

# **Scottish Empty Homes Partnership**

## **Annual Report 2015-16**

June 2016

## Summary

This year has been one of expansion for the Scottish Empty Homes Partnership with the addition of two new members of staff and the launch of the new Empty Homes Advice Service. This has also been a year when many councils have continued to reduce budgets, and restructure staff to focus on delivering greater efficiencies. Despite these challenges, empty homes work has continued to grow and there are reasons to be optimistic about the future of empty homes work in Scotland.

Numbers of empty homes brought back into use by councils continues to increase year on year. Staffing numbers, while as a total have remained static, include an increase in the number of full time permanent posts and recruitment and appointment is scheduled in several councils in the coming months.

The problem of empty homes has been highlighted strongly by the media this year and the result has been seen in strong engagement levels with the Empty Homes Advice Service.

There continue to be challenges in pursuing effective empty homes work, primarily the restricted nature of existing financial incentives and the lack of an effective enforcement power for Scotland's worst empty homes.

# Highlights from the year



**697**

Council reported number of empty homes brought back into use through direct intervention with the owner



**17**

The number of councils with at least 1 empty homes officer . 4 of these posts are now permanent. 2 further permanent posts will start in July 2016.



**20**

20 councils are currently applying the vacant dwelling council tax dwelling powers with 17 applying the full 100% increase.



**402**

Inquiries processed by the Empty Homes Advice Service in its 1st Year.



**56m OTVs**

Media work this year has resulted in 56m positive opportunities to view stories about empty homes and the Empty Homes Advice Service.



**4**

Multi-unit projects with funding agreed, due for completion in 2016 to create a total of 48 residential units from empty property.



**UK recognition**

A Scottish Empty Homes Officer was awarded the UK Empty Homes Practitioner of the Year Award 2016.



**Shared Services**

The Dundee/Angus Shared Service Project and the Glasgow/GHA Shared Services Project are up and running.



**George Clarke**

The TV Architect gave a popular and inspirational key note address at the 2015 Scottish Empty Homes Conference

## **Recommendations at a glance**

Below are the Scottish Empty Homes Partnership's key recommendations to ensure the success to date in bringing empty homes back into use across Scotland are developed further. The recommendations section at the end of this report goes into these points in more detail. We feel these key recommendations are crucial to ensuring that empty homes work in Scotland continues to play a central and cost effective part in national and local housing strategy.

### **Staff Resources**

Mainstream funding for local Empty Homes Officer in all of Scotland's Local Authorities, preferably on permanent contracts.

### **Funding**

A diversification of financial incentive schemes offered by Scottish Government and Local Authorities to include more types of empty homes for more types of end uses:

- Introduction of a £10m, 3 year, Empty Homes Regeneration Loan Fund
- Introduction of a £5m, 3 year, Scottish Empty Homes Community Grants Programme
- Introduction of a £3m, 3 year, Empty Homes Feasibility Fund
- Continued support for town centre empty homes projects

### **Enforcement**

The introduction in legislation of a Compulsory Sale Order power for vacant and derelict land and buildings.

## Table of Contents

<b>Summary</b>	<b>2</b>
<b>Highlights</b>	<b>3</b>
<b>Recommendations at a glance</b>	<b>4</b>
<b>Introduction</b>	<b>7</b>
<b>Background</b>	<b>7</b>
<b>Methodology</b>	<b>9</b>
<b>Funding and resources for empty homes work</b>	<b>10</b>
Dedicated staff resources	10
• Shared Service Pilots	13
Funding for incentives and enforcement measures	15
• Vacant Dwelling Council Tax Powers	15
• Empty Homes Loan Fund	17
• Town Centre Empty Homes Fund	19
• Rural Housing Fund	19
<b>Bringing empty homes back into use</b>	<b>20</b>
Data Collection	20
Complaints about empty homes	22
Strategies	24
• Local Housing Strategies	24
• Other strategies	25
Empty homes brought back into use 2013/14	26
• Empty Homes Targets	28
• Use of interventions	28
• Enforcement	30
• Partnership working	31
<b>Sharing Best Practice</b>	<b>32</b>
The Scottish Empty Homes Officer Network	32
• The Scottish Empty Homes Conference 2015	33
• Staff training	34
• Best Practice Group	35
Empty Homes Advice Service	36
Local Projects Service	39
Media Work	41
<b>Barriers &amp; Recommendations</b>	<b>42</b>
Staff resources	42

Funding	43
Enforcement powers	45
<b>Progress on Project Milestones</b>	<b>47</b>

## Introduction

This is the Scottish Empty Homes Partnership's Annual Report for 2015-16. This report follows on from and refers back to the Baseline Report produced by the Partnership in August 2010 as well as the Partnership's Annual Reports from 2010-11 through to 2014-15. The Baseline Report gave a starting snapshot of where councils in Scotland were with regards to private sector empty homes work. It drew on information gathered through initial meetings with councils by the Empty Homes Coordinator, as well as a questionnaire on private sector empty homes work conducted in 2009 as part of the Scottish Government's Private Rented Sector Review. The next five years' Annual Reports drew on wider surveys of the Scottish Empty Homes Officer Network which repeated some of the 2009 questions. The same survey was repeated this year.

The different sections of this document are grouped under three themes which encompass the priorities set out for 2015-16 in last year's Annual Report.

These are:

- Funding and resources for empty homes work
- Bringing empty homes back into use
- Sharing best practice.

The report will end with several sections which include the Scottish Empty Homes Partnership's progress against current project milestones, and commentary on ongoing barriers and recommendations for empty homes work in Scotland.

## Background

There are just under 34,000 long term (6 months or more) private sector empty homes in Scotland<sup>1</sup> according to council tax records.

Work on empty homes can achieve positive outcomes with regards to:

- Housing supply
- Community regeneration/town centre renewal

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<sup>1</sup> Source: Scottish Government, Housing Statistics for Scotland, Quarterly Update – December 2015, <http://www.gov.scot/Publications/2015/12/3681/8>

- Sustaining rural communities
- Restoring confidence in local property markets
- Discouraging anti-social behaviour (due to fire/vandalism/fly-tipping of empty properties)
- Climate change and sustainability

Work on empty homes also represents value for money. The Empty Homes Agency in England has estimated that the cost of refurbishing an empty home is between £6,000 and £25,000. The average cost of a new build home in Scotland is £100,000 or more. And of course when you are bringing an empty home back into use, the infrastructure and local services will already be in place.

Empty Homes cannot solve housing supply issues alone, but they can be part of a holistic solution to provide local affordable housing and to regenerate communities.

The Scottish Government's 2009 review of the Private Rented Sector identified the need for a national post to support councils who wish to pursue empty homes work. The Scottish Empty Homes Partnership was established to help councils and their partners pursue work to bring private sector empty homes back into use. The project is funded by the Scottish Government and hosted by Shelter Scotland.

The Scottish Empty Homes Partnership began work in June 2010 with a two year lifespan. The project has been extended three times and is currently funded until March 2018.

Since June 2010 much work has been done across the country to promote the value of private sector empty homes work, share best practice from across the UK and help councils to develop policies and processes to bring private sector empty homes back into use.

The process promoted by the partnership has several interlinked steps:

- 1) data collection – finding out where the empty homes are and who owns them
- 2) prioritising – which empty homes to spend time/resources on to meet council goals
- 3) advice and information – providing signposting advice to empty home owners as standard, how to rent, how to sell, how to refurbish
- 4) negotiation – more involved pro-active engagement with owners to encourage them to bring their property back into use



- 5) incentives – using council schemes such as Private Sector Leasing (PSL), rent deposit guarantee, empty homes loans, or grants to encourage owners to bring their property back into use
- 6) enforcement – where all else fails and the property is still presenting an issue for the community, using enforcement to encourage or force an empty home owner to bring their property back into use.

For the first two years of the Partnership's work councils were largely focused on steps 1-3, but over the last four years with the employment of more empty homes officers in more councils, there is now a greater proportion of councils actively engaging in steps 4 and 5 and a small number of councils beginning to look at the use of step 6.

## Methodology

The baseline report referred to above draws heavily on survey data collected for the March 2009 Private Rented Sector Review. For the 2010-11 Annual Report, we created two new surveys, which repeat some of the questions asked in this previous survey, as well as expanding it to collect more and different information in order to measure the progress of the Partnership.

The first survey was distributed to all members of the Scottish Empty Homes Officer Network. It was intended to capture views about the Scottish Empty Homes Network and Partnership as well as views on desired changes in Scottish policy with regards to private sector empty homes.

The second survey, sent to the lead officer for empty homes work in each council, broadly covered the topics addressed in the different sections of this document and attempts to capture a snapshot of private sector empty homes practice in Scotland. In recent years we have also sent a survey to members of the Scottish Federation of Housing Associations asking for information on current involvement in and views of private sector empty homes work.

These surveys have been repeated in April/May each year since. This year, we had our highest survey response rate with all 32 councils responding, though not all respondents answered every question.

In addition to the data collected through these surveys, this report will also draw on a range of other material including:

- Information collected through meetings with Scottish Empty Homes Officer Network members
- Feedback forms submitted at Scottish Empty Homes Officer Network events
- Research included in our previous reports

## **Funding and resources for empty homes work**

Measures of progress in this strand of work can be broken down into two sections, dedicated staff resources and funding for incentives and enforcement measures

### **Dedicated Staff Resources**

Last year we reported a small increase in the amount of staff resource dedicated to empty homes work in Scottish Councils, and the upward trend has continued. In 2014-15, 17 councils had an Empty Homes Officer (either full time or as part of a Shared Services Project). In 2015-16, 19 councils replied in our survey that they had an Empty Homes Officer however two of these respondents went on to report a percentage Full Time Equivalent (FTE) of 10% or less so we have discounted these two responses and we believe it is more accurate to say that the number has remained steady at 17 councils with an Empty Homes Officer. This is however not a static 17. A number of councils exiting from the earliest Shared Services project at the end of 2014-15 are either currently recruiting an empty homes officer or deciding the way forward. They would have been counted as having an Empty Homes Officer last year but not this year. Replacing them are a number of councils that are part of the new shared services projects or who have hired their own full time Empty Homes Officers.

