

Review of the Private Rented Sector

BRINGING PRIVATE SECTOR EMPTY HOUSES INTO USE

VOLUME 4



**BRINGING PRIVATE SECTOR EMPTY HOUSES
INTO USE**

VOLUME 4

**Ann Flint & Hector Currie
Ann Flint & Associates**

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Scottish Government Social Research
4th Floor West Rear
St Andrew's House
Regent Road
EDINBURGH
EH1 3DG
Tel: 0131 244 7560
Fax: 0131 244 5393

Email: socialresearch@scotland.gsi.gov.uk
Website: www.scotland.gov.uk/socialresearch

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GLOSSARY OF ABBREVIATIONS

Abbreviation	
AHIP	Affordable Housing Investment Plan
APSR	Annual Performance and Statistical Return submitted by RSLs
BTS	Below Tolerable Standard
CNPA	Cairngorm National Park Authority
CO2	Carbon Dioxide
CPO	Compulsory Purchase Order
CT	Council Tax
CTR	Council Tax Register
DCLG	Department of Communities and Local Government
EDMO	Empty Dwelling Management Order
EHA	Empty Homes Agency
EHI	Empty Homes Initiative
EPO	Empty Property Officer
ESP	Enforced Sales Procedure
GROS	General Register Office for Scotland
HAG	Housing Association Grant
LB	London Borough
LOTS	Living Over The Shop
LT(s)	Lead Tenancy (Tenancies)
LTS	Lead Tenancy Scheme
NAEPP	National Association of Empty Property Practitioners
NIHE	Northern Ireland Housing Executive
PRS	Private Rented Sector
PSL	Private Sector Leasing Scheme
RDGS	Rent Deposit Guarantee Scheme
REPG	Rural Empty Property Grant
RSL	Registered Social Landlord
SRPBA	Scottish Rural Property and Business Association
TCLI	Town Centre Living Initiative
2006 Act	The Housing (Scotland) Act 2006

1 EXECUTIVE SUMMARY

Introduction

1.1 The Scottish Government consultation paper *Firm Foundations*¹ saw a valuable role for the Private Rented Sector (PRS) as an additional source of housing supply to help meet the housing needs of a range of households in urban and rural areas, including those on low incomes, immigrant workers, young professionals and students. Increased supply was to be achieved partly through new private rented provision and partly by action to bring empty private homes back into use. The underlying theme was the wish for the PRS to be a partner with local authorities and the Scottish Government, expanding the options available to meet a range of housing needs. However, it would be for each local authority to decide whether or not to pursue work on bringing empty private homes into use and set local housing strategies (LHS) accordingly.

The research design (Chapter 2)

1.2 The aim of the research was to identify a range of initiatives, including their effectiveness and resource implications, which could usefully illustrate different ways that empty private homes could be brought back into use in urban and rural Scotland.

1.3 The methodology involved an initial scoping exercise of the literature on empty homes, telephone interviews with key player organisations and an on-line survey of Scottish local authorities to identify their activity in relation to bringing empty private homes back into use. The second stage was a telephone survey of 23 case studies of empty homes initiatives by local authorities and other organisations across the United Kingdom. The majority of case studies were of English local authorities as they were significantly more advanced in their work on empty homes compared to Scottish local authorities. The analysis of these approaches largely shaped the research recommendations, modified and developed as appropriate, for the Scottish policy and legislative context.

Key findings

1.4 **Context** (Chapter 3): Accurate information on empty private homes is difficult to obtain, which makes it difficult to estimate accurately the number of useable empty private homes in Scotland. Private homes have become empty for a variety of reasons, often due to the death or removal of the occupant or owner. For owners, an unwillingness to become a landlord has been identified as a significant factor in homes remaining empty. Disrepair has been more of a barrier to upgrading than a reason for homes becoming vacant. Most owners of empty homes appear to be individuals and the number of empty homes owned by professional landlords appears to be low.

1.5 Since the end of the Empty Homes Initiative in 2001-02, empty homes activity by Scottish local authorities has markedly declined. In 2008, most Scottish local authorities viewed empty private homes as a minor problem; only a few

¹ The Scottish Government, 2007 *Firm Foundations: The Future of Housing in Scotland*

considered them a significant issue. While it may be that much of the historic problem of empty homes has been resolved, with a few exceptions local authorities have not carried out any recent analysis of the extent and nature of empty homes nor did they have staff with responsibilities for empty homes. Data collection has been limited and at times constrained by data protection rules. While nearly three-quarters of local authorities have addressed empty private homes in their Local Housing Strategies (LHSs), this appears to be brief and aspirational in content rather than detailed and substantial.

- 1.6 Scottish local authorities should establish, at least in outline, and in conjunction with other local authority departments, an evidence-base on the extent and nature of empty private homes in their area before deciding on the merits or otherwise of establishing a specific policy to address the reuse of empty homes.
- 1.7 In England, there has been much greater empty private homes activity by local authorities than in Scotland. This has been due to a combination of factors: the scale of the problem is greater; central government guidance on Empty Homes Strategy production; empty homes performance-indicator reporting obligations for local authorities; the presence of national support agencies and dedicated enforcement powers. A striking contrast between the situation in Scotland and England is the much greater commitment by English local authorities to information-gathering and strategic thinking about empty private homes.
- 1.8 **A strategic approach** (Chapter 4): The research found that effective action on empty private homes requires a strategic approach not piece-meal initiative-taking. Initiatives need to be embedded in a framework of objectives, policies, data, resources and action plans, and integrated within a wider assessment of housing need and supply. Where a local authority has decided to take action on empty private homes in its area, its proposals should be set out in its LHS and reflected where appropriate in other policies and investment plans.
- 1.9 **Objectives and priorities** (Chapter 5): Policies on area regeneration, town centre renewal, rural housing supply and sustainability can engage with empty homes as part of wider objectives but not necessarily in connection with meeting housing needs. Such policies should be reviewed by local authorities who have made a commitment to bringing empty homes into use to see whether empty homes initiatives that contribute to meet housing needs could be incorporated.
- 1.10 The implementation of the Housing (Scotland) Act 2006 (the 2006 Act) is a major priority for local authorities. Policies to address Below Tolerable Standard housing and Housing Regeneration Areas, to draw up a Scheme of Assistance and prioritise resources should also aim to incorporate empty private homes issues where action on empty homes has been agreed.
- 1.11 **Data Collection** (Chapter 6): The Council Tax Register (CTR) is the principal and readily available data source on location and numbers of empty homes but in terms of empty private homes, it has limitations in its accuracy, its lack of a tenure marker and in data protection rules. To supplement the CTR, local authorities need to consider other sources of data – area surveys, publicity campaigns and joint work with landlords and land-owner organisations.

Additionally, liaison across local authority services may help identify any relevant empty homes data held by various services.

- 1.12 A difficulty shared with many other local authority services is the complexity and labour-intensiveness of establishing location, tenure and ownership information about privately-owned dwellings from a variety of sources, each designed for a very specific purpose.
- 1.13 **Organisation and support** (Chapter 7): Only a small number of Scottish local authorities have any officers with responsibilities for empty homes and then only as part of other duties. For those local authorities who decide to take forward empty private homes work, the delivery of policies, data-collection and action plans will require consideration of a lead service and lead team or officer(s) with appropriate skills, under-pinned by inter-service, co-operative working across Housing, Environmental Health, Finance, Legal and other relevant services.
- 1.14 From the case studies, the types of officer skills required for empty homes work were: “hard” information technology skills, “soft” people management skills and legislative interpretation skills.
- 1.15 The research found that the complex and specialist nature of empty private homes work was often responded to by collaborative working across local authorities and sometimes with other organisations such as Registered Social Landlords (RSLs). This proved a common feature in a number of the English case studies. Partnerships varied from informal forums and joint working protocols to formal consortia. Such partnership approaches could be considered by Scottish local authorities and shaped to local geography, or to a shared view of how work on empty private homes could be advanced in support of meeting a range of housing needs. Benefits could include: cost-sharing; service level agreements between partners; joint commissioning of consultants; data collection; joint publicity campaigns; mutual learning and problem-solving.
- 1.16 English local authorities also benefited from support at a national level from both an Empty Homes Agency and an organisation of empty homes practitioners. In Wales, an empty homes project has recently been established. For those Scottish local authorities who decide to embark on (or have started) empty homes work, there would be a benefit from some form of external support. Rather than a national agency, a more appropriate and effective support could be considered by the Scottish Government appointing a co-ordinator or facilitator (one or two posts) to help individual local authorities and regional groupings.
- 1.17 **The dual approach – support and enforcement** (Chapter 8): A recurring theme from the case studies was that success in bringing empty private homes into use depended on a combination of first offering a range of support to owners but having available (and making owners aware of) enforcement powers that could and would be used, should voluntary initiatives fail. Support could take various forms including information, advice, loan, grant, officer skills and brokering a link between the owner and a willing buyer or managing agent.

- 1.18 Scottish local authorities have no specific power to take over the management of an empty home. English local authorities have the Empty Dwelling Management Order (EDMO) which, subject to approval by an external tribunal, allows the local authority to take management control and then let the home for seven years at a market rent. The research found that it was a complex, time-intensive and expensive power to employ and, at the present time, is not considered necessary for Scotland to adopt, even if modified. Scottish local authorities should pursue an active policy of support to owners of empty homes using the Scheme of Assistance and other means, combined with a determination to make full use of their current enforcement powers in the Housing (Scotland) Act 2006 and other relevant planning, environmental health and building legislation powers when needed.
- 1.19 English local authorities also have the power to enforce the sale of a property i.e. empty home, to recover a debt that has been incurred (e.g. for carrying out repairs or boarding up a derelict house). It has been used as an alternative to an EDMO by a number of authorities.
- 1.20 **Enabling powers** (Chapter 9): Lead Tenancies and Rural Empty Property Grants are well-targeted at producing suitably refurbished housing; conditional on the property being made available for affordable rent, and at low-cost compared with many English forms of financial support. However, they have financial constraints and rather complex procedures requiring considerable negotiation with owners. Over the years they have had a relatively small impact on bringing empty private homes into use. Greater flexibility in their application is desirable and a case can be made for the Scottish Government to consider establishing local rather than national grant levels.
- 1.21 Tax incentives could also play a part in encouraging owners of empty homes to bring them back into use but better promotion of the benefits (savings) that could arise would be needed. The reduction of VAT to 5% on repairs to houses empty for over two years could be actively publicised by local authorities.
- 1.22 Local authorities have powers to reduce the discount on Council Tax offered to owners of empty properties and to use the funds raised for a range of local housing purposes, including dealing with empty houses. However, this reduction in discount is often regarded by owners as a stick rather than carrot and local authorities should not reduce the discount so far that there is no incentive for owners to report their homes as empty or decide to seek the discount for single person occupancy instead.
- 1.23 The evidence points to disrepair being more likely a result of homes lying empty than of homes becoming empty in the first place. However, disrepair is one of the major barriers in returning empty homes to use. With a view to preventing homes from falling into disrepair, authorities should actively engage with owners of empty properties at the point where application for Council Tax discount is made, to assist them to get their property reoccupied as early as possible, with opportunities made available for them to consider the property being re-used for those in housing need.

2 INTRODUCTION

The policy context

2.1 In its 2007 consultation paper *Firm Foundations*², the Scottish Government set an ambitious agenda for boosting overall housing supply, widening the choice of housing for those on lower incomes, promoting sustainable mixed communities and ensuring better value for public expenditure. While the public and voluntary housing sectors would have the main responsibility to supply new affordable housing, the Private Rented Sector (PRS) was seen as having a valuable contribution to play as:

“a modern, vibrant private rented sector, able to meet housing need through the provision of good quality accommodation.” (p.27)³

2.2 The PRS is already an important source of supply for groups such as young professionals, students and migrant workers as well as an essential haven for some disadvantaged and vulnerable groups. However, *Firm Foundations* envisaged the PRS playing a greater role in meeting housing aspirations and needs. In particular, a greater contribution could be made as a partner, helping local authorities with their homelessness commitments and responsibility to meet local housing needs.

2.3 The consultation document signaled that a review of the PRS would be carried out. It would have several strands: a stock-taking exercise on views by landlords and tenants on a range of issues; a study of how local authorities could engage more effectively and strategically with the PRS; and a study of how supply options could be boosted that could, in particular, help homeless and low-income households. In the latter context, the reuse of existing empty homes (in addition to new privately developed rental supply entering the market) would be explored further in terms of developing a better understanding of why houses were lying empty and how to promote greater use of schemes which offered incentives to bring empty properties in disrepair back into use to meet a range of housing needs.

2.4 A wide range of organisations responded to the consultation on *Firm Foundations* on how best to tackle the problem of empty private homes. A range of potential solutions were suggested. These could be summarised in terms of financial incentives, marketing and disposal, rural area issues, financial penalties, compulsory powers, strategy and practice⁴.

Aims and objectives

2.5 This research addressed the part of the PRS review concerned with boosting supply options. The aim of the research was to gain an understanding of the range of initiatives currently underway in Scotland and the wider UK that local authorities, the Scottish Government and/or other agencies could take forward

² The Scottish Government, 2007, *Firm Foundations: The Future of Housing in Scotland*

³ The Scottish Government, 2007, *Firm Foundations: The Future of Housing in Scotland, ch.4*

⁴ For detailed responses, see: <http://www.scotland.gov.uk/Publications/2008/04/02094036/4>.

to increase the reuse of empty properties⁵, particularly, but not exclusively, to house homeless or low-income households. The objectives were to:

- Outline existing empty property initiatives and consider their effectiveness and any resultant resource issues.
- Gather views from local authorities and others on the types and numbers of empty private homes, plans for reuse, effectiveness and constraints on initiatives and whether more formal structures and legislation may be needed.
- Make recommendations, highlighting possible benefits and disadvantages, of initiatives that local authorities, other agencies and the Scottish Government, could consider taking forward to increase, cost effectively, the reuse of empty properties.

2.6 It was outwith the scope of the research to examine the role of Housing Association Grant (HAG) in bringing empty homes into use, by funding purchase and improvement by an RSL for long-term letting. A proportion of the HAG programme has been used each year for rehabilitation of housing or other properties - some of which will have been vacant beforehand.

The Methodology

2.7 A two-stage methodology was adopted. Stage 1 was a scoping exercise to produce an initial list of possible case study initiatives from local authorities and other organisations that could be refined for detailed interviews and analysis in stage 2. The fieldwork and information-gathering for both stages was carried out from June to August 2008.

2.8 Stage 1 covered:

- A desktop review of the literature on empty properties/homes.
- Collation of documentation on English agencies and intervention mechanisms (e.g. the Empty Homes Agency (EHA) and Empty Dwelling Management Orders (EDMOs).
- Development, implementation and analysis of an on-line screening survey of all 32 Scottish local authorities. This survey covered a range of issues, both factual and attitudinal. Survey returns were obtained from 27 local authorities.
- Selection of all case study initiatives for stage 2.
- A review of wider issues (e.g. Council Tax discount, VAT, statistical data) and a financial, funding and housing market appraisal.
- Interviews with key players: Scottish Association of Landlords (SAL), Scottish Rural Property and Business Association (SRPBA) and other large landowners, public and private, e.g. the Crown Estate; the Defence Housing Executive and the Forestry Commission.

⁵ The definition of **empty properties** used in this report is that the properties are privately owned and empty for longer than 6 months – i.e. not transitional voids between tenancies or in the process of being sold or actively being renovated. This definition also accords with the point at which the property is eligible for a Council Tax discount rather than an exemption.

- 2.9 Stage 2, the primary research stage, required semi-structured telephone interviews to be carried out of the final list of case studies across the UK. The case studies selected included a variety of initiatives in different housing and rental markets across urban and rural areas, each with potential relevance for Scotland. These included:
- English local authorities who demonstrated a variety of attitudes to the use of EDMOs and other formal powers.
 - Local authorities reflecting a range of inter-authority and inter-agency partnership working.
 - Local authority structures that provided support and expertise in a specialist, complex area.
 - National support structures offering advice and guidance to local authorities.
 - Alternative, voluntary sector or other, non-local authority approaches.
- 2.10 Annex 1 presents the final list of case study organisations, with a short profile and contact details.
- 2.11 In total, 23 local authorities and other organisations across the UK were interviewed and written-up as case studies, the accuracy of which was verified with the interviewees as far as was possible. The majority of case studies came from England. Discussion topics covered: local housing and market conditions; the general approach to empty private homes work; strategies and partnerships; organisational arrangements; outcomes and lessons; use of external support, and legislation (use of EDMOs and CPOs). However, due to the diversity of the authorities across the UK, and types of initiatives selected, the choice of discussion topics varied by case study. Annex 2 presents a selection of ten case studies that reflect the variety of strategic approaches, partnerships and initiatives developed.
- 2.12 The majority of these case studies are referred to in this report; however three – the Affordable Housing Company, Camelot and Giroscope – were investigated and found to have no particular relevance to the Scottish Housing Market and are not commented upon further. However, information about them can be found at Annex 1.
- 2.13 The issue of bringing second homes into permanent occupation was also investigated and no solutions found. There is consequently no further discussion of this issue in the remainder of the report.
- 2.14 A practitioners' workshop was organised after the initial analysis work. Of all the organisations involved with the research, 15 attended to discuss the interim results. Their feedback confirmed the broad findings at that point and helped refine and finalise the report. Annex 3 reports the workshop outcomes.

The Analytical Framework

- 2.15 From a review of the case study initiative material collected, particularly from England, a recurring feature of the initial analysis of the data was that most of the empty private homes initiatives were not implemented in isolation. The more active or progressive a local authority was in its approach to empty homes

work, the more varied the initiatives it would undertake and the more likely these were to be integrated within an overall strategic framework that provided the rationale for their choice.

2.16 This report has taken this key 'learning outcome' and presented its analysis, conclusions and recommendations based on three major themes that were judged to under-pin an effective approach to bring empty private homes back into use, namely:

- A strategic development framework and its key elements.
- The dual approach of support backed up by enforcement, and
- Enabling tools and implementation processes to deliver particular initiatives within a strategic context.

The Report Structure

2.17 The remainder of the report is set out as follows:

- Chapter 3 provides an overview of the current empty private homes situation in Scotland.
- Chapter 4 presents the strategy development framework for taking forward empty private homes work in Scotland.
- Chapter 5 examines the different objectives, priorities and targets that can influence empty homes strategic planning.
- Chapter 6 considers the issues surrounding data gathering, the role of Council Tax (CT) data and other methods of collecting information of empty homes.
- Chapter 7 considers local authority organisational arrangements, partnership arrangements and support models.
- Chapter 8 presents the dual approach of support to owners reinforced by a willingness to employ enforcement powers.
- Chapter 9 sets out the financial enabling incentives and powers available for empty homes work.
- The conclusions and recommendations in Chapter 10 draw out the learning from the research for increasing available PRS provision through the reuse of empty homes in Scotland, including the actions that the Scottish Government and Scottish local authorities can take to promote more effective reuse of empty private homes to meet a range of housing needs.
- Annexes conclude the report, presenting more detailed data on the case studies, the survey results and the use of State Aid.

3 SETTING THE CONTEXT

Introduction

- 3.1 This chapter briefly reviews knowledge of the nature and extent of the empty private homes problem in Scotland and how Scottish local authorities are dealing with the issues it raises. The findings are derived from the literature review, analysis of Council Tax (CT) data, the results of the on-line survey of Scottish local authorities, key stakeholder interviews and feedback from the stakeholder workshop.

The scale of empty private homes in Scotland

- 3.2 The 2001 Census suggested about 22,500 dwellings across all tenures were vacant in Scotland for over 6 months, of which many were likely to be in the private sector. However, difficulties in establishing precisely what were empty, second or holiday homes require the figures for these tenures to be treated with some caution. Scottish Government statistics⁶ derived from CT returns do not distinguish between social rent and privately owned properties, between properties which are transitional voids and long term empty or between properties which are empty and those which are exempt for other reasons, perhaps because they are under repair, awaiting demolition or conversion or let to specific classes of person.
- 3.3 It is possible to subtract housing association and local authority vacant dwellings from the figure, but the data sets are different, and cover different time periods, so this is not a direct comparison. It is also the case that empty homes in areas of low demand may not be suitable for re-use. It is thus extremely difficult to estimate accurately the number of useable empty private homes in Scotland.
- 3.4 At the Scottish local authority level, the on-line survey indicated that only about half of Scottish authorities collected data at structured intervals or on an *ad hoc* basis, implying that half of authorities did not collect data on empty private homes. Notwithstanding this limited evidence-base, nearly half (14) of the authorities, reported only a “minor problem” with empty private homes, three had “no problem” and only four indicated the problem was “significant”.

Reasons why private homes lie empty

- 3.5 There is no single reason that leads to homes becoming empty and remaining empty for long periods. Evidence is limited but from the information gleaned from the on-line survey, from surveys by English local authorities of owners of empty homes and from an in-depth study of private sector empty properties carried out by the Department of the Environment (1996), a number of key factors can be discerned.
- 3.6 The majority of private homes are most likely to become vacant when the previous occupant died, moved to hospital or institutional care or was evicted or

⁶ GROS household estimates 2007- Table 8 Vacant Dwellings

repossessed. In these cases, owners are often difficult to trace or the property is lying in probate. Where owners are known, an unwillingness to let is a major barrier which can partly be related to finding the prospect of becoming a landlord too onerous a responsibility. The poor state of an empty property and the cost of repairs to upgrade or convert it, are less of a reason for homes becoming empty but a significant cause for them remaining empty. There are also urban and rural factors that can come into play. In urban areas, empty private homes can be linked with areas of low demand and unpopularity that are under-going regeneration while in rural areas, empty homes can relate to remote location with attendant problems of low demand and high repair and improvement costs.

The ownership of empty private homes in Scotland

- 3.7 Information obtained on the ownership of empty private homes in Scotland is drawn from key stakeholders with considerable land ownership and government organisations. The information is impressionistic but offers an outline of a probable ownership classification.
- 3.8 The Scottish Association of Landlords representing professional landlords in urban areas, considered it unlikely their members' properties would be left empty as it would be unprofitable. However, it is possible that "amateur" landlords operating without a professional background could be empty homes owners. In the rural context, due to concerns about disrepair, upgrading costs and grant constraints, estate owners, as represented by the Scottish Rural Property and Business Association were likely to own empty estate cottages and farm dwellings – although like other professional landlords, estates would not leave homes unoccupied unless there were clear reasons of lack of demand or cost. However, rural estates would only be part of the rural private empty property problem as individual owners would also be likely to be contributors.
- 3.9 While government agencies with large land ownership might be considered a source of empty properties, the Ministry of Defence and Forestry Commission stated they had policies of rapidly transferring surplus stock to other landlords, including RSLs and private individuals. A final category, indicated by some case studies, was the possibility of institutional owners, for instance, large chain stores that owned or leased premises above their shops but had no wish to use them for residential purposes.
- 3.10 Taken together with the earlier point that most empty property ownership could be linked to owners dying, moving into care or repossession, overall it may be concluded that a large proportion of owners of empty homes are likely to be private individuals.

