LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

AGENDA

17th Meeting, 2019 (Session 5)

Wednesday 5 June 2019

The Committee will meet at 9.45 am in the James Clerk Maxwell Room (CR4).

1. **Decision on taking business in private:** The Committee will decide whether to take items 4 and 5 in private.

2. **Empty homes in Scotland:** The Committee will take evidence from—
   
   Sarah-Jane Laing, Executive Director, Scottish Land and Estates;
   
   Andrew Mitchell, Regulatory Services Manager, Housing and Regulatory Services, City of Edinburgh Council;
   
   Joan MacLellan, Senior Strategy Officer, Corporate and Housing Services, Falkirk Council;
   
   Maureen Flynn, Strategy & Policy Advisor, Housing & Technical Resources, South Lanarkshire Council;
   
   Isobel Butt, Vacant Property Development Officer, Perth and Kinross Council.

3. **Subordinate legislation:** The Committee will consider the following negative instrument—
   
   The Local Government Pension Scheme (Miscellaneous Amendments) (Scotland) Regulations 2019 (SSI 2019/161).

4. **Empty homes in Scotland:** The Committee will consider the evidence heard earlier in the meeting.

5. **Non-Domestic Rates (Scotland) Bill:** The Committee will further consider its approach to the scrutiny of the Bill at Stage 1.
The papers for this meeting are as follows—

**Agenda Item 2**

Note by the Clerk  
LGC/S5/19/17/1

PRIVATE PAPER  
LGC/S5/19/17/2

(P)

**Agenda Item 3**

Note by the Clerk  
LGC/S5/19/17/3
Local Government and Communities Committee

17th Meeting 2019 (Session 5), Wednesday 5 June 2019

Empty Homes in Scotland

Introduction

1. This paper sets out some background information on the Committee’s inquiry into empty homes in Scotland and today’s evidence session with local authorities and Scottish Land and Estates.

Background

2. National Records of Scotland data show that of the 2.60 million dwellings in Scotland in 2017, 105,000 (4%) were unoccupied. These include second homes (25,700, 1% of all dwellings) and vacant properties (79,200, 3% of all dwellings). Vacant properties include new homes which are yet to be occupied, and dwellings which are empty and awaiting demolition, amongst others.

3. There are also data on empty properties from council tax records. The council tax data for 2018 show that:

   - 39,100 properties had been empty for six months or more, and of these 24,471 had been empty for 12 months or more.
   - 45,485 properties had an unoccupied exemption. This can be applied, for example when an owner is in long term care. An exemption can also be applied for a time-limited period where renovation work is being undertaken.

4. A SPICe briefing paper indicates that there can be a number of reasons why homes lie empty. For example, properties could be empty for a transitional period when an owner is in hospital or in prison. An owner could also have moved but they may be finding it difficult to sell their property.

5. A common reason for empty homes relates to finance/repair issues. For example, an owner could have bought a home to be renovated, but circumstances, for example a lack of money, have meant that these works have taken longer than initially anticipated or have had to be placed on hold indefinitely.

6. Another common cause is bereavement and inheritance of properties. Often legal issues can arise around such inheritances and the process of sale in accordance with the deceased wishes can take longer than anticipated. Whilst the reasons are many, there is no doubt that long-term empty homes can impact on available housing supply and the local community.
Committee Inquiry

7. The Committee is undertaking a short and focussed inquiry into empty homes in Scotland, considering these issues:
   
   • The extent of, and reasons for, empty homes in Scotland;
   • How effective existing legislation and policy is at addressing the problem of empty homes;
   • What more can be done to prevent homes remaining empty and to encourage owners to bring them back into use.

8. The Committee is not looking at second homes as part of its inquiry, as these are seen to raise policy and public interest considerations that are distinct from empty homes.

Evidence gathering

9. The Committee launched a call for views on 4 April which closed on Friday 17 May 2019. The Committee has received 28 responses. A list of those who have responded, including links to their submissions, is attached at Annexe A.

10. The Committee has been gathering information on the issue in a number of ways. In order to get first-hand experience of the issue at hand, Committee Members spoke directly with people with lived experience of dealing with empty homes in an informal session at the Parliament on 22 May. Given that the issues discussed were personal in nature, the meeting was held in private, but an anonymised account of the issues discussed will be published in the inquiry page here in due course. The Committee also intends to meet with people in communities impacted by empty homes towards the end of June.

11. The Committee is also undertaking a series of formal evidence sessions with policy experts over the course of its inquiry. The first witnesses on 15 May, were—

   • Shaheena Din, National Manager, Scottish Empty Homes Partnership;
   • Derek Logie, Chief Executive, Rural Housing Scotland.

12. At its meeting on 5 June, the Committee will hear from—

   • Sarah-Jane Laing, Executive Director, Scottish Land and Estates;
   • Andrew Mitchell, Regulatory Services Manager, Housing and Regulatory Services, City of Edinburgh Council;
   • Joan MacLellan, Senior Strategy Officer, Corporate and Housing Services, Falkirk Council;
• Maureen Flynn, Strategy & Policy Advisor, Housing & Technical Resources, South Lanarkshire Council;
• Isobel Butt, Vacant Property Development Officer, Perth and Kinross Council.

13. Written submissions for those attending on 5 June are attached at Annexe B. Topics discussed may include the role of landowners in relation to empty rural properties, and councils’ different approaches to dealing with empty homes. (The invited councils are intended to be representative of a cross-section of Scottish local authorities, some with designated empty homes officers and some without.

