Bringing empty homes back into use: an audit of privately owned empty homes in Scotland
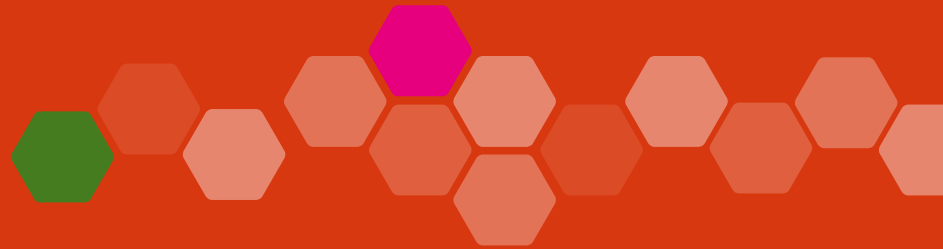
PEOPLE, COMMUNITIES AND PLACES

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Bringing empty homes back into use: an audit of privately owned empty homes in Scotland

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The Indigo House Group

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Executive Summary

Background and context

The Scottish Government, on behalf of Scottish Ministers, appointed Indigo House Group Ltd (Indigo House) to undertake an independent audit of its long-term empty homes policy and interventions. The findings of this audit will help inform how commitments on empty homes within the Housing to 2040 Strategy can best be met.

Tackling empty homes remains a priority for the Scottish Government. It sees empty properties as part of the solution to meet housing demand and the Scottish Government wants to see all homes occupied and none left empty without good reason.

The audit has considered the current picture of empty homes in Scotland; the key barriers to, and opportunities for, bringing empty homes back into use in this context; the existing approaches and interventions used to bring empty homes back into use; and whether these approaches could be improved and what further action could be taken.

In setting the brief for this work, the Scottish Government anticipated that compulsory purchase orders (CPOs) and compulsory sales orders (CSOs) may be mentioned by stakeholders when asked about their experience of using existing interventions or views on future interventions. The Scottish Government has committed to reform and modernise compulsory purchase legislation in Scotland to make the system fairer, clearer and faster for all parties. As a first step it will appoint an expert advisory panel in 2023-24 to help inform the development of options for reform. Therefore, while stakeholder views on the effectiveness of CPOs and potential for CSOs in the empty homes context is included in this report, recommendations on the future of such powers are outwith the scope of this research.

The current position of empty homes in Scotland

The total number of empty homes in Scotland estimated from council tax records across all categories has increased by 4% since 2008, but over the last decade the increase has slowed to 2%. However, over the last decade long-term empty properties over 6 months have increased by 68.4%, the number of second homes has reduced substantially by 40.2%, while unoccupied exemptions have increased slightly by 3.6%. It is important to note that the relationship between the recording of these three groups of empty homes has changed over time. From 1st April 2013 local authorities gained the discretionary power to remove the empty properties discount or set a council tax increase of 100% on certain properties which have been empty for over 12 months. This may have resulted in a shift in categorisation of empty properties from second homes to long term empty homes.

The rate of long-term empty properties is equivalent to 1.6% of all dwellings in Scotland, although there is significant variation by local authority area, with large urban areas holding the greatest volume and a similar proportion to the overall Scotland rate, while rural areas have less volume but tend to have higher proportions of long-term empty homes.

There are clear data challenges in relation to identfying the number and nature of empty homes in Scotland. The local authority survey undertaken for this audit showed most local authorities were unable to provide information on empty homes by property size and type, and the condition of the properties, and what it would take to get the properties back into use. This is because the primary source for identifying empty homes – the Council Tax Register – is not designed for this purpose.

There were differences across local authorities identified in reporting and updating of the council tax data for empty homes, including how council tax exemptions and discretions were applied. The example of unoccupied exemptions was one area where local authorities called for more transparency in published data about the type of exemptions and the length of time an exemption had been applied, to make comparisons more valid.

There were a range of methods employed to identify and actively manage a case load of empty homes including those that started with the Council Tax Register and augmented this with additional property data, to those where the starting point was new empty homes data from complaints and other referrals. There was evidence of some inaccuracy of the council tax data in relation to empty homes (although the extent is unknown), and this means the scope to put additional demands on how empty homes data is collected and reported using the Council Tax Register is limited.

Progress and barriers in bringing empty homes back into use

Empty homes impact on the availability of housing in areas of shortage, restricting the volume, type and size of properties available in the housing system, which may result in increased house prices, or may impact on the long-term sustainability of some communities. Deterioration of empty homes also has negative environmental and social impacts on communities including physical decline, vermin and anti-social behaviour, all of which add to pressure on public services and adversely impact community cohesion.

Bringing empty homes back into use can form part of strategies to meet housing need, particularly in the context that new-build housing alone cannot be carried out at the pace and scale required to meet all housing requirements. Bringing empty homes back into use can be lower cost than new build and can provide positive economic and social impacts. In rural areas empty homes strategies can help revive and sustain fragile communities, particularly where second homes contribute to housing pressure, and in urban areas, city and town centre regeneration can help reverse area decline.

The reasons for empty homes in Scotland are most commonly associated with the previous owner dying, or the property being purchased with the intention of renovation, although there have also been significant recent increases in owners moving without selling, and tenancies ending without replacement tenants.

Between 2010 and March 2023, a total of 9,014 empty properties have been brought back into use through the partnership work between local authorities and the Scottish Empty Homes Partnership (SEHP). The rate at which homes are brought into use varies significantly by area, and while there is a general correlation between areas with large numbers of homes and larger numbers of properties brought back into use, there are also areas where there is smaller volume of empty homes but where significant numbers of homes have been brought back into use. There are also some areas where there are significant numbers of empty homes, but relatively few have been brought back into use.

The barriers in bringing empty homes back into use are commonly identified as: locating and/or engagement with owners; financial barriers (often associated with the cost of repairs/improvement); and personal reasons (including difficulties which arise after an owner is deceased, and a range of family and individual circumstances). Local authorities also identified the lack of resources at their disposal, including staff time committed to empty homes work and financial incentives available for owners. Similarly, homeowners identified the main barriers to bringing properties back into use as practical reasons around repairs and refurbishment, and financial barriers. These two reasons were often interlinked and there were challenges around engagement with the construction industry in terms of availability and cost of repairs, which led to viability issues to invest in some lower value housing markets. Other key barriers were various personal circumstances which

could impinge the owner's ability and willingness to bring the property back into use, and the regulatory environment acting as a deterrent to invest in the private rented sector.

Current approaches to bring empty homes back into use

There are a range of approaches and interventions used in Scotland to bring homes back into use, focused on information and advice, sanctions through the council tax premium and a few schemes providing financial support, although these are not available consistently across Scotland.

The role of the local authority Empty Homes Officer (EHO) is a critical resource in supporting owners with information and advice, and to influence owners to bring homes back into use. Critical success factors in the EHO's role are the importance of understanding local housing markets, and taking a bespoke approach, responsive to individual empty homeowners' needs to build trust and persuade. However, the EHO resource is limited relative to volume of empty homes and geographic coverage. It is clear the higher the EHO resource, the better the outcomes of the number of empty homes brought back into use, and where resources are more restricted the work tends to be more reactive than strategic. EHO success in facilitating empty homes back into use is mainly due to provision of information, advice and influencing empty home owners, but this influence may also be partially dependent on the leverage from other interventions, in particular applying discretion for council tax premiums and wider incentives such as VAT, and to a much lesser extent advising on loans or grants.

Many EHOs work part time and their roles include different functions, and it is clear that most EHO resources are stretched, and if more of this resource was available and targeted to the areas with highest incidence of empty homes, then more could be achieved.

SEHP provides an important support and networking centralised service funded by Scottish Government to encourage local authorities to employ EHOs and to develop their empty homes response. The number of EHOs has increased considerably since the inception of SEHP and it is clear, given the progress in the number of EHOs now in place and the number of empty properties brought back into use since SEHP's inception that this would not have been achieved without its support and influencing role. It is now developing its reach to third sector community-based organisations and social enterprises, as well as supporting local authorities in bespoke data analyses and providing advice on taking strategic approaches to tackle empty homes.

However, empty homeowner survey respondents were most commonly neutral or very dissatisfied about the support they had received to bring the property back into use. When EHOs were involved, satisfaction from homeowners was higher who welcomed the information, advice and support, and the expertise from EHOs. Negative comments from homeowner respondents related to lack of awareness of support, and to criticisms of the extent and scope of this support, especially in relation to lack of financial support. There appeared to be variability in awareness of EHO services which raises questions around the consistency of profile and promotion of empty homes work across Scotland.

A number of Scottish Government funding schemes have been available for bringing a relatively small number of empty homes back into use, with varying levels of effectiveness. Loan schemes appear to have been limited by differing promotion and application. A few local authorities currently fund grants and loans to prevent homes falling empty, or bring empty homes back into use and are seen as effective in some cases, but many more empty homes have been brought back into use without loans or grant. Notably, all stakeholders noted the ineligiblity of national funding schemes for energy efficiency

improvement work for empty homes which was consistently argued as counter to wider climate change policy aims.

Using discretion around the council tax premium (applying it and also potentially removing the premium through negotiation between EHOs and empty homeowners) is considered an effective tool by local authorities, but it was noted that some owners will continue to hold empty homes for various reasons, regardless of financial sanctions (at current rates). While significant financial charges may be effective in encouraging some owners to bring homes back into use, this is certainly not always the case, and in fact can provide a disincentive to declare an empty home, or may cause financial hardship. The use of local taxation on empty properties is used across Europe and internationally, with up to 300% and 400% premium discretion allowable in Wales and England respectively, although wider research evidence suggests limited use of the discretion in England. There were negative opinions from homeowner survey respondents in relation to the council tax premiums, but the discretion for the premium being lifted was welcomed (usually as a result of negotiation with the EHO when the owner takes action on an empty home).

A range of local authority enforcement action powers including Compulsory Purchase Orders (CPOs) are rarely used, and according to local authority participants are unlikely to be used in future due to the levels of specialist resource required and financial compensation requirements that local authorities would have to fund. Glasgow City Council is an exception which has commited considerable resources to empty homes work and has established an effective CPO system, specific to its circumstances, but this approach is unlikely to be scalable across Scotland without more and specialist resources committed to this approach.

Value for money assessment

The VFM assessment found that over the period under review a total of 9,175 empty homes have been brought into use at a total cost of £20.734M which is equivalent to £2,260 per empty home brought back into use. In bringing these empty homes back into use, the Scottish Government provided 38% of funding and local authorities and other third party providers provided 62% of total funding.

Overall, the cost of bringing empty homes back into use is relatively modest ie £2,260 per empty home and in some cases, can be delivered at very low to no net additional cost to the public purse as the initial outlay is fully recovered over the medium to longer term. However, the cost per empty home brought back into use varies across the interventions from £1,075 (for the Empty Homes Officers and SEHP) to £152,771 for the Town Centre Empty Homes Loans Fund and includes the total estimated project costs not exclusively the funding provided which equated to £44,431 per empty home and falling to £25,817 per empty home following repayment of the loan element of the fund.

Some interventions have been more effective than others at delivering comparatively more outputs. The EHOs, for example, have delivered more than 98% of all empty homes brought back into use over the period under review (as noted above with the support of SEHP).

Taking a longer-term approach and improving the uptake in some of the interventions (the loans fund, in particular) has the potential to significantly improve the value for money of empty home interventions by reducing the average long run cost of empty homes brought back into use. Some interventions are more efficient from a VFM perspective – for example, low cost loans, in VFM terms are considerably more efficient than grant. The recycling of the initial loan (once repaid) allows the number of empty homes brought back into use to be significantly increased as the loan can be recycled 2, 3, 4,5 times relative to grant which can only be granted once). However, in conclusion a balanced package of

interventions has more potential to maximise/optimise the number of empty homes brought back into use.

Areas for improvement

There is a widespread call from all stakeholders for increased financial incentives, including grants, for owners to bring properties back into use. There is also demand for increased support and resources for local authorities to focus on empty homes, including more dedicated EHO resources.

It was argued that more enforcement tools are required, including compulsory sales orders, and a few could also see the benefits in compulsory rental orders; one new approach of 'Rent Ready' by Homes for Good is testing a loan for rent initiative in Glasgow. Empty homeowners survey respondents did not want to see more enforcement, although a few interviewees could see the benefits in enforcement action as a last resort.

There are a range of innovative approaches illustrated that can be used to bring empty homes back into use, including those led by the community organisations and social enterprise companies. Key lessons from these approaches show the importance of co-ordination of complex funding packages which these organisations can help navigate, and the use of homesteading and other initiatives which include the additional benefits of training and skills development.

There are alternatives to CPOs – enforced sales and Empty Dwelling Management Orders used in England and Wales which do not require the local authority to purchase the property, but rather force sale or rental of the property. However, like CPOs these are still resource intensive and require specialist legal advice, but they would not require the capital outlay required for CPOs which local authorities state is often a barrier for use of the CPO powers.

Recommendations

The following recommendations are provided for the Scottish Government, Scottish local authorities and partners which, based on the evidence provided in this report, should improve the scale and pace of empty homes being brought back into use.

1. The definition of long-term empty homes should be revised to over 12 months for the purposes of public policy and resource allocation, to reflect the reality of housing market and housing improvement systems, which should enable better targeting of empty homes intervention resources.

2. Scottish local authorities should ensure that their council tax systems enable the clear definition and reporting of long-term empty homes, clearly distinguishing between those that are 6-12 months empty and those that are over 12 months empty so that action can be prioritised according to as accurate data as possible.

3. The Scottish Government should review their council tax legislation to ensure the council tax premium works as an incentive to bring homes back into use and does not act as a barrier, in particular considering potential financial hardship caused, and the creation of additional financial barriers to bring homes back into use. In addition, Council tax premiums should only be applied to long-term empty homeowners from the point at which they own the property (not carried over from designations of the property when there were previous owners). This will give new owners more time necessary to

organise permissions and works etc. The council tax guidance for local authorities should also be refreshed.

4. All stakeholders should be made aware of the considerable limitations of the Council Tax Register in quantifying and monitoring the scale of empty homes in Scotland. A revised system for monitoring the number of empty homes will take considerable time and resource to develop, and it is recommended the focus should be on getting empty homes back into use rather creating a new empty homes monitoring system. Instead, the SEHP support role in bespoke data analysis will be increasingly important and should be resourced accordingly by the Scottish Government.

5. SEHP should support local authorities in a Scotland-wide, refreshed, proactive awareness raising campaign about the availability of EHOs and their role, so that empty homeowners know where to go to access information and advice and what help is available. This could coincide with a national relaunch of an empty homes loan scheme (see below), with the awareness campaign and loan scheme being funded by Scottish Government.

6. The Scottish Government should revise the Local Housing Strategy guidance to emphasise the value of bringing empty homes back into use, and to reflect the fact that the most effective means of bringing properties back into use is through an EHO being employed to prioritise empty homes action.

7. The Scottish Government and local authorities should commit more resources to empty homes work, and specifically EHO resource which represents the best value for money intervention. For the Scottish Government the best value intervention is by providing more funds for local authorities for more EHO resource through SEHP. For local authorities they should commit more funds generated through council tax, specifically for empty homes work. The Scottish Government/SEHP and local authorities should jointly consider where the priority for action should be placed in Scotland, according to the prevalence of empty homes and wider housing needs. Where the needs are greatest, then funding should be used to fund <u>at least</u> one full time equivalent EHO in the relevant local authority areas and for a suitable timescale to ensure an agreed amount of empty homes are brought back into use.

8. The Scottish Government has committed to reform and modernise compulsory purchase legislation in Scotland to make the system fairer, clearer and faster for all parties. As a first step it will appoint an expert advisory panel in 2023-24 to help inform the development of options for reform. The Scottish Government should also consider the merits of enforced sales and rental orders. Implementation of any revised or new powers could include the provision of a centralised and specialised resource (including legal advice) to assist local authorities to use these powers effectively.

9. The Scottish Government should introduce a revised empty homes loan scheme. This should incorporate the lessons from the previous scheme and ensure consistent promotion and implementation across Scotland. There should be a centralised implementation team with expertise in loan administration, and knowledge of the empty homes and the local authority landscape.

10. The Scottish Government should review all energy efficiency funding schemes to include eligibility of empty homes where currently, they are excluded as uninhabited.

11. The use of innovative and community-based solutions, including those that encourage learning and skills through the process of bringing empty homes back into use should continue to be supported, where these encompass the value for money conclusions outlined in this report. These are the provision of information, advice and navigation of systems, and the use of recyclable loans over grant for individual ownership/private rent, but with grant provided for social rent providing good value in the long term for the public purse.

1.   Introduction and research aims

Background and context

The Scottish Government, on behalf of Scottish Ministers, appointed Indigo House Group Ltd (Indigo House) in association with IBP Strategy and Research Ltd to undertake an independent audit of its long-term empty homes policy and interventions. The findings of this audit will help inform how commitments on empty homes within the Housing to 2040 Strategy[1] can best be met.

Tackling empty homes remains a priority for the Scottish Government. It sees empty properties as part of the solution to meet housing demand and the Scottish Government wants to see all homes occupied and none left empty without good reason.

This audit has been undertaken in the context of the former Scottish Local Government and Communities Committee inquiry[2] into empty homes in Scotland, undertaken in 2019 which considered:

- The extent of, and reasons for, empty homes in Scotland;

- How effective existing legislation and policy was at addressing the problem of empty homes; and

- What more could be done to prevent homes remaining empty and to encourage owners to bring them back into use.

Subsequently, the Housing to 2040 Strategy published in 2021, set out the Scottish Government's policy to help ensure that empty homes are maintained, improved and put to the best possible use whilst helping to revitalise our rural and island communities and our town centres. Within the Strategy there are commitments to:

- work with local authorities to audit empty homes and determine those that should be brought back into use;

- support the work of the Scottish Empty Homes Partnership and continue to roll out the approach across Scotland;

- 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; and

- establish a new fund for local authorities to apply to use in order to bring empty homes and potential empty homes back into residential use and convert suitable empty commercial properties in town centres.

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[1] Housing to 2040
[2] Empty Homes in Scotland - parliamentary committee report

Research aims and questions

The aims of this audit are to:

- Set out the scale of the problem in Scotland (including how this compares to other UK nations) and the factors that lead to homes becoming empty for longer than 6 months.

- Identify the learning from the use of various interventions and powers across Scotland to bring long-term empty homes back into use – this includes providing value for money assessments to advise how we can continue to best support delivery of the SEHP model and improve data collection and dissemination.

- Build on the evidence gathered by SG analysts to review UK and other relevant approaches to tackling empty homes and to identify whether any of these might be used to enhance the effectiveness of tackling/ preventing empty homes in Scotland, including the appropriateness across different demographics (urban, rural, islands).

The Scottish Government has set specific research questions to be answered through the audit:

- What is the current picture in Scotland with regards to empty homes, taking into account, the scale, characteristics and impact of empty homes?

- What are some of the key barriers to, and opportunities for, bringing empty homes back into use in this context?

- How successful have existing approaches and interventions been in achieving their aims in relation to empty homes in Scotland?

- How could these approaches and interventions be improved going forward and are there further actions that could be taken? For example, how could the Empty Homes Partnership continue to evolve its model to support local authorities, including how it can improve its data collection and dissemination, to increase the rate of empty homes brought back into use?

In setting the brief for this work, the Scottish Government anticipated that compulsory purchase orders (CPOs) and compulsory sales orders (CSOs) may be mentioned by stakeholders when asked about their experience of using existing interventions or views on future interventions. The Scottish Government has committed to reform and modernise compulsory purchase legislation in Scotland to make the system fairer, clearer and faster for all parties. As a first step it will appoint an expert advisory panel in 2023-24 to help inform the development of options for reform. Therefore, while stakeholder views on the effectiveness of CPOs and potential for CSOs in the empty homes context is included in this report, recommendations on the future of such powers are out with the scope of this research.

Structure of the report

The report is set out as follows:

- Chapter 2 – Describes the methodology used for the audit, including limitations in the research.

- Chapter 3 – Sets out the current picture of empty homes in Scotland, including the characteristics of long-term empty homes, and provides comparisons across UK

nations, and internationally. This section includes a discussion on the current data challenges relating to empty homes in Scotland.

- Chapter 4 – Considers the impact of empty homes, progress on bringing empty homes back into use, and the key barriers for bringing more empty homes back into use in Scotland.

- Chapter 5 – Analyses the current approaches and interventions used in Scotland to bring empty homes back into uses, and the effectiveness.

- Chapter 6 – Examines the value for money of the various approaches and interventions.

- Chapter 7 – Outlines areas for improvement based on stakeholder opinion. This chapter also draws on evidence on different approaches used elsewhere, providing wider learning through evidence review and case studies.

- Chapter 8 – Concludes from all the evidence gathered, providing independent recommendations on how existing approaches can be improved, and what other actions could be taken to bring more empty homes back into use, including how to improve data collection and dissemination.

2. Research methodology

The audit has involved a mixed method research approach including:

- an evidence review
- a policy review and analysis of the existing approaches and interventions currently used in Scotland to bring empty homes back into use
- a value of money assessment of current approaches and interventions
- quantitative surveys of local authorities and empty homes owners
- qualitative research through in-depth interviews with local authority and wider stakeholder representatives, and empty homeowners

Evidence review

The evidence review has been informed by a recent literature review and analysis undertaken in-house by the Scottish Government[3]. To ensure the research is robust and independent we have also conducted our own additional analysis and interpretation of the evidence.

As part of the evidence review, data has been compiled from the following data sources:

- National Records of Scotland data on households and dwellings
- Scottish Government Housing Statistics on empty properties and second homes
- Scottish Empty Homes Partnership annual reports.
- Comparative data for England, Wales and Northern Ireland.

The analysis looks at trends over time and analysis by local authority, highlighting different experiences.

Policy review

A review of the existing approaches and interventions used in tackling empty homes has been undertaken through desk top analysis of documentation combined with in-depth interviews with representatives of the Scottish Government, the Scottish Empty Homes Partnership (SEHP), a sample of local authorities and wider stakeholders. The main findings of the policy review are held in Chapter 5.

Value for money assessment

In examining value for money (VFM), for the purposes of this report, Indigo House examined:

- Data over a 13-year period from April 2010 to March 2023. This included published data to 31st March 2022 provided by the Scottish Government for the purposes of the study together with data for the last financial year 2022-23 made available by the Scottish Empty Homes Partnership from their Annual Report to 31st March 2023[4], which was being prepared at the time Indigo House conducted this audit.

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[3] [Bringing empty homes back into use - approaches and interventions: evidence scoping review](#)
[4] [Scottish Homes Empty Partnership Annual Report 2022/23](#)

- A long list of 13 discrete interventions for possible VFM assessment were idenfitied. Due to availability of Scotland-wide data, five of these interventions were examined in detail.

- The nature, the cost of the intervention and the outputs delivered (i.e the empty homes brought back into use), the various sources of funding of the interventions, the period over which the interventions took place and the VFM from the perspective of the various participants.

This enabled Indigo House to create a VFM framework to consider each of the options, on a consistent a basis as possible, given the differing time frames and characteristics of each intervention. In terms of limitations of the VFM approach, it should be noted that the interventions being analysed here are not mutually exclusive and that double counting may occur in terms of homes brought back on line.

Quantitative surveys

Local authority survey

The purpose of the local authority survey was to obtain a range of data on the local authority empty homes service, strategy, detailed quantitative data on the number, type and condition of empty homes, opinion on the effectiveness of current approaches and interventions, and on areas for improvement.

The questionnaire used for the local authority survey is included in Appendix 1. This includes the consent and data protection requirements on the front sheet of the survey, and a statement on anonymity of survey responses. All analysis and reporting of the survey findings is provided on an aggregate and anonymous basis.

A total of 29 local authority representatives responded to the local authority survey, from a total of 32 local authorities – a response rate of 91%. The majority of those responding to the survey on behalf of the local authority (26 respondents) worked in an Empty Homes Officer role, and three respondents were not empty homes officers (where the local authority did not have such a role). In completing the survey, around two-thirds of respondents also liaised across local authority departments – including Council Tax, Housing Strategy, the Private Sector team, Building Standards and Environmental Health.

The survey findings are interspersed throughout the audit report with responses included in the relevant sections of the report.

Survey of empty homeowners

The purpose of the empty homeowner survey was to obtain a range of data from empty homeowners on the number of empty homes they owned (or had owned over the previous five years), the property condition, reasons for the property being empty, barriers for bringing their property back into use, their satisfaction with the approaches and interventions that they may have experienced to bring their property back into use, and opinion on areas for improvement.

The questonnaire used for the empty homeowner survey is included in Appendix 2. This includes the consent and data protection requirements on the front sheet of the survey, and a statement on anonymity of survey responses. Again, all analysis and reporting of the survey findings is provided on an aggregate and anonymous basis. Due to the number of returns it is not possible to disaggregate or analyse on an area basis.

Local authority empty homes contacts were asked by the research team if they could distribute the homeowner survey to their database of empty homeowners. The survey was distributed by officers within local authorities in one of two ways:[5]

- By direct email invitation to contacts understood to either be, or have been, owners of long-term empty homes.

- Through social media invitation.

There was a total of 197 responses to the survey. The survey respondents appeared to come from 18 different local authority areas, based on the location of the property locations provided, and there was a wide spread of types of areas reflected in the responses including three large cities, and a mix of urban and rural areas, including two island areas. However, there may be some respondents who owned empty properties in more than one local authority area.

The direct email approach was considerably more successful, and the greater majority of responses were secured through this approach. The survey design was not intended to obtain a representative sample of empty homeowners across the country, and therefore a margin of error is not provided for this survey. However, it is considered that the survey findings provide a valuable indication of the experiences and perceptions of empty homeowners.[6] [7] The survey findings are interspersed throughout the audit report with responses included in the relevant sections of the report.

Location of properties from homeowner survey responses

For the purposes of the survey, the following long-term empty homes were defined as "privately owned residential properties that have not been occupied for a period of 6 months or more."

Respondents were asked to indicate how many long-term empty homes they either have currently or which would have met this definition at some point over the past 5 years (but which are either now occupied, changed in use or demolished). As shown in Table 1 below, respondents to the survey most commonly owned an empty home, or homes that have been empty at some point over the past 5 years, in Glasgow City Council (19% of total responses), Aberdeenshire Council (17%), Fife Council (15%) and Stirling Council (11%). It is noted that this is influenced greatly by the extent and nature of efforts that individual local authorities took to promote the survey, and should not be seen as reflecting the profile of empty homes across the country as a whole.

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[5] Not all local authorities were able to participate, and this is reflected in the profile of responses set out in the findings.
[6] It should also be noted that not all respondents answered all questions, either by reason of choice or the routing of the survey. Specific bases for individual questions are quoted within the survey findings text.
[7] Throughout, response numbers may not sum to 100%, either due to rounding or as multiple responses were allowed for certain questions.

Table 1 Profile of Respondents' Empty Homes by Local Authority Area[8]

Local Authority	Number of Empty Homes	% of Empty Homes from responses	Base
Aberdeen City Council	24	8%	19
Aberdeenshire Council	49	17%	24
Angus Council	5	2%	2
Comhairle nan Eilean Siar	11	4%	6
Dumfries and Galloway Council	1	<1%	1
Dundee City Council	2	1%	2
East Ayrshire Council	1	<1%	1
Falkirk Council	10	3%	9
Fife Council	42	15%	37
Glasgow City Council	55	19%	21
Inverclyde Council	1	<1%	1
North Ayrshire Council	2	1%	2
North Lanarkshire Council	2	1%	1
Orkney Council	24	8%	21
Perth and Kinross Council	22	8%	15
Scottish Borders Council	2	1%	2
South Lanarkshire Council	3	1%	2
Stirling Council	32	11%	29
Total	**288**	**100%**	**182**

It should be noted that the individual bases do not sum to the total base as some respondents have empty homes in more than one local authority areas.

Qualitative research

The purpose of the qualitative research was to provide in-depth understanding into particular issues, by exploring experiences, characteristics or behaviours relating to the incidence of empty homes and how to bring them back into use. As is typical, the sample sizes were much smaller than those used for the quantitative surveys, and it is not the

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[8] As at March 2023 or within the last 5 years.

intention to obtain a statistically representative sample through this type of research, but to understand matters in more depth. Reporting of qualitative data has been done through analysis and description of opinion, rather than counts or measures. The following descriptions are used in reporting qualitative findings:

- all - everyone participating in the interviews made this point

- most - more than half of participants

- many - more than some but less than most

- some - less than half but more than three participants

- a few – two or three participants

- and one/an individual - just one person

In this research quotes are used to illustrate key points and may be drawn from the three different types of participants – local authorities, wider stakeholders and empty homeowners. The use of quotes does not infer any weight of response by that type of stakeholder, rather it serves to illustrate a point which may be made by several different participants.

Participants in the qualitative research were invited to interview based on their experience, or in the case of local authorities the profile of their area and prevalence of empty homes as set out below:

- Local authorities – eight local authorities were sampled on the basis of prevalence of empty homes (high, medium and low), household population (large, medium and small), type of area (city, urban, rural), type of housing market (pressured, mixed, unpressured) and engagement with empty homes policies (high or low). Further detail is provided in Appendix 3.

- Wider stakeholders – five wider stakeholders were interviewed from different perspectives including representatives from the Scottish Government, local government, local authority housing leaders, and national housing sector specialists.

- Empty homeowners – a sample of six homeowners were drawn from the homeowner survey where they had stated interest in participating in a follow up interview. The sample was drawn from different types of areas – three owners had properties in city/urban areas, two in rural areas and one on an island. The six owners were selected to reflect a variety of reasons why their empty home was empty (for personal, financial, legal and practical reasons) based on their responses to a survey they had already completed.

Appendix 4 includes the topic guides used for the qualitative interviews. All interviewees were provided with a topic guide in advance of interview, which included the consent and data protection requirements on the front sheet, and a statement on anonymity of analysis and reporting of findings. All prospective interviewees were informed in advance that their participation was entirely voluntary. Interviews with local authorities and wider stakeholder representatives took place online and typically lasted up to 1.5 hours, involved between one and five people in each interview, with a total of 29 people interviewed. Six individual empty homeowner interviews were conducted by telephone or online, as the owner preferred, and lasted up to one hour. The empty homeowners were provided with a shopping voucher to thank them for participating in the research.

Limitations

Scope of the brief and disclosures

The terms of reference for this report were established by the Scottish Government to which the Indigo House Group Ltd (Indigo House) submitted a detailed proposal and methodology accepted by the Scottish Government. The scope of our work involved an 'audit' of the empty homes social policy interventions in Scotland. The work did not constitute an audit as defined by the Auditing Standards for the UK and except where specifically stated Indigo House has not sought to establish the reliability of any sources or information provided to Indigo House by reference to independent evidence. The scope of our review was not an audit conducted in accordance with the Auditing Standards applicable to, and applied for the purposes, of the external audit of financial statements for reporting purposes in the UK and our report should not therefore be relied upon to provide the same level of assurance as an audit prepared in accordance with these standards.

Indigo House accepts no duty of care or liability towards any other party other than the Scottish Government in respect of any matters arising from, or in connection with this report and accordingly if such other persons choose to rely upon any of the contents of this report they do so at their own risk. The Indigo House Group has reviewed the information provided to us by the Scottish Government and other stakeholders as referenced, and have sought information and explanations from Scottish Government representatives and other stakeholders as deemed necessary. Indigo House has also satisfied itself, so far as possible, the information provided to the company is consistent with other information obtained by Indigo House in the course of our work. Scottish Government and other stakeholders participating in this research are responsible for all information provided to Indigo House for the purposes of this work and we accept no responsibility for such information or the completeness or accuracy of such information.

Research limitations

Qualitative research

The qualitative research enables intensive exploration and description of key issues, thus allowing for insights into participants' views. The researcher can make reasonable judgements as to the prevalence of such views, although the nature of qualitative research (i.e. the number of interviews typically achieved, the free-form nature of responses, etc.) means that it is not possible to generalise the findings in a statistical sense. The qualitative approach allows the researchers, given the number of interviews involved in this research and the recurring themes found, to summarise and develop general propositions and conclusions. This was possible for the local authority and wider stakeholder interviews where 29 people were interviewed. For the homeowners, a small number of six interviews was achieved, and their opinion and case studies provide illustrations of lived experience.

Quantitative research

The local authority survey resulted in a 91% response rate. For the homeowners survey 197 responses were received, but we cannot calculate a response rate or quote a level of statistical significance for this survey as the population of empty homeowners is unknown. As such the homeowner survey results should be treated as indicative only. The small number of responses at a local level means that there has been no disaggregation of responses by different local authority areas.

3. Empty homes in Scotland

The scale of empty homes in Scotland

In Scotland, the official definition and subsequent quantification of empty homes is generally determined by council tax definitions[9]. These are:

- **Long-term empty properties:** properties which have been empty for more than 6 months and are liable for council tax. A 100% premium (double the full rate) can be applied by local authorities to homes that have been empty for more than 12 months.

- **Unoccupied exemptions:** generally, properties which are empty and unfurnished for less than 6 months and exempt from paying council tax.

- **Second homes:** homes which are furnished and lived in for at least 25 days in a 12-month period but not as someone's main residence.[10]

Since 2008 the number of empty homes, second homes and unoccupied exemptions in Scotland have increased by 4% from 109,876 dwellings to the current estimated total of 114,308 at September 2022 (Figure 1). However, over the last decade the increase has slowed to 2%.

In relation to long-term empty properties (empty for more than 6 months[11]), the number has increased to a high point of 47,333 in 2020 (which can partly be explained by the housing market closure during the covid-19 pandemic) before reducing to 43,766 in 2021 and to 42,865 in 2022. That is a reduction of 2% in the most recent period, but over the last decade long-term empty properties have increased from 25,454 in 2012 to 42,865 in 2022 – an increase of 68%.

The 42,865 figure for long-term empty homes includes all tenures. The specific focus of this report and the local authority survey results is on long-term empty homes in the private sector. No precise estimate of the overall number of private sector long-term empty homes is currently available. It is possible from local authority management returns to calculate the number of public sector vacant properties vacant for 26 weeks to 2 years and over 2 years[12], which totals 3,714. This data is as at 31 March 2021, so is not directly comparable to the 42,865 total, which is for September 2022. Comparing the long-term empty estimate for local authority properties (3,714) with the total number of long-term (6 months or more) empty properties as at September 2021 (43,766) gives an estimate of approximately 8% of long-term empty properties being local authority stock. However, this doesn't include long-term empty properties for the housing association stock so would be a significant underestimate for the social sector as a whole.

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[9] [Housing statistics: empty properties and second homes](#)

[10] As of June 2023, the majority of councils (25) choose to charge second homeowners the full rate of council tax, which is the maximum they are able to apply within the current legal framework. The remaining seven councils apply a 10% discount for second homes, although in Orkney this only applies for 12 months.

[11] Long-term empty properties are those empty for more than 6 months throughout the report, unless specified otherwise.

[12] [Housing statistics: Management of local authority housing](#)

Figure 1: Empty properties in Scotland year to end September 2008 – 2022
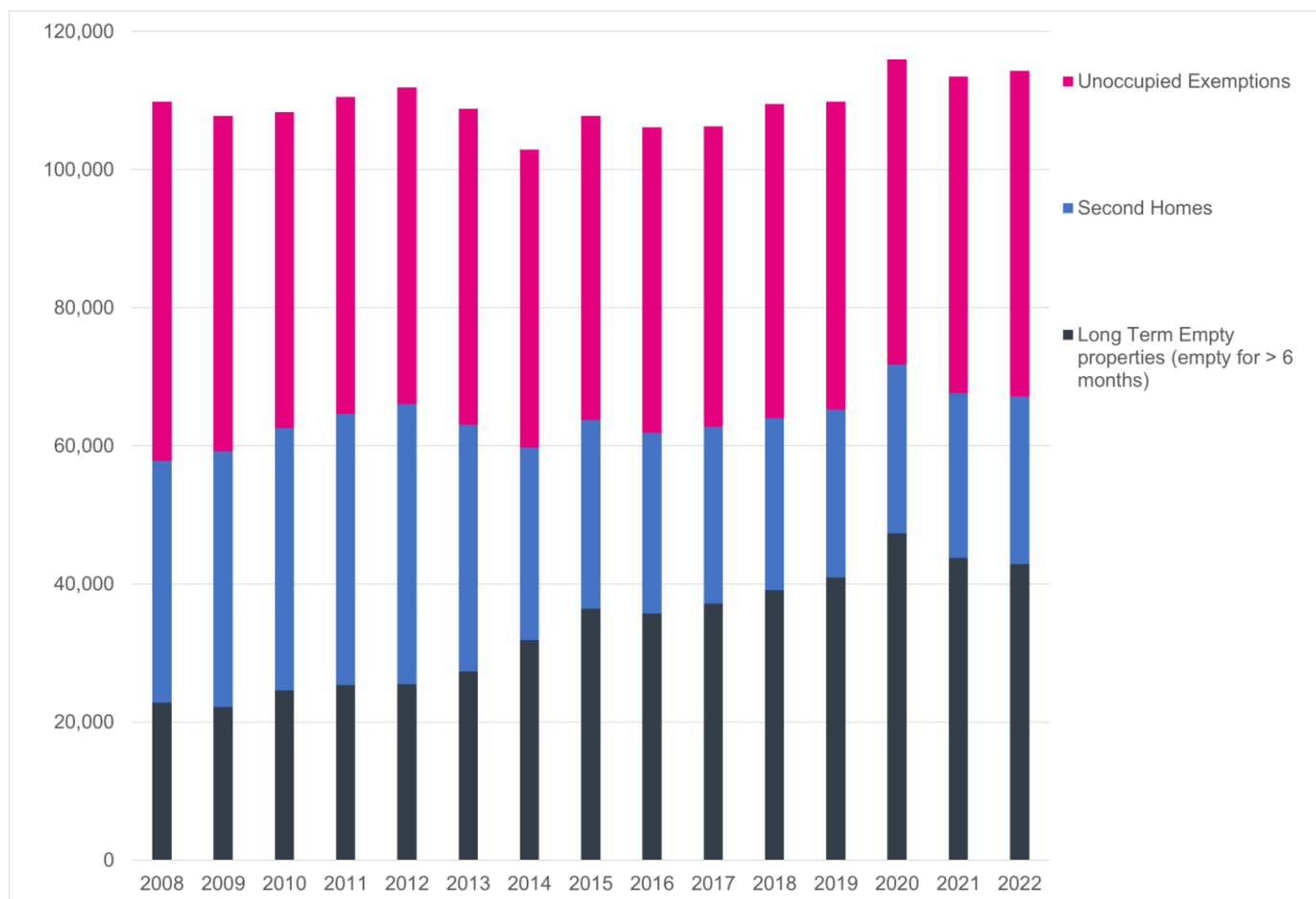
Source: Housing Statistics for Scotland Quarterly Update: New Housebuilding and Affordable Housing Supply (published 24 January 2023)

The current level of long-term empty homes (empty for more than 6 months) is equivalent to 1.6% of all dwellings in Scotland.