Empty private homes work in Scotland

- 3.11 Much of the experience of Scottish local authorities in dealing with empty private homes derives from the Empty Homes Initiative (EHI), a challenge fund initiative that ran from 1998-99 to 2001-02. The aim was to address local empty homes issues across all tenures using funds set aside from the total national

Housing Revenue Account. An evaluation of the EHI ⁷ and its major delivery mechanisms, the Lead Tenancy Scheme (LTS) and Rural Empty Property Grant (REPG), found that local initiatives had encouraged the development of empty homes strategies, had acted as catalysts to develop local partnerships, provided increased affordable housing and contributed to wider regeneration initiatives. However they were administratively complex and had only “*scratched the surface*” of the problem (p. vii). Their overall impact was limited and their most positive effect was on tackling one important source of market failure - repair costs - but they had side-stepped the problem of overcoming owner resistance to letting.

- 3.12 The results of the on-line Scottish local authority survey provided a smaller snapshot of activity in 2008. It indicated that since 2001-02, activity to bring empty private homes in Scotland back in to use had declined significantly (see Annex 3). Overall, only seven of the 27 local authorities that replied recorded any empty homes brought back into use. Between them, approximately 200 empty homes were stated to have been brought back into use - but subsequent telephone interviews suggested that many had been reoccupied under the earlier EHI, indicating little recent empty homes activity.
- 3.13 While it may be argued that the EHI had dealt with much of the historic problem of long-term empty homes, with a few exceptions, many local authorities had not carried out any analysis of the extent of the issue. Where data-collection had been attempted in some authorities by officers responsible for housing strategy, data protection barriers sometimes prevented access to CT information on empty homes’ locations. Consequently, the evidence-base for the view that empty private homes were only a minor issue is lacking.
- 3.14 The survey found that a strategic or policy framework for evaluating the empty private homes issue was largely absent. Although almost three quarters of local authorities had addressed the issue of empty homes in the Local Housing Strategy (LHS), this was brief and more aspirational than focused on statistical data, analysis or resource implications. Only four local authorities had, or were planning, an Empty Homes Strategy statement in one of their policy documents and of these, only three authorities – Highland Council, East Ayrshire and Angus⁸ – had developed the issue of empty properties in any detail.
- 3.15 In addition, the City of Edinburgh Council was preparing an Empty Homes Strategy. East Ayrshire had addressed empty private homes as part of its Private Sector Housing Strategy. Actions included establishing a database of empty homes; publicity through the landlord forum and newsletter; writing to owners; assessing options for owners of empty properties and linking with the Town Centre Initiative to deal with empty properties, often flats above shops.
- 3.16 The authorities echoed the findings of the EHI evaluation, commenting on the difficulties of using the Lead Tenancy Scheme (LTS) with a preference for mechanisms such as private sector leasing schemes and rent deposit

⁷Caledonian Economics & Arneil Johnston (2001) *Evaluation of the Empty Homes Initiative*, Scottish Executive, Central Research Unit

⁸ This council did not wish to be included in the case studies.

guarantee schemes that provided support to owners of empty homes who wished to use them for private rent. A positive aspect stated for all these mechanisms was their success in bringing empty homes into use for rent at both market and below market rent. (These mechanisms are discussed further in Chapter 9).

3.17 If empty private homes work was to be taken forward, local authorities favoured the establishment of officer support groups or regional local authority groupings to provide specialist support but they were more sceptical about the establishment of a specialist agency (discussed further in Chapter 7). Schemes listing and publicising empty homes for those who wished to obtain them and bring them back into use were considered more useful than other support mechanisms to deal with empty homes. Council Tax penalties or new compulsory powers were thought least useful. (The stakeholder workshop also supported employment of housing enablers to carry out one-to-one work with owners).

Empty private homes work in England

3.18 In England there has been markedly greater empty private homes activity in recent years than in Scotland. While it may be that, relative to Scotland, empty private homes in England have posed a greater problem and driven the need for action, several structural factors have also contributed to the focus on empty homes work: a greater scale of problem, central government guidance on Empty Homes Strategy production; local authority empty homes performance reporting obligations; national support agencies, and dedicated enforcement powers.

3.19 Importantly, English authorities had, until recently, a Best Value Performance Indicator (BVPI 64) that was credited as a major driver of work on empty private homes as it was used to determine funding allocations for the development of affordable housing. It (BVPI 64) has, however, now been discontinued and this has given some concern by some local authorities about the future priority that empty homes work may have.

3.20 In 2003, the UK Government published guidance⁹ for English authorities on how to bring empty properties into use and, although not a statutory duty, many authorities have developed an Empty Homes Strategy or incorporated an analytical section on empty homes in their Housing Strategies.

3.21 The Empty Homes Agency (EHA) has been a relatively well-funded, national, charitable organisation, based in London, providing support to local authorities and campaigning on empty homes issues nationally (in an English context) (See 7.15. and Annex 2). The National Association of Empty Property Practitioners (NAEPP) (see 7.16 and Annex 2), working on a far smaller membership budget, has supported empty homes officers across England. These two bodies were strong advocates for the establishment of EDMOs. (See 8.11)

⁹ Office of the Deputy Prime Minister (2003) *Empty Property: Unlocking the Potential*, London

Conclusion

- 3.22 Most Scottish local authorities consider they do not have a significant problem with empty private homes. It may be that the challenge-funded initiatives of the late 1990s to early 2000s have dealt with the majority of the problems. An alternative proposition is that, as the financial support for empty homes initiatives and empty homes officers ceased, possibly so did their work and, also, their posts which were largely fixed-term. Subsequently, with the arrival of the 2006 Act, the issue of empty private homes may have dropped down the policy agenda as more pressing issues took higher priority.
- 3.23 A striking feature of the situation in Scotland compared to England is the difference in approach to information-gathering and strategic thinking about empty private homes. In Scotland, the strength and reliability of the evidence-base on empty private homes is unclear but appears to be the basis for the majority local authority view that empty homes are not an issue. As a consequence, only a few Scottish local authorities have incorporated anything more than a limited acknowledgement of empty private homes as an issue within their LHS or Private Housing Strategy.
- 3.24 In England, there has been a more explicit commitment to empty private homes work by local authorities and this has been reinforced by central government funding, guidance and, until recently, performance monitoring. As a result, data-collection and strategic development by many English local authorities, metropolitan and rural, has been more systematic, leading to initiatives imbedded in a strategic framework – the Housing Strategy or Empty Homes Strategy.
- 3.25 For those Scottish authorities that decide that some form of intervention is appropriate to address a range of housing needs, the experience from English local authorities is pertinent – interventions (i.e. initiatives) should be pursued not as “one-off” or discrete activities but as part of a strategic approach. The next chapter discusses the importance of a strategic approach to bringing empty private homes back into use.

4 DEVELOPING A STRATEGIC APPROACH

4.1 The previous chapter concluded there was limited evidence that Scottish local authorities had developed a strategic approach to bring empty private homes into use as a contribution to meeting local housing needs. Of course, it is for each local authority to decide whether to take a strategic approach or not but this chapter makes the case for a strategic framework for empty homes issues where a local authority has concluded from discussion and review of available information and knowledge that such an approach is merited. This chapter highlights the overall framework that sets the parameters for subsequent chapters to discuss and comment on the key elements of strategy, organisation and implementation.

Examples of strategic development of empty private homes initiatives

4.2 From the case study interviews and material collected, it was clear that most English local authorities involved with empty homes initiatives had developed either a dedicated Empty Homes Strategy or empty homes objectives and policies within their Housing Strategy, from which, the rationale for specific actions (initiatives) was derived. Locating empty homes work in a strategic context can be achieved in different ways.

4.3 Examples of authorities with well-developed Empty Homes Strategies were Plymouth City Council¹⁰ (Annex 1) and Islington Council¹¹ (Annex 2). While an explicit strategy to deal with empty private homes is desirable, a structured approach can be achieved by incorporating work in other strategies such as a Private Sector Housing Strategy¹² (e.g. Hounslow Borough Council, case study, Annex 2) or in the overall Housing Strategy (e.g. South Oxfordshire Council, case study¹³). In Scotland, the City of Edinburgh Council's Private Housing Strategy¹⁴ committed action to carrying out "*research to identify empty homes in the private market and consider options for bringing them back into use*" while, in a quite different context, a project management approach was adopted by the Cairngorm National Park Authority (CNPA) case study involving data gathering, property evaluation, survey, grant application and implementation.

4.4 Each of these approaches has value, as the common feature is consideration of empty private homes in a strategic context. Lessons can be learned from the examples referenced. They show how the implementation of specific initiatives (e.g. a publicity campaign or use of enforcement powers) is derived from clear aims and objectives that are integrated within a wider consideration of housing need and supply that allows empty homes issues to be prioritised against other ways of boosting housing supply to meet a range of housing needs.

¹⁰ http://www.plymouth.gov.uk/empty_homes_review_2005-2.pdf.

¹¹ See <http://www.islington.gov.uk/Housing/PrivateHousing/EmptyProperties/>

¹² http://www.hounslow.gov.uk/private_sector_strategy_low-res.pdf

¹³ <http://www.southoxon.gov.uk/ccm/navigation/housing/housing-strategy>

¹⁴ http://www.edinburgh.gov.uk/internet/Housing/Housing_policies_and_strategies/CEC_private_housing_strategy

Table 4.1: A framework for action to bring empty private homes into use.

DEVELOPING A STRATEGIC APPROACH: KEY ELEMENTS	
Objectives, prioritisation and targeting	<ul style="list-style-type: none"> • Identifying empty homes objectives to meet housing need. • Identifying particular areas with a concentration of empty properties. Linkages with housing need objectives. • Specific actions such as dealing with homes over shops or empty private homes in regeneration areas. • Establishing oversight of all empty homes activities to assess opportunities for a supply 'gain' for housing need objectives.
Data collection	<ul style="list-style-type: none"> • Use of the Council Tax Register. • Development of an empty homes register. • Supplementary data sources e.g. street surveys, publicity campaigns, surveys of owners of empty properties.
Organisation, partnerships and support	<ul style="list-style-type: none"> • Staffing and skills. • Co-operation across council services/departments. • Partnerships with other local authorities to share resources and expertise. • Partnerships with other bodies. • External support models.
IMPLEMENTATION: KEY ELEMENTS	
A dual approach with owners	<ul style="list-style-type: none"> • Working with owners. • Compulsory powers.
Enabling powers	<ul style="list-style-type: none"> • Support to owners to become landlords. • Grants (Lead Tenancies and Rural Empty Property Grants). • Other financial incentives.

A strategic framework

4.5 Based on a review of the strategic documentation obtained from the case studies, the interviews with key officers and from the wider internet literature review of other local authority documents, Table 4.1 summarises the key elements of an overall approach to bringing empty private homes back into use to address housing need. It combines a strategic approach and implementation methods. Subsequent chapters describe and assess their advantages and limitations in a Scottish context. Individual initiatives are presented to emphasise key points or to exemplify how particular strategic approaches and implementation methods can be reflected in practice.

The Concordat and Local Housing Strategies

4.6 It is important to take account of the changes in Scotland arising from the 2007 Concordat¹⁵ between the Scottish Government and Local Government. It established a new relationship between the two tiers of government. While there are key national outcomes to be delivered by local government, local

¹⁵ <http://www.scotland.gov.uk/Resource/Doc/923/0054147.pdf>

authorities were given the freedom to set other local priorities and allocate resources accordingly. This greater flexibility, together with a substantial reduction in the number of separate funding streams to local government, allows authorities who wish to devote effort to empty private homes work to include it in the LHS and identify its funding requirements to that purpose.

- 4.7 Allied to the changes in funding and local decision-making, changes in strategic housing planning have come about with the Housing (Scotland) Act 2006 (“the 2006 Act”). It has introduced changes to how local authorities develop their Local Housing Strategies (LHS), particularly in relation to developing strategy for private sector housing. Also, recent guidance (June 2008)¹⁶ on the LHS has broadened its coverage. For this study, the key point is that the LHS housing supply targets for housing market areas and at local authority level, can include bringing empty homes into use as well as adding new supply, conversions and replacement housing (para. 43 of the guidance). Therefore, approaches to dealing with empty private homes should be set within that strategic context.
- 4.8 The 2006 Act also states that the LHS should set out a strategy for dealing with Below Tolerable Standard (BTS) houses – which will affect a number of long-term empty homes – and requires local authorities to develop the Scheme of Assistance to provide a new approach to support owners in improving and repairing their homes. Local authorities are able to offer owners access to a wider range of information, advice, practical assistance and financial assistance to help them meet their responsibilities for the repair and improvement of their homes.
- 4.9 Each local authority will develop its own Scheme of Assistance to suit the way it plans to use its powers and set its objectives in relation to the needs and circumstances of its area. Assistance to owners of empty private homes will be shaped by the type of local scheme drawn up by each local authority but offers scope for applying most of the types of support found in England, e.g., information leaflets, newsletters, an advice service and loans – standard or subsidised. However, not all support to owners need be channelled through the Scheme of Assistance.

Conclusion

- 4.10 For Scottish local authorities who decide to move forward with the aim of bringing private empty homes into use to contribute to meeting housing need, the Local Housing Strategy is the appropriate vehicle, as the statutory strategic overview of housing need and demand in the local authority area. It would ensure that empty homes issues are properly placed in context, integrated with wider aims and objectives and provided with an Action Plan that sets out objectives linked to implementation of initiatives, timescales and resources. Where such a course of action is adopted, the Scheme of Assistance should incorporate the types of assistance for which owners of empty private homes would be eligible.

¹⁶ <http://www.scotland.gov.uk/Resource/Doc/229540/0062199.pdf>

5 OBJECTIVES, PRIORITIES AND TARGET-SETTING

5.1 This chapter highlights the issue of setting clear objectives for empty homes work that guide priorities and setting of targets, not just in terms of numbers but in terms of where action should be directed.

Objectives

5.2 While the focus of this research was to examine how the re-use of empty private homes could contribute to meeting housing needs, it was clear from a number of the case studies, particularly from England, that other valid objectives directed the interventions of local authorities.

5.3 For example, Plymouth City Council's empty homes objectives addressed improving the built environment and supporting area regeneration as well as providing affordable housing. For Manchester City Council (see Annex 2), critical properties were those which were deemed to have the most negative amenity or social effect on an area by remaining empty. For Newcastle City Council, the main purpose of initiatives was to return empty private properties back into use rather than to increase the supply of affordable housing (an issue that it was conscious had to be addressed). However, while at the time of the fieldwork an explicit commitment to link empty homes work to affordability was absent, by the nature of the work in its regeneration areas, there was a gain for affordable supply.

5.4 The broad objective of seeing empty homes brought into use and therefore increasing housing supply was a common feature of the major English case studies, but not necessarily to meet housing need objectives. Evidence of comparisons being made of the cost of bringing empty homes into use against the cost for an local authority or RSL to provide higher quality, new-build affordable housing to meet housing needs, was limited. While, such a comparison should be made by local authorities to ensure cost-effective, value-for-money outcomes are achieved, the reality, as has been shown, is that other factors will shape decision-making as to why empty homes work is engaged in.

Priorities

5.5 Priorities for intervention can also be influenced by access to special funding streams. For example, some local authorities prioritised town centre regeneration, e.g. through Townscape Heritage Initiatives (THIs) and Living-Over-the-Shop (LOTS). Plymouth City Council, the *Empty Homes Partnership* in Devon (See Annex 2) and the Northern Ireland Housing Executive, each operated LOTS initiatives (See Annex 4).

Targeting

5.6 Targeting empty private homes to boost supply and help meet a range of housing needs must take account of the geography of supply and need. Highland Council found that many of the identified empty homes were low priority being in remote locations, expensive to refurbish and not necessarily where housing need had to be met. The Empty Homes Partnership in Devon

reviewed research on why properties became empty and concluded it should attempt to focus on prevention of long-term empty properties occurring. However, it had yet to set out how it would achieve this objective other than to encourage owners to sell empty properties to those who would agree to carry out remedial works.

Conclusion

- 5.7 The extent to which the reuse of empty private homes can contribute to meeting a range of housing needs is central to this research. Those local authorities in Scotland who decide to develop work in this field have to ensure that explicit objectives related to housing need are set within their strategic approach. While that will appear obvious, attention has to be paid to the fact that the research found that a variety of issues shaped the objectives and drove the actions of local authorities in tackling empty private homes.
- 5.8 For example, policies to eliminate sub-standard housing, policies on urban and rural regeneration, and initiatives to address properties causing serious neighbourhood nuisance or public health and safety fears, featured in the case studies. Sustainability issues are also starting to emerge as a priority. Addressing such issues may well have local political or policy importance and, if resolved successfully, will bring empty private homes into use. However, they will not necessarily contribute specifically to meeting outstanding local housing needs. Those with responsibility for overall housing strategy should identify opportunities such other policies and initiatives bring to achieving some supply “gain” for a range of housing needs.
- 5.9 Local authorities will also have to weigh up the relative priority and resources for empty homes work with those for the implementation of the 2006 Act and any decisions they make to address BTS housing, establish Housing Regeneration Areas and to prioritise financial and staff resources within their Scheme of Assistance.
- 5.10 The following chapter looks at a fundamental element of a strategic approach required to move from aims and objectives to action to bring empty homes into use to meet housing need – data.

6 DATA COLLECTION

6.1 This chapter examines methods to find out about empty private homes at local authority level and the pivotal role of data collection, particularly the Council Tax Register (CTR) but also other methods¹⁷. It is important to note that although the discussion is predicated on establishing a reliable evidence-base on empty private homes as the foundation block for strategy implementation, it is quite possible there will be local authorities who will proceed no further if the outcome of data collection is the conclusion there is a minor or negligible problem that merits no further policy priority.

The Council Tax Register

6.2 The case study analysis highlighted the fundamental importance of data collection to taking action on empty private homes. From a local authority perspective, without at least a reliable estimate of the *numbers*, the impact and scale of empty private homes cannot be gauged nor an accurate assessment made, of whether they merit any priority for resources and intervention. Without knowledge of *location* (addresses) it cannot be guaranteed that any supply boost would equate with the location of known housing need. Without knowledge of *ownership*, targeting owners to offer support or serve enforcement notices cannot be initiated.

6.3 Local authorities rely heavily on the CTR for all these purposes – but, as a revenue collection mechanism, it has intrinsic limitations as a database. It is a large data-set but it is not tenure-marked and it has access constraints. It is also dependent on owners seeking discounts to register empty homes and then to notify the local authority again once they are reoccupied. However, with time and effort, CT data can be refined, cleaned and supplemented by other collection methods.

6.4 To derive the number of *private* sector homes from the CT register, local authorities must deduct own-stock voids (from internal data or the Scottish Government web site¹⁸) and estimates of RSL voids¹⁹ to give a residual number equating (approximately) to the number of empty private sector homes. Empty homes which are uninhabitable and subject to closing orders are not liable to CT and are therefore not counted on the CTR. However, these are likely to be few in number and may be identified by cross-reference to lists of BTS housing kept by the local authority. .

6.5 The City of Edinburgh Council exemplified the use of CT data. Housing staff were given addresses from the CT team of every empty property on the CT list

¹⁷ While written from an English legislative perspective, the Empty Homes Agency booklet *Cure for Empty Homes* offers useful insights to the strengths and weaknesses of the CTR http://www.emptyhomes.com/documents/publications/cure_for_empty_homes.pdf

¹⁸ <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/StockPublicSector>

¹⁹ An estimate of RSL empty homes can be obtained from the annual APSR returns submitted to the Scottish Housing Regulator. However, this exercise will still only provide an estimate as it was found that the Scottish Housing Regulator asks RSLs to supply data on the numbers of empty homes which are vacant for 6 months and those that are vacant for over 1 year. There is no figure for houses which are empty for 6 months to 1 year.

and then used local knowledge to remove housing association properties so that private empty homes could be isolated. The resultant information was used to locate areas of empty private housing and, amongst other purposes, to target a mail-shot to owners on how to bring their properties into use.

Use of Council Tax data to identify individual properties

- 6.6 Survey results and telephone interviews highlighted the constraints that the Data Protection Act 1998 has had on access to CT data for identifying empty private homes. Recent guidance in 2007 from the Information Commissioners Office (ICO)²⁰, whilst not specifically mentioning empty homes, suggested CT data may be used by a local authority for legitimate reasons if it did not result in unfairness or unwarranted detriment to owners. However, a local authority should take its own legal opinion.
- 6.7 In terms of access to CT data for individual property targeting, different practices operated. Edinburgh, Highland and Manchester Councils were able to obtain address lists from the CTR but these were supplied without owners' names. Correspondence with individual owners was either issued directly by their Finance Department or printed labels for mass mailings were supplied to housing staff. Electronic lists were not handed over. In Newcastle, staff were able to draw on specific rights of access under local government and town planning legislation, provided the data was kept within the Council. Newcastle went further in data use by cross-checking CTR data with Housing Benefit data.
- 6.8 In other authorities only data by postcode area totals was released. This is helpful in indicating where the greatest number of empty homes occurs but less so for practical project development, particularly in rural areas, where physical survey may be very difficult. In an urban area, postcode area outputs could be less of a problem as street surveys would be possible. Although CT teams were wary of the release of owners' names even to housing colleagues, the Land Register is an alternative public source.

Other data-collection methods

- 6.9 A wide variety of other methods were used to generate additional empty private homes data to address the limitations of CT data:
- Street surveys by local authority staff in urban areas (e.g. and all described in Annex 2, Islington, Manchester, North London and Newcastle – the last employing evening visits in high student population areas).
 - Links with private sector stock condition surveys (e.g. Islington Council).
 - Land Registry to confirm ownership.
 - Companies House records to trace names and addresses of directors.
 - A joint survey carried out with landowners' representatives (e.g. CNPA)

²⁰ Technical guidance note, The use of personal information held for collecting and administering Council Tax ICO January 2007 published online at http://www.ico.gov.uk/upload/documents/library/data_protection/detailed_specialist_guides/use_of_personal_information_held_for_collecting_and_admini%E2%80%A6.pdf

working with the SRPBA and the National Farmers Union Scotland).