14. The Committee will determine any further witnesses and next steps in relation to the inquiry, following today’s meeting.
Annexe A

Empty Homes in Scotland Inquiry – List of submissions received as off 10 May 2019

- LGC-S5-19-EHS-01: Alastair Struthers (50KB pdf)
- LGC-S5-19-EHS-02: Fife Council (81KB pdf)
- LGC-S5-19-EHS-03: West Dunbartonshire Council (63KB pdf)
- LGC-S5-19-EHS-04: Association of Scotland's Self-Caterers (137KB pdf)
- LGC-S5-19-EHS-05: VELUX Company Ltd (60KB pdf)
- LGC-S5-19-EHS-06: Anonymous (85KB pdf)
- LGC-S5-19-EHS-07: Glasgow City Council (105KB pdf) (revised 16 May 2019)
- LGC-S5-19-EHS-08: Falkirk Council (90KB pdf)
- LGC-S5-19-EHS-09: Dumfries and Galloway Council (79KB pdf)
- LGC-S5-19-EHS-10: Rural Housing Scotland (81KB pdf)
- LGC-S5-19-EHS-11: Scottish Land and Estates (78KB pdf)
- LGC-S5-19-EHS-12: Scottish Empty Homes Partnership / Shelter Scotland (153KB pdf)
- LGC-S5-19-EHS-13: Angus Council (70KB pdf)
- LGC-S5-19-EHS-14: Perth and Kinross Council (66KB pdf)
- LGC-S5-19-EHS-15: Aberdeen City Council (61KB pdf)
- LGC-S5-19-EHS-16: North Lanarkshire Council (77KB pdf)
- LGC-S5-19-EHS-17: East Lothian Council (75KB pdf)
- LGC-S5-19-EHS-18: Stirling Council (69KB pdf)
- LGC-S5-19-EHS-19: Aberdeenshire Council (94KB pdf)
- LGC-S5-19-EHS-20: Arla Propertymark and Naea Propertymark (125KB pdf)
- LGC-S5-19-EHS-21: South Lanarkshire Council (64KB pdf)
- LGC-S5-19-EHS-22: Built Environment Forum Scotland (71KB pdf)
- LGC-S5-19-EHS-23: Comhairle nan Eilean Siar (84KB pdf)
- LGC-S5-19-EHS-24: Inverclyde Council (91KB pdf)
- LGC-S5-19-EHS-25: Argyll and Bute Council (80KB pdf)
- LGC-S5-19-EHS-26: City of Edinburgh Council (71KB pdf)
- LGC-S5-19-EHS-27: Historic Environment Scotland (66KB pdf)
- LGC-S5-19-EHS-28: Association of Local Authority Chief Housing Officers (80KB pdf)
SUBMISSION FROM SCOTTISH LAND AND ESTATES

As Scottish Land & Estates (SLE) is a membership organisation for predominately rural organisations will be focusing our response on empty homes in rural areas.

1. What, in your view, are the main causes of empty homes?

There are many causes for empty homes in rural areas, and SLE believes it is a combination of these factors which lead to empty properties.

Timeline for Refurbishments

Large scale refurbishment of rural properties is a time-consuming process. Depending on the state of the property and the scale of refurbishments this is a process that can take over twelve months. This is especially pertinent to rural properties where there is a lack of contractors and tradesmen and factors such as location and weather can cause significant delays to projects.

Repairing Standards

The value of the rental market in rural areas is often below the cost of repairs, and therefore landlords have focused on immediate and emergency repairs rather than a regular maintenance programme. The lack of regular maintenance has resulted in some rural properties falling into a state of disrepair that is now uneconomic to fix, and properties have therefore been left empty.

Energy Efficiency

While SLE supports the Scottish Government’s initiative to improve energy efficiency in properties we are concerned that the number of empty homes in rural areas may rise as the EPC regulations deadlines come in, and rural properties are unable to meet required bands.

Private Residential Tenancies

SLE supports the new Private Residential Tenancies, but we have concerns over the changes to the notice grounds. Landlords are now more cautious about choosing tenants due to the removal of the no-fault ground. In rural enterprises with relatively few houses, one unsatisfactory/disruptive tenant can have a disproportionate impact on others living on the property and the rural enterprise. The increased difficulty in removing disruptive tenants is discouraging property owners from re-letting residential accommodation under the Private Residential Tenancy regulations. It is also more difficult to regain possession of a property for a family member. Some rural property owners are selling off properties they do not require immediately, converting them to other uses or refurbishing them as holiday homes.

While it is possible to use the termination of a employment to end a PRT the requirement for accommodation for staff is not a ground and the removal of the no
fault ground means that rural property owners anticipating changes in their staffing requirements are retaining empty residential accommodation for use as tied accommodation.

As the number of rural properties available for long term let decreases the concerns surrounding notice grounds is likely to increase the number of empty homes in rural areas.

Regulations on Letting Agents

The new regulations on letting agents that came into force on 31st January 2018 are also acting as a barrier for some landowners. Due to the way estates are often owned or managed many now fall under these new regulations. Therefore, estate owners either need to pay for a member of their staff to undergo training or hand over responsibility for their portfolio to a letting agent. These are added costs which the landlord cannot recoup through rent and as existing residential tenants leave many landlords are using these vacated residential properties as tied accommodation, refurbishing them as holiday accommodation, leaving them empty in anticipation of future staff requirements or abandoning them as residential accommodation.

Taxation

Taxation is also a cause of empty properties. Renting out residential properties on a long term let makes the property eligible for both Inheritance and Capital Gains tax. On the death of a private sector property owner, accommodation rented out on long-term lets is taxed at 40% of the value of the property. If however, the accommodation had been retained as a tied house or rented out as a holiday home it would have been eligible for agricultural or business relief.