The small reduction in long-term empty properties of 2% over the one year period to September 2022 occurred against the backdrop of a slight increase in second homes of 2% (from 23,890 in 2021 to 24,287 in 2022) and an increase in unoccupied exemptions of 3% (from 45,801 in 2021 to 47,153 in 2022). The peak in long-term empty homes in 2020 is widely considered to be associated with the Covid-19 pandemic when the halting of construction work and delays in sales had an impact on flow of stock through the housing system[13].

Compared to the 68% increase of long-term empty properties over the past decade, unoccupied exemptions saw a comparatively modest increase from 45,833 in 2012 to 47,156 in 2022 (3% increase), and second homes reduced significantly from 40,599 to 24,287 in 2022 (40% decrease).

It is important to note that the relationship between the recording of the three groups has changed over time. From 1st April 2013 local authorities gained the discretionary power to remove the empty properties discount or set a council tax increase of 100% on certain properties which have been empty for over 12 months. This, along with associated improvements in the data held by local authorities, has led to the reclassification of a number of properties and has had a significant bearing on the year-on-year changes in the

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[13] Established through interviews with local authorities and wider stakeholders.

figures. In 2014 and 2015 in particular, there was a significant increase in long-term empty properties, with a significant reduction in second homes and unoccupied exemptions in 2014 which immediately followed the local authorities' new powers in 2013. The way that taxes and premiums impact on empty homes and associated data limitations is explored further below.

Variation by area

Comparing the level of long-term empty properties (empty for more than 6 months) with the total dwelling estimates for each local authority in 2021 (the latest year for which dwelling estimates are available), we see a range in the prevalence of long-term empty properties from 5% of dwellings in the Shetland Islands 4% in Na-h-Eileanan Siar and 3% in Aberdeen to less than 0.5% in East Renfrewshire and East Dunbartonshire, compared to Scotland's 1.6% (Figure 2). Interviews with local authorities and stakeholders confirmed that the variability of the proportion of empty homes can be driven by a range of factors including the type of housing market e.g. if there has been an economic downturn such as in Aberdeen (since around 2014), or if there are depopulation factors such as found in many remote parts of Scotland (discussed further in later chapters).

It is widely acknowledged that the longer a property is left empty, the more challenging it may become to undertake any remedial work to the property to enable it to be occupied or sold. The latest data for Scotland[14] estimates that of the properties that had been empty for more than 6 months, just under two-thirds (27,692 or 65%) had been empty for over 12 months, with 20,279 of these having a council tax discount below 10% or a council tax increase which the local authority had applied under their discretionary powers (as outlined above).

Figure 3 shows how the proportion of long-term empty properties being empty for 12 months or more varies by local authority, ranging from all, or almost all the empty properties in Midlothian, Glasgow and Highland to fewer than 40% of properties in South Ayrshire, City of Edinburgh and East Renfrewshire (which had none reported).

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[14] Housing Statistics for Scotland Quarterly Update: New Housebuilding and Affordable Housing Supply (published 24 January 2023)

Figure 2: Proportion of dwellings long-term empty over 6 months, by LA (2022) %
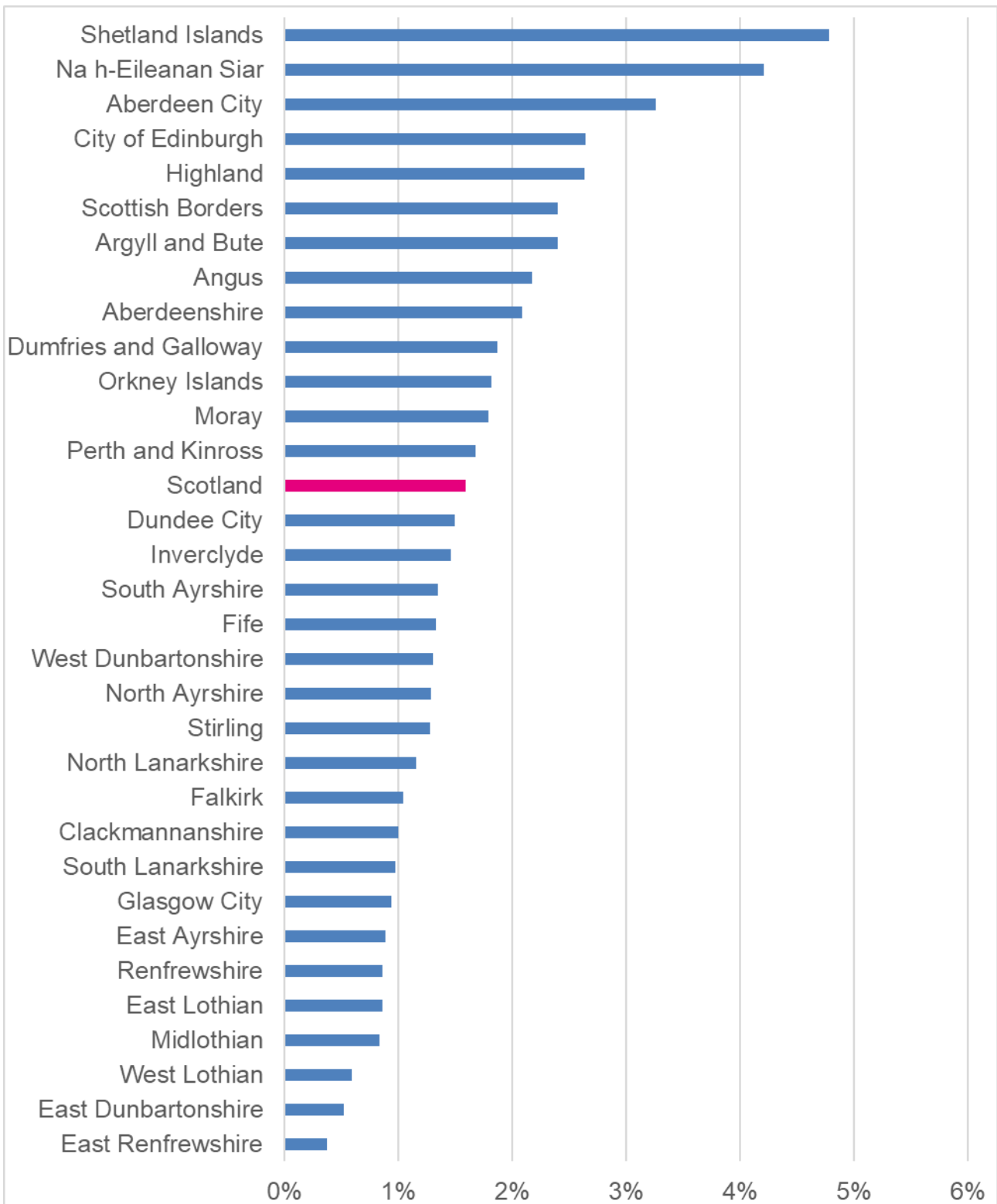
Source: Housing statistics: empty properties and second homes and 2022 dwelling estimates from CT-Base, September 2022

Figure 3: % of long-term empty homes empty for 12 months+ (year to end September, 2022)
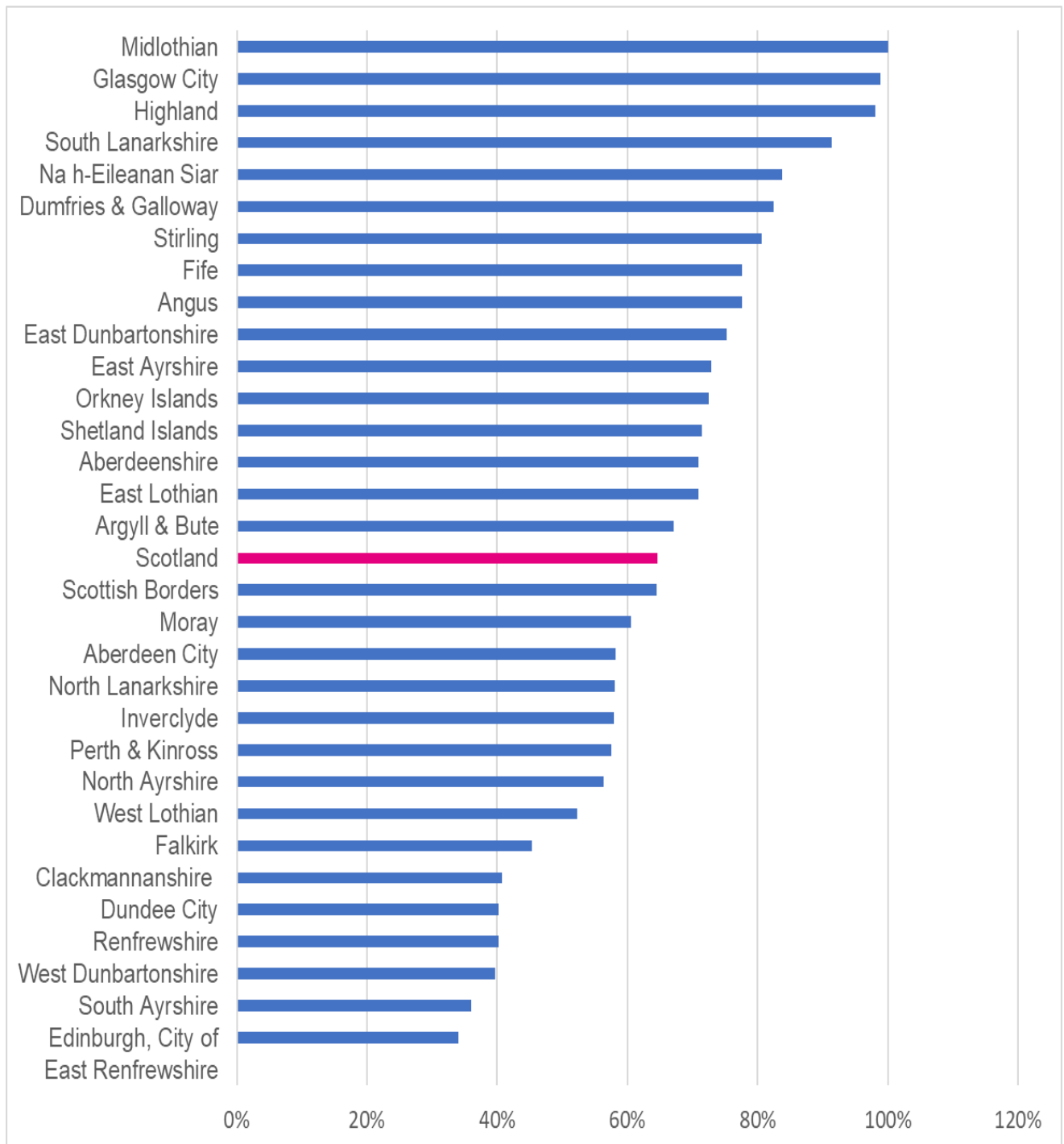
Source: Housing statistics: empty properties and second homes

Figure 4 below shows that as at September 2021 (the most recent data for which dwelling estimates are available), large urban areas are where the vast majority of the long-term empty properties (empty for more than 6 months) in Scotland are situated. However, remote rural areas have the highest percentage of their housing stock empty for 6 months or more (3.0%), while accessible small towns have the lowest percentage of their dwellings classed as long-term empty (1.1%).

Figure 4: Number and % of long-term empty homes by rurality (year to end September, 2021)
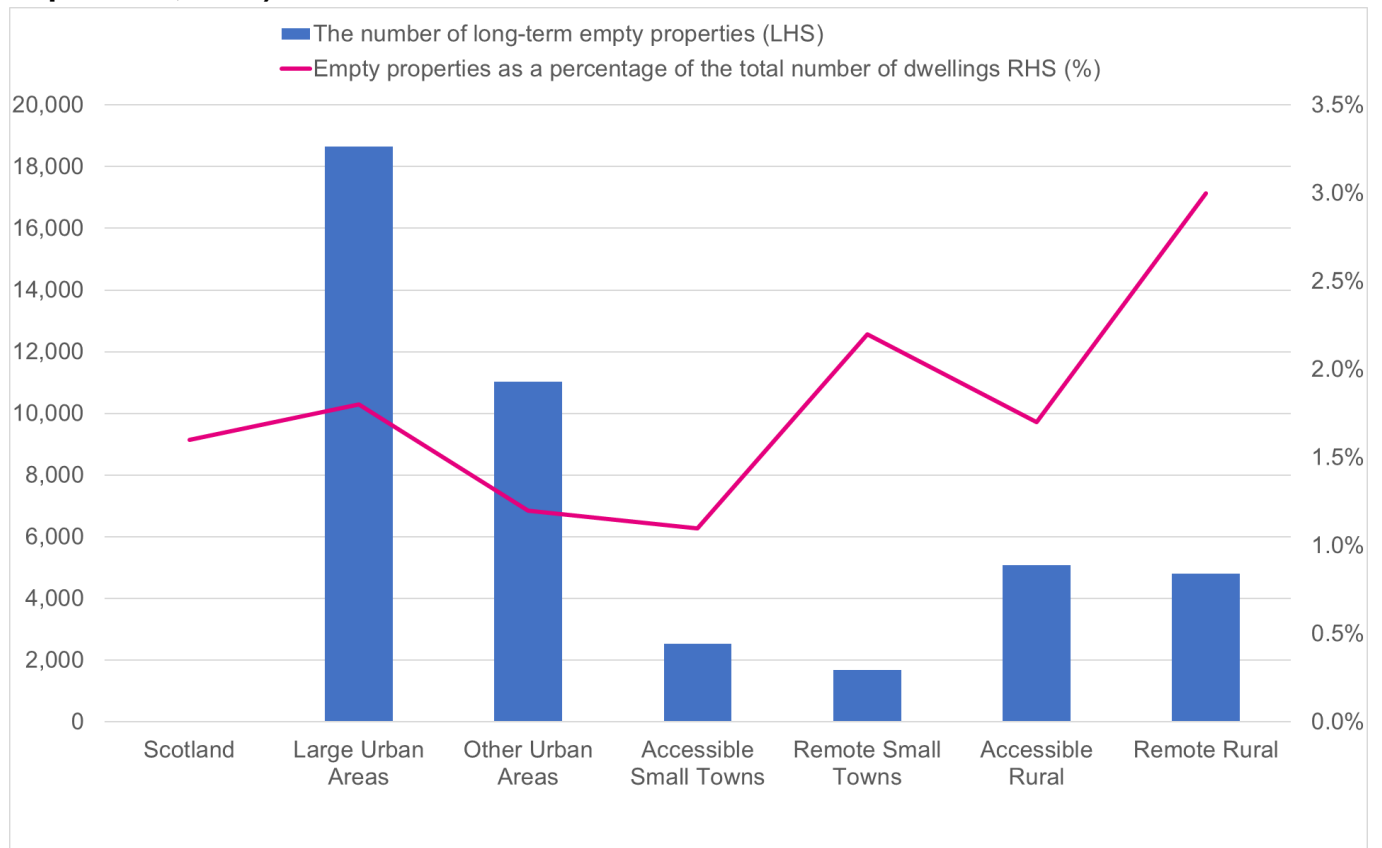
Source: National Records of Scotland ([Household and Dwelling Estimates by Urban Rural Classification (2011 Data Zone based) | National Records of Scotland (nrscotland.gov.uk)](#)) Scottish Government analysis

Figure 5 shows the distribution of long-term empty properties (empty for more than 6 months) across the SIMD deciles, where 1 is the most deprived and 10 is the least deprived. This shows that the number and proportion of long-term empty properties is highest among properties in the 6th decile (and lowest in the 9th).

Figure 5: Number and % of long-term empty homes by SIMD (year to end September, 2021)
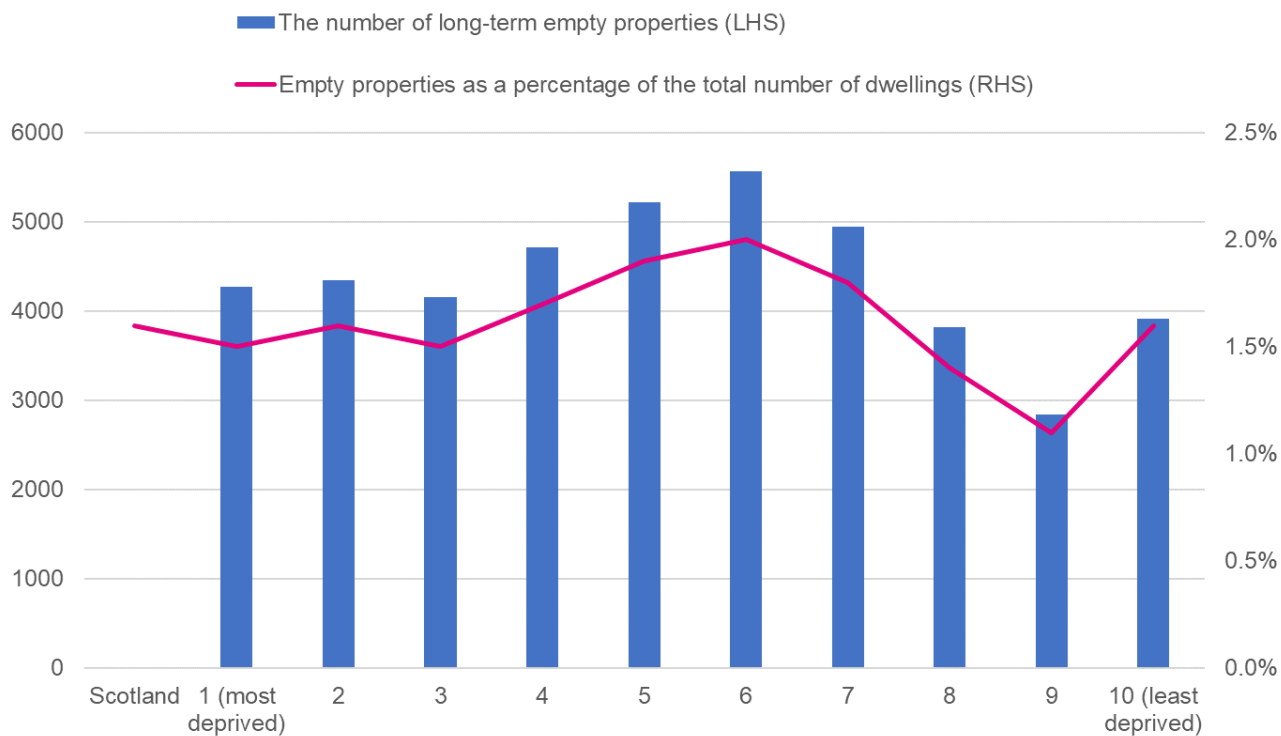
Source: National Records of Scotland (Household and Dwelling Estimates by Scottish Index of Multiple Deprivation (SIMD) | National Records of Scotland (nrscotland.gov.uk)) Scottish Government analysis

UK comparisons

In England, there have been significant flutuations in the number of long-term empty homes (empty for more than 6 months) since 2008. However, over the decade from 2012 to 2022, the level of long-term empty homes decreased by 2%. The latest figure for England of 248,633 is 1% of all dwellings (compared to Scotland's 1.6%), with a 5% increase on the 2021 figure (Figure 6).

Figure 6: Long-term empty properties in England 2004-2022
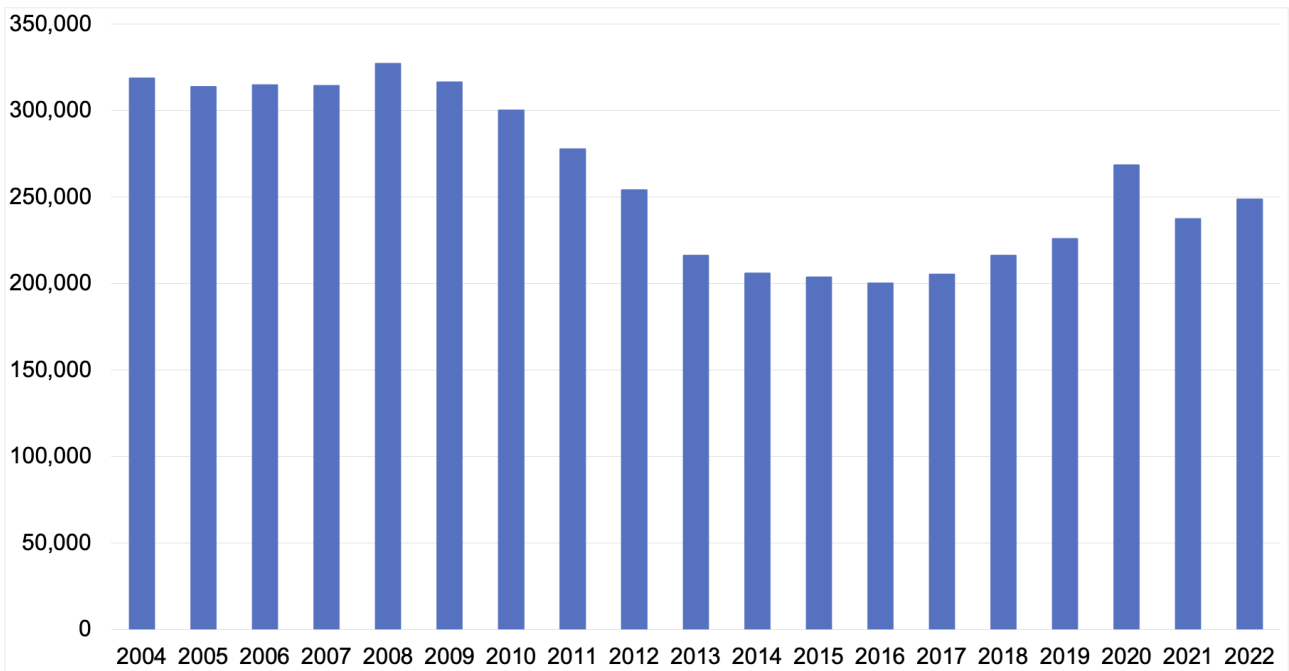
[Statistical data sets - live tables on dwelling stock including vacants (gov.uk)](#) (These are defined as properties liable for council tax that have been empty for more than six months and that are not subject to Empty Homes Discount class D or empty due to specific flooding events.)

Figure 7: Number of chargeable empty and second homes, by year (number of dwellings) – Wales
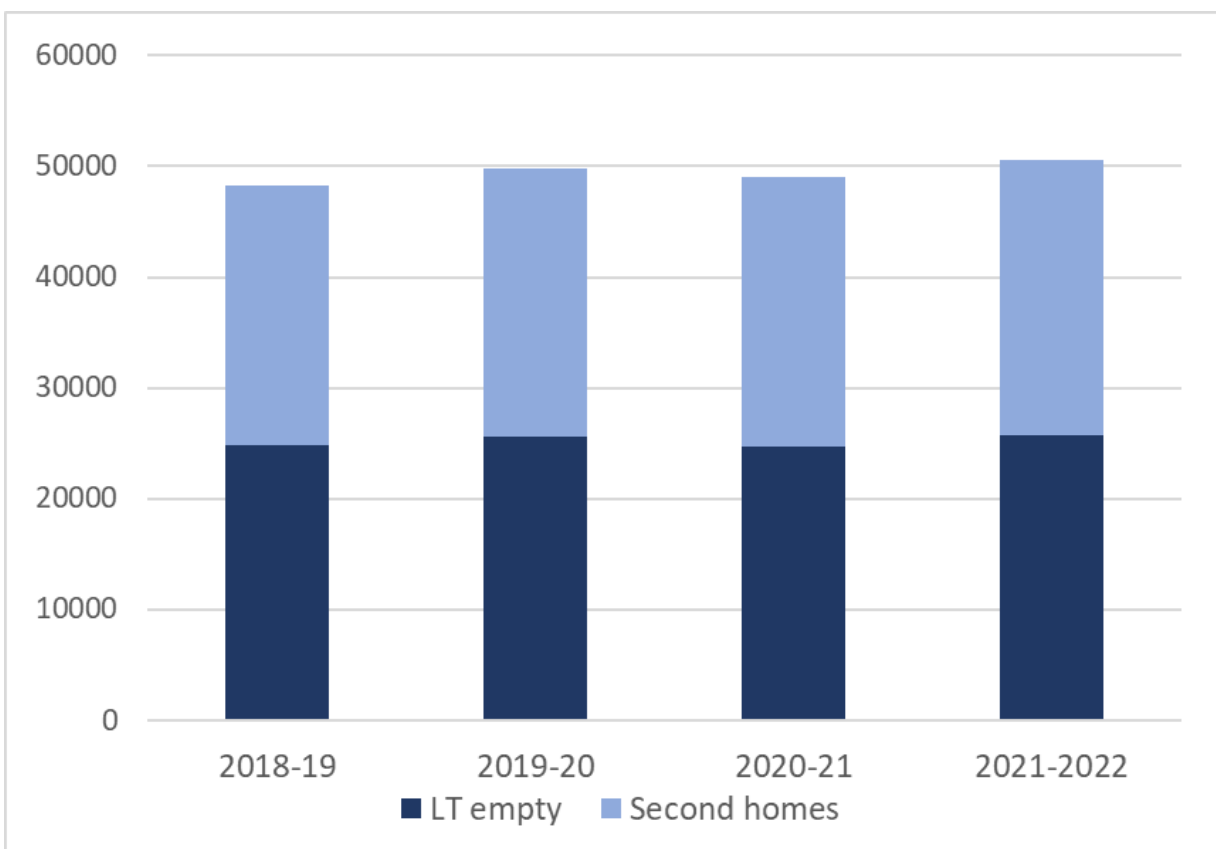
Source: [Statswales - Local Government Finance Council Tax (Dwellings - chargeable empty and second homes by local authority)](#)

The number of long-term empty properties in Wales increased from 24,830 in 2018-19 to 25,701 in 2021-22 (up 4%) (Figure 7). Over the same period, second homes increased from 23,426 to 24,873 (up 6%). The 25,701 long-term empty homes are 1.8% of dwellings (slightly higher to Scotland's 1.6%). Data is not available to compare the period from 2012 to 2022.

Comparable trend data is not available for Northern Ireland. At January 2021, the total empty homes registered was 20,569 – with 4,206 new additions indicating that 3,753 properties had been removed over an 11 month period[15]. That is an estimated 2.5% of properties, higher than Scotland's 1.6% rate.

Therefore, while there is a mixed picture in Scotland, when we look across the reduction in empty properties alongside the increase in second homes and unoccupied exemptions, Scotland has fared similarly to Wales, but the proportion of long-term empty homes in Scotland has been slightly higher than the English long-term empty homes rate in the most recent period. Significantly, over the last decade, England has seen empty properties reduce by 2% while Scotland has seen an increase of 68%, although in Scotland, this was accompanied by a 40% reduction in second homes. This change in Scotland could potentially reflect local authorities' discretionary powers in 2013 provided in 2013 to remove the empty properties discount or set a council tax increase of 100%, which coincided with a reclassification of a number of properties. Comparable data for second homes over the same period is not available in the English empty homes data. However, the latest English Household Survey data for 2018-19[16] showed an increase in second homes from an estimated 572,000 in 2008-09 to 772,000 in 2018-19 (an increase of 35%). These significant differences may be explained by approaches to data collection and categorisation of empty homes, and the changes between categories may be driven by taxation.

International comparisons

OECD data on vacant housing[17] found that vacancy rates vary across countries. Among those countries for which data are available for 2020, Malta, Japan, Cyprus and Hungary record the largest share of vacant dwellings, at over 12%. By contrast, vacancy rates are lowest in Iceland, Switzerland and England at less than 3%, compared to Scotland's current prevalence rate of 1.6%. Vacancy rates in other European countries were somewhat higher – Netherlands (5%), Denmark (6%), France & Germany (8%) and Ireland (9%).

The share of vacant dwellings is larger in rural areas, compared to urban areas, in all countries except Portugal (though the difference is very small). The biggest differences in vacancy rates between rural and urban areas are recorded in Chile (over 15%) and the Czech Republic (nearly 12%).

This means the Scottish vacancy rate of just under 2% is comparable with the lowest rates among OECD countries. However, as shown above, there is significant variation across Scotland, with some local authorities with considerably higher than average vacancy rates.

Local authority survey data on long-term empty homes

All Scottish local authorities were asked through the quantitiative survey to provide a **current estimate of the number of long-term empty properties** that had been empty for at least 6 months. A total of 26 out of 29 respondents were able to provide a current

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[15] NI_DFC Review of the NI empty homes strategy and action plan.pdf

[16] EHS second homes factsheet.pdf

[17] OECD Housing stock and construction data.pdf

estimate of the number of long-term empty homes with the total across these 26 local authorities being 30,608 properties. This estimate, based on around 80% of local authorities is 71% of the official published figure reported in September 2022 across 32 local authorities[18] (or 81%, if it was proportionate to the proportion of responses received).[19]

This difference in numbers between the official statistics and the number reported through the survey may indicate variation across the year, or it may also indicate that the survey figures were not reported on a basis consistent to the September officially reported data. In particular, the survey asked respondents for "privately owned residential properties that have been empty for a period of 6 months or more". Therefore, the variation may indicate that specifically excluding local authority or RSL stock produced lower numbers than the data provided in September 2022, which would have included all tenures.

Some respondents may also have excluded exempt properties. However, local authorities were not asked through the survey to show exactly what type of long-term empty properties were included in their figures, or whether this included or excluded exemptions, so it is difficult to determine exactly why the numbers differed. There were some comments in the survey which indicated that some local authorities were skeptical about the 'official' statistics and how useful these were in identifying and prioritising empty homes. One survey respondent highlighted the issue of what long-term empty 'means':

> "A more general point is that a home being empty for 6-12 months might not be unusual or lead to a problem in the long term if it's being renovated, subject to an Estate being settled etc. so we need to think about what we mean by long-term empty" (local authority survey respondent).

This point was confirmed in interviews, as illustrated by one local authority participant who was conscious that the data analysis they had conducted for the survey was not comparable with the September data return, as the estimate provided for the survey was what the Empty Homes Officer (EHO) and colleagues judged to be the most accurate figure.

> "It's sorted to take out some of the other things that probably would have been in the CTAXBASE report. […] I think there's probably an alignment needed between what is asked for in relation to empty homes for the annual CTAXBASE Scottish Government return and what the current definition of empty homes is and what [Empty Homes] officers across the country actually understand it to be." (City local authority)

There is currently no official published data on the **type, size and characteristics** of empty homes properties in Scotland. This is because the Council Tax Register (CTR) which is the source for the official annual return on empty homes does not collect this data.

Local authority survey respondents were asked what they knew about the properties that had been empty for six months or more. A minority of respondents (only 5 out of 29) were able to provide an assessment of the type of empty properties. In three of the five cases the majority of empty properties were houses, while in two out of the five cases these were flats. No-one was able to provide an assessment of the size of the empty homes reported.

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[18] Housing Statistics Scotland Quarterly Update, January 2023

[19] Most of the respondents indicated that their figures were for January, February or March of 2023, while most of the remainder were from late 2022. Two respondents reported data from earlier – May or July 2022.

Similarly, just six respondents were able to comment on what proportion of empty properties were in low or high demand housing market areas. Half of these indicated that the majority of empty properties were in high demand locations while no-one indicated that the majority of empty properties were low demand, and others indicated more mixed demand.

Fourteen of the 29 respondents were able to indicate how empty properties were spread across urban and rural areas. Of these, about half indicated that the majority of empty properties were in large urban or other urban settings while a third were predominantly in remote rural settings. Others had more of a spread of empty homes across different types of location.

Only around half of respondents (14) were able to say to what extent empty properties in their area had been assessed for their potential to be brought back into use. These responses showed:

- in most of these areas (9 out of 14) less than 20% of properties had been assessed
- three other local authorities reported assessing between 20% and 40% of empty properties
- two local authorities stated that 98% and 100% of empty properties had been assessed

Of the nine local authorities that were able to provide an estimate of the proportion of empty properties assessed as being able to be brought back into use:

- four said that more than 90% of properties could be brought back into use
- three people said fewer than 5% could be brought back into use
- two respondents said 20% and 50% could be brought back into use

Of the six local authorities who were able to comment on the level of work required:

- half said that 10%-20% of properties needed little or no investment and 50%-60% needed some investment
- two of these six said that 30%-40% needed significant investment
- four out of six said just 20% needed significant investment

It should be noted that because the number of local authorities that were able to assess the empty properties was so small, these findings should not be generalised for empty homes across Scotland a whole. What the survey findings clearly show is the limitation of the CTR to provide in-depth data on the characteristics of empty homes, and the lack of overall assessment by local authorities of the condition of these empty homes and their potential, therefore making it difficult to forecast the financial input and interventions necessary to bring Scotland's empty homes back into use. Many local authorities in the survey open responses and through interviews highlighted the limitations in data and resources as discussed further below.

Data challenges

Challenges relating to empty homes data is well documented in wider evidence. It is argued that the CTR as the main source of data can be unreliable, since it relies on owners self-reporting empty homes, and this self-reporting behaviour may be affected by any additional premium or discounts that apply (Dunning & Moore 2020[20]). As outlined

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[20] Defining and measuring empty and under-utilised dwellings in London

above, in 2013 and 2014, the number of properties classed as long-term empty in Scotland rose, potentially in part as a result of reclassification exercises carried out by local authorities.

In addition, literature highlights that given Council Tax data is the main data source on the number of empty homes, undercounting may arise from property types which are not captured by Council Tax recording methods. In England and Wales, derelict homes are not classified as dwellings for the purposes of Council Tax which can lead to a situation where some of the most problematic long-term empties, causing the greatest impact on communities, are not represented in the figures (Action on Empty Homes 2019[21]; Wilson et al 2020[22]). Empty commercial properties are also not captured, which may lead to missed opportunities to convert this stock as part of regeneration in line with the Scottish Government's Town Centre Action Plan[23]. A recommendation of the Welsh Assembly Government's 2019 report[24] on empty homes was to progress the design of a method of data collection which is not reliant on the council tax valuation list,and includes derelict and non-residential properties.

An Empty Houses citizen social science pilot project undertaken in England investigated mobilising the public to collect data about empty homes. The study found that citizen reporting is potentially useful and contributes to changing attitudes on addressing empty homes through the notion of citizen duty (Albert 2021[25]). A trawl of Scottish local authority web-sites searching for 'report an empty home' found that seven local authorities had a specific online form to report empty homes, 15 had clear instructions with an email contact for the EHO or another contact (with a few linking to the SEHP website) but for 10 local authorities it was not clear how to report an empty home, with links to council tax discount information only, or no other relevant information. Two of these local authorities had email contacts for empty homes officers but did not explain what they did.

Other methods mentioned in literature include using censuses, electricity consumption records (Pearson 2018[26]), data from other types of tax records and the postal service (Manda 2015[27]). This was an area highlighted by one of the stakeholders for this research where it was suggested that other agencies (such as lenders, utility companies and factors) should be able to provide data to indicate when properties become empty, but in a way that does not contravene data protection legislation.

Opinion from local authorities and stakeholders on data quality issues

Issues around data challenges were discussed further through interviews with local authorities and wider stakeholders categorised in the analysis as data sources and quality; access to information; and support from SEHP on data analysis.

Data sources and quality

It was clear from interviews that there was a **variety of approaches to data collection and analysis on empty homes**, with the officers limited by the basic data, inaccuracy and

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[21] Action on Empty Homes 2019

[22] Empty Housing in England (2020)

[23] A New Future for Scotland's Town Centres

[24] Empty properties (senedd.wales)

[25] Albert, M. (2021) 'Citizen social science in practice: the case of the Empty Houses Project' *Humanities and Social Sciences Communications* 8:70

[26] Pearson N. (2018) 'Ghost-Home Tax Fills Vancouver Coffers But Rentals Remain Scarce' *Bloomberg.com* 04/26

[27] Manda P. (2015) 'Preparing Our Housing for the Transition to a Post-Baby Boom World : Reflections on Japan's May 26, 2015 Vacant Housing Law' *Cityscape* 01/01;17(3): pp239-248

lack of currency of data within the CTR. Data collection and analysis processes were often described as basic, and unintegrated with the CTR. Many described their approach as an Excel spreadsheet or Access database for empty homes case management, combined with reports or read only access to the CTR. There were a few examples where EHOs had developed bespoke approaches of integrating different data sources to develop a comprehensive database with different variables on size, type, condition, referral source etc, but these were in the minority. It was also noted that SEHP is increasingly supporting individual local authorities in data analysis to help them target specific areas for empty homes interventions (discussed further below).

Several local authorities discussed their processes for getting data from finance colleagues and then supplementing this data from various sources including the general public, other council departments, complaints, councillors and housing officers. For some this seemed to be systematic, but for others this was much less so, with one example having no recording or analysis mechanisms for empty homes. There was, however, a clear desire from many participants to improve the data collection and analysis processes, including data on size and condition, but achieving this was argued as highly constrained by resources and competing priorities. There was no obvious trend in the type of local authorities that had more systematic approaches to data collection and analysis (included examples of larger, smaller, city and rural authorities), or in the amount of EHO resources (with examples of several full time, and with one part-time officer).

> "We have a system where we get a monthly update from Council Tax and it's an extract that fits into our Microsoft Access database. We have an online reporting facility and we also have elected members who report empty homes, members of the public report and staff in other departments – Environmental Health, the Private Sector team, RSLs, SEHP."
> (Urban/rural local authority)

> "There is definitely room and scope for improvement and we are working with data and Insights team to look at how we can better capture the data, see how we can potentially get a database or a system in place to help us monitor the data that we have. We have a database ourself but it is basically an Excel spreadsheet. Automation is what we are working towards, in terms of digitisation." (City local authority).