We deliberately asked the question 'Does your council have an Empty Homes Officer?' separately to the question about what percentage of staff FTE the council has in order to reflect the important role of a dedicated Empty Homes Officer. Whether the officer is full time for one council or full time across a number of councils as part of a shared service project the important distinction is that they are focused full time on empty homes work. This full time focus anecdotally appears to be a key indicator of how effective and engaged a council is in bringing empty homes back into use. We are aware that this %FTE figure is due to increase soon as Falkirk and Stirling Councils, currently listed at 50% each have recently each recruited a full time Empty Homes Officer due to take post in July. For the remaining response there is a small but worrying increase in the amount of councils reporting below 10% FTE work on empty homes. We are aware however that one of these councils is hoping to recruit an Empty Homes Officer soon and 3 others are in discussions about future shared

services projects which if successfully established would see these figures move by this time next year. More worrying is that two of the full time Empty Homes Officer posts reported last year as 100% dedicated to empty homes work have this year reported 50% FTE for this post, presumably as they have been drawn into other work of the housing departments in which they are based. While we recognize that councils have limited resources and are aiming to do as much as possible with the staff they have we do feel strongly that officers that do not have a full time focus on empty homes (whether that be between 1 council or 2) will be less effective as they become overstretched and less specialized. Encouragingly one of these councils is currently undergoing internal recruitment for a full time Empty Homes Officer to replace the current EHO and reinstate their 100% FTE status.

**Table 1: % FTE Empty Homes Staff**

<b>% FTE</b>	<b># of Councils 2015</b>	<b>% FTE# of councils 2016</b>
<b>0%</b>	<b>5</b>	<b>6</b>
<b>5%</b>	<b>1</b>	<b>3</b>
<b>10%</b>	<b>2</b>	<b>2</b>
<b>20%</b>	<b>0</b>	<b>1</b>
<b>25%</b>	<b>2</b>	<b>4</b>
<b>30%</b>	<b>3</b>	<b>0</b>
<b>50%</b>	<b>6</b>	<b>8</b>
<b>65%</b>	<b>0</b>	<b>1</b>
<b>100%</b>	<b>6</b>	<b>4</b>
<b>141%</b>	<b>0</b>	<b>1</b>
<b>150%</b>	<b>2</b>	<b>0</b>
<b>200%+</b>	<b>1</b>	<b>1</b>

**Graph 1: Empty homes staffing levels in Scotland 2015/16**

**2 or more Empty Homes Officers**

**Full Time Empty Homes Officer**

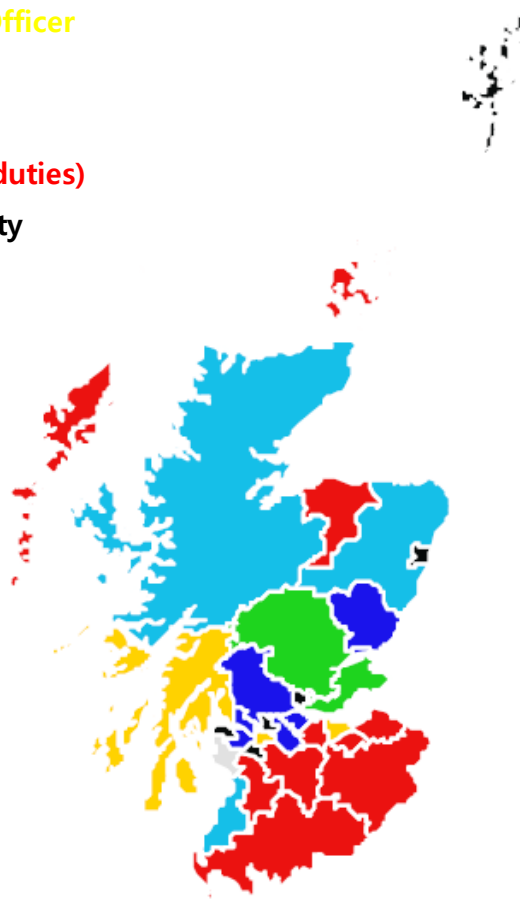
**Shared Services Officer**

**50% Empty FTE**

**5-35% (along with other duties)**

**0% of time spent on empty**

**homes work**



One of the Scottish Empty Homes Partnerships recurring recommendations to local authorities is to employ permanent full time empty homes staff. This year has seen some positive strides made in this regard. Argyll & Bute Council and Highland Council's Empty Homes Officers continue to have permanent posts. As already mentioned both Falkirk and Stirling Councils have recently appointed permanent full time Empty Homes Officers. Perth & Kinross Council's Vacant Property Officer post which had been on a rolling fixed term contract was made permanent this year. North Ayrshire recently appointed a full time permanent Empty Homes Coordinator and Dumfries & Galloway Council is expected to recruit for a permanent Empty Homes Officer at some point this coming year. This is a significant step forward in an environment where many councils are contracting staff and making greater use of short term contracts.

The Scottish Empty Homes Partnership believes that full time Empty Homes Officers in councils will become cost neutral after 1-2 years in post and often will generate revenue for

the council. This link is seen most clearly in the council tax data cleansing work that many empty homes officers undertake as well as council tax debt recovery from bringing long term problem empty homes back into use. There are a range of other monetary and outcome based benefits to pro-active empty homes work. This year the Scottish Empty Homes Partnership produced the Empty Homes Value Tool<sup>2</sup> to help councils to better quantify the value of hiring and retaining an Empty Homes Officer.

## Shared Services Pilots

Since 2012 the Scottish Empty Homes Partnership has instigated and run a number of Empty Homes Shared Services Pilot Projects across Scotland. The model to date has been as follows:

- 2 or more councils agree an empty homes service is needed.
- The Scottish Empty Homes Partnership helps partner councils to submit a proposal to Scottish Government to attract seed fund money from Scottish Government.
- Scottish Government and partner councils agree funding levels.
- The Scottish Empty Homes Partnership at Shelter Scotland or the lead council recruits and line manages an Empty Homes Officer whose time is split across partner councils.
- Pilots have historically had initial one year agreements and all of the projects have subsequently been extended to a second year with reduced Scottish Government seed fund money. The new Shared Services Incubator Model involves an initial two year agreement with Scottish Government seed fund money administered by the Scottish Empty Homes Partnership.
- At the end of the second year it is up to partner councils to fully fund the project should they wish it to continue.

The overall aim of the projects is to provide local evidence of the need for and benefits of an empty homes service. The hoped for outcome is therefore that councils would either continue with shared service arrangements, or better still, hire their own full time Empty Homes staff.

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<sup>2</sup> Scottish Empty Homes Partnership Empty Homes Value Tool

[http://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0005/1219415/Empty\\_Homes\\_Value\\_Tool.pdf](http://scotland.shelter.org.uk/_data/assets/pdf_file/0005/1219415/Empty_Homes_Value_Tool.pdf)

The Homes Again Project, which involved the sharing of two Empty Homes Officers across five councils, lasted just over 3 years (2012-2015) and had a phased end for the various partners, ending officially in August 2015. Fife Council have continued their empty homes work with two part time Empty Homes Officers totalling 141%FTE. Dumfries and Galloway have secured funding for a 100% FTE Empty Homes Officer post and are awaiting the go ahead for recruitment. East Lothian Council has a Housing Enabler who dedicates 25% of her time to empty homes work. Both Scottish Borders and West Lothian councils have reported this year that they have 10% FTE dedicated to empty homes work at their council.

The Homes Again West Dunbartonshire/Renfrewshire Project began in August 2012. It involves one Empty Homes Officer shared between the two councils. The project has recently been extended.

The Forth Valley Empty Homes Project, initially Falkirk, Stirling and Clackmannanshire, began in 2013 and was extended to a second and third year by Falkirk and Stirling Councils (with Clackmannanshire choosing not to continue). This third year saw council partners take over management of the Empty Homes Officer. Rather than continue to a fourth year of sharing one full time officer both Falkirk and Stirling Councils have recently appointed a full time Empty Homes Officer, doubling the empty homes service for each council. The two full time officers will take up post mid-July 2016.

Allyson Allison has been the Regional Empty Homes Officer for the Forth Valley Empty Homes Project since 2013. She was seconded to Shelter Scotland for the first two years and managed by Falkirk Council as lead partner for the third. As well as winning a number of Scottish Empty Homes Champion of the Year Awards for her work, at the end of the third year of the project Allyson was also awarded a Practitioner of the Year Award at the English Empty Homes Network's Birmingham Conference. The award is UK wide and a real achievement for Allyson, the Forth Valley Empty Homes Project, and Scottish empty homes work. Over the course of her three years with the project Allyson brought over 300 empty homes back into use across the partner councils and brought in £369,000 of council tax revenue through data cleansing and debt collection.

The Lanarkshire's Empty Homes Project began in 2014 and after the first year of North & South Lanarkshire Councils sharing one Empty Homes Officer, North Lanarkshire Council decided to appoint their own full time Empty Homes Officer. The project continued for another six months with South Lanarkshire retaining a 50% Empty Homes Officer. In February 2016 the South Lanarkshire Officer left post and the project is currently suspended awaiting the outcome of South Lanarkshire Councils restructure. The North Lanarkshire full time Empty Homes Officer remains in post.

The Glasgow Empty Homes Project began in August 2015. The project is a first in that the shared service partners are a council and a Housing Association rather than two councils. Glasgow City Council and Glasgow Housing Association (GHA) are the key partners. The Scottish Empty Homes Partnership manages the full time Empty Homes Officer based at the council. Along with regular proactive empty homes work, Glasgow Housing Association provides information to the officer about areas of the city where they are interested in acquiring stock and the officer is able to approach empty home owners in these areas with a range of options for bringing their home back into use, one of which may be purchase by GHA. The officer also has links to other local housing associations and can make referrals on a similar basis.

The Dundee/Angus Empty Homes Project is the newest project which began in December 2015 with one full time Empty Homes Officer shared between Dundee City & Angus Councils.

The Partnership is currently in discussions with potential partners for two new Shared Service Projects to begin in the financial year 2016/17.