The same situation applies if ownership of residential accommodation on long term let is transferred to another entity while the property owner is still alive. In which case the property owner will need to pay Capital Gains Tax on the transfer at 28% of the open market value of the property. If however the accommodation had been retained as tied accommodation, turned into holiday accommodation or converted into a business or a farm building before the transfer; agricultural or business relief should apply.

If a residential property is refurbished as a long term let VAT cannot be reclaimed on expenditure unless VAT is charged as part of the rent. For farms and estates with a mix of rented residential properties on holiday, tied and long term lets, the partial exemption applies which complicates the calculation of VAT. Not being able to reclaim VAT increases the cost of any renovations or refurbishment by 20%.

Tourism

The promotion of rural Scotland as a tourism destination has ensured demand for visitor accommodation. In tourism hot spots the market for second and retirement homes to buy has made homes to buy unaffordable for many residents working in
these areas. In areas such as the Cairngorms National Park or the Isle of Arran a high proportion of houses sold are being purchased as second homes, for conversion to self-catering holiday lets or people retiring both in and into the area. In some areas, up to 35% of residential accommodation is now used as second or holiday homes.

Some people buying rural landholdings for their recreation, retirement, relative seclusion and wildlife do not want others living close to their holiday or retirement home. They are content for houses in our countryside to be left empty, abandoned or converted to other uses.

Changing Requirements

Traditionally many houses in rural areas were built to house farm, forestry and estate workers, gamekeepers, maintenance and residential staff. Requirements and standards have changed. The demand for one and two-bed properties has increased while the market for three, four or five-bed properties has decreased. When and where these larger properties cannot be cost-effectively used for visitor or hostel accommodation, they are sometimes left empty.

Location

The sensitive location of rural properties, within estate policies or farms means that landlords are often reluctant to sell the properties and therefore if they are no longer suitable for let, they have been forced to leave the properties empty. In addition, some of the empty homes in rural areas are very isolated, derelict and not connected to services (mains & broadband). If these properties were brought to the market, it would be the development value of the site that would be considered and therefore relies on a change to the planning system.

2. Is this a problem which affects all tenures of housing? Please provide further information to explain your answer.

SLE cannot comment too broadly on this question, but yes, there seem to be empty properties in all tenures. Empty properties seem to coincide with regions where there has been a downturn in the economy. Lack of employment or rising salaries and lack of tradesman mean properties are left empty across the market.

3. What is the impact on communities in areas where there are large numbers of empty homes?

Empty homes are not cited as a significant issue by most of our members as they tend to be in areas of high numbers of holiday cottages and second homes rather than empty homes. However, a high number of empty homes will have an impact on population density, and this will have a knock-on effect on local services like schools. However, our feedback from rural communities is that rural populations are asking for an increased supply of new housing rather than bringing empty homes back onto the market (rental & sale).

4. Is the issue of empty homes a problem in particular areas and if so, why?
SLE has not noticed a pattern of empty homes in particular areas but this could be due to a lack of data as to the extent of empty homes. However, as mentioned above rural and isolated areas likely to suffer if there are a number of empty homes as this will affect population density and related services. SLE also has noted concerns that vacant properties are an eye-sore in tourist areas and reflect poorly on the local community.

5. Are you aware of any areas which have made progress in addressing the issue of empty homes and if so, what other local authorities could learn?

SLE has noted past success with Rural Empty Property Grants and Empty Homes Initiative Grants in rural areas. We would recommend that local authorities support landlords to repair empty homes to bring them back to the rental market. SLE recommends that local authorities should focus on incentivising development and refurbishment as this has had more success than penalties.

6. How effective are current tools open to local authorities/central government to deal with empty homes? Should they have more powers?

SLE considers that the current tools open to local authorities/central government are appropriate, but there seems to be a reluctance on the part of authorities to use these. SLE suggests that where appropriate local authorities could be more public with who owns empty properties and use public pressure to bring about action. However, this measure would have to be tightly controlled and assessed. Publicly revealing the landlord would only be appropriate when the empty property could reasonably be brought back to the market. For example, if getting the property connected to services and into a reasonable state of repair would cost £100,000 then the owner is not unreasonable by refusing to do so.

The potential for 200% council tax on empty homes could be an effective tool to deal with empty homes. SLE supports this tax if it is appropriately assessed and not applied across the board.

SLE believes that in the main very few homeowners wish a property to be remain empty in the long term and without a revenue stream as it will incur costs such as insurance, council tax and therefore as mentioned above the focus should be on incentives not penalties.

7. Should there be more enforcement powers for local authorities/central government to deal with the issue? If so, what could these be?

SLE does not consider there is a need for more enforcement powers. SLE recommend that Local Authorities should focus on properties where there is no legitimate reasons for vacancy and in areas of housing shortage or where a lack of housing is preventing community development.

8. Is there enough information/data to provide an accurate picture of empty
homes in Scotland? If not, how could this be improved?

No, there needs to be much more work done to collect information/data on the extent of empty homes in Scotland. Information should be available as to the extent of empty properties in each local authority, where these properties are located (rural/town/urban) and the condition of these properties. This information should be crucial to informing housing policy as a one-size fits approach all will not be effective.
SUBMISSION FROM FALKIRK COUNCIL

Background to Empty Homes in Falkirk

Falkirk Council currently has two officers who work on Empty Homes/Buy Backs. Work relating to Empty homes forms half their workload therefore one full time equivalent. We have had an empty homes officer working for the Council since 1st April 2013 when it was part of the Forth Valley shared services project. The Council has had a full time empty homes officer in post since July 2016.

