursue potential sources of funding to develop further the empty homes incentive scheme, including with external organisations and partners	Empty Homes Officer	March 2024

## 3. Help to alleviate the effects of homelessness and waiting list in WDC

Action	Assigned To	Due date
Continue to review and update the operation of Help to Rent within WDC	Empty Homes Officer	March 2024

## 4. Support Town Centre regeneration

Action	Assigned To	Due date
Develop of list of priority properties in line with Town Centre regeneration	Empty Homes Officer	March 2024