### **Funding for Incentives and Enforcement measures**

Funding for empty homes incentives and enforcement measures remains an area which is under resourced. However in the past couple of years the sector has seen significant increases in this area, primarily through the new Vacant Dwelling Council Tax Powers, the Scottish Government's Empty Homes Loan Fund, the Town Centre Empty Homes Fund and the recently opened Rural Housing Fund.

### **Vacant Dwelling Council Tax Powers**

One way councils can raise money to pursue private sector empty homes work is through varying the council tax discount on long term empty properties. Previously councils had the power to vary this discount between 50% and 10%. This power was added to as a result of the Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012.

The Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 was commenced in April 2013. The Act and the associated regulations give councils the power to remove this discount altogether after a property has been empty for 1 year and in addition,

to charge up to 100% extra council tax on long term vacant properties that are not subject to any of the stated exemption categories<sup>3</sup>.

For properties not subject to set exemptions councils choosing to use these new powers have discretion under the legislation to exempt owners/properties from the charge. New guidance was issued by the Scottish Government in March 2015 giving further clarity to this discretion and highlighting a number of areas where councils might considering using this flexibility including:

*Any other circumstances where the owner has agreed with an Empty Homes Officer to take positive steps to re-occupy their property and it is in the view of the Empty Homes Officer that a time-limited council tax increase “holiday” would encourage the property to be brought back into use sooner.*

The Scottish Empty Homes Partnership believes this is a positive piece of guidance and has encouraged councils to involve their Empty Homes Officers in these discretionary decisions. We know that several councils have implemented such council tax ‘holidays’ to good effect, enabling them to engage with owners and bring more empty homes back into use quicker.

#### **Manager’s Discretion Case Study - Fife**



This property has been empty for at least 13 years. It is a B-listed property and is in such a bad condition that it was essentially only a shell. The current owner bought the property in March 2015, with the intention of selling their old property to raise funds in order to renovate this property, and hopefully move in once works were complete.

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<sup>3</sup> Exempt properties include those being actively marketed for sale or let for up to 2 years. See [The Council Tax \(Variation for Unoccupied Dwellings\) \(Scotland\) Regulations 2013](#).



In the meantime, the owner was being charged 200% council tax as the property had been empty for such a long time, and was no longer eligible for further vacant dwelling discounts. The owner was referred by the council tax department to the Empty Homes Officer at Fife, who came out and inspected the works required, and agreed with the owner that whilst they were awaiting the sale of their current house, they shouldn't be charged the extra amount. A recommendation was made by the EHO to the council tax department, asking for Manager's Discretion from the variation charge for three months.

This was granted, allowing them to start work earlier than previously planned. Their current property sold not long after the discretion was awarded, allowing major works to proceed, and the property is now nearing completion.

Case study provided by Joanne Saurin, Empty Homes Officer, Fife Council.

The Scottish Empty Homes Partnership has consistently argued that councils taking advantage of these new powers should recycle at least a proportion of the revenues collected to develop their empty homes offering to owners, in order to provide the needed balance of carrot and stick that will bring more empty homes back into use. It is of course for individual councils to have internal discussions about where any revenue raised is allocated but these new powers do at least provide an opportunity for new money to be raised that could be allocated towards empty homes work.

According to our research, this year 20 councils are applying the vacant dwelling council tax powers with 17 applying the full 100% increase at this point. Of the three councils who charge more than 100%, but less than 200%, two are staggering the full increase and both will be charging that from 1<sup>st</sup> April 2017. One council is charging 130%. This now means that the majority of councils in Scotland are making use of this power to at least some extent.

Updated information on the amount of revenue this variation charging has raised for councils is due to be available from the Scottish Government in a number of weeks. We hope to have an oral update at the June Advisory Group meeting.

### **Empty Homes Loan Fund**

In 2013, 17 projects across Scotland were allocated £4.5m under the Scottish Government's Empty Homes Loan Fund. Projects vary but the majority are run by local authorities or housing associations and all are aimed at bringing long term empty homes back into use for a minimum of 5 years affordable housing. Management arrangements vary across the

projects but the vast majority involve a loan to the empty home owner to bring the property up to a lettable standard in exchange for the property being let out at an affordable rate (below LHA rates) for at least 5 years. Many projects have struggled to attract interested owners and in 2014-15 the Scottish Government extended terms to many projects to include the option of a loan to sell at affordable levels alongside the existing model.

We are aware of 10 councils who have used loans to successfully bring empty homes back into use. This number included Argyll & Bute Council who run their own empty homes loan scheme outside of the Scottish Government fund but with the same tie to the provision of affordable housing.

The Scottish Government's latest figures are that around 52 units have been brought back into use via the Empty Homes Loan Fund since 2013. In an effort to drive take up the Scottish Government introduced a loan to sell (at affordable levels) option and is currently exploring whether successful models, such as the Glasgow Housing Association Loan Fund in partnership with Glasgow City Council, can be replicated elsewhere.

#### **Empty Homes Loan Fund Case Study – Glengate, Kirriemuir**



This property had been empty for 2.5 years when the Empty Homes Officer (EHO) engaged with the owner. The main reason that the property was vacant was because flooding had previously occurred, and due to this the ceilings, walls and internal fittings needed replaced.

The owner was struggling to fund the necessary repairs to bring the property up to the repairing standard. The EHO discussed the options with the owner and suggested the council's Empty Homes Loan Fund. The EHO discussed the options with the owner and suggested the council's Empty Homes Loan Fund. Once the loan agreement was in place the EHO also engaged with the revenues department to secure a reduced council tax charge for a period during the renovations.

The renovation was completed in March 2016. The cottage's internal layout was drastically changed and all the furnishings including the kitchen and bathroom were replaced to improve the desirability of the cottage and bring it up to the repairing standard.

The EHO then provided advice and information to the owner about renting the property out. The property was successfully let out at an affordable rent in May 2016.

Case study provided by Sean Maxwell (Empty Homes Officer) and Colin McGarva (Strategic Housing Officer), Angus Council.

## **Town Centre Empty Homes Fund**

The Town Centre Empty Homes Fund opened for bids in June 2015, with ten successful bidders announced in December 2015. The £4m fund was comprised of equal portions of grant and loan funding (£2m each) and bidders had to be a legally constituted body. Bids were only eligible from areas ranked between 1 and 4 on the Scottish Government's six fold urban/rural classification<sup>4</sup>, and were intended to have a specific focus on regenerating town centre areas, removing blight properties and providing affordable accommodation at the same time.

All properties brought back into use through the fund must be either let at affordable rates for a minimum of five years or sold at an affordable level. The successful bidders comprised Housing Associations and private development companies, and covered 7 different local authority areas, with a target for 86 units of affordable housing in total to be provided across all the different projects.

The Scottish Empty Homes Partnership assisted bidders with advice about applications and will continue to assist successful projects where needed.

## **Rural Housing Fund**

The £25m Rural Housing Fund<sup>5</sup> was launched in February 2016. This is a three year rolling fund and is open to bids from any legally constituted body. The aim of the fund is to increase the provision of affordable homes in remote rural locations over the life the fund,

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<sup>4</sup> <http://www.gov.scot/Topics/Statistics/About/Methodology/UrbanRuralClassification>

<sup>5</sup> <http://news.scotland.gov.uk/News/-25m-for-affordable-homes-in-rural-Scotland-2303.aspx>

therefore only properties from areas ranked between 4 and 6 on the Scottish Government's urban/rural 6 fold classification are eligible.

Unlike the Town Centre Empty Homes Fund, this fund is not limited purely to empty homes, but can be used to help renovate empty properties so that they can be brought back into use. The fund has two components. The main one offers capital support (grant and loan) to enable the direct provision of new affordable housing and refurbishment of existing empty properties. A second, smaller component provides a contribution to feasibility studies.

Both the three year rolling element of the fund and the feasibility funding element are in line with recommendations made in our Empty Homes Financial incentives Recommendations Paper and we see these elements as positive additions which will make the fund more sustainable and more viable for an increased number of candidates. The Scottish Empty Homes Partnership was consulted in the drafting of the feasibility fund guidance and we feel the fund will benefit a wide range of bidders who need additional investigation to put forward viable bids to the main fund.

## **Bringing empty homes back into use**

### **Data Collection**

One of the first steps to bringing private sector empty homes back into use is producing a picture of how many empty properties are in a given council and where they are located. It is this data that is the basis of active engagement with empty home owners.

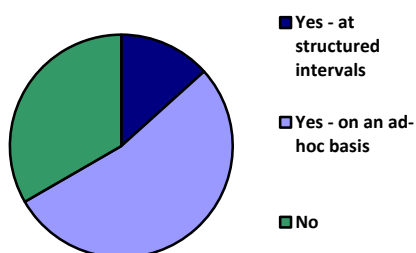
This year the number of councils keeping a private sector empty homes database has increased from 25 to 26, according to survey responses and discussions with councils. Unfortunately 3 councils who previously had an updated empty homes database are now reporting that they can't maintain it due to lack of staff resources and 1 council that previously had an empty homes database is not maintaining it as their loan fund is only available in certain areas and a decision had been taken not to write out to owners.

Once again this year council tax is listed as the main source of data for empty homes databases in Scotland, followed by direct engagement with owners and local surveys to owners, with information from other council departments and complaints also regularly being included.

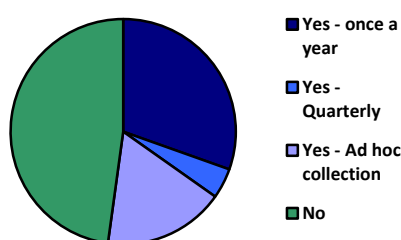
As well as the number of councils collecting data we also ask survey respondents about the frequency with which this data is updated. This can often be a reflection of the level of engagement a council has with empty home owners as a greater engagement requires more accurate and up to date data.

Of those who said they do not hold an empty homes database the reason was invariably stated as 'Don't have the staff resources to compile/maintain' with one council also saying they 'Don't need/want one'.