The Falkirk Housing Need and Demand Assessment estimated the number of empty homes which would be brought into use each year and subtracted from the overall number of new homes required each year. This informed the housing supply target set in the Local Housing Strategy. There are two actions in the Falkirk LHS relating to empty homes which highlight the strategic priority of reducing the number of empty private properties and making best use of existing stock to help meet need and demand for housing.

There are around 700 long term empty private properties in Falkirk at any one time. Empty homes are defined as properties that have been empty for longer than 6 months. An Empty Homes Plan for 2014-2019 has been developed which emphasises the importance of working with owners to encourage them to bring their properties back into use. This plan will be reviewed during 2019 which links to actions in the LHS.

The Empty Homes Officer provides advice and assistance to help get properties back into occupation using the following tools:

- Leaflets –tailored to provide information for owners and providing details on how their property can be brought back into use
- Matchmaker Scheme – this is a list of potential buyers and sellers. When a “match” is identified contact details of the potential buyer and seller are shared
- VAT discount – Her Majesty’s Revenue and Customs (HMRC) incentive where an owner of a property empty for 2 years or more can apply for a letter to prove the property has been empty. If a property has been empty for two years, any renovation or alteration works carried out by a VAT registered trader may be eligible for a reduced VAT rate of 5%. If the property has been empty for ten years, the works may benefit from zero-rated VAT
- Empty Homes Loan Fund - Falkirk Council received £100,000 from the Scottish Government to provide interest free loans to owners of private properties to have renovation work carried out so that their empty property can be brought into use as affordable housing. Uptake has been low nationally and locally, however funding could be sought for any future policy initiatives
- Local Media – the work in relation to Empty Homes has been acknowledged in local and national papers as well as an interview on the BBC’s Reporting Scotland. Publicity increases the profile of the empty homes project locally
- Private landlord Forum - the Empty Homes Officer attends the bi-annual
landlord forum meetings to actively engage with landlords to ensure empty properties are re-occupied

- **Buy Backs** – the Empty Homes Officer works in partnership with the Council's Buy Backs team to identify properties that may be eligible for the scheme. There have been 10 empty properties brought back into use this way
- **Work has been undertaken** with the owners of 3 blocks of flats to ensure communal repairs are undertaken.

Table 1 sets out the number of properties brought back into use and debt recovered. This has been calculated using the Shelter approved methodology using a notional calculation of three months' Council tax plus any unpaid debt owed to the Council recovered as a result of the project.

**Table 1: Number of Empty properties brought back into use**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. brought back</th>
<th>Debt recovered</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-14</td>
<td>45</td>
<td>£20,600</td>
</tr>
<tr>
<td>2014-15</td>
<td>105</td>
<td>£63,169</td>
</tr>
<tr>
<td>2015-16</td>
<td>90</td>
<td>£50,200</td>
</tr>
<tr>
<td>2016-17</td>
<td>62</td>
<td>£1,808</td>
</tr>
<tr>
<td>2017-18</td>
<td>50</td>
<td>£34,338</td>
</tr>
<tr>
<td>2018-19</td>
<td>57</td>
<td>£37,925</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>409</strong></td>
<td><strong>£208,040</strong></td>
</tr>
</tbody>
</table>

Source: Falkirk Council Empty Homes Database

From 1st April 2013 new legislative changes were put in place to allow local authorities the discretionary power to remove the empty property discount or set a Council tax increase of 100% or more on certain properties which have been empty for one year or more. Approval was granted by Council Executive on the 27th September 2016 to increase Council tax by 100% on properties empty for more than 12 months, where appropriate. This came into operation from the 1st April 2017, with the Empty Homes Officer being a key resource to help owners return properties to use as soon as possible.

Falkirk Council has used compulsory purchase powers on two occasions in the past to return empty homes back into use.

**Main Causes of empty Homes**

The Empty Homes/ Buy Back Officers (here after referred to as Empty Homes Officers) gave consideration to their caseload and advised on the following.

There are many reasons why a property is empty and they include bereavement, struggling to finance repairs, lack of information or unsure about the end use, other priorities and pressures, unsuccessful marketing, mental health issues and time restraints.

The Empty Homes Officers advise that many owners have inherited a property and have an emotional attachment to it and cannot face selling the property so need
advice on a range of options. Additionally the Empty Homes Officers advise the importance of demonstrating compassion and understanding in dealing with owners who are overwhelmed with the emotional and often financial burden of owning an empty property.

Furthermore the Empty Homes Officers advise that some owners have mental health issues and require support to bring their empty property back into use on their own. Examples of this include owners who have diagnosed mental health illnesses including depression and particularly hoarding. The Officer can provide support and liaise with other agencies to provide further professional advice and support.

**Is this a problem that affects all housing tenures?**

No, mainly private owner occupied properties.

**Effect on the local community**

The Empty Homes Officers considered their case load and advised that empty homes can be a “blight on neighbourhoods”. Empty Homes can attract anti-social behaviour, vandalism and fly-tipping. High numbers of empty properties can lead to deterioration in the quality and appearance of neighbourhoods and result in higher incidences of crime and anti-social behaviour in surrounding areas. There is greater pressure on Council services to respond to neighbour complaints regarding dilapidated properties, community safety, and the management and investigation of anti-social behaviour.

Empty properties put occupied neighbouring homes at greater risk from criminal behaviour e.g. using an empty flat to gain access to burgle another flat. Benefits of bringing an empty property back into use include improved community safety, reduced vandalism, reduced fly-tipping and a reduction in other forms of anti-social behaviour that empty homes can attract. In turn, the neighbourhoods become more desirable areas to live in and increases the housing supply in the area, ensuring there are more housing options available to people.

