

# Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 4 November 2021

## Empty Homes Update

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

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- 1.1 It is recommended that the Housing, Homelessness and Fair Work Committee:
- 1.1.1 Notes the contents of this report, which has been produced in response to a motion approved by Committee on 14 January 2021; and
  - 1.1.2 Agrees that a business case for the Empty Homes Officer (EHO) post to continue, funded from income generated (as set out in 4.13 and 4.14), will be prepared for consideration as part of the 2022/23 budget setting process.

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## Empty Homes Update

### 2. Executive Summary

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- 2.1 On [14 January 2021](#), the Housing, Homelessness and Fair Work Committee approved a motion to receive a report setting out the potential to mainstream funding for the role of the Empty Homes Officer (EHO), to embed the work of the EHO within the wider Homelessness and Council Tax teams to support Council objectives on ending homelessness, and to provide details on the processes which are in place for following up debt recovery on properties which are empty.
- 2.2 This report addresses the motion by outlining the role of the EHO and the benefits of mainstreaming funding for the role. It also sets out the management and working practices of the EHO with the Homelessness and Council Tax teams in order to support wider Council objectives on ending homelessness.

### 3. Background

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- 3.1 An EHO post was introduced on a pilot basis in 2019, for up to two years, jointly funded by the Council and the Scottish Empty Homes Partnership.
- 3.2 On [14 January 2021](#), the Housing, Homelessness and Fair Work Committee considered an Empty Homes update which outlined the work of the EHO and the progress made during the initial 18 month of the pilot period.
- 3.3 Committee approved the following motion:
- 3.3.1 To note the annual update on private sector empty homes, which focused on the work being undertaken by the Council's Empty Homes Officer (EHO), and to thank the EHO for their dedicated work on bringing empty homes back into use over the past year;
- 3.3.2 To note that funding for the EHO post from the Scottish Empty Homes Partnership was only for 2 years, and there was therefore a need for the council to build a case for the mainstreaming of the funding for the post;
- 3.3.3 To note that EHO posts usually generated significant cost savings for local authorities through, for example, debt recovery; to note this was alluded to in section 4.2 of the report but that a detailed analysis of cost savings was not made explicit in the report;

- 3.3.4 To note that section 5 of the report referred to potential proactive work with council tax and homelessness service colleagues in order to increase the effectiveness of the EHO and support wider council priorities on homelessness, but that no specific proposals were included;
- 3.3.5 To therefore agree to receive a further report within three cycles setting out the potential to mainstream funding for the EHO post and to greater embed the work of the EHO within the wider homelessness and council tax teams in order to support wider council objectives on ending homelessness; and
- 3.3.6 To agree that details would be provided on the process for following up on debt recovery as at para 4.2 of the report.

3.4 The purpose of this report is to address the above motion.

## **4. Main report**

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### **Role of the Empty Homes Officer (EHO)**

- 4.1 The chronic shortage of housing supply in Scotland has contributed to rising house prices and rents, as well as contributing to increasing numbers of people being homeless or at risk of homelessness.
- 4.2 Bringing empty homes into use can make a significant contribution to increasing housing supply, which in turn helps to ease inflationary pressures that can artificially increase the price of housing. It is also a more cost-effective and environmentally friendly way of meeting demand for housing, compared to building new thereby supporting the Council's commitment to becoming a net zero city by 2030 due to the resultant lower carbon footprint.
- 4.3 The EHO is currently based within Regulatory Services as part of the Private Rented Sector Enforcement team. Details of the role are set out in Appendix 1 and summarised below: Their role is to:
  - 4.3.1 Facilitate the transition of empty homes back into use as efficiently as possible, while still promoting other rental solutions to further the homelessness aims of the Council;
  - 4.3.2 Identify unregistered landlords and owners of any properties which have been identified as empty homes. This joint working results in reduced unregistered landlords and provides tenants with the protection they deserve. This work also generates income from registration fees and late application fees from landlords who have failed to renew; and
  - 4.3.3 Inform and support other teams (Council Tax, Edinburgh Shared Repairs, Environmental Health) with enquiries about Empty Homes. While the EHO is able to focus on empty homes cases, they have developed close working links with the Homelessness and Council tax teams and provide support to both teams as appropriate.
- 4.4 To facilitate the transition of empty homes back into use, a key responsibility of the EHO is to take a proactive, interventionist approach where empty homes are identified in Edinburgh. This means identifying owners, trying to make contact and

providing advice and guidance to owners interested in bringing properties back in to use. More detail is provided at Appendix 1.