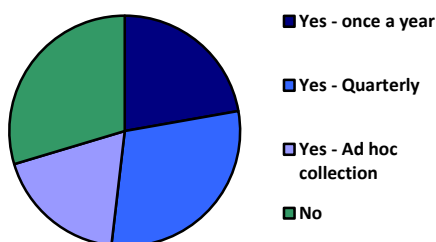
**Chart 1 - Data Collection 2009**



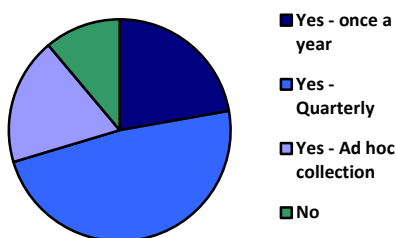
**Chart 2 - Data Collection 2011**



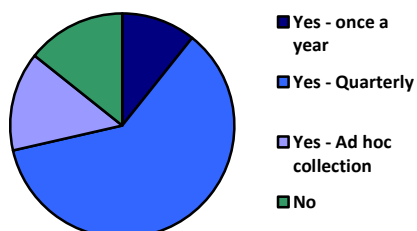
**Chart 3 - Data Collection 2012**



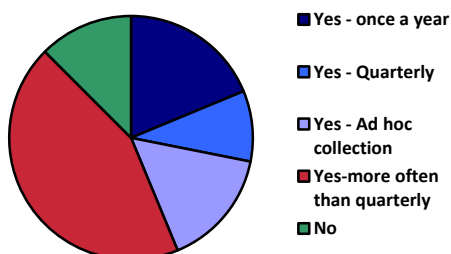
**Chart 4 - Data Collection 2013**



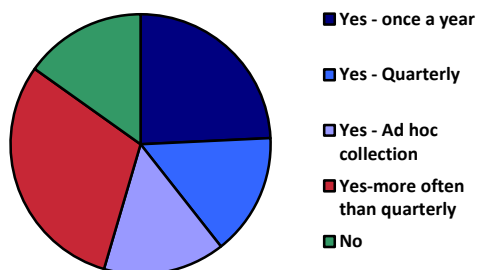
**Chart 5 - Data Collection 2014**



**Chart 6 - Data Collection 2015**



**Chart 7 - Data Collection 2016**



We also asked councils what they use this data for. Some notable results include:

- 18 councils said they used their database as their case management system.
- 20 councils replied that they use this data to send out information to owners about working with the local authority to bring their empty home back into use.
- 12 councils use it to cross-check the current status of properties they receive complaints about
- 14 councils replied that they use it to prioritise empty homes for pro-active intervention from the council, up from 9 councils last year.

These figures are important as they are indicators of the continuation of a more in-depth engagement with empty home owners that we reported last year. It is this in-depth engagement that brings empty homes back into use. In line with the results about turnover in staffing in some councils it is clear from the frequency of data collection results that a few councils have engaged less with their database this year than last year. Hopefully the impending recruitment in some of these councils will see this figure improve next year.

## Complaints about Empty Homes

This year the Scottish Empty Homes Advice Service was launched. The Advice Service is a single national contact where empty homes can be reported across Scotland. This year the Advice Service received 130 complaints about empty homes, all of which were passed on to the relevant council contact with ongoing follow ups after that.

Councils will also receive complaints directly from members of the public as well as elected members. The Table below details how councils deal with these complaints.

**Table 2: Council response to reports and complaints from any source**

Statement	# of councils				
	2012	2013	2014	2015	2016
<b>My council has a set process for responding to reports.</b>	16	22	27	29	30
Of which:					
<b>I respond to reports as soon as I receive them</b>	12	16	19	24	25
<b>I respond to reports within a set period of time</b>	4	6	8	6	5

#### **Case study from Perth & Kinross – Community complaints**



Community concerns were raised about a long term empty property in the centre of Alyth that had been unoccupied for over 6 years. It had become an eyesore and target for vandalism in the centre of town. This property has been one of the Council's longest running, most complained about long term empty properties.

The property was affected by fire and flood damage and the owner appeared to have just left the property, with no indication why. Grafton Online tracing service was used as was the commencement of CPO investigations with an advert being placed in the local newspaper to try and trace the owner. The Council even applied for and received some funding from the Scottish Government for CPO

expenses. Numerous letters were written over the last 2 years and checks were done including bank, prison and death records. The owners name was known but checks didn't lead to a current address. The trail even led to Stornoway in the Outer Hebrides but the owner had moved on again. Numerous members of the public contacted the Council to express interest in buying the property so there was clearly demand.

Eventually a mortgage with RBS was found to be attached to the property and contact was made; this led to the property being repossessed in July 2015 and sold on through Auction House Scotland in August 2015. This saved the Council the time and expense of initiating CPO proceedings. They then gave Auction House Scotland their details and asked them to advise the buyer of the service. After the property was bought at auction, the buyer of the property was contacted and the Empty Homes Initiative, builders merchants' discounts, VAT discounts and vacant property feasibility funding (all of which the property was eligible for), were discussed.

The new owner is involved in a buy-to-let business and agreed that they would renovate the property and receive a grant from the Council's Empty Homes Initiative in order to help bring the property back to repairing standard and that they would allow the property to be rented out through the Rent Bond Guarantee Scheme at an affordable rent. Currently the Rent Bond Team are looking at allocating the property as soon as possible.

Case study provided by Katrina Morrison, Vacant Property Development Assistant, Perth & Kinross Council.

## Strategies

In previous reports we have tried to establish the extent to which councils are prioritising private sector empty homes work. One way of measuring this is to track whether councils have highlighted empty homes work in their Local Housing Strategies, Private Sector Housing Strategy or via distinct empty homes strategies.

### Local Housing Strategies

Local Housing Strategies (LHS) form the basis of a council's approach to housing issues, including housing supply, homelessness support and their scheme of assistance. While councils will take their own decisions as to what role empty homes work might play in meeting their goals, it would seem sensible that where empty homes work is pursued, the basis for this work should be found in the Local Housing Strategy. Indeed there is a strong case to be made for the role that filling empty homes can play in meeting the outcomes that councils have highlighted in these strategies such as:

*'increasing the supply of affordable housing'*



*'to develop mechanisms to improve choice and access to affordable housing across all tenures'*  
*'to stimulate demand in areas that are less popular or have investment needs'*  
*'Promoting a mix of housing tenures and types to meet the needs of all communities'*

Starting with the research to compile our baseline report in 2010 we have carried out a desktop review of councils' local housing strategies each year. Our baseline report found that 16 had some mention of private sector empty homes, rising to 17 in 2011. In 2012 there was a significant improvement, following the refresh of a number of Local Housing Strategies and a repeated desktop review found that 24 councils had some mention of private sector empty homes.

This number has continued to grow in the last two years so now all but Dundee City and East Dunbartonshire include some mention of private sector empty homes work in their local housing strategies. Over time, these mentions have in many cases become more in depth, including more specific action points and target setting – 15 councils now include a specific numeric or percentage target for empty homes brought back into use (up from 10 last year), and a further 3 a less specific target to "reduce" or "decrease" the number of empty homes. Some local housing strategies that have been recently updated have also increased their targets.

### **Other strategies**

There may be other places, either in addition to or underpinning Local Housing Strategies, where councils have articulated a commitment to empty homes work. The most likely places where this could be found are within a council's Private Sector Housing Strategy or in a stand-alone Empty Homes Strategy.

Of those that responded to this year's survey, 11 councils indicated they had a specific Empty Homes Strategy or Action Plan in place (up from 10 last year). One council answered that an Empty Homes Strategy was being developed and would be appended to the upcoming Local Housing Strategy and another council indicated they would also be including empty homes in their next Local Housing Strategy.

## **Empty Homes brought back into use 2015-16**

One difficulty for the Scottish Empty Homes Partnership as a capacity building project with no statutory powers to compel reporting is our ability to accurately reflect the number of empty homes being brought back into use through the engagement of councils with empty home owners. However our involvement with the empty homes shared services projects and links with other officers through the Scottish Empty Homes Best Practice Group has provided us with significant amounts of data from the majority of the most active councils undertaking empty homes work. We are aware our data is likely to still be incomplete but believe it is getting more accurate year on year.

Our best estimate of the number of private sector empty homes brought back into use in the last financial year through direct intervention by councils is 697. Last year the reported figure was 558. This is based on survey data as well as case studies submitted to the Scottish Empty Homes Officer Network Knowledge Hub. The councils involved have case notes and other evidence to show that these 697 properties were brought back into use as a result of engagement by council staff with empty property owners. This number does not include empty home owners who brought their homes back into use as a result of council tax changes on vacant dwellings but didn't contact the council for help. The highest reported number of homes brought back into use by any one council was 149 and the lowest (above 0) were 2 councils reporting 1 each.

From the data received by councils using our case closing data analysis tool we know that (based on those councils) the average length of time a home brought back into use had been empty was 29 months. The average time it took for an Empty Homes Officer to bring a property back into use from time of first engagement was 7 months.

We are aware of a further 62 empty homes brought back into use by charity and social enterprises in the last year, though we believe this is likely to be a significant undercount as we do not have the same network for voluntary reporting as exists for councils.

## Empty Home brought back into use by a Social Enterprise



This 17 year empty came on to the open market in October 2015 in a derelict condition. Homes for Good Investment purchased it as their biggest turnaround project to date. On taking ownership of the property, they worked closely with their chosen contractors to ensure they carefully planned the project within budget and that it was completed on time.

A house that has been lying derelict for this period of time is always a challenge and they prepared for unforeseen problems. In the end, the early due diligence carried out at purchase stage paid off as there was only some rot to contend with in roof beams and the loft area, although severe weather from November to January did create unexpected delays.

The property was completely re-roofed and sections of the exterior were cleaned down and repainted. New windows and doors were installed along with new plumbing and a full rewire to meet modern regulations and safety standards. Gas Central Heating was installed in the property, ensuring a reliable and efficient system was in place for the new tenant. A modern bathroom and dining kitchen were fitted, ensuring the house appealed to a range of potential tenants. It was then completely redecorated from top to bottom, with new flooring.

The property has been let out at a mid-market rent.

Case study provided by Homes for Good



## Empty Homes Targets

Last year we reported 22 councils with a specific target for bringing empty homes back into use. This has remained unchanged this year. This number is different to that stated above in the section on strategies as not all of these targets are included explicitly in Local Housing Strategies.

## Use of interventions

In previous surveys we have asked councils about what types of interventions they have used. The table below shows the progression from last year's answers about what types of interventions have been used successfully by councils.