If an empty home is neglected it can become damp which may cause expensive damage to the fabric of the building. In addition it increases the risk of damage to adjoining properties through the spread of dampness, rot and infestation which can have a negative impact on the physical and mental health of people living next door to the empty property as well as cause a financial impact due to the need for repair work and value of their property reducing.

Overseas empty home owners can often be detached from the reality of the situation, and the empty homes officer is often a point of contact at a local level who can offer free impartial advice on how their property could be brought back into use.

The team work closely with Council Tax department, updating them on properties that are no longer empty to ensure the correct Council Tax code is applied and increase council tax revenue. Liaising with the debt recovery team has seen an increase in debt recovery and furthermore, an increase in debt agreements to
ensure that outstanding Council Tax is accrued which has an impact on the funding available to pay for Council services in the local community.

Problem for particular area

Falkirk Council area does not have particular areas with more empty homes.

Are you aware of any areas which have made progress in addressing the issue of empty homes and if so, what other local authorities could learn?

There are a number of local authorities that have their own empty homes officer and they are the areas where progress is being made as having a dedicated empty homes officer is central to tackling empty homes effectively. In addition to Falkirk these areas include Perth & Kinross, Stirling, Argyll and Bute, Angus, South Ayrshire.

How effective are current tools open to local authorities/central government to deal with empty homes? Should they have more powers?

Current enforcement powers are limited, mainly Compulsory Purchase Orders (CPOs). The 2016 Programme for Government committed Scottish Government to introduce “interim measures to modernise CPO in advance of legislation”. This step as well as the commitment to bring in new Compulsory Sale Order (CSO) powers by 2021, is a positive move to provide officers with options and tools, when dealing with an empty home that causes a blight on the community.

Although Councils have CPO powers available to them and the Government have tried to streamline the process one of the main issues that Councils have with CPOs is that due to budget cuts staff resources are really stretched which means staff have very little time to be able to pull together the paperwork for a CPO due to competing work priorities. There are also budgetary issues for other enforcement work that is linked to empty properties such as works notices. The Council may be able to serve a notice but a lot of the time there isn’t a budget to ensure the work gets carried out and the owner is billed.

Should there be more enforcement powers for local authorities/central government to deal with the issue? If so, what could these be?

Not any enforcement powers but some funding. Loans or grants should be available to fund repairs and renovations including energy efficiency measures or a loan to occupy.

Is there enough information/data to provide an accurate picture of empty homes in Scotland? If not, how could this be improved?

We use Council tax records which are provided on a regular basis by the Council’s Finance team. This provides information on the empty property and also contacts details for the owner. We also get information on empty properties from enquiries by Council Members, neighbours etc. There is information on empty homes on the
Council’s website with the phone number and email address of the team so that people can report any empty properties.
SUBMISSION FROM SOUTH LANARKSHIRE COUNCIL

1. What in your view are the main causes of empty homes?

As part of an Empty Homes Shared Service Pilot project with North Lanarkshire Council in 2014/15, the Council carried out a survey of long term properties using Council Tax data as a baseline. The purpose of the pilot was to examine the extent and nature of long term empty properties within South Lanarkshire.

A questionnaire was sent out to a representative sample of 200 owners of long term empty properties (properties empty for longer than 6 months) to establish information on why properties were empty, request details of the property condition, and the type of advice & assistance which would help bring the property back in to use.

Responses were received from 58 owners (29%). Of these responses, 49% reported that the property was ready for occupation or being actively marketed, and 28% had been occupied within the period of the survey. A further 10% were being renovated with 8% in need of renovation. A very small number reported the property was subject to legal dispute.

In relation to advice and assistance, 39% of responses noted that advice on the availability of loans or grants to assist with the cost of renovation would be helpful, with 42% noting that advice and assistance of selling, or finding a tenant would be useful.

Currently, less than 0.5% of homes in South Lanarkshire are estimate to be long-term empty properties. The Council continues to deal effectively with long term empty home enquiries on a case by case basis.

Working closely with other council departments and the Scottish Empty Homes Partnership to sign post owners to appropriate sources for advice and information on how to bring their property back into use.

Where appropriate, the Council makes use of existing discretionary Housing, Planning, Environmental Health, and Building Regulation powers to support action to bring long term empty homes back into effective use in line with the Council’s strategic priorities.

In April 2019, the Council exercised its powers to implement the 200% Council tax levy on long term empty property to encourage owners to bring property back into use.

2. Is this a problem which affects all tenures of housing?

Yes. Within a South Lanarkshire context, long term empty properties are
predominantly in the private sector. While numbers are small, the problems they cause affect all tenures. Analysis of the Council Tax database established that 28% of long term empty properties were previously owned by the Council and had been purchased by sitting tenants under Right to Buy legislation, even a single long term empty property can have a major impact on surrounding social rented housing, particularly where common repairs are required in multi tenure blocks.

3. **What is the impact on communities where there are large numbers of empty homes?**

South Lanarkshire Council does not have areas where there are large numbers of long term empty homes, where they exist even single long term empty properties can have a significant impact on neighbouring properties, being detrimental to the amenity of the area, attracting antisocial behaviour and generating repeated enquiries from elected members and the general public which has an impact on staff resources.

4. **Is the issue of empty homes a problem in particular areas and if so why?**

South Lanarkshire has identified significant long-term challenges facing certain rural settlements linked to population and economic changes, loss of industry and commerce resulting in mismatch in supply and demand. The Council continues to work closely with partner Housing Associations and is progressing a range of targeted actions to consolidate and improve housing sustainability in affected areas and ensure housing supply is fit for purpose to meet the needs of current and future residents.