Fife Council – Empty Homes data analysis and pilot scheme

Fife Council compile a database of empty properties to enable them to prioritise cases. They make an initial assessment based on the council tax list and cross-reference this with property information, in conjunction with colleagues from the Housing Strategy team. Cases are prioritised through various criteria including length of time empty, complaints from neighbours or other stakeholders. At the same time some proactive work is undertaken by tracing and contacting owners where potential buy-backs may be an option, and the Empty Homes Officer liaises with the Council's buy-back teams.

Fife also undertook a pilot scheme in 2021 in which all empty property owners within one area were contacted. There was a mailing to a small focused area where it was found there was an above average proportion of empty homes. This approach was taken to see whether this would work better than waiting for people to complain, to take a proactive rather than reactive approach. It was considered to be a worthwhile exercise, but resource intensive, especially in the context of one part-time Empty Homes Officer. A bigger area

may be considered, but it was noted this would take up a lot more resources and the Council has to balance proactive work with dealing with reactive work with empty homes being brought to the Council through complaints.

It is important to note that some EHOs were not necessarily using the council tax data as the base as a source for their caseload data. Many recorded live cases brought to their attention through a range of sources and then built up a case database from there, and the council tax data was used to verify (or not) that the case was an empty property - in some cases the property was empty but not recorded as such on the CTR, or vice versa.

This highlights the issue around **inaccuracy of data from the CTR** to which many local authorities referred. Several local authority participants provided examples of clear errors in the council tax data runs, and referred to the difficulties caused regarding collection dates which it was argued could mean the figure for homes empty between 6 and 12 months could be less reliable than the figure for empty homes for longer than 12 months because of how its recorded. There were also instances of a few councils with very low numbers of empty properties between 6 and 12 months, which may indicate some inconsistency in how these were being captured. This may relate to the issue about the date at which exemptions, discounts and how discretion were applied. One extreme example was cited by one local authority where the EHO responded to a neighbour complaint about a property that had been empty for 12 years, and on checking the property on the CTR, it had the property recorded as occupied. One stakeholder argued that the council tax premium introduces a deterrent for declaring their property as empty and therefore limits access to information on the full extent of empty homes:

> "Some of them [empty properties] don't appear on council tax because the properties are empty, but they're down as [someone] living in the property ….we have a lot of work to do to try and trace the owners." (Urban/rural local authority)

> "And I think there's also the harder to measure bit, with the mismatches in information data cleansing sort of stuff where you realise that Council Tax records for whatever reason, whether it be that just an account remains in the wrong name because they can't follow it up, and if nobody tells them, nobody tells them, but it's an empty and you investigate - you correct their records." (City local authority)

> "I'm frustrated that council tax is the main data supply because it's not actually accurate. It's not likely that somebody will pay 200% council tax if they're living in the property, but it is likely that somebody could have an empty property and choose not to tell the council - and just pay the 100% council tax. So actually, there could be more empty homes than we think, if we're relying on council tax alone." (Wider stakeholder)

The issue relating to inaccuracy of data on to the length of time properties were empty meant for some councils that the data could not be reliably used to target the longest-term empties, with those over 6 months empty commonly relying on further investigation, or complaints. It was the longer-term empties that EHOs said were most often the higher priorities that they needed to know about and target, or those that are causing harm or a nuisance.

> "I've got quite a few in my caseload that has been brought to my attention by neighbours or councillors, and they're not on the Council Tax Register. So we've got to do a lot of work to, to kind of try and trace the owners

because Council Tax don't have data on them." (Urban/rural local authority)

One local authority further illustrated the focus on long-term empties over 12 months, suggesting that looking at all empty properties over 6 months was neither required, nor practical in terms of the resources at their disposal:

> "I think when I think of long-term empties, my mind goes to 12 months plus because I think sometimes something that's been empty for 6-7 months is not a particularly going to transpire as an issue, might be a lot of legitimate reasons for that, people dealing with the estates or just trying to sell and doing different things. So we've tended to look at the ones that we would call 12 months or even longer, I suppose. I think that's been our focus." (City local authority)

Other interviewees also spoke about the mismatch of information, or where there was a need for cleansing of council tax data which happened at varying timescales. It was noted that often it was the EHO who provided information to the Council Tax department on the property or owner status as a result of their investigative role.

Participants also identified that a major short-coming of using the CTR was that it relied on residents updating their own details. For example, if a Direct Debit for an empty property continued to be paid, there would be no mechanism to flag an empty property (unless it was reported by a neighbour/other party), and if there was a payment default and a property had been abandoned, there may be a significant delay before a property was recorded as empty until the default processes caught up with the situation and the property was recorded as vacant. In addition, the mechanisms and the availability of resources for checking whether a property was declared and classified correctly as long-term empty, second homes or unoccupied exemptions were perceived to differ significantly from area to area.

One local authority pointed to the underlying complexity in the figures, which is not apparent in the published statistics, so limiting the comparability of data. The published empty homes data does not detail the reasons for unoccupied exemptions or the length of time that unoccupied exemptions have applied for, and this might include some very long-term empty properties. There were the standard unoccupied exemption figures that were generated, but this local authority also publicly reported a break down between the properties that were empty and exempt from council tax. These could be:

- properties that had been occupied, that have just become empty and unfurnished, subject to an exemption

- properties under statute, which is generally closing or demolition orders to fit with the council tax legislation

- deceased owners where the estate hasn't been settled or grant of confirmation issued

- properties held for demolition

- people living or detained elsewhere so that could be people living in care or prison

This amount of detailed reporting was not found across all local authorities interviewed, and in fact, there were common concerns expressed that council tax data was recorded in a way that was unhelpful for breaking down exemptions and identifying long-term empty homes. Two common examples were given of properties being recorded correctly as an unoccupied exemption due to the resident being in a care home, or where there was no grant of confirmation on estate. These categories could be used for a property that had

been empty for years and caused significant problems with neighbours, for example. Thus, the unoccupied exemptions classification was an area that further information was felt to be needed to provide more accurate information and to make the EHOs investigation role much more efficient.

It was concluded by several stakeholders that there is a requirement for an in-depth review and system change of what is collected through CTR, with some calling for creation of an entirely alternative method for empty homes. A few also stated that there should be more investment by local authorities in developing bespoke systems for empty homes, and one other calling for a review of the approach in relation to data protection and empty homes so that from an operational perspective, engagement with empty homes owners could be more efficient. As highlighted above, this stakeholder argued for greater use of energy providers and other organisations aware of the various 'triggers' to highlight where empty homes may be.

Access to information

It was clear through the interviews that the relationship between local authority EHOs and Council Tax sections varied by area, and this would impact on the information that they were able to access. Some clearly had good relationships with the Council Tax department, with whom there was said to be a two-way process of mutual sharing and updating databases. For others there was fluctuating working relationships which impacted on access to data due to changes in personnel, with one example of waiting 18 months for an update. For some it was said they had to 'fight for it [the data] and found it quite challenging to get'. As one participant stated:

> "I think that's probably quite inconsistent for us all and not every local authority has an empty homes officer either. You know they wouldn't be doing anything with that data." (Urban/rural local authority)

As discussed above, even the local authorities who reported the productive working relationships with Council Tax colleagues received either monthly data exports or had 'read only' data access, rather than having an integrated data system.

Some respondents in empty homes teams also said that due to the lack of their own capacity, they were unable to make optimum use of the information that they were able to get from Council Tax.

> "But there was an intention to try to spend a portion of time looking at that (Council Tax) report and extracting stuff to proactively pursue, but because it is just me and the caseload that we've amassed over the years with long running cases that you can't close off. You know, these complaints can be closed off anything from a week to 18 months and still be progressing at a reasonable rate. But some of them just persist and there are cases that X, when she was responsible for the pilot in 2015, were opened at the start of that project, that are still open now." (City local authority)

> "I have contacted Council Tax a couple of times and got spreadsheets from them but to be truthful, I haven't had time to do much with that information to target the addresses that are on that. It's mainly reactive at the moment – it is mainly Councillor enquiries from neighbours, contacts from Environmental Health and that sort of thing." (Urban/rural local authority).

From the research it was clear that fundamentally, council tax and the data collected and held was used to determine who should pay council tax and at what level. It was not designed to capture detailed information on empty homes beyond that needed to apply the appropriate rate, and it was not intended or used by most as an empty homes monitoring tool. However, some local authorities had been able to maximise their access to the data, or negotiate a specific data exports. There were local authorities being provided with very detailed reports, including data on how long exemptions had been applied. This level of detail would be useful for targeting resources across Scotland, but due to lack of automation, a range of workarounds are required and generally there are lack of local authority resources available to commit to this task.

SEHP support on data analysis

SEHP provides a support role to local authorities in relation to data analysis, and the staff resource available for this has recently been increased through a new Data Analyst role funded by Scottish Government.

SEHP has undertaken small area data analysis for about a quarter to a third of local authorities so far. In many cases, the request for data analysis has come from the local authority themselves, to use data in a more strategic way. This was the case in Aberdeen, where insights on empty homes in the city centre have informed the development of the City Centre Masterplan. In Argyll and Bute analysis was used to consider the relationship between empty homes, second homes and holiday homes. In the Scottish Borders, analysis was undertaken to inform the work of an EHO to be appointed, while in North Ayrshire, analysis assisted a refocusing of activity on empty homes work. In other local authorities, SEHP has initiated data analysis where there was no EHO in place to demonstrate the need for an EHO.

The analyses undertaken use the NRS datazone level data to provide additional insights on long-term empty properties, second homes and underoccupied exemptions. Some, more detailed reports have considered analysis by council tax banding, single person discounts, age profile and population density, SIMD and rurality of the datazones where more empty homes are found. Some reports also consider the location of newbuild properties and demolition, compared with long-term empty properties.

Two examples are provided below of this data analysis work. These are examples of the extra insight that local area analysis can provide in helping local authorities to respond strategically to empty homes. It is noted in all the SEHP analysis that local knowledge is also needed to provide a fuller interpretation to determine action.

Insights for Aberdeen showed a considerably higher level of empty properties in the city centre, and a much higher proportion of second homes and higher rates of occupied exemptions (e.g. students, possible future demolitions). There had also been an increase in dwellings through new-build alongside a falling city centre population, with an increase in properties with single person discounts. However, the new dwellings may have slowed down due the decrease in population. Further research to look specifically at the council tax status of properties in the three data zones where there has been the largest increase in dwellings may shed further light on whether these properties are empty (possibly bought to leave empty, or bought to rent but not successfully rented), and/or whether these properties are occupied but have led to older properties becoming empty (for example, where new purpose built student accommodation has led to older traditional student accommodation being unoccupied).

In Argyll and Bute the detailed datazone analysis across the Islands found that in all but one datazone, higher levels of second homes correlated with higher levels of empty homes. It was noted that this may be the result of properties being out of reach for buyers financially or may be a reflection of property type and size being mismatched to the type of properties for which there is demand.

Analysis by property type by datazone found that: The highest levels of long-term empty homes correlated with the highest proportions of detached and semi-detached properties; High levels of second homes correlated with high levels of detached properties; Higher levels of terraces and/or flats generally correlated to lower levels of long-term empty properties and lower levels of second homes.

The analysis also presented data to suggest that an increased supply of smaller homes may have played a significant role in the increase in occupied properties and fall in long-term empties on the Islands.

Key findings summary

- The total number of empty homes in Scotland estimated from council tax records across all categories has increased by 4% since 2008, but over the last decade the increase has slowed to 2%. Long-term empty homes (empty for more than 6 months) have risen steadily since 2008 from 22,784 to 42,865 in 2022. Over the last decade long-term empty properties over 6 months have increased by 68.4%, the number of second homes has reduced substantially by 40.2%, while unoccupied exemptions have increased slightly by 3.6%.

- It is important to note that the relationship between the recording of the three groups of empty homes has changed over time. From 1st April 2013 local authorities gained the discretionary power to remove the empty properties discount or set a council tax increase of 100% on certain properties which have been empty for over 12 months.

- The rate of long-term empty properties is equivalent to 1.6% of all dwellings in Scotland, although there is significant variation by local authority area, with large urban areas holding the greatest volume and a similar proportion to the overall Scotland rate, but rural areas have less volume but tend to have higher proportions of their dwellings that are long-term empty homes.

- The Scottish rate of long-term empty homes is similar to that found in Wales, but higher than the English rate. However, accurate comparisons are challenging due to different categorisations and data collection methods, and different rates of council tax premium.

- The local authority survey showed most local authorities were unable to provide information on empty homes property size and type, and condition of the properties. Furthermore, most are unable to provide an assessment of the empty homes condition, and what it would take to get the properties back into use.

- There were differences identified in reporting and updating of the council tax data including how council tax exemptions and discretions were applied which varies by area, and how data is reported and kept up-to-date. The example of unoccupied exemptions was one area where local authorities called for more transparency in published data about the type of exemptions and the length of time an exemption had been applied, to make comparisons more valid.

- There were a range of methods employed to identify and actively manage a case load of empty homes including those that started with the Council Tax Register and augmented this with additional property data, to those where the starting base was new empty homes data from complaints and other referrals. In some cases, there was no direct relationship to the empty homes data on the council tax database, other than being used as an initial verification of the empty home brought to their attention. However, empty homes were also absent from the council tax databases for various reasons.

- The access that EHOs had to council tax data differed greatly, with some having direct access (read only) and others relying on data requests/exports on an ad-hoc basis, potentially made more difficult by bureaucracy and internal relationships. Some were constrained by inadequate levels of staff resource, who were unable to make use of the data they received. This means the scope to put additional demands on how empty homes data is collected and reported from the Council Tax Register is limited.

- SEHP has been developing its support role to local authorities in relation to data analysis, using published data combined with other data sources. This provides valuable small area insights but must be combined with local knowledge to enable full interpretation for potential action.

4. The progress and barriers in bringing empty homes back into use

The impact of empty homes

The Scottish Government literature review[28] draws together insights on the impacts of empty homes. It notes that bringing long-term empty homes back into use, and minimising their negative environmental and social impacts on communities is important for the effective functioning of the housing system.

The deterioration of homes that fall into disuse can attract vermin, cause problems for neighbours and adversely impact on the value of nearby properties and investment. Empty homes are also associated with physical decline, antisocial behaviour and other social problems that add to the pressure on public services and adversely impact community cohesion. (Action on Empty Homes 2019[29]; Wilson et al 2020[30]).

There are wider impacts of empty homes on an area, in terms of demographics and the housing market (Scottish Government 2019[31]; National Assembly for Wales[32]; Davies 2014[33]). De-population may also lead to a decline in amenities and infrastructure, discouraging people from moving to the area when they can't access services or schools (Scottish Government 2019[34]). A large number of long-term empty homes can also restrict the types of accommodation available in local housing markets, and the lack of suitable accommodation may drive up house prices and rents (Breach 2021[35]),and increase the incidence and risk of homelessness (Davies 2014[36]; Feantsa 2019[37]). Long term trends concerning an ageing population and the increase of single person households alter demand for certain property types and impact on the suitability of the existing housing stock (Seirin-Lee et al 2018[38]).

The benefits of addressing empty homes

The Scottish Government literature review also highlights a number of opportunities provided by addressing empty homes. UK-wide studies have found that, in cities and regions with pressured housing markets, the nature of supply, demand and shortage is complex, but bringing empty homes back into use can form part of strategies to meet housing need. It is noted that, in light of the scale of housing need in these areas, it is wise to consider how existing stock is used as new-build housing alone cannot be carried out at

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[28] Bringing empty homes back into use: Approaches and interventions – an evidence scoping review, Scottish Government, 2023
[29] Action on Empty Homes 2019
[30] Empty Housing in England (2020)
[31] Committee Report: Empty Homes in Scotland
[32] Empty Properties, October 2019, National Assembly for Wales
[33] Institute for Public Policy Research: Back on the market - bringing empty homes back into use
[34] Committee Report: Empty Homes in Scotland
[35] Why we need more empty homes to end the housing crisis
[36] Institute for Public Policy Research: Back on the market - bringing empty homes back into use
[37] FEANSTA - 50 housing solutions
[38] Seirin-Lee S., Nomata M., Mukunoki M (2019) 'Mathematical modeling and regionality-based optimal policy to reduce empty houses, Akiya, in Japan' *Japanese Journal of Industrial and Applied Mathematics* 37(2):365-382

the pace and scale required to address the housing crisis (Dunning and Moore 2020[39]). The Scottish Parliamentary Inquiry into Empty Homes suggested that tackling empty homes can contribute to regeneration and is an important component of maximising available housing supply.

In Scotland, one of the key work strands set out in relation to the Remote, Rural and Island Communities Housing Action Plan[40] is in relation to the effective and productive use of existing properties. This includes providing local authorities with additional powers that will help them to manage the number of second homes where these are contributing to housing pressures. There is also a stated commitment to consider ways in which to increase the number of empty homes in rural and island communities being brought back into use.

The 2020 Value Tool developed by the Scottish Empty Homes Partnership outlined a number of benefits of tackling empty homes, providing Value for Money opportunities[41] including reduced refurbishment costs compared with new-build costs, benefits to house prices/market confidence and positive local economic impacts.

In March 2022, the Scottish Empty Homes Partnership's publication 'Why Empty Homes Matter'[42] outlined the role of empty homes in delivering on Housing to 2040 through various mechanisms –

- Through operating buyback schemes or encouraging owners to bring empty properties back to use at affordable rents, local authorities can increase the supply of affordable homes in villages, towns and cities across the country.

- A number of local authorities run matchmaker schemes where empty homeowners can find out about people looking to purchase empty properties in their areas.

- Bringing empty homes back to use as part of wider town-centre regeneration can help reverse area decline and support the development of 20-minute neighbourhoods. It can also benefit neighbourhood quality and feelings of safety and security.

- Encouraging and supporting community groups to take ownership of empty properties and return them to use as affordable housing also has a vital role to play as part of long-term strategic plans to revive and sustain fragile communities.

- Third sector organisations taking ownership of empty homes can provide affordable housing options while also improving the quality and range of services they can offer to adults and young people.

- Retrofitting existing homes can improve the energy efficiency of occupied housing stock and also reduce the carbon emissions caused by housing construction.

- Repurposing empty homes so that, for example, larger older homes are converted to smaller units that can help to meet demand from older and disabled people looking to move within their existing community.

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[39] Defining and measuring empty and under-utilised dwellings in London

[40] Remote, rural and islands housing action plan

[41] Scottish Empty Homes Partnership Empty Homes Value Tool 2020

[42] Scottish Empty Homes Partnership Why Empty Homes Matter March 2022

Reasons for empty homes

Analysis by the Scottish Empty Homes Partnership over several years shows the reasons that properties become empty. Although there is some year-on-year variation in the reason judged most important by Empty Homes Officers, the previous owner dying and the property being purchased with the intention to renovate tend to be most common (Figure 8). However, in 2021-22 the owner moving without selling and the rent tenancy ending became more frequent. The most significant increase over the last four years was rent tenancy ended (up 15 percentage points), and the most significant decrease (apart from unknowns) has been the property being bought with the intention to renovate (down 18 percentage points).

Figure 8: Reasons properties become empty (2018-19 to 2021-22)
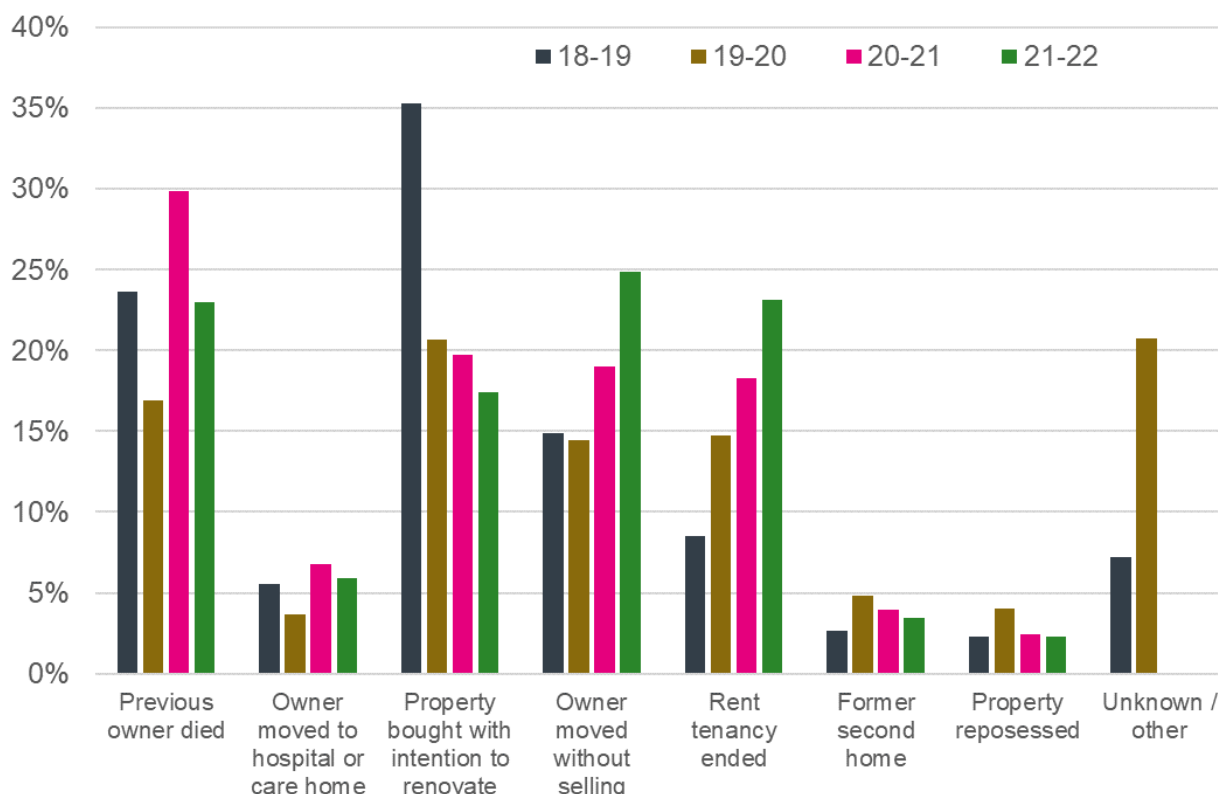
Source: Scottish Government analysis of SEHP annual reports About us | Scottish Empty Homes Partnership

Progress in bringing empty homes back into use

Between 2010 and March 2023, a total of 9,014 empty properties had been brought back into use through the partnership work between local authorities and the Scottish Empty Homes Partnership (SEHP)[43]. In addition, a further 161 empty homes have been brought back into through other interventions where Scottish Government has directly funded empty homes loans and grant schemes.[44] The total homes brought back into use which

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43 Data provided by Scottish Empty Homes Partnership April 2023. This includes all homes brought back into use by local authority EHOs, and local authority grant or other empty homes schemes.
44 Data provided by Scottish Government, itemised by individual interventions in following chapters. It should be noted there may be a small amount of double counting between the SEHP reported empty homes brought back into use and those reported under the separate Scottish Government funding schemes.

have been monitored through local authority or Scottish Government interventions is therefore 9,175 since 2010.

Figure 9 shows an anonymised breakdown of the homes brought back to use by local authority area between 2014-2015 and 2022-2023, as reported in SEHP annual surveys. Pre-2014 detailed data was not available by local authority. The average across the 32 local authorities was 270 properties (around 30 properties per year), ranging from zero properties to over 1,600 properties. In around two-thirds of local authority areas fewer than 200 properties were brought back to use over the nine-year period.

Figure 9: Homes brought back into use (2014-15 to 2022-2023)
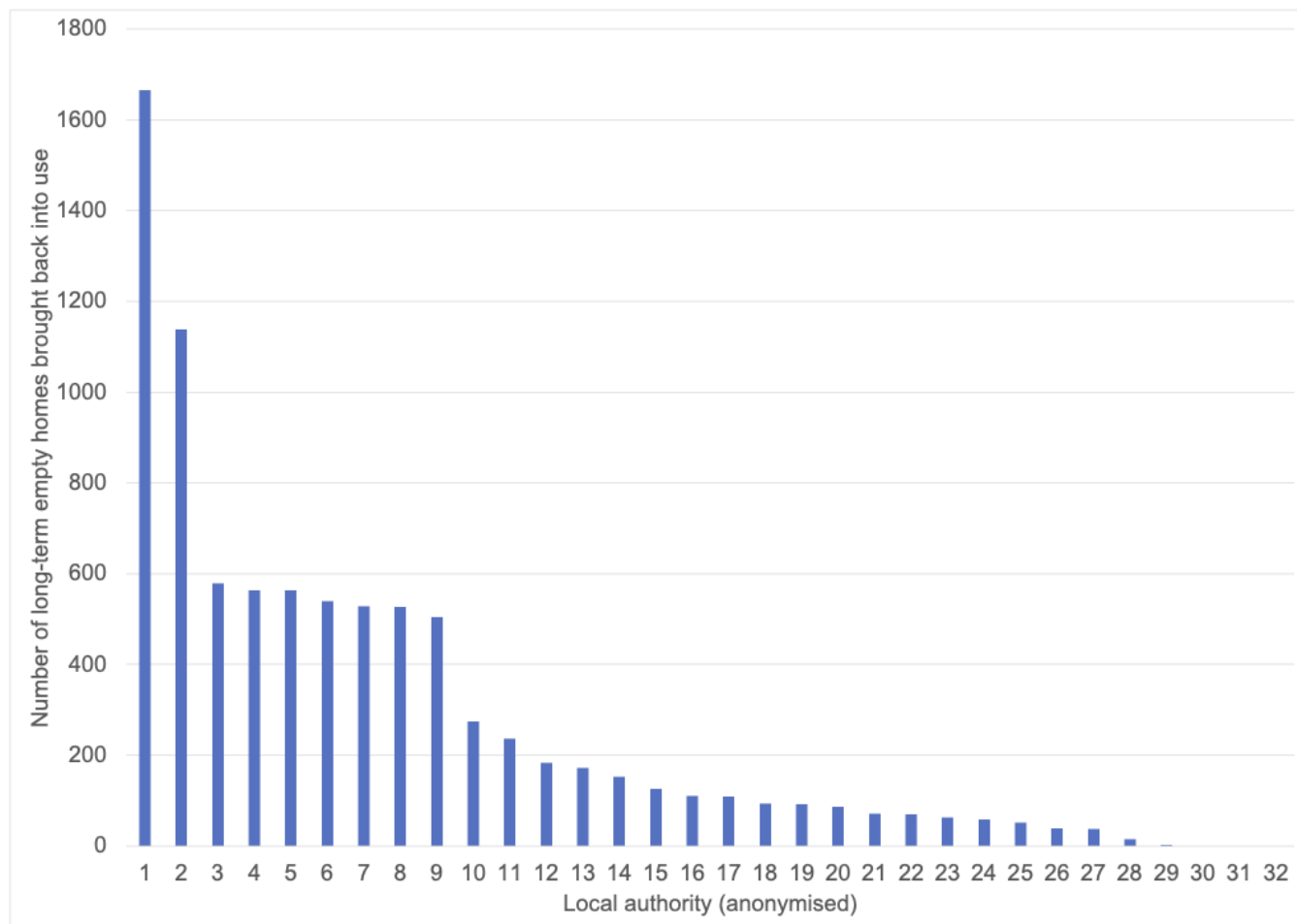
Source: SEHP annual survey returns

The areas where most properties were brought back to use tended to be larger local authority areas with some of the largest numbers of empty properties. However, there were also a couple of smaller local authority areas with fewer empty properties that had brought more than 400 properties back into use. Likewise, in some larger local authority areas where there were significant numbers of empty homes, relatively few properties had been brought back into use.

The latest published SEHP Annual Impact Report[45] showed that 1,152 properties had been reported as brought back into use by local authority Empty Homes Officers (EHOs) in 2021/2022 and data from SEHP shows 1,257 were in 2022/23. Of the properties where information was provided on how long the home was empty, almost 50% had been empty

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45 Scottish Empty Homes Partnership Annual report 2022

for between 2 and 5 years and a further 19% had been empty for more than 5 years (including 43 properties that had been empty for more than 10 years). This means that, despite the challenges in bringing longer-term empty homes back into use, the majority brought back to use have been empty for a considerable time. The 2022 SEHP report showed a greater focus on longer-term empty properties compared with previously. The 2020 and 2022 SEHP annual reports showed that 24% (2020) and 7% (2022) of homes brought back into use had been empty for less than a year, and 30% (2020) and 24% (2022) had been empty for 1 to 2 years. So the focus has shifted from mainly recently empty properties to mainly very long-term empty properties.

Table 2 shows the percentage point change in the proportion of dwellings that were long-term empty between 2016 and 2021. The left-hand column shows the local authorities that saw the greatest percentage point (pp) reduction in the proportion of all dwellings that were long-term empty properties between 2016 and 2021 (i.e. after the period where the council tax deduction rules would have had an impact).

Table 2: Change in % of dwellings that are long-term empty (2016-2021)

Reduced most	2016-2021
Orkney Islands	-1.40%
Argyll & Bute	-0.90%
Dundee City	-0.70%
East Ayrshire	-0.70%
West Lothian	-0.50%
Renfrewshire	-0.40%
Inverclyde	-0.40%

Similar	2016-2021
Fife	-0.20%
Moray	-0.10%
Perth & Kinross	-0.10%
Scottish Borders	-0.10%
Stirling	-0.10%
Angus	-0.10%
East Dunbartonshire	0.00%
East Lothian	0.00%
East Renfrewshire	0.00%
Falkirk	0.00%
Glasgow City	0.00%
Midlothian	0.00%
South Ayrshire	0.00%
Dumfries & Galloway	0.10%
West Dunbartonshire	0.20%
South Lanarkshire	0.30%
Scotland	**0.20%**

Increased most	2016-2021
Aberdeenshire	0.40%
North Ayrshire	0.40%
Shetland Islands	0.40%
North Lanarkshire	0.50%
Clackmannanshire	0.50%
City of Edinburgh	0.70%
Highland	1.20%
Na h-Eileanan Siar	2.10%
Aberdeen City	3.30%

Source: Estimates of Households and Dwellings in Scotland, 2021 | National Records of Scotland (nrscotland.gov.uk)

Thes local authorities seeing the largest percentage point reductions were: Orkney Islands; Argyll & Bute, Dundee City; East Ayrshire; West Lothian; Renfrewshire and Inverclyde.

All of the local authorities with significant reductions in the proportion of long-term empty homes had 'Matchmaker' schemes in place to link owners with potential purchasers who may wish to develop properties, most (but not all) had an Empty Home Officer, some had Empty Homes or Private Sector Strategies, while others had significant demolition programmes since 2015/16, which will have significantly contributed to the reductions in empty homes[46].

The local authorities during this period that saw the greatest percentage point increase in the number of long-term empty properties as a proportion of all dwellings between 2016 and 2021 were: Aberdeen City; Na h-Eileanan Siar; Highland; City of Edinburgh; Clackmannanshire; North Lanarkshire, Shetland Islands; North Ayrshire and Aberdeenshire.

Again, in some of these areas 'Matchmaker' schemes existed, but in some areas there is perhaps less evidence of strategic focus on empty homes work, but four are significant tourism areas - Na h-Eileanan Siar, Highland, City of Edinburgh and Shetland, and the number of holiday homes may have an impact of the long-term empty home estimates[47]. The following chapter examines the various approaches and interventions used across Scotland, and analyses the effectiveness of these, including EHOs resources available and the co-ordinating role of SEHP all of which may have impact on the rate of empty homes being brought back into use.

Recent economic change and population decline (Figure 10) may also impact on the housing market, which may also be a factor affecting progress in bringing empty homes back into use, for example, in Aberdeen and Dundee, as well as Inverclyde. Aberdeen in particular has experienced significant net migration associated with the downturn in the oil and gas sector, which started in 2014 and which led to a decline in relative economic performance across the region, with the number of employees falling by more than 15,000 between 2015 and the start of the pandemic in early 2020[48].

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[46] Housing statistics: Conversions and demolitions

[47] Almost 6% of properties in Na h-Eileanan Siar were second homes in 2021, with a 0.4 percentage point (pp) increase since 2016. Highland had around 3% second homes but had seen a 0.4 pp reduction in recent years, as had the City of Edinburgh with 0.6% of properties recorded as second homes (down 0.4pp). Shetland had 1.6% (up 0.2 pp).

[48] News release: Economic Recovery Report 2021 | Aberdeen City Council

Figure 10: Population change by LA (2020-2021) mid-year estimates
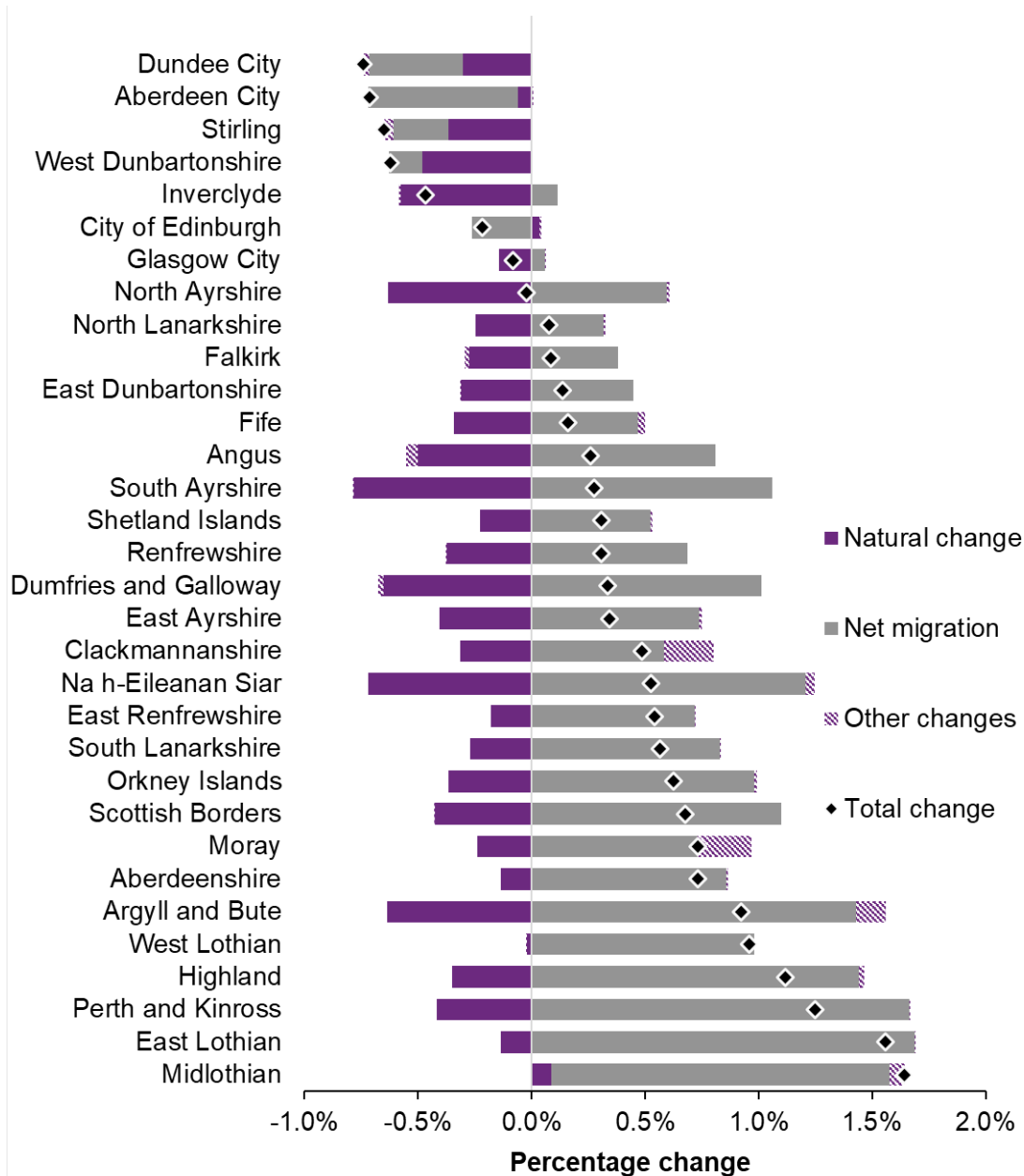
Ordered by descending percentage population change.

Source: Components of population change by council area, mid-2020 to mid-2021, Figures for Mid-Year Population Estimates for Scotland, mid-2021

The local authority survey also showed that the influence of external factors has potential positive impacts in bringing properties back into use. When asked what impact external factors had on helping bring long-term empty homes back into use, those factors related to increasing resources were felt to have had the most significant impact – new investment and funding options becoming available and local economic development/regeneration opportunities scored highest overall. Pressured housing systems potentially making bringing empty homes back into use was also seen as a similarly positive factor.

The 'other issues' mentioned were important – but tended to be negative rather than positive factors – lack of funding being the most common, followed by the need for better communication (for example with banks, on the issue of possession).