- Information from the Planning Service when an application for conversion or change-of-use of an empty home is refused (e.g. South Oxford).
- Housing benefit data (e.g. Newcastle).
- Letters to neighbours asking if they know who owners are (e.g. Newcastle).
- Notifications of empty private homes by staff in other departments.
- Notifications of properties subject to a police Closure Order due to drugs raids (e.g. Islington).
- Publicity campaigns (e.g. North London Empty Property Initiative and Kent's *No Use Empty*' initiative²¹) (See also Annex 2).

Conclusion

- 6.10 The evidence shows that data gathering to establish the extent of empty homes is a major task in itself but a necessary element in developing a suitable strategic approach that requires time, skills and access to local knowledge to establish reliable empty private home statistics (discussed further in the next chapter).
- 6.11 The CTR is the prime data source but it has a number of limitations. However, local authorities can pursue other methods to supplement CT data such as awareness-raising campaigns and resource-intensive street surveys in areas where there is a perceived issue. Beyond the collection of “hard” data there is the need, as highlighted in Chapter 3, for knowledge of the reasons owners – landlords and others – leave their property lying empty for long periods. The issue of working with owners is discussed in Chapter 8.
- 6.12 Like many property-related local authority functions including planning, environmental health and other aspects of private sector housing work, empty homes work is made more difficult by the lack of a comprehensive property register recording ownership and tenure details. However, it is not possible to assess the costs of establishing such a property database against the savings that might be accrued to many local authority service departments.
- 6.13 An additional conclusion that can be drawn as a consequence of the difficulties inherent in data collection is that prevention is better than cure. There is a strong argument to be made that local authorities should be organised and proactive to making contact with owners of empty homes as soon as possible after they apply for an empty homes discount. This will not just allow information about the location of the property to be captured but, just as importantly, may establish the owner's perspective (assuming a response is forthcoming) on the question of why the house is empty and whether assistance is required to allow it to be reoccupied. Although there is no guarantee such homes would become long-term “empties”, this preventative approach would seem to present an “easy win” by identifying properties which are likely to be in better repair condition than those that have been empty for a long period and most likely to have deteriorated into a poor state with high repair or upgrading costs.

²¹ www.no-use-empty.org

7 ORGANISATION AND SUPPORT

7.1 This chapter examines the role of organisational arrangements internal to the local authority in securing efficient working as a prerequisite for successful action to bring empty private homes back into use. It then considers the contribution of external partnerships and support systems to enhance learning and to help develop solutions to bring empty private homes back into use.

Internal organisational arrangements

7.2 Discussion of local authority organisational factors have often been omitted or taken for granted in the empty homes literature and in strategy documents. They merit consideration as they are the building blocks of efficient working and successful outcomes in terms of boosted supply. Review of the case study data on organisational factors identified three important organisational planning requirements: staffing, skills and inter-service co-operative working.

7.3 How a local authority responds to these factors will require it to weigh up a number of issues: the extent to which empty private homes are a public or policy concern; the size of the authority and the financial and officer resources at its disposal. Small authorities may find that seeking external partnerships and support will be an important part of moving forward although no authority should fail to benefit from working in partnership.

Staffing

7.4 Although only a few Scottish local authorities were engaged with empty private homes work, six authorities had an officer dealing specifically with empty homes but in each case, this was part of a wider set of duties. In England, authorities tended to be better staffed but there were considerable variations in numbers, reflecting the size of the local authority and the scale of its empty private homes problem.

7.5 In South Oxfordshire Council, a small authority, empty homes was only part of one officer's job (see Annex 2) while in larger authorities such as Plymouth, Newcastle and Manchester City Councils, full teams were either dedicated solely to empty properties or working across the whole private sector. In North London, the consortium of six boroughs had their own Empty Property Officers but they were supplemented at sub-regional level by support from one co-ordinator and three specialist officers. Where there was an empty homes team, it tended also to be responsible for administering the private sector leasing scheme. In the Devon *Empty Homes Partnership* (see Annex 2) two of the five participating councils shared the cost of employing an empty homes officer at a daily cost of £166 per day inclusive of a mileage allowance and a share of project running costs.

Skills

7.6 This research has proposed a framework for bringing empty private homes into use (Chapter 4) that emphasises the importance of a sound evidence base for

initiatives, supportive working with owners and a capability to employ enforcement action. From the case studies, the types of skills that reflected these elements fell into three broad classes: “hard” information technology skills, “soft” people management skills and legislative interpretation skills. All were found to be necessary for delivering empty homes initiatives. The specific skills identified were:

- Data analysis and monitoring skills – to extract data from registers and data bases, and also to carry out Geographic Information System mapping.
- Communication and negotiation skills – to achieve effective inter-departmental working relationships and for successful liaison with the public, private landlords, other owners and other bodies.
- Skill in interpreting the powers, duties and procedures required for prosecuting successful enforcement action.

7.7 It may be more cost-effective for a local authority to “buy in” necessary skills than to develop them in-house. This can help a small authority with a skill shortage for which employing an officer would be difficult to justify financially. An external skilled input can also be justified if the additional resource cost is shared by several authorities with the ability to offer a training opportunity for in-house staff. Kent County Council’s *No Use Empty* initiative made extensive use of an Environmental Health professional consultant whose role was to train the Empty Properties Officers (EPOs) in the partnership councils on the use of wide-ranging legislation to improve corporate working. Training was given during property visits where the consultant and EPO carried out a joint survey and discussed options with follow-on mentoring through the procedures from service of notices to enforced sale of the properties.

In-house collaborative working

7.8 Action to bring empty homes back into use requires collaboration across different local authority services. The Housing Service is most likely to have the lead responsibility due to its local knowledge of housing issues and responsibility for the LHS but other council services have data, powers or expertise that will need to be drawn on. From the English case studies, different approaches to co-operative working were identified but typically, where there was an empty homes officer or team, the Services that had a specific role to play were:

- **Housing Service:** an officer or Private Sector Housing team – responsible for strategy, data collection and work with landlords/owners. Normally the lead Service.
- **Environmental Health Service:** responsible for access to grant and use of enforcement powers (though these responsibilities could reside in the Housing Service).
- **Finance Service:** responsible for CT administration and data provision to housing staff.
- **Legal:** responsible for legal advice on use of enforcement powers and implementation of the more onerous powers such as a CPO or EDMO.

7.9 In Newcastle, a protocol was being finalised at the time of the fieldwork that would set out how joint working would operate and how each service would work on empty homes. Both Islington and Newcastle held regular development meetings with the co-ordinating departments. Strategic and monitoring meetings tended to be held quarterly or biannually with results reported upwards through the corporate management structure and to landlord forums. Manchester took an alternative approach with the Empty Properties Section negotiating for its staff to have the authority to serve environmental health and planning notices.

Local authority partnership working

7.10 A number of case studies demonstrated partnership working to deal with the complex and specialist aspects of empty homes work. These were sometimes partnerships between local authorities and, or, local RSLs. In one unusual case, an authority, Great Yarmouth Borough Council, provided a CPO service to other councils at a charge of £1,500 per CPO. Examples of partnership working were provided by several case studies:

- **Devon Empty Homes Partnership:** An initiative of Exeter City Council, four District Councils and a number of RSLs. Consortium bids for Housing Corporation funding have been submitted and funding allocated to the initiative, not simply to schemes. The team is based in Exeter and some staff are shared under service level agreements.
- **North London Empty Property Initiative:** A consortium of six Borough Councils co-ordinated by the North London Sub-Regional Working Party has created a targeted strategic approach and more robust enforcement. Borough empty property officers have been trained and common compulsory purchase procedures developed.
- **Kent County Council:** A partnership of the County Council and four district councils in East Kent has developed around the joint *No Use Empty* campaign initiative. A regional empty property officer was appointed and a public relations company hired to promote the initiative. Information resources for owners and training for empty property officers in the districts is carried out.
- **Plymouth City Council:** The council works with several RSLs who provide expertise e.g. on developing homes above shops and the management of leasing schemes. An annual subscription by the RSLs to the Council supports publicity initiatives and part of the Empty Homes team costs.

Working with other agencies

7.11 Empty homes work can be carried out by organisations other than local authorities and RSLs working in partnership with them or with other agencies. Such alternative structures can bring the benefits of greater flexibility to meet owners' needs and can attract other sources of funding. Additional benefits can also be achieved through the use of social enterprises e.g. skills development.

7.12 An interesting, though small, Scottish rural example is the not-for-profit Highland Small Communities Housing Trust (HSCHT). Working with other agencies, its main role has related to land-purchase and release to RSLs and

private individuals for housing-building but it has carried out some work to refurbish a few empty properties in remoter communities and let them to key workers, sometimes with support from employers. Overall, its work on empty homes has been limited due to capital funding constraints that, it feels, Rural Empty Property Grant (REPG) cannot resolve.

External support models

- 7.13 With few Scottish local authorities currently involved with the re-use of empty private homes, the issue arises as to whether some form(s) of external support would be helpful to those authorities who decide to take forward empty homes work.
- 7.14 In terms of types of support, in the on-line survey, Scottish local authorities expressed a preference for some form of officer support group or for a region-wide local authority consortium model but the idea of creating a new national support agency specifically for empty homes attracted ambivalent views. The research examined two support models operating in England – the Empty Homes Agency (EHA) and the National Association of Empty Homes Practitioners (NAEPP) which, in their different ways, offer support to local authorities, training for officers working on empty private homes issues, sharing of good practice, providing access to a library of information and dissemination of news on empty homes policy and legislation.
- 7.15 The EHA (see Annex 2 for more details) is a registered English charity and was part-funded by the Dept. of Communities and Local Government (DCLG) and by other grants and donations to 2009. Its 2006/07 running costs were about £300,000. The EHA currently performs a variety of roles – particularly campaigning on empty homes issues across England and providing support to local authorities as it believes there is:

“a need for local authorities to have an empty property strategy within their wider Housing Strategy and a dedicated Empty Property Officer) to tackle empty properties in areas where there is high demand.”²²

- 7.16 The NAEPP (see Annex 2) has about 150 member organisations, no paid employees and its operation is dependent on the voluntary effort of officers in local authorities who work on empty homes issues. Its income comes very largely from member subscriptions and has annual running costs of around £5,000. It supports empty homes officers across England. Its website²³ is the central means of communication between members for policy discussion, dissemination of good practice, discussion of new, emerging issues, mutual learning opportunities, etc. It promotes regional empty homes forums and training sessions.
- 7.17 The research also identified an empty homes support model in Wales that was just starting to operate. Funded by the Welsh Assembly Government at a cost

²² http://www.emptyhomes.com/whatwedo/what_we_do.html

²³ <http://naepp5.planetdrupal.ca/aboutnaepp?q=aboutnaepp>

of approx £45,000 pa, it employs one specialist officer, with policy support from staff in Shelter Cymru and the EHA which is also a member of the project Steering Group. Over two years, it aims to provide local authorities with advice, consultancy, training, good practice guidance and the development of a number of regional forums.

Support Options for Scotland

- 7.18 The need for support to local authorities to bring empty private homes into use to help meet a range of housing needs, depends on the extent to which local authorities define empty homes as a problem and decide to give it a degree of policy and resource support. These issues are for each local authority to decide on, but given the limited engagement by local authorities with empty private homes, the uncertainty about the numbers involved due to poor data collection and the wish by the Scottish Government to see a boost in housing supply from the PRS to help meet housing need, it would suggest that some type of support would be a positive move.
- 7.19 The type of support and its funding cannot be separated. The concept of a “Scottish Empty Homes Agency” is over-elaborate and an expensive structural solution to address the needs of Scottish local authorities. A time-limited project of 2-3 years, on the model adopted by the Welsh Assembly Government may be a more viable way forward but would be dependent on funding by the Scottish Government. A suitable partner to manage the project, and with expertise, would be needed – a university, a voluntary housing organisation or a professional housing body, may be possibilities.
- 7.20 A less costly alternative would be the employment of a single facilitator or co-ordinator (or two part time co-ordinators who might focus on different aspects of the work) whose role would be to promote empty homes work primarily with local authorities but also with landlords. The cost would be less than that of a specially established project but, as with such a project, would most likely need to be promoted by the Scottish Government.

Conclusion

- 7.21 It is important for local authorities which decide to take forward work on empty private homes to establish effective organisational arrangements. Key features will be:
- Identifying a lead Service and a lead team or officer(s) and ensuring their work is fully integrated with the LHS.
 - Securing skills in strategy, IT, communications and legislative interpretation when required.
 - Establishing inter-service working to take forward cross-service issues.
- 7.22 Given the specialist skills and knowledge that will be required to deal effectively with empty homes and the potentially limited resources that local authorities will be able to allocate, those authorities who consider they have a problem or would, at the least, want to explore it further, could find that informal forums,

partnership-working or a more formal consortium approach would have a number of advantages:

- More proactive councils could take a lead in initiative work and agree to defray some of the costs through sharing staff provision with other partners.
- Partnerships between local authorities and RSLs could bring additional benefits as each may be able to make different contributions e.g. an RSL may be able to sustain more contact time with owners and then be able to nominate tenants to the final let. It would also allow the RSL to build up a body of expertise.
- In more informal partnership arrangements across local authorities, training and good practice could be shared.
- In a consortium approach, whilst finance from members will most probably be needed for its development, future cost savings from joint commissioning may be achieved e.g. for property surveys and advertising campaigns.

7.23 Partnerships, informal or formal, need to be built around shared commonalities. While a national grouping has some logic, regional local authority groups are another possibility. Urban and rural interest groups could also prove useful to bring together local authorities with the most common issues.

7.24 The broad aims of any type of support should be to stimulate strategic thinking, share experiences, learn about practical initiatives, trouble-shoot problems and extend expertise.

7.25 Support structures can benefit all authorities but particularly benefit smaller authorities, urban or rural, who tend to have limited staff resources and could find it difficult to justify targeting empty homes.

7.26 Given the limited engagement with empty private homes work by local authorities, there is value in providing a catalyst. In terms of developing an external support model, there is logic to a single worker (or part time equivalents) – empty homes co-ordinator, facilitator or “champion” – as more appropriate than elaborate projects or structures. It would be the least expensive of the options described above but would be most likely to accord with the probable scale of the problem in Scotland.

7.27 Such a post could operate for a fixed term; with its primary role of supporting local authorities to take (for those who chose) the first steps to address empty homes in the context of their LHS. As interest extends, a network of largely new (to empty homes work) officers (mirroring the English regional forums) could be promoted. Alternatively, partnerships could be promoted. A variation on that approach would be to draw on the Scottish Housing Best Value Network and negotiate locating a Scottish Government funded co-ordinator post in the Network with potential synergies with its other housing activities.

7.28 Finally, an important feature of the coordinator/facilitator model would be its expertise. To provide a lead for local authorities and to address issues about types of support, powers of enforcement and financial support possibilities, knowledge of these issues would have to be built into the services offered.

8 A DUAL APPROACH TO BRINGING EMPTY HOMES INTO USE

8.1 This chapter sets out how local authorities can most effectively work with owners to bring empty homes into use through a combination of support and, where unavoidable, enforcement. Support can come in a variety of forms – from straightforward information and advice through to tangible financial incentives via loans and grant-aid. Enforcement can draw on a variety of powers from notices to require repairs to be carried out, to the power of compulsory purchase. Financial assistance is a significant “enabling” power to support the return of empty homes into use and is addressed in Chapter 9.

The dual approach: working with owners

8.2 The case studies demonstrated that critical to the success of bringing empty private homes into use was the support given by local authorities to owners and partnerships forged with private landlords. In Scotland, a number of authorities have developed positive working arrangements with private landlords via landlord forums, newsletters, rent deposit guarantee schemes, leasing schemes and direct contact with organisations such as the SRPBA. Evidence is lacking that the issue of empty private homes specifically has been raised at such forums and, given the view of Scottish Association of Landlords that its members will not own empty homes; these forums are unlikely to be an effective means of contact with owners of empty homes. However the landlords attending may provide a useful consultation mechanism, able to give valuable feedback on the approach an authority proposes to adopt.

8.3 The significant learning experience of working with owners comes from England but the general philosophy of English local authorities has been to pursue a dual approach with owners – a combination of support and enforcement. Case study analysis revealed a clear emphasis on providing owners with advice, support and financial incentives but this was backed up by the threat of enforcement action of various forms even, possibly, compulsory purchase. At each stage of engagement with an owner, a ‘voluntary’ response would be sought while making the owner aware that enforcement could, and would be, adopted if there was no positive reaction. Two case studies, exemplified the dual approach – Kent Partnership and Islington Council.

- The **Kent No Use Empty Partnership**²⁴ first used negotiation and encouragement, because an initial resort to enforcement was seen to be counter-productive and potentially more costly. An awareness-raising campaign, sending out regular newsletters and opening a website²⁵ were key methods to encourage owners to come forward and seek help. Financial support towards refurbishment and repairs was operated via a “revolving” loan scheme with loan offers conditional on the upgraded or repaired property being made available for sale or rent (not necessarily to meet housing need). Procedurally, three standard letters were sent out reiterating the local authority’s willingness to help but, successively, they escalated its determination to use enforcement powers, i.e. EDMOs and compulsory

²⁴ See Annex 2

²⁵ www.no-use-empty.org

purchase. The Council would even seek warrant for entry and change the locks.

- **Islington Borough Council** supported owners without the skills or know-how to bring their empty property back into use. Under a contract with an RSL, owners could pay for an improvement service. For an owner wishing to sell, the Council could assist by advertising the property through its web-marketing tool. It could also offer to act as an intermediary to sell the property to low paid or key workers or, alternatively, it could 'place' the owner with an RSL who may purchase the property on behalf of the Council. At the time of the research, the Council had not used EDMOs but was proceeding with a CPO programme on the most difficult empty homes cases.

8.4 A review of the various English case studies identified three key features of the supportive approach adopted by LAs:

- First, to develop an **understanding** of an owner's circumstances, both the reasons why the house – an asset – has lain empty and whether the owner's financial "health" could meet the costs of making it safe, secure and habitable. When the house could be used to meet housing need, an assessment would be made of what was required in terms of assistance to encourage the owner to bring it up to a lettable standard.
- Second, to make an offer of **assistance**, be it in the form of grant, loan, officer expertise or management through a leasing scheme. Assistance could be linked to a requirement for the house to be offered for rent for a specified period or to meet a housing need identified by the local authority.
- Third, to be **persistent** and back-up offers of assistance with the threat of enforcement action e.g. using EDMOs or compulsory purchase. Most authorities have a system of three letters escalating in tone as described for the Kent Partnership above.

8.5 When advice, assistance or even incentives fail to persuade a private landlord – or other owner – to bring an empty home back into use, a local authority will have to decide if it wishes to proceed with enforcement action to require the owner to make the property available for occupancy and, *if* appropriate powers are available, to then decide whether or not to use them.

The dual approach: enforcement powers

8.6 Scottish local authorities have a range of legislative powers to deal with empty and occupied houses by requiring their repair, maintenance, improvement and even by seeking their compulsory purchase in certain circumstances. A key point about Scottish enforcement powers is that they are designed to secure housing quality rather than occupation, although reuse may be the consequence of action taken. The only exception could be the successful compulsory purchase of an empty dwelling (but not for its demolition).

Enforcement powers in Scotland

8.7 Other than powers available under public health, planning and environmental legislation, the 2006 Act offers the main platform for local authority enforcement

action to require owners to improve and repair their homes, including empty homes. The 2006 Act was designed to place primary responsibility for the upkeep of houses in the private sector, first and foremost, on their owners. However, the Act gives local authorities powers to:

- Serve a Work Notice on a sub-standard house (including a BTS house, a house in serious disrepair or likely to damage other premises) and to carry out works in default. Some form of assistance must be offered to the owner.
- Recover the costs of any works the authority carries out and administrative expenses incurred, including the power to place a repayment charge on the property;
- Serve a Maintenance Order on an individual house or premises containing more than one house and approve, change, replace or revoke the subsequent Maintenance Plan;
- Provide the “missing share” where a communal repair is prevented from going ahead because, for example, an owner cannot be traced; and
- Enter the property to carry out or arrange to have carried out, works related to a range of notices and orders under the 2006 Act.

8.8 In addition, and of particular relevance for empty homes a landlord seeking to let, must ensure the property meets the statutory Repairing Standard – a standard covering a range of criteria to ensure the house is fit for letting²⁶ both at the outset of a tenancy and throughout the tenancy.

8.9 The Repairing Standard obligations on private landlords are designed to provide physical standards for let property, enforceable by tenants. However, it can be argued that, in some cases, the obligations may inhibit a landlord who owns an empty property from repairing and re-letting the property using a “repairing lease”. Such a lease would incorporate payment of a minimal rent by the tenant in return for which the tenant agrees to accept responsibility for repairs to the property. Such a situation could be mutually beneficial to both parties *if freely entered into*. In fact, the 2006 Act has provision for such a lease. For a tenancy (e.g. a Short Assured Tenancy) of less than three years, the proposed repairing lease must be approved by a Sheriff (who can also modify or reject it) and must be seen to be reasonable and freely agreed by both parties. If the lease operates from its commencement, for at least three years, approval by a Sheriff is not required.

8.10 Before proceeding with any enforcement action, a local authority will have to weigh the risks, costs and benefits if it embarks on action but the owner fails to respond. A decision will have to be made either not to pursue the matter or to exercise any default intervention powers it may have, to carry out the terms of the notice or power used. The availability of financial and staff resources, together with recognition that direct intervention cannot guarantee the re-occupancy of the property, will have to be central to the final decision.

²⁶ See the Housing (Scotland) Act 2006, s.13

Enforcement powers in England and Wales

8.11 In England two specific powers are available to local authorities to target the problem of empty homes:

- The power given to a local authority by the Housing Act 2004 to serve an Empty Dwelling Management Order (EDMO) on a vacant house²⁷. It became operational in July 2006. There is no Scottish equivalent power.
- The power given by the Law of Property Act 1925 and the Land Charges Act 1975 to allow a local authority to bring about the enforced sale of an empty property to recover its costs in relation to works carried out to the property²⁸.

The EDMO

8.12 Where an owner of a home empty for a continuous period of at least 6 months has rejected offers of support and has no plans to use the property, and it is in decline, the local authority can serve, subject to approval by a Residential Property Tribunal, an Interim EDMO which lasts for up to a year. During this time, the local authority cannot put tenants in the property unless the owner agrees. In effect, this gives the owner a final opportunity to reach an agreed solution. An interim EDMO can be replaced with a Final EDMO, approved by the local authority, to give it management control of the property for up to seven years. The local authority may manage and let the home itself or transfer management to a housing association but in either case, the letting should be at a market rent. If at any time the owner agrees to sell, let or cause the property to be reoccupied, the Order will be revoked²⁹.