5. **Are you aware of any areas which have made progress in addressing the issue of empty homes and if so, what other local authorities could learn.**

The Council has worked successfully in partnership with Housing Associations and private developer partners to address structural low demand through a number of major housing regeneration programmes across our area including Fernhill in Rutherglen. We are currently working with West Whitlawburn Housing Co-operative to implement a major housing regeneration masterplan in Whitlawburn, Cambuslang.

6. **How effective are current tools open to local authorities/central government to deal with empty homes? Should they have more powers?**

South Lanarkshire Council considers that current legislation is sufficient to deal with long term empty private sector homes

7. **Should there be more enforcement powers for local authorities/central**
government to deal with the issue. If so what could these be?

South Lanarkshire Council considers that current legislation is sufficient.

8. Is there enough information/data to provide an accurate picture of empty homes in Scotland? If not how could this be improved?

We consider that we have sufficient data to form an accurate picture of long term empty properties
SUBMISSION FROM CITY OF EDINBURGH COUNCIL

Please note that this is an Officer Response.

1. What, in your view, are the main causes of empty homes?

There are a variety of reasons for homes being empty. These can include: homes being on the market for sale or rent, homes requiring or undergoing repair, owners being in care/hospital, inheritance issues following the death of an owner or, in some cases, owners are undecided on what to do with the empty property in the longer term (or simply choose to keep it empty and pay Council Tax due on the property).

In some areas of the country owners might find it difficult to sell their home but this is not an issue which has arisen in Edinburgh in relation to empty homes, given the buoyant housing market.

2. Is this a problem which affects all tenures of housing? Please provide further information to explain your answer.

In Edinburgh the focus of empty homes work is on private sector empty homes. Void figures are low for social rented housing in the city due to high levels of demand.

3. What is the impact on communities in areas where there are large numbers of empty homes?

Edinburgh does not have large numbers of empty homes in concentrated areas. Analysis of Council Tax records has shown that empty homes are spread throughout the city. However, having just one problematic empty home in a street or block can have a detrimental impact on neighbours or the wider community if it is neglected (unsightly and/or attracting anti-social behaviour for example) or owners are difficult to contact where issues arise in relation to communal repairs.

4. Is the issue of empty homes a problem in particular areas and if so, why?

Edinburgh does not have large numbers of empty homes in concentrated areas and therefore it is difficult to identify any trends.

There are different issues in different parts of Scotland, potentially between rural and urban areas for example and depending on the nature of the housing market e.g. in some areas an owner may find it difficult to sell an empty home or empty homes could be linked to areas where there is wider regeneration activity.

The majority of privately owned empty homes in Edinburgh, including those empty for over 12 months, do not cause issues within local areas (in relation to their condition or impact on neighbours or the wider community) and most owners are paying the Council Tax that is due on their property (based on information for empty homes where the 100% Council Tax surcharge has been applied). Problems with empty homes tend to arise where they are in poor condition and are causing issues for neighbouring properties or the wider community, combined with the owners of these homes failing to respond to correspondence or where they are unable to be
traced. The reason for lack of engagement by owners varies. For example, people who inherit a property being unsure of what to do with it, the empty home has repair issues or an owner may have debt issues that they are reluctant to address.

5. *Are you aware of any areas which have made progress in addressing the issue of empty homes and if so, what other local authorities could learn?*

The Scottish Empty Homes Partnership brings local authorities together, administering the empty homes knowledge hub and best practice group for example, and providing opportunities to learn from each other and share good practice.

6. **How effective are current tools open to local authorities/central government to deal with empty homes? Should they have more powers?**

In some cases it can be easier to deal with an empty property which is part of a block, where there are mechanisms to deal with missing shares in relation to repair work for example. However, it can be more difficult to address issues with stand-alone/detached empty homes, particularly if the empty property is not directly affecting the fabric of neighbouring buildings.

In relation to empty homes work, resources within Edinburgh tend to be targeted at dealing with problematic empty homes, which, by their nature, are more complex to address. Joint work between local authority services such as Public Safety or the Shared Repairs Service can help to resolve some nuisance or repair issues. However, when owners cannot be traced or repeatedly fail to respond to attempted contact, there are limited options to force them to deal with the issues their empty home is causing.

There are some enforcement powers available e.g. CPO powers as well as tools such as serving maintenance orders. However, implementing these measures can be resource intensive and costly, competing with other resource priorities in local authority areas. They also tend to be at the ‘last resort’ end of the scale in terms of enforcement powers. The costs of pursuing a CPO vary significantly but an approximate estimate is that legal and administrative costs associated with an individual case can be £20,000 to £30,000 and, as such, could limit the Council’s financial capacity to pursue CPOs beyond dealing with a small number of very problematic properties. There are risks involved in the compulsory purchase of relatively expensive properties in an area like Edinburgh, particularly as the compensation rules around CPOs are quite complex.

Different parts of a local authority have enforcement powers to deal with certain issues e.g. Environmental Health powers, but such powers can be limited to dealing with specific issues and might not be effective in dealing with wider issues such as anti-social behaviour (and criminal behaviour) relating to an empty home, where the Police may also need to be involved.

It would be useful to look at measures other organisations could take to help deal with empty homes, including banks and other private lenders.

7. **Should there be more enforcement powers for local authorities/central government to deal with the issue? If so, what could these be?**
Compulsory Sales Orders (which are already being considered) could be another tool available to local authorities in dealing with empty homes. However, if the process to serve a CSO is lengthy and complex it may deter local authorities from making use of this power. For example, if local authorities incur legal costs in implementing a CSO will these be recouped at a later stage in the process?

Most empty homes do not cause issues in terms of having a negative impact on neighbouring properties and the wider community in which they are located. Local authorities can encourage people to bring their empty home back into use but there is no overall legislation which prevents people from having an empty home so more time and resources tend to be spent on dealing with complex, problematic empty homes (which generally account for a small percentage of the overall number of empty homes in an area).