Figure 11: Positive factors helping to bring homes back into use (average score)
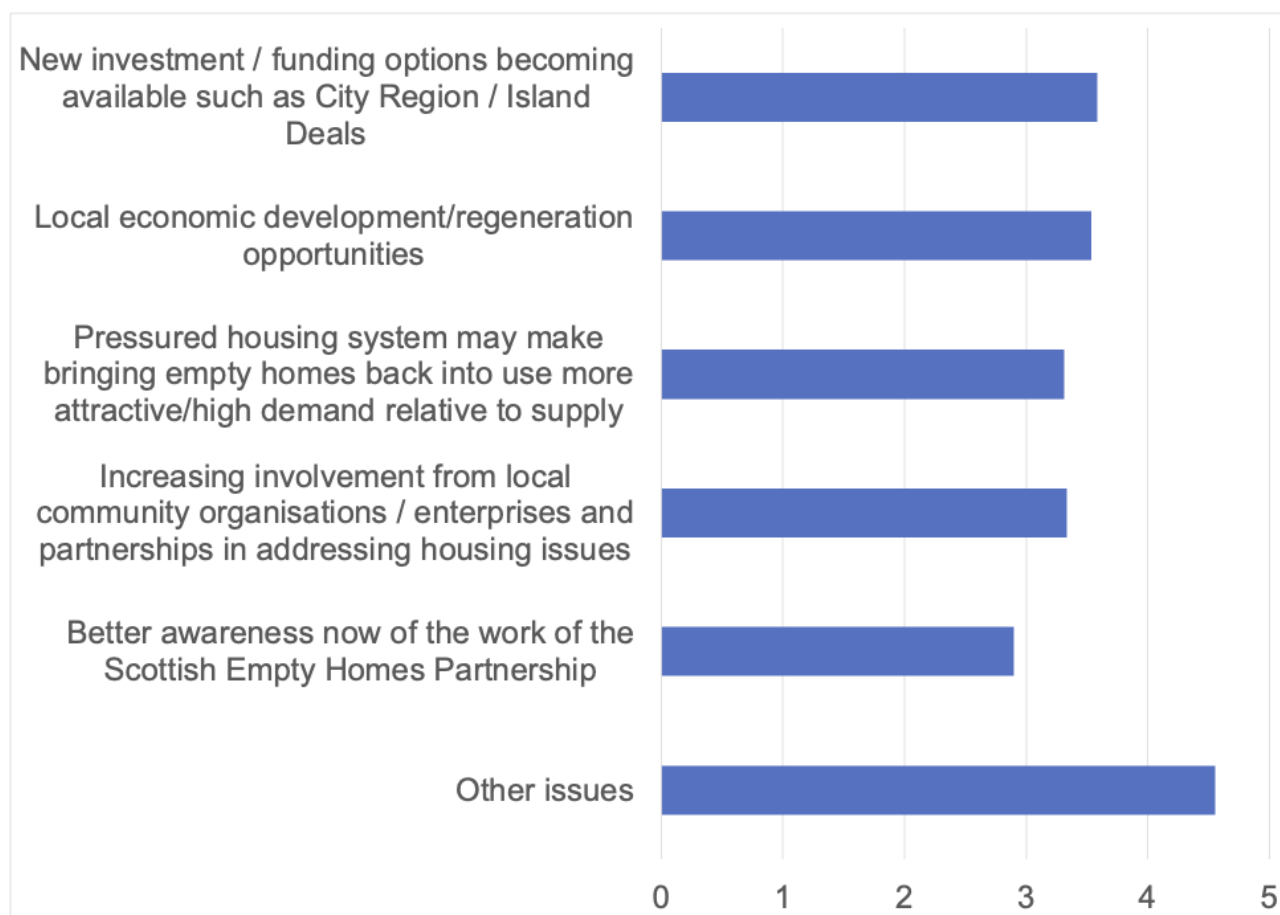
Source: LA survey (base=28) Score 1=No impact at all, 5=A significant impact

Therefore, based on the above analysis, while there is some evidence of the benefits of local authorities' more proactive engagement in relation to empty homes on recent progress, this has to be considered carefully against the impact of external factors e.g. the local housing market conditions, demolition schemes, the local economy including the prevalence of tourism and holiday homes, and strategic economic development initiatives including new investment.

Barriers in bringing empty homes back into use

Local Authority and wider stakeholder opinion on barriers in bringing empty homes back into use

The Scottish Empty Homes Partnership has examined the reasons why homes remain empty over time. This tends to be because of difficulty engaging with or locating the owner, the owner being unsure of the end use, and repair work being in progress or stalled due to financial reasons, as shown in Figure 12.

Figure 12: Reasons why properties remain empty (2018-19 to 2021-22)
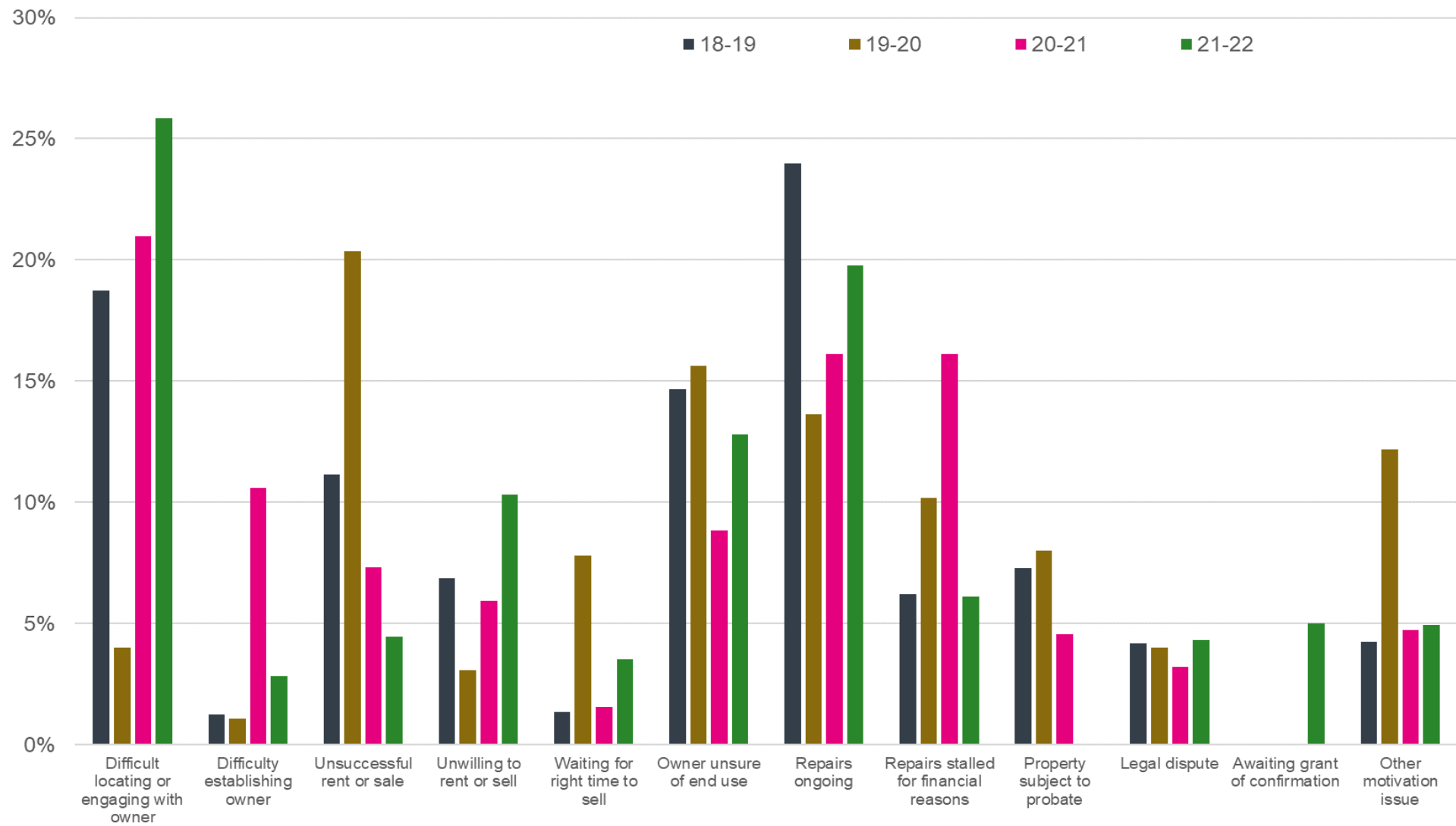
Source: Scottish Government analysis of SEHP annual reports [About us | Scottish Empty Homes Partnership](#)

The local authority survey demonstrated similar reasons for barriers in bringing empty homes back into use, with the three most significant issues identified being financial barriers such as lack of resources (inability to afford repairs needed or bankruptcy), difficulty in locating and engaging with owners, followed by owners' personal reasons (such as emotional attachment to the property, mental incapacity, imprisonment or hospitalisation).

Figure 13: Barriers to bringing homes back into use (average score)

Source: LA survey (base=28) Score 1=Not an issue, 5=A significant issue

Open comments in the survey, combined with in-depth interviews provided further insight into the barriers to bringing empty homes back into use. The most common explanations in interviews related to problems in identifying ownership, engagement with owners (including financial difficulties and problems with implementing improvements), delays or complications in legal and administrative processes, and limited local authority resources.

Determining ownership was often the most difficult problem for local authorities to deal with. Identifying an owner was a particular problem in cases where the landlord was not resident in Scotland and even if identified could be outside of legal jurisdiction. A few interviewees spoke of problems associated with institutional investors, reluctance by solicitors and other professional advisers to provide information due to data protection requirements, and perception around owners moving abroad for a variety of reasons including the pandemic.

Even once ownership had been established, **owner engagement** was identified as problematic, including their willingness or ability to resolve their empty home issue. Participants spoke of a need to establish a relationship with property owners and offer constructive suggestions in managing their property. However, in many cases, engagement with owners presented a strong barrier and there were a variety of intractable problems encountered. Owners were often reluctant to sell or rent property due to financial commitments; these could be related to the availability of contractors or the costs of

materials and labour, the cost of energy efficiency improvements, or due to concerns about the housing market and the value of their property. One wider stakeholder spoke of the sometimes unrealistic expectation of the value of the property that empty homeowners had and spoke of the skills required in persuading owners of the best course of action. Several open comments from the survey identified issues relating to a lack of understanding of how older buildings can be improved, and few incentives for owners to become private landlords – due to energy efficiency legislation and wider private rented sector legislation. This was also discussed in the qualitative interviews. For example, from two different local authorities:

> "The big issue as well that you know where the way mortgage rates are and the cost of materials and things like that a lot you owners are still struggling financially to do anything with their properties" (Urban/rural local authority)

> "a lot of people don't want to feel like if they sell the property and they've made losses on it, that's, you know, that's the get into kind of stuck position where they don't want to sell because of made a loss. They want to hold on to the property, but they can't do the repairs (Urban/rural local authority).

Most participants highlighted the difficulties which arise after a **owner is deceased and their estates**. Significant difficulties arise due to lengthy legal and administrative processes associated with the owner's estate (including data protection and confidentiality issues, and grant of confirmation[49]), but there may also be issues related to inheritance, family disputes, and individual beneficiary circumstances. One interviewee highlighted that it is not always the case that inheritance provides beneficiaries with an asset, and it could in fact be a liability, and therefore there may be no incentive to do anything with the property. There may also be individual circumstances where a beneficiary does not have the ability or willingness to do something with the home. This includes beneficiaries with learning difficulties and/or lack of capacity with examples were provided of local authority social services working with EHOs and owners to support the inheritance process. It was also mentioned that for people on very low incomes, including those claiming social security benefits, inheritance may present difficulties for a variety of reasons including benefit regulations:

> "They are the ones that cause most difficulty…we don't know if there is a solicitor appointed or [don't] know anything about the family members…we are at a loss really. Sometimes we will go with the genealogy companies and work with via the Scottish Empty Homes Partnership. It's a bit of a loophole, even if there is a will. We don't have access to that. They can choose not to get a will confirmed and can get a council tax exemption and leave the property empty with no council tax obligations." (City local authority)

> "If the owner of a property dies and there's a will and the estate is over £30,000 then the executor has to get a grant of confirmation. If the executor doesn't actually get that grant of confirmation, it can just sit there as just an unresolved estate. It's not that somebody does not have a right to it. It's sort of in limbo because nobody's taken that right on. And strictly speaking, in terms of council tax legislation, there's no council tax

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[49] A grant of Confirmation in Scotland is a legal document issued by sheriff courts in favour of executors. This enables the executors of an estate to deal with the deceased's assets.

payable…So you could actually have an exempt property just sitting indefinitely with no grant of confirmation having been taken." (City local authority)

"If you had an estate which is basically a liability to you would you want that inheritance? You know, it's all very well for talking about quarter of a million pound flats and that you're going to inherit and in that case you say, well, why wouldn't you just take it on? It might be capital gains tax, maybe that you're on benefits. That's a big one for me, the beneficiaries on benefits." (City local authority)

Other reasons that some owners may be reluctant to sell (or rent) were connected to an **emotional attachment to the property**:

"The long and the short of it is they would rather bury their head in the sand and not deal with that. And that could be for all sorts of reasons. It could be sentimental issues in terms of dealing with…their parents' property or something like that… if they can look the other way, they will." (City local authority)

"No matter how much we guide them, people just don't want to part with their properties… A lot of these properties would sell or rent so easily, but it's getting over that attachment and getting them to do something". (Urban/rural local authority)

Administrative and confidentiality/data protection barriers were also cited as problematic in repossession, or other cases where lenders were involved. This meant that often EHOs have to leave the legal process to conclude and properties were described as being *'stuck in limbo, because the banks aren't dealing with it'*. As one survey respondent illustrated:

"Couldn't get anywhere with the lenders I spoke to, although the staff agreed... it's not the timescales for the legal process, but the administration delays in the banks/ lenders that could be reduced and therefore reduce the stress and strain for owners, lenders and the house market." (Local authority survey respondent)

Almost all interview participants mentioned a **lack of resources within local authorities,** where finances were stretched and there was limited capacity for empty homes work. This was also mentioned in open comments in the local authority survey. Whilst local authorities said managing empty housing was a strategic priority, there was less evidence of the resource to undertake effective action including many having part-time EHOs, often with roles combined with other functions. These comments also related to the lack of financial incentives that local authorities could offer empty homeowners:

"There's one of me and [the authority] is 200 miles roughly, from top to bottom. But it includes so many housing market areas, islands, you can't physically be out and about in all those areas. It's not like having one town or small local authority to manage." (Rural local authority).

"I think what we can offer as empty homes officers is very limited. A lot of the time when we were speaking to owners in new cases, we don't feel we've got a lot [to offer]… We don't have a grant scheme…and we don't have the empty homes loan fund, so a lot of what we can offer is very limited. To try and get people to engage with the small tools that we have

is quite challenging. We have a small scheme of assistance budget, but it's not really geared towards empty homes." (Urban/rural local authority).

Finally, one EHO summed up a common view that for some owners there was nothing that could be done to bring a property back into use:

> "Whilst there are people allowed to have empty homes, there's nothing to stop them doing that if they're paying the premium on it or whatever they're due, they're looking after it and it's not causing an issue. There's very little we could really do about that." (City local authority).

Homeowners experience in bringing properties back into use

Homeowners responding to the survey were asked if over the past 5 years they had a long-term empty property but which no longer met the definition of a long-term empty property (base: 197) (empty home for longer than 6 months). Over half, 58% of respondents confirmed they no longer had an empty property and confirmed the reasons why this was the case as set out in Table 3 below.

Table 3: Outcome of previous long-term empty home

Outcome	% of Empty Homes
Made ready for occupation and then rented out	37%
Made ready for occupation and then occupied by yourself / your household	28%
Made ready for occupation and then sold	16%
Sold without improvements having been made ready for occupation	13%
The use of the home was changed (please state what the use of the home was changed to)	7%
The home was demolished	1%
Other	10%
Base	**115**

Source: Homeowners survey

Most commonly, properties that were previously long-term empty were 'made ready for occupation and then rented out' (37%) while a further 28% were 'made ready for occupation and then occupied by respondents or their household'. Significantly fewer (16%) were made ready for occupation then sold, and 13% were sold without having been made ready for occupation. In 7% of cases the use of the home was changed and most commonly this was changed to a holiday let (where this was not the case, the outcome was unclear from the respondent's comments). A further 1% of homes were demolished and 10% had an "other" outcome. The most common "other" outcomes were that the home is still being renovated or refurbished but other comments noted issues such as delays to such renovations or other current circumstances such as the home being used on a temporary basis by refugees or being occupied by a family member.

Homeowner respondents were also asked about the **condition of their current long-term empty properties**. Just over half (51%) of respondents (base: 197) said they currently had at least one long-term empty home that had not been occupied for a period of 6 months or greater. Based on these responses, the majority of current long-term empty properties required at least some investment to make them ready for occupation (73%) and 42% required a significant level of investment. A little over a quarter (27%) of empty homes were said to be ready for occupation with little or no investment required (see Table 4).

Table 4 Profile of Current Empty Homes by Condition

Condition	Number of Empty Homes	% of Empty Homes from responses	Base number of respondents
Ready for occupation with little or no investment	33	27%	23
Requires some investment to make ready for occupation	39	32%	26
Requires significant investment to make ready for occupation	52	42%	45
Total	**124**	**100%**	**87**

Source: Homeowners survey

It should be noted that the individual bases do not sum to the total base as some respondents have empty homes in more than one of the categories of condition provided.

Respondents were then asked to comment on **why any homes that they had were currently long-term empty**. A range of sometimes related themes arose with the most common themes listed below, along with illustrative quotes:

- Property condition and renovation
- Personal circumstances
- Financial concerns and investment requirements
- Market and regulatory conditions

Property condition:

> "As a listed building it took time to get planning permission."

> "Farm inherited but not inhabitable due to damp, collapsed flooring and other issues. In process of getting plans to apply for new build to replace but can't afford to fix property at present."

Personal circumstances:

> "Owner of house was in prison and died in 2022. Executors are left dealing with the estate."

> "It was my parents' house. Sentimental value."

Financial and investment concerns:

> "Couldn't afford to complete the renovation and fell behind on the mortgage. Property on the market for sale."

> "Bought it to restore just before lockdown. Lockdown and a change in finance has delayed it significantly."

> "Could not sell at valuation or even close to."

Regulatory concerns:

> "Belonged to my parents and initially I began to do it up to rent out until I moved back to the area and planned to live there. However, with the change in law I have now changed my mind about letting as under new regulations I may have trouble getting a tenant out."

> "The tenancy rules are increasingly being stacked against the private sector landlord. Inability to increase rents, constrained ability to remove tenants, uncertainty over energy efficiency regulations."

Survey respondents were also shown a list of **potential barriers to bringing a long-term empty property back into use** and asked to rate each on a scale of 1 to 5 where 1 is "not an issue" and 5 is a "significant issue". These results are detailed below for respondents with homes that were currently empty, or were long-term empty at some point over the past 5 years. The analysis below shows the distribution of responses and the mean rating for each on the scale of 1 to 5 for each barrier.

Table 5: Homeowners' rating of barriers to bring empty homes back into use, where 1 is not an issue and 5 is a significant issue.

Barrier	Mean	1	2	3	4	5	Base
Practical reasons such as repairs / refurbishment taking longer than planned	3.44	23%	7%	13%	15%	42%	175
Financial barriers - for example, not being willing or able to commit sufficient financial resources	3.14	28%	9%	15%	16%	32%	176
Housing market factors making investment in empty homes unviable	2.36	52%	7%	14%	8%	19%	174
Personal reasons - for example, your emotional attachment to property, other	2.25	57%	7%	9%	8%	19%	175

personal circumstances		

The most common barrier for bringing empty properties back into use related to practical reasons such as repairs / refurbishments taking longer than planned (mean rating of 3.44 on the 1-5 scale, with a total of 57% giving this a rating of 4 or 5 as a barrier). This was followed by financial barriers (mean rating of 3.33 on the 1-5 scale, with a total of 48% giving this a rating of 4 or 5 as a barrier). The other issues were less likely to be perceived as barriers. For housing market factors making investment in empty homes unviable the mean rating was 2.36, with 22% giving a rating of 4 or 5 as a barrier; for personal reasons, the mean rating was 2.25, with 27% giving a rating of 4 or 5.

Respondents were then asked to comment on any other barriers that they have found to bringing a long-term empty home back into use, many of which repeated the themes listed on why properties were empty (listed above). The most common themes are listed below, along with some illustrative quotes:

- Supply of labour and services to complete renovations

- Costs and perceived lack of support, incentives or sanctions

- Personal circumstances or knowledge

- Regulations and attractiveness of investment in the private rented sector.

Supply of labour and services to complete renovations:

> "It is hard to find builders / plumbers / electricians with capacity to take on work."

> "Can't even get quotes."

> "Costs and scale of refurbishments required."

Costs and perceived lack of support, incentives or sanctions:

> "Council tax levies and gradual increases instead of help."

> "Money, VAT and the lack of grant aid."

Personal circumstances or knowledge:

> "Just tired and not energised to empty or refurbish flat."

> "The building has eight owners and none of us have the knowledge to undertake a major building renovation."

Regulations:

> "Not easy to find trustworthy tenants."

> "The current tenancy regime is so overly penal and weighted towards tenants."

In-depth interviews with empty homeowners also explored the barriers for bringing empty properties back into use. The key barriers highlighted through these interviews related to

three key themes, again repeating what was found in the homeowners survey: housing market values and cost of works and therefore the impact on viability for bringing properties back into use; the construction industry; and, the regulatory framework for rented properties.

In relation to **housing markets and viability issues**, empty homeowners with properties in more remote and island areas emphasised that the local market presented significant barriers to getting a property back into use, mainly due to relatively low property values (sale or rent) relative to the cost of improvement. For one private landlord comparison was made of rents in some urban areas, and that he couldn't '*just hike up rents like you can in Edinburgh'*. Another owner who was undertaking major renovation of a rural cottage reflected on the cost of the works, explaining that the property was located in a less desirable location and that it wasn't feasible to improve the property without major capital support. One owner also explained the specific nature relating to crofting tenure and she felt a lot of empty homes in her community were due to owners not having the right knowledge or access to specialist crofting legal advice. A few owners in more urban areas also felt that housing market forces in play were not conducive to bringing properties back into use, some of which was put down to post Covid-19 pandemic recovery. For example, one owner expressed surprise at not being able to sell or rent her one-bedroom city-centre flat following lockdown due to lower market demand, despite struggling to secure that same home only a few years prior as a first-time buyer. Another owner in a different urban area explained how he was still experiencing a time lag in renovation due to having lost the services of an architect during the pandemic period.

The **market for construction workers** was also identified as a barrier to getting renovations completed to bring properties back into use. This related to both lack of availability of labour, and high cost of works. Examples of the frustrations included a few owners who pursued an empty homes loan but could not satisfy the requirement of securing three competitive tenders because '*no one wanted the job'*[50], and one owner who stated that for renovation jobs in rural areas you had to depend on tradesmen who were not VAT registered, and therefore the 5% VAT discount was not helpful. Another owner with a property on a remote island explained that the tradesmen that were available billed her for more than £40k in transport costs alone. The availability of skilled trades was a particular problem in more remote locations, but not exclusively so, with frustration also expressed by an owner of a tenement property in a large urban area, explaining that she felt '*really lucky'* to have found a building surveyor who was willing to take on the job appreciating the challenges involved with tenemental improvement works, and working with a number of different owners where a common repair was involved to get her property back into use.

Finally, the **regulatory environment** was identified by some owners as presenting a barrier towards bringing empty property back into use. One owner who had four empty properties in a rural area explained that he had intended to renovate them for private letting, but if, as he believed *"the Scottish Government continued it's anti-PRS stance"* through new legislation including rent control, then he would need to change strategy such as renovating the properties as holiday homes. Similarly, other owners felt they were being penalised for doing *"the right thing"* by not going down the short term let route, and even though one owner thought short term lets '*kill communities'*, he had no viable alternative. A few owners also spoke about the additional requirement for landlords of residential properties to achieve an Energy Performance Certificate (EPC) rating of C or higher by

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50 The Empty Homes Loan scheme is discussed in detail in the following chapter.

2028[51] which caused one owner to look into changing the use of the properties to either business or short term lets (where the same level of energy efficiency requirement is currently not required). Others said they were trying to conserve their properties in the "*correct historical context*" but found the financial viability of doing so challenging.

Key findings summary

- Empty homes impact on the availability of housing in areas of shortage, restricting the volume, type and size of properties available in the housing system, which in turn may result in increased house prices, or may impact on the long-term sustainability of some communities. Deterioration of empty homes also have negative environmental and social impacts on communities including physical decline, vermin and anti-social behaviour all of which add to pressure on public services and adversely impact community cohesion.

- Bringing empty homes back into use can form part of strategies to meet housing need, particularly in the context that new-build housing alone cannot be carried out at the pace and scale required to meet all housing requirements. Bringing empty homes back into use can be lower cost than new build and can provide positive economic and social impacts. In rural areas empty homes strategies can help revive and sustain fragile communities, particularly where second homes contribute to housing pressure, and in urban areas, city and town centre regeneration can help reverse area decline.

- The reasons for empty homes in Scotland are most commonly associated with the previous owner dying, or the property being purchased with the intention of renovation, although there have also been significant recent increases in owners moving without selling and tenancies ending without replacement tenants.

- Between 2010 and March 2023, a total of 9,014 empty properties have been brought back into use through the partnership work between local authorities and the Scottish Empty Homes Partnership. The rate at which homes are brought into use varies significantly by area, and while there is a general correlation between areas with large numbers of homes and larger numbers of properties brought back into use, there are also areas where there is smaller volume of empty homes but where significant numbers of homes have been brought back into use. There are also some local authority areas where there are significant numbers of empty homes, but relatively few properties have been brought back into use.

- Looking at the factors which affect progress in bringing empty homes back into use, while there is some evidence of the benefits of local authorities more proactive engagement in relation to empty homes on recent progress, this has to be considered carefully against the impact of external factors e.g. the local housing market conditions, demolition schemes, the local economy including the prevalence of tourism and holiday homes, and strategic economic development initiatives including new investment.

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51 Scottish Government regulation require all private rented sector properties to reach a minimum standard equivalent to EPC C by 2025 where technically feasible and cost-effective, at change of tenancy, with a backstop of 2028 for all remaining existing properties. See Scottish Government: Energy efficiency policy

- The barriers in bringing empty homes back into use are commonly identified across local authorities and wider stakeholders as: locating or engagement with owners; financial barriers (often associated with the cost of repairs/improvement); and personal reasons (including difficulties which arise after an owner is deceased, and a range of family and individual circumstances). Local authorities also identified the lack of resources at their disposal, including staff time committed to empty homes work and financial incentives available for owners.

- Similarly, homeowners identified the main barriers to bringing properties back into use as practical reasons around repairs and refurbishment, and financial barriers. These two reasons were often interlinked and there were challenges around engagement with the construction industry in terms of availability and cost of repairs, which led to viability issues to invest in some lower value housing markets. Other key barriers were various personal circumstances which could impinge the owner's ability and willingness to bring the property back into use, and the regulatory environment acting as a deterrent to invest in the private rented sector.

5. Current approaches to bring empty homes back into use

Current approaches and interventions in Scotland

There is a range of legislation, policy tools and support that are used in Scotland to tackle empty homes. The approaches and interventions examined are:

- dedicated Empty Homes Officers;
- the Scottish Empty Homes Partnership;
- wider funding and financial support;
- enforcement; and
- taxation.

This chapter provides a description of approaches, and analysis of outcomes in bringing empty homes back into use, including case studies of current practice across Scotland and comparison with practice elsewhere in the UK[52]. Later sections in this chapter then consider the effectiveness of these approaches, based on local authority, wider stakeholder and homeowner opinion. Finally, a Value for Money (VFM) assessment is provided on the main approaches and interventions.

Dedicated Empty Homes Officers

Empty Homes Officers (EHO) are employed by local authorities in Scotland, and as at March 2023 there were 25 out of 32 Scottish local authorities with an EHO. The EHOs manage a caseload of empty properties by establishing ownership, locating and engaging with owners, and giving them information, advice and support to help them bring their properties back into use. Interviews with EHOs for this audit demonstrated the complexity of their work: it requires an in-depth knowledge of local markets and technical property requirements; knowledge of, and the ability to navigate various and complex systems (housing, legal, tax, finance, environmental and building regulations); the ability to negotiate with, and influence homeowners and a range of other stakeholders on how to resolve complex property problems. Cases often involved problems stretching beyond property issues e.g. finance, personal and wider family or neighbour relationships.

Many of these posts were intially funded by 50% for an initial two years by the Scottish Government through the Scottish Empty Homes Partnership, after which the local authorities are encouraged to mainstream these posts. The table below shows that for 2022/23, of the 25 local authorities that have an EHO, most have one full time EHO. Most other posts are less than full time, two LAs have 1.3 and 1.8 FTE, and two LAs have 2.0 and 2.9 FTE. This profile was confirmed through the local authority survey undertaken for this audit which showed over half of the respondents completing the survey on behalf of the local authority worked in an Empty Homes officer role full time (16 respondents), while a third (10 respondents) worked in a part-time Empty Homes officer role and 1 in 10 (3 respondents) did not have an empty homes role. A minority - two out of five respondents (12) described their role as specifically relating to empty homes, while others had roles

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[52] The description is combined with data obtained through SEHP, the SEHP Annual Survey (2022), interviews with local authorities and wider stakeholders, and the evidence review undertaken for this research.

that encompassed housing management, housing policy/strategy, More Homes, housing improvement/regeneration, private sector provision or other broader roles.

Table 6: % Full time equivalent Empty Homes Officers 2022/23

% FTE	Number of Local Authorities
25%	1
30%	1
50%	5
60%	1
75%	1
100%	12
130%	1
180%	1
200%	1
290%	1
Total	25

Source: Scottish Empty Homes Partnership, April 2023
Note: One of the 50% posts was vacant at April 2023

Insights gathered from interviews suggested that where roles are part-time or are limited relative to scale of workload (high volume of empty homes and/or geographic spread), then their work is often reactive rather than proactive or strategic. It was clear that many of these roles are stretched, and some of these EHOs have to prioritise investigation of complaints where there is perceived harm or nuisance from empty homes for neighbours or the wider community.

EHO capacity is an important determinant of the number of homes brought back into use. Looking across the six most recent years of data[53], which included details on EHO staffing, the average number of empty homes brought back into use each year was 60 properties per EHO. Areas that had a **higher rate of empty homes** brought back into use per EHO – of between 76-118 properties per EHO – **tended to have more EHOs** in total across the measurement period (an average of 6.2 EHOs over the 6-year period, or just over 1 EHO on average each year).

Those local authorities with **zero properties brought back into use all had no EHO resource**, while those bringing back fewer than 20 properties per EHO had an average of just 2.3 EHOs over the 6-year period (or average of 0.4 EHO per year – less than 50% of one staff member's time).

Looking at the most recent year 2022/23 it can be seen that local authorities with at least one full time equivalent (FTE) EHO have brought on average 79 properties back into use, and those with less than one FTE have brought on average 8 properties back into use.

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[53] Scottish Homes Empty Partnership Annual Report 2022/23

This suggests that sustained EHO resource is a strong positive factor in performance on empty homes. This may also be due to a more general strategic focus on empty homes where staffing levels are more sustained. There may also be additional resources that support their empty homes work.

The local authorities with the highest EHO staffing and highest rates of properties brought back into use per EHO were some of the larger local authorities. Those with lower staffing and the lowest rates of properties brought back into use were mainly large rural/mixed local authorities but included some with very high levels of empty properties. The seven local authorities with an average of 2.3 EHOs over the past 6-year period with the lowest rates of properties being brought back into use had over 9,500 empty properties in 2022. This indicates that EHO resource is likely to be critical success factor in bringing properties back into use.

Literature also evidences the valuable role played by dedicated empty homes workers, widely acknowledged beyond Scotland (Scottish Government 2019[54]; National Assembly for Wales 2019[55]; Greenland & Coupland 2014[56]; Tanner 2013[57]), suggesting that the role of providing information and effective signposting can sometimes be enough to encourage owners to bring properties back into use. The incomplete coverage of EHOs and varying arrangements in different areas was also noted as an issue in other UK nations.

The Scottish Empty Homes Partnership

The Scottish Homes Empty Partnership (SEHP) is hosted by Shelter Scotland and was established in 2010 to tackle the empty homes problem. It is funded by the Scottish Government and employs a National Project Manager and five other staff. It works mainly with local authorities, but increasingly with third sector organisations to help them develop policies and processes for engaging with private sector empty homeowners. Since the inception of SEHP in 2010 to the financial year end 2023, this work has contributed to bringing 9,014 properties back into use by working with local authorities.

The Scottish Government is now moving beyond the initial phase of work with SEHP which looked to establish empty homes services and build a network of officers across Scotland, to its second phase where the project aims to develop a more strategic approach. The expected outcomes for SEHP phase 2 are:

1. Strategy -	A strategic approach to bringing empty homes back into use is adopted across the country, enabling better targeting of resources and tracking of progress to bring more empty homes back into use.
2. Capacity -	Local authorities, and other organisations with a focus on housing delivery, are able to evidence the benefits of employing dedicated empty homes officers.
3. Skills -	Empty homes officers undertake continuous professional development and new officers receive consistent training to ensure they are fully equipped to undertake the role, leading to improved delivery.
4. Advice -	More empty homes are delivered back into use through clear, consistent advice and support to empty homeowners and anyone else impacted by empty homes.

[54] Empty Homes in Scotland | Scottish Parliament

[55] Empty properties (senedd.wales)

[56] Leeds Empties | Bringing Empty Properties Back into Use Leeds Empties

[57] Empty homes - Council action to tackle empty homes (bolsover.gov.uk)

The key activities of SEHP are described below.

Encourage every council in Scotland to mainstream empty homes work and have a dedicated Empty Homes Officer (EHO) – As noted above, as of March 2023 there were 25 out of 32 Scottish local authorities with an EHO. SEHP encourages local authorities to have a dedicated EHO by providing information and advice to the local authority on the benefits of an EHO role and as noted above has provided initial 50% funding for EHO posts for two years, matched by the local authority for many of these posts. These arrangements are governed through a contract which outlines the aims, objectives and outcomes for the EHO posts, and an ongoing monitoring relationship between the local authority and the SEHP Partnership Officer.

The number of EHOs has increased significantly since the SEHP's inception in 2010. It is not known exactly how many dedicated EHOs were in post or how many properties were brought back into use before SEHP's inception in 2010, but since then the number of EHOs has steadily increased as shown in table 7 below.

Table 7: Number of local authorities with Empty Homes Officers

Year	Number of Local Authorities with EHOs
2010/11	0
2011/12	0
2012/13	8
2013/14	15
2014/15	16
2015/16	17
2016/17	19
2017/18	20
2018/19	20
2019/20	21
2020/21	22
2021/22	24
2022/23	25

Source: Scottish Empty Homes Partnership, April 2023

Previous to 2010, the Scottish Government's Review of the Private Rented sector in 2009 suggested that there had been a decline in EHO posts after the end of the former Empty Homes Initiative[58]. This suggests that the influencing and co-ordinating role of the SEHP,

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58 The Scottish Government's evidence review (2023) identified that in 2016 just over half Scottish LAs had an EHO. The Scottish Government's Review of Private Rented Sector (2009) remarked on the Empty Homes Initiative, a previous challenge fund initiative that ran from 1998-99 to 2001-02 which aimed to

combined with the accompanying initial funding of EHOs has had positive effects on the number of EHOs in Scotland.

Over the last year Scottish Government and SEHP has aimed to move the empty homes work to a more strategic footing by encouraging EHO job descriptions to have a strategic element, and through the development of the 'Strategic Empty Homes Framework Template' to assist local authorities achieve a more strategic focus in terms of policy, partnership, intervention and investment in empty homes management. According to the 2022 SEHP survey, about one third of local authorities had an Empty Homes Strategy at that point. This is in line with the local authority survey undertaken for this audit where over a third of respondents (11) said that the local authority had an Empty Homes Strategy or Action Plan, while a further 8 local authorities did not have a strategy in place but were in the process of preparing a strategy, and the remaining third of respondents (10) did not have an Empty Homes Strategy and did not indicate that this was being progressed. However, several survey respondents commented that empty homes strategy was covered in their Local Housing Strategy. The SEHP Strategic Empty Homes Framework Template was introduced in early 2023, and so no feedback on its value was available for this research.

Support the national network of Empty Homes Officers – SEHP leads regular best practice meetings with EHOs, encouraging officers to share and learn from complex case work, and disseminate policy and practice. SEHP provide online learning for new EHOs, and provides ongoing support to individual EHOs through the SEHP Partnership Officer connection. This support includes publishing general guidance, bespoke data analysis, and drafting business cases to support individual local authorities. There is an annual conference, again to share best practice, celebrate success and consider the strategic environment. SEHP also publishes an annual report based on a survey of all local authorities and administers an interim six-month check on the number of properties brought back into use.

Literature also points to the importance of networking; Rudman (2014[59]) noted an important strategic and partnership role for Welsh empty homes project officers (EHPOs) beyond providing an advisory and support service to homeowners. This includes awareness raising activities, the promotion of best practice, championing successful case studies and the building and maintenance of digital platforms to share knowledge with the aim of coordinating and scaling up efforts to bring empty homes back into use.

Encourage registered social landlords, community groups and other private bodies to engage in empty homes work – in addition to working with local authority EHOs, SEHP has more recently been working with other bodies to identify and tackle empty homes. Over the last two years, five projects aimed at testing innovation through the third sector have been initiated. These include projects with Argyll and Bute Council and Health and Social Care Partnership targeting homes for key/other essential workers, Homes for Good in Glasgow testing a grant for rent initiative, Tigheann Innse Gall feasibility study in the Western Isles, South of Scotland Communities Housing Trust empty homes co-ordinator role. A further project, the HELM in Dundee, is currently being developed to fund an Empty Homes Officer to work with young people to bring empty homes back into use for them as tenants. It is intended that the learning from these pilots will then be disseminated, and potentially adopted in other areas. The following case study sets out

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address local empty homes issues and that 'Since the end of the Empty Homes Initiative in 2001-02, empty homes activity by Scottish local authorities has markedly declined....As the financial support for empty homes initiatives and empty homes officers ceased, possibly so did their work and, also, their posts which were largely fixed-term.'

59 Rudman, M. (2014) 'Empty homes Wales: one year on' Welsh Housing Quarterly No. 94 Mar 2014 pp54-56

Homes for Good approach to 'Rent Ready', and the Argyll and Bute Council intiative is outlined below under local authority grants.

Homes for Good – Rent Ready

Homes for Good (HfG) is a Community Interest Company and Scotland's only social enterprise letting agency specialising in providing home for people on low income or benefits, has over 500 properties under management and works with around 130 landlords and 800 tenants in and around Glasgow and the West of Scotland. Homes for Good has launched Rent Ready – a Pilot Owners Support Scheme where HFG works with the owner to identify and deliver the programme of work required to take an empty property from its current vacant condition to a fully compliant, high-quality home ready for the private rental market. The scheme works by:

- HFG undertakes refurbishment work on behalf of the owner, on the basis that the property will then be marketed, let out and managed by HFG to someone in housing need at an affordable rent.

- HFG will support the landlord through each stage of the process of becoming a landlord (registration, insurance, compliance etc) but take on all aspects of matching a tenant and property management through its letting agency team.

- Costs associated with the refurbishment and getting the property ready for the rental market will be set out and agreed in a detailed proposal of works. Where the owner's financial circumstances are a clear barrier to bringing the property back to use, HfG funds the refurbishment costs which will be recouped over an agreed period through net rental income proceeds (after ongoing repairs and other management costs) once the property is let out. This fund will then be recycled for the next empty homes refurbishment

- Scottish Government / SEHP funded the initial £25,000 as a grant to HfG to be used as a recycling loan for the scheme.