8.13 An EDMO cannot apply where there is a plan and progress is being made to sell, rent or renovate the property. Nor will it apply whilst the ownership of an empty home is resolved through probate. Such properties are also exempt for a further 6 months after probate completion.

8.14 From case study feedback, preparing a “case”, attending the Tribunal, negotiating with the owner and serving the Order, are resource-demanding on a local authority, with no guarantee at the outset, of success. South Oxfordshire Council was the first council in England to have secured a Final EDMO in 2007. The proceedings at the Residential Property Tribunal for its Interim EDMO are available online³⁰.

8.15 The costs of an EDMO can be very high and given the seven year lease period, effectively exclude the longer term, more problematic empty homes in disrepair and restrict the benefit of an EDMO to lower repair cost properties to ensure cost-recovery from the rental income stream. Hounslow Council on completion of one Final EDMO incurred a cost of £93,000 to bring a property back into use – a cost made acceptable because the Council paid itself £15,000 renovation grant, recovering the remaining cost at a monthly rental of £1,100 over the

²⁷ Legislation at: http://www.opsi.gov.uk/acts/acts2004/ukpga_20040034_en_10#pt4-ch1.

²⁸ http://www.opsi.gov.uk/RevisedStatutes/Acts/ukpga/1925/cukpga_19250020_en_1

²⁹ For more details see: <http://www.communities.gov.uk/documents/housing/pdf/151111.pdf>

³⁰ <http://www.rpts.gov.uk/Files/2007/February/10000919.pdf>

seven years. It is understood that the London Borough (LB) of Hammersmith estimated it will cost £45,000 to serve an EDMO and the LB of Lewisham may not serve an EDMO requiring more than £20,000 refurbishment work.

8.16 Although there is no centralised collation of figures on the number of Interim EDMOs, or Final EDMO's, a UK parliamentary written answer of the 24 February 2009 confirmed that Interim EDMOs had been used only 17 times since 2006. However, from case study interviews and the parliamentary answer, the point has been made that it is the *threat* of using an EDMO that has been seen to be effective³¹.

Enforced sale of an empty home

8.17 Using the Law of Property Act 1925, the Enforced Sales Procedure (ESP) is a means of debt recovery by which an English local authority can bring about the sale of a privately owned, empty house to recover incurred costs (for instance, repairs or the cost of the authority boarding-up the property to prevent squatting or arson). The vacant dwelling has to be registered with the Land Registry for the debt to be registered. The local authority can then sell the property on the open market to recover the debt. However, properties can drop out of the ESP process prior to sale, usually because the debt had been repaid or the property had been sold by the owner or was no longer vacant. No information on the total number of ESPs served in England is available but, like EDMOs, they appear to have been used to a limited extent to date.

8.18 Enforced Sale is seen as an alternative approach to EDMOs because it is easier to apply and allows recovery of costs where work has been carried out. It is seen by local authorities who have used it, to have benefits. It does not attract compensation or a Local Public Inquiry (as with a CPO). It is a faster process than for a CPO. It applies to properties in probate. It is less risky as the local authority never takes ownership, and still leaves room for the owner to negotiate alternative solutions. However, the final use of the property after an enforced sale cannot be controlled by the local authority unless the sale is to an RSL or approved, 'investor-type' of landlord, where meeting some type of housing need could be achieved. Manchester City Council uses Enforced Sales to sell properties to RSLs on the highest value after seeking three valuations.

8.19 The Law of Property Act 1925 does not apply to Scotland³². However, there is the long-established power to compulsory purchase a house in Scotland. It is clearly an onerous power but the research found that it was being used in England by some local authorities (despite its potential to trigger a Local Public Inquiry) in preference to an EDMO. It was often targeted at empty private homes in poor condition where repairs could not be secured with the finance

³¹ <http://www.parliamentonline.co.uk/hansard/hocw/90224w0009.htm>

³² The Bankruptcy and Diligence etc. (Scotland) Act 2007 may provide a similar power to the ESP for debt recovery by a creditor, by seeking Sheriff Court approval for a Land Attachment. It might therefore be possible that a local authority could use a Land Attachment on an empty home where the owner has incurred a sufficiently large debt by the non-payment of repairs costs from default work notices. However, Part 4 of the Act has not yet been commenced and it is not yet known in what circumstances Land Attachments could be used.

available during a 7 year lease period. After CPO, the property would be sold to a local RSL that had funding from the (then) Housing Corporation to renovate the property.

8.20 In Scotland, compulsory purchase powers can be invoked by sections 9³³ and 121³⁴ of the Housing (Scotland) Act 1987 and the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947. They are however difficult to serve and there was evidence from the survey of only one local authority (Glasgow City Council) using CPOs to bring about the reuse of empty private homes (in this case for an abandoned property³⁵).

Conclusion

8.21 The conclusion drawn from this chapter is that a dual approach to owners – offering appropriate types of help, underpinned by recourse to sanctions where necessary, is the most appropriate means of bringing empty homes into use. From the experience in England, for all but the most difficult owners or where property ownership is unknown, obtaining the voluntary agreement of owners was held to be preferable and more effective than having to resort to enforcement action.

8.22 For Scottish local authorities, the lessons are clear. Unambiguous communications, building the owner's confidence, offering tangible forms of assistance (financial and non-financial) and demonstrating persistence of intention, are the foundations to achieve a positive working relationship with owners. Clarity in communicating both the availability of enforcement powers and a willingness to use them is equally important. Often intimating the threat to use enforcement action, conveyed with escalating determination, rather than the actual employment of the enforcement power, should be sufficient to convince all but the most reluctant owners to enter into a voluntary agreement.

8.23 Interviews with Scottish local authorities suggests that re-use of empty homes for housing need, not just for resale or market rent, is important. However, Scottish housing legislation has no power to require a privately owned, empty home to be made available to meet housing needs - a fact that reinforces the importance of strategies to work with owners to address housing need and supply. As mentioned in Chapter 6, the earlier the engagement with owners, the more chance there may be of securing a positive outcome in returning properties to use that also contribute to meeting a range of local housing needs.

8.24 The value of new legislation to create a similar, even if less bureaucratic and complex, procedure than the English EDMO is very questionable. It would not be a "quick fix". Firstly, it would require primary legislation and would have to accord with Human Rights legislation. Secondly, there would be little value in

³³ Power to acquire land for, or in connection with, provision of housing accommodation

³⁴ Power to acquire and repair a house or building liable to a Closing or Demolition Order

³⁵ For further discussion of the difficulties of using CPOs see "Report of the analysis produced by the Review of Scotland's Cities " Scottish Executive 2003

<http://www.scotland.gov.uk/Publications/2003/01/15950/15161> and Review of Compulsory Purchase and Land Compensation - Scottish Executive Central Research Unit, June 2001

<http://www.scotland.gov.uk/Resource/Doc/156534/0042035.pdf>

such legislation unless it could guarantee a solution to homes in serious disrepair with a maximum management period greater than seven years incorporated to ensure recovery of costs. For the LA, a management plan would be required to be drawn up and the local authority would be required to draw down resources that were possibly disproportionate to the gain of achieving a single occupied residence.

8.25 On the other hand, it has been the threat of using a power such as an EDMO that has been the trigger to finally make some owners in England, agree to cooperate with the LA. In Scotland, without introducing a new management “control” power, the central importance of local authorities developing a proactive approach to working with owners and using the Scheme of Assistance, is reinforced. However, authorities will need to be explicit about their willingness, where necessary, to use enforcement and Repayment Charge powers under the 2006 Act. Without such a signal, the most intractable owners will conclude authorities lack the determination to achieve their objectives.

9 ENABLING POWERS FOR BRINGING EMPTY HOMES INTO USE

9.1 This chapter looks at financial enabling powers available to local authorities, RSLs and owners in both England and Scotland to bring empty homes back into use.

Bringing empty homes into the private rented sector

9.2 The online survey showed that, in Scotland, the most successful implementation mechanisms available to local authorities for dealing with empty homes have been those that provide support to private landlords, such as private sector leasing (PSL) schemes and rent deposit guarantee schemes (RDGSs)³⁶. Both these schemes are well established in Scotland; however, the extent of their use for dealing with empty homes as opposed to wider working with private sector landlords to make lets available to those in housing need is not clear.

9.3 RDGSs provide a service to assist and support persons who are in housing need and who may have difficulties in access private sector housing because they are on benefits or who have difficulty in finding deposits or rent in advance. Schemes will generally offer a written guarantee to landlords in place of the deposit. In July 2008 there were some 28 deposit schemes in Scotland with two further schemes in development.

9.4 In terms of PSL schemes attracting empty homes back into use, it is most likely properties would have to be in a reasonably good state of repair and available for occupation at low preparation costs. It is less likely to be of value with long-term empty homes that are more likely to need more extensive repair and upgrading costs. These schemes are typically operated by local authorities or housing associations in conjunction with the local authority.

9.5 English examples offer a broadly similar approach to assisting owners to become private landlords using RDGSs (Newcastle and South Oxfordshire) and a number of leasing and rental schemes linked to offers of loans to owners to improve empty properties, providing the owner subsequently makes the home available for rent (Plymouth City Council). A similar model was found in Kent where loans were available to help owners/developers refurbish or convert empty homes or redundant commercial buildings. The Kent loan fund operated as a revolving fund, so that as loans were repaid, the money was re-lent to support new schemes. South Oxfordshire Council required the owner to accept nominated tenants in exchange for a loan from a revolving loan fund. The rent was paid directly to the Council to repay the loan. Islington Borough Council developed a housing association leasing scheme where the offer of an improvement loan was linked to the lease of the home to a housing association.

9.6 However, a number of the English leasing schemes appeared to seek a longer term tenancy and thus avoid some of the difficulties and expense that arise with the continual turnover of temporary tenancies. Examples of agreements to

³⁶ <http://www.crisis.org.uk/publications/RDS - A Sustainable Housing Option.pdf>

make properties available for rent were also found e.g. the Plymouth “*Houselet*” scheme involves giving loans, if required, to bring a house up to standard and then provision of a guaranteed rental for 2-3 years with a partnership agreement requiring the owner to continue rental at a rent linked to the local housing allowance for a further 5 years. The loan cost is recovered from the rent.

- 9.7 The English examples of the successful use of loans to bring empty homes back into use for rent should give confidence to Scottish local authorities about the impact of the likely reduced availability of grants under the Scheme of Assistance. Loans to support repairs or upgrading could be offered under the Scheme of Assistance by Scottish local authorities and possibly linked to leasing agreements and nomination arrangements of households in housing need who had been assessed as able to sustain a tenancy.

Voluntary transfer of ownership of properties

- 9.8 Not all owners of empty homes want to become landlords or even retain ownership. The research found examples where an authority would act as an intermediary between an empty home owner and a potential buyer. The buyer would be assessed by the local authority as a low income household or key worker but capable of sustaining the cost of a mortgage. Alternatively, the local authority could “place” the empty home owner with an RSL who would purchase the empty property (e.g., Islington Council and Kent County Council case studies). Manchester City Council estimated that roughly 20% of the empty properties that it deals with would move into private landlord ownership (although 60% would become owner-occupied and 20% of the most “critical” properties would become owned by RSLs).

Financial incentives

Tax Incentives and tax penalties

- 9.9 One approach to bringing empty properties back into use has been to adjust taxation to incentivise owners. Three types of tax changes are relevant:
- A reduction in the Council Tax (CT) discount. Local authorities in Scotland were given discretionary powers in 2005 to reduce the CT discount on empty and second homes to a maximum of 50% and a minimum of 10%. The aim was to provide an incentive for owners to bring their houses speedily back into use. All additional income raised is retained locally and can be used to improve empty homes to provide affordable housing, provide new-build affordable housing in areas determined by councils, and some other purposes.³⁷ In setting discount levels on empty homes, local authorities need to be aware of perverse effects with some owners seeking to have potentially useful properties declared uninhabitable or demolished. One English authority noted that some discount should be offered or owners would simply claim the Single Person’s Council Tax Discount of 25%.

³⁷ <http://www.opsi.gov.uk/legislation/scotland/ssi2005/20050051.htm>

- A reduction on the VAT on property repairs to 5% for homes that have been empty for over 2 years. This effectively reduces repair costs by 10%.
- Capital allowances on conversions. Shop owners carrying out homes-over-the-shop conversions and owners converting commercial premises to residential use may also be able to claim 100% capital allowances³⁸ for conversion work so making it possible to “save” up to 40% of net costs, as tax relief³⁹.

9.10 Local authorities should make owners aware of such tax incentives to encourage owners to reduce the cost of repair work to their empty homes (or carry out conversions). Local authorities could promote these through their Scheme of Assistance and then link such incentives with other sources of finance and assistance as a package that also brings the former empty home into use for housing need.

Scheme of Assistance

9.11 The Scheme of Assistance under the 2006 Act is likely to lead to local authorities reducing the use of improvement and repair grants in favour of loans and other forms of assistance. Each local authority will, in future, determine their own priorities, the types of assistance they will offer in relation to different work types, taking into consideration the personal circumstances of each owner. Although a small positive effect overall was expected from the Scheme of Assistance, about a quarter of Scottish local authorities responding to the online survey thought it could have some negative impact on the success of bringing empty homes back into use with the reduction in the availability of grant being cited as a particular issue. This of course was a view in advance of the Scheme becoming operational. In fact, the 2006 Act allows local authorities to offer a wider range of support – including where the owner intends to rent an empty property.

Lead Tenancies and Rural Empty Property Grants

9.12 The Lead Tenancies (LTs) grant is only available in Scotland. Under the Lead Tenancies Scheme (LTS), an owner improves the property using grant and leases the property to an RSL for a maximum of 20 years⁴⁰. The RSL then manages and maintains the property, using it for short-term affordable renting using the Short Scottish Secure Tenancy. Rural Empty Property Grants (REPGs), while also only available in Scotland, differ from LTs in a number of ways. The length of agreed rental period under an REPG is related to the level of funding available. Subsidy levels differ. An LT can be provided with up to £2,435 per year of the lease or a maximum of £48,700 while an REPG is normally fixed at a maximum of 33% of eligible cost (see Annex 5 for details).

³⁸ Finance Act 2001

³⁹ This relief is only available for flats over shops and other commercial conversions and there are conditions.

⁴⁰ This is the maximum limit of 20 years for domestic leases which was introduced by the Land Reform Act 1974.

- 9.13 A LT can be used anywhere in Scotland, operates by a lease to an RSL and is let on the basis of housing need, whereas an REPG is restricted to rural areas, is managed directly by a private sector owner, often an estate, and is targeted at prospective tenants who are employed or have received a formal offer of employment in the area (though lets to non-economically active tenants with a local connection may be possible in specified circumstances). The fact that an owner may choose the tenant is an advantage as far as owners are concerned.
- 9.14 LTs have been criticised⁴¹ as being complex to set up, particularly the establishment of responsibilities and obligations between the owner and the RSL. The requirement to pay back grant should the RSL lead tenant decide to pull out of the project was said to have put off many potential owners. However, there were successful developments that overcame these issues. Grampian HA developed LTs with a number of owners and developed expertise in dealing with the complexities that are off-putting to less experienced RSLs. In its use of LTs, Grampian found that it needed to insert a clause saying that it would only terminate if there were “due cause”.
- 9.15 Table 9.1 shows performance achieved under each scheme. The table shows that REPGs tend to be smaller and cheaper schemes than LTs though available for similar lengths of rent on average (though there was greater variation of length of rental agreement with the REPGs ranging from 5 years to 30 years.) The small size of the schemes implies that, especially for LTs, the RSLs’ development and management costs per unit will be high. (This can also be an issue generally for RSLs developing in remote rural areas.)

Table 9.1: Comparison of Lead Tenancies and Rural Empty Property Grants

Performance criteria	Lead Tenancy Scheme	Rural Empty Property Grants
Size of project	Average of 7 units per project	Average of 3 units per scheme
Number of units developed	242 units developed for LTs since 1994 (17 units p.a.).	185 units were developed under REPG since 1991 (approximately 11 p.a.)
Average grant level achieved	No data available but £2435 per year of rent per unit available	£1,892 per year of rent per unit
Average length of lease available / agreement to make available for rent under scheme	19.8 years	21.1 years

Source: unpublished data supplied by Scottish Government

- 9.16 Since 1994 there have been 242 units developed for LTs (17 units p.a.)⁴². However, in recent years, LT activity has declined. This may be due to a number of reasons including, until recently, the overheated housing market that meant a property could increase in value faster than the increasing cost of

⁴¹ Lead Tenancy Schemes In Scotland Julie Rugg and David Rhodes, Centre for Housing Policy, University of York published by Scottish Executive Social Research 2004

⁴² Substantially complete data on LT projects and REPGs dating from the inception of the schemes was supplied by the Scottish Government and analysed by the research team

disrepair; the fact that the LT grant had not increased in value for many years and the lack of any publicity materials on LTs available either in print or online. While LT grant has been increased in the past two years, it is too recent to establish the impact of this increase on the popularity of the scheme.

9.17 Two case studies illustrate some of the complexities and risks for owners of using REPG grant.

- Information⁴³ about one REPG concerned the conversion of a steading in Argyll to provide five dwellings. The owner here succeeded in making this grant work for him by using a number of tactics including using his own labour and applying for the 5% reduced rate of VAT. Originally, the owner was prepared to commit the properties for rent for 15 years. However, this owner, an accountant, managed to master the spreadsheet and realised that the cap on grant would be the same whether the house was available for rent for 12 years or 15 and subsequently reduced the length of time he was prepared to commit the property for rent. The cap on grant was almost counter productive in this case.
- In the CNPA area the improvement for letting of three empty cottages did not proceed due to a development funding gap (the difference between the current value and cost of improvement and the final value) of £57,000 on 3 cottages. Communities Scotland suggested a grant of £77,169 under the REPG scheme, provided the owners undertook to rent the houses out for a minimum of 20 years at a rate of £345 per month. The owner estimated his contribution as £189,838 and despite a very low voids assumption, a significant annual loss of over £2,000 per property would arise. A further consideration for this owner, only indirectly related to the REPG, was the implication of 40% inheritance tax when the property was transferred between generations.

Impacts and costs of Lead Tenancies and Rural Empty Property Grants

9.18 The Scottish LT and REPG grant mechanisms have not, numerically, had a major impact on empty home numbers with a total of only 427 properties brought back into use through these mechanisms since 1991. (See table above). Though well targeted, the individual grant levels for REPG and LTs are low, especially compared with some of the grants offered in England, and the cap at 33% for REPGs may be counterproductive with owners scaling back on their initial commitment to rent for a longer length of time where there is no financial benefit. Clearly, however, there is a need to limit grant and it seems appropriate to benchmark grants at or below HAG levels where new build housing, with the potential to offer better quality stock than older refurbished housing is available for rent in perpetuity. The current grant levels for LTs certainly meet this benchmark with the current annual grant maximum of £2,435 relating well to the national indicative level of HAG of £73,000, appraised over a 30 year period.

9.19 However, it is suggested that there may be occasions where a longer commitment to affordable rent can be achieved by increasing the grant cap for

⁴³ Information obtained from owner at project visit arranged by SRPBA July 2008

REPG. With modest increases, perhaps even up to the 60% cap, the grant would still provide good value and there seem to be no issues with State Aid for a properly established scheme such as the REPG. (State Aid is discussed in Annex 6.)

- 9.20 The evidence also shows that the grants, if they are to have a greater appeal to owners, should be less restrictive in their conditions, for instance by offering the facility to transfer outstanding grant to a loan in the event that the RSL withdraws from a LT project (see 9.14). Grants also need to be better promoted to owners. However, it could be a matter of concern if such changes reduced the targeting of these grants or substantially increased grant levels at the cost of reducing funding available for mainstream affordable housing.

Conclusion

- 9.21 There is a lack of data available to demonstrate whether or not tax incentives have had any success in bringing empty properties back into use though there is anecdotal evidence that they can actually act as penalties and have negative effects. The reduction in the CT discount particularly tends to convey the image of the “stick” rather than the “carrot”. Other tax incentives could play a part in encouraging owners of empty homes to bring them back into use but better promotion of the benefits (savings) that could arise would be needed. Local authorities should be actively engaging with owners of empty properties at the point where CT discounts are reduced to assist them to get their property reoccupied and encouraging owners to avail themselves of tax incentives (such as the VAT reduction on repairs to empty homes) and other forms of assistance where appropriate.
- 9.22 Advice and guidance are fundamental but tangible support, particularly through subsidy (traditionally by grant assistance but for the future, more likely by loans) should be a component of local Schemes of Assistance, where appropriate. In England, loans although used to a lesser extent than grants, have proved effective in bringing empty properties back into use. Where loans and grants are used, conditionality in terms of availability to contribute to meeting housing needs through guaranteeing the availability of the home for rent could be imposed.
- 9.23 The linking of grants and loans to rental or leasing agreements is a model which may fit well with the Scheme of Assistance being developed under the 2006 Act. English local authorities have effectively developed revolving loan funds with rents being paid directly to the local authority to make loan repayments and this approach could be replicable in Scotland.
- 9.24 The Scottish system of empty property grants (LTs and REPGs) is well targeted at providing affordable rented housing; however the impact of these grants has been very limited. Moves by the Scottish Government to make these grants less complex (as they appear to owners), to reduce areas of risk for owners and to review the affect of the cap on REPGs, may (provided grant levels are maintained) help bring more empty private homes back into use to meet housing needs.

10 CONCLUSIONS AND RECOMMENDATIONS

10.1 This chapter brings together the main conclusions of the research and presents a series of recommendations designed to highlight potential benefits of a variety of approaches, structures and mechanisms to return empty private homes into use and increase the supply of housing. The recommendations are aimed primarily at local authorities – urban and rural – and the Scottish Government, though they should be of interest to landlords, their representative organisations and RSLs, amongst others.

Context

10.2 Work on empty private homes is more fully developed in England than in Scotland for a variety of reasons (e.g. the scale of the problem, strategy, organisation, supporting organisations, funding, powers, and until recently, the presence of an empty homes Best Value Indicator). Consequently, the findings from the research with English local authorities and agencies here shaped much of the thinking about what would, and wouldn't, be appropriate to take forward, modified, as appropriate, to the Scottish housing policy and legislative context.