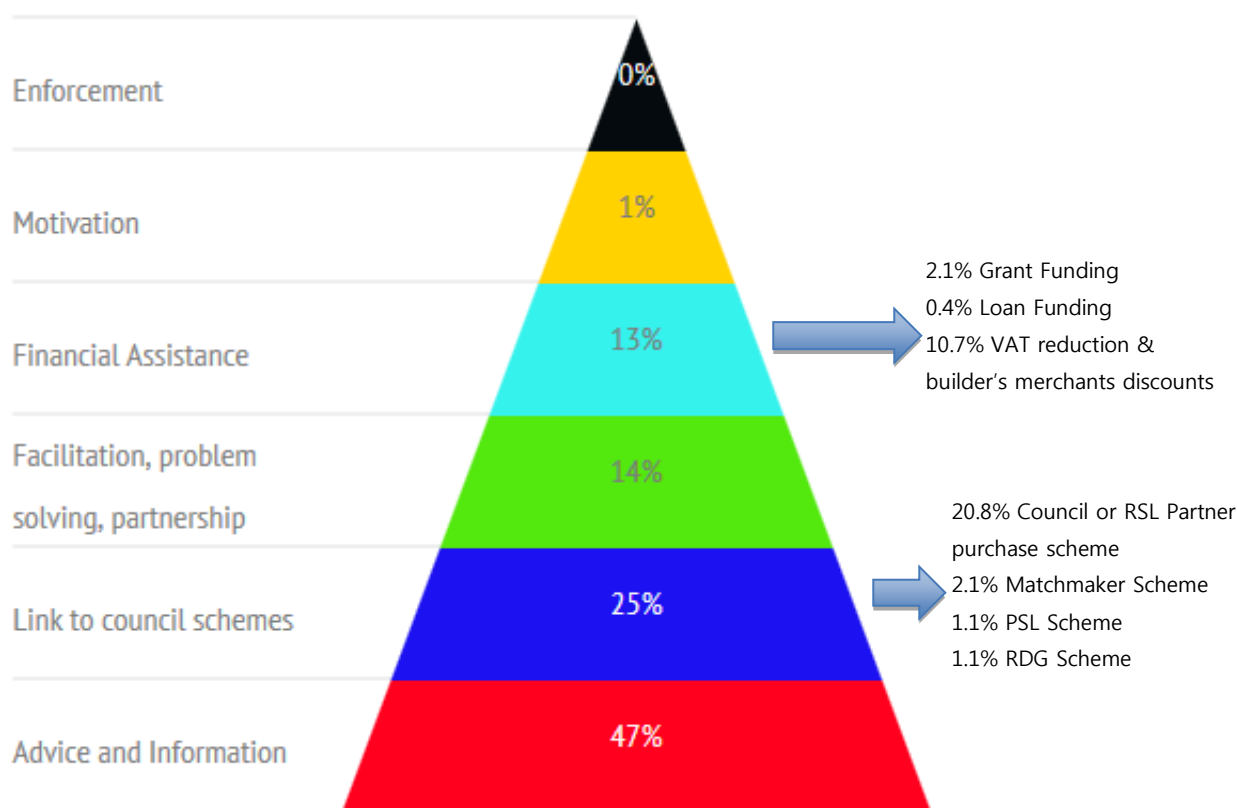
**Table 3: Interventions used by councils**

Intervention	# of councils who have used				
	2012	2013	2014	2015	2016
Writing to owners	5	17	20	21	21
Providing advice and assistance	10	20	21	20	19
Conducting a survey	6	14	15	13	9
Private sector leasing	2	4	2	5	7
Rent Deposit Guarantee Scheme	5	7	8	9	7
Grants	5	4	4	5	7
Loans	0	2	5	10	14

Five councils also reported they had used enforcement or the threat of enforcement in the last year. Although not reflected in survey results the Scottish Empty Homes Partnership is aware of 6 councils who this year created a suite of information and advice for empty home owners.

Graph 2 below shows a breakdown of how councils reported successfully bringing empty homes back into use in Scotland this year. The data includes submissions from the Scottish Empty Homes Partnership Case Closing Analysis Tool as well as survey responses. This detailed breakdown was received from twelve councils so cannot be seen as fully representative of the national picture but it is the best data we are able to gather about what has been effective.

**Graph 2: Ways empty homes have been brought back into use by councils in Scotland 2015/16**



#### Case Study – Advice & Information

The Empty Homes Officer (EHO) first got in with the owner of a 7 month empty home in February 2016 after the property was highlighted to the EHO through a referral from the Empty Homes Advice Service.

The property had been for sale for 7 months and the owner had only had 2 viewings. She initially asked for help selling. The EHO looked at the prices that other flats had sold for in the area and explained to the owner it was most probably to do with the price that the flat wasn't selling. The owner needed £40,000 more than what flats were selling for to break even, and she simply could not afford to drop the price to market value. The flat was in walk in condition, near local amenities and with great transport links, so the EHO suggested that the owner rent the property until the housing market picks up. The owner did not want to be responsible for managing the flat so the EHO spoke to her about using a letting agent. The owner was convinced by this idea and put the property up for rent with an agent. The flat was snapped up very quickly and was rented out to two Pilots due to its close vicinity to the airport.

The owner was thrilled to not have to worry about the flat anymore and thanked the EHO for her help.

Case study details supplied by Kathryn Kelly, Empty Homes Officer, Renfrewshire Council

## Enforcement

In this year's survey we asked councils if they had used enforcement as a method to bring empty homes back into use. 5 councils said they had used enforcement successfully. When asked what form this enforcement had taken, responses included 'instructed CPO', 'amenity notice', 'building standards repair notice' and 'closing order'

This year we asked councils how many 'no hope' empty homes cases they had in their databases. This means essentially cases where there has been no reply from owners or no possibility of obtaining contact details despite many efforts. Councils reported that collectively they had 170 no hope cases, but not all councils responded to this question and anecdotally we believe the number to be significantly higher.

In this year's survey 19 councils said they would find the introduction of a Compulsory Sale Order Power for vacant property to be useful. Most of these respondents ranked this 'Very Useful'.

### No Hope Case Study – Troon, South Ayrshire



South Ayrshire Council officers have been trying to engage in a meaningful way with those responsible for this property for over 4 years, first with the owner, and subsequently with her son who is now executor of her estate. The property has deteriorated to an even worse state of disrepair since the photograph was taken. The garden is completely overgrown and there is severe damage to the soffits and fascias which are rotting due to lack of repair. Mail is piled up as high as the letterbox and the back door has had to be boarded up to prevent local kids getting access to the empty home. Councilors have been making enquiries and neighbours complaining about the site attracting vermin. Council officers have engaged with both mother and son in the past until the mother passed away and the son left the district. The son was traced to an address out-with the district and did engage briefly for a time but not sufficiently to address his problems and has again fallen off the radar. Advice and assistance has been provided by Environmental Health Officers, Housing Allocations Team and

attempts to resolve the problem by matching a potential buyer have all failed to achieve a positive outcome to this case. A Compulsory Sale Order would be a welcome resolution.  
Case study provided by Lesley Cockburn, Policy Officer, South Ayrshire Council

## Partnership Working

One of the ways the Scottish Empty Homes Partnership seeks to add value for councils is by facilitating relationships and making connections between people, organisations and their shared goals. In this year's survey we asked councils what partners they had worked with in relation to bringing empty homes back into use.

**Table 4: Partnership Working**

Partners	# of councils who have worked with partners in relation to empty homes
Housing Associations	14
Private Developers	12
Other Councils	10
Community Planning Partners	6
Other private companies	6
Community Associations	4
Social Enterprises	5

Links to Housing Associations is one area where much greater partnership working has been observed over the past two years. A number of the Empty Homes Loan Fund Projects involve partnership working between Housing Associations and councils. The Scottish Empty Homes Partnership is also aware of a greater number of discussions and formal referral agreements being made between Housing Associations and councils with regard to empty homes repair and management schemes.

We asked council lead officers for more details of how Empty Homes Officers had worked with partners and were given the following examples:

- *'RSL purchase of a high profile empty property.'*
- *'working in partnership with a number of housing associations across the four priority areas designated by [the council]'*.
- *'Collaborative partnership working. We have been able to make use of other funding streams such as the Heritage Trust and the Empty Homes Initiative which comes from other organisations and departments. Working with Development Trust and Private Developers on long term empty commercial buildings.'*
- *'Private developers: Town Centre Fund, bringing project of 19 units back, also improving the local area. Matchmaker - giving owners another option Other private companies: Starting initial pilot with Umega lettings -*



*giving owners who want to sell or rent that may be in financial difficulties another option. Community Associations: Local YMCA - looking to link up empty home owners who want to sell with YMCA who have received funding from the Nationwide fund.'*

- *'The Council has an arrangement in place with an RSL, with the RSL acting as the Managing Partner. This means that the RSL will be responsible for renovating, maintaining and managing any empty home to be brought back into use. This working arrangement meant that empty homes owners are spared the stress and hassles of having to manage the process of renovation and maintenance on the property. This the Council felt, would create value for the project.'*
- *'contact with partners who I work with on other projects/programmes. This approach has helped spread the word and information on empty homes.'*
- *'Partnership working with other local authorities, using closely related councils to find interested buyers through their Matchmaker Scheme'*

#### **Partnership working in the Southside of Glasgow**

The Glasgow City Council Acquisition Strategy identified key areas of the city where issues in private sector housing had been identified. The strategy aimed to assist with regenerating these areas and involved working in partnership with various local housing associations.

Glasgow City Council's Empty Homes Officer worked with different partners within the council including the Development Section and the Private Sector Housing Team in the delivery of strategy.

One area of focus was Southside. The Empty Homes Officer worked with Southside Housing Association to bring properties in the area back into use as social housing stock. Empty properties were identified through council tax records, as well as identifying properties which were up for sale in the area. Two owners were also identified through the matchmaker scheme.

Southside Housing Association then approached the owners with offers to buy their properties. 29 acquisitions of empty homes went ahead. Through this process Southside Housing Association will be able to achieve positive outcomes including the appointment of factors, introduction of planned maintenance of tenements, facilitation of common repairs, ensuring owners take out common building insurance, and support for factors and owners through the use of maintenance orders, missing shares legislation, and repairs grants.