SEHP Empty Homes Advice Service – SEHP runs an advice service which can be accessed by anyone contacting the service. The advisor will make referrals to the local authority EHO, and where there is no EHO this service provides information and support to owners directly. Over the last five years there have been a total of 1,884 contacts to the advice service, an average of 377 per annum. Most of these are referred to local authorities for action through EHOs. Outcomes of the advice service are not tracked by SEHP which is stated to minimise bureaucracy and avoid double counting with outcomes achieved through the local authority EHOs. However, lack of outcomes data in relation to this specific aspect of SEHP means it is not possible to assess the SEHP service effectiveness.

Matchmaker schemes – SEHP also hosts a site that directs enquirers to numerous Scottish local authority 'Matchmaker' services[60]. The local authority survey and interviews highlighted the use of such matchmaker schemes, with the perceived effectiveness of these schemes discussed in the following section.

Aberdeen City Council matchmaker scheme – The matchmaker scheme is a simple approach that promotes self-service amongst owners and potential buyers and tenants – it is an additional source or portfolio of information that can be accessed by all parties. Its purpose is to use the council website to help owners of long-term empty properties highlight their available properties to potential buyers or potential tenants. An additional benefit is that Housing Options Officers mention the scheme as one of the options available to residents that come to us for housing advice. This allows the Officers to

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[60] SEHP Matchmaker

provide housing information from all sectors to customers, and through this interaction, both parties can then evaluate the suitability of any of these properties for the customer. Where there might be an initial financial barrier to access these properties, other tools such as the rent deposit guarantee scheme can play a part in bridging access to private sector properties. The schemes exist as part of a holistic mechanism to provide access to housing in the city, giving customers increased access to both the social and private housing sector.

Wider literature, including experience from England and Northern Ireland, also highlights the importance of co-ordination, promotion and awareness raising to drive progress [61] [62]. That includes organisations like SEHP showcasing good practice and providing information about how to replicate success and highlighting opportunities for funding.

Wider funding and financial support

Scottish Government has funded a range of other initiatives, one of which – the Empty Homes Loans Fund was specific to empty homes, while others have much wider objectives than funding work in empty homes, but have been using to bring empty homes back into use. In addition, some Scottish local authorities offer discretionary grants or loans directly to empty homeowners.

Empty Homes Loan Fund – this fund was introduced by the Scottish Government in 2012. The funding was mainly routed through local authorities where the intention was that small loans would be provided to homeowners in exchange for bringing the property back into use for affordable rent or affordable sale. There were 18 applications for the scheme covering 20 different organisations (17 local authorities, 2 housing associations and 1 private company) who were awarded total funding of £4.95m by the Scottish Government. These organisations have paid out £1.72m in loans to date which has supported 63 empty homes back into use (against a projected 461). Six organisations chose to withdraw from the programme and many others underspent on their funding allocation. This level of underspend occurred even though the criteria were amended to include other options such as affordable sale as well as affordable rent. It was noted by some local authorities and stakeholders through the survey and interviews that there was varying take up and effectiveness of the loan fund (see further discussion in effectiveness of approaches below). The majority of loan funding is due to be repaid to Scottish Government by 2024.

The Scottish experience of a national empty homes loan resonates with that of the English Empty Homes Loan Fund initiative, announced in 2013 to provide loans to empty property owners as a joint project between an empty homes charity, a building society and participating local authorities but which was abolished a year later due to low uptake (Wilson et al 2020[63]). This experience highlights the need for promotion and awareness raising to promote loans, and effective engagement between local authorities, EHOs and homeowners, and also shows that the availability of funding may not be enough on its own to drive progress on empty homes.

Town Centre Empty Homes Fund – this was a one-off challenge fund introduced by the Scottish Government in June 2015 with the last grant offer being accepted in August 2016. The fund aimed to increase the availability of residential accommodation in Scotland's towns by making use of existing buildings that had fallen into disuse and were causing blight in their towns. The fund targeted both the conversion of unused commercial space

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[61] FEANTSA: 50 housing solutions

[62] Empty housing (England) Briefing paper no 3012 House of Commons Library

[63] Empty housing (England) Briefing paper no 3012 House of Commons Library

into residential and the refurbishment of long-term empty homes. In providing funding to increase residential accommodation in town centres, this fund extended the Scottish Government's commitment to support the Town Centre Living strand of the Town Centre Action Plan. Post refurbishment, units would be available for rent or sale at affordable levels. The maximum permissible rent was set at Local Housing Allowance levels and the properties had to be available at that level for a minimum of 5 years.

£4 million was made available for this fund which was split between £2m loan and £2m grant. The out-turn figures show a final spend of £1.58m grant and £1.13m loan and total Scottish Government funding of £2.7m over seven projects bringing 61 properties back into use. This compares to the original anticipated out-turn of around 90-95 units to housing supply in Scotland's urban and rural towns. Previous funding for empty homes renovation, through the Empty Homes Loan Fund, was for loan funding only, however, the grant allowance for this scheme was in recognition that unit costs would be higher for conversion from commercial use to residential or for complete refurbishment of homes that have been open to the elements for an extended period of time. Due to restrictions attached to the loan element of the funding, councils were unable to use this fund directly, however, local authorities involved partners including local RSL and developers.

Rural and Islands Housing Fund – The purpose of this funding is to increase the supply of affordable housing of all tenures in rural Scotland, and is part of the Affordable Housing Supply Programme funding (AHSP). The fund has two parts: a main fund that offers capital support (grants and loans) for direct provision of new affordable housing, and refurbishment of existing empty properties; and a small fund that contributes to feasibility studies. As of March 2023, the Rural and Islands Housing Fund has delivered 37 homes by bringing empty homes back into use, with a further 16 properties under construction. In addition, a further 28 homes were delivered by converting empty / derelict non-residential buildings, with a further 11 properties under construction. For the 37 homes completed c. £2.860m Scottish Government grant funding has been provided towards these projects.

Regeneration Capital Grant Fund – This fund supports locally developed place-based regeneration projects that involve local communities, helping to tackle inequalities and deliver inclusive growth in deprived, disadvantaged and fragile remote communities across Scotland. The Fund has been delivered in partnership between the Scottish Government and COSLA since 2014. Applications are considered in tranches. The next closing date for stage one applications is 21 June 2023 for applications that are ready to deliver during 2024/25. So far, two regeneration projects have included bringing empty homes back into use – in Dumfries and Galloway 'The Oven Midsteeple Quarter' which is a business start-up and enterprise space together with six new affordable flats for rent, and in Perth Y People Centre, a multi-functional Community Hub including the refurbishment of a derelict tenement to provide four flats. It is not possible to attribute distinct funding elements between the housing and the other multi-use aspects of these projects.

South of Scotland Community Housing (SoSCH) provided housing support to Scotland's first community-led town centre regeneration initiative, the Midsteeple Quarter project. This comprehensive redevelopment of Dumfries High Street provides an example of the role for urban community-led housing within larger, mixed-use projects.

However, without accessible urban housing grants, Midsteeple Quarter faces challenges implementing its Masterplan for community-owned homes, which has been adopted by Dumfries and Galloway Council. SoSCH suggests that the experience likely foreshadows similar struggles in town centres elsewhere. To readily benefit from the power and potential of communities leading on development, SOSCH highlight the need to implement the urban programmes introduced in Housing to 2040.

Like many regions across Scotland, Dumfries faces town centre decline, long-term vacancies, absentee ownership, and significant disrepair of once attractive and historically important buildings. In the absence of adequate market responses to these problems, the local community decided to form a community benefit society – Dumfries High Street Limited.

The plan began with the acquisition and redevelopment of eight empty High Street properties into ground floor businesses, and, on the upper floors, flexible spaces to live, work, and create. The £30 million Masterplan also includes approximately 70 homes that are affordable, inclusive, environmentally sustainable, and intergenerational. A portion of these homes would be in community ownership — a strategy supported by South of Scotland Community Housing and Dumfries and Galloway Council that is central to the wider project's viability.

Town Centre Fund (£50 million) – this fund was introduced to enable local authorities to stimulate and support investments that encourage town centres to diversify and flourish and to take a town centre first principle. The fund is now closed. There are a large range of projects that have been funded by the Scottish Government, some of which have included the conversion of upper floors in town centres, and other empty town centre properties into residential use. Three examples (from across many local authorities) include:

- Dumfries and Galloway Council – various town centre projects in Annan, Castle Douglas, Dalbeattie, Dumfries, Kirkcudbright, Langholm, Gretna, Stranraer, Sanquhar, Thornhill, and Whithorn. The actual number of residential spaces created was not available.

- Moray Council – various projects across Buckie, Cullen, Elgin, Forres and Lossiemouth where numerous empty spaces are being converted into estimated 14 residential living spaces.

- West Dunbartonshire – a range of projects including provision of housing from empty spaces including in Alexandria, Clydebank and Dumbarton. The actual number of residential spaces created was not available.

Local authority housing repair grants - Several local authorities in Scotland provide discretionary grants to enable empty homes to be brought back into use, using their powers under the Housing (Scotland) Act 2006. Five existing schemes include Angus Council, Argyll and Bute Council, Dumfries and Galloway Council, Perth and Kinross Council and Scottish Borders Council. Grant levels vary to a maximum of £20,000 per property, and some of these councils require contributions to a percentage of the total works costs from owners to bring the property back into use, and compliance with the Repairing Standard. Some schemes also require the owners to let the properties for affordable rent i.e. within the relevant Local Housing Allowance for a certain period (case studies provided in following sections).

Argyll and Bute Council[1] offers several types of discretionary grants and loans for bringing empty homes back into use.

1) Grants and loans in association with Registered Social landlords (RSL) – the council provides discretionary grants for up to a maximum of £20,000 per property to bring properties back iinto use where the property has been empty for at least 3 years. The owner must agree to lease the property to an RSL for a minimum of 10 years. In addition,

[1] WELFARE RIGHTS SERVICE (argyll-bute.gov.uk)

a loan may also be available, in which case the property must be leased to an RSL for a minimum period of 5 years. Owners can apply for empty home grants and loan funding for up to a maximum of six properties across Argyll and Bute.

2) Discretionary grants for 40% of the cost of the works up to a value of £10,000 to owners of homes which have been empty for a minimum of three years who wish to renovate their property for personal occupancy. Funding is prioritised in areas of high housing need where reoccupying an empty property would mean the occupiers vacating a property in the RSL sector. This creates an RSL rental opportunity for other tenants as well as bringing an empty home back in to use.

3) Discretionary grants are available for 30% cost of works up to a maximum of £7,500 where the owners are resident in Argyll and Bute and will be privately renting the property on completion of renovation works. Rent levels must be in line for the Local Housing Allowance rate.

The Council has provided 17 empty homes grants since 2014 which have been a combination of all three that the Council offers. This compares to the estimated total of 505 empty properties brought back into use since then, less than 4% of properties brought back into use. The Council concludes this demonstrates that financial assistance is not always the main catalyst for action.

Argyll and Bute Council is now starting a project with the Health and Social Care Partnership to focus on getting homes back into use for keyworkers and other essential workers. This involves the employment of an additional empty homes officer which is 50% funded through SEHP/Scottish Government.

Local authority buy-backs – some local authorities have adopted a strategy of acquisitions of empty properties for social rent (some of which, but not all are ex-local authority homes), using Housing Revenue Account resources coupled with Scottish Government funding through the Affordable Housing Supply Programme equating to 50% up to £100,000. If the property value is over £100,000 and the local authority still wishes to buy the property, then it has to meet the shortfall of the balance.

West Dunbartonshire Council has strong links between the work of the Empty Homes Officer and the strategic focus of the local authority's More Homes team. West Dunbartonshire has acute housing need, with very high levels of homelessness, including high levels among young people. There is an oversupply of 2-bedroom housing and not enough 1-bedroom properties, as well as not enough larger family homes. They need more homes of the right size and type.

The Buy Back policy was developed in 2018 – primarily for ex-RTB properties. They had modest aims to start with, aiming to buy back five homes each year. A number of homes were identified in poor condition and contributing to neighbourhood decline. They developed a business case for buy-back alongside new supply. The average buy-back takes about 3 months compared with 18 months to build from scratch. The cost of new-build has also increased – a 5-bedroom home costs more than £300K, but a large family second-hand home can cost around £100K, since the area does not have high house prices. Investment is planned from 5 per year to 60 buy-backs per year in future – from £0.25m to potentially £4m a year, supported through the Affordable Housing Supply funding. While originally the focus was on ex-RTB properties, the Council is now searching for family homes in the general housing market as its focus is on fufilling the need for larger familty properties in the social housing stock.

Enforcement

Compulsory Purchase Orders (CPOs) - Many public sector organisations (e.g. local authorities, Transport Scotland) and a range of infrastructure providers (e.g. energy transmission companies) have powers to purchase land without the owner's agreement if there is considered to be a strong enough case in the public interest in doing so. All CPOs must be submitted to the Scottish Government for consideration and approved by a Minister[64].

There is a detailed process, with specific regulations and guidance covering each stage:

- engaging with the people affected and designing the scheme

- preparatory work and investigating ownership

- justifying and deciding to use compulsory purchase

- making the compulsory purchase order

- advertising the order and serving notices

- sending the order to Scottish Ministers

- the objection period

- taking possession and legal title to the land

- assessing compensation

There are statutory notices and legal procedures that need to be followed throughout the process, with associated paperwork for each stage. Examples of timings from case studies[65] showed a roughly two-year timeframe for the process of the CPO to be affected, although evidence from one local authority participant in this study suggested an average of 56 weeks, but this was where there are specific resources targeted to CPOs. There is also a six-year period where owners can make claim against the local authority for compensation.

There has been limited use made of CPOs to bring homes back into use since 2012 in Scotland. According to the Scottish Government register, by February 2023, a total of 26 CPOs had been completed for housing cases due to homes being empty or unoccupied, across 11 local authorities. As CPOs can cover multiple properties, this equatted to 49 empty properties brought back into use[66]. The vast majority were in Glasgow.

The following section sets out local authority opinion from survey and interviews in relation to enforcement, and the general resistance to using CPOs due to the length of time involved in pursuing these, the very high potential cost, both in officer time and legal costs, but also in the financial commitments required to put aside the funding for compensation. While Glasgow City Council[67] has found an effective partnering approach through immediate follow-on sales with local housing associations (see case study below) this appears dependent on the availability of a relatively high level of staff resources in this large local authority and is argued by other local authorities to be more feasible in lower value housing markets where the compensation requirements may not be as high as in some high value markets. It is also argued that this approach is only relevant for certain

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64 Compulsory purchase orders - introduction
65 Compulsory purchase order case studies
66 Compulsory purchase order register
67 Scottish Empty Homes Partnership Annual Report 2022

types of properties for onward sale to housing associations and so is likely to limit the scalability of using CPOs in the same way.

Glasgow City Council uses CPOs[68] to tackle problems of long-term vacant properties, increasing affordable housing supply and ensuring the upkeep of pre-1919 tenements. CPOs have been used as a "last resort", with 55 homes across Glasgow pursued for compulsory purchases since 2019. Some of the properties targeted have been lying empty for more than 14 years while other properties have been designated as being Below Tolerable Standard**.**

While almost three quarters of these have been progressed or confirmed (that is a CPO has been made and approved by the Scottish Government), in other cases the home has been returned to use without the need to progress to a CPO.

In all cases to date where CPOs have been confirmed, the Council has entered into a 'back to back' agreement with a local housing association who purchases the property once the title vests in the Council, thereby minimising the financial impact for the Council. The Housing Association carries out necessary investment work to bring it up to the Scottish Housing Quality Standard and brings it back into use to provide affordable housing for those who need it. However, Glasgow City Council note that there is a limit on how much can be achieved through CPOs alone. The steps in making and obtaining CPOs are complex, time consuming, costly and present risks to the Council. '*We have to do them in small numbers at a time – and we have to pay market value*'. This requires a huge commitment from the Council, but Glasgow has benefited from establishing a team with a council solicitor dedicated to dealing with CPOs, described as '*invaluable for us. We have built up a lot of knowledge and expertise... It is a significant resource*'.

Housing (Scotland) Act 2006 – this includes powers for a local authority to issue a work notice requiring a homeowner to bring a sub-standard home into a reasonable state of repair. As outlined above, a small minority of local authorities in Scotland use discretionary grants to incentivise owners to bring properties back into use.

Environmental Protection Act 1990 and Public Health (Scotland) Act 2008 – Local authorities have powers available under the statutory nuisance provision. Interviews with local authorities showed examples where an initial enquiry may come of Environmental Health which may be that due to vermin, foul smells, hoarding or failing the housing Tolerable Standard. In such cases it may be Environmental Health that takes the lead by using statutory powers through enforcement orders, or if it is found the property is empty this could provide an opportunity for the Empty Homes Officer to find and engage with the property owner which could remove the need for enforcement, and in turn enable dialogue to start with the owner to bring the property back into use.

Taxation

Council tax - The Council Tax (Variation for Unoccupied Dwellings)(Scotland) Regulations 2013 (S.S.I. 2013/45) came into force on 1st April 2013. These Regulations were made by the Scottish Ministers in exercise of the powers conferred by section 33(1) to (4) of the Local Government in Scotland Act 2003(1). They have subsequently been amended by the Council Tax (Variation for Unoccupied Dwellings)(Scotland) Amendments Regulations 2016 (S.S.I 2016/369). These Regulations as amended ("the Regulations") allow local authorities to charge increased council tax on certain homes that have been empty for one

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[68] Scottish Empty Homes Partnership Annual Report 2022, augmented by interview with Glasgow City Council, March 2023.

year or more. Local authorities can remove/reduce the empty property discount - initially a discount of between 10% and 50% may be applied, but after a property is unoccupied for 12 months (or 24 months if being actively marketed for sale or let), an increase of up to 100% may be imposed (double the full rate) [69]. The discretionary power is used in different ways, with use also varying by local authority, but only two local authorities (East Renfrewshire and Shetland) do not apply the premium at all (SEHP 2021[70]).

From 18th April 2023, the Scottish Government consulted on a change to the Council tax regulations[71] asking whether councils should have additional powers giving them discretion to charge up to 100% premium (double the full rate) on council tax for second homes,or to charge more than 100% premium on council tax for second homes and long-term empty homes. The consultation also seeks views on whether there should be changes to the definition of when a property offering self-catering accomodation becomes liable for non-domestic rates.

Looking at comparative practice across the UK nations, in Wales, the council tax premium will be raised to a maximum of 300% from April 2023[72] and in England the premium is based on the length of time the home has been empty, with powers to charge up to 400% premium on properties empty for ten years or more[73]. However, in 2014, evidence was reported in England of the limited use of council tax premiums, with only around one in four of long-term empty properties subject to the premium (Davies 2014[74]).

In Ireland, the Vacant Homes Tax (VHT)[75] applies to residential properties in use as a dwelling for less than 30 days in a 12-month chargeable period. It is a self-assessed tax and it is the responsibility of the property owner to assess their liability and to take the actions needed. Spanish municipalities can levy a 50% surcharge on the property tax on unoccupied dwellings, but in practice they do not do so because of the difficulties they have in legally defining what might be understood as a vacant property[76]. France has recently expanded the use of empty homes tax, with up to 60% tax charged in some locations[77]. In an effort to combat the housing shortage and soaring rents, the Austrian states of Salzburg and Styria passed laws in 2022 granting local municipalities the right to tax empty flats[78]. Vancouver charges 1% of the value of any property left empty for at least six months a year (with significant fines for undeclared properties)[79]. In Leuven in Belgium, the city increased the vacancy tax rate in 2023, with, property owners taxed up to 3,750 euros per year for a vacant home[80].

Some evidence suggests a low level of council tax premium relative to property value may not be high enough to disincentivise certain types of empty property owner who are wealthier and motivated by capital gains (Wilson et al 2020). Other countries have taken approaches to taxing empty homes or issuing fines based on the rental or market value of

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[69] Scotland: Council tax- second and empty homes

[70] Scottish Empty Homes Partnership Council Tax Variation 2020-21 Report

[71] Council tax, second and empty-homes consultation

[72] New tax rules for second homes | GOV.WALES

[73] How Council Tax works: Second homes and empty properties - GOV.UK (www.gov.uk)

[74] Institute for Public Policy Research: Back on the market - bringing empty homes back into use

[75] Ireland - Vacant homes tax

[76] Barcelona Institute of Economics report on tax and vacant housing

[77] What is France's empty homes tax?

[78] The empty house: a window into Europe's vacant property problem

[79] How the world is tackling empty homes

[80] Taxes for vacant properties in Leuven, Belgium.

the property, so generating larger penalties (Housing Agency Ireland 2016[81]). Although more stringent penalties may have a role, it is argued that local authority discretion is needed to allow flexibility for owners in genuine difficulty or where economic decline/low demand issues prevail (Davies 2014[82]).

Value Added Tax – To assist and encourage refurbishment, a VAT reduction applies on building works undertaken on properties which have been empty for two years or more[83]. EHOs can also advise on referrals to access trade discounts on goods and services from an approved list of construction merchants maintained by SEHP[84].

Whilst this can support some empty property owners with limited resource to take more affordable action to bring their property back into use, critics have noted that the two-year timeframe before properties become eligible for the discount is problematic (Ceranic et al 2017[85]).

The effectiveness of current approaches and interventions

A common theme running through the literature on approaches and interventions across the UK is that applying them effectively and at scale was limited by available capacity and resource and the length of time it takes to bring an empty home back into use.

Research in England identified decentralisation as a barrier to easy reporting as this is largely done through individual local authority services in differing ways, using multiple different websites and contact details, with a lack of clarity to people reporting how information will be acted on (Mullins 2018[86]). A number of UK-based studies identified pressures on staff capacity and budgets for capital outlays, lack of specialist knowledge, the absence of a national level legal support service, the time and resource intensive nature of empty homes work and long timeframes involved as limiting the most effective use of the interventions available (Davies 2014[87]; Ceranic et al 2017[88]; Dunning and Moore 2020[89]; National Assembly for Wales 2019).

Specific limitations to Empty Dwelling Management Orders (EDMOs) and refurb and lease models were described in England which prevent them being used at scale. The time to identify and access to suitable properties, the availability of funding and financial risk coupled with restrictions from mortgage lenders, owner expectations over rental income and the fact that Local Housing Allowance (LHA) is set well below market rate rents in many areas limited the scope to scale up these approaches (Carnuccio 2014[90]).

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[81] Vacant Homes Paper Housing Agency (Ireland)

[82] Institute for Public Policy Research: Back on the market - bringing empty homes back into use

[83] Buildings and construction (VAT Notice 708) - GOV.UK (www.gov.uk)

[84] Merchant Discounts | Scottish Empty Homes Partnership

[85] Ceranic B., Markwell G., Dean A. (2017) 'Too Many Empty Homes, Too Many Homeless – A Novel Design and Procurement Framework for Transforming Empty Homes through Sustainable Solutions' *Energy Procedia* 111: pp558-567

[86] Mullins D. (2018) 'Achieving policy recognition for community-based housing solutions: the case of self-help housing in England' *International Journal of Housing Policy* 03;18(1): pp143-155

[87] Institute for Public Policy Research: Back on the market - bringing empty homes back into use

[88] Ceranic B., Markwell G., Dean A. (2017) 'Too Many Empty Homes, Too Many Homeless – A Novel Design and Procurement Framework for Transforming Empty Homes through Sustainable Solutions' *Energy Procedia* 111: pp558-567

[89] Defining and measuring empty and under-utilised dwellings in London

[90] Carnuccio, M. (2014) 'Re-imagining regeneration: empty and difficult to let homes' *National Housing Federation*

The way funding often operates also limits the opportunities to use successful approaches at scale. English research found that short term funding pots ran out and funding strategies changed between governments and local authority leaderships (Mullins 2018[91]). Learning can be lost once the funding for a successful project comes to an end, or a change in approach from government alters the funding it is possible to access. Research in Wales also found that arrangements for grant and loan funding, and the eligibility criteria and timeframes involved, varied between different places (National Assembly for Wales 2019[92]).

Although tailoring interventions to local circumstances is beneficial it also makes the changing landscape of support options complex to understand. Dedicated empty homes roles, empty homes practitioner networks and organisations such as SEHP, Communities Housing Trust and the South of Scotland Community Housing contribute to knowledge sharing of successful approaches. However, replicating what works at a scale which can reduce the number of empty homes significantly is challenging.

Stakeholder opinion on effectiveness of approaches and interventions

The empty homes audit has sought opinion from local authorities and wider stakeholders on their views on the effectiveness of the various approaches and interventions to tackling empty homes through surveys and interview. Empty homeowners were also asked about their experience and satisfaction with the various interventions.

Local authority and wider stakeholder opinion on effectiveness of approaches and interventions

When local authorities were asked to rate the effectiveness of different initiatives, the most effective was judged to be the provision of information and advice by EHOs, and the co-ordination role of EHOs (Figure 14). This was followed by access to VAT and other discount schemes, council tax discretion policies, and the support provided by SEHP. Financial incentives provided by the local authorities or others was scored on average as 3.5 out of 5 in effectiveness, with enforcement action and partnerships with the private sector seen to be the least effective.

Open comments in survey reiterated the importance of information and advice in bringing empty homes back into use, as illustrated by one local authority response.

> "Information & advice is the key tool and majority of owners just need informed choices and support on how to address issues to bring empty homes back into use." (Local authority survey respondent)

Some survey respondents referred to the poor uptake of the Empty Homes Loan Fund (see further below) and the use of the Rural and Islands Housing Fund, while a few respondents considered the VAT discounts as popular and examples were provided on the use of council tax as a tool for bringing empty homes back into use (explored further in interviews as set out below).

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[91] Evaluation of the Empty Homes Community Grants Programme (EHCGP) - Midlands region

[92] Empty properties (senedd.wales)

Figure 14: Effectiveness of different initiatives (average score)
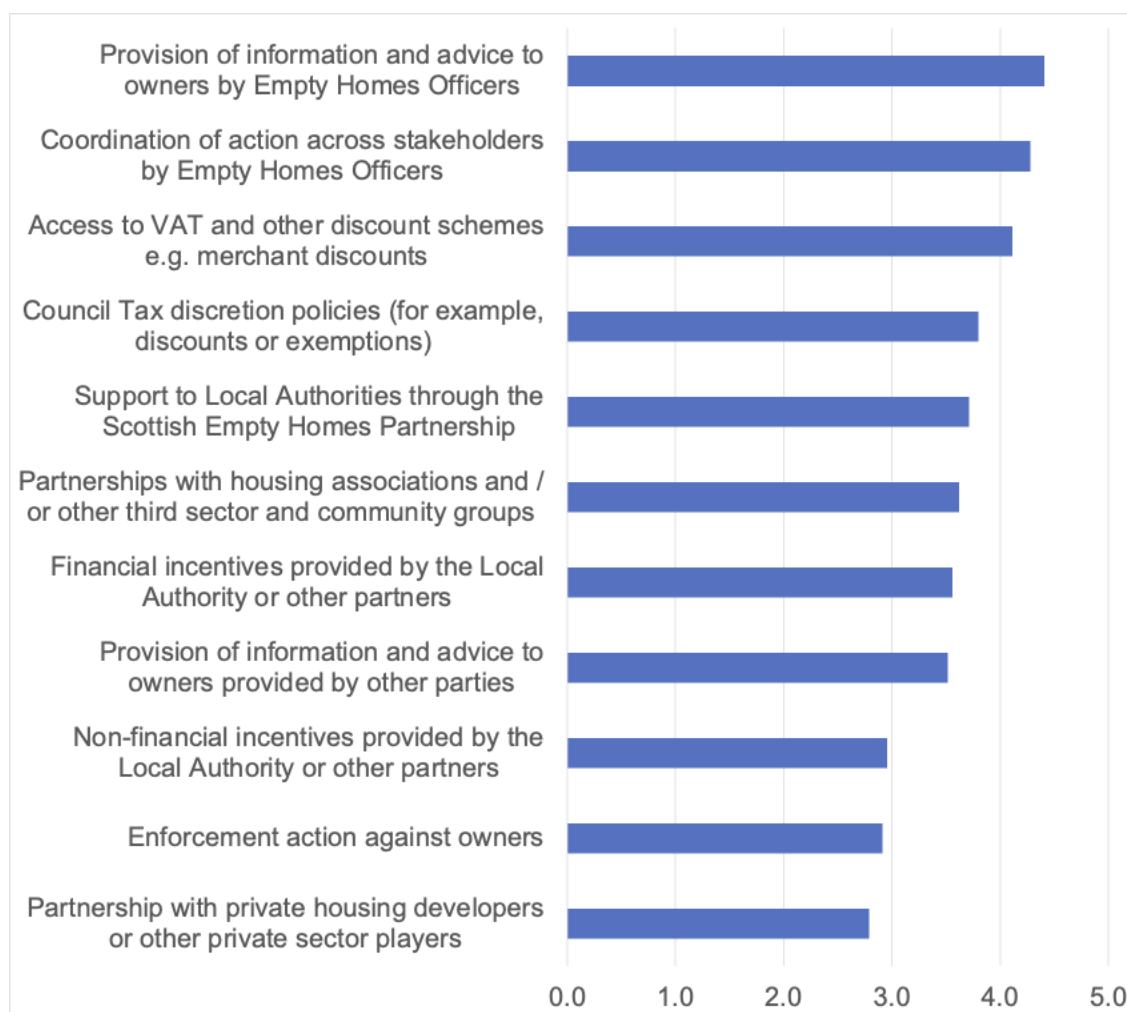
Source: LA survey (base=28) Score 1=Not at all effective, 5=Very effective (average score excluding not applicable)

In-depth interviews with local authorities and wider stakeholders provided further insights as to the approaches and interventions employed and their opinion on the effectiveness. The key themes from these interviews are categorised as:

- information, advice and dialogue
- collaboration and partnership
- funded schemes and acquisitions
- council tax including use of discretion to incentivise action
- enforcement action

Information and advice, and dialogue with owners

All respondents again emphasised the importance of **information and advice**, and the proactive role of EHOs, with an understanding of local housing markets and having an approach which is flexible and responsive to local needs. For most interviewees, information and advice was seen as the most important tools at EHOs' disposal. It was clear from the interviews that the *effectiveness* of these roles in enabling properties coming back into use was around strong influencing skills and a taking a bespoke approach – it was about establishing a positive working relationship and '*starting a conversation with property owners'.* In the words of a wider stakeholder the process is about '*trying to understand the mindset of owners'.* Several local authorities referred to the

need to understand the individual circumstances of property owners, what their motivations were and potential barriers in getting an empty home back into use. Many highlighted the need for a holistic and nuanced approach with a focus on the needs of the property owner, rather than the property.

> "It's almost more about the owner than it is about the property because you know the owner is the key to so where X can identify an owner and engage with an owner and help them along in whatever way [they] can help that they may need or guidance or advice." (City local authority)

> "You've got to get off on the right foot with people and get the tone right because you know, sometimes people think you have an agenda…it's very much making people realise from the start that we are here to share our experience and show that we've done this many times." (Urban local authority).

The process was described as a '*real balancing act*' and providing support *"at the person's pace, but making sure that it doesn't go dead - that we're keeping it moving"*. Voluntary and third sector agencies were also seen as providing an important role in building trust, due to their ability to be responsive and flexible - providing a range of independent advice and support to owners (such as recommending solicitors) in ways that may not be available to local authorities.

Some emphasised the importance of setting out options clearly and firmly speaking of the need to have a conversation about the financial implications of leaving a property empty, and making owners think about it differently. However, as one participant acknowledged, it is '*sometimes very difficult to get them to see sense'*. One respondent also explained how their approach required care and sensitivity towards property owners:

> "I think the biggest thing that we've learned is to walk alongside them and…trying to give them options and make them understand that the barriers can be broken down and that we've got the skills and experience to help them go over a bridge that seems massive to them….you don't want to be railroading people…because so often there's an emotional story in the background to empty homes which you have to handle with respect and very carefully to make sure that you know, everything is thought about, before we even go into the technical stuff that goes with empty homes." (Wider stakeholder)

All participants emphasised the importance of collaboration and partnership in managing empty homes. Local authority staff identified the fact that an empty property would also involve other services: '*99% of the time there's council tax debt as well'*. In two locations the issues were dealt with by operational group meetings working across different services:

> "We try to make it a holistic approach so different teams are not repeating action. That's what an empty homes service tries to do – to be a one stop shop." (Rural local authority)

Staff in this local authority where there is strong performance in relation to empty homes described an '*excellent*' working relationship with the Council Tax team and worked closely with colleagues in revenues, benefits, corporate fraud, environmental health, planning enforcement and legal services.

> "Sharing of best practice as absolutely key… a lot of our what we've achieved has being through the collaboration, cause there's a lot of

expertise that…all the other teams bring to the table… We definitely wouldn't be where we were, where we are now if we didn't have that collaboration and have the buy-in from every single service and we genuinely do have every service bought in to the work that we're doing." (City local authority).

It was notable that local authority EHO participants also valued being part of a wider network of colleagues (hosted by SEHP). As one representative of small local authority suggested: '*I find it so beneficial hearing from colleagues in other local authorities doing similar work*'. This wider network enabled local authorities to learn about experiences and share information about what works best in managing and funding strategies:

> "If we hadn't had the Scottish Empty Homes Partnership and Kickstarter funding in place, we wouldn't be sitting here now with an empty home service and an empty homes team." (City local authority)

Property matchmaker schemes where potential sellers of empty homes and buyers are matched up by the local authority were highlighted in open comments in the local authority survey and through interview. There were varying opinions about the effectiveness of these with one local authority stating that it was able to tap into the local '*market failure*' with benefits resulting for housing options, whereas a few other participants were more sceptical about the value of such matchmaker schemes, with one participant describing it as '*very time intensive and for very little gain*'. Nevertheless, a wider stakeholder suggested such schemes '*move away from the owner as the focus of intervention to the buyer, by getting an interested purchaser. It…provides owners with a stress-free guaranteed route to bring their home back into use.*'

Funding schemes and acquisitions

The Scottish Government **Empty Homes Loan scheme** was highlighted by some interviewees, and in general the effectiveness of the scheme was questioned. Several local authorities commented on the difficulties in using the scheme, pointing to the fact that a loan was less popular than a grant with homeowners, and the requirement that the property was rented out at, or below the Local Housing Allowance (LHA) rate did not suit all areas, especially in more pressured, higher value markets where landlords could easily secure higher rents than the LHA. Local authorities also commented that establishing and running the system was bureaucratic and time consuming for them and stated that homeowners could access more attractive loans in the market without the assistance of the Scottish Government loan with its various conditions. A few stakeholders suggested there was lack of promotion of the scheme and variable approaches to implementation across different areas which resulted in lack of momentum in the scheme.

There was one mention of the use of the **Rural and Islands Housing Fund** in the local authority survey open comments, but no-one raised this scheme, or its effectiveness in the in-depth interviews.

A few local authority participants mentioned the use of their **strategic housing funds** which were resourced through council tax revenue. Some mentioned the revenue went to these funds to be used for affordable housing investment purposes including empty homes work, whereas others stated that a proportion of the revenue went to housing investment with a proportion going to other local authority services. One wider stakeholder called for more local authorities to 'ring fence' the council tax premium internally for the purpose of empty homes work, while another argued that there should be some form of equalisation of funding across local authorities for this source of funding, especially if the premium is to

be introduced for second homes, as well as empty homes.[93] The argument here was that those local authority areas with more empty and second homes could be at a funding advantage compared to others.

One local authority gave a specific example of using its 'internal enabling budget' which it can use to facilitate action, working across council departments to get an empty home back into use. An example included using this enabling grant to pay for the removal of a dangerous chimney in an empty home which was a health and safety risk for a neighbouring owner who had to evacuate their home and would have meant the neighbour's property would have laid empty for a long period had it not been for this work. This demonstrates a flexible and effective use of relatively small amounts of funding to prevent a home lying empty, and causing wider costs to the local authority.

> "it's a bit like homelessness and the prevention side of it. You don't want to get to crisis point with a building, with Building Control having to put up all sorts of scaffolds and supports and never get that money back. So getting that early intervention and just showing people that if the owners are involved, we're willing to help and just that little bit of money or that little bit of goodwill tends to go along way" (*Rural/island local authority).*

However, there were varying reports on the use and effectiveness of local authority grant funding, with some stating that the local authority's own empty homes budget had never been used, while more argued that they considered empty homes grants would be valued by homeowners and may be what some people needed to take action. Most local authorities do not currently have grant budgets for empty homeowners and while some consultees understood the difficulty in arguing for these funds for private owners against other priorities, others suggested the potential of grants was underestimated in bringing homes back into use, as illustrated below.

> "And I think the power of grants is really, really underestimated here. If the end goal is getting an empty home, turning it into a home for somebody that needs it. And the shortfall is 10K or 15K. It's short sighted to stop, you know, to say it has to be a loan, because the loans are not working." (Wider stakeholder).

As discussed above, a number of local authorities operate 'buy-back' acquisition schemes, mainly for ex-council properties but with some also purchasing empty properties from the wider housing market to be used for social housing. Examples were also provided of partnerships with RSLs acquiring and investing in empty homes, and social enterprises (e.g. Homes for Good 'Rent Ready' example above). In terms of the effectiveness of these schemes, interviewees highlighted that the properties had to be carefully selected to fulfil the housing need (location, size and type) and ensure the acquisition was feasible, particularly in relation to condition and investment requirements as the properties would often have to be improved, in the case of social housing to meet the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing. There could also be 'non-standard' components that present maintenance challenges for a social landlord.

> "It has tended to be ex local authority stock that we've bought back. The difficulty with that is that you end up having to do a lot more investment in that property or you end up with potentially non-standard items that you are then liable to maintain. So for example, if someone's put in their own kitchen or put in a different kind of heating system then we would then left

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[93] Council tax on second and empty homes/Non-domestic rates: consultation

with decisions around the ongoing maintenance liability of some of those items." (Urban/rural mixed local authority).

Council tax premiums and discretion

Examples were provided in both the local authority survey and interviews regarding occasional use of **discretion for the 100% council tax premium** i.e. removing the double charge to help encourage existing owners to take action to bring their property back into use. Discretion was available where owners were being seen to actively take steps to return unoccupied properties to residential use. Empty homes officers said they could assist eligible empty homeowners with a discretion request, advocating with Council Tax departments on their behalf, which had enabled owners to put the money towards repairs and other costs involved with either selling or letting the property. Several participants noted that application of this discretion was used carefully and required some insight into the homeowner's motivations and willingness to bring the empty home back into use.