10.3 A conclusion from the research analysis that underpins a number of the recommendations is that local authorities with a well-informed strategy or policy framework for their work on empty private homes, did not pursue “one-off”, discrete initiatives but had an integrated approach where strategy, organisation, co-ordinated support, resources and policies were, in effect, “initiatives” just as much as particular forms of support to owners and enforcement action. Such an approach takes time to construct and for benefits to materialise but it is consistent with the rational planning theme that guides the development of the Local Housing Strategy.

10.4 One important aspect of the analysis of the English initiatives that needs to be borne in mind is that empty homes work has been prosecuted extensively by local authorities and supported by central government but not necessarily always in support of housing need objectives. Empty private homes have been addressed through area or town centre regeneration, in support of rural housing priorities or because particular properties were detrimental to the local amenity or a risk to public safety. In such cases, returning the home into use was the main reason for engagement. The research has sought to evaluate the key lessons from all the case studies in the context of the more specific Scottish focus on empty homes and the range of housing needs that have to be met.

10.5 In Scotland, empty private homes are not seen as a significant issue by many local authorities. The reasons can only be reflected on. The Empty Homes Initiative challenge funding for five years to 2002 possibly dealt with some of the most intractable properties. On the other hand, its demise may have removed the encouragement for local authorities to deal with the issues that remain. Until lately, a rising housing market may have removed much of the incentive for owners to bring empty homes back into use as property values increased regardless of condition. The recent market slow down may well

reverse this trend. Finally, a reason that underpins much of the recommendations of this research is that competing policy pressures, lack of strategic importance, a perception that refurbishment of empty homes is not good value for money and a lack of data may have led local authorities to conclude that empty private homes did not merit priority.

Prioritising work on empty private homes

- 10.6 It has been emphasised several times in the report that it will be up to each local authority to decide if it wants to develop policies to address the reuse of empty private homes. This decision should be predicated on establishing, at least in outline, an evidence-base on empty private homes as the foundation block for strategy implementation. It is quite possible there will be local authorities who will proceed no further if the outcome of preliminary data collection is the conclusion there is a minor or negligible problem that merits no further policy priority.
- 10.7 Where a positive commitment is made, some degree of priority will have to be accorded to that decision. However, in so doing, it should be noted that other policies such as area regeneration, town centre regeneration, rural housing initiatives and sustainability⁴⁴ may also engage with empty homes as part of wider objectives – though not necessarily in connection with meeting housing needs. In that context, an assessment of whether such wider policies could incorporate a commitment to action on empty homes to meet housing needs is desirable.

Recommendation 1

A local authority should establish, at least in outline, an evidence-base on the extent and nature of empty private homes in their area before deciding, after consulting with other local authority departments, on the merits or otherwise of establishing a specific policy to address the reuse of empty homes.

Developing a strategic approach in Scotland (Chapter 4)

- 10.8 The new-style LHS will focus on outcomes that set the strategic direction for each local authority and a separate monitoring and evaluation framework will no longer need to be produced. For local authorities who have committed to taking action on empty private homes, the issues to be addressed should feature in their strategic planning, i.e. in the LHS.
- 10.9 A number of authorities have also developed a Private Sector Housing Strategy. This can provide more scope and depth than is possible in the LHS, to amplify on the analysis, policies and initiatives to address empty homes problems and to link opportunities to reuse empty private homes with the range of local housing needs that have to be met. Also, developing a specific empty homes *Action Plan* as part of a Private Sector Housing Strategy, or as

⁴⁴ Empty homes contain embodied energy and it has been calculated in research carried out for the Empty Homes Agency that over a period of 50 years the refurbishment, and heating of an older home will produce a similar amount of CO₂ as building and heating a new home.

a separate exercise, could prove a valuable practical tool by setting out clear objectives, policies, tasks, targets, timescales and officer responsibilities that can then be monitored and reviewed.

Recommendation 2

Where a local authority has decided to take action on empty private homes in its area:

- *The Local Housing Strategy should set out the local authority's intentions to increase supply by bringing empty private homes into use.*
- *An Action Plan should be developed.*
- *Policies and actions in relation to empty homes issues should be incorporated, where appropriate, in the Strategic Housing Investment Plan, the Affordable Housing Policy and the Scheme of Assistance.*
- *An assessment should be made of how other policies such as urban regeneration, town centre regeneration or rural housing could contribute to bringing more empty homes into use to meet housing need objectives.*

10.10 For local authorities that have identified action on empty homes within their LHS, there are a number of key elements of a strategic approach that should be followed up in a more specific and detailed way. These are to:

- Draw up an Action Plan that sets out objectives, policies, resources, targets and responsibilities to bring empty private homes back into use.
- Collect more precise and detailed empty homes data covering numbers, location, condition and the reasons why homes remain empty. Methods to employ include analysis of the Council Tax Register supplemented, as appropriate, by other quantitative and qualitative methods. (Chapter 6)
- Establish the organisational requirements to resource the work, i.e. the lead service, designated team or officer, skills and budget. (Chapter 7)
- Identify the strategic and implementation partnerships (i.e. internal co-operation across Services and externally with other local authorities and other organisations) that, if set-up, could reduce costs, pool resources and develop learning, skills and a shared vision. (Chapter 7)
- Establish a dual approach by, on the one hand, drawing up the range of available support mechanisms, and, on the other hand, the enforcement policies, procedures and legislative powers that are necessary to have available. (Chapter 8)

Data Collection issues (Chapter 6)

10.11 The Council Tax Register (CTR) is the principal and readily available data source on empty private homes that produces statistical data and is near cost-free. However, it was developed for revenue collection and notably lacks a tenure marker to enable private properties to be distinguished from those of other tenures. Data protection issues were, perhaps unnecessarily, found to be a limiting factor for some local authorities, particularly for locating and identifying individual empty homes that might be brought back into use. In assembling a database, local authorities will generally need to supplement

CTR data with that from a variety of other approaches, taking account of resource costs and reliability.

- 10.12 The research has shown there is no single, straightforward way of identifying empty homes. Most importantly, local authorities should consider external sources of data – surveys, publicity campaigns and joint work with landlords and land-owner organisations. However, a variety of internal data is held by other local authority services that could be useful. Apart from housing sources, other services within the local authority – Building Control, Planning and Environmental Health – may also be able to assist. Other public sector agencies, such as the Police, may be able to identify empty homes. Access by a designated empty homes officer to relevant data held by these services may require access protocols to be established and data protection to be clarified.

Recommendation 3

To gain a realistic estimate of empty private properties, their location and ownership, local authorities should supplement Council Tax Register data analysis with other approaches to data collection that are appropriate to local circumstances. Other sources will include: information held by other services within the authority (if not restricted by data protection rules); area surveys, owners' surveys; Registers of Scotland data; publicity campaigns; postal surveys; web-site hotlines and liaison with landlord organisations and forums.

- 10.13 Recommendation 3 reflects the current reality for local authorities seeking to assemble good quality data about empty private homes. It also reflects a wider issue concerning the difficulty, complexity and labour-intensiveness of constructing location and ownership information about privately-owned dwellings from a variety of sources, each designed for a different and very specific purpose. There is clearly merit in a comprehensive local private property data-base that assembles all location and ownership information for private dwellings. Such a database could be useful to a wide range of local authority services including planning, environmental health and building control. It is not possible however to estimate what savings might be achieved against the undoubted high cost of establishing such a database.
- 10.14 Prevention is better than cure. If empty homes can be “picked up” at the point an owner applies for an empty homes discount (where the house has been empty for over six months) speedy reuse could prevent the property falling into further disrepair where it no longer becomes value-for-money to deal with the property. At this point, the local authority should establish the reason for the property becoming vacant, the owner’s willingness to return it into use in the future and any assistance that might be required. In particular, an assessment could be made of the owner’s willingness to the house being made available through an arrangement with the authority to meet housing need.

Recommendation 4

Where appropriate, local authorities should develop a proactive approach to engaging with owners who apply for empty homes Council Tax discount, with the aim of gaining information about the owner and the possibility of the home being made available in the future to help meet a housing need. Progress on returning the empty home to use should be monitored and contact maintained with the owner until the property is once again inhabited.

Organisation and support (Chapter 7)

- 10.15 A commitment by a local authority to establish a strategic approach to empty private homes work, to data collection and to implementing an Action Plan has to be predicated on a commitment to an organisational framework capable of delivering them. For those local authorities who decide to take empty private homes work forward strategically, consideration has to be given to identifying a lead service, its designated team or officer(s) for empty homes work, the appropriate duties of the officer(s), the essential skills required and budget necessary.
- 10.16 Existing LHS staff will be able to integrate empty homes strategic issues into LHS planning and development – but implementation initiatives will require consideration of a wider range of staffing and skill issues. Local authorities retain a wide range of skilled officers so it is not presumed that all the necessary skills for empty homes work will be available within a housing strategy team or even within a Housing Service, but other services should have professionals with the expertise, knowledge and skill areas that may have to be drawn on. The research found that, although there was a lead service for empty homes work in all the case studies, co-operation across various services of the authority was beneficial, if not essential, for access to information and co-ordinated action where necessary. However, in one case, a consultancy contract provided a consortium of local authorities with necessary expert skills not available in-house.

Recommendation 5

Local authorities who intend to take forward work to bring empty private homes into use should establish the organisational requirements, the key features of which are:

- *Identifying a lead service and a lead team, or officer(s), and ensuring empty homes strategy work is fully integrated within the Local Housing Strategy.*
- *Ensuring there are the resources and staff with the skills to deliver the strategic commitments made in the Local Housing Strategy and related Action Plan.*
- *Securing that the range of potential skills required for empty homes work are available to assist action: skills in strategic development, information technology, data analysis, inter-personal communications and legislative interpretation being the most significant.*

- *Establishing internal co-operative working to take forward cross-service issues including data collection and analysis; publicity; support and enforcement powers.*

- 10.17 Partnership working across local authorities and with other organisations such as RSLs proved a common and productive feature in a number of the English case studies. Partnerships varied from informal forums and joint working protocols to formal consortia. Such partnership approaches could be considered by Scottish local authorities and shaped to local geography, or a shared view of how work on empty private homes could be advanced in support of meeting housing needs. Benefits could include joint publicity campaigns and surveys, sharing of staff and learning from each other. This should be more cost-effective than each authority working alone. Costs could be shared equally or pro rata according to the estimated number of empty private homes or days of work required. Authorities with officers with particular expertise may consider recharging other authorities for the use of their services, or using part-time secondments.
- 10.18 In larger urban areas with a number of RSLs, a partnership approach between them and the local authority could work very well with the RSLs having the opportunity to develop a specialism and gaining “reward” from overall higher activity levels. (See Plymouth City Council at Annex 1.) Alternatively a sub-regional partnership with a number of smaller local authorities within reasonable travelling distance of each other and a relatively small number of RSLs (e.g. the Empty Homes Partnership Devon) could prove equally appropriate. The consortium approach, as developed in Kent County Council, might also be applicable for such authorities.

Recommendation 6

Local authorities who plan to take forward work on empty private homes should consider the benefits and costs of developing a partnership approach with other local authorities and local housing associations. Partnership formats to consider vary from informal joint liaison and working arrangements through to formal consortia based on agreed protocols that could allow for joint commissioning of consultants, data collection and publicity campaigns.

- 10.19 The study of empty homes work in England revealed that although there are various inter-authority empty homes partnerships, authorities also benefit from support at a national level from both an Empty Homes Agency and an organisation of empty homes practitioners. In Wales, the Welsh Assembly Government has established a two year empty homes project with Shelter Cymru. The costs of these initiatives, and the consequent range of support they offer, vary considerably.
- 10.20 Given the starting point for empty homes work in Scotland is low, local authorities could benefit from some form of external support (additional to any local or regional partnerships). A national agency would appear unnecessarily expensive and over-elaborate a structural approach. Given that not all local authorities will necessarily consider empty private homes a problem or a priority, an appropriate support model could be defined in terms

of just one or two specialist officers (co-ordinators), who would provide promotional, set-up and on-going support to those local authorities interested in, or already committed to empty homes work. Engagement with landowners and landlords and other key players in the private sector could also come within the remit. As a national resource, a fixed term project of two or three years, funded by the Scottish Government, would be the most likely way of ensuring a project materialised. (The development of common housing registers was supported in this way by an initial fixed-term secondment from a university). Location of the co-ordinator(s) would have to be carefully considered. Options include within the Scottish Government, a national housing organisation or a practitioners group such as the Scottish Housing Best Value Network.

Recommendation 7

The Scottish Government should consider establishing a national empty homes resource, based on a project of one or possibly two co-ordinators or facilitators to provide support to local authorities and partnership groups and to liaise, where appropriate, with landlord and landowner organisations and other key organisations with interests in the Private Housing Sector.

A dual approach (Chapter 8)

10.21 It is clear from the experience of English local authorities that effective intervention to bring empty private homes into use (whether for housing need or any other end purpose) depends on a combination of first offering a range of support but then following up with the threat (and ultimate use, if necessary) of various types of enforcement action, should owners be unwilling to co-operate. Such a dual approach is just as appropriate for Scottish local authorities.

10.22 The key lesson is that support is built on three foundations:

- Developing an understanding of an empty home owner's circumstances and motivation.
- Providing viable offers of assistance, be that financial, non-financial or both.
- Being persistent by not "giving up" if the first offer of support is ignored or rejected.

Recommendation 8

Local authorities taking forward work to bring empty homes into use should adopt a dual approach to working with owners of empty homes, based on a combination of offers of support as the first means of engagement, reinforced, if necessary, by the threat of employing the enforcement powers in the Housing (Scotland) Act 2006 and in other relevant planning, environmental health and building legislation. However, enforcement action should be taken as a last resort.

- 10.23 There are a variety of forms of support that can be made available to owners – from straightforward information and advice through to tangible financial incentives via loans and grant-aid. Publicity campaigns can be used to invite owners to approach the local authority for advice and assistance. Information about the reduced VAT rate on repairs to homes empty for over two years can be publicised. A loan, or possibly grant, could be offered linked to an agreement to rent for a period of years.
- 10.24 For an owner who is judged not capable of carrying out the work to bring his/her home into use, local authority officers could provide practical skilled assistance. An owner who wants to sell could be guided to a local housing association who may offer to purchase the property. Alternatively, the local authority could ask all those on its private landlord registration database if they wished to submit themselves for consideration as an approved “investor landlord”. The list of such approved landlords could then be offered to owners who wished to sell an empty property in this way.
- 10.25 While recognising that many owners of empty homes are not private landlords, local authorities could use the information on their Private Landlord Registers and also work through local landlord forums to solicit feedback on how “owner friendly” their proposed policies, support mechanisms and publications are in encouraging empty homes into use and encouraging their owners to become private landlords.
- 10.26 Support mechanisms are to be seen as the bed-rock of working with empty home owners, but as noted, local authorities have to clearly communicate their determination to escalate action against owners who do not co-operate or where property ownership cannot be traced.
- 10.27 Scottish local authorities have a variety of enforcement powers in the 2006 Act to deal with the poor maintenance, disrepair, damage to amenity or danger caused by some empty homes and a power to recover costs of works carried out in default of the owner. A long-established available power is to serve a Compulsory Purchase Order but the research found only one occurrence of its use on empty homes⁴⁵.
- 10.28 English local authorities, subject to approval by an external tribunal, can use a special power, the Empty Dwelling Management Order, to take over management control and subsequently let an empty private home for seven years – but at a market rent. The research found that it was a complex, time-intensive and expensive power to employ. Expensive refurbishments have been difficult to recoup from rental income leading some local authorities not to use an EDMO where renovation costs are over a specified amount. Its use to date is very limited and in January 2009, action to make it easier to use became part of a campaign in England by some professional housing

⁴⁵ Part 4 of the Bankruptcy and Diligence etc. (Scotland) Act 2007 (not yet commenced) may provide a power for debt recovery by a creditor, by seeking Sheriff Court approval for a Land Attachment (ie sale of a property) where the owner has incurred a sufficiently large debt by the non-payment of repairs costs from default work notices, but the circumstances in which a Land Attachment could be used are not yet known.

agencies⁴⁶. Notwithstanding these drawbacks, it was found that the threat of serving an EDMO has made some otherwise intractable owners agree to cooperate with their local authority, especially when combined with the offer of financial help or access to a leasing scheme.

- 10.29 Scottish local authorities have no power, other than using a Compulsory Purchase Order, to require a privately owned, empty home to be brought into use (for sale or rent). On the issue of whether an EDMO, devised to accord with Scottish requirements, would be desirable, the conclusion from the experience in England is that there is insufficient confidence that a “Scottish EDMO”, would efficiently and cost-effectively provide the result it would be designed to achieve. Its drawbacks, particularly that the let must operate at a market rent and therefore inhibit access to households in housing need, have been noted but even if it were procedurally streamlined compared to that of the English EDMO, as a new power it would require primary legislation and have to comply with Human Rights legislation.
- 10.30 However, on the basis of the status quo in Scotland at least for the foreseeable future (i.e. local authorities will work within existing legislation) a case can be made for the importance of an approach based on working supportively with owners (e.g. by making full use of the Scheme of Assistance and any other incentive schemes available such as Rural Empty Property Grants or Lead Tenancies). Allied to that approach must of course be a willingness to use the available enforcement powers.

Recommendation 9

No early action should be taken by the Scottish Government to initiate legislation to introduce a compulsory management power to deal with the problems of empty homes.

Recommendation 10

The Scottish Government should consider providing guidance to local authorities on how, and in what circumstances, the use of compulsory purchase powers could be applied to address the problem of intractable cases of empty homes.

Enabling mechanisms (Chapter 9)

- 10.31 The specific grant mechanisms used in Scotland to deal with empty homes – Lead Tenancies and Rural Empty Property Grants (LTs and REPGs) – are well targeted at producing affordable rented housing; conditional on the property being made available for affordable rent, and at low-cost compared with many of the English mechanisms. However, the low financial levels of support for individual projects (e.g. the standard 33% grant cap on eligible expenditure for REPGs) and some complexities in procedures mean that the mechanisms are not well used and often require considerable negotiation with

⁴⁶ <http://www.insidehousing.co.uk/story.aspx?storycode=6502796>

owners. They have not, numerically, had a major impact on empty home numbers.

- 10.32 As local authorities increasingly come to influence how the Affordable Housing Investment Programme will be prioritised, it will be for local authorities to decide if they wish to ask the Scottish Government to give higher priority to funding the reuse of empty homes than the development of new-build provision. While grant levels should be benchmarked against HAG levels, it must be recognised that all applications for HAG are considered on their merits and higher levels of HAG, above national Housing Subsidy Target levels, will be more common in remoter rural areas and may provide a more appropriate local benchmark for empty homes grants. Local authorities may be prepared to make this recommendation where there are difficulties in providing new build housing, e.g. where RSLs sometimes cannot afford to develop or manage very small numbers of houses in remoter areas and issues of lack of suitable building land, environmental sustainability and building conservation dictate. In these cases older houses with a potentially shorter rental life-cycle may be considered to be better value-for-money. In terms of grant levels, a degree of consistency between LTs and REPGs should be considered.

Recommendation 11

The Scottish Government should consider establishing local rather than national grant levels and these should be consistent between grant mechanisms (i.e., Lead Tenancy or Rural Empty Property Grant). The Scottish Government should consider reviewing the level of grant to ensure it is still appropriate (i.e., attractive to the applicant and providing value for money for the public purse) and this may mean taking account of housing costs in the local housing market area, particularly in remoter rural areas. Funding levels should also consider the environmental sustainability benefits of re-using empty homes.

- 10.33 A number of English local authorities offer loans to owners of empty homes with the repayments provided by the rental stream, often through a leasing scheme. This is perhaps a model which has a good fit with the Scheme of Assistance being developed under the 2006 Act. However, another incentive to bring empty homes back into use – the reduction of VAT on repairs to 5% for homes that have been empty for over 2 years – does not discriminate as regards the final tenure of the repaired property. To be useful in relation to meeting housing need it would have to be coupled with other forms of assistance, attractive to the owner.

Other issues

Additional sources of funds (Chapter 9)

- 10.34 Local authorities could consider developing sources of funding from reduced council tax discount income on empty homes and also from commuted sums for affordable housing provision from planning developments where there is

already sufficient new affordable housing provision in an area but a greater need for regeneration.

Technical improvements (Chapter 9)

10.35 The research found occasions where “technical” barriers either inhibited or frustrated the efforts of empty home owners to repair or improve empty homes. Two improvements that the SG could consider are in better promotion of REPG by making it less complex and risk reduction in LTs where owners must pay back the grant if the tenancy is ended by the RSL.

Recommendation 12

The Scottish Government should consider:

- *Better promotion of Rural Empty Property Grant to empty home owners, by making it less complex and making the funding calculation more transparent.*
- *Balancing protection for the public purse with the risk created for owners of Lead Tenancies.*

Council Tax discount (Chapter 6)

10.36 To provide both an incentive to continue to register properties as empty on the CT register so that owners can be offered assistance, and as an incentive to bring them back into use as rapidly as possible, the removal of discount should be progressively increased the longer a home remains void.

Recommendation 13

The Scottish Government and local authorities should consider introducing guidance that permits the progressive reduction of Council Tax discounts, so that the longer a home stands empty, the less the discount that is available.

Links to supported lending (Chapter 9)

10.37 The linking of loans offered under the Scheme of Assistance to a commitment to renting through a recognised scheme should be investigated.

State Aid (Chapter 9)

10.38 Issues of potential restrictions on state aid support were considered and it was felt that the use of grant aid through established schemes such as Lead Tenancy Schemes (LTS) and REPGs which had block exemptions was no barrier. In some circumstances it would appear that support under the Scheme of Assistance could also be exempt from restrictions but a local authority would be advised to confirm this (see Annex 6).

Use of non-residential buildings

10.39 The homes-over-the-shops initiative appears to have been limited to individually owned shops. Particularly for larger chain-stores, the whole building may be leased rather than owned so capital investment may be difficult. There may be some scope to negotiate with “multiples” and chains at a national level to encourage them to review their portfolios with a view to providing living accommodation. A national housing association would be in the best position to take forward such an initiative and undertake development using LTs and then arranging for local RSLs to undertake letting and management.