### **Progress to date**

- 4.5 The EHO frequently deals with properties which present a range of issues, such as local environmental issues and antisocial behaviour.
- 4.6 Since 2016, a total of 524 reports have been received by the Council from neighbours and other agencies. Of these 304 have been completed and 220 are active investigations. A breakdown of these reports is provided in Appendix 1.
- 4.7 Leaving a home empty results in loss of revenue for the Council (through unpaid Council Tax and Council Tax debt). The EHO has worked closely with the Council Tax and Debt Recovery teams to identify funds owed by the owners of empty homes.
- 4.8 Since the EHO was appointed in October 2019, they have identified £1.568m of unpaid Council Tax and Council Tax debt arising from empty homes (the Council's Debt Recovery rate for Council Tax over the last two financial years was 97.05% for 2019/20, and 95.67% for 2020/21).
- 4.9 In addition, the EHO has worked closely with external organisations such as LinkPSL (who operate the Council's Private Sector Leasing scheme) to provide support to private landlords who are interested in bringing empty homes back into use, by arranging for LinkPSL to manage the empty property for an agreed period. The Council then places tenants into these properties, based on housing priorities.
- 4.10 In addition, Link Housing manage Link2Let empty homes loans scheme on behalf of the Council. While the Link2Let scheme is more onerous on property owners, discussions are on-going to find ways to make this option more attractive.
- 4.11 Further details on progress to date is included in Appendix 1.

### **Mainstreaming EHO post**

- 4.12 The cost of permanently mainstreaming the EHO role would be £52,084 per annum, comprising an appropriate graded salary and associated on-costs.
- 4.13 It is proposed that the income identified by the EHO, and subsequently recovered, is used to offset the cost of appointing an EHO on a permanent basis. Some of the income recovered could also be invested into other services supporting the Council's outcomes and Housing Strategy.

### **Moving Forward**

- 4.14 There is also a total of 1,717 properties which are currently recorded by the Council as having been empty for more than one year, while not listed for sale or let and not being used as a second home. If the role of the EHO is mainstreamed as proposed, it is intended that they would intervene in these cases where possible and assist the owners to enable them to be brought back in to use.

## **5. Next Steps**

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- 5.1 Committee is asked to consider whether a business case should be submitted, as part of the Council's budget setting process for 2022/23, to mainstream the role of the EHO, utilising income generated as a direct result of the EHO's work.

## **6. Financial impact**

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- 6.1 The EHO post was approved as a pilot for up to two years, jointly funded by the Council and the Scottish Empty Homes Partnership.
- 6.2 A business case to mainstream the post would have to be approved by the Finance and Resources Committee and thereafter full Council as part of the 2022/23 budget setting process.

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

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- 7.1 Empty homes are more prone to anti-social behaviour than an occupied home as 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 a result, areas with concentrations of empty homes can trap local authorities and other public agencies into a spiral of reactive spend.
- 7.2 Bringing long-term empty homes back into use can have a positive impact on communities by improving neighbourhood amenity and reducing the risk of vandalism or anti-social behaviour.
- 7.3 The EHO continues to work closely with colleagues in debt recovery (on empty homes and bringing in additional income through proactively identifying long-term empty homes where the 100% Council Tax premium can be applied), and with Edinburgh Shared Repairs Service (helping to find owners and engage with them on shared repairs cases).
- 7.4 EHO advice and intervention has resulted in positive feedback from empty homeowners.

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

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- 8.1 [Empty Homes Update](#) – January 2021.

## **9. Appendices**

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- 9.1 Appendix 1 – Empty Homes Officer: Progress Update.

## APPENDIX 1 – Empty Homes Officer Progress Update

### **Role of the Empty Homes Officer**

The key role of the Empty Homes Officer (EHO) includes:

- To develop and implement a more proactive approach to empty homes;
- Provide general advice and information to empty homeowners (and others) in response to requests;
- Assist Empty Homeowners to bring their properties back in to use;
- Develop criteria for prioritising properties and maintain a list of priority properties to allow targeted work to engage, encourage and negotiate with empty homeowners to help bring the empty home back into use;
- Develop action plans, targets and objectives set in relation to empty homes;
- Work together closely with the Revenues and Applications teams to make best use of Council Tax data to inform proactive work relating to empty homes (for example, contacting owners when their home is due to have the 100% Council Tax surcharge applied to provide information on options for bringing the home back into use);
- Work more closely with colleagues in the Revenues and Applications team who deal specifically with debt recovery, working with them on empty homes cases which have high levels of Council Tax arrears;
- Liaise with other Council teams such as Environmental Health, Shared repairs and PRS Enforcement in respect to properties that are empty and there is a need to identify landlords to have shared repairs carried out;
- Assist with developing and implementing proactive enforcement policies and procedures in respect of empty homes; and
- Identify and pursue potential sources of funding to support empty homes work.

### **Empty Homes Reports Received**

The table below provides a summary of the Empty Homes Reports received since 2016, providing a breakdown of those still under active investigation and those which have been completed.