> "Our Empty Property Policy allows for the imposition of a 200% charge after a period of 24-months, subject to a limited number of exceptions. For example, where council taxpayers are taking steps to bring a property back into use, either by marketing it for sale, let etc and/or undertaking renovations, the timescale for the imposition of the additional charge is delayed. While significant numbers of council taxpayers have benefited from this delay in imposing the 200% level of empty charge (since its introduction on 1 April 2015), there does still remain a large number of properties where it would appear these are being purposely kept and/or maintained as long-term empties and where we see the taxpayers pay the increased sums due." (Local authority survey respondent)

However, two different local authorities with higher value housing markets highlighted that financial sanctions are of limited value for some homeowners with higher incomes. One local authority pointed to households resenting contact from the local authority to encourage engagement about their empty home, and whose response was that they were happy to keep an empty home (due to various reasons) and were willing to continue paying the council tax premium. Another local authority provided a specific example of an owner paying significant council tax charges:

> "I think [we are] also in a unique situation because a lot of owners…have either wealth or access to wealth… One owner lived [abroad]… [we] had been chasing him and he owed £35,000 and he just paid [that] in council tax arrears… Many of the cases we deal with…they're happy to pay these amounts and just not do anything. That's where we then have to think of alternative ways of dealing with owners like this. And that's where enforcement comes into play." (City local authority).

> "Houses are still very much seen as an investment and people are quite happy to pay the premium for years… thinking that the value of that property is going to go up over those years, which can make it a little bit trickier for us, particularly if there's no complaints about it or if they are doing what they need to make sure that it's not detrimental... the neighbours are fairly happy that the grass has been cut." (City local authority)

A few local authority participants suggested that there is a fine balance to be struck in relation to the council tax premium: on the one hand it can be a useful tool to start a dialogue, and the discretionary lever can be useful to get action. On the other hand, it was

argued that it should not create hardship where there may be valid reasons for empty homes, and hence the need for discretion. It was also noted that some owners do not declare their empty home to avoid the premium, and it was suggested this would increase if the council tax premium was to increase. In summary, it is clear from these insights that while significant financial charges may be effective in encouraging some owners to bring homes back into use, this is certainly not always the case, and in fact can provide a disincentive to declare an empty home (and second homes if this premium is introduced).

Enforcement action

Based on the survey responses and interviews, enforcement action was stated as less commonly used, mainly due to the resources involved.

CPOs - Most local authority respondents saw the use of CPOs as a high-risk strategy which would only be used in exceptional circumstances. Most saw the costs of taking action as prohibitive and using up scarce staff resources. The onus was said to be on the local authority to take responsibility for implementing the process (albeit with final Scottish Minister approvals) as well as to provide funds for legal costs and compensation payments; for the majority of participants this was not feasible and the in-house resources were not available to support such an intense process.

A few examples of local authority comments illustrated the over-riding view:

> "We've only done two cases in the last ten years; they are very labour intensive and difficult to resource on a systematic basis. Our legal team could not handle a big caseload" (Urban/rural local authority).

> "This [CPO] was an extremely complicated process and took a very long time to get to the final stages." (Local authority survey respondent)

> "CPO use has great financial cost & risk." (Local authority survey respondent)

The exception in Scotland currently is Glasgow which has some significant success in issuing CPOs (see case study above), although there were a few other City authorities who stated they had implemented CPOs successfully, but not to the same extent. Even for these authorities, the primary aim is still to work with owners to voluntarily engage with the council, using CPOs as a last resort.

> "Sometimes owners will just need a bit of motivation – to give them a focus and realise that the council will come in and compulsorily purchase…That's the only enforcement action we have available to us… Sometimes it is very difficult to get them to see sense". (City local authority).

A few local authorities and stakeholders suggested there may be a case for centralised (national) specialist legal services, and financial resources committed to CPO implementation, but there was a more common call for the introduction of wider enforcement powers including Compulsory Sales Orders (CSOs, as proposed by the Scottish Land Commission in 2018) and Empty Dwelling Management Orders (EDMOs) as used in England and Wales (discussed further under 'Learning from others' below).

Repair Notices - Other actions raised in both the local authority survey and interviews was the use of Works Notice; Defective Buildings Notice; a Dangerous Buildings Notice and an Amenities notice.

One potential tool raised for the management of empty property was the use of repair works orders (designed to compel owners to carry out repairs necessary to bring

properties to an acceptable standard). However, one local authority participant claimed there were inherent flaws adopting this approach, coupled with limited resources for implementation, and therefore restricted its application for empty homes management:

> "The basic problem is that we don't have a right of access as we do have under other legislation to inspect the property and decide what needs done to serve the notice in the first place. But the other problem with the notices is they are toothless really, because if the person doesn't comply with them, it's not an offence and we're not going to then follow up. And the other thing on works notices is works can be expensive and the Council would not have the funds to step in and do work if it wasn't done by the owner of the property. So works notices, I think the short answer is no." (Urban/rural local authority)

Homeowner opinion on effectiveness of approaches and interventions

All homeowners responding to the survey were asked what support they had received to help them bring back their property or properties.

Table 8: 9Types of Support Received to Bring Back Properties

Support	% of Respondents
Information and advice from Local Authority Empty Homes Officer	44%
Council tax discretion policies (for example, discounts or exemptions)	43%
Access to VAT and other discount schemes e.g. merchant discounts	15%
Information and advice provided by other parties	8%
Financial incentives provided by the Local Authority or other bodies	4%
Support through the Scottish Empty Homes Partnership	2%
Other	4%
None of the above	29%
Base	**197**

Source: Empty homeowners survey. Note: The base is only respondents that in the last 5 years had at least one long-term empty property that has not been occupied for a period of 6 months or more.

Taking all respondents as the base,[94] 71% indicated at least some form of support to bring empty properties back into use. Most commonly, this related to information and advice from the local authority EHOs (44% of the total sample) and council tax discretion policies (43%). Significantly fewer respondents indicated that they had received support in the form of access to VAT and other discount schemes (15% of all responents), information and

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[94] This will include current and past empty homeowners.

advice provided by other parties (8%), financial incentives from the local authority or other bodies (4%), or support through the Scottish Empty Homes Partnership (4%).

The small number of "other" responses included a number of comments of a general nature relating to local authority support, some stating lack of support, and 3% (3 cases) of respondents referred to the doubling of their council tax. This (admittedly small) group of respondents expressed very negative views as to how the action was undertaken with comments including phrases such as "very little help given", "unreasonable" and "unfair". The only additional specific support referenced (by only 2 respondents) related to support from Home Energy Scotland.

The level of satisfaction with the support provided is illustrated in the figure below.

Figure 15: Satisfaction with support received to bring empty properties back into use
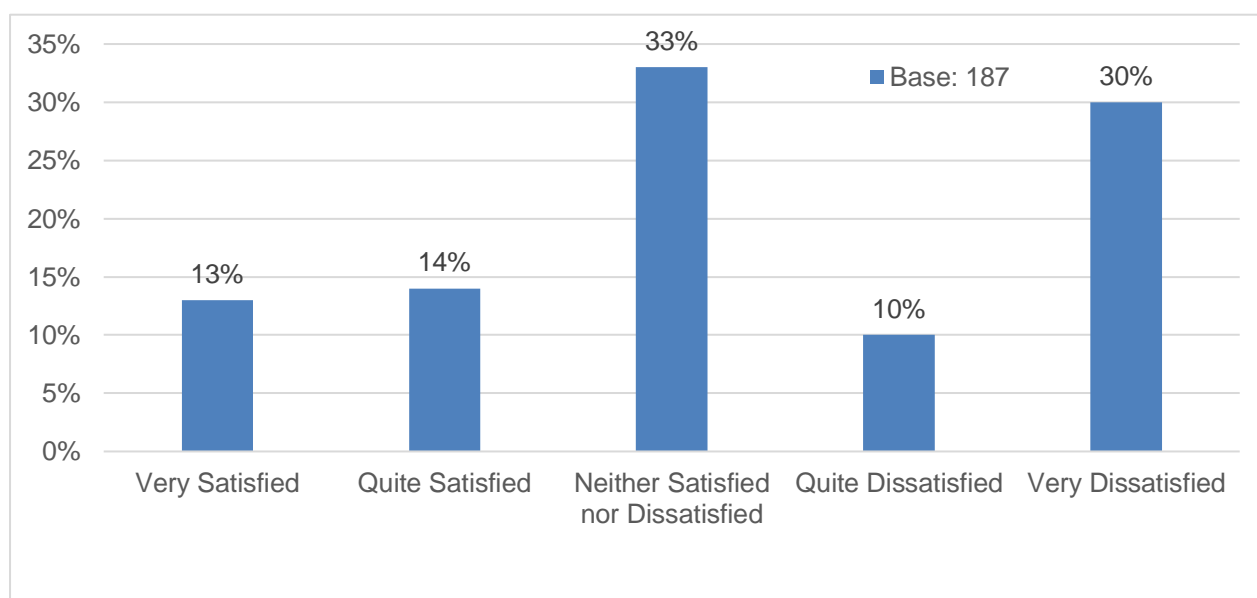
Source: Homeowners survey.

Overall, the largest proportion of respondents gave a neutral view on their satisfaction with the support received. Only 27% of respondents expressed satisfaction compared to 40% that expressed dissatisfaction with the support received. It is worth noting that the proportion of respondents expressing satisfaction rises to 47% amongst those that said they received information and advice from a local authority EHO and 38% amongst those that received some discretion in relation to council tax policies.

Positive open comments from the survey related to **support from local authority staff:**

> "Empty Homes Officer has been brilliant but I'm just struggling with funding the renovations."

> "Good information and contacts with other parties."

> (Homeowner survey respondents)

This was reiterated by the empty homeowners interviewed, nearly all of whom were **familiar with the role of an EHO** and had been in contact with an empty homes team at some point. Routes to accessing an EHO seemed to vary; in some cases an empty homes team would first contact the owner proactively, to see what assistance they could provide

in bringing the property back into use, whereas in other situations owners described being '*fortunate*' to come across an empty homes service after searching online for assistance. In general, owners were satisfied with the service they received from the EHO, although some explained that help was limited to relatively minor assistance, such as securing council tax concessions or providing recommendations for local suppliers and building firms. One owner was very impressed with the service she received, as part of a matchmaker scheme in a large urban area. She felt she would not have been able to find her current tenant without the assistance of the EHO in introducing her to a potential applicant, and the scheme also paid the tenant's deposit. She was surprised that the matchmaker scheme did not have a higher profile in the community and emphasised that the service was hard to find, having only '*stumbled upon*' it after several hours of searching online. Although this owner was very satisfied with the assistance she did receive, there was an expectation that the EHO could have done more, for example helping with making the property compliant for private renting and providing support for getting repairs done.

Most of the respondents emphasised needing a unique **skill-set, knowledge and experience** to ensure their properties could be brought back into use. Owners described how backgrounds in architecture, structural engineering, planning law, property development or involvement on community councils could be instrumental in enabling properties being brought back into use, including minimising the costs involved. Equally having the technical ability to navigate what was described as a complex financial and regulatory system was seen as imperative. Some owners stressed that luck also played a part in bringing properties back into use, explaining for example being fortunate to have met a tradesman who introduced them to key players within the council, or having friends within the construction industry who could offer free advice. This demonstrated the difficulties and frustrations that the owners faced in engaging with the construction industry (as discussed above under the barriers to bringing empty homes back into use).

However, there were negative comments in the homeowner survey open responses relating to **lack of awareness** of any support being available and to criticisms of the extent and scope of this support, especially in relation to lack of financial support:

> "I wasn't aware there was help available."

> "We have had no support."

> "I had no knowledge of any support except the Council Tax Reduction."

> (Homeowner survey respondents)

Some of the owners interviewed did express frustration with the **variability of service provision and funding support in different areas.** One owner who was unfamiliar with the role of an EHO expressed frustration at not being aware of services available to owners of empty properties. This respondent wondered how he was expected to know what an 'empty home' was in a regulatory sense, and how it is defined by council services, and may show the relatively low public profile and promotion associated with tackling empty homes in some areas.

Another owner expressed similar dismay at differential services in different areas, reflecting on how her experience of renovating an empty property in a major urban area varied considerably from her experience in dealing with empty property in a rural location. In the urban location she was able to access a large non-repayable grant for extensive repairs to a flat in a tenement in danger of collapse, whereas in the rural area she was told by an EHO that her derelict cottage was not in poor enough condition for direct financial assistance, despite it '*raining indoors*'.

Another owner in a rural local authority felt similar frustration in attempting to access an empty homes grant when an EHO told him the property was ineligible, unless he was able to document that it was located in a high demand rental market. This owner also discovered his property was ineligible for an Energy Savings Trust loan to bring the property up to EPC D or better because he had a rental portfolio of more than six properties. He described spending '*countless hours'* researching what assistance was available in his area, and that it would have saved him a lot of time had an EHO been able to advise him of available finance options.

Specialist legal advice was also mentioned by some owners as needed to help them get a property back into use, for example to 'decroft' properties or to assist in the cost of settling separation agreements.

Owners also expressed how **technical knowledge and assistance** was required to undertake empty home projects.

An owner raised the problem of organising common repairs as a significant barrier to bringing her property back into use. Despite having the finance secured and otherwise being ready to address critical disrepair to the roof, she could not get the agreement of the majority of the owners to make the repairs needed. She explained the heartbreak she felt watching her tenanted flat '*go to waste'* due to inaction of her neighbours and feeling powerless to do anything about it. She explained that it was sheer luck that she had engaged a building surveyor for another empty property who was able to introduce her to the empty homes team within the council. She explained the pivotal role the Empty Homes Officer played in securing a large grant covering 50% of all costs, as well as influencing other owners to participate in the common repairs, which included the threat of enforcement action. She was extremely grateful for the support from the Empty Homes Officer who she considered saved her from extensive repair and legal costs if she had to pursue the other owners to implement the works and recover the costs herself. She is convinced that she would have lost her property to disrepair had it not been for the intervention of the EHO, explaining that in her view the Tenements (Scotland) Act 2003 was '*toothless'* and ineffective in addressing the practical problems of organising common repairs.

The majority of homeowner survey open comments relating to council tax were negative and were associated with the **application of the council tax premium**. The occasional positive comments were in relation to council tax to discretion being applied:

> "Disappointing that I am now charged 200% council tax."

> "Council gave discounted council tax rate which gave me time to tidy up, empty flat and furnish it so it could be rented out again."

> (Homeowner survey respondents)

Most of the homeowners interviewed were assessed for the empty homes council tax premium at some point while their property was empty. In contrast to the common negative open comments in the survey relating to the council tax premium, the owners interviewed explained that the penalty '*did not help'* their efforts to market or renovate the property, but they generally did not identify the penalty as a major financial burden. However, there were two noticeable exceptions, one of which related to debt, and the another related to the standard and length of time for improvement and financial burdens incurred as a result.

One homeowner explained that being charged double council tax was keeping him in a cycle of debt, which was itself a barrier to bringing his property back into use. This

respondent explained that he co-owned a cottage in a rural area with his estranged wife, whose whereabouts were unknown. He had exhausted his resources in a legal dispute and was ineligible for receiving additional legal aid for a separation agreement which would enable him to dispose of the property, therefore ending his liability for council tax. The property was purchased in a semi-derelict state, without being connected to utilities and seven years later was now in an advanced state of deterioration. He had written to the council on a number of occasions requesting an exemption from council tax arguing that the cottage was uninhabitable, and he cannot afford to pay the double rate. He had not heard of an '*empty homes team'* within the council and has only ever dealt with Council Tax staff.

An owner who was renovating a cottage to *passivhaus* standard in an urban area was aggrieved by having to pay an additional £5k in council tax, for a property that is considered empty but not habitable. He was '*stunned*' that it didn't qualify for council tax relief because it had been lived in 12 months prior to the start of the refurbishment and felt he is being penalised for adopting a higher standard of build. He explained from a financial point of view it would have been considerably cheaper to have knocked down the property and built new – in that scenario he would have been assessed as nil for council tax and would have received 100% discount on VAT for materials, compared to being assessed 200% for council tax and 5% VAT.

Most owners participating in the qualitative research had received a 6-month exemption period for council tax when their property first became empty and there was clearly some variability in how local authorities applied exemptions. Some owners expressed gratitude for their EHO who arranged further council tax concessions, with one owner explaining that the officer had classed their renovation as '*full structural refurbishment,'* so they could get the exemption. Another owner explained they had obtained concessions for a full year due to Covid, which was crucial for him to afford the necessary repair work. Another owner believed the concession she received from Council Tax was '*exceedingly exceptional'* and down to the determination of one EHO in persuading the Council Tax team to lift the empty homes penalty. She contrasted this experience with another empty property she had in a rural area where she received no concession, despite the property effectively not having a roof. She emphasised that council tax rules bore no resemblance to the reality of construction work, lamenting that the 6-month exemption could start from November – a time when construction work cannot be undertaken - and for major renovation work which was likely to take more than a year in most cases. All of the owners with experience of undertaking refurbishments explained that Council Tax should take into consideration the length of time actually taken to get a property back into use.

The extent to which interviewees felt that a **5% VAT discount** was helpful in bringing properties back into use was mixed. One respondent who held the crofting tenure of a derelict cottage on an island that had not been 'decrofted', explained that the VAT discount would be very helpful once she is able to claim the funds, upon completing the renovation. Other owners who were renovating property explained the help was much more limited, as it only provides relief on materials and does not cover professional fees such as architect's drawings and building warrants. Some owners were disappointed to learn they were ineligible for the discount because they had not met certain conditions required by the local authority. One owner who had sought planning permission twice, explained that starting works within 12 months would not have been possible as it had taken a year to obtain the necessary building warrants. These owners felt the scheme did not take into account the reality of undertaking major renovations, and wider regulatory constraints, with one owner in a rural area describing it as a '*complete waste of time'*.

Other owners who pursued **merchant discounts** suggested by an EHO explained that the offers advertised '*did not really exist*' or were limited to the finishing trades, which is only a small part of the cost of a build. One owner who was renovating a derelict cottage in a rural area explained that she didn't need an EHO to organise discounts and that she was able to negotiate a trade discount herself.

Key findings summary

- There are a range of approaches and interventions used in Scotland to bring homes back into use, focused on information and advice, sanctions through the council tax premium and a few schemes providing financial support, although these are not available consistently across Scotland.

- The role of the EHOs is a critical resource in supporting owners with information, advice and influence to bring homes back into use. Critical success factors in the EHO's role are the importance of understanding local housing markets, and taking a bespoke approach, responsive to individual homeowners' needs. Having a dialogue with owners, to build trust and to persuade is key.

- However, the EHO resource is limited relative to volume of empty homes and geographic coverage. It is clear the higher the EHO resource, the better the outcomes on number of empty homes brought back into use, and where resources are more restricted the work tends to be more reactive than strategic.

- SEHP provides a support and networking centralised service funded by Scottish Government to encourage local authorities to employ EHOs and to develop their empty homes response. The number of EHOs has increased considerably since the inception of SEHP and it is clear, given the progress in the number of EHOs now in place and the number of empty properties brought back into use since SEHP's inception that this would not have been achieved without its support and influencing role. It is now developing its reach to third sector community-based organisations and social enterprises, as well as supporting local authorities in bespoke data analyses and providing advice on taking strategic approaches to tackle empty homes (as discussed in chapter 3). Due to a lack of monitoring data, it is not possible to assess the effectiveness of SEHP's specific advice service.

- Homeowner survey respondents were most commonly neutral or very dissatisfied about the support they had received to bring the property back into use. When EHOs were involved, satisfaction from homeowners was higher who welcomed the information, advice and support, and their expertise.

- Negative comments from homeowner respondents related to lack of awareness of support and to criticisms of the extent and scope of this support, especially in relation to lack of financial support.

- There did appear to be variability in awareness of EHO services which raises questions around the consistency of profile and promotion of empty homes work across Scotland. There were also perceptions around the variability of EHO services across different areas.

- A number of Scottish Government funding schemes have been available for empty homes, with varying levels of effectiveness. Loan schemes appear to have been limited by differing promotion and application, with preferences from both local authorities and homeowners for grant instead of loans.

- A few local authorities currently fund grants and loans to prevent homes falling empty, or bring empty homes back into use and are seen as effective in some cases, but not necessarily essential to bring most properties back into use. There are a few emerging new schemes led by local authorities, social enterprises and community organisations to increase the amount of private rented housing, including to keyworkers.

- Using discretion around the council tax premium (applying it and also potentially removing it through negotiation with empty homeowners) is considered an effective tool by local authorities, but it was noted that some owners will continue to hold empty homes for various reasons, regardless of financial sanctions (at current rates). While significant financial charges may be effective in encouraging some owners to bring homes back into use, this is certainly not always the case, and in fact can provide a disincentive to declare an empty home or cause financial hardship. The use of local taxation on empty properties is used across Europe and internationally, with up to 300% and 400% premium discretion allowable in Wales and England respectively, although wider research evidence suggests limited use of the discretion in England.

- There were negative opinions from homeowner survey respondents in relation to the council tax premium but the discretion around the premium being applied by local authorities was welcomed. However, it was argued that the timescales for long-term empty homes sanctions being applied bore no relation to the reality of the time taken to getting empty homes improved and inhabited (e.g. planning, building warrant, obtaining contractors, getting improvement works completed).

- Other sanctions including enforcement action are rarely used, and accordingly to local authority participants are unlikely to be used in future due to the levels of specialist resource required and compensation requirements that local authorities would have to fund. One local authority with considerable resources committed to empty homes has established an effective CPO system, specific to its circumstances, but this approach is unlikely to be scalable without more and specialist resources committed to this approach.

- Local authorities and wider stakeholders highlighted that proactive and strategic approaches were preferable in providing effective outcomes but highlighted that such initiatives required a significant increase in resources (and higher levels of priority) than are currently offered.

6. Value for money assessment

A long list of 13 discrete interventions for possible VFM assessment have been identified. These are listed below alongside the nature of the intervention and the assessment status.

Table 9: Types of intervention or approach

Ref	Intervention	Nature of intervention	Assessment Status for this report
1	Empty Homes Officers	Staff	Assessed
2	Scottish Empty Homes Partnership (SEHP)	Staff	Assessed
3	Local Authority Housing Repairs Grants	Grant	Insufficient empty homes data
4	Regeneration Capital Grant Fund	Grant	Insufficient empty homes data
5	Empty Homes Loan Fund	Loans Fund	Assessed
6	Town Centre Empty Homes Fund	Loans Fund	Assessed
7	Rural and Islands Housing Fund (Affordable Housing Supply Programme)	Grant	Assessed
8	Town Centre Loans Fund	Loans Fund	Insufficient empty homes data
9	Local Authority Buy Back	Acquisition	Insufficient empty homes data
10	Compulsory Purchase Orders (CPOs)	Enforcement	Insufficient empty homes data
11	Compulsory Sales Order (CSOs)	Enforcement	Insufficient empty homes data. Not available in Scotland, only proposed by stakeholders.
12	Empty Dwellings Management Order (EDMOs)/ Compulsory Rental Orders	Enforcement	Insufficient empty homes data. Not available in Scotland, only proposed by stakeholders.
13	Taxation	Taxation	Insufficient data

The nature of the intervention has significant implications for the financial (including risk) profile of the intervention and how it is therefore assessed e.g. a staffing intervention could potentially be assessed annually, but a loans fund intervention requires assessment over the full period of the fund/loan term. The Indigo House analysis has attempted as far as possible to reflect the varying timeframes involved.

In particular, where the cost of public funding for the various schemes is compared, these are set out in both historical cost terms and then assessed using the approach to valuation set out in the HM Treasury Green Book, with payments adjusted to a current and consistent price level (2023/24 in this case) and discounted using the Green Book real discount rate of 3.5%. This allows interventions which have taken place in different years and which have different payment profiles can be compared on an equal footing.

The nature of the intervention also has implications on the value for money assessment in terms of who pays for what. In assessing VFM for the purposes of this report the assessment has focussed on **Value for Money for the Public Purse**. We have also attempted where possible to highlight the VFM considerations for individual participants e.g. Scottish Government and/or Local Authority partners. However, the focus is firmly on

Value for the Public Purse. The leverage achieved under each intervention is set out later in this section.

Comparative Cost of Empty Homes Interventions

The following two tables below set out, by intervention, the number of empty homes brought back into use. The first table focusses on the Empty Homes Officers and the SEHP. It details the total historical cost split between the staffing costs involved and the project costs. It also provides an overview of all years (2010 to 2023), the last 5 years (2018 to 2023) and the Last Year (2023).

The second table sets out the number of empty homes across each intervention, the historical cost and net present value per empty home brought into use.

Table 10: Local Authority Empty Homes Officers (EHOs) and Scottish Empty Homes Partnership (SEHP)

Intervention	Cost						
	Total Empty Homes Brought Into Use	EHO Direct Staffing Costs £M	Indirect SEHP Staffing Costs £M	SEHP Funding £M	Project Costs £M	Total Cost £M	Total Cost Per Empty Home
All YRS (10-23)	9,014	£5.950	£2.159	£0.729	£0.851	£9.690	£1,075
Last 5 YRS	5,806	£3.621	£1,437	£0.522	£0.466	£6.048	£1,041
Last YR Reported (22-23)	1,257	£1.024	£0.255	£0.134	£0.127	£1.542	£1,227
Total 2010-2023	9,014	£5.950	£2.159	£0.729	£0.851	£9.690	£1,075

The following table details the volume of empty homes brought back into use and the cost involved in the Empty Homes Loans Fund, Town Centre Empty Homes Fund, Rural and Islands Housing Fund (AHSP). As these outputs appear to have been delivered in the pre 2018 period, we have shown the all period totals only ie all years, the last 5 years and the last reported year to 31st March 2023.

Table 11: Empty Homes Officers and SEHP

Intervention	Total Empty Homes brought back into use - Volume & Cost				
	Total Empty Homes Brought Into Use	Total Cost £M[95]	Total Cost Per Empty Home (Initial Outlay) £	Total Cost per Empty Home on Repayment of loans £	Present value of public funding per empty home[96], 2023-24 prices (Weighted Average)
EHO & SEHP	9,014	£9.690	£1,075	£1,075	£1,227
Empty Homes Loan Fund All YRs (12-23)	63	£1.725	£27,380	£nil	£11,126
Town Centre Empty Homes Fund All YRs (15-17)	61	£2.710	£152,771	Loan element £nil (£40 interest received surplus) Grant element £25,857 –	£27,110

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[95] Based on the data available, although there may be other partners' funding for the project e.g. staff costs in the Scottish Government and local authorities to run the scheme etc.

[96] Present values have been provided by Scottish Government, based on additional data available within Government Departments

Rural and Islands Housing Fund All YRs (15-17)	37	£2.860	£77,297	Not available	£82,117
Sub Total (All Loans Funds)	161	£11.044[97]	£180,151	Nil for loans element £25,857 + Admin and other indirect costs for Grant Element of Fund	
Total	9,175[98]	£20.734[99]	£2,260		N/A

[97] Excludes the total cost of Rural and Islands Housing Fund projects.

[98] The total number of empty homes of 9,175 assumes the loans fund and grant schemes are in addition to the core EHO/SEHP interventions.

[99] Excludes the total cost of the Rural and Islands Housing Fund projects.

The tables above show:

- The **Empty Homes Officers** brought a total of 9,014 empty homes back into use over the period 2010/11 to 2022/23 representing over 98% of all empty homes reported as being brought back into use. It was also a low-cost intervention at £1,075 per empty property brought back into use. Looking at it through the lense of how many empty homes have been brought back into use for each £10,000 spent would suggest 9 empty homes have been brought back into use per £10,000 spent;

- The **Scottish Empty Homes Partnership** brought a total of 1,056 empty homes back into use at a cost of £3,542 per empty home. This would support a total of almost 3 homes per £10,000 spent.

- The **Town Centre Empty Homes Fund** offered a mix of grant and loan funding (on average just under 60% of funding was from grants, and the balance from loans), and achieved a net present cost of £27,110 overall. The homes brought back into use through this fund had to be affordable for a minimum period of 5 years.

- **The Rural and Islands Housing Fund** is not focussed on empty homes per se, but a number of projects submitted to this scheme involve renovation, refurbishment, or conversion, which are a reasonable proxy for empty homes (or, in the case of conversion, non-residential buildings) being brought back into use for residential purposes. Over the period from 2016-17 to 2022-23 there were 82 units in these categories for which grant funding was approved of which 37 are attributable to empty homes,[100] at a present value cost of £82,117 per home.

- The **Empty Homes Loan Fund** constitutes Scottish Government loan funding which is provided to local authorities for on-lending to third parties. Based on data available for 35 out of the 63 units,[101] the net present cost per unit is £11,126, which is lower than the cost of the Town Centre Empty Homes Fund, reflecting that there is no grant element. Homes must be affordable for the period of the loan, which is typically 5 years.[102]

- Although schemes which are partly or entirely funded through loans have a lower cost in present value terms, it is the view of the Scottish Government that the duration for which the home is made available in an affordable tenure should also be taken into account. As an example, assuming a unit is only required to be affordable for 5 years, then it will provide around a fifth of the value compared to the unit being required to be affordable in perpetuity (assuming a 60 year lifespan).[103] Therefore, the value for money of loan and grant scheme may more comparable when an adjustment is made for the period for which the homes is required to be affordable. Relevant factors determining the optimal breakdown of grant and loan funding include the amount and type of funding available in government and local authorities' budgets, and what mix of housing is required in the area where the intervention is taking place (e.g. is there a particular need for long-term affordable accommodation). Nothwithstanding these factors, as loans are repaid this money is then available for

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100 There was one project which included loan funding as well, but this was omitted for simplicity and comparability.
101 Since the loan agreements are not with the Scottish Government, the calculation was based on those units for which the data needed for a present value calculation was readily to hand.
102 There was at least one unit which was for market rent, but in this case the loan had to repaid in just over two years.
103 This is derived using the HMT Green Book discount factors, and assumes that the benefit from an affordable unit is constant (in real terms) over time.

recycling into other projects and delivering additional outputs. This is a very different financial profile of a grant which, by its nature, can only be spend once unless it is also repaid (and which typically they are not).

- Funding for empty homes officers, as well as grant and loan funding for empty homes refurbishment, can therefore form a suite of measures. Homes which are close to marketable condition may only require guidance and information from an Empty Homes Officer in order to bring them back into use, while a smaller number of more difficult cases, where the homes require deeper refurbishment, may need public funding, either in the form of a loan, or, particularly if permanent affordable housing is required in the area, in the form of grant.

The total cost was established from records provided, some indirect costs may have been omitted from the data examined, but as these are likely to be marginal costs in the structures of the participating partners, they are not considered material to the relative assessment of VFM for the purposes of this report. The use of the metric of empty homes delivered per £10,000 was used to assess the comparability of the interventions outlined to assess value-for-money.

Table 12: Comparative Funding of the Interventions

Intervention	Total Empty Homes Brought Into Use - Funding				
	Scottish Government Funding £M	Scottish Government Funding Per Empty Home £	Scottish Government Funding as %	LA/Other Partners Funding £M	Leverage/ Match Funding %
Empty Homes Officers All YRS (10-23)	£0.635	£70	11%	£5.315	837%
Scottish Empty Homes Partnership (SEHP) All YRs (10-23)	£2.888	£2,735	80%	£0.852	25%
Empty Homes Loan Fund All YRs (12-23)	£1.725	£27,393	NA[104]	NA	NA
Town Centre Empty Homes Fund All YRs (15-17)	£2.710	£44,431	29%	£6.608	244%
Rural and Islands Housing Fund All YRs (15-17)	£2.860	£77,297	N[5]	NA	NA
Total	£10.819	£151,926		£12.775	159%

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[104] Based on the data available, although there may be other partners' funding for the project e.g. staff costs in the Scottish Government and local authorities to run the scheme etc.

As set out above, our assessment of the funding of the interventions found.

- The Scottish Government has provided £7.959M (excluding Rural and Islands Housing Fund projects due to no total costs figure being available) since April 2010. This is equivalent to 38% of all funding for bringing empty homes back into use. Local authorities and other partners have provided £12.646million (62%).

- The Scottish Government provided £637,047 for the Empty Homes Officers which was 11% of the overall cost, the remainder was funded by the local authorities accounting for £5,315,698. By empty home brought back this amounts to £70 per empty home.

- For SEHP, the Scottish Government contributed to 80% of the total cost at £2,888,420. The match funding was 25% by local authority, the total contributed by local authority was £721,995 by the end of 2022/23. This costed Scottish Government £2,735 per empty home.

- For The Town Centre Empty Homes Fund, the Scottish Government funded £2.71million (29%) with local authority and other partners funding £6.608million (71%).

Utilisation/Uptake

The table below sets out the relative uptake across the various interventions.

Table 14: Comparative Funding of the Interventions

Intervention	Amount Available	Total Allocated	Total Loan Funding	Total Grant Funding	Utilised	Not Utilised
Empty Homes Loan Fund	£4,950,000	£1,725,777	£1,725,777	n/a	35%	65%
Town Centre Empty Homes Fund	£4,000,000	£2,890,000	£1,132,986	£1,577,275	72%	28%
Rural and Islands Housing Fund (AHSG)		£2,860,000		£2,860,000		
Town Centre Loans Fund	£50,000,000	£4,106,000	£4,106,000	n/a	8%	92%

The Indigo House assessment found a relatively low uptake in these interventions which suggests an opportunity cost of empty homes that could have been brought into use, not being delivered. Using the average homes delivered by £10,000 suggests around 1,465 homes not being delivered, that might otherwise have been achieved if the full funding available had been deployed.

For the Town Centre Empty Homes Fund, of the available £4million there was a £1.725million uptake. Scottish Government funded 29% at £2.71million. Local authority and other partners funding amounted £6.608million (71%).

Conclusions

The Indigo House analysis has shown:

- The EHO and SEHP interventions represent relatively low costs interventions to the Scottish Government.

- The leverage achieved from local authorities (mainly) and other partner contributions (more limited) is significant (in excess of 150%). This means more funds being targeted collaboratively across the public services to tackle the blight of empty homes in local communities.

- Loan interventions, other things remaining equal, provide better value for money to the public purse over the longer term; they enable the recycling of an initial outlay to achieve multiple outputs.

- A short-term focus will impede long term delivery by focussing decisions on the sub-optimal allocation of scarce resources to lower initial outlay interventions. A longer-term approach is essential in optimising the allocation of scarce resources.

- Although historically there has been a poor uptake/utilisation of the loan interventions, these provide the lower/lowest cost intervention over the longer term and once the loan is repaid it is available for recycling/reinvesting.

- There is potential leakage of value from the public purse and local communities from grant provided to private individuals and/or private businesses, particularly, where the intervention fails, and the property becomes empty again. Where grant is provided to social housing providers to bring properties back into use the value would still be retained in the public/quasi public sector and so helps limit potential leakage of public value.

- More work may be required to assess the full cost of all interventions. It has been assumed for the purposes of this report that there are only marginal/de minimis levels of time and resource involved in the administration of empty homes at the local level, where these resources have not been identified/provided through the study.

Key findings summary

The VFM assessment found:

- Over the period under review a total of 9,175 empty homes have been brought into use at a total cost of £20.734M which is equivalent to £2,260 per empty home brought back into use.

- The total cost was established from records provided. Some overhead costs may have been omitted from the data examined. Confirmation is required that these are likely to be marginal in the structures of the participating partner and are not considered material to the relative assessment of VFM for the purposes of this report. Alternatively, confirmation of the costs involved is required. An example is the administration costs of the various loans funds. We appear to have the amounts remitted to specific projects but not the costs of administering the fund.

- In bringing the 9,175 empty homes back into use, the Scottish Government provided funding of £7.959M (38%) of the total £20.734M funding required, local authorities and other Third Party Providers provided £12.775M (62%).

- Overall the cost of bringing empty homes back into use is relatively modest ie £2,260 per empty home and in some cases, can be delivered at very low to no net additional cost to the public purse as the initial outlay is fully recovered over the medium to longer term.

- The cost per empty home brought back into use varies across the interventions from £1,075 (for the Empty Homes Officers and SEHP) to £152,771 for the Town Centre Empty Homes Loans Fund and includes the total estimated project costs not exclusively the funding provided which equated to £44,431 per empty home and falling to £25,817 per empty home following repayment of the loan element of the fund.

- Some interventions have, to date, been more effective than others at delivering comparatively more outputs. The EHOs, for example, have delivered more than 98% of all empty homes brought back into use over the period under review (from 2010 to 2023). As noted elsewhere in this report it is very unlikely that the number of EHOs would be in place, or the number of empty homes would have been delivered without the support of SEHP.

- Taking a longer-term approach and improving the uptake in some of the interventions (the loans fund, in particular) has the potential to significantly improve the value for money of empty home interventions by reducing the average long run cost of empty homes brought back into use.

- Some interventions are more efficient from a VFM perspective (other things remaining equal). For example, low cost loans, in VFM terms are considerably more efficient than grant. The recycling of the initial loan (once repaid) allows the number of empty homes brought back into use to be significantly increased as the loan can be recycled 2, 3, 4, 5 times relative to grant which can only be granted once.

- That said, our analysis found a balanced package of interventions has more potential to maximise/optimise the number of empty homes brought back into use. The low update on the range of interventions requires some further consideration.

# 7. Areas for improvement and learning from alternative approaches

Potential areas for improvement have been established through surveys and interviews with local authorities, wider stakeholders and empty homeowners. Wider evidence also provides learning on innovation in Scotland and alternative approaches used in other countries to bring empty homes back into use.

Stakeholder opinion on areas for improvement

Local authority and wider stakeholder opinion on areas for improvement

When local authorities were asked about potential areas for improvement in bringing empty homes back into use, the three issues deemed as the most important interventions were the provision of enhanced financial support to owners, followed by enhanced enforcement action against owners and increased EHOs resources. One in three respondents (9 local authorities) highlighted in open text responses the scope for Compulsory Sales Orders to help bring empty homes back into use. Some believed this would address the issues of risk inherent in Compulsory Purchase Orders.