Enforcement is not the only tool. Providing advice and information to owners on additional options for empty homes, such as PSL schemes, which can help ensure homes are made available to those most in need rather than lying empty and at the same time providing an income for owners.

8. Is there enough information/data to provide an accurate picture of empty homes in Scotland? If not, how could this be improved?

Most of the data relating to the number of empty homes comes from Council Tax information held by local authorities. This is useful, although depending on how information is collated and reported it can be difficult to make like for like comparisons. It is difficult to know what other source of data could be easily utilised to give an accurate picture.

Other information, such as the reasons homes are empty or number of empty homes brought back into use each year, generally seems to be collated on a more ad-hoc basis by local authorities and other organisations, where, again, it can be difficult to compare like for like information. The reason for a home being empty is more likely to be known where the empty home is being dealt with as an ‘active’ case (when complaints have been received about the home for example). For most empty homes registered as such on Council Tax records it will be less clear why they are empty, although different Council Tax codes can be applied to empty homes falling into different categories.
SUBMISSION FROM PERTH AND KINROSS COUNCIL

1. What, in your view, are the main causes of empty homes?

In Perth & Kinross the largest number of empty homes are as a result of properties having been purchased with the intention of renovating prior to letting the property. The next largest number is properties requiring renovation that have been inherited, where the new owner possibly does not have the funds or the knowledge to carry out the necessary repairs. We also find that the difficulties involved in carrying out common repairs to tenement properties is often the cause of empty flats.

2. Is this a problem which affects all tenures of housing? Please provide further information to explain your answer.

The problem of empty homes affects all types of properties from one bedroom flats to large detached houses. In Perth & Kinross it affects homes in rural areas and in all the main settlements fairly equally. The tenure is not particularly relevant since all empty homes are owned.

3. What is the impact on communities in areas where there are large numbers of empty homes?

Empty homes affect communities by adversely impacting the supply of housing both to rent and to buy. In rural areas a large number of empty homes can impact services such as making a local shop uneconomic or a primary school close. Where there are a large number of empty properties which have become derelict this can impact values and saleability of neighbouring properties and can adversely affect residents’ pride in their community.

4. Is the issue of empty homes a problem in particular areas and if so, why?

In Perth & Kinross, empty homes are more of an issue in areas where demand for housing is not high and capital and rental levels are low. There are many empty houses in remote areas of Perth & Kinross which are not economic to renovate as the capital cost outweighs the benefit from renting or selling the property.

5. Are you aware of any areas which have made progress in addressing the issue of empty homes and if so, what other local authorities could learn?

In Perth & Kinross we have Empty Homes Initiative grant which funds renovation of properties which are then let for 5 years at Local Housing Allowance levels to people at risk of becoming homeless. We also have a Vacant Property Feasibility grant which match funds professional fees for the renovation or repair of empty homes. We have made full use of the Scottish Government Empty Homes Loan Fund. We have a vacant Property Development Officer and Support Assistant (1.6FTE). As well as residential properties we deal with empty commercial properties and provide advice and assistance to owners of empty shops and offices considering converting their properties to flats. We work closely with Perth & Kinross Heritage Trust who manage the Perth City Heritage Fund. One of their main aims is to bring empty properties back into use so we try to offer tailored packages to owners to help make
property renovations economically viable especially when dealing with pre-1919 and listed buildings. Finally we have an Eyesore Buildings Task Force which concentrates on the worst eyesore properties in the area and we construct plans for each of these properties involving representatives from Planning (Enforcement and Conservation), Building Standards, Housing, Heritage Trust, Vacant Property, City Development and City Centre Management chaired by The Head of Planning and Development.

6. How effective are current tools open to local authorities/central government to deal with empty homes? Should they have more powers?

The introduction of the 100% Council Tax surcharge on properties empty for over 12 months has been a very useful tool in bringing empty homes back into use especially when used in conjunction with Manager’s Discretion where we give up to 18 months reduction from 200% to 90% in cases where owners are undertaking repair works to their properties. We have dealt with over 140 properties in this way since the Managers discretion was introduced by Perth & Kinross Council 2 years ago.

7. Should there be more enforcement powers for local authorities/central government to deal with the issue? If so, what could these be?

Compulsory Purchase Orders for single dwellings are not popular due to the officer time they take up so Compulsory Sale Orders would be welcome if they were simpler to administer than CPOs. With regard to common repairs to tenement properties it would help greatly if legislation was introduced requiring owners of flats to pay regular sums into a sinking fund to deal with repairs and that property factors had to be used in a similar way to new blocks of flats.

8. Is there enough information/data to provide an accurate picture of empty homes in Scotland? If not, how could this be improved?

In common with other Empty Homes Officers, we obtain information on empty homes from Council Tax Revenues. The properties listed are those which owners have advised the Local Authority that their properties are empty. We do come across properties which are listed as occupied but are clearly empty where owners are possibly attempting to avoid the 100% surcharge on long term empty properties. This means that the picture of empty homes in Scotland is probably underestimated. There is no easy way to improve this other than Empty Homes Officers reporting empty properties to Council Tax when they come across them.

9. What more can be done to prevent homes remaining empty and to encourage owners to bring them back into use?

If more funding was available for grants to assist owners repair empty homes linked to the requirement to lease the property for 5 years at LHA levels this would certainly bring more empty homes back into use. This would necessitate additional staff to administer these grants.
Local Government and Communities Committee

17th Meeting, 2019 (Session 5), Wednesday 5 June 2019

Subordinate Legislation

Overview of instruments

1. The following instrument, subject to negative procedure, is being considered at today’s meeting:
   - Local Government Pension Scheme (Miscellaneous Amendments) (Scotland) Regulations 2019 (SSI 2019/161).