These 29 properties that had been empty for various lengths of time were refurbished and let out in March 2016.

Case study details supplied by Barry Sheridan, Empty Homes Officer, Glasgow

## **Sharing Best Practice**

### **The Scottish Empty Homes Officer Network**

Along with the specific detailed survey to empty homes lead officers, we surveyed the members of the Scottish Empty Homes Officer Network to ask their opinions on the work of the Partnership.

We asked members to rate the usefulness of different types of tools and support provided by the Partnership. Not all respondents answered every question.



**Table 5: Perceived usefulness of Scottish Empty Homes Partnership support**

Tool/Support	# stating:		
	'very useful' (5 of 5 point rating)	'useful' (3 or 4 of 5 point rating)	'not useful' (1 or 2 of 5 point rating)
Guides & Tools	20	16	1
Empty Homes Advice Service	16	20	3
Scottish Empty Homes Conference & seminars	11	22	3
One to one advice from SEHP staff	16	19	2
Staff Training	9	18	4
Knowledge Hub	15	22	0
Best Practice Group	13	16	0
Local Project Service	0	6	4

### **The Scottish Empty Homes Conference 2015**

In November 2015, the Scottish Empty Homes Partnership held its fifth Scottish Empty Homes Conference in Edinburgh. The theme of the event was 'local effort, local impact' which highlighted some of the initiatives currently underway around the country by community groups and social enterprises. The event was well attended with 95 delegates ranging from councils, to private landlords, housing associations and community groups.

The keynote speaker for the event was George Clarke, who talked passionately about the problems empty homes can cause in communities and the value of empty homes work. Later, Margaret Burgess MSP, Minister for Housing and Welfare spoke about Scottish Government initiatives such as the Town Centre Empty Homes Fund, and their impact on reducing the number of empty homes overall across Scotland. Phil Prentice from Scotland's Towns Partnership discussed some of the links between empty homes and town centre regeneration. Susan Aktemel discussed the work that her social enterprise Homes for Good has done in bringing empty properties back into use for those most in need, whilst David Mullins from the University of Birmingham reviewed the Empty Homes Community Grants Programme which was run in England from 2011 until 2015.

A number of respondents to our feedback form reported that the conference would influence their practice in some way, with comments including:

- *Greater awareness & understanding of knowledge available and how to access that network.*
- *New contacts, new ideas.*
- *Share what I have learned with my fellow councillors & officers.*
- *It has made me more aware of other projects and practise which I would like to explore for my own area.*
- *Continue to use Knowledge Hub & to liaise with other Local Authorities for best practice.*
- *Yes, better informed and I now have more contacts.*
- *Made me aware of the need to personally contact housing officers from each LA that I am interested in working in. Each council seems to have a different way of working.*
- *Yes – useful to think of innovative ways and collaboration on bringing empty homes back into use.*
- *Hopefully this will put empty homes onto the agenda in East Renfrewshire.*
- *I met Robyn Barrie (Edinburgh CC EHO) and we agreed a plan of action regarding 2 empty homes in my local area. I have a better understanding of the next steps after today.*
- *Today's event has left me feeling very positive and even more committed to bringing empty homes back into use.*

## **Staff Training**

The Scottish Empty Homes Partnership offers empty homes induction training sessions to all councils and other organisations who require it. This training is designed to be flexible depending on the needs of the organisation. Along with the formal training the Partnership offers to arrange shadowing days with an experienced Empty Homes Officers in another council.

The one day induction training currently includes modules on:

- Introduction to the Scottish Empty Homes Partnership
- Data, priorities & contacting owners
- Working with owners & recording impact
- Developing an Empty Homes Strategy
- Sharing the learning

Whilst the course is adapted to suit the needs of individual councils, in all cases it seeks to give staff the theory and practical tools to take forward the empty homes process outlined in the background section of this report, and to achieve locally set empty homes objectives and targets. In addition, managers as well as officers are invited to take part in the training in order to better understand the issues their staff are likely to be facing as they start to tackle empty homes work.

This year, training has been provided for staff working in the following councils and organisations:

- Inverclyde Council
- Moray Council
- Edinburgh City Council
- South Ayrshire Council
- Glasgow City Council (Shared Services Officer)
- Dundee City Council and Angus Council (Shared Services Officer)
- North Ayrshire Council

The offer of training will remain open to all councils (or council partners) who are embarking on empty homes work. The training materials are constantly being updated and opportunities to open up training to new groups, such as social enterprises and community groups.

### **Best Practice Group**

The Scottish Empty Homes Best Practice Group has been in existence for nearly four years, holding its first meeting in August 2012. This group is open to all empty homes staff. The group meets bi-monthly and is dedicated to the discussion of topical empty homes issues impacting on the day to day work of members, as well as the exchange of best practice lessons.

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There are approximately 16 regular attendees with other members attending as they are able. Positive feedback has been received on the usefulness of the group (see figures above in Table 6). The group is perceived to provide a much needed forum for exchanging knowledge and practical tips as well as contributing to the cohesiveness of the empty homes professional sector in Scotland. Members regularly contribute agenda items and have discussed issues surrounding supply of funding initiatives, such as the Rural Housing Fund (see above). Other issues such as comparing the ways different council tax departments class certain properties, the effects of the vacant dwelling council tax powers on empty homes

work in different areas, and the experiences officers have had working with people-finding companies.

In September 2015, the first Northern Best Practice Group was held in Aberdeen, with the specific focus on all those northern empty homes practitioners who would otherwise struggle to attend meetings in the central belt. The first meeting was attended by three practitioners from three different councils, and two further meetings have subsequently been held, with four practitioners now regularly attending. At least two other practitioners have expressed an interest in attending future meetings, whilst another two have asked for information discussed at the group to be shared with them. All four regular attendees rated the Best Practice Group as 'Very Useful' with a score of 5 out of 5. Some of the answers included the fact that officers appreciated being able to discuss empty homes issues with other officers, and cited increased knowledge of wider empty homes issues as a benefit of attending the meetings.

### **Empty Homes Advice Service**

The Empty Homes Advice Service was launched in June 2015. The part time Empty Homes Adviser runs a dedicated national helpline for anyone looking to report an empty home, get information about how to bring their own empty homes back into use or otherwise get more information about empty homes work in Scotland.

In the first year of the service the Empty Homes Adviser updated the Scottish Empty Homes Partnership's suite of first level advice leaflets for empty home owners (the same templates given to new Empty Homes Officers in councils) and established relationships with local empty homes services in councils, gathering information about loans, grants and other incentives available in different locations across the country.

The service has primarily been marketed through Shelter Scotland media work as well as industry newsletters and events.

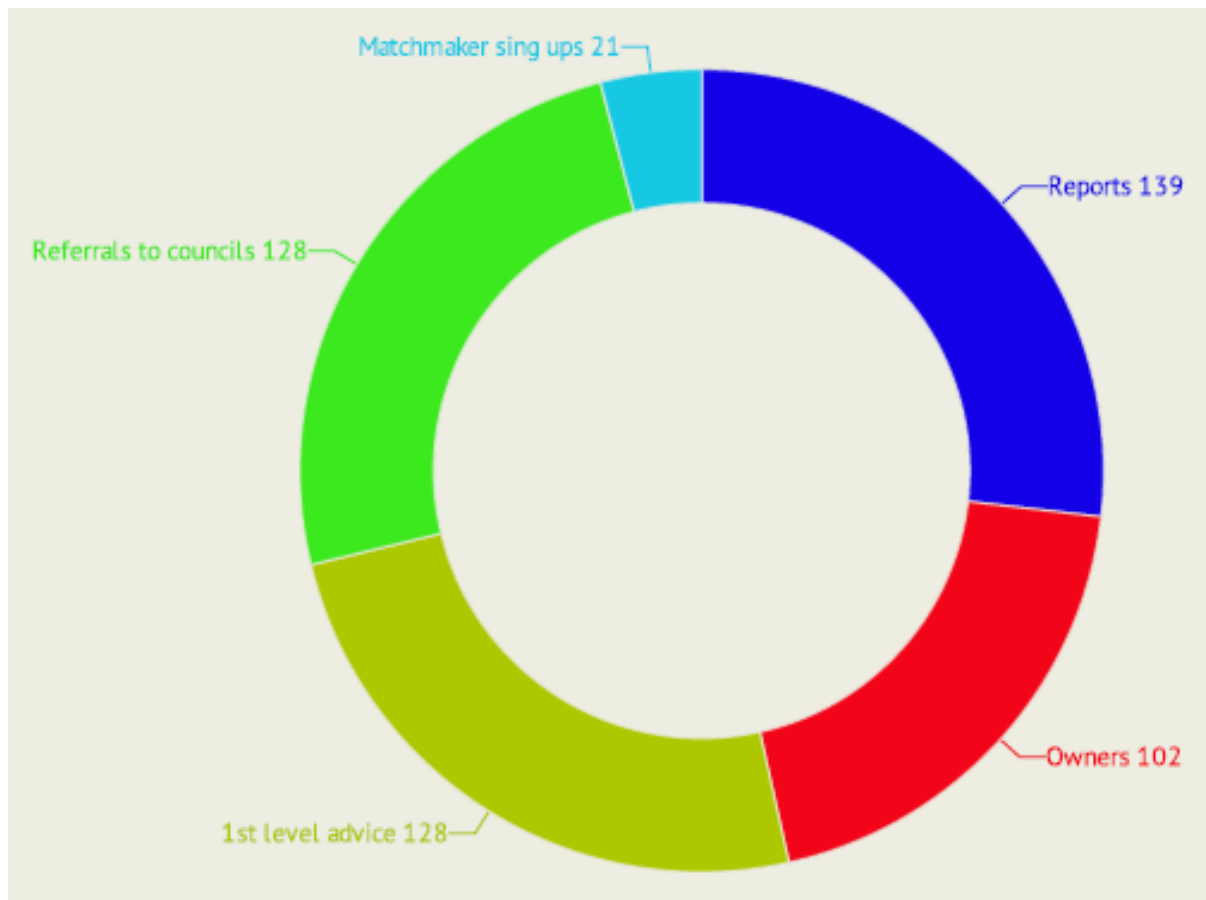
In the first year of the service 402 individual inquiries were opened. There are several routes for inquiries once open. The Empty Homes Adviser can give first level advice and refer on to a local empty homes advice service, where one exists. For straight forward cases this is the end of the Adviser's involvement as an Empty Homes Officer will take the case forward. For some more complicated cases, or for council areas where an Empty Homes Officer is not in place the Empty Homes Adviser will sometimes work with the council contact (usually in the

private sector housing department) to help them tackle the case. In a smaller group of cases the Empty Homes Adviser will work with the owner to pursue the case to a conclusion. In both of these later scenarios the aim is to create a demonstration case that helps make the case for establishing or increasing the empty homes service in that council.

