The Highland Council

Agenda Item	**11**
Report No	**HP/40/26**

Committee: **Housing and Property**

Date: **4 November 2026**

Report Title: **Empty Homes Update Report**

Report By: **Assistant Chief Executive - Place**

1 Purpose/Executive Summary

1.1 Since the approval in November 2025, significant progress has been made in delivering the objectives of the Empty Homes Strategy. The service now operates within the Housing Development Team, consolidating links between empty homes activity and the Council's wider housing supply programme. The report also provides an update on the Empty Homes Challenge Fund, agreed at Council in May 2026, and sets out recommendations for amendments to the grant funding criteria based on early feedback and uptake of the fund in its current form.

1.2 Key achievements include:-

- Appointment of an additional officer within the Empty Homes team part funded by the Empty Homes Partnership to support increased activity;
- 272 active complex legal and financial empty homes cases;
- Resolution of 9 long-term empty homes cases;
- Launch of the £1 million Empty Homes Challenge Fund in June 2026; and
- Strengthened partnership working with internal services and external stakeholders.

This report provides on overview of the Empty Homes Service and its activity since the approval at Committee in November 2025 of the Council's first Empty Homes Strategy.

2 Recommendations

2.1 Members are asked to:-

i. **Note** the progress made in implementing the Highland Council Empty Homes Strategy**;**
ii. **Note** the early findings from the implementation of the £1 million Empty Homes Challenge Fund and its role in supporting owners to return long-term empty properties to residential use; and

iii. **Approve** the amendments to the Challenge Fund set out at section 11.4 which are intended to introduce greater flexibility to support owners seeking to bring empty homes back into use.

3 Implications

3.1 **Resource** – Funding has been received from the Empty Homes Partnership to increase the staffing by appointment of an Assistant within the team. The Empty Homes Challenge Fund is funded through investment agreed at the Budget setting meeting in March 2026. This is a recurring fund, which can be utilised to support bringing empty properties back into use. There is the potential for an element of the fund being 'recycled' from any grants issued which are subsequently repaid as part of the conditions of the scheme.

3.2 **Legal** - There are no direct legal implications arising from this report. The Empty Homes team operates within existing legislation and Council policies relating to housing, council tax and data protection. Where necessary, legal advice may be sought in relation to complex ownership issues or potential enforcement powers available to the Council.

3.3 **Risk** – There are no increased risks associated with this report. The aim of the proposed increase in flexibility of the Challenge Fund guidance is to mitigate the risk of low uptake from owners and is based on feedback to date.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no direct health and safety implications arising from this report.

3.5 **Gaelic** - There are no specific Gaelic implications arising from this report.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. An Equalities Impact Assessment was completed by officers in preparation of the Empty Homes Strategy

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and update report and therefore an impact assessment is not required.

5 Background

5.1 The Highland Council's Empty Homes Strategy recognises the important contribution that long-term empty properties can make towards increasing housing supply, supporting sustainable communities and helping address housing need across Highland. Returning existing homes to occupation provides an efficient means of increasing housing supply while making use of existing infrastructure and housing stock.

5.2 The Strategy aims to:-

- Encourage and support owners to bring empty properties back into use;
- Increase housing availability across Highland;
- Support sustainable and resilient communities;
- Assist rural repopulation and workforce retention;
- Provide practical advice, guidance and financial assistance to owners; and
- Maximise opportunities to increase housing supply through the re-use of existing homes.

The Empty Homes team forms a key part of the Council's wider housing supply programme and complements housing development, acquisitions and strategic housing initiatives.

6 Current Position

6.1 An empty home is generally defined as a residential property that is not occupied as anyone's sole or main residence. The Empty Homes team focuses primarily on long-term empty properties that have remained vacant for twelve months or more.

6.2 As of October 2026:-

- 2,496 properties across Highland were subject to the long-term Empty Homes Council Tax Premium.
- In excess of 100 properties were in receipt of a Council Tax discretion where temporary circumstances justified exemption from the premium.

6.3 These figures highlight both the scale, continued challenge and the significant opportunity for the Council to increase housing supply through the re-use of existing homes. Bringing even a modest proportion of these properties back into occupation has the potential to make a meaningful contribution towards meeting local housing demand and supporting communities across Highland. There are empty homes throughout urban and rural Highlands with the majority in Inverness (c21%).

6.4 Although smaller rural communities may only have small numbers, the impact of bringing these properties into effective use can be more significant to the sustainability of that community as compared to larger urban areas.

6.5 To complement the extensive activities that are already underway, the Council's webpage which is dedicated to "Council Tax: Second homes and long-term empty properties", includes information relating to empty homes advice, including contact details for the Empty Homes team.