Background

2. These Regulations provide that the entitlement to retire after reaching the age of 55 also applies to deferred pension members and change the requirements for co-habiting partner pensions in the scheme. They also correct inaccurate references and ensure that the provisions in the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 continue to have effect in the 2018 scheme. The policy note for the instrument is attached at Annexe A.


4. No motion to annul this instrument has been lodged.

Delegated Powers and Law Reform Committee consideration

5. The Delegated Powers and Law Reform Committee (DPLRC) considered the instrument at its meeting on 21 May 2019 and determined that it needed to draw the attention of the Parliament to the instrument on the grounds that it contains two errors.

6. Firstly, regulation 2(12)(b) substitutes “or” for “and” in the penultimate line of regulation 22(7) of the Local Government Pension Scheme (Scotland) Regulations 2018 (SSI 2018/141). There is an error as “and” appears in the third line of the paragraph, rather than the penultimate line. Secondly, there is an error in regulation 2(27) and (28) as both paragraphs substitute paragraph (2) of schedule 4 of the Local Government Pension Scheme (Scotland) Regulations 2018 (SSI 2018/141), but in slightly different terms.

7. In correspondence, the Scottish Government has undertaken to lay a further instrument to correct the errors. In drawing the regulations to the attention of the Parliament, the DPLRC welcomed “the Government's undertaking to lay a further instrument to correct the errors timeously for these Regulations to come into force on 28 June 2019.”
Committee Consideration

8. The Committee is not required to report on negative instruments, but should it wish to do so, the deadline for reporting on the instrument is 3 June 2019.

Procedure

9. Negative instruments are instruments that are “subject to annulment” by resolution of the Parliament for a period of 40 days after they are laid. This means they become law unless they are annulled by the Parliament. All negative instruments are considered by the Delegated Powers and Law Reform Committee (on various technical grounds) and by the relevant lead committee (on policy grounds).

10. Under Rule 10.4, any member (whether or not a member of the lead committee) may, within the 40-day period, lodge a motion for consideration by the lead committee recommending annulment of the instrument.

11. If the motion is agreed to by the lead committee, the Parliamentary Bureau must then lodge a motion to annul the instrument to be considered by the Parliament as a whole. If that motion is also agreed to, the Scottish Ministers must revoke the instrument.

12. Each negative instrument appears on the Local Government and Communities Committee’s agenda at the first opportunity after the Delegated Powers and Law Reform Committee has reported on it. This means that, if questions are asked or concerns raised, consideration of the instrument can usually be continued to a later meeting to allow the Committee to gather more information or to invite a Minister to give evidence on the instrument. Members should however note that, for scheduling reasons, it is not always possible to continue an instrument to the following week. For this reason, if any Member has significant concerns about a negative instrument, they are encouraged to make this known to the clerks in advance of the meeting.

13. In many cases, the Committee may be content simply to note the instrument and agree to make no recommendations on it.
The Local Government Pension Scheme (Miscellaneous Amendments) (Scotland) Regulations 2019 SSI 2019/161

The above instrument was made in exercise of the powers conferred by section 7 of the Superannuation Act 1972 ("the 1972 Act") and sections 1, 2 and 3 and schedule 2, paragraph 3(b) of the Public Services Pensions Act 2013 ("the 2013 Act"). The instrument is subject to negative procedure.

These Regulations provide that the entitlement to retire after reaching the age of 55 also applies to deferred pension members and change the requirements for co-habiting partner pensions in the scheme. They also correct inaccurate references and ensure that the provisions in the Local Government Pension Scheme (Transitional Provisions and Savings)(Scotland) Regulations 2014 continue to have effect in the 2018 scheme.

Policy Objectives
These regulations take into account the day to day experience of applying the 2018 Regulations since 1 June 2018, where areas for clarification have been sought or a change in approach has been requested.

Consultation
To comply with the requirements of Section 21 of the Public Service Pensions Act 2013, the Scottish Public Pensions Agency conducted a twelve week consultation which was circulated to interested parties via email on the 18 December 2018 until the 11 March 2019. The consultation received 13 responses. These included suggestions to make administration of the scheme easier and to clarify some wording.

A full list of those consulted and who agreed to the release of this information is attached to the consultation report published on the Scottish Government website. It includes extending the pensions flexibility which introduced an option to take an 'Uncrystallised Funds Pension Lump Sum' (UFPLS) from a member’s AVC provider, currently only available to current members, to members of previous schemes.

Also changes which re-instate wording that requires employers to use the full unreduced pensionable pay when calculating ill-health benefits after a member reduces their hours due to ill-health. This change is backdated to the 2014 regulations which came into force on 1 April 2015.

In response to an appeal to Scottish Ministers the definition of a co-habiting partner has been amended, in Schedule 1 of the regulations, to bring the treatment of those members in line with members who are married or in a civil partnership.
As a result of requests from stakeholders, changes made to require that pension contributions be paid automatically for the first 30 days of an absence, to ensure that members do not lose pension benefits and to assist in the administration of the Scheme.

**Impact Assessments**
These Regulations have no new impact on business or the voluntary sector as they are consolidating Regulations to improve administration of the scheme and to implement other UK government policies.

**Financial Effects**
These Regulations have had no new Business and Regulatory Impact Assessment (BRIA) Carried out upon on them as the financial aspects of these regulations remain unchanged.

The Minister for Public Finance and Digital Economy confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Kimberly Linge
Scottish Public Pensions Agency
An Agency of the Scottish Government

16 April 2019