In the first year of the project the Empty Homes Adviser has brought two empty homes back into use directly (i.e. Empty Homes Adviser engagement was what made the difference – does not include cases referred to councils later brought back into use). There are currently 59 open demonstration cases that the Empty Homes Adviser is pursuing. Work will be done in year two of the service to reduce the number of cases that the adviser is pursuing directly and prioritise involvement to provide demonstration projects in key areas where provision at a local level is not available.

Below is a snapshot of the activity of the Empty Homes Advice Service including a breakdown of cases resulting from a report or complaint about an empty home and those initiated by empty home owners themselves. The categories below are not exclusive, i.e. an owner could receive first level advice and also be referred on to their local council Empty Homes Officer. Other activity is also undertaken by the service includes signposting and information gathering for Empty Homes Practitioners as well as establishing new contacts for the Partnership that come in through the advice line, such as new companies offering discounts to empty home owners.

**Graph 3: Empty Homes Advice Service**



## Case Studies from the Empty Homes Advice Service

### Back in use - East Renfrewshire. Empty 5 years

A complaint was received through the advice line about this empty property. The elderly owner had been rehoused after a closing order was enforced due to his long term failure to maintain the property. CPO was being considered by the council as a last resort as the property continued to be neglected and to cause water ingress to the neighbours of this terraced house.

A temporary Empty Homes worker was in place at East Renfrewshire Council who agreed to work alongside the Empty Homes Adviser to try to make a difference in this perceived 'no hope' case. The Adviser established a positive working relationship with the owner through regular phone calls. She worked with the owner to fully understand and face up to the options available and supplied him with information, contacts and resources (including an older person's support service to help him action informed choices). Through regular progress meetings and supplying the owner with appropriate contacts he agreed to the offer of a free property survey and estimate of renovation costs by the LA's Property and Technical services and a quote from a local builder and an auction company. A dangerous buildings notice was also issued on the property. Following receipt of quotes and assessing his finances and capabilities the owner decided to accept an offer from a local developer to purchase the house in its current state. The new owner is renovating the property for sale.

**Back in use - Dumfries & Galloway. Empty 4 ½ years**

The owner got in touch after seeing the Empty Homes Advice Service in the national press. The flat had been inherited and had been on the market for sale for nearly 4 years with one below asking price offers on the property having been turned down. The owner didn't live locally and admitted that the property could benefit from modernisation and upgrades but she didn't have the time or inclination to do this. The Empty Homes Adviser discussed options such as renting the property and marketing at auction. The Adviser provided information about VAT discounts and builders merchant discounts and discussed how the owner could work with her local estate agent to increase the range of buyers and promote the discounts as a selling point. The Adviser also emphasised the ongoing costs of continuing to own the property. The owner agreed it a sale at a reduced price would now be preferable as it would no longer be a financial drain and all proceeds would be a bonus. The property was had also become subject to increased council tax due to the length of time empty. Following the Adviser's advice the owner worked with the Estate agent to relaunch the property and accepted an offer from a builder who is renovating the property for let.

**Active case. Empty 14 years.**

The Empty Homes Adviser is currently working with the owner of a derelict former croft house in a very rural location. It was inherited in 1994 and has been unoccupied since 2002. The owner had been avoiding all aspects of the property, as a result it's in a near derelict state and a significant council tax debt is attached and ongoing. The focus of Adviser support has been to encourage the owner to establish a constructive relationships within the council, explore problem solving and start taking action. Progress has been made with an offer of assistance in kind from Building Services who've agreed to carry out an assessment of the properties' condition. The owner has started to face up to his debts. This resulted in an agreement to delay debt enforcement action to allow the progress. Sale in its current condition is the focus with information being provided on local estate agents, VAT discounts and builder's merchant's discounts.

## Local Project Service

The Local Projects Service was launched in April 2015 and exists to provide support for local multi-unit empty homes projects. This support is available to all types of organisations from local authorities to community groups and developers.

The support on offer includes:

- help to identify viable one off multi-unit projects in your area
- sourcing funding and assisting you to secure it
- liaising with third parties and bring interested partners together
- producing a project plan & providing assistance right through the process until the project is delivered

There is no restriction on the kind of empty property being brought back into use, provided that the intended end use is residential.

To date at least 16 contacts have been in touch with ideas about projects in their area. 8 of these projects are progressing well; four are due for completion in the summer of 2016. In total the potential number of units which these 8 projects could bring back into use is 75. Some of the properties being looked at for renovation include a disused hotel, a pub, an old church, former RAF barracks and an old care home. The assistance that has been given to these projects thus far has included help with sourcing and applying for funding (with three projects proving successful in their bids for the Town Centre Empty Homes Fund).

Help has also been given to link in projects with third parties who may be able to offer assistance; this includes community groups linked in with Empty Homes Officers, or other relevant persons at the council if no Empty Homes Officer is employed in that area. In many cases it has also involved linking people working on local projects with experts who can pass on their knowledge, for instance at least two social enterprises and one charity have been put in touch with another social enterprise who has already embarked on empty homes work, and it has helped all three gain a much better understanding of what is required to complete an empty homes project. It is hoped that once these projects are complete, these organisations will then be in a position to themselves act as mentors for other newer projects and further increase learning available to new organisations starting to work on empty homes projects.

One area which has seen a change in the last year for the Local Projects Service is an orientation towards community groups and social enterprises. At present many of the most advanced local projects are managed by local authorities and private developers, but we feel that local groups are a sector which has previously been under represented in empty homes work in Scotland. These groups have good local knowledge, links to the local community, and the potential to achieve a number of social outcomes with their empty homes projects.

#### **Local Projects Case Study – Dreadnought Hotel, Bathgate**

The Empty Homes Local Projects Manager is currently working on a project to bring a former hotel back into use in Bathgate, West Lothian. This hotel has been empty for nine years and is in a prominent town centre location. The project was brought to our attention last year and the Local Projects Manager has been working with the local council to pursue options to bring the property into use. The council's intention is to acquire ownership of the property and then lease it to a housing



association to let at affordable rates. The project should be able to provide at least 7 units of affordable accommodation in a high demand area.

The main hurdles that have been encountered have been in relation to establishing the current owners of the property. The council had been attempting contact with the hotel's original owner who had since been declared bankrupt. Communications with the mortgage company were proving difficult. This is because the mortgage company had also gone under. Subsequently the administrators, who currently have control of the property, were made aware of the council's intentions to purchase through a presentation by the SEHP National Manager, and got in touch. They have since been put in touch with the council and are now progressing with discussions about how best to bring the property back into use.

The administrators have also agreed that if they are unable to agree with the council on the best course to move forward, they will come back to the Local Projects Manager to explore further options.

## **Media Work**

One of the key areas of focus for the expanded Scottish Empty Homes Partnership this year has been to increase public awareness of empty homes through use of the media. A target of generating 10 million positive OTVs (opportunities to view) was set for 2015/16. 56 million positive OTVs were achieved by the Shelter Scotland media team in support of Empty Homes work, greatly exceeding the target. This was achieved through a regular feed of topical stories both local and national which the Shelter Scotland media team were able to convert into print, radio and television news coverage. The Scottish Empty Homes Conference on its own achieved 35 million positive OTVs including a segment on BBC Reporting Scotland.

This media presence is key as it is what drives awareness of existing help for empty home owners and those affected by empty homes as well as what drives contact with councils and others to push for more universal empty homes services across Scotland. Over 75% of the calls and emails received by the Empty Homes Advice Service were generated on the back of media coverage.

## Barriers & Recommendations

The Scottish Empty Homes Partnership has consistently focused on three key areas where we believe continuing improvement would remove barriers to more private sector empty homes being brought back into use. These are staff resources, funding, and enforcement powers.

### Staff Resources

This year there are 17 councils with one or more Empty Homes Officers (or Vacant Property Officers) dedicated to bringing private sector empty property back into residential use. While there are a number of other councils with ongoing empty homes work or funding, we believe it is only where a dedicated Empty Homes Officer is in place that significant strides have been made to bring problem empty homes back into use.

In future we would like to see all councils providing a holistic empty homes service that includes advice and information, financial support, and enforcement as a last resort.

Along with the issue of a full time dedicated resource is the issue of continuity and permanence. The short term nature of empty homes posts is problematic when it comes to both recruitment of quality candidates and retention of quality staff. The ensuing disruption to empty homes service provision in councils with high staff turnover has a knock on effect on outcomes and numbers of homes brought back into use. In order to both attract and retain skilled empty homes officers these posts need to be offered on a more secure basis. Encouragingly there are now 4 permanent Empty Homes Officers in Scotland and a further 2 due to be take up post in July 2016.

The financial and social outcome return of an Empty Homes Officer has consistently been shown to be good value for money. These returns for councils could be greatly increased by establishing permanent posts that attract the highest quality staff and encourages them to stay and hone their skills.

### Recommendations:

Mainstream funding for local Empty Homes Officer in all of Scotland's Local Authorities, preferably on permanent contracts.

## **Funding**

Access to funding for private sector empty homes work and particularly incentives for owners continues to be an issue for councils. What funding does exist has restrictions on both applicants and end uses for projects. This limits the effectiveness of these funds.

We believe there is a need for further funding to incentivise empty home to be brought back into use for a variety of end uses and to encourage more and varied players into empty homes work including private sector developers and community groups.

### **Loan Funding**

The Scottish Empty Homes Loan Fund has proved unattractive to owners in many areas with a few notable exceptions. One is the Glasgow Housing Association/Glasgow City Council loan fund which results in an offer of purchase to owners. The other is Angus Council where the loan fund has been popular with developers as market rates and local housing allowance are at similar levels.