ANNEX 1: THE CASE STUDY ORGANISATIONS

CASE STUDY	CONTACT
<p>Affordable Housing Development Company Reasons for selection: <i>A commercial approach across a wide area.</i> A commercial company purchasing blocks of housing in Pathfinder areas (areas in the North of England where there are extensive numbers of older private sector homes, mainly in terrace housing). Properties are transferred into AHDC's ownership at zero or nominal value, thus making it economically feasible for AHDC to refurbish them commercially, at their own risk, as well as providing an asset base against which AHDC is able to raise the additional development finance required to regenerate the housing. The company refurbishes these houses and sees profit from the overall uplift in property values from treating a whole area. At the same time the local authority uses its resources to improve the surrounding environment, streetscape etc. Where there is a surplus of sales receipts over redevelopment costs, any surplus is shared with the public body involved.</p>	<p>No individual contact was obtained. Its website is http://www.ahdc.co.uk/site/home</p>
<p>Arun District Council Reasons for selection: <i>The demonstration of a very co-operative approach to owners within a rural context.</i> A small rural authority in England taking a fresh approach to involving the owners of empty properties. The Council is particularly careful in its written approach to owners to achieve co-operation rather than to antagonise or threaten owners.</p>	<p>Richard Cook Empty Homes Officer Arun District Council Tel: 01903 737692 Richard.Cook@arun.gov.uk http://www.arun.gov.uk/</p>
<p>Cairngorm National Park Authority Reasons for selection: <i>A campaign to develop empty homes using Rural Empty Property Grants in an area of high housing pressure.</i> The Cairngorm National Park is Britain's largest National Park. It has social and economic development aims alongside the aims of conservation, understanding and enjoyment of the countryside. CNPA, jointly with the Scottish Rural Property and Business Association (SRPBA) undertook a survey of empty homes in its area, with a view to redeveloping these through the use of Rural Empty Property Grants</p>	<p>Fiona Munro Cairngorms National Park Authority Tel: 01479 870540 FionaMunro@cairngorms.co.uk http://www.cairngorms.co.uk/</p>

CASE STUDY	CONTACT
<p>Camelot Reasons for selection: <i>A commercial approach tried internationally.</i> A commercial company that offers “property guardian” services to property owners. This company has offices in London, Ireland, Birmingham and a number of EC countries. Owners pay Camelot a weekly fee of (currently) £25 per week for a house or £250 per week for 100,000 sq ft office/hospital. Camelot then places “live-in guardians” (key workers) who occupy the premises for the time they are vacant. These guardians also pay a “fee” to Camelot. This fee is set at between £25 and £60 per week but guardians are also required to pay a placement fee of £50, purchase a fire safety pack for £60 and provide a £400 returnable deposit. Utility bills are included in the fee. Camelot argues that its “Guardian Licence” is a legally binding and watertight temporary occupation license between Camelot and the guardian however there are concerns that such a licence could constitute a tenancy in Scotland with appropriate protection from eviction for the tenant.</p>	<p>John Mills Director Camelot UK Tel: 0700-2263568 info@camelotproperty.com http://www.camelotproperty.com/home.php/o/gbr-en/home/Home</p>
<p>City of Edinburgh Council Reasons for selection: <i>Use of data to investigate empty homes in a Scottish urban area of high housing demand.</i> The City of Edinburgh Council has a dynamic housing market and the largest private rented sector in Scotland. It has invested resources to work with private landlords to enable them to bring their properties into use. There is very high demand for housing in the city and an Empty Homes Strategy is being prepared. Official concern about empty private homes arises largely due to the exceptionally high demand for housing in the city rather than because of any blight caused by concentrations of empty properties.</p>	<p>Phil Watt Edinburgh City Council Tel: 0131 529 2179 phil.watt@edinburgh.gov.uk http://www.edinburgh.gov.uk/</p>
<p>East Ayrshire Council Reasons for selection: <i>One of the few Scottish Authorities to have a specific empty homes strategy.</i> An area comprising rural land and small towns, some parts of the area are experiencing increasing demand through the extension of the M77 whilst others are suffering continuing decline. This was one of the few authorities in Scotland to have set out an Empty Homes Strategy and to have made systematic contact with owners.</p>	<p>Karen Walker East Ayrshire Council Tel: 01563 578180 karen.walker@east-ayrshire.gov.uk http://www.east-ayrshire.gov.uk/</p>
<p>Empty Homes Partnership (Devon) Reasons for selection: <i>A comprehensive partnership approach in a mainly rural area of high housing demand</i> See Annex 2 for full case study description.</p>	<p>Sue Haigh Exeter City Council Tel: 0845 111 0277 sue.haigh@exeter.gov.uk http://www.exeter.gov.uk/emptyhomes</p>

CASE STUDY	CONTACT
<p>Grampian Housing Association Reasons for selection: <i>An RSL with a long experience of developing lead tenancies.</i> Grampian HA in the north-east of Scotland has sponsored a number of Lead Tenancy Schemes since the scheme was first set up in 1994.</p>	<p>Mike Allan Grampian HA Tel: 01224 423032 mike.allan@grampianhousing.co.uk http://www.grampianhousing.org/</p>
<p>Giroscope Reasons for selection: <i>A social enterprise and employment based approach to dealing with empty homes.</i> Giroscope operates in the West Hull area, one of the more deprived areas of the city consisting of Victorian and Edwardian terrace houses and with problems caused by a number of abandoned properties. In recent years, the area has suffered from Buy-to-Let landlords moving in carrying out unsympathetic and low quality refurbishments. Giroscope has built a portfolio of 25 houses (30 units of accommodation) for near-affordable rent over a period of just over 20 years. Conventional borrowing over a 10 year period is used and refurbishment costs kept low in order to make developments viable. It does not pay itself high wages and has built up a considerable experience of renovating these particular properties such that they do not need to over-specify refurbishments and are able to commission repairs for under £200 that might cost the local authority £700-£800.</p>	<p>Martin Newman Giroscope Tel: 01482 576374 info@giroscope.co.uk http://www.giroscope.co.uk/</p>
<p>Highland Council Reasons for selection: <i>Use of data in an authority working in remote rural areas.</i> Highland Council has tried to bring empty homes back into use but has come across a number of difficulties that have meant that it has only been able to bring 4 properties back into use over the past 3 years. Many empty properties are in remote rural locations and in poor condition, hard to bring back into use.</p>	<p>Sheila McKandie Finance Dept Highland Council Tel: 01463 702411 sheila.mckandie@highland.gov.uk Hilary Parkey Housing and Property Services Highland Council Tel: 01292 612921 Hilary.Parkey@highland.gov.uk http://www.highland.gov.uk/</p>

CASE STUDY	CONTACT
<p>Highland Small Communities Housing Trust Reasons for selection: <i>An alternative approach to housing provision in remote rural areas that has brought a small number of empty homes into use for key worker housing.</i> The HSCHT is a Scottish Charity and company limited by guarantee set up by a broad partnership of interests in the Highlands to help its smaller communities get the best results possible from the housing system - predominantly by land-banking but also by, occasionally, buying houses. One of the purposes of HSCHT not being a RSL is that it is free and able to adopt a more flexible approach to deciding who to allocate a house to in order to meet local community needs. A disadvantage however is that the Trust is not able to obtain HAG and, while the Trust charges an affordable (Council/HA equivalent) rent, filling the capital funding development gap presents a considerable challenge. The HSCHT has managed to buy four empty houses in small villages to let to key workers using grant aid from Highlands & Island Enterprise and financial support from an employer. The Trust also borrows some capital which it services and repays from the rental income received. Though the Trust has occasionally experienced longer than usual void periods it has found sufficient ongoing demand to fully justify the approach. The biggest problem the Trust has encountered with replicating the approach in other communities is the lack of public sector grant availability. The use of REPG has been considered and rejected because it leaves too big a capital funding gap.</p>	<p>Tom Hainey Chief Executive HSCHT Tel: 01463 233548 tom.hainey@hscht.co.uk http://www.hscht.co.uk</p>
<p>Islington Council Reasons for selection: <i>Selected for a number of reasons including, being positive about CPOs; showing good inter-departmental approach; use of compulsory powers; use of publicity; and being part of North London consortium.</i> See Annex 2 for full case study description.</p>	<p>Ian Tagg Tel: 0207 527 6078 ian.tagg@islington.gov.uk www.islington.gov.uk/Housing/PrivateHousing/EmptyProperties/</p>
<p>Inverclyde Council Reasons for selection: <i>A Scottish authority dealing with empty homes in an area of urban decline.</i> Inverclyde Council is dealing with an issue of urban decline in an area containing 430 flats in five tenement blocks with flat roofs, over 50% of which are void at present. The blocks are wholly in the private sector with a mix of owner-occupation and a long-established tradition of private renting. Following extensive consultation with community representatives, the Council has had preliminary discussions with the Scottish Government on designating a Housing Renewal Area and further guidance is now awaited.</p>	<p>William Rice Inverclyde Council Tel: 01475 712070 William.Rice@inverclyde.gov.uk http://www.inverclyde.gov.uk/</p>

CASE STUDY	CONTACT
<p>Kent County Council Reasons for selection: <i>Seen by the Empty Homes Agency as one of most important initiatives in England, strategy-based and exemplifying the effectiveness of a partnership approach across local authorities.</i> See Annex 2 for full case study description.</p>	<p>Steve Grimshaw; Project Manager, Kent County Council; Tel: 0162 222 1906; Steve.grimshaw@kent.gov.uk</p> <p>Andrew Lavender CPC Ltd Consultant Tel: 07867.987550 housinglc@aol.com http://www.kent.gov.uk/news/your-story/east-kent-empty-property-initiative.htm</p>
<p>London Borough of Hounslow: Reasons for selection: <i>An urban council with no empty home strategy and considers it does not have a significant problem with empty homes but is bringing about 50 empty homes back into use every year.</i> See Annex 2 for full case study description.</p>	<p>Keith Dickens LB Hounslow Tel: 0208 583 4657 Keith.Dickens@hounslow.gov.uk http://www.hounslow.gov.uk/</p>
<p>Manchester City Council Reasons for selection: <i>A council with a strong and focussed approach to dealing with empty homes in an area of urban decline.</i> See Annex 2 for full case study description.</p>	<p>Dave Stott, Manchester City Council Tel: 0161 234 4862 d.stott@manchester.gov.uk http://www.manchester.gov.uk/</p>
<p>National Association of Empty Property Practitioners Reasons for selection: <i>Reflected a networking approach to support empty homes practitioners across England.</i> See Annex 2 for full case study description.</p>	<p>Dave Gibbens Tel: 02392 265 869 david.gibbens@exeter.gov.uk www.naep.org.uk</p>
<p>National Empty Homes Agency Reasons for selection: <i>A strong well funded national organisation which supports local authorities and campaigns on empty homes issues.</i> See Annex 2 for full case study description.</p>	<p>Henry Oliver Tel: 020 7022 1869 henry.oliver@emptyhomes.com www.emptyhomes.com/</p>
<p>Newcastle City Council Reasons for selection: <i>Selected for its regeneration focus and inter-departmental approach. Not used EDMOs but considering CPOs.</i> See Annex 2 for full case study description.</p>	<p>Claire McMullen (Project Manager) Tel : 0191 273 6155 claire.mcmullen@newcastle.gov.uk http://www.privaterentedproject.co.uk</p>

CASE STUDY	CONTACT
<p>Northern Ireland Housing Executive –Town Centre Living Initiative Reasons for selection: <i>Demonstrating the development of homes over the shop in a variety of small towns and suburban centres within a context of urban regeneration to counteract a sectarian history.</i> The NIHE currently runs 23 Town Centre Living Initiative Schemes (TCLIs) in conjunction with local authorities. This is an example of vacant properties being dealt with as part of wider area initiatives. The project has been most successful in smaller towns and least successful with larger chain stores in major city centres. Grant are available of up to £25,000 towards a conversion project comprising a single unit and £30,000 for a project comprising 2 or more units (HMO), up to maximum of 75% of eligible costs. The property must be let for at least 5 years following receipt of the grant so the maximum grant per unit per annum would be £5,000. Sometimes work has been undertaken in conjunction with Heritage Lottery Townscape Heritage Initiative (THI) schemes. Leaflets are produced showing how the shop owner can also obtain 100% capital allowances (under the Finance Act 2001) giving tax relief on capital expenditure.</p>	<p>David Brown NIHE Tel 02890 318362 David.Brown@NIHE.GOV.UK http://www.nihe.gov.uk/index/hig_home/grants_available/living_over_the_shop_grant.htm</p>
<p>North London Sub Region Working Party on Empty Homes Reasons for selection: <i>Selected as a consortium approach</i> See Annex 2 for full case study description.</p>	<p>Lesley Mallett North London Empty Properties Tel: 0208 359 7015 Lesley.mallett@barnet.go.uk http://www.northlondonemptyproperties.co.uk/</p>
<p>Plymouth Reasons for selection: <i>Award winning 5 year empty homes strategy. Living Over the Shops initiatives In the Devonport Urban Village re-development project. A good illustration of partnership working.</i> Plymouth has a team of 3 including a senior development officer whose main role is to deal with Living Over the Shop Initiative (LOTS) and a development officer who deals with the PSL scheme. In 2005/06, they aimed to deliver 85 units of housing brought back into use. They have an empty homes leasing scheme which gives loans, if required, to bring a house up to standard and then provision of a guaranteed rental for 2- 3 years with a partnership agreement requiring the owner to continue rental at a rent linked to the local housing allowance for a further 5 years. The loan cost is recovered from the rent. Plymouth City Council used a mix of funding including local authority Empty Property Conversion Grant (EPCG), Housing Corporation funds (Temporary Social Housing Grant), funding from the Devonport Regeneration Company and investment from the owner. The Council obtained full nomination rights on the flats for the following 10 years and a local Housing Association acquired the lease and managed the flats.</p>	<p>Chris Duggan. chris.duggan@plymouth.gov.uk http://www.plymouth.gov.uk/homepage/housing/privatehousing/emptyhomes.htm</p>

CASE STUDY	CONTACT
<p>Shelter Cymru: Empty Homes Project Reasons for selection: <i>A possible model for an Empty Homes Project in Scotland.</i> Shelter Cymru received 2 years funding from the Welsh Assembly Government to start an Empty Homes Project with the Empty Homes Agency (EHA) in England as a partner in the project. Overall costs are £43,513 in 2008-09 and £49,434 in 2009-10. The overall purpose of the project is to support (free of charge) local authorities in their efforts to make more effective use of privately owned empty homes to meet housing need by providing advice, consultancy, training, good practice guidance and the development of a number of regional forums. The first stage of the project includes gathering data on empty properties in Wales and undertaking a brief survey of local authority activity. From October 2008 the project started to focus on advice and consultancy work. In cooperation with the Assembly Government the project will also contribute to producing a good practice guide on making use of empty homes.</p>	<p>Sue Lee, Empty Homes Officer Telephone: 01745 357001 suel@sheltercymru.org.uk http://www.sheltercymru.org.uk/shelter/advice/pdetail.asp?cat=20</p>
<p>South Oxfordshire District Council Reasons for selection: <i>Good example of thinly resourced council blazing a trail; first final EDMO in England.</i> See Annex 2 for full case study description.</p>	<p>Elicia Bolam Private Sector Housing Officer Tel: 01491 823 238 elicia.bolam@southoxon.gov.uk http://www.southoxon.gov.uk</p>

ANNEX 2: SELECTED CASE STUDY SUMMARIES

This annex presents summaries of 10 diverse case studies. The selection presented reflects the most interesting and often, the better developed empty home strategies, of all the case studies included in the research. It also emphasises that no two examples of how empty private homes initiatives have been pursued are the same and often there are marked differences in approach across large and small local authorities, between urban and rural local authorities and between authorities operating on their own and in partnerships.

The value of these presentations is to offer a deeper insight into how local authorities and other organisations have responded to problems with empty private homes than is possible within the main report.

The case studies here document two national organisations, five local authority initiatives and three partnership based approaches.

1. The Empty Homes Agency
2. The National Association of Empty Property Practitioners
3. Manchester City Council
4. The Newcastle City Council/Private Renting Service
5. South Oxfordshire Council
6. Hounslow Borough Council
7. Islington Borough Council
8. North London *Empty Property Initiative*
9. Kent County Council – ‘*No Use Empty*’ Initiative
10. Devon Empty Homes Partnership

Case Study 1: The Empty Homes Agency

Background

The national Empty Homes Agency (EHA) is constituted as an industrial and provident society. It operates as an independent campaigning charity that aims to raise awareness of the potential of empty homes in England to meet housing need and to devise and promote, with others, sustainable solutions that will bring empty homes back into use.

Staffing

The EHA is headed by its Chief Executive, a full-time Policy Advisor and two part-time support positions. Extensive use is made of volunteers (usually part-time) covering mostly administrative tasks.⁴⁷

Funding

In 2006/7 the EHA's income totalled around £350,000. Around 30% of this came from the Department of Communities and Local Government (DCLG) with the rest a mix of lottery funding, unrestricted grants and donations, project funding, fees and other earned income. The DCLG grant is due to end in 2009 and the Agency is looking elsewhere to cover its future work which may lead to a re-orientation of its activities, for example toward the environmental advantages of re-using existing buildings and encouraging bottom-up public action and pressure for action on empty homes. Such shifts in direction may also lead to some change in the nature of its major donors.

Core activities

The EHA seeks to achieve its aims by working at both national and local level.

Nationally, it engages with central government to lobby for policies and legislation to improve measures to tackle empty homes. It works with the government by providing information on empty homes and on the development of measures to bring empty homes back into use. Research is commissioned and published; press releases and articles are published, and, seminars, conferences and annual campaigns on empty homes organised.

At local level, it offers advice and support to local authorities (and RSLs and community organisations) to bring empty homes into use. It has had a long-standing campaign to encourage local authorities to either produce a dedicated Empty Homes Strategy supported by an Empty Property Officer where there is a significant problem of empty private homes; or to incorporate a section on empty homes in their Housing Strategies.

Other activities

⁴⁷ At the time of publication, it was understood that an organisational review was underway.

The EHA engages in a wide range of general and specific other activities:

- Publishing, and interpreting the annual national empty homes statistics (from DCLG).
- Holding an annual national *Week of Action* on empty homes (and sometimes a separate week focussing just on London).
- Responding to questions from local authority officers involved in empty property work.
- Providing advice and guidance on important aspects of empty property work; this may be unsolicited, on the back of new legislation or in response to inquiry themes.
- Attending and presenting to the regional empty property forums (which meet quarterly or so in most English regions).
- Contributing to National Association of Empty Property Practitioner Executive meetings.
- Encouraging local authorities to respond in a particular way to major public policy threats and opportunities (e.g. on Government consultation papers).
- Visiting local authorities to provide support; understand the issues they face and learn about good practice.
- Disseminating a monthly Bulletin.
- Gleaning examples of empty homes initiatives for use in media work around the National Week of Action on Empty Homes (etc.).
- Highlighting the problem of empty property and the solutions that exist on its web site.

In 2007-08 the EHA lobbied on the following issues:

- Encouraging owners of empty homes to bring them back into use by reducing the VAT on refurbishment of empty homes to 5% or less for properties empty for more than a year.
- Removing the council tax discounts still offered by some local authorities to owners of long-term empty homes (councils currently have discretion to retain, reduce or remove the 50% discount that previously applied).
- Ensuring the new Housing and Planning Delivery Grant rewards the return of long-term empty homes to use.
- Including empty homes returned to use within the new National Indicators (replacing Best Value performance indicators in England).
- Introducing challenging national (English) and regional targets to reduce the numbers of empty homes.
- Putting a statutory duty on local authorities to tackle long-term empty homes in their area.
- Putting a duty on public sector landlords to publicly report their long-term empty homes annually.
- Ensuring that funding for house-building is not at the expense of local authority empty homes work.
- Making more use of short-life housing ("property guardian" schemes) to provide accommodation in temporarily vacant (e.g. commercial) buildings.

Case Study 2: The National Association of Empty Property Practitioners

Background

The National Association of Empty Property Practitioners (NAEPP) is an independent, unincorporated association, founded in 2001. The impetus came from a number of sources. The Empty Homes Agency played a significant role as did an officer with Exeter City Council who had established an email group for empty property practitioners. The final contributors to its establishment were members of regional forums on empty properties that had developed from 1996 onwards e.g. the South West Empty Homes forum was established in 1996.

Key Aims

NAEPP's aims include:

- A commitment to raise the status and profile of empty homes practitioners.
- To promote the development of professional standards through training and dissemination of good practice.
- To promote policies and practices which offer effective responses to the challenges presented by empty property.
- To share information, skills and experience with other organisations and individuals in the furtherance of the foregoing aims.

Funding

NAEPP was founded with a small grant of around £2,500 from the Housing Corporation and a similar amount from central government via the Empty Homes Agency. NAEPP is now funded almost entirely from membership fees with its Annual Conference making a small profit. For the future, it is hoped that training courses and advertising on the NAEPP website will generate some additional profit.

NAEPP continues to operate with very limited resources. It costs around £5,000 annually to operate. About half the running costs are associated with administering membership fees and website development for use by members. However, the costs are under-stated by considerable unpaid time given by one officer to keeping NAEPP going. Since January 2008 NAEPP's financial / organisational basis has changed to address the problem of over-stretch. One member is now paid from membership fee income under a Service Level Agreement to sustain the administration and development of the organisation. If NAEPP were to be funded to the tune of £5,000 per annum the business of administering and collecting membership fees could be dropped.

Membership and Governance

There are around 150 separate organisations in membership. Apart from the AGM, NAEPP is governed by an Executive Committee consisting of elected officers and regional forum representatives - but in practice a small nucleus of

about 6-7 officers from various authorities has held NAEPP together over the last few years. The regional forums exist independently and officers in each region meet in their local forums but NAEPP's national remit does not make regular meetings a practical option.

The NAEPP website

The website is the central means of communication between members for policy discussion, dissemination of good practice, discussion of new, emerging issues, mutual learning opportunities, etc. The website operates as a network for officers asking questions and other members answering them via the forums. Useful material on empty property issues is collected and a 'library' of information is maintained on the website. Electronic newsletters are also sent out.

Affordability

NAEPP believes empty homes initiatives have been the mainspring of many successful interventions in the private sector e.g. leasing schemes, rent and deposit type schemes, social lettings agencies etc. Most of this accommodation is relatively short term and rents may be lower than market rents but not affordable by the standards of social rented housing. However, empty homes initiatives' engagement with the private sector property market, make them the ideal springboard for such initiatives – the enabling culture is seen as vital.

Strengths and weaknesses of the NAEPP model

NAEPP sees its strength to be that it is democratic and does in fact provide a level of service for a very low cost. The main weakness of NAEPP is that it has insufficient income to deliver the level of service that it aspires to deliver. It has also been difficult to achieve a fully mutual exchange of information, advice and news between members.

NAEPP depends on the voluntary effort of local authority officers who also work for their authority to discharge all its roles and activities. As a way of operating, this has proved difficult to sustain. The problem has been exacerbated by the view within NAEPP that there were higher expectations of its capability when it was set up than it has been able to deliver to date.

