

Shelter

Scotland



Scottish Empty Homes Partnership

Guide to financing private sector
empty homes work



**Scottish Empty
Homes Partnership**

Contents

Introduction	3
Putting together a package	4
Different types of finance	5
Finance that owners can access directly	5
Bank loans	5
Equity release	5
Benefit in kind	6
Council and public sector finance	6
Housing association grant	6
Money from council tax discounts/increases	6
Commuted sums	7
Councils' general fund for housing capital expenditure	7
Scheme of assistance	8
A corporate approach	8
Shared services	9
Sources of specialist funding	9
Regeneration funding	10
Energy efficiency funding	10
Historic buildings funding	12
Conclusion	15

Cover photo: Scottish Empty Homes Partnership

Introduction

This is the third in a series of guides produced for empty homes practitioners in Scotland by the Scottish Empty Homes Partnership. The first looked at how to build an empty homes database ([see guide to data collection](#)). The second was aimed at councils developing a private sector empty homes action plan ([see action plan guide](#)). This third guide covers sources of finance for private sector empty homes projects.

It is worth pointing out from the start that empty homes work need not involve vast costs, and securing finance need not be the deciding factor in setting up a project and carrying it through to a successful conclusion. Effective private sector empty homes work comprises several elements:

- compiling a database of empty homes ([see data collection guide](#))
- providing advice and information to empty home owners ([see SEHP advice and information template](#))
- developing a range of incentive and enforcement measures appropriate to local circumstances ([see action plan guide](#)).

Accessing finance may not always be the most important factor in setting up a project, but in some instances finance is likely to be needed to provide incentives or pay for enforcement or renovation.

This guide details possible sources of finance for projects aimed at bringing private sector empty homes back into use. The guide also touches on the need to develop funding packages from a number of sources.

The largest section is entitled 'Different types of finance'. It describes the sources of private finance that private empty home owners can access directly and the funding available from councils and other public sector bodies. The section also looks at specialist sources of funds, for which some empty homes projects may qualify.

Uncertainty surrounds central government finance, as earlier funding streams (rural empty property grants, lead tenancy scheme, rural homes for rent) targeted at different types of empty homes have been rolled into the Scottish Government's Innovation and Investment Fund (see case box on page 8). At the time of publication, bids had not yet been submitted. Future iterations of this guide may concentrate on this source of finance. For now, the guide will focus on what is available and hope to inspire creative funding packages.



Photo: Scottish Empty Homes Partnership

Putting together a package

There is no shortage of local authorities in England directly funding empty homes work through core budgets. There is a substantial case to be made for the cost effectiveness of outcomes achieved by empty homes work. But we recognise that money from councils' core budgets is unlikely to meet demand, and even the most committed will want to look at additional sources of funding. Officers charged with driving forward empty homes initiatives will need to develop the skills to assemble financing packages, with local authority seed money drawing in matching funding or attracting further spend from partners or private owners.

Examples of councils that have been creative in the use of funds are found throughout this guide. Our aim in describing the finance available, and detailing the successful examples, is to inspire others to develop equally creative packages.

Such packages can provide money to kickstart activity, and show the shared outcomes that can be achieved by bringing private sector homes back into use. In Scotland there is limited experience of this to draw on at present. However, it is hoped that in time more Scottish examples will be forthcoming.

Below is a summary of some key principles in developing a funding package.

Diversity – at the start of any project, due consideration should be given to the diversity of funding sources. Work that is too dependent on a single source may be vulnerable if the funding or grant criteria change. Think about who will benefit from the proposed work and make that the starting point for a list of potential funders. Attracting more than one source of finance should insulate the project from funders' changing priorities. But involving too many sources could add difficulty and make the project unduly complex.

In addition to mainstream or grant-based funding, it is also worth considering the potential for income generation. For instance, Manchester City Council charges for the expertise it has built up around the enforced sales procedure and Great Yarmouth Council has started a separate body (called nplaw), that charges for its expertise on the compulsory purchase process. Over time, there may be skills that Scottish councils or other bodies develop that would be valuable to others and could provide a supplemental stream of finance for the work.

Skills – consider who in the organisation has the skills needed to:

- prepare funding applications
- write papers to council making a case for mainstream funding
- explore income generating opportunities
- encourage private owners to use their own resources.

It is unlikely that any one person would have all the required skills and a team approach which ensures staff members are suited to the tasks they've been assigned would probably be most effective in putting together a funding package.

Outcomes – being clear about intended outcomes is probably the most important element in securing funding. Awareness of the aims and how they will be achieved will make it easier to identify who stands to benefit. Linking work on empty homes to council strategies, such as local housing and regeneration strategies, makes it easier for those further removed from the project to see its potential benefits for outcomes they are trying to achieve.

Buy in – another key to success is to ensure that senior officers and politicians in the area are committed to what you are trying to achieve. Getting key leadership voices on board can be important to winning over other decision-makers. Use examples of successful projects elsewhere and highlight the outcomes likely to be achieved, emphasising the relevance to the concerns of the person being addressed.



Photo: Shelter Scotland

Different types of finance

Photo: Brian