The Empty Homes Loan Fund as it stands cannot address empty homes in areas of low demand; empty properties requiring extensive renovations; and empty homes whose end use is expected to be market sale or rent. The first two categories of empty homes are often the ones that community members and elected officials are concerned about and providing some assistance to the final category would likely lead to greater engagement by developers who are skilled at delivery.

The most successful loan fund in the UK – the Kent 'No Use Empty' Scheme provides loans to incentivise private developers to get involved in bringing empty homes back into use for market rent and sale. Rather than focusing on loan fund money as a means to affordable housing the project focuses on the positive effects on the community of property re-use which include housing supply, area regeneration, increased local jobs and local spend.

### **Funding for Communities**

The UK Government's Empty Homes Community Grants Programme (2011-15) allocated £50m across community based organisations in England and Wales and attracted a number of non-housing based organisations into empty homes work. 110 projects leased or bought to

improve private sector empty homes. Provisional estimates are that the Grants Programme brought back into use 1,759 properties over the 4 year period<sup>6</sup>. The focus was not only on bringing empty homes back into use but on complementary outcomes including employment, training, and safer neighbourhoods<sup>7</sup>.

We believe there is demand for a similar fund in Scotland. We recommend a 3 or 4 year rolling fund of an initial £5m to fund:

- Purchase, lease and renovation of long term empty properties for reuse as affordable housing.
- Feasibility, project management and property management costs (for instance a local community organisation may wish to partner with a local RSL to handle day to day property management requirements).

### **Feasibility Funding**

The three year rolling Rural Housing Fund, which is open to empty homes projects, includes an element of feasibility funding to allow potential applicants to fully scope out their projects using experts including architects and structural engineers. A similar fund has been highly successful in Perth & Kinross Council.

The Scottish Empty Homes Partnership believes a rolling Empty Homes feasibility fund would pay dividends in terms of the deliverability of empty homes projects. It would also encourage greater creativity and problem solving for properties with significant issues, such as access. We have proposed a rolling 3 year fund at around £3m for Scotland.

Our vision of a national empty homes feasibility fund would:

- Be open to anyone considering renovation or conversion of a long term empty property with a proposed end use of 2 or more residential units.
- Properties should be below the tolerable standard for housing.
- Eligible fees should include:
  - Architect's design drawings

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<sup>6</sup> The Impact of the Empty Homes Community Grants Programme (EHCGP)  
<http://www.hact.org.uk/impact-empty-homes-community-grants-programme>

<sup>7</sup> Evaluation of the Empty Homes Community Grants Programme (EHCGP) – Midlands Region.  
<http://www.bshf.org/published-information/publication.cfm?lang=00&thePubID=6112D94C-D4AE-52C7-7049841769AB2EFC>

- Quantity surveyor's cost estimates
- Structural engineer's report
- Chartered surveyor's valuation advice or development appraisal
- Undertaking a survey/questionnaire or media work to determine levels of demand in an area that can't be evidenced by housing waiting lists
- Community consultation where appropriate
- And in the case of Social Enterprises, community groups or other non-profit organisations: Consultant's fees for preparing a project/business plan; and a reduction in the unit limit to 1.

## **Town Centre funding**

We believe empty homes work has a key role to play in revitalizing Scotland's town centres. The Town Centre Empty Homes Fund has only recently awarded funds in its first round and we recognize that it is too early to judge the fund's success. However we would hope that in future some form of funding would remain available, ideally on a rolling basis, for town centre empty homes projects that require more than loan funding to be viable.

The Partnership's Empty Homes Financial Incentives Recommendations Paper<sup>8</sup> provides further detail of the range of funding we are recommending.

## **Recommendations:**

A diversification of financial incentive schemes offered by Scottish Government and Local Authorities to include more types of empty homes for more types of end uses:

- Introduction of a £10m, 3 year, Empty Homes Regeneration Loan Fund
- Introduction of a £5m, 3 year, Scottish Empty Homes Community Grants Programme
- Introduction of a £3m, 3 year, Empty Homes Feasibility Fund
- Continued support for town centre empty homes projects

## **Enforcement Powers**

It is clear from officer views, the number of 'no hope' empty homes cases and the low level use of Compulsory Purchase of problem empty homes that a new enforcement power is needed to unstick the worst cases.

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<sup>8</sup> Empty Homes Financial Incentives Recommendations 2016

[http://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0016/1230424/Empty\\_Homes\\_Financial\\_Incentives\\_Recommendations\\_Paper.pdf/\\_nocache](http://scotland.shelter.org.uk/_data/assets/pdf_file/0016/1230424/Empty_Homes_Financial_Incentives_Recommendations_Paper.pdf/_nocache)

The Scottish Empty Homes Partnership is in favour of the adoption of a Compulsory Sale Order Power for vacant and derelict land and buildings. The power as proposed by the Land Reform Review group involves the ability to put a long term empty property or piece of land on to the open market if it has not been used in 3 years and shows no prospect of reuse. Change of ownership has time and time again proven the key to unlocking many an empty homes case and a power that councils can realistically use without having to acquire the property, find a back to back investor, or pay compensation, would be invaluable in tackling some of the worst problem empties.

The joint briefing we submitted with Shelter Scotland, Scotland's Towns Partnership and Rural Housing Scotland on the Land Reform (Scotland) Bill gives a fuller description of the case for a Compulsory Purchase Order<sup>9</sup>.

We were pleased to hear at the stage 3 debate of the Land Reform (Scotland) Bill, Paul Wheelhouse MSP, speak on behalf of the government in reference to an amendment put forward at Stage 3 in favour of Compulsory Sale Orders:

"Cabinet Secretary for Social Justice, Communities and Pensioners' Rights, Alex Neil [...] is sympathetic to the aims of amendment 72 and supports the introduction of compulsory sale orders. I can confirm that, subject to the outcome of the election, Scottish ministers will look to include provision for compulsory sale orders in the legislative programme for the next session of Parliament, once all the necessary preparatory work—including legal and practical issues—has been considered and resolved."

On the back of this commitment we would urge the Scottish Government to set out its plans for taking Compulsory Sale Orders forward in legislation.

**Recommendations:**

The introduction in legislation of a Compulsory Sale Order power for vacant and derelict land and buildings.

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<sup>9</sup> Stage 1 debate briefing for the Land Reform (Scotland) Bill

[http://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0003/1219503/Land\\_Reform\\_Scotland\\_Bill\\_-\\_JOINT\\_Stage\\_1\\_DEBATE\\_briefing\\_FINAL\\_.pdf/\\_nocache](http://scotland.shelter.org.uk/_data/assets/pdf_file/0003/1219503/Land_Reform_Scotland_Bill_-_JOINT_Stage_1_DEBATE_briefing_FINAL_.pdf/_nocache)

## Progress on Project Milestones

The following table is an at-a-glance summary of progress from the Scottish Empty Homes Partnership team against key project milestones over 2015-16:

Milestones	Progress	Rating
Provide a minimum of one innovative good practice example of an empty home(s) brought back into use or of initiatives taken by councils and others to tackle empty homes in Scotland per quarter	A minimum of 3 case studies have appeared in each Advisory Group update report (3 a year). 140 case studies were uploaded to the Scottish Empty Homes Officer Network.	
Evidence of additional councils developing an empty homes service including: <ul style="list-style-type: none"> <li>• a commitment to employing an Empty Homes Officer (shared or otherwise)</li> <li>• putting tools in place including an Empty Homes Database and advice package for empty home owners</li> <li>• including Empty Homes commitments as a key part of their housing strategies</li> </ul>	17 councils currently employ an empty homes officer. The number of councils with an empty homes database increased from 25 to 26. This year 6 councils developed an empty homes advice package and 30 councils have mentioned empty homes in their Local Housing Strategy.	
Number of Scottish Empty Homes Partnership training sessions for all new empty home staff (councils & housing associations) undertaken in the year.	8 councils received induction training sessions this year for 1 or more members of staff	
A significant increase in the number of empty homes brought back into use by councils and others year on year. The Scottish Empty Homes Partnership will continue to play a role in enabling and facilitating councils and their partners to work toward the Scottish Government's stated aim of circa. 1,200 empty homes brought back into use in 2017/18.	This year councils reported bringing 697 empty homes back into use through their direct interventions. This is an increase of 25% from the total of 558 last year. A further 62 brought back into use by Social Enterprises and community groups.	
Negotiation of new shared services projects 2 per financial year	The Glasgow/GHA shared services project was established in August 2015. The Dundee/Angus shared services project was established in December 2015.	
1-4 projects completed or funding agreed and work in progress	8 project plans in place. 4 projects with funding in place expected to complete in summer 2016.	
Comprehensive menu of existing financial products and empty homes funding models disseminated. Analysis of types of cases where funding/financial products missing. New relationships/partnerships with external organisations/funders established and/or creation of new government funding streams/models	An updated Empty Homes Finance Guide was published in January 2016. The Empty Homes Financial Incentive Recommendations Paper was published in January 2016. Relationships formed with social banks and funders. Discussions ongoing with the Scottish Government about the potential of taking forward financial incentive recommendations.	
Support provided to Town Centre Empty Homes Fund bidders and successful projects where required. Presence of empty homes references in Town Centre/Rural Housing documents/strategies. Empty Homes features at Town Centre/Rural Housing national events	15 applications assisted by the Empty Homes Local Projects Manager. 3 successful bidders.  National Manager took part in TCEHF assessment November 2015.  Scotland's Towns Partnership and Community Land Scotland became members of Advisory	

	<p>Group – October 2015. Joint lobbying on CSO with STP, RHS, CLS.</p> <p>National Manager spoke at Place Challenge 2015; Phil Prentice, Chief Officer, Scotland's Towns Partnership spoke at Empty Homes Conference; National Manager spoke at Rural Housing conference.</p> <p>SEHP fed into guidance for Rural Housing Fund and promoted fund via Knowledge Hub event &amp; best practice group.</p>	
Empty Homes Advice Service Launched by July 2015.	Empty Homes Advice Service launched 16 June 2015.	
10 million positive OTVs in 2015/16	56 million positive OTVs achieved.	