NAEPP's view, drawing on its own experience, is that the critical requirement for developing a similar support organisation in Scotland should be the employment of a paid facilitator or co-ordinator whose job would be to promote empty property work. This should include support for a Scottish network of empty property practitioners that would mirror the regional forums in England.

Case Study 3: Manchester City Council

Manchester City Council (MCC) has been actively dealing with the problem of empty properties developing in its older, pre-1918, “two-up-two-down” terrace house suburbs since the early 1990s. As house prices dropped through lack of demand, houses were increasingly purchased by private landlords and with a consequential anti-social behaviour problem amongst some private tenants, the spiral of decline and low demand continued. While there is a newer problem of voids in the city centre buy-to-let market, the approach to the regeneration of the suburbs makes dealing with empty homes here critical. Many of Manchester’s wards (22 out of 32) are in the Pathfinder⁴⁸ area.

Manchester has a dedicated empty property team of three who are backed up on the ground by area teams who deal with the overall regeneration of the private housing areas. These empty homes team meet on a six weekly cycle, forming an Empty Properties Cabinet. All empty homes staff are in the Housing Service and by agreement with other departments, are allowed to serve notices under the Town & Country Planning Acts, against dangerous buildings etc.

Data

The team has a register detailing some 6,500 empty properties of which some 3,000 – 3,500 can be dealt with immediately. In the remaining cases, the owners are in care homes, prison or the properties subject to probate/ intestacy. The list has been built up from the following data sources:

- The Council Tax Register. The empty properties team have full access to Council Tax data including names and addresses of properties and their owners. Cross checks on ownership are made with the Land Register online. Care is taken about how this information is released in order to maintain data protection – only data on addresses is passed to area teams for investigation (unless names are confirmed from the Land Register, which is public). In some cases, “empty” homes are found to be occupied and vice versa.
- Reports from Area Teams from street-by-street surveys.
- Reports from members of the public. When these reports are received, staff are careful not to reveal the status of any property, or that it is on the register, but just assure the caller that the property in question will be secured (this is done in case the report is from a potential squatter seeking confirmation of the property’s status). If calls are received from potential buyers of empty homes, they are referred to the council’s auctioneer.

Properties in probate

While there are not a large number of properties held empty in probate for some time, there are some where the council has had to secure or carry out works. It is possible to serve an enforced sales order but not an EDMO.

⁴⁸ Pathfinders are partnerships set up in 1992 by the ODPM to deal with areas in the North of England and the Midlands which exhibited housing market weaknesses, evident through high vacancy rates, low sales values/low demand and, in some cases, neighbourhood abandonment.

Procedure to deal with empty homes

MCC will send a series of three letters escalating the threat of enforcement. Where there is no action, the next step is generally to serve an Enforced Sales notice to recover costs of securing the property etc. In 17 out of 18 cases, the owner will pay the costs but this gives the Council the opportunity to start a process of dialogue with an owner, using the threat of serving an Empty Dwelling Management Order (EDMO) to get the property back into use. However, the Council has not yet had to serve an EDMO which are seen as an important tool in the armoury though and complimentary to other powers.

Outcomes

Of the properties that it deals with, MCC estimate that roughly 20% will move into private rented landlord ownership, 60% will move into owner-occupation and 20% of “critical” properties will become owned by RSLs. The latter is achieved through Enforced Sales and seeking three valuations (from the Council surveyor, the RSLs surveyor and an independent) and then selling the property to the RSL on the highest of those three valuations. “Critical” properties are those which are deemed to be likely to have the most negative effect on an area in some way by remaining empty or falling into the wrong hands. The RSL which has purchased the home in this way may decide to keep the property in its rental stock or sell on a rent-to-mortgage or shared equity basis.

Monitoring against indicators

While the Empty Property staff feel that the removal of the empty homes indicator BVI64 is a retrograde step, they have inserted a clause in their own Local Action Agreement with the government. (This is an agreement with outcomes which, if met, will reward the Council with £1.2M of grant). The authority has set itself targets of:

- The number of vacant and blighted properties brought back into use.
- The number of long term empty properties.

Affordable homes strategy

MCC is developing an affordable homes strategy which will seek to increase levels of owner-occupation in the city to 60% through reduction of the Private Rented Sector. This will generally be achieved by offering assistance to purchase to first-time buyers and key workers. However, MCC will also use its current practices for achieving sales to RSLs.

Case Study 4: The Newcastle City Council/Private Renting Service

Background

The Private Rented Service (PR Service) originally the Newcastle Private Renting Project, was a voluntary funded project, started in 1997, working in low demand, regeneration areas but integrated into the City Council in 2004/05. At March 2007, Council Tax records (not necessarily accurate) indicated there were 2,011 private homes empty for over 6 months in Newcastle accounting for about 2.4% of the private housing stock.

Staffing and skills

The Project operates with 8 staff but covers a wide range of private rented work. In staff terms, it is estimated that empty homes work takes up the equivalent of half of an Assistant Project Officer post at scale 5. In terms of the skills required of staff, both 'hard' technology skills such as data analysis, monitoring and GIS mapping skills and 'soft', people management, skills (to achieve effective inter-departmental working relationships and for successful liaison with the public, private landlords) are considered important:

A joint working approach

Inter-departmental working on empty private homes work is seen as essential. The PR Service relies on enforcement powers held by Environmental Health, Building Control and Strategic Housing and Housing Renewal Services. Regular inter-departmental meetings are held to discuss empty homes issues (strategic and cases) and a protocol is being finalised (at the time of the fieldwork) that will set out how joint working will operate and how each service will work on empty homes.

Reasons why properties lie empty

The Project has identified a variety of reasons for homes lying empty: Landlords with large portfolios who don't care about 1 or 2 properties in poor condition lying vacant; property investors who purchased homes at low prices in the past and are not interested in letting; properties in multi-ownership where joint owners fail to make decisions to take action and properties where the ownership cannot be traced in Companies House.

The reason a property is empty does not directly affect the type of intervention made. The scoring system and prioritisation is the main determinant.

Developing a database

Council Tax data is seen as useful for statistical returns but it can be incomplete and have errors so the PR Service officers carry out street surveys in targeted areas to identify empty homes, giving them a score in terms of different criteria and a priority rating for future action. Identifying "empty" from occupied homes

can be difficult and in areas with a high student population, visits can be carried out in the evening to ensure more accuracy.

Addresses from surveys are cross-referenced to the Council Tax Register and up to a point, ownership and tenure can be identified. Housing Benefit data is also cross-checked. No data protection issues have arisen as the PR Service, with the support of the Data Protection Officer draws on specific rights of access under local government and town planning legislation – provided the data is kept within the Council. In addition, recourse is also made to searches of the Land Registry to identify ownership. More informal methods of assembling data include letters that may be sent to neighbours to ask if they have any knowledge of who is the owner, complaints to the PR Service or Regeneration Directorate by members of the public and notifications of empty private homes by local officers in the regeneration offices.

Affordable housing commitment

The main purpose of initiatives has been to return empty private properties into use rather than to increase affordable housing supply, to date achieved by the nature of the work in the regeneration areas. It is expected that the next Housing Strategy update will reflect a move to a more formal commitment to see empty private homes made available for affordable rented housing.

In addition, a rent guarantee bond scheme operated by the PR Service is now in place and has found favour with a number of “investor” landlords who are willing to buy empty properties that are in a reasonable condition that they can bring up to a standard for letting within a number of weeks and then receive a nominated tenant. This approach has worked successfully without grant aid.

A balanced approach to owners

Having operated in a largely reactive manner to empty homes problems, in 2007 the Service adopted a much more proactive stance and developed a range of intervention tools. Now, the general philosophy is to pursue a dual approach to owners with a clear emphasis on providing advice, support and financial incentives, backed up by the threat of enforcement action and compulsory purchase. At each stage of engagement, the PR Service seeks a voluntary response while making the owner aware that enforcement can and will be adopted if there is a lack of positive response. In the past, grant aid was available (up to £25,000) to private owners in regeneration areas to bring their empty properties back into use but this is no longer the case. Assistance has moved to offers of loans and advice on equity-release schemes.

Owners are first sent a letter and questionnaire with all the options open to them to return their properties into use and an invitation to discuss ways forward with the PR Service. If no response is received, a second letter is sent with the threat that enforcement action will be taken usually eliciting a better response.

Prioritising enforcement

The PR Service has a prioritised scoring system for taking enforcement action. A high priority might be an empty home having an adverse impact on surrounding houses. However the Council's approach can vary according to the attitude of the landlord/owner. If enforcement powers are deemed necessary, e.g. where an owner refuses to take any advice or action, Environmental Health officers are asked to inspect the property. The owner is then written to and informed that a notice could be served on the property, but given time to respond on a 'voluntary basis'. If no response is received, action is taken, or, if the property is in serious disrepair, appropriate notices are served, works are carried out in default and costs recovered by a charge on the property. On the other hand, an owner who is just "reluctant" to act is given time to see if he or she will come forward to discuss the options open to them.

In general terms, Empty Dwelling Management Orders (EDMOs) were not thought appropriate for very long term, poor condition properties but more relevant for properties in reasonable condition and not vacant overly long. No EDMOs had been served at the time of the fieldwork, but two Compulsory Purchase Orders (CPOs) are being taken forward, one in a regeneration area; the other justified by landlord negligence of a property having a seriously detrimental effect on a neighbourhood.

Developing an action plan for empty private homes

Newcastle's Housing Strategy has a commitment to produce an *Empty Homes Action Plan* by 2011. A report in 2007, prepared by the PR Service, set out the recommended key priorities for empty homes work that would be developed into an Action Plan. While accepted as the way forward, resourcing these priorities was still to be reconciled against other priorities. These included:

- The development of an empty homes register and street surveys.
- Arrangements with an external body to lease long-term empty properties.
- New funding arrangements for supporting owners.
- A formal commitment to the use of Enforced Sales Procedures and CPOs and the establishment of an appropriate funding framework and procedures.
- Reductions in Council Tax discounts.
- Increased staffing.

Conclusions

For Scottish Councils looking to develop work on empty private homes, the learning from Newcastle City Council is:

- *Adopt a bottom-up approach:* Know the neighbourhood - know its local housing market – operate at street level – find where the empty properties are – then develop an action plan.
- *Find the landlords:* know where they are, who they are and the reasons they have empty properties and then develop an approach on how to deal with them.

Case Study 5: South Oxfordshire District Council

Background

South Oxfordshire is a very affluent area characterised by expensive property prices and a surfeit of second homes. Home ownership remains beyond the means of many people and the Council's Community Strategy 2004 has a commitment to increase the supply of affordable housing, including key worker housing. The Council does not have a major problem with empty (over 6 months) private homes though 400-500 homes pepper-potted across the district and in reasonable condition have been identified. The Council's policy on empty homes is to work with owners, not to be heavy-handed and not to take over the ownership of their properties by compulsory purchase. Yet while the Council allocates very limited resources to empty homes work and has an essentially reactive approach, it has had success by returning an increasing number of empty homes into affordable housing using its Rent Deposit Bond Scheme and by obtaining England's first Final Empty Property Management Order (EDMO).

Staffing

The Private Sector Housing Team operates with a manager and three officers. Empty private homes work is carried out by one Private Sector Housing Officer supported by the manager with empty homes work being given around half a day a month.

Inter-departmental working

The number of empty homes has not merited a formal liaison structure and issues are addressed through informal liaison by the Private Sector Housing Team, normally with Council Tax staff and Council lawyers when legal issues arise.

Data collection

The Council has not developed a formal data base of empty homes. However, it draws on several sources to gain knowledge of potential empty homes:

- The Council Tax Register.
- Complaints and information from members of the public.
- Information from the Planning Service when it has turned down a planning application for conversion or change of use of an empty home. The Private Sector Housing Officer can then contact the owner and discuss ways in which the Council could help to return the property to residential use.
- The Council's website for members of the public to report an empty home although this has hardly ever been accessed.

The Council does not carry out publicity exercises about empty private homes but occasionally an article on empty private homes is carried in the Council's quarterly newsletter to residents.

Strategy

Empty private homes work is not a major priority for the Council. No Empty Homes Strategy has been produced as the number of empty homes and their condition does not merit a dedicated strategy but empty private homes work is addressed in the Housing Strategy.

Rent Deposit Scheme

The Council operates a Rent Deposit Guarantee Scheme which offers landlords of habitable empty properties a bond in *lieu* of a deposit for accepting applicants nominated by the Council who are in housing need. The Council has had considerable success with the scheme.

Empty Homes Initiative: interest-free loans

The Council does not give grants to owners of private empty homes but may offer an owner an interest-free loan. If the owner accepts, a legal agreement is signed between the owner and the Council, whereby the owner in return for the loan agrees to accept a nominated applicant drawn from the Council Housing Register list. The tenant is given an assured short-hold tenancy by the landlord but the rent is received by the Council to pay back the loan and recycled into the pot of money available for lending. However, to date, only loans of £80,000 out of £100,000 available has been given for four properties.

Monitoring

The Council has set targets for the annual number of empty homes brought back into use and will continue to use Best Value Performance Indicator 64 despite its deletion from compulsory reporting – although there is some concern that the removal of this indicator as a statutory duty to report could lead to a further reduction in priority of empty homes work by the Council.

Compulsory powers

The Council has never served a CPO on an empty private property but has served one Empty Dwelling Management Order (EDMO). The property concerned had been empty for over 5 years and was causing neighbours concern about the risk of fire and burglary. It was a relatively modern mid-terrace house located in an area of housing need and supply shortage. The property was in-fact in reasonable condition other than needing re-decoration. The process of obtaining approval for an Interim EDMO from the Regional Property Tribunal Service and then a Final EDMO (approved by the Council) was very time consuming for housing and legal officers. Once taken over, the Council entered in to an agreement with a private sector letting agent (less expensive than a local RSL) to manage the property and let it to someone in housing need. The record of the Interim Order Tribunal hearing can be found at: <http://www.rpts.gov.uk/Files/2007/February/100009I9.pdf>].

Case Study 6: Hounslow Borough Council

Extent of the empty homes problem

The Council is part of the West London Housing Partnership. Although overall the number of empty properties in Hounslow is relatively low, (462 properties claiming vacant homes council tax discount being empty over 6 months and forming 2% of private sector stock) the Council has a designated officer for empty dwelling enforcement. The fact it has an admittedly small problem relative to neighbouring boroughs has not however meant inaction.

Outcomes and targets

There is no specific EH Strategy but a section of the Homelessness Strategy 2003-2008 addressed the issues faced with recommendations. Against a target of 50 houses to be brought back into use, Hounslow has a programme of 70 empty homes being dealt with at present. It has a lead-in time of approximate 3 months whilst it uses tracing agents to find owners and, once located, writes to owners a series of escalating letters. Properties that are brought back into use through the offer of grant and those where the owner decides to sell during the enforcement process are included in the list of successful projects.

Locating properties

Properties are identified from the Council Tax Register and from reports from members of the public. Other LA officers will also identify properties and report them to the EHO. Most properties dealt with are those where original owners have died and a seven to eight year period ensues where attempts are made to trace relatives.

Support

The Empty Homes Officer has links with the West London Partnership that has arranged a number of seminars on empty homes including a seminar on serving CPOs led by an Officer from Great Yarmouth who has a specialist team that will provide a CPO service for other local authorities (for £1500).

CPOs, EDMOs and other enforcement action

Hounslow has completed one final EDMO and found the property cost them £93,000 to bring back into use. This was seen to be just about acceptable as they paid themselves £15,000 renovation grant and will recover the remainder at a monthly rental of £1100 over the following 7 years. A further three interim EDMOs have been served and one is in the pipeline. At least one of these is likely to be withdrawn as the owner appears to have been prompted to take the required action on their own account.

Other powers that are used include:

- S29 Local Government (Miscellaneous Provisions) Act 1982: powers to make houses safe through boarding up.
- S135 Housing Act 2004 powers to board-up houses. This power is used where squatters have taken possession of the house. The reason for taking this action is that even a day's illegal occupation of a property can void the 6 month period that the property needs to lie empty before an EDMO can be served.

Case Study 7: Islington Borough Council

Overview

Islington Borough Council is a borough with a mix of great affluence and poverty and (at the time of the fieldwork) with a buoyant housing market. While not having a major problem with empty private homes, the Council is a member of the North London Sub-Region Working Party on Empty Homes and its partnership with six borough councils in the sub-region is important to its strategic planning and delivery work on empty private homes.

Strategy

The Council has a fully developed Empty Homes Strategy (2007-2010). It focuses on three Action Plans with a three year delivery timeframe. The Strategy's main delivery priority is intervention on medium term (over 6 months) and long term (over 2 years) empty properties and includes developing and improving the empty property database, establishing a clear strategic framework for tackling empty properties and developing methods of returning empty properties into use.

Partnership working

Islington's own Empty Homes Strategy (EHS) fits in to the North London Sub Regional Empty Property Strategy (see case study 4 below) and is also closely linked to the Council's Private Housing Strategy. Islington has its own Empty Property Officer working within a small team. At Sub-Regional level, there is a team of three specialists who:

- Promote good practice amongst the partnership Councils.
- Develop consistent procedural approaches to issues (e.g. on using CPO powers).
- Share information.
- Instigate new approaches to working.
- Carry out some individual case-related work at council level.

A link to the Metropolitan Police gives the Council monthly information on properties subject to police Closure Orders due to drugs raids. The Council takes early intervention, boarding up properties and approaching owners with a view to properties being sold or brought into lawful occupancy.

Inter-departmental working and accountability

Inter-departmental working is seen as essential for effective empty homes work. Five main services are engaged: Private Sector Partnerships (collecting data and working with landlords); Residential Environmental Health (grant and enforcement powers); Council Tax administration; Planning (for applications for conversion and upgrading) and Legal Services (instituting legal action to bring long-term empty properties into use). Accountability and monitoring of Islington's

EHS is by quarterly meetings of a cross-departmental Private Sector Strategy Group of senior officers. Progress on delivery of the Strategy's Action Plans is reported to the Council's Corporate Management Board and annually to the Executive Board and the Landlord Forum.

Data collection

To improve its database on empty private homes (one of its three Action Plans), verification visits are made to properties identified from the Council Tax Register, which is recognised as not fully accurate. In addition, two annual street surveys are carried out to monitor the progress of every private property empty over six months on the Council Tax list. Information on empty properties is fed to the Empty Property Officer from environmental health stock condition surveys, the Sub-region's empty property "hot-line", and the empty property mail box. The Council advertises periodically in local newspapers and takes part in the National Empty Homes Agency led annual week of action on empty private homes. The Land Registry is used to identify missing ownership and Companies House records allow names and addresses of directors to be traced.

Schemes to help owners

There has been a grant budget of £350,000 per annum for empty private properties. Owners of empty private homes can receive grant aid (administered by Residential Environmental Health services) to bring their property back into use. Conditions attach to such grants e.g. the owner has to agree to improve the property and put it up for sale or lease as social accommodation managed by a local RSL. It is not anticipated grant aid will stop and be replaced by loans

Three initiatives, either supported by, or run by Islington Council, address rent affordability by providing accommodation for tenants eligible for housing benefit or who are technically homeless:

- A Council-run Rent Deposit Scheme gives the landlord a deposit when the property is let.
- A Housing Association Leasing Scheme under which an empty home is leased and managed by a housing association and
- A Private Sector Leasing Scheme under the management of a private property company.

There are also mechanisms to support owners without the skills or know-how to bring their empty property back into use. Under a contract with an RSL, owners can pay for an improvement service. For an owner wishing to sell, the Council can assist by advertising the property through its web-marketing tool. The Council can also offer to act as an intermediary to sell the property to low-paid or key workers or alternatively, it can "place" the owner with an RSL who may purchase the empty property on behalf of the Council.

The Council has not, to date, used Empty Dwelling Management Orders (EDMOs) but is moving forward with a Compulsory Purchase Order (CPO) programme on the most difficult empty property cases.

Case Study 8: North London Empty Property Initiative

Importance of partnership working

The North London *Empty Property Initiative* is a joint partnership involving a six council consortium (Barnet, Camden, Enfield, Haringey, Islington and Westminster) the aim of which is to reduce the number of long-term empty private properties in North London. At the sub-regional level, the Initiative has helped the Councils take a more strategic and targeted approach to their empty properties and assisted them in developing a robust enforcement strategy. It has provided training for Empty Property Officers (EPOs) and developed Compulsory Purchase Order (CPO) procedures. It also distributes the grant allocation from the London Government to the Councils. The formation of the Initiative was essentially financially driven - the councils were already working on empty homes but in 2004 the London Government bidding round for empty homes funding was only open for consortia bids. The 6 councils submitted a joint bid and were successful. A new bidding round for 2009-11 allows Councils to bid separately but the six in North London have agreed to continue joint bids.

Affordability

A condition of funding from the London Government is that an owner of a home, empty for 6 months or longer, who receives local Council grant to bring it into use must give the Council nomination rights and let the property for at least 12 months. Thereafter, if the property becomes unoccupied for over 6 months the grant must be repaid in full.

Incentives and enforcement: a changing balance

The original philosophy behind the Initiative was that the Councils provided as much support to owners as possible using as many means as possible ranging from advertising; a grant programme; partnership with RSLs to provide an improvement service to owners; to the use of compulsory powers and enforcement notices (as a last resort). However, while the commitment to providing affordable rented housing from empty properties has been successful in the past, it is proving more difficult to sustain by supportive measures and incentives only. Consequently, there has been a shift to a more explicit enforcement approach with the owners of empty properties who have been resistant to accepting support such as grant-aid linked to nomination rights. Also, with the high costs on upgrading in London, the £17,000 per unit grant, generally leaves a large contribution to be met by the owner. This growing reluctance of owners to engage with the Councils to accept grant-aid in return for nomination rights has been recognised in the 2009-11 funding round and is contributing to the acceptance that enforcement powers will become increasingly necessary.

To date, one Council has used an Interim Empty Dwelling Management Order, but at sub-regional level, no particular advantage is seen to using EDMOs over CPOs which are becoming more actively taken-up by the councils.

Data collection methods

While the Sub-Regional level co-ordinates the overall profile of numbers of empty private properties across the Councils, the main property data work is carried out by each Council and to help to identify “hot spots” for early intervention.

Communication methods

Apart from Council Tax records and surveys, a variety of approaches are used by the consortia Councils to identify empty properties and advise owners of the support available to return their properties into use:

- A free phone hot-line for the public to notify councils of empty private properties.
- Advertising campaigns (e.g. on buses, advertising boards).
- A website for access to information on empty homes and a data box for reporting a possible empty property that an EPO can then follow-up.
- Presentations at local landlord forums.
- Distribution of an Empty Property Owner’s newsletter.
- Participation in the national Empty Homes Agency’s annual “week of action” on empty homes.