7 Development of the Empty Homes Team

7.1 Significant progress has been made since November 2025 through the investment in further staffing resource and the introduction of updated operational procedures. An Empty Homes Officer is in post to coordinate service delivery and provide a focused approach to engaging with property owners and progressing cases. The service has been further strengthened through recruitment of an assistant who provides support with administration, customer enquiries and routine case

management activity. This additional resource enables the Empty Homes Officer to focus on complex cases, owner engagement and project delivery.

7.2 A significant strength of the team is that it sits within the Housing Development Team. This arrangement ensures that Empty Homes activity forms part of a wider housing supply solution and benefits from:-

- Development expertise;
- Housing market intelligence;
- Established partner relationships;
- Knowledge of funding opportunities; and
- Strong links with strategic housing planning activity

7.3 Embedding the service within the Development Team has strengthened collaboration between officers working across housing supply programmes and created opportunities to identify practical solutions for difficult and long-standing empty homes cases.

8 Caseload Management and Outcomes

8.1 The service maintains both active and inactive caseloads.

8.2 Active Cases - those where:-

- Owners are engaging with the Council;
- Options for bringing properties back into use are being explored;
- Works are progressing;
- Funding applications are being developed; and
- Sales or letting arrangements are under consideration.

8.3 Inactive Cases - arising where:-

- Repeated attempts to contact owners have been unsuccessful;
- Owners have indicated they do not wish to engage; and
- Progress is not currently possible due to legal or personal circumstances.

Inactive cases are not closed and are regularly reviewed with links with owners being reestablished, as circumstances can change over time.

9 Performance since November 2025

9.1 Improved Case Management and Reporting:

A significant achievement during the reporting period has been the design and implementation of a new Empty Homes case management and reporting framework, providing:-

- Consistent case recording procedures.
- Improved audit trails.
- Enhanced governance arrangements.
- Better monitoring of outcomes.

- More detailed reporting of service activity.
- Improved understanding of local empty homes trends.

9.2 The enhanced reporting arrangements have enabled the service to transition from a largely reactive approach to a more targeted and intelligence-led model. Improved intelligence now provides a clearer understanding of:-

- The geographical distribution of empty homes.
- Areas experiencing the greatest housing pressures.
- Property ownership patterns.
- Progression of cases over time.
- Potential intervention opportunities.

This allows resources to be prioritised towards communities and properties where intervention is most likely to deliver positive outcomes.

9.3 **Partnership Working**

Partnership working remains essential to delivering the objectives of the Empty Homes Strategy. During the reporting period close working relationships have been established with Finance colleagues to:-

- Improve access to relevant Council Tax information.
- Strengthen identification of long-term empty properties.
- Support owner engagement activity.
- Improve monitoring and reporting arrangements.

9.4 Training has been completed to ensure officers can effectively utilise systems and information required to support service delivery.

9.4.1 **National Partnership Working**

The Empty Homes Officer is an active participant in Shelter Scotland's Empty Homes Officers Network. Participation provides opportunities to:-

- Share best practice.
- Learn from other local authorities.
- Review emerging policy developments.
- Identify successful intervention approaches.

9.4.2 **External Stakeholder Engagement**

Positive relationships have been developed with:-

- Estate agents.
- Private developers.
- Property professionals.
- Housing associations.
- Community stakeholders.

9.4.3 These relationships support the identification of opportunities to return properties to use and help owners access specialist advice where required

9.4.4 Work is also underway to develop a database linking Owners wishing to sell empty properties and prospective purchasers seeking housing opportunities within Highland. This initiative has the potential to provide an additional mechanism for bringing empty homes back into productive use.

10 Empty Homes Challenge Fund

10.1 A major milestone during the reporting period has been the development and launch of the £1m Empty Homes Challenge Fund, agreed at Council in May 2026. The Fund represents a key commitment within the Highland Housing Challenge and Empty Homes Strategy and is intended to address financial barriers that prevent owners from returning properties to residential use.

10.2 The scheme provides:-

- Grants of up to £30,000 in rural areas.
- Grants of up to £25,000 in urban areas.
- Assistance for properties vacant for at least twelve months.
- Support for owner occupation and affordable letting arrangements.

10.3 The Fund seeks to:-

- Encourage investment in long-term empty properties.
- Increase housing supply.
- Improve housing quality.
- Support rural sustainability.
- Reduce the number of long-term empty homes.

10.4 The Fund complements wider casework activity and provides practical assistance where financial constraints are a significant barrier to bringing properties back into use.