Figure 16: Future interventions needed (average score)
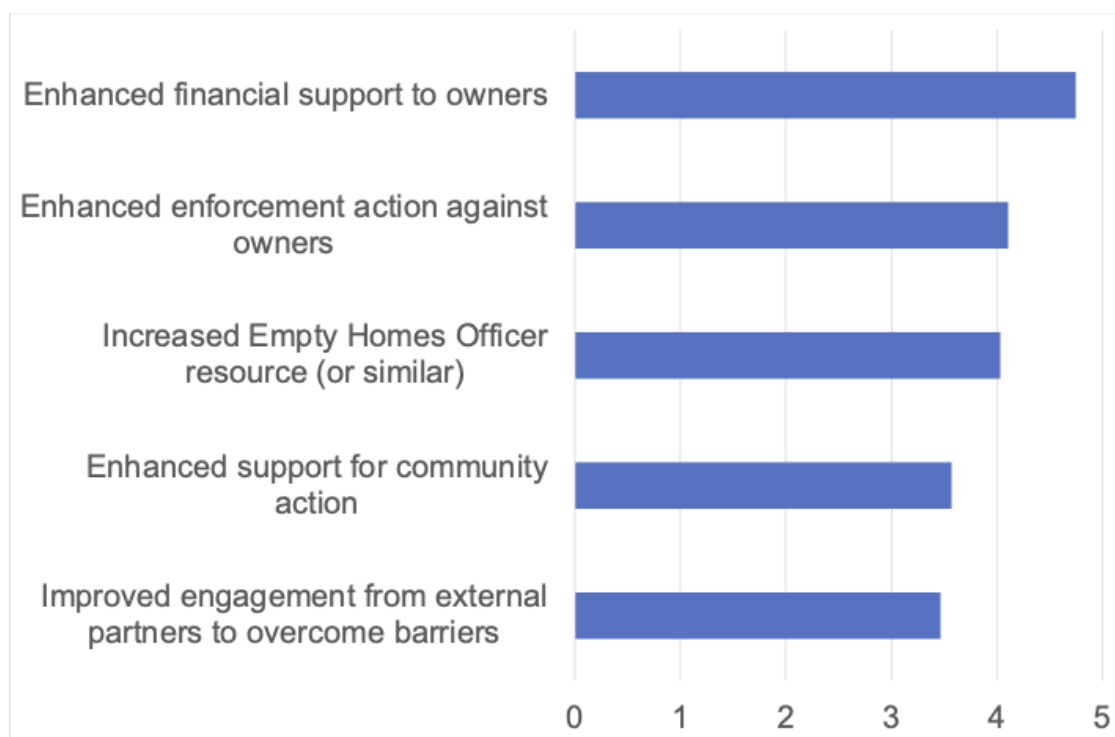
Source: LA survey (base=28) Score 1=Not an issue, 5=A significant issue

In-depth interviews, combined with open comments in the survey provides further insight to the perceived areas for improvement. The need for improvement in data collection was raised as a key issue and has been outlined in Chapter 2. The other three most common key themes raised were around enforcement, funding and resources including for energy efficiency.

Most respondents stressed the lack of relevant and effective powers in current legislation to tackle empty homes and argued that a **wider set of enforcement tools** were required,

which were swift and effective. These widespread views are illustrated through two comments:

> "We need to have legislation to say if you don't engage after x amount of time and prove what is happening, then we can enforce work ourself." (Urban/rural local authority)

> "The lack of enforcement powers within the local authority is an issue. Compulsory Purchase Orders are used as a last resort but without financial resources this remains extremely difficult. We need to continue to lobby for Compulsory Sale Orders." (Local authority survey respondent).

It was also noted by some local authority participants that there may be scope to extend the use of works and amenity notices, but difficulties using such notices were cited around enforcement and the lack of resources to do so, and/or the risk of not being able to recoup funding from owners and therefore acting as a disincentive for councils to use this approach.

A strong, and common theme (both in comments in the survey and the qualitative interviews) was criticism of the effectiveness of CPOs, and the requirement of holding funding for compensation by the local authority being a key barrier for using CPOs. This was raised across the board but was emphasised by higher value market local authorities where holding compensation of an average of £150,000 - £200,000 per property for up to 6 years was argued as unfeasible. One participant proposed that Scottish Government provide funding for councils if it wished to see the use of CPOs more widely.

Most local authority participants and some wider stakeholders recommended the introduction Compulsory Sales Orders (CSOs) as an additional enforcement option and it was considered this should be a priority for Scottish Government. In the words of one participant '*we need SG to pull it out of the hat because it's a real tool'.* Hence:

> "The defining aspect for us with CSO compared to CPO is that for us to move forward with CPO, we have to identify budgets. And right now with council's struggling, you know we basically have to find budgets for every CPO we do moving forward. We won't need to do that for CSOs and that's where that would be a very helpful tool for empty home services" (City local authority).

It was claimed CSOs would help to increase the number of homes that could be brought back into use. As well as removing the need for the council to purchase the property and identify a follow-on buyer quickly, it would also open up the sale of neglected and abandoned properties to the wider market, clearing the way for buildings to be redeveloped and returned to active use. Many participants (both local authorities and wider stakeholders) were of the view that, with the right safeguards in place, CSOs and compulsory rental order powers (CROs), also referred to by stakeholders as the Empty Dwelling Management Orders modelled on provisions that have been trialled elsewhere in Europe, could both be additional enforcement tools that local authorities across the country could use to increase housing stock.

While the majority of participants saw the value in the CSO route, there was also caution raised with one local authority stating on the prospect of CSOs "*There's a long way to go. The devil will be in the detail'* and another stakeholder stated there would be concerns about removing property rights from owners, and with less control over the price paid or the prospective purchaser: '*I think a lot of people think that the bar is lower [about CSOs compared to CPOs], and actually I see it as being much higher'.*

The need for more **resources** to increase the capacity of EHOs was also a strong theme from most consultees. It was clear from interviews that those local authorities with no, or relatively low level of empty homes officer resources were at a disadvantage from others who had a dedicated and larger empty homes team: the former were more focused on reactive work, the latter were more able to incorporate strategic work in their roles. There were some calls from local authorities to ring fence funds from council tax revenue to focus on empty homes, although others stated that there is already guidance around the use of certain tax funds generated from long-term empty and second homes to be used for affordable housing purposes, and that Councils do have, and it was argued should use this discretion for more of these funds to be directed to empty homes activity by local authorities.[105]

> "Empty Homes Officer resource is fundamental to success of any empty homes work. Capacity of the current resource impact on our ability to deliver active engagement, regular owner contact, and scheme development. Additional resources would strengthen our work and likely lead to improved outcomes. Resource capacity and complexity around enforcement action has impacted on our ability to consider this. Again, enhanced community action cannot be considered due to the internal resource available." (Local authority survey respondent)

Other common views related to increasing **funding** for local authority acquisitions/buy-backs of empty homes from the open market. One stakeholder pointed out that more specific guidance was planned to encourage councils to acquire more through the Affordable Housing Supply Programme. Another consultee mentioned that Land and Building Transaction Tax relief on local authority purchases would also help, in the same way as occurs for RSLs.

In line with the survey responses, many local authorities and wider stakeholders argued for more **funding as financial incentives for owners** including grants, as illustrated by one stakeholder:

> "I think the power of grants is really, really underestimated here…this concept if you give an owner a grant it is a private benefit…If the end goal is getting an empty home, turning it into a home for somebody that needs it and the shortfall is £10K or £15K it is short-sighted to…say it has to be a loan, because the loans are not working… The government needs to understand the no brainer a win-win it would be for them in terms of housing supply. But they have to get over this ideological 'giving money away to private owners' thing." (Wider stakeholder)

Several participants also raised the difficulties relating to Scottish Government/ Home Energy Scotland funding sources for energy efficiency works not being available for empty homes as these funding sources generally require that the property is inhabited. It was suggested that this is counter to empty homes policies, and to the recently increased energy efficiency requirements in the private rented sector, and argued that these funds should be amended to cover renovation of empty homes.

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105 Scottish Government guidance issued in May 2013 stated that council tax income generated from second and unoccupied homes falls into 2 categories: - Existing powers where income is received from reducing the discount anywhere between 50% and 10% for both long-term empty homes and second-homes: income generated in this category will continue to be ring-fenced for affordable housing and should be used in accordance with section 4 of this guidance below. - Any new income received from the new legislation through reducing the discount on long-term empty properties below the previous 10% limit or increasing council tax. This income is not ring-fenced and can be used as the local authority sees fit on housing or other priorities. See Council tax on second and long-term unoccupied homes: guidance

Generally, what was clear from the interviews was that participants wanted a full range of tools at their disposal. One argued that '*the more tools you have, the more people you can reach*' and another stated that "*the proactive work [around mailing and communication with owners] works to a point, but without other tools, the properties that are stuck remain stuck*', and at the same time noting that an individualised approach was needed:

> "it's difficult because all cases are different. But within a city, there's a high expectation from the politicians that we will be proactive to tackle issues. So, we've got to come up with more and more inventive solutions." (City local authority)

Finally, there was a strong sense from many of the participants (from local authorities and wider stakeholders) about the need for urgency around this issue:

> "We need more urgency to help support local authorities to transform empty homes and make them habitable. We've got a housing crisis in Scotland. We've got extraordinary challenges and we need more properties…We have to seize the opportunity to get them back online. (Wider stakeholder)

Homeowner opinion on areas for improvement

Empty homeowner respondents were shown a list of potential improvements and asked about the extent to which each would have an impact on bringing long-term empty homes back into use, in their opinion. Respondents were asked to answer on a scale of 1 to 5 where 1 was "no impact and 5 was "a significant impact". These results are detailed in the table below. For each element, the distribution of responses and the mean rating for each on the scale of 1 to 5 is shown.

Table 9: Homeowners' rating of potential improvements where 1 is no impact and 5 is a significant impact

Improvement	Mean	1	2	3	4	5	Base
Enhanced financial support to owners to bring long-term empty homes back into use	4.12	13%	3%	7%	14%	63%	180
More support from other Local Authority services (not the Empty Homes Officer)	3.4	20%	7%	21%	15%	36%	174
More support from the Local Authority Empty Homes Officer	3.3	21%	7%	25%	14%	32%	174
Enhanced support from local community groups such as community action groups, community councils and development trusts, to help bring long-term empty homes back into use	2.68	35%	12%	23%	10%	20%	171
Enhanced enforcement action against owners	2.25	46%	17%	16%	6%	14%	170
Other	3.19	37%	-	15%	3%	45%	75

Source: Empty homeowners survey

The most common element that respondents considered would have an impact on bringing empty homes back into use was enhanced financial support to owners (mean rating of 4.12 on the 1-5 scale and with 77% giving a rating of 4 or 5, including 63% that gave the highest rating of 5, being a significant impact).

Two aspects of local authority support were also considered to be important by a significant proportion of respondents. This included support from Empty Homes Officers (mean rating of 3.3, with 46% giving a rating of 4 or 5) and support from other local authority services (mean rating of 3.4, with 51% giving a rating of 4 or 5).

Both enhanced support from local community groups (mean rating 2.68, 30% giving a rating of 4 or 5) and enhanced enforcement action against owners (mean rating 2.25, 20% giving a rating of 4 or 5) were less likely to be considered to have an impact in terms of bringing long-term empty homes back into use.

Respondents suggested a number of "other" options for which they provided a rating in response to this question. These "other" responses from homeowner survey respondents were very diverse and generally took the form of wider contextual comments relating to the homeowner's situation as illustrated below:

"A tailored approach based on the individual case."

"Bringing pressure on the other owners and gradually cutting off their excuses for not doing anything."

"Allowance and consideration for properties "frozen" due to divorce. Perhaps a mutually beneficial initiative can be implemented."

"Landlords need to stop being demonised. Many of us are renting our family homes for a temporary time and we need to gain access - with suitable and legal notice periods being given to the tenants."

Respondents were then asked to comment on potential improvements more generally that would help them bring more long-term empty home into use. These reflected a range of topics with the main themes summarised as:

- financial support
- a more attractive regulatory environment for landlords
- other specific suggestions

A selection of illustrative comments from the homeowner survey respondents are provided below relating to these themes.

Financial support

"The provision of grants is instrumental in persuading owners in shared property to commit to repairs."

"Financial support. If there was a scheme whereby you get financial support by offering your property for a set period of time to the council or controlled rent then I believe it would help all parties."

"Extend the council tax exemption from 6 months to at least 12."

"Money is the only barrier. Enforcement Orders and red tape / bureaucracy are a waste of time."

A more attractive regulatory environment for landlords

"Reduce the legislative and administrative hoops that landlords need to negotiate, recognise that significant risk is taken by landlords (or owner/occupiers) who take derelict properties into their portfolio with intent to increasing available housing stocks."

"Work with landlords and understand that we are not all big businesses. We are ordinary families who see that there is a need in society for housing and want to help but now feel we are being forced out of the rental arena."

"Regulatory changes on rentals will shrink rental market to near nothing in the private rented sector."

Other specific suggestions

"Funding for social housing providers e.g. housing associations to re-purchase properties."

"Better support (or less protections/barriers) to enable removal of really bad tenants in a timely manner."

"Allowing use of empty properties for HMOs / Short Term Lets would bring more properties back into use rather than being left empty."

All homeowners interviewed felt more could be done within local authorities to address the problem of empty homes within their communities. For example, the one owner who participated in the matchmaker scheme suggested that it could be expanded to include more vulnerable groups needing housing, such as refugees or homeless persons. She explained that although she '*didn't want to let it out for free*' she understood that her particular property was not '*a cash cow*'. She expressed support for a scheme like Private Sector Leasing where the local authority could rent properties for a period of five years, with a view to sub-letting them to homeless tenants. Another respondent with a crofting tenure suggested that the local authority could become partners with local industry to match empty homes to key workers. She also emphasised that greater financial assistance was needed for owners to fully support the Scottish Government's ambition of property conservation and enhanced energy efficiency. Another owner who received extensive support from an EHO to bring her property back into use contemplated how viable it would be to offer the same level of intensive support to other owners in a large urban local authority (where there was greater volume) and wondered whether it made more sense to devote those same resources to direct capital investment instead.

A few owners interviewed were familiar with local authority buy back schemes and the use of Compulsory Purchase Orders. These owners had mixed views on the extent to which local authorities should purchase empty homes. One owner in an urban area explained that she felt that CPOs should be limited to cases where there was no other option:

"From a professional point of view, I think all the tools should be available to councils to get a property back into use, but from a personal point of view as someone who had owned an empty property, I wouldn't want to be plunged into negative equity". (Empty homeowner)

Finally, a few owners explained there was a need for parity within the council tax system – specifically in how long-term empty homes were subject to 200% council tax compared to 50% council tax for second homes. One respondent who held a crofting tenure explained that most of the so called second homes in the area were in practice long-term empty homes in her community, and there was an incentive for owners to have them classified as second homes due to the lower council tax rate. Another owner suggested that second homes should be treated as a different category of use, pointing to a Welsh example where second homes were classed the same as short term lets (STLs) with respect to planning legislation. She explained that owners knew how to avoid the council tax premium by changing the property to a different classification - either as a second home or having the property's use change from residential to agricultural. She stressed that the problem of empty homes needed a planning solution with a recognition that vacant properties can have the same harmful impact on communities as STLs.

Learning from innovative and alternative approaches

The following sets out further evidence drawn from literature and interviews showing a range of alternative and innovative approaches from Scotland and other countries. These are categorised as homesteading approaches, community led and social enterprise led approaches, and enforcement.

Home-steading approaches

Home-steading models are those which adopt a self-help approach to the refurbishment of empty homes. These approaches may be useful in areas of depopulation and decline, including rural and remote communities in Scotland, but also provide potential for training and skills development for young people. Scottish Government/SEHP is working with HELM Training in Dundee[106] to develop a pilot project for a two-year Empty Homes Officer post to work with young people to bring empty homes back into use with them as the eventual tenants.

A case study from the US provides an example of how displaced peoples and immigrant populations can be housed whilst also contributing to self-help refurbishment of empty homes and the repopulation of struggling regions. An initiative in Cleveland, an area in significant economic and population decline, involved a non-profit group partnering with local firms, buying and refurbishing empty homes, providing training and placements with local employers. The properties were then rented at affordable rates to the displaced peoples and new immigrants involved in the work (Barth 2017[107]). This case study illustrates the value of harnessing the power of incoming groups to revitalise a local area, fostering empowerment, community integration and ultimately recovery from population loss through an empty homes initiative which links immigration planning with regeneration.

Aberdeenshire Council provides information and support for a Sweat Equity initiative[108], based on a 'homesteading' approach. This involves creating low/no rent long term lease agreements between owners of empty homes that cannot afford to refurbish and tenants who have skills to carry out repairs, taking on responsibility for bringing the property up to habitable standard in return for accommodation. Owners are able to retain their property by benefitting from the labour of tenants, whilst tenants benefit from low cost, secure long term housing. People with local connections to the area and requisite skills may otherwise struggle to stay in the community because of a shortage of suitable homes, whilst landowners are unable to bring empty dwellings in rural agricultural areas back into use.

Community-led approaches

There are numerous examples of good practice with partnership initiatives between local authorities, community action and third sector groups, RSLs and private developers. Partnership approaches are usually targeted not only to address the problem of empty homes, but to integrate empty homes work with approaches to address other policy priorities.

Community-led solutions can have an important role in delivering empty homes but as found in research on self-help housing in England (Mullins, Jones, & Teasdale, 2011[109]; Sacranie, 2015 in Mullins 2018) communities need capacity building and strong external partnership support and knowledge to help them navigate complex funding, procurement and delivery processes.

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[106] https://www.helmtraining.co.uk/
[107] Barth, B. (2017) 'Immigrant City' *Planning* Jun 83(6): pp12-17
[108] Aberdeenshire Council: Empty Homes/Sweat Equity
[109] TSRC Working Paper 54: Self-help housing - towards a greater role. Case study findings summary to inform consultation at St George's House

The South of Scotland Community Housing (SOSCH) have called for more provisions for urban community-led housing development[110]. They are recommending three steps to kickstart a new community-led urban housing sector.

1) Launch a pilot Urban Housing Fund. This should fund a range of models, including high street developments reusing existing assets, developments on vacant and derelict land, new build housing and multi-use developments. This pilot funding could sit alongside support from the Scottish Land Fund to acquire land or buildings.

2) Provide enhanced feasibility support. Recognising that urban areas of Scotland require a different type of housing to rural Scotland or urban England, the pioneers of urban community-led housing should be provided with enhanced feasibility support.

3) Work with the existing enablers to provide support and capture learning: South of Scotland Community Housing and Communities Housing Trust are already working with communities in remote small towns and have experience of urban housing through their international work.

The model outlined below would be applicable to small towns where there are long-term empty larger properties or commercial properties. South of Scotland Community Housing played a key co-ordination role, which is important where there is a complex funding arrangement, as well as project management and housing allocation. Multi-agency funding models offer the scope to tackle empty homes but need co-ordination. The Scottish Government's delivery priorities for the Scottish Empty Homes Partnership project includes encouraging community organisations to bring empty properties back into use and is currently funding a two year SOSCH Community-led Housing Co-ordinator to develop community-led housing solutions to bring empty homes and buildings back into use as affordable housing, particularly in areas of high demand.

South of Scotland Community Housing supported The Eskdale Foundation's renovation of the Langholm Old Police Station[111] throughout the five-year project period: including the Housing Needs and Demand Assessment, project management of the design and construction team, developing a comprehensive funding package, submitting grant applications, and managing housing allocations. The redevelopment of the property was overseen by John Gilbert Architects, leading on a wider professional design team, and delivered by Cubby Construction.

Funding for the Langholm Old Police Station project came from a wide range of stakeholders. In addition to the initial asset transfer, Dumfries and Galloway Council made a capital contribution with the Town Centre Living Fund, a ring-fenced second homes tax. The planning and delivery of the project has also been supported by funding from the Scottish Government's Rural and Islands Housing Fund, Scottish Land Fund, South of Scotland Enterprise, Architectural Heritage Fund and local windfarm community benefit funds.

The Communities Housing Trust (CHT)[112] is developing an empty homes restoration model, with a derelict property bequeathed by National Trust Scotland (NTS). Craigloiste is a small derelict property in Inveralligin, Torridon on the north-west coast which was bequeathed to the NTS. With the stipulation it had to be for the benefit of the community,

[110] Urban Dwelling: A Vision for Urban Community-Led Housing in Scotland
[111] Sosch: The Old Police Station, Langholm
[112] Community Housing Trust - empty homes

NTS brought CHT on board. CHT are looking at it as an opportunity to develop a new tenure model for empty and derelict homes in rural areas, in order to provide more homes, but also to attract or retain key trades, a growing issue communities are facing.

CHT will identify applicants with the skills to renovate the house, initially on a repairing lease, with the later ability to purchase at a discounted rate through the Rural Housing Burden [113]. Developing a replicable model for other remote rural and Island communities is key here.

Social enterprise models

The following social enterprise projects provide an example of bringing empty homes back into use at scale through partnerships, whilst addressing multiple policy priorities around workforce upskilling, energy efficiency and the climate crisis.

The social enterprise model has the scope to deliver progress on empty homes at scale. This is likely to be most useful in areas of high demand for affordable private renting. Although applied at scale in urban settings in the examples here, this model could be used in rural and remote areas as part of a broader local economic development strategy. The example of Homes for Good 'Rent Ready' model is also included in Chapter 5.

The Giroscope project[114], delivered with grant funding from Hull City Council generated from its 'Right to Buy Replacement Programme Grant Fund', has a component for refurbishment of empty housing. This provides 30% of the capital funding for Giroscope's refurbishment projects, with the remainder secured through multi-agency funding appeals. Other key features of this project included its locally embedded and community-led nature, engagement with local residents and creating opportunities for training and work experience. The international significance of the Giroscope project was recognised with a joint win in the World Habitat Awards 2015–2016, illustrating the success of multi-agency funded partnerships and community engagement (Mullins 2018[115]).

Pilot research and case studies from the East Midlands, involved building a model for sustainable retrofitting empty homes. A Community Interest Company (CIC) (Ceranic et al 2017[116]) was developed, focusing on financing, procurement, supply chain and project management processes. The CIC made funding applications and secured nominal sum leases. The pilot demonstrated that sustainable refurbishment could be delivered at scale through subsequent leasing and rent recuperation with profit reinvested, with projections to refurbish 1,000 homes across a four year period. A training component in the model helped upskill local unemployed workers, addressing below average educational attainment; reduced demand for workers; and a skills mismatch in the local area.

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[113] A Rural Housing Burden allows a Rural Housing Body to be able to keep future sales of the property within the community through a right of pre-emption. In the event of a sale, the Rural Housing Body has the first opportunity to purchase the property. See Scottish Government – Housing Burdens.
[114] Giroscope - housing
[115] Mullins D. (2018) 'Achieving policy recognition for community-based housing solutions: the case of self-help housing in England' International Journal of Housing Policy 03;18(1): pp143-155
[116] Ceranic B., Markwell G., Dean A. (2017) 'Too Many Empty Homes, Too Many Homeless – A Novel Design and Procurement Framework for Transforming Empty Homes through Sustainable Solutions' *Energy Procedia* 111: pp558-567

Cii[117] is a not-for-profit CIC that combines skills development and learning with community regeneration. The project returns empty properties to the housing market in an environmentally friendly and energy-efficient manner. Cii purchase empty properties and after renovation, resell each property to fund the next property purchase. In July 2020, the Cii started to deliver the European-funded Community Wellbeing & Employment Pathway (CWEP). The CWEP supported disadvantaged individuals aged 25+ from Bridgend, Merthyr Tydfil, Neath Port Talbot and Rhondda Cynon Taf to improve their health and wellbeing, develop new employability skills, map out clear employment pathways, achieve accredited qualifications and positively progress into job search, volunteering opportunities and full-time employment. More recently, projects have received funding from Pen Y Cymoedd Community Wind Farm Fund and Cii have engaged with the DWP Kickstarter programme, receiving staff support.

Cii provide a wide range of construction and trade services for domestic and commercial clients across the UK offering work tasters and placements for people from disadvantaged backgrounds, providing a stepping stone into sustainable and meaningful employment.

YMCA Glenrothes[118] has established a multi-agency funded partnership delivering a ten-year property refurbishment plan, working with young people to renovate small numbers of empty properties then letting these to people who have experienced homelessness.

Nordic approaches

Lessons from the Danish approach to empty properties in area of depopulation may be of relevance to areas of Scotland experiencing significant demographic change, or in low demand markets.

Research on housing challenges in the Nordic regions found that, in Denmark[119], the main challenge and national focus was the surplus of houses, and other buildings or facilities, in some rural areas due to the declining population. This results in low market prices, and in many cases in houses where the owners have left and there are therefore no registered inhabitants. Such houses, registered for permanent residence, are regarded as empty if no one is registered there with a permanent address. Their use for other purposes, such as leisure, is also restricted.

Some of these empty houses are being bought in order to make a profit for the provision of housing for very low-income families – often those receiving benefits. This in turn attracts people from other areas who have additional social needs.

Other houses are slowly dilapidated, and these create a general impression of decay in the local community. At present, the main focus regarding housing challenges in rural areas is on support for municipalities to buy up empty houses in the worst condition, so that they can be demolished.

Some municipalities allow houses registered for permanent residence to be sold with a so-called flex-residence permit, meaning that a house registered for such purposes can be employed for leisure use, and at a later stage can be re-registered for permanent residency again. The intention is to get these "flex-residents" to maintain their houses – and hopefully later decide to live there on a permanent basis.

[117] The Community Impact Initiative
[118] Empty Homes - YMCA Glenrothes
[119] Nordregio - Rural Housing Challenges in the Nordic Region

Enforcement

As outlined above, there are widespread calls from Scottish local authorities and wider stakeholders to widen enforcement powers in Scotland through Compulsory Sales Orders (CSOs). The Scottish Government evidence review points to the use of enforced sales and Empty dwelling management orders (EDMOs) in England and Wales (Tanner 2013[120]; National Assembly for Wales 2019[121]) to allow the forced sale of private property, or to allow local authorities to take over the management of a property while ownership does not change. However, like CPOs, the literature highlights that these approaches also have their limitations with the main reasons being lack of resources, lack of knowledge or the absence of specialist legal support to implement these approaches. It concludes on the need for centralised resources and specialist legal services to enable the wider use of enforcement action.

In England and Wales enforced sales allow the sale of private property where there is a debt to the local authority against the property and where the present owner is unable or unwilling to deal with the property and/or is unable to repay the debt. Relevant debts mainly arise from local authorities undertaking work against statutory notices where the owner failed to undertake the work themselves. Similar to CPOs, enforced sales procedures also require investment of time and resources, particularly legal fees, and may involve upfront costs to make the property safe and secure prior to the requirement to take the property to auction to achieve market value, which is paid to the owner without full cost recovery of public funds (Tanner 2013[122]; National Assembly for Wales 2019[123]).

In England and Wales, EDMOs allow local authorities to take over management of empty properties for a period of up to seven years, while ownership does not change. Their main advantage is that they balance of the rights of property owners and the duty of local authorities to secure occupation of empty properties in the public interest (Wilson 2019[124]). EDMOs are considered best suited for properties requiring minor repairs, where the local authority can pay for initial repairs and refurbishment. Costs are then recouped through a leasing arrangement with the owner (Tanner 2013[125]). Local authorities finance property improvements, with the attendant financial risk, possibility of non-repayment, and risk that some types of cost outlay will be non-recoverable (National Assembly for Wales 2019).

In Wales, there is some evidence that EDMO powers are under-used given the scale of local empty homes, with only 43 authorisations recorded between 2006 and 2011. The main reasons were lack of resources, a lack of knowledge or the absence of specialist legal support (National Assembly for Wales 2019). In light of this, the Deputy First Minister for Wales has described EDMOs as 'notoriously problematic' and the South East Wales Empty Property Working Group suggested that enforced sale is their most commonly used tool rather than EDMOs or CPOs, because there are fewer 'hurdles and risks' (National Assembly for Wales 2019). EDMOs were envisaged as a last resort power, with the expectation that their introduction would persuade owners to bring properties back into use and encourage constructive dialogue with EHOs supporting owners to access the range of available options (Wilson 2019).

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[120] Empty homes - Council action to tackle empty homes (bolsover.gov.uk)
[121] Empty properties (senedd.wales)
[122] Empty homes - Council action to tackle empty homes (bolsover.gov.uk)
[123] Empty properties (senedd.wales)
[124] Empty Dwelling Management Orders (EDMOs)' Briefing paper no 04129 House of Commons Library
[125] Empty homes - Council action to tackle empty homes (bolsover.gov.uk)

This suggests, that while alternatives to CPOs may be a useful addition to local authorities' enforcement tool, there is a requirement for centralised and specialist resources (including legal services) to support local authorities using these powers.

Key findings summary

- There is a widespread call from all stakeholders, including empty homeowner survey respondents and interviewees for increased financial incentives, including grants, for owners to bring properties back into use.

- There is also demand across all stakeholders including homeowners for increased support and resources for local authorities to focus on empty homes, including more EHOs. Homeowners interviewed argued that more should be done to support them, with suggestions including private sector leasing schemes and local authority buy backs.

- Most local authorities and wider stakeholders argued for more enforcement tools including compulsory sales orders, and a few could see the benefits in compulsory rental orders. One recent approach of 'Rent Ready' by Homes for Good is testing a loan for rent initiative. Empty homeowners survey respondents did not want to see more enforcement, although a few interviewees could see the benefits in enforcement action as a last resort.

- Homeowners were also aware of the disparity between council tax premiums on second homes and long-term empty homes and argued that owners avoid the higher tax levels by classifying their property as a second home to get a more advantageous rate.

- There are a range of innovative approaches illustrated that can be used to bring empty homes back into use, including those led by the community organisations and social enterprise companies. Key lessons from these approaches show the importance of co-ordination of complex funding packages which these organisations can help navigate, and the use of homesteading and other initiatives which include the additional benefits of training and skills development.

- There are alternatives to CPOs – enforced sales and EDMOs, used in England and Wales which do not require the local authority to purchase the property, but rather force sale or rental of the property. However, like CPOs these are still resource intensive and require specialist legal advice, but they would not require the capital outlay required for CPOs which is often a barrier for local authorities to use these powers.

8. Conclusions and recommendations

Conclusions

The original research questions posed for the empty homes audit were:

- What is the current picture in Scotland with regards to empty homes, taking into account, the scale, characteristics and impact of empty homes?

- What are some of the key barriers to, and opportunities for, bringing empty homes back into use in this context?

- How successful have the approaches and interventions been in achieving their aims in relation to empty homes in Scotland?

- How could these approaches and interventions be improved going forward and are there further actions we could be taking?

The current picture of empty homes in Scotland

The detailed analysis provided in this report sets out the position in relation to empty homes in Scotland and how that has changed over time, as estimated through council tax records. Over the last decade there has been a slight increase over all categories of empty homes (2%), a small increase in the number of unoccupied exemptions (3.6%), significant increase in the number of long-term empty homes that have been empty for over 6 months (68.4%), and significant decrease in the number of second homes recorded through council tax (30.1%). Since 2013, there has been an increase in the number of long-term empty homes and the decrease in second homes, which could be explained by local authorities gaining discretionary power to remove the empty properties discount or set a council tax increase of 100% in 2013. These changes have led to the reclassification of a number of properties and has had a significant bearing on the year-on-year changes in the figures.

There are considerable limitations in using the CTR as a means of quantifying and monitoring the level of empty homes as evidenced through this research:

- The inaccuracy of some properties recorded on the CTR – where some long-term empty homes are not recorded, or some properties are recorded on the register as empty when they are not. The extent of this inaccuracy is unknown, although qualitative interviews suggested inaccuracies were not unusual.

- Linked to this, the disincentive to self-declare your empty property and lack of resource to monitor and enforce whether a property is empty or not.

- Tax incentives for local authorities to shift homes from long-term empty to second homes, although there is little quantitative evidence of this shift happening as noted above.

- The lack of transparency around unoccupied exemptions - while some of these properties may technically be 'exempt', they are in practice long-term empty homes, and from the perspective of getting homes back into use should be considered as such.

- The definition of long-term empty homes (over 6 months) is not considered useful as it does not reflect reality and is impractical. EHOs point to the fact that properties may be naturally empty in the housing system for over 6 months, arguing the

priority for action is empty homes over 12 months. Homeowners talked about the difficulty in arranging various permissions, works, contractors etc which for them means in practice 6 months is not long-term empty.

- There are differences in approach to data collection and monitoring long-term empty homes, which may not be directly comparable to the official reporting. This is partly driven by EHOs opinion on which properties were 'really' long-term empty, rather than the official categorisation of long-term empty. EHOs rarely have the time to gather more data on the condition, type and size of empty homes, or to analyse the data that exists for strategic purposes.

It is concluded that council tax data is not a robust reflection of the current position of empty homes in Scotland, based on the definitions of empty homes required for the purpose of bringing empty homes back into use. Given the different approaches, and high probability of errors in recording over 32 different local authorities it is not possible to be certain on the actual empty homes position from this source. Further, the council tax definitions of long-term empty homes over 6 months, and the unoccupied exemptions do not fit the policy aims of bringing more empty homes back into use – on the one hand many empty homes are not ready to be brought back into use at 6 months and therefore should not be prioritised for action using scarce public sector resources, and on the other, many opportunities may be being missed for bringing properties back into use that are defined exempt, but may not be prioritised.

This means the scope to put additional demands on how empty homes data is collected and reported from the CTR is very limited. More work could be undertaken nationally with local authorities to assess what is feasible to add to, or report differently from the CTR, or whether an entirely different system is required, drawing on direct referrals and reports from neighbours and others on empty homes. SEHP has been developing its support role to local authorities in relation to data analysis and it may be that the Partnership could be a co-ordinating and commissioning body for a substantial review of the way in which empty homes are defined and quantified for the purpose of bringing them back into use, rather than for council tax purposes. However, the course of action in relation to data collection will depend on the importance placed by all stakeholders on obtaining an accurate position on empty homes, or whether resources should be focused on promoting and taking action in relation to getting empty homes back into use. On balance, given the level of housing need in many housing markets across Scotland, the focus of scarce resources should be on getting homes back into use. Furthermore, the significant limitations associated with the CTR for quantifying and monitoring empty homes should be fully understood across all stakeholders.

Key barriers and opportunities to bringing empty properties back into use

The key barriers in bringing empty properties back to use are commonly identified across all stakeholders around practical matters and costs associated with arranging repair and refurbishment work, which is inextricably linked to personal financial barriers. Financial barriers relate to access to finance, but also owners' viability considerations when comparing investment requirements relative to potential property value or rental yield in lower demand/lower value markets. The lack of capacity in the construction industry was clear, and resultant increasing costs can exacerbate the viability in bringing properties back into use. The regulatory environment was also commonly mentioned as a disincentive for investment in private rented properties, as was lack of access to funding for energy efficiency improvements for unoccupied properties. The overall judgement, and motivation from owners about getting a home back into use was the balance between

investment and practical consideration. This links to the potential effectiveness of financial sanctions, and the importance of discretion in application of these to ensure the right balance is struck to motivate, but also enable a property to be brought back into use.

Lack of engagement from owners was a key theme from EHOs, and there were a wide range of complex personal circumstances and intractable problems that could drive this lack of engagement. The most difficult circumstances often involved a deceased former owner, typically around grant of confirmation and lengthy legal processes, but also where beneficiaries inherit liabilities, or where their personal circumstances mean they are unable or unwilling to deal with the property. The range of examples evidenced where the skills of the EHOs focused as much on the needs of the owner (or beneficiary) and building trust with them, as it did on using their knowledge and experience in complex problem solving to get the property back into use. This linked to the frustrations from local authority stakeholders around lack of resource as a barrier, and the call for more staff to tackle more empty homes.

There are also external factors that are relevant which present both barriers and opportunities to different areas including the local housing market, demolition schemes, the local economy including the prevalence of tourism and holiday homes, and strategic economic development initiatives including new investment.

The effectiveness of current approaches and interventions and areas for improvement

The local EHO resource is a critical resouce in bringing empty homes back into use, and there is a direct correlation between the amount of EHO resource and the amount of empty homes brought back into use. A successful EHO acts as a trusted advisor, co-ordinator and sign posts owners to other interventions. Their success in facilitating empty homes back into use is mainly due to provision of information, advice and influencing empty home owners, although this influnce may also be partially dependent on the leverage from other interventions, in particular applying discretion for council tax premiums, and to a much lesser extent advising on loans or grant availability (but these are not available or promoted uniformly across Scotland). Many EHOs work part time and their roles include different functions, and it is clear that most EHO resources are stretched, and if more of this resource was available and targeted to the areas with highest incidence of empty homes, then more could be achieved. There is also likely to be higher satisfaction from owners with support received when an EHO is involved, but owners noted the variability of services across areas, and general lack of awareness of empty homes services. The EHO resource, combined with the enabling role of SEHP provides the lowest cost and best value for money of all interventions, taking into account total costs including indirect costs of the SEHP used to encourage local authority empty homes responses. The leverage achieved from local Authorities (mainly) and other Scottish Government contributions (more limited) is significant. As such, both Scottish Government and local government should consider further investment in this resource. This includes the Scottish Government grant funding of local authorities for EHOs (through SEHP) which could be extended, and local authorities' ability to use council tax resources raised through empty and second homes (reduced discounts or premiums) to focus more activity on housing functions. If Scottish Government and local authority combined funds served to increase the EHOs resource, this would enable more empty homes being brought back into use and enable a move to more strategic approaches to tackling homes which are currently limited due to operational pressure relative to the available resource.

SEHP plays an important role in influencing and supporting local authorities to develop their empty homes response. This relates to persuading local authorities to have EHOs in the first place, training, supporting and maintaining these roles in the long term, but also

providing ongoing networking support to EHOs which is valued by the EHOs. Looking at the numbers of EHOs since SEHP's inception in 2010, and understanding its ongoing influencing and advisory role, it is concluded that the level of EHOs currently in place and the outcomes achieved by them would not have happened if SEHP did not exist. SEHP is also providing a crucial role in data analysis and strategic planning advisory work, which most EHOs do not have the time for as they are focused on critical frontline work with homeowners. Increasingly, SEHP is also providing support to wider organisations to focus on empty homes, and again it is clear SEHP provides an important enabling role beyond the local authority support role. Further information is required on the direct outcomes achieved through the SEHP advice line to assess its effectiveness. The overall value for money of SEHP is included within the EHO roles as concluded above.