<b>Year</b>	<b>Empty Homes Report received</b>	<b>Active Investigations</b>	<b>Investigations Completed</b>
2016	21	8	24
2017	70	13	58
2018	58	16	42

2019	84	35	53
2020	140	77	63
2021	151	71	64
Total	524	220	304

### **Income Generation/Council Tax Debt identified**

The following table provides details of the income and Council Tax debts which have been identified by the EHO to date since they were appointed in October 2019. This income could be used to fund the post of a permanent EHO, whilst still being able to contribute to other Council services which support the Council's Housing Strategy.

Council Tax debt identified by EHO	£600,000
Council tax arrears – Information identified by EHO	£350,000
Ongoing investigation net value (more information required before these can be passed on to Council Tax Teams)	£250,000
Deceased/ inactive cases which have been identified by the EHO	£250,000
100% Premiums added to Council Tax systems by EHO to date	£68,000
100% Premiums to be added (est. Value)	£50,000
<b>Total Value identified for recovery</b>	<b>£1,568,000</b>

### **Engagement with other organisations**

#### **Council Tax/Debt Recovery procedure initiatives and proactive working**

The EHO has built up strong relationships with the Council Tax teams and they have worked together to optimise the processing of information, advice and procedures for Council Tax issues identified through empty homes work.

As a result of joint working, the EHO has been able to identify details of owners of long-term empty homes who have failed to pay their Council Tax. These owners would have otherwise not been identified, and the debt would have remained unrecoverable.

EHO analysis of the total number of properties recorded as empty has identified a number of anomalies, which the Council Tax team has then been able to address.

The EHO also has access to tracing and estate assistance through “heir hunters” and can undertake tracing not available to debt recovery agents.

In some cases, debt recovery arrangements have not been possible in empty homes where recovery staff and Sheriff Officers have been unable to identify a liable party or if the liable party is deceased. With the resources available to the EHO, debt recovery action has been possible in some of these which would not otherwise have been previously possible.

### **LinkPSL and Empty Homes**

LinkPSL operate the Council’s Private Sector Leasing (PSL) scheme, which guarantees payment of rent to private landlords whose properties are managed by them for an agreed period. The Council then places tenants within these properties based on housing priorities, which in turn supports the wider aim to address homelessness. The EHO has been able to identify owners of empty homes, and direct them to the LinkPSL scheme as a supported route to bring their homes back into use.

Link Housing also manage the Link2 Let empty homes loans scheme, on behalf of the Council. This is funded by the Scottish Government and provides interest free loans to owners of long-term empty properties to bring them up to a lettable standard. In practice, take up of the scheme has been low as the empty homeowner needs to successfully apply, and be responsible for, the loan repayment from income that would subsequently be generated from the property’s rent or sale. Experience is that many empty homes owners, who are already struggling to manage the empty home, are unwilling or unable to manage this additional financial responsibility and risk.

The EHO is pursuing new and innovative ways to work with LinkPSL using the PSL scheme and the Link2 Let empty homes loans as mechanisms to bring empty homes back into use. Proposals are being discussed regarding the possibility of Link2 Let loans being repaid directly from rent using the LinkPSL scheme. This would provide a direct route to bring an empty home up to a lettable standard, and then into the LinkPSL scheme for letting with minimal risk to the homeowner. This option would likely be attractive as an additional managed and supported route for empty homes owners, who may otherwise struggle to bring an empty home back into use.

The possibility of LinkPSL purchasing suitable empty homes is also being explored, with suitable properties and empty homes owners identified and discussions ongoing to progress this option.



## **Examples of Interventions by the EHO**

In cases where the property owner has died, the Council Tax system generates a report that the property is empty. Often arrears exist in the name of the estate, but the estate has either not been completed or the Executor has not communicated with the Council, and so the arrears remain outstanding. The EHO has been able to identify examples and refer these to the Council Tax teams for investigation and debt recovery. As a result, cases amounting to over £250,000 of Council Tax debt have been identified so far. The EHO will continue to scrutinise these records as a basis for the continued proactive targeting of these empty properties for analysis and investigation, aiming to generate income through estates being settled and bringing these empty homes back into use.

The EHO has been able to provide details of the owners of long-term empty homes who have failed to pay their Council tax to the Debt Recovery team. In one case, this has resulted in a £16,000 payment being received by the Council from the owner of a property which has been empty for a number of years. The owner of this property is now looking at options for bring the property back in to use.

In another two of the long-term empty home cases, the Council is pursuing debts of £40,000 and £28,000 based on the information provided by the EHO. In both these cases, the owners are refusing to cooperate with the EHO in their attempts to bring these properties back in to use. These cases are being monitored for any further available action to bring these properties back into use.

The EHO is working closely with Council Tax/Transactions teams and has provided data on a number of long-term empty properties where the 100% council tax premium has not been applied. As a result of the information provided by the EHO, the Council has been able to reclaim debts of £42,000 from the owners of four empty properties. In all four cases, the EHO has provided advice and guidance to the owners on how to bring these properties back in to use.