Links with RSLs

While there is not a significant link between empty homes work and RSLs, two initiatives have been established:

- A contract has been agreed with Touchstone HA and four of the six Councils for it to manage any future EDMO properties that come on-stream as the Councils move more determinedly to an enforcement approach.
- There is also a sub-regional level contract with Pathmeads HA that will offer owners of empty properties an improvement service to help them bring their properties into use by providing help with tenders, contractors, inspecting, etc. In return, the RSL charge a management fee and are given nomination rights.

Conclusions

Issues for councils considering joint partnership working on empty private homes:

- **Flexibility:** Accept at the outset that “one size does not fit all” and that the more proactive councils should take the lead in initiative work but ensure that other members have the opportunity to learn and develop.
- **Personnel:** Fund the cost of a shared officer who can ensure all members receive benefits: gain training and share good practice.
- **Costs:** a consortium or partnership approach needs money to support its development, and
- **Benefits:** Cost savings from joint commissioning can be achieved e.g. for property surveys and advertising campaigns.

Case Study 9: Kent County Council – ‘No Use Empty’ Initiative

Background

The Initiative “*No Use Empty*” was launched in 2005 as a partnership between Kent County Council (KCC) and 4 District Councils in response to the problem of empty housing in East Kent. KCC estimated the County had around 6000 properties empty on a long-term basis. The primary aim of the Initiative was to improve the physical urban environment in East Kent by bringing empty properties back into use as quality housing accommodation. Subsequent to the initial success of the initiative, KCC teamed up with five neighbouring councils to expand the *No Use Empty* campaign - the Kent Empty Property Initiative – as a close partnership across all of Kent. A target was set to return 372 empty properties to use over three years. In fact the initiative has achieved 487 long-term empty properties brought back into use during the term of the scheme and it is anticipated it will achieve 600 by the end of the current year (2007-08)

External support

As well as the 5 main councils the initiative has been supported by:

- The Empty Homes Agency which has provided support and research.
- Capital Projects Consultants - to provide professional and technical expertise particularly regarding enforcement and training.
- Tamesis - a PR and media relations company to raise and promote the profile for the Initiative.

Establishing the joint initiative

Prior to the launch of the Initiative, research was undertaken to:

- Identify the location of the empty properties.
- Establish their condition and likely costs for refurbishment.
- Identify the full range of options available (in conjunction with the Empty Homes Agency) and
- Establish what help and assistance would encourage owners to bring their properties back into use.

From this research, the Initiative developed a project plan focusing on:

- An empty homes awareness campaign to be targeted at owners.
- The development of an information resource for owners, residents, and any one else with an interest in empty properties. This led to the creation of the *No Use Empty* web site www.no-use-empty.org, and the production of regular newsletters.
- Financial support to encourage owners to refurbish and bring their properties back into use.

- Training on the enforcement options for empty property officers and other appropriate council staff involved in this work e.g. solicitors, planners.

Training

The consultant (an Environmental Health professional) employed by KCC has two main supportive roles:

- To train the various Kent authorities' Empty Properties Officers on the use of the wide-ranging legislation to improve corporate working. In addition, a training input has been provided by the National Empty Homes Agency and other specialists.
- To accompany officers to vacant properties and guide them through the range of enforcement options or otherwise, and to mentor them through the procedures from service of notice through to the enforced sale of the property. The aim is that each officer should go through all methods and procedures from start to finish, so that they build up their knowledge and ability, while developing their procedures and paperwork to support future action.

Financial support to owners

The Initiative uses its capital funding in 3 ways to encourage the re-use of empty properties:

- A Loan scheme – loans are available to help owners/developers to refurbish/convert empty homes or redundant commercial buildings to provide good quality residential accommodation. On completion properties must be made available for sale or rent. The loan fund is operated as a revolving fund, so that as loans are repaid, the money is re-lent to support new schemes.
- The partnership fund – funding available to help the District Councils undertake enforcement where necessary e.g. CPOs.
- A direct purchase scheme – acquisition of empty properties by KCC for redevelopment into good quality housing accommodation

Action against individual properties

It is seen as important to understand the reasons why owners have left their property empty for a long time and to help each to bring it up to a reasonable standard. The approach is negotiation and encouragement first, not enforcement, as that is seen as counter-productive and too costly an approach. However, there is an increasing scale of intervention:

- Letter 1 polite – offering assistance, guidance, interest free loans and a note on the effects of empty homes.
- Letter 2 – firmer but polite, reiterating the offers but mentioning that the Council has powers to deal with empty homes.
- Letter 3 – usually requiring access to the property with a view to giving guidance and offering an interest free loan.
- Power of Entry – the next step, stating that if access is not provided at a set time and date, a warrant to enter property will be obtained.

- Attending the property – if there is still no access, a warrant will be obtained, entry forced and locks changed.
- Inform owner that access was obtained to the property and, if the owner wants the keys, he/she has to attend the office with passport and ID. (Obtaining entry by legal force has been found to “seriously concentrate the mind of the owner”).

Affordable housing

The objective of *No Use Empty* Initiative is to raise awareness of the issue of empty housing, the problems it causes to local communities and to help bring them back into use. However, there are a number of properties that have required an enforced sale of the property to an RSL partner to bring the property up to the decent homes standard, incorporate security by design, water and energy saving measures. Such units have often been used as shared ownership or let at affordable rents.

Empty Dwelling Management Orders (EDMOs) and Compulsory Purchase Orders (CPOs)

An EDMO deals with properties that remain empty perhaps being “sat on” for capital growth. It allows the Council to encourage such owners to rent their properties out. The Council can require works to put them into a lettable condition, which goes much further than other legislation. Any charge created can be recovered using the enforced sale procedure. However it has downsides: an EDMO is seen to have rather a bureaucratic set of procedures; it is not possible to register a charge with the District Land Registry while the EDMO is running; an EDMO property has to be let at market rent, and management arrangements have to be made. The Initiative has, at the time of fieldwork, one CPO in the pipeline. CPO use been threatened on four occasions but owners have been encouraged to sell to a suitable developer, so saving the initiative having to proceed with the CPO. The aim is to ‘pressure’ owners into talking to the council about carrying out the works needed to get the property occupied rather than to necessarily proceed with the CPO case. However, where it has been threatened, it is not an empty threat and the district council will proceed if discussions are not fruitful.

Case Study 10: Devon Empty Homes Partnership

Joint Commissioning

Exeter's Empty Homes Service was initially established as a partnership between the Exeter City Council and two local RSLs in May 1996. The two associations funded the part-time Empty Homes Officer salary costs while the Council bore the overhead costs. Successes in the first year of operation attracted a further RSL to join the partnership and allowed the employment of a part-time Empty Homes Assistant from November 1997.

In 1999, partnership was put on a more formal and solid long-term footing by involving additional RSLs on an equal funding basis (another 2 RSLs joined) and by operating under a formal Joint Commissioning Protocol agreed with the Housing Corporation. Since then, three more RSLs and three local authorities have joined what is now known as the *Empty Homes Partnership*.

Features of the partnership

- Joint funding from the Housing Corporation and the City Council created an “opportunity pot” (i.e. not scheme specific) which allowed opportunities to be taken as they arose: this was fundamental to the success of the Living-Over-The-Shop Initiative by facilitating partnership ventures with commercial developers which were not constrained by normal Social Housing Grant bidding cycles. (The “opportunity pot” has now gone as the Housing Corporation focus has moved to supporting s106 agreements and moved to an “open market engagement” system of bidding rounds).
- Detailed procedures were developed for opportunity-sharing.
- Regular Steering Committee meetings and monthly RSL capital spend review meetings brought the partners together to discuss joint bids, operational matters and strategic direction. Other departments such as Planning and Environmental Health were also regularly involved.
- Basing all staff in one office allowed for better supervision and reduced costs.

Successes

Since 1996 the initiative has been responsible for:

- Giving advice and lettings guides to private owners with empty property.
- Leasing 116 units for temporary accommodation for homeless families under the Council's Private Sector Leasing Scheme.
- Award-winning conversion schemes such as Topsham First School, Concord House and Jubilee Court which have provided affordable accommodation for many local people in housing need.
- Bringing back over 500 empty properties into use.
- Establishing and hosting the South West Empty Homes Forum.
- Establishing a lettings agency (*ExtraLet*) to work with private landlords to utilise their properties for homeless prevention.

Implementation

Two of the Council Partners (East Devon District Council and Mid Devon District Council) have opted for the partnership post to be 2 days a week at a cost per day of £166. The officer provides the service to organise twice yearly South West Empty Homes Forums, arrange twice yearly Empty Homes Partnership Meetings, agendas, minutes etc. and provides research facilities for procuring “off the shelf” properties and possible development sites for the RSLs. The Empty Homes Officer works to each LA’s priorities which is generally to deal with Private Sector Leasing Scheme first of all and then to deal with Empty Homes.

Conversions

A number of larger conversion schemes have been targeted - disused schools and college buildings, office blocks, properties over shops and an under-used church. Key features for success for these conversions include:

- The “opportunity pot”.
- Working with the same developer on a number of properties.
- Redevelopment of the whole building but retaining retail (and church) use on ground floors.
- Seeking larger schemes.

Cost per unit of these schemes ranged from under £2,000 to £58,000 with lease periods to 73 years.

The Council operates two leasing schemes targeted at different client groups and a number of the empty properties are targeted towards these schemes for letting.

Data collection

Mid Devon has tried using the Council Tax (CT) register to look at empty properties but has found a number of logistical problems. Due to data protection issues, CT departments have only been allowed to give out the addresses and name of the “liable person” of those properties that have been empty and unfurnished for over 6 months. One of the issues is that unfit properties are not recorded as being empties. These properties are the most expensive and difficult to bring back into use and tend to be houses which are empty because of changing family circumstances, e.g. following a death. Letters are sent out to owners of empty homes on the council tax register but there is often a poor response. Many of the properties on the list are also transitory, either waiting to be sold, let, refurbished or for planning approvals. Reports from members of the public are found to be a better source of data. The Partnership would like to undertake more preventative work but tends not to have time for it.

ANNEX 3 RESULTS OF ONLINE SURVEY

This annex provides the tabular data, from the online survey of Scottish local authorities.

Response rate

Responses were received from 27 local authorities.

Table A3.1 How significant a problem are empty homes?

	Response Percent %	Response Count
Significant	19.0	4
Minor	66.7	14
Not a problem	14.3	3

Table A3.2 Does the local authority collate figures on numbers/ locations of empty private sector properties in their area?

	Response Frequency %	Response Count
Yes - at structured intervals	12.5	3
Yes - on an ad hoc basis	50.0	12
No	37.5	9
	no response	3

Table A3.3 Information sources found most useful.

	Response Frequency %	Response Count
Council Tax records	94.1	16
Local surveys	23.5	4
2001 Census	41.2	7
	no response	10

Table A 3.4 Strategy documents that address the issue of empty homes

	Response Frequency %	Response Count
Issue addressed briefly in Local Housing Strategy	78.3	18
Issue addressed in some detail in LHS	4.3	1
Issue addressed briefly in Private Sector Housing Strategy	30.4	7
Issue addressed in some detail in PSHS	8.7	2
Specific Empty Property/Homes Strategy developed	0.0	0
Empty Property/Homes strategy under development	17.4	4
No strategy felt to be required	13.0	3
No strategy yet considered	30.4	7
	no response	4

Table A3.5 Has your LA made an estimate of resource requirements (staff, finances etc) to bring empty properties back into use?

	Response Frequency %	Response Count
Yes	8.0	2
No	76.0	19
Don't know	16.0	4
	no response	2

Table A3.6 Resources currently devoted to dealing with empty private sector houses.

	Response Frequency %	Response Count
Have a full time officer with particular responsibility for dealing with empty homes	0.0	0
Have a part time officer with particular responsibility for dealing with empty homes	0.0	0
Dealing with empty homes is just part of one officer's job description	29.2	7
Have a budget set aside for dealing with empty homes	0.0	0
Maintain lists of empty private sector properties	0.0	0
Have worked with local landlord forums / estate owners to discuss how empty properties could be brought back into use.	20.8	5
No resources	54.2	13
	no response	3

Table A3. 7 Local pressures to deal with empty homes to which local authorities have been subject.

	Response Frequency %	Response Count
Owners seeking assistance to bring empty houses back into use?	29.4	5
Approaches from people needing housing that have identified empty properties as a potential source of housing?	29.4	5
RSLs / other bodies identifying empty homes as a housing supply issue?	23.5	4
RSLs / other bodies identifying empty homes as a regeneration issue?	35.3	6
General housing supply issues	82.4	14
Developers looking to convert non-residential buildings to housing?	23.5	4
	no response	10

Table A3.8 Factors thought to lead to properties being empty and the impact of these factors on empty homes within the local authority's area.

	Major Issue	Contributing Factor	Not Significant	Don't know	Overall score given for significance (Note 1)
Cost of repairs	7	7	2	6	21
Commercial / estate owners who don't want to let	3	8	5	6	14
Individual owners who don't want to let	4	8	5	5	16
Owners who find being a landlord too onerous	1	8	5	7	10
Empty homes are unsuitable for a variety of reasons	5	3	4	8	13
Empty homes are result of over supply	0	1	15	4	1
Other	0	0	0	2	0
				no response	5

Note 1 A score of 2 was given for "major issue" and 1 for "having a contributing factor",

Table A3.9 Experience of initiatives available to deal with empty homes

	used successfully	used but would not use again	not used but would like to try	not used and unlikely to do so	Response Count
Lead tenancies	7	2	6	5	20
Rural Empty Properties Grants	3	0	6	8	17
Repair / improvement grants targeted to empty properties	7	0	6	5	18
Support for private landlords generally (e.g. Private sector leasing schemes, rent deposit guarantee schemes.)	17	0	6	0	23
no response					3

Table A3.10 Initiatives used to bring second homes into mainstream letting.

	Response Frequency %	Response Count
Yes	8.7	2
No	91.3	21
Please use this space to add any comment you wish to make		4
no response		4

Table A3.11 Has the LA followed any initiatives for conversion of unused buildings / structures to housing use?

	Response Frequency %	Response Count
Yes	50.0	12
No	50.0	12
Please use this space to add any comment you wish to make		12
no response		3

Table A3.12 Has the LA followed any initiatives to lease vacant properties owned by other public sector bodies? (e.g. Health Boards, Forestry Commission etc.).

	Response Frequency %	Response Count
Yes	21.7	5
No	78.3	18
no response		4

Table A3.13 Occupancy of homes developed under stated initiatives.

	Used mainly for below market rent	Used mainly for market rent	Used mainly for rent but end occupancy not known or mixed	Not used at all
Lead tenancies	4	0	1	8
Rural Empty Homes Grants	0	1	1	10
Repair / improvement grants targeted at empty properties	2	2	0	6
Support for private landlords e.g. private sector leasing schemes, rent deposit guarantee schemes	5	5	2	3
Second homes brought into use	1	0	0	9
Converted properties brought into use	2	4	0	6
Other public sector properties brought into use (as in Q13)	3	2	0	5
			No response	10

Table A3.14 Estimate of number of empty homes brought back into use over the past 3 years.

Years	Response Count
0	6
1 - 10	4
11 - 30	1
30+	2
	no response
	13

Table A3.15 End use of the empty houses brought back into use (estimate).

	Average %
Below market rent (%)	48
Market / near market rent (%)	42
Sale on open market (%)	10
	no response
	17

Table A3.16 Estimate of the resources required to deal with empty homes.

	Respondent 1	Respondent 2
Cost of upgrading identified empty properties	£4M	£6.4M
Promotional / support staff numbers	1	40
	no response	25

Table A3.17 Views on the usefulness of specified support mechanisms in bringing properties back into use.

	Potentially useful	Not sufficiently useful to justify use of resources	Unlikely to be useful	No views
Officer support group - as in National Association of Empty Property Practitioners	12	2	2	6
New agency (as in Empty Homes Agency)	8	5	2	6
Regional consortia of authorities to provide specialist services to deal with empty properties.	13	2	1	6

Table A3. 18 Views on applicability of specified initiatives

	Already using	Would like to try	Likely to be not worth the effort	Not useful at all	Overall score (Note 1)
Empty Dwelling Management Orders (a power given to English LAs to allow them to take over management of empty properties)	0	13	7	1	4
Council tax penalties	5	9	5	0	9
Public Request to Order Disposal (power in E&W to force sale of unused public property)	0	7	9	2	-6
Support mechanisms for RSL and LA officers dealing with empty homes	1	15	1	1	13
Lists of empties available to those who would like to rent / develop	0	17	3	0	14
Web site listing void properties	0	16	3	1	11

Note 1 The overall score was derived from scoring 1 for already using and would like to use, -1 for likely not to be worth the effort and -2 for not useful at all

Table A3.19 Number of local authorities applying reduced Council Tax discount

Discount offered on empty or second homes	Number of responses
Up to 10%	10
10% - 50%	3
Over 50%	7
No response	7

Table A3.20 Views on the impact of reduced Council tax discount on vacant properties

	Response Frequency %	Response Count
Encouraged voids back into use	9.1	2
No impact on numbers, but raised additional revenue	27.3	6
No impact on numbers or revenue.	13.6	3
Don't know	50.0	11

Table A3.21 Views on the impact of the new Scheme of Assistance (Housing (Scotland) Act 2006) on properties being brought back into use

	Response Frequency %	Response Count
Likely to have large positive effect	0	0
Likely to have small positive effect	47.4	9
No effect	26.3	5
Likely to have small negative effect	15.8	3
Likely to have large negative effect	10.5	2

ANNEX 4 LIVING OVER THE SHOP

Living over the shop initiatives were prominent in the early 1990s when Anne Petherick set up the Living Over the Shop Initiative in York.⁴⁹ Typical issues to be dealt with in bringing empty spaces over shops back into use are reported as being:

- The noise and crowding of high street locations can reduce the demand for such properties.
- Concerns about the depressing effect on desirability and property values should there be any future change of use (e.g. from florist to take-away).
- Creating separate access from the shop for the flats (in Northern Ireland, a porch was sometimes created at the end of a terrace or at the front of the building).
- Providing basic amenities e.g. suitable storage for prams, bikes and bins and mail box access.
- Parking provision.
- Particularly for larger chain stores, the whole building may be leased rather than owned so capital investment may be difficult.

Case studies which provided examples of living over the shop initiatives were Plymouth, Northern Ireland Housing Executive and the Devon Empty Homes Partnership.

⁴⁹ A useful bibliography can be found at <http://planning.rudi.net/BIBS/URBAN/18.HTM>.

ANNEX 5: LEAD TENANCIES AND RURAL EMPTY PROPERTY GRANTS

Feature	Lead Tenancy Scheme	Rural Empty Property Grants
Area of operation	No limit.	Rural areas (defined as settlements of fewer than 3000 people).
Type of tenancy offered	Scottish Short Assured Tenancy (though a standard Scottish Secure tenancy may be used if the lease permits).	Assured or Short Assured Tenancy.
Management	By an RSL.	By the owner who may be a private developer, private owner, non registered housing association or other private sector body. Rural Estates have however formed the largest number of applicants and developed over half the units provided.
Tenant selection	Through an RSL – normally people in housing need	Prospective tenants should be employed or have a formal offer of employment in the proposed project area. The expectation is that the vast majority of tenants will be economically active but those who are retired, for instance, are not excluded if they have a link to the area.
Tenancy management	Property is leased to an RSL who then let the property themselves.	There is no leasing mechanism – owners are expected to have the necessary skills, experience and capacity to manage the project and houses for rent themselves, either directly or through a letting agent.
Cost	Maximum of £2,435 per year of lease or a maximum of £48,700.	The grant available is fixed at a maximum of 33% of eligible cost. The level of grant that can be offered will depend on a wide range of factors, most notably the relationship between project costs and rent level and the length of landlord commitment to retaining the property in the rented sector on short assured and assured tenancies. In exceptional circumstances, a grant of 60% may be offered.
Period of lease	Up to 20 years (maximum lease under Scottish law) depending grant level offered.	At least five years, depending on level of grant offered.

ANNEX 6: STATE AID AND SUPPORT GIVEN TO BRING EMPTY PROPERTIES BACK INTO USE.

Where a public body, such as a local authority or the Scottish Government provides funding in the form of grants or loans to commercial undertakings then the funding must be within the State aid rules and regulations.

Support to refurbish an empty property will result in a commercial gain as the whole aim of the scheme is that the owner will receive a rent (albeit very modest) and the property will start to appreciate in capital terms. However, there is an approved scheme **Partnership Support for Regeneration** (N293/2006)⁵⁰ where funding can be provided which is State aid compliant as long as the relevant criteria are met.

The Partnership Support for Regeneration Scheme is a UK-wide scheme designed to increase the supply of affordable housing. In Scotland, it allowed **Communities Scotland** (as was) and **local authorities** to provide grant aid to developers of owner-occupied and rental accommodation in areas where such accommodation has real social or regeneration benefits. Aid awarded must be the minimum necessary to allow the project to proceed, and should not exceed the gap between the eligible cost of the development and the completed project sale value. The maximum amount of grant must not exceed 60% of project-related eligible costs. Those offering support need to check that no other public funding which might be considered as state aid has been received, to ensure that no double funding has occurred for the same eligible costs. A local authority seeking to offer such support should ensure that their scheme conforms to the (N293/2006) approved scheme.

Where expenditure cannot be offered under the Partnership Support for Regeneration approved scheme, then the body offering the support should ensure that any funding meets the *de minimis* aid regulations. *de minimis* aid cannot exceed €200,000 over a 3 year fiscal period, and prior to making an award of *de minimis* the awarding public body must ask potential recipients for details of all other *de minimis* aid received in the preceding three fiscal years and ensure that by awarding further *de minimis* the €200,000 ceiling will not be breached. It is preferable to provide funding under the Partnership Support for Regeneration approved scheme and only use *de minimis* aid when projects do not meet the criteria under (N293/2006) scheme. Little further guidance is available in Scotland; however, there is a publication in England⁵¹.

Further advice can be gained from the State Aid Unit which is part of the Scottish Government's Enterprise, Energy and Tourism Department⁵² and has been set up to provide advice to local authorities and government.

⁵⁰ http://ec.europa.eu/community_law/state_aids/comp-2006/n293-06.pdf

⁵¹ Housing Gap Funding Appraisal Guide. English Partnerships October 2004

⁵² <http://www.stateaidscotland.gov.uk>,

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