The Scottish Government Empty Homes Loan had variable success, with differing approaches to promotion and implementation across different areas, often due to the fact that this was left to individual EHOs who are stretched and focused on operational activity, and therefore resulted in differing take up. Take-up may also have been muted due to alternatives in the loan market at that point. However, repayable grants or loan interventions provide good value for money to the public purse over the long term (other things remaining equal) as they enable the recycling of an initial outlay to achieve multiple outputs.

There are widespread calls for increased financial support for empty homeowners from across all stakeholders (although often for non-repayable grant), and any future scheme should learn the lessons from the previous empty homes loan scheme i.e. effective marketing and promotion, ensuring the offer is attractive for homeowners, ensuring consistency and expertise in loan administration to enable the full benefits of this approach to be harnessed.

Local authority grants, often provided through strategic housing funds can make the difference for some homeowners to enable them to bring their property back into use. However, limited resources and poorer value for money means it is unlikely that non-repayable grants will be scaleable across Scotland in the current financial environment while there are competing funds for other affordable housing priorities. As outlined above, the lowest cost and highest value achieved for strategic housing funds are the deployment of EHOs. In relation to other grant funding streams for private ownership (whether central or local government funded) there is potential leakage of value from the public purse and local communities from grant, particularly if the intervention fails and/or the property becomes empty again. Where grant is provided for social housing, the value would still be retained in the public/quasi public sector and presents good value for money.

In relation to council tax premiums and discretion, unsurprisingly the over-riding view was of homeowners being very dissatisfied with council tax premiums, and increased satisfaction when owners had benefited from discretion with these premiums being removed as an incentive to get the property back into use (for example to speed up works). EHOs demonstrated how the ability to use the discretion as an effective tool, particularly in relation to building trust with homeowners to start the dialogue to get the property back into use. However, there were examples which provided evidence of unintended consequences of increased taxation for empty homes:

- Owners experiencing hardship through increased levels of debt when subjected to the premium, which added to the financial difficulties in getting the property back into use. Not all owners experienced supportive discretion from their local councils.

- In high value markets there was evidence of the cost associated with the long-term empty home council tax premium being accepted, and not necessarily making a

difference to their intentions for the property lying empty (which could be for a wide range of reasons).

- EHOs pointed to evidence of long-term empty homes not being declared and it was argued the disincentive would increase if the premium was to increase, which ultimately would make their job more difficult in finding and tackling empty homes.

In relation to enforcement and in particular Compulsory Purchase Orders (CPOs), it is clear from the survey and interviews with local authorities, and from learning from across the UK that it is very unlikely that CPOs would be scaleable, at least under the conventional use of CPOs. This is driven by lack of capacity in local authorities - skills, experience and resources, and as recommended by wider research documented in this report, a centralised approach of resource and specialist skills (including legal) would be required to scale this approach. This would likely also be true for alternatives involving enforced sales or enforced rental orders although there would possibly be more appetite to implement these in some local authorities compared to the current resistance to CPOs due to the perceived capital commitments involved. However, there is potential to use this legal power more creatively as shown by Glasgow City Council's back-to-back CPO approach, but as evidenced, this still requires matching the right empty properties with potential housing association purchasers, a clear policy commitment, and associated resources for effective implementation.

There are a range of innovative approaches illustrated that can be used to bring empty homes back into use, including those led by the community organisations and social enterprise companies. Key lessons from these approaches show the importance of knowledge and skills of empty homes problem solving, co-ordination of complex funding packages which these organisations can help navigate, and the use of initiatives, which include the additional benefits of training and skills development.

Recommendations

The following recommendations are provided for the Scottish Government, Scottish local authorities and partners which, based on the evidence provided in this report, should improve the scale and pace of empty homes being brought back into use.

1. The definition of long-term empty homes should be revised to over 12 months for the purposes of public policy and resource allocation, to reflect the reality of housing market and housing improvement systems, which should enable better targeting of empty homes intervention resources.

2. Scottish local authorities should ensure that their council tax systems enable the clear definition and reporting of long-term empty homes, clearly distinguishing between those that are 6-12 months empty and those that are over 12 months empty so that action can be prioritised according to as accurate data as possible.

3. The Scottish Government should review their council tax legislation to ensure the council tax premium works as an incentive to bring homes back into use and does not act as a barrier, in particular considering potential financial hardship caused, and the creation of additional financial barriers to bring homes back into use. In addition, Council tax premiums should only be applied to long-term empty homeowners from the point at which they own the property (not carried over from designations of the property when there were previous owners). This will give new owners more time necessary to organise permissions and works etc. The council tax guidance for local authorities should also be refreshed.

4. All stakeholders should be made aware of the considerable limitations of the Council Tax Register in quantifying and monitoring the scale of empty homes in Scotland. A revised system for monitoring the number of empty homes will take considerable time and resource to develop, and it is recommended the focus should be on getting empty homes back into use rather than creating a new empty homes monitoring system. Instead, the SEHP support role in bespoke data analysis will be increasingly important and should be resourced accordingly by the Scottish Government.

5. SEHP should support local authorities in a Scotland-wide, refreshed, proactive awareness raising campaign about the availability of EHOs and their role, so that empty homeowners know where to go to access information and advice and what help is available. This could coincide with a national relaunch of an empty homes loan scheme (see below), with the awareness campaign and loan scheme being funded by Scottish Government.

6. The Scottish Government should revise the Local Housing Strategy guidance to emphasise the value of bringing empty homes back into use, and to reflect the fact that the most effective means of bringing properties back into use is through an EHO being employed to prioritise empty homes action.

7. The Scottish Government and local authorities should commit more resources to empty homes work, and specifically EHO resource which represents the best value for money intervention. For Scottish Government the best value intervention is by providing more funds for local authorities for more EHO resource through SEHP. For local authorities they should commit more funds generated through council tax, specifically for empty homes work. The Scottish Government/SEHP and local authorities should jointly consider where the priority for action should be placed in Scotland, according to the prevalence of empty homes and wider housing needs. Where the needs are greatest, then funding should be used to fund at least one full time equivalent EHO in the relevant local authority areas and for a suitable timescale to ensure an agreed amount of empty homes are brought back into use.

8. The Scottish Government has committed to reform and modernise compulsory purchase legislation in Scotland to make the system fairer, clearer and faster for all parties. As a first step it will appoint an expert advisory panel in 2023-24 to help inform the development of options for reform. The Scottish Government should also consider the merits of enforced sales and rental orders. Implementation of any revised or new powers could include the provision of a centralised and specialised resource (including legal advice) to assist local authorities to use these powers effectively.

9. The Scottish Government should introduce a revised empty homes loan scheme. This should incorporate the lessons from the previous scheme and ensure consistent promotion and implementation across Scotland. There should be a centralised implementation team with expertise in loan administration, and knowledge of the empty homes and the local authority landscape.

10. The Scottish Government should review all energy efficiency funding schemes to include eligibility of empty homes where they are currently they are excluded as uninhabited.

11. The use of innovative and community-based solutions, including those that encourage learning and skills through the process of bringing empty homes back into use should continue to be supported, where these encompass the value for money conclusions outlined in this report. These are the provision of information, advice and navigation of systems, and the use of recyclable loans over grant for individual ownership/private rent, but with grant provided for social rent providing good value in the long term for the public purse.

Appendix 1 – Local authority survey questionnaire

Empty homes survey

Introduction

The Scottish Government has appointed Indigo House, in collaboration with IBP Strategy and Research, to undertake an independent Empty Homes Audit, which will set out the scale of the problem and consider how long-term empty homes can be brought back into use.

We are inviting local authorities to complete a survey that will contribute to audit findings and ultimately be used by the Scottish Government to consider how it can best meet the commitments on empty homes set out within the Housing to 2040 Strategy; this includes maximising the outcomes of existing and any future funding schemes.

The information that you provide will be held on secure servers by IBP Strategy and Research, Indigo House Group and the Scottish Government and will be shared between these parties using an encrypted and password-protected method. All copies of the data you provide will be deleted or destroyed when no longer needed for the purposes of this specific study.

Your responses to closed and numerical questions will be used only in aggregate for the purposes of statistical research and no information about your individual response will be passed on to the Scottish Government. Your write-in comments may be used in the preparation of published reports but will not be attributed to yourself. However, you should note that the nature of any comments you make could potentially identify you and you should be aware of this in making any such comments.

Participation in this survey is voluntary. You can also withdraw from participation in the survey at any time prior to 31st March 2023. To do so, please contact Jason Brown at IBP Strategy & Research.

The findings of the overall study will be shared with the Local Authority in due course by the Scottish Government and the independent Audit will be published later in 2023.

Please answer as many questions as you can but if there are any questions that you are not able to answer, or don't wish to answer, please just move on to the next question.

Should you have any questions before consenting to take part in the survey, please contact Jason Brown at IBP Strategy & Research.

By selecting the button below to continue with the survey you confirm your understanding of the purpose of the survey and consent to have the response you provide used in the above way.

◯

Person completing the form

Name:
Title:
Email:
Phone:

Local Authority Area:

--Click Here--	6
Aberdeen City Council	
Aberdeenshire Council	
Angus Council	
Argyll and Bute Council	
City of Edinburgh Council	
Clackmannanshire Council	
Comhairle nan Eilean Siar	
Dumfries and Galloway Council	
Dundee City Council	
East Ayrshire Council	
East Dunbartonshire Council	
East Lothian Council	
East Renfrewshire Council	
Falkirk Council	
Fife Council	
Glasgow City Council	
Highland Council	
Inverclyde Council	
Midlothian Council	
Moray Council	
North Ayrshire Council	
North Lanarkshire Council Orkney Islands Council	
Perth and Kinross Council	
Renfrewshire Council	
Scottish Borders Council	
Shetland Islands Council	
South Ayrshire Council	
South Lanarkshire Council	
Stirling Council	
West Dunbartonshire Council	
West Lothian Council	

Is "Empty Homes" a specific part of your personal job remit?

108

Yes, full-time　　　　　　　　　　　　　　　　　　　　　　　　◯

Yes, part-time　　　　　　　　　　　　　　　　　　　　　　　　◯

No　　　　　　　　　　　　　　　　　　　　　　　　　　　　　◯

Please provide details below of the functions or departments that you consulted with in the preparation of this response.

Does your Local Authority have a documented Empty Homes strategy and / or action plan?

Yes　　　　　　　　　　　　　　　　　　　　　　　　　　　　◯

No, but we are in the process of preparing this　　　　　　　　　◯

No　　　　　　　　　　　　　　　　　　　　　　　　　　　　　◯

1. Long-term empty homes in your area

For the purposes of this survey, "long-term empty homes" are privately owned residential properties (not including social rented properties) that have not been occupied for a period of 6 months or more.

If you do not have full up-to-date figures available for these questions, please provide the best estimates that you can. We will also be gathering certain data from existing published information.

Please note below the date to which the information you provide in this section relates; that is, the date at which this data was most recently collated. This could be today's date or a specific month (for example, December 22).

> [   ]

Q1.1   How many long-term empty homes do you have in your Local Authority area (that is, privately owned residential properties that have been empty for a period of 6 months or more)?

[   ]

Q1.2   Approximately what proportion of long-term empty homes in your Local Authority area are in the following categories? Please ensure that the figures you provide sum to 100%.

Flats%   [   ]

Houses%   [   ]

Don't know   ☐

Q1.3   Approximately what proportion of long-term empty homes in your Local Authority area fall into the following categories, in relation to number of bedrooms? Please ensure that the figures you provide sum to 100%.

1 bedroom (including studio apartments)%   [   ]

2 bedrooms%   [   ]

3 bedrooms%   [   ]

4 bedrooms%   [   ]

5 or more bedrooms%   [   ]

Don't know   ☐

Q1.4   Approximately what proportion of long-term empty homes in your area are in the following types of area in relation to urban-rural split? Please ensure that the figures you provide sum to 100%.

LARGE URBAN AREAS: Settlements of 125,000 people and over%   [   ]

OTHER URBAN AREAS: Settlements of 10,000 to 124,999 people%   [   ]

ACCESSIBLE SMALL TOWNS: Settlements of 3,000 to 9,999 people, and within a 30 minute drive time of a Settlement of 10,000 or more.%

REMOTE SMALL TOWNS: Settlements of 3,000 to 9,999 people, and with a drive time of over 30 minutes to a Settlement of 10,000 or more.%

ACCESSIBLE RURAL AREAS: Areas with a population of less than 3,000 people, and within a 30 minute drive time of a Settlement of 10,000 or more.%

REMOTE RURAL AREAS: Areas with a population of less than 3,000 people, and with a drive time of over 30 minutes to a Settlement of 10,000 or more.%

Don't know

Q1.5   Approximately what proportion of long-term empty homes in your Local Authority area are in each of the following categories of housing demand areas, based on your own Local Authority's perception of demand in those areas? Please ensure that the figures you provide sum to 100%.

High demand%

Medium demand%

Low demand%

Mixed demand%

Don't know

Q1.6   Approximately what proportion of long-term empty homes in your Local Authority area fall into the following categories in relation to their current condition? Please ensure that the figures you provide sum to 100%.

Ready for occupation with little or no investment%

Would require some investment to make ready for occupation%

Would require significant investment to make ready for occupation%

Don't know

Q1.7   Approximately what proportion of long-term empty homes has your Local Authority formally assessed, in terms of the potential to bring them back into use?

%

Don't know

Q1.8   What proportion of long-term empty homes in your Local Authority area that you have assessed do you believe can be brought back into use?

| | %
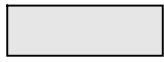
Don't know ☐

2. Barriers to bringing long-term empty homes back into use

Q2.1 On a scale of 1 to 5 where 1 is "not an issue" and 5 is "a significant issue", to what extent are each of the following barriers in bringing long-term empty homes back into use?

Difficulty in locating or engaging with the owner

Difficulty in establishing ownership

Difficulty in coordinating action across different internal Local Authority stakeholders

Difficulty in coordinating action across different external stakeholders

Financial barriers - for example, owners not willing or able to commit sufficient financial resources - this could include repairs costing more than anticipated, or bankruptcy

Practical reasons such as repairs / refurbishment taking longer than planned

Housing market factors making investment in empty homes unviable

Lack of available resources within the Local Authority to address the issue of long-term empty homes

Personal reasons - for example, owner' s emotional attachment to property, mental incapacity, imprisonment or hospitalisation

Q2.2   Please use the space below to make any further comments you wish about the barriers to bringing long-term empty homes back into use.

3. Initiatives to bring long-term empty homes back into use

Q3.1   To what extent do you consider each of the following external factors will have a positive impact on efforts to bring long-term empty homes back into use? Please answer on a scale of 1 to 5, where 1 is "no impact at all" and 5 is "a significant impact"

Pressured housing systems and difficulty in access to housing may make bringing empty homes back into use more attractive due to high demand relative to supply

Local economic development and regeneration opportunities being increasingly linked into the provision of housing

New investment / funding options becoming available such as City Region / Island Deals

Better awareness now of the work of the Scottish Empty Homes Partnership

Increasing involvement from local community organisations / enterprises and partnerships in addressing housing issues

Other (please say what below)

Q3.2   How effective do you consider each of the following to have been in bring longterm empty homes back into use? Please answer on a scale of 1 to 5 where 1 is "not at all effective" and 5 is "very effective".

Coordination of action across stakeholders by Empty Homes Officers

Provision of information and advice to owners by Empty Homes Officers

Provision of information and advice to owners provided by other parties

Support to Local Authorities through the Scottish Empty Homes Partnership

Financial incentives provided by the Local Authority or other partners

Non-financial incentives provided by the Local Authority or other partners

Partnerships with housing associations

and / or other third sector and community groups

Partnership with private housing developers or other private sector players

Access to VAT and other discount schemes e.g. merchant discounts

Council Tax discretion policies (for example, discounts or exemptions)

Enforcement action against owners

Q3.3   If you are aware of financial incentives provided by the Local Authority or partners having an impact on bringing long-term empty homes back into use, please give brief details / examples. These could include, for example, grants, loans, rent deposit guaranteed schemes, private sector leasing schemes, other forms of financial assistance.

Q3.4   If you are aware of non-financial incentives provided by the Local Authority or partners having an impact on bringing long-term empty homes back into use, please give brief details / examples.

Q3.5   If you are aware of Council Tax discretion policies having had an impact on bringing long-term empty homes back into use, please give brief details of how this has worked in your Local Authority area.

Q3.6   If you are aware of enforcement actions having had an impact on bringing longterm empty homes back into use, please give brief details of any enforcement actions that your Local Authority has used.

4. Areas for improvement

Q4.1   To what extent do you think improvements in each of the following would have an impact on bringing long-term empty homes back into use? Please answer on a scale of 1 to 5 where 1 is "no impact" and 5 is "a significant impact".

Increased Empty Homes Officer resource (or similar)

Enhanced financial support to owners to bring long-term empty homes back   into use

Enhanced enforcement action against owners

Improved engagement from external partners to overcome barriers to longterm empty homes being brought back into use

Enhanced support for community action to help bring long-term empty   homes back into use

Q4.2   Please use the space below to set out any suggestions for improvements you would   like to make, whether in relation to the themes in Question 4.1 or more generally.

Thank you for taking the time to complete this survey.

Please click the "Submit" button below to upload your response.

You will then be redirected to the Scottish Government's "More Homes" page and this means that your response has been uploaded successfully.

Appendix 2 – Empty homeowner survey questionnaire

Survey of owners of empty homes

Introduction

The Scottish Government has appointed Indigo House, in collaboration with IBP Strategy and Research, to undertake an independent Empty Homes Audit, which will set out the scale of the problem and consider how long-term empty homes can be brought back into use.

This questionnaire is being issued to you as the relevant Local Authority is aware that you have, or have had, an empty property in the past. This survey seeks input from owners of empty homes including: the extent and profile of long-term empty homes; your experience as an empty home owner; your views on the barriers to bringing long-term empty homes back into use; and your views on possible approaches to doing so. This information will be used by the Scottish

Government to consider how it can best meet the commitments on empty homes set out within its "Housing to 2040" Strategy.

The information that you provide will be held on secure servers by IBP Strategy and Research and Indigo House Group and will be shared between these parties using an encrypted and password protected method. All copies of the data you provide will be deleted or destroyed when no longer needed for the purposes of this specific study.

Your responses to closed and numerical questions will be used only in aggregate for the purposes of statistical research and no information about your individual response will be passed on to the Scottish Government, the local authority or any other party. Your write-in comments may be used in the preparation of published reports but will not be attributed to yourself. However, you should note that the nature of any comments you make could potentially identify you and you should be aware of this in making any such comments.

Participation in this survey is voluntary. You can also withdraw from participation in the survey at any time prior to 31st March 2023. To do so, please contact Jason Brown at IBP Strategy & Research.

The findings of the overall study will be shared with the Local Authority in due course by the Scottish Government and the independent Audit will be published later in 2023.

Please answer as many questions as you can but if there are any questions that you are not able to answer, or don't wish to answer, please just move on to the next question.

Should you have any questions before consenting to take part in the survey, please contact Jason Brown at IBP Strategy & Research.

By selecting the button below to continue with the survey you confirm your understanding of the purpose of the survey and consent to have the response you provide used in the above way.

◯

1. Your empty home(s)

For the purposes of this survey, "long-term empty homes" are privately owned residential properties that have not been occupied for a period of 6 months or more. For the questions in this section, you are asked to provide information both for homes that are currently empty and also homes that you owned which would have met this definition at some point over the past 5 years, but which are either now occupied, changed in use or demolished.

Q1.1   How many long-term empty homes do you have and / or have you had in the past 5 years, in each of the following Local Authority areas? Please only answer for areas where you have long-term empty homes. Otherwise, leave blank.

Aberdeen City Council	
Aberdeenshire Council	
Angus Council	
Argyll and Bute Council	
City of Edinburgh Council	
Clackmannanshire Council	
Comhairle nan Eilean Siar	
Dumfries and Galloway Council	
Dundee City Council	
East Ayrshire Council	
East Dunbartonshire Council	
East Lothian Council	
East Renfrewshire Council	
Falkirk Council	
Fife Council	
Glasgow City Council	
Highland Council	
Inverclyde Council Midlothian	
Council	
Moray Council	
North Ayrshire Council	
North Lanarkshire Council Orkney	
Council	
Perth and Kinross Council	
Renfrewshire Council	
Scottish Borders Council Shetland	
Islands Council	
South Ayrshire Council	
South Lanarkshire Council	
Stirling Council	
West Dunbartonshire Council West	
Lothian Council	

Q1.2 Do you CURRENTLY have at least one long-term empty home (defined as a
residential home that has not been occupied for a period of 6 months or more)?

Yes   ○

No   ○

Q1.3 How many long-term empty homes that you have CURRENTLY fall into the following
categories in relation to their current condition?

Ready for occupation with little or no investment [ ]

Requires some investment to make ready for occupation [ ]

Requires significant investment to make ready for occupation

[ ]

Q1.4 Please give brief reasons why any homes that you have are currently long-term empty.

[ ]

2. Bringing homes back into use

Q2.1   Over the last 5 years, have you had at least one long-term empty property (defined as a residential home that has not been occupied for a period of 6 months or more) that no longer meets the definition of a long-term empty property?

Yes ⭘

No ⭘

Q2.2   What happened with this home or homes? Please select all that apply, should you have had more than one home in this category.

Sold without improvements having been made ready for occupation ☐

Made ready for occupation and then occupied by yourself / your household ☐

Made ready for occupation and then sold ☐

Made ready for occupation and then rented out ☐

The home was demolished ☐

The use of the home was changed (please state what the use of the home was changed to) ☐

Other (please give details below) ☐

What the use of the home was changed to

[ ]

Other

[ ]

Q2.3a Have you been subject to any enforcement actions to require you to do something about a long-term empty home?

Yes ⭘

No ⭘

Q2.3b Please give brief details of these enforcement actions in the space below.

[ ]

Q2.3c What were your views as to how this enforcement action was undertaken?

Q.2.4 What happened with this home or homes? Please select all that apply, should you have had more than one home in this category.

Sold without improvements having been made ready for occupation ☐

Made ready for occupation and then occupied by yourself / your household ☐

Made ready for occupation and then sold ☐

Made ready for occupation and then rented out ☐

The home was demolished ☐

The use of the home was changed (please state what the use of the home was changed to) ☐

Other (please give details below) ☐

Q2.5   How satisfied or dissatisfied have you been with the support provided to you to help you bring any long-term empty homes back into use?

Very Satisfied ○

Quite Satisfied ○

Neither Satisfied Nor Dissatisfied ○

Quite Dissatisfied Very Dissatisfied ○

Q2.5b Please give brief reasons for your answer in the space below.

Q2.6   For any long-term empty homes that you have currently, please give brief details of your current plans for those properties in the space below.

Q2.7   On a scale of 1 to 5 where 1 is "not an issue" and 5 is a "significant issue", to what extent have you found each of the following to be barriers to you bringing a long-term empty home back into use?

Financial barriers - for example, not being willing or able to commit

sufficient financial resources

Practical reasons such as repairs refurbishment taking longer than planned

Housing market factors making investment in   empty homes unviable

Personal reasons - for example, your emotional attachment to property, other personal circumstances

Q2.8   Please use the space below to comment on any other barriers that you have found to bringing a long-term empty home back into use.

3. Areas for improvement

Q3.1   From your experience, to what extent do you think improvements in each of the

following would have an impact on bringing long-term empty homes back into use? Please answer on a scale of 1 to 5 where 1 is "no impact" and 5 is "a significant impact".

More support from the local authority Empty Homes Officer

More support from other local authority services

(not the Empty Homes Officer)

Enhanced financial support to owners to bring long-term empty homes back into use

Enhanced enforcement action against owners

Enhanced support from local community groups such as community action groups, community councils and development trusts, to help bring long-term empty homes back into use

Other (please describe below)

Q3.2   Please use the space below to set out any suggestions for improvements you would like to make that you think would help to bring more long-term empty homes into use, whether in relation to the themes in Question 3.1 or more generally.

<div style="border:1px solid #ccc; background:#e5e5e5; height:230px;"></div>

4. **Further contact**

As part of the study, we intend to undertake further in-depth interviews with existing and previous owners of long-term empty homes to explore your experiences in more detail. If you would be interested in taking part in such an interview, please select the button below. You will then be asked to provide contact details to allow us to contact you. These details will be used only for this purpose and will not be linked to your survey response for the purposes of analysis and reporting.

Name:	
Telephone number:	
Email:	

Thank you for taking the time to complete this survey.

Please click the "Submit" button below to upload your response.

You will then be redirected to the Scottish Government's "More Homes" page and this means that your response has been uploaded successfully.

Appendix 3 - Sampling of local authorities for qualitative research

Sampling for the local authority qualitative interviews was undertaken on the basis of the following criteria:

- Proportion of long-term empty homes (over 6 months) in 2021 as a percentage of total dwellings – Low (0-1%), Medium (greater than 1% less than 4%), High (4% and over)

- Household population – comparisons of population of each local authority area (NRS, 2021) as small (under 50,000) medium (over 50,000 and under 145,00) and large (over 145,000).

- Type of area – City, urban, rural and island. Some of the areas were mixed e.g. City/rural mixed, urban/rural mixed, rural/island mixed.

- Type of housing market – pressured, unpressured and mixed – based on the consultancy team's knowledge.

- Engagement with Empty Homes national and local policies – High and low – based on SEHP and Scottish Government experience.

In reporting the type of local authority in the qualitative research the following categories have been used:

- City local authority

- Urban local authority

- Urban/rural local authority

- Rural local authority

- Rural/island local authority

Appendix 4 – Qualitative research topic guides

Topic guide – Local authorities

Scottish Government Empty Homes Audit

Interviews with local authorities

The Scottish Government has appointed Indigo House to undertake an independent Empty Homes Audit, which will set out the scale of the problem and consider how long-term empty homes can be brought back into use. The findings from this work will be used by Scottish Government to consider how it can meet its commitments on empty homes set out within the Housing to 2040 Strategy; this includes maximising the outcomes of existing and any future funding schemes.

We have already issued a survey to all local authorities and thank you for completing the survey. We are now following up with individual or group interviews with a sample of eight local authorities to understand the issues in more depth. We would like to interview the most relevant local authority colleagues through an interview held on an MS Teams call. It may be that one, or several colleagues may be relevant including Empty Homes, legal, building control officers etc and please invite those colleagues who you think are most relevant. The areas we would like to discuss are outlined on the following page.

The interviews will be led by either Anna Evans or Regina Serpa of Indigo House. The meeting will be recorded (audio or video as you prefer) and will last between 1 to 1.5 hours. The interview data will be analysed thematically, in summary form and we may use direct quotes which will be anonymised and will be non-disclosive. We may use case studies in the draft and final report which may identify individual local authorities. These will be drafted for your review and permission for inclusion in the report.

Data protection, consent and how the information will be used

Any information you provide will be stored on the Indigo House secure server, so that no one outside of the research team can access your data. All contact details will be destroyed at the end of the research.

By taking part in this interview you are agreeing for the data to be collected and used for the Scottish Government research and to inform future policy on empty homes in Scotland.

Before the interviews starts we will confirm:

You understand the purpose of the research ☐

You are happy to proceed with the research, and can choose to withdraw at any time by telling us before using the contact details below, or at any point in the interview. ☐

You agree to the interview being recorded – by MS Teams (with a choice of video or audio only) and notes being taken ☐

You agree for interview data to be analysed and reported thematically, and in summary form, and direct quotes may be used but these will be anonymised. ☐

Case studies may be developed for your local authority including individual anonymised properties for inclusion in draft and final report. We will ask for specific consent for inclusion of these once these case studies are drafted. ☐

Should you have any questions before consenting to take part in the interview, please contact the research team leader, Anna Evans.

The findings of the overall study will be shared with the Local Authority in due course by the Scottish Government and the independent Audit will be published in the form of a report later in 2023.

Areas for discussion

- **Data collection and assessment of empty homes** - What are the strengths and weaknesses of data collection on long term empty homes? What are the sources, how do you augment this data, how to record and monitor change. What else could /should be done in relation to data collection?

- **How do you (if you do) assess whether empty homes can be brought back into use** – what is the process/resources you use for this? How do you decide what is within your active caseload/how do you prioritise? Does that involve a formal assessment?

- **What are the trends in relation to empty homes in your area** – what are the trends you have seen in the number and type of long term empty homes. What do you think the key drivers are?

- **What are the main barriers to bringing long-term empty properties back into use** – developing in depth discussion from your survey responses.

- **Initiatives to bring empty homes back into use** – we would like to explore in more depth what you think is the most effective approaches, including discussion of potential case studies from your area.

- **What else needs to** happen – do you have any suggestions about what might need to happen in the future, locally and nationally, to help tackle long-term empty homes?

Indigo House
March 2023

Topic guide - Empty homeowners

Scottish Government Empty Homes Audit

Interviews with empty homeowners

The Scottish Government has appointed Indigo House to undertake an independent Empty Homes Audit, which will set out the scale of the problem and consider how long-term empty homes can be brought back into use. The findings from this work will be used by Scottish Government to consider how it can meet its commitments on empty homes set out within the Housing to 2040 Strategy; this includes maximising the outcomes of existing and any future funding schemes.

We are getting in touch because you have recently completed a survey distributed by your local Council and you indicated an interest is taking part in an interview. Thank you for taking the time to complete the survey, and for your further interest. We would now like to arrange a telephone interview so that we can discuss your experience in more depth. The interview will be undertaken by either Anna Evans or Regina Serpa and will last about 30 minutes. As a thank you for your time for participating in this interview we will provide a £30 shopping voucher (electronic vouchers will be provided with a range of options available including supermarkets and online stores).

We would like to discuss with you:

- your experience of owning a long-term empty home (over 6 months)

- what your views are on the various options available to you in bringing your long term empty home back into use

- any support you may have received to bring the empty home back into use

- what you think needs to change, or potential solutions to bring more long-term empty homes back into use.

Data protection, consent and how the information will be used

Any information you provide will be stored on the Indigo House secure server, so that no one outside of the research team can access your data. All contact details will be destroyed at the end of the research.

By taking part in this interview you are agreeing for the data to be collected and used for the Scottish Government research and to inform future policy on empty homes in Scotland. Before the interview start we will confirm:

You understand the purpose of the research ☐

You are happy to proceed with the research, and can choose to withdraw at any time by telling us before using the contact details below, or at any point in the interview. ☐

You agree to the interview being recorded and notes being taken by the interviewer ☐

You agree for interview data to be analysed and reported thematically, and in summary form, and direct quotes may be used but these will be anonymised. ☐

We may develop case studies from you experience, with your consent. ☐

Should you have any questions before agreeing to take part in the interview, please contact the research team leader, Anna Evans.

The independent Audit report will be published by Scottish Government later in 2023.

Topic guide - Wider stakeholders

Scottish Government Empty Homes Audit

Interviews with wider stakeholders

The Scottish Government has appointed Indigo House to undertake an independent Empty Homes Audit, which will set out the scale of the problem and consider how long-term empty homes can be brought back into use. The findings from this work will be used by Scottish Government to consider how it can meet its commitments on empty homes set out within the Housing to 2040 Strategy; this includes maximising the outcomes of existing and any future funding schemes. We have already issued a survey to all local authorities and we have asked local authorities to issue surveys to empty home owners. We are now following up with interviews with wider stakeholders, local authorities and empty home owners. We would like to meet with you through to discuss issues and potential solutions around long term empty homes. The areas we would like to discuss are outlined on the following page.

The meetings will be led by either Anna Evans or Regina Serpa of Indigo House. The interview will be recorded (audio or video as you prefer) and will take about 1 hour. The interview data will be analysed thematically, in summary form and we may use direct quotes which will be anonymised.

Data protection, consent and how the information will be used

Any information you provide will be stored on the Indigo House secure server, so that no one outside of the research team can access your data. All contact details will be destroyed at the end of the research.
By taking part in this interview you are agreeing for the data to be collected and used for the Scottish Government research and to inform future policy on empty homes in Scotland.

Before the interview start we will confirm:

You understand the purpose of the research ☐

You are happy to proceed with the research, and can chose to withdraw at any time ☐

You agree to the interview being recorded using MS Teams (with a choice of video or audio) and notes taken ☐

You agree for interview data to be analysed and reported thematically, and in summary form, and direct quotes may be used but these will be anonymised/non-disclosive. ☐

Case studies may be developed from your experience, including individual anonymised properties for inclusion in draft and final report. We will ask for specific consent for inclusion of these once these case studies are drafted. ☐

Should you have any questions before consenting to take part in the interview, please contact the research team leader, Anna Evans.

The independent Audit report will be published by Scottish Government later in 2023.

Areas for discussion

- **Background** – please let us know your role and experience in relation to this subject.

- **Data collection and assessment of long term empty homes** (over 6 months) - What do you know about the data collection methods used for identifying long term empty homes? What do you consider to be the strengths and weaknesses of data collection on long term empty homes and what else could /should be done in relation to data collection?

- **What do you consider are the key trends and drivers in relation to long term empty homes** – what is your perception on any change in relation to the number/type of long-term empty homes nationally, and what do you consider to be the drivers?

- **What are the main barriers to bringing long-term empty properties back into use?**

- **Initiatives to bring empty homes back into use** – from your experience, what do you think the most effective methods to bring properties back into use? Do you have insights from initiatives and policies in relation to empty homes from your own experience you wish to highlight, or other initiatives outside Scotland that you are aware of that are worth further investigation?

- **What else needs to happen** – do you have any suggestions about what might need to happen in the future, locally and nationally, to help tackle long-term empty homes?

Indigo House

March 2023

Appendix 5 – Glossary of terms

Affordable Housing Supply Programme (AHSP) – The Affordable Housing Supply Programme (AHSP) comprises a range of funding mechanisms to enable affordable housing providers to deliver homes for social rent, mid-market rent, and low cost home ownership in communities across Scotland to support local authorities' Local Housing Strategies. See More Homes, Scottish Government.

Below Tolerable Standard (BTS) – The Tolerable Standard is a basic level of repair your property must meet to make it fit for a person to live in, as defined in the Housing (Scotland) Act 1987. Below Tolerable Standard means the property does not meet this standard.

Community Interest Company (CIC) – A CIC is a special type of limited company. It exists to benefit the community rather than private shareholders.

Compulsory Purchase Orders (CPOs) – Compulsory Purchase Order give many public authorities the power to purchase land without the owner's agreement if there is considered to be a strong enough case in the public interest in doing so. All CPOs must be submitted to the Scottish Government for consideration and approved by a Minister.

Compulsory Sales Orders (CSOs) – Compulsory Sales Orders describe a new power (does not currently exist) to force sales by public authorities, proposed by the Scottish Land Commission in 2018. See – 'A Proposal from the Scottish Land Commission.'

CTAXBASE (CTB) – The CTAXBASE figures gives the number of properties in each council tax band in each local authority area, including those with exemptions and discounts. This is used for gathering data on the number of dwellings in Scotland that form the basis of the Council Tax Base.

Council Tax Register (CTR) – the Register held by each Scottish local authority of all Council Tax accounts relating to property in which a household resides.

Council Tax premium or levy – a Council Tax premium is where the household is charged extra when the property has been empty for specified periods of time.

Croft and de-crofted housing – A croft is a small agricultural unit. A croft is the land, not the house the crofter lives in. Crofts are usually rented and are often part of large estates where the landowner is the crofter's landlord. Decrofting is the term used when land is removed from crofting tenure. The Landlord of a tenanted croft who wishes to remove land from crofting tenure must make an application to the Scottish Land Court. This is called resumption and has the same effect as decrofting.

Enforced sales – In England and Wales many statutes allow a local authority to serve notice requiring the owner of a property to carry out works. If the owner fails to comply with the notice, the local authority has the right to carry out the works and take a charge over the property for the cost of the works. An enforced sale arises where the local authority exercises the power of sale conferred by the charge. This power of sale is the same power that a bank or building society uses when it sells property after the owner has defaulted on mortgage payments. Provided that the property is unoccupied, the local authority can sell the property without first obtaining a court order, and the right of sale continues to exist even after the property has changed hands. In most cases, the local authority's charge has priority over all other charges, which means that the local authority can sell the property without the consent of any other mortgage or charge holder.

Empty dwelling management orders (EDMOs) – The *Housing Act 2004* in England made provision for local authorities to take over management of certain residential premises that had been empty for at least six months by seeking an Empty Dwelling Management Order

(EDMO). Residential Property Tribunals (now First-Tier Tribunals) gained the power to issue EDMOs on 6 July 2006.

Housing Revenue Account (HRA) – The Housing Revenue Account is a separate account within the General Fund of a local authority. Schedule 15 to the 1987 Act details the income and expenditure which is to be charged to the HRA. The main items of income and expenditure for an HRA are: rental income from houses, and other HRA assets.

Local Housing Allowance (LHA) – The Local Housing Allowance is used to calculate the maximum amount people renting from a private landlord can claim in Housing Benefit or Universal Credit. This maximum rent is based on where a person lives, the number of bedrooms you need and the rent you pay.

Long-term empty properties – generally in this report long-term empty properties are those which have been empty for more than 6 months and are liable for council tax. A 100% premium (double the full rate) can be applied by local authorities to homes that have been empty for more than 12 months.

OECD – Organisation for Economic Co-operation and Development

Passivhaus – according to the Passivhaus Trust, Passivhaus is a tried & tested solution that gives us a range of proven approaches to deliver net-zero in new and existing buildings.

Second homes – homes which are furnished and lived in for at least 25 days in a 12-month period but are not someone's main residence.

Unoccupied exemptions – generally, properties which are empty and unfurnished for less than 6 months and exempt from paying council tax.

Appendix 6 – Current discretionary powers for councils to change council tax

The following table sets out current discretionary powers for Scottish councils to change council tax liable for empty homes from the standard 50% discount.

Status of empty home	Up to 6 months	6-12 months	12 months +	2 years +
No work underway and not for sale or let	Owner may apply for an unoccupied and unfurnished exemption	Discount can be varied between 50 and 10%	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied
If undergoing repair work to make them habitable	50% discount cannot be changed	Owner may apply for a major repairs or structural alterations exemption. Discount can be varied between 50 and 10%.	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied.	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied.

If being actively marketed for sale or let	50% discount cannot be changed	50% discount cannot be changed	50% discount cannot be changed	a premium of up to 100% can be charged

Source: [Scottish Government Council Tax for second and empty homes, and non-domestic rates thresholds: consultation, April 2023](#)

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