11 Current Position of Empty Homes Challenge Fund

11.1 To date:-

- 34 applications have been received and are currently under assessment.
- 1 has been committed/awarded.

11.2 Further reporting on fund performance and housing outcomes will be provided as applications progress through delivery.

11.3 Feedback from property owners has been supportive of the objectives of the Empty Homes Challenge Fund. However, some owners have considered that the current structure does not fully reflect the practical, financial and logistical challenges associated with bringing long-term empty and derelict properties back into residential use.

The feedback suggests that the principal barriers to participation relate to some of the criteria for the funding and the key challenges voiced are:-

- Ownership eligibility criteria, particularly the requirement to have owned the property for a minimum period of two years.
- Project delivery timescales, with owners highlighting that the current 12-week timeframe for completing works can be challenging, particularly in rural and remote areas.
- Limited contractor availability in rural areas, which can therefore be impacted by the 12-week timescale.
- Upfront professional, statutory and survey costs.

11.4 Whilst it should be noted that the Fund has only been in operation for 4-5 months, the early feedback received has prompted a review of aspects of the Challenge Fund grant conditions. The aim is to improve accessibility and increase the number of long-term empty properties brought back into use. It is proposed that:-

- The eligibility criteria of the Empty Homes Challenge Fund is widened to **allow applications for consideration from owners who can demonstrate that a property has been long-term empty, regardless of the length of ownership**; and
- **Extend the current project completion period from 12 weeks to 6 months**, recognising the practical challenges associated with delivering refurbishment projects, particularly in rural and remote areas.

The Fund will continue to be monitored to ensure there is full understanding of whether these amendments are achieving their desired aim. Further promotion is also planned to ensure there is awareness of the amended criteria and of the overall Scheme.

11.5 Given the low uptake of the Fund to date, it is proposed that the scheme be extended to non-Housing Revenue Account Council-owned houses – such as janitor's houses. These are properties which have been empty or will be empty as a result of changes of use and an inability to bring them back into use due to prohibitive refurbishment costs. The recurring nature of the Empty Homes Challenge Fund means that funds could be directed to support bringing a number of these properties back into use, which otherwise the Council's Capital Programme and the HRA Capital Programme would be unable to afford, whilst not diluting the overall Fund's main purpose. A review of these properties is ongoing and this will assess the numbers and suitability of each property (location and condition) to be repurposed into mainstream housing. Details will be provided to relevant local Members in due course.

12 Next Steps

12.1 Significant progress has been made in establishing the Empty Homes Service and delivering the objectives of the Highland Council Empty Homes Strategy.

12.2 The Team will continue to focus on the delivery outputs as detailed in the Empty Homes Action Plan at **Appendix 2**.

12.3 While challenges remain, particularly around property condition, owner engagement and project viability, the service has established strong foundations and is now better equipped to support owners, target resources effectively and contribute towards increasing housing supply across Highland through the re-use of existing housing stock.

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Date:	29 September 2026
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Background Papers:	None
Appendices	Appendix 1 Empty Home Case Study Appendix 2 Empty Homes Case Study Appendix 3 – Empty Homes Action Plan

Appendix 1

Case Study 1

Background

This is a historic empty home. The owner wished to dispose of the property but was overwhelmed by the scale of work required to clear and prepare it for sale.

Empty Homes Intervention

The Empty Homes Officer worked closely with the owner to identify practical solutions to overcome the barriers preventing the property from returning to use. Support included:

- Signposting the owner to a company that could assist with clearing the property.
- Providing details of local estate agents experienced in marketing empty properties.
- Advising on the availability of the reduced 5% VAT rate applicable to renovation works on long-term empty homes.
- Liaising with the estate agent acting for the prospective purchaser to provide information on empty homes incentives and support.
- Keeping in regular contact with the owner, providing ongoing encouragement and support, and breaking tasks down into smaller, more manageable steps to help overcome what had become an overwhelming situation.

Outcome

The property has now been successfully sold and is expected to be returned to residential use, bringing a long-term empty home back into the local housing supply.



Appendix 2

Case Study 2:

Background
This property had been empty for a prolonged period following the owner's death. The empty property had become a focus for anti-social behaviour, with reports of youths gaining entry.

Empty Homes Intervention

The Empty Homes Officer coordinated a multi-agency approach to progress the case:

- Instructed specialist genealogy researchers (Finders International) to identify and trace surviving relatives.
- Established contact with the beneficiaries and provided information on options available to deal with the property.
- Liaised with Police Scotland and relevant Council services regarding security concerns and reports of anti-social behaviour.
- Worked with stakeholders to ensure the property was secured and risks to the local community were reduced.
- Assisted discussions regarding the sale of the property and resolution of outstanding Council Tax liabilities.

Outcome
It was agreed that the most appropriate course of action was to market and sell the property, enabling outstanding Council Tax debt to be settled. The property is currently progressing through the sales process and is expected to return to productive use, whilst also addressing long-standing community concerns.

Wider Impact
This case demonstrates how proactive Empty Homes intervention can unlock complex properties where ownership is unclear, reduce community impacts associated with vacant buildings, and support the recovery of Council Tax debt while facilitating the property's return to use.



Empty Homes Action Plan

Appendix 3

Highland's Strategic Delivery Plan 2025 – 2028

Highland's Strategic Delivery Plan 2025 – 2028

Note: The Empty Homes Service refers to Highland Council's Housing Policy and Development Teams

Encourage and empower owners, and communities, to bring empty properties back into use as (primary) homes			
	Action	**Milestones**	**Lead**
1	Consider future legislative changes that may enable Councils to increase the Council Tax premium on long-term empty properties & second homes – incentivising owners to return houses to use	Track and evaluate impact on number of homes: remaining long-term empty; being used as second homes; provided as short-term lets	**Corporate**
2	Help owners to:- • understand their options; • self-manage bringing their properties back into use • bring their properties back into use more quickly; and; • be responsible owners	Provide information and advice on Highland Council's website which enables owners to more quickly understand their options and opportunities – and make decisions; Provide information aimed at owners struggling to pay the Council Tax Premium or need information e.g. at annual billing stage; Continue to raise awareness of Highland Trusted Trader | Highland Trusted Trader | The Highland Council	**Empty Homes Service**
3	Raise awareness amongst owners and communities of issues and options - and encourage productive relationships with owners, communities and services	Carry out media campaigns including: • key messages on issues & options (e.g. promotional banner of 'Turning Empty Houses into Homes') • Raising awareness & accessible links to Highland Council's web advice Promote awareness of Empty Homes Service across Highland Council and partner services so its use increases	**Empty Homes Service**

4	Streamlined accessible processes for reporting issues and accessing appropriate help & advice	Provide reporting 'portal' enabling: tailored signposting, advice & support - and data collection to assess strategic solutions; Streamline process for proof of eligibility for VAT 5% reduction on works on empty properties *with THC's Finance Services*	**Empty Homes Service**
5	Joint working with communities to better understand empty homes issues and options and establish approaches enabling them to: • prevent properties being long-term empty / unproductive and; • support community conversations which deliver change	Survey / consult with community representatives and engage with them around the options and issues identified. Agree activities with communities – possible options include: *Producing tools (e.g. template lease, letters; communication pack; pathways) for community representatives; Identifying sources for funding feasibility studies; Assessing scope for community-led projects; Sharing examples (e.g. Knoydart community) via Knowledge library | HIE and similar tools;* *Testing out ways of helping communities to facilitate local conversations about under-used homes issues & solutions; Testing ways to increase local opportunities to purchase;* *Scoping out potential for local 'Empty Homes Doctors' (e.g. mapping context; assessing options; pathways to services).*	**Empty Homes Service**
6	Support communities significantly affected by housing shortages (due in part to unproductive homes) to have their need for homes met	Work with communities to understand & evidence their issues and identify all options for meeting their needs; Provide enhanced support to communities identifying issues within their local action / place plans e.g. flats over shops; town centre regeneration; redundant buildings.	**Empty Homes Service**

Target resources at approaches which effectively deliver homes:-
- in communities experiencing high housing need alongside low supply.
- and contribute to strategic priorities including homes for 'key' workers; rural re-population and area based regeneration.

	Action	**Milestones**	**Lead**
7	Continue to use ring-fenced income raised by Premium Council Tax charge to: help resolve shortages and bring properties into use.	Meet income target and use to support the delivery of the Strategic Housing Investment Programme (e.g. via site and property purchases). Review options for providing financial assistance to bring properties into use and progress those which cost-effectively meet housing needs.	**Highland Council**

8	Provide Empty Homes Service and staff resources to support communities affected by empty and second homes; meet housing need and deliver the Strategy.	Fund officers within Housing Development Team & Housing Policy Team and continue to secure Scottish Government funding to deliver shared objectives.	**Highland Council**
9	Provide 'enhanced' Empty Homes Service support and assistance to owners who, and properties which, meet the priority criteria.	Priority criteria: a) Owners unable to take forward without THC support e.g. limited capacity due to health; reluctant etc. **and**: b) Property will meet an unmet housing need **&** strong indication that owner is committed to helping achieve this outcome **or**: c) Property causing significant nuisance to neighbours **or:** d) Council Service has requested help to trace owner and / or resolve Council debt.	**Empty Homes Service**
10	Effective joint working around empty properties causing significant nuisance – including Environmental Health Services, Planning & Building Control Services and Empty Homes Service	Establish and use structured case management processes and tools - and ensure complaints and priorities are progressed in a formal, timely and progressive manner and evidence is available for enforcement action (if required) e.g. CPOs; Maintain corporate Empty Homes Database to: help track progress and outcomes; underpin case management approach; provide evidence base and; support joint working. Provide tools enabling neighbours to tackle problematic nuisance properties; Consider opportunities to use Compulsory Purchase Orders following the Scottish Government review; Link into national activities to improve negotiation and enforcement tools e.g. Compulsory Sales Orders (CSOs).	**Empty Homes Service**
11	Maintain good cross service communication and joint working arrangement	Roles of different services & local operational links confirmed; Service operational representatives meet regularly to: 1. Co-ordinate activities re. properties identified as a priority 2. Put in place processes for streamlined joint working 3. Share learning to inform strategy and approaches.	**Empty Homes Service / Council**

12	Target resources effectively by: • improving our understanding of the impact of Highland's Empty Homes Service and strategic approaches. • maintaining an understanding of issues and using data intelligence, evidence and learning to identify potential options. • evaluating approaches being used by others and, in due course, progress options which can deliver against our aim.	Gather and assess information from service users which provides an effective understanding of the impact of the Empty Homes Service. With Finance, agree on how best to track trends, evidence progress, understand what works. Further analyse data (e.g. the nature of exempted and discounted properties etc; influences affecting the time it takes for properties to get back into use) and use this to identify options which can deliver improvement. Track and monitor the use of properties once they move back into use e.g. owner-occupied; rented; holiday let. Share practices, tools & learning with local authorities facing similar issues and Scottish Empty Homes Partnership (SEHP). For example –options to meet rural housing needs	**Empty Homes Service**
13	Continue to support: • property purchases for affordable housing (e.g. via Key Worker Fund) • community based organisations to lease or purchase properties.	Buy properties which meet Highland's Purchasing Scheme criteria ; Continue to explore leasing arrangements with public and private employers; Identify incentives to make selling to the public sector an attractive option (e.g. than via open market); Assist community-based organisations to secure leases; Assist communities to acquire 'ownerless' properties via the Ownerless Property Transfer Scheme (www.kltr.gov.uk/ownerless-property-transfer-scheme-opts/information-for-prospective-applicants/).	**Empty Homes Service**
14	Explore ways to make private renting a more feasible and attractive option for owners - and progress those which help deliver our aim	Scope out ways to improve rental property management options for owners e.g. property management services via social enterprises; Scope out options enabling owners to deliver private rent tenancies at mid-market / affordable rent levels.	**Empty Homes Service**

15	Help facilitate the national 'Matching' scheme (e.g. matching buyers or renters with property owners)	Link into the national Scottish Empty Homes Partnership scheme – and facilitate promotion to, and use by organisations, owners, etc in Highland (including estate / letting agents; Landlord Registration; use by major employers).	**Empty Homes Service**
16	Improve the success rate for tracing owners.	Continue to use the national genealogist service provided by Scottish Empty Homes Partnership – and explore links with the Council's Data Foundations Project; Establish approach & process (working with Environmental Health / Planning / Legal, Housing Investment Services).	**Empty Homes Service**
17	Support area-based regeneration	Explore potential mechanisms, and secure funding, to facilitate flats over shops.	**Planning/ Economic Development**
18	Explore ways to increase opportunities arising from the long-term empty properties owned by land / estate owners	Raise awareness of the benefits to them and explore options with representative bodies and willing estates owners https://www.scottishlandandestates.co.uk/ e.g. via workshops	**Empty Homes Service**
19	Explore ways to work with solicitors / legal services and estate agents to help deliver our strategic aims	Jointly explore options for tackling barriers, delays and contributing e.g.: • Investigating titles, tracing wills / next of kin; assisting with estate administration. • Assisting in cases involving missing owners; lack of capacity; little or no proof of ownership documentation. • Assisting owners to access wide range of options (e.g. auction sales).	**Empty Homes Service**
20	Investigate ways to assist flat owners	Investigate options to assist with undertaking communal repairs / improvements to flats and buildings with shared features	**Housing**
21	Implement the Empty Homes Challenge Fund	Implement the Empty Homes Challenge fund launched in May 2026	**Empty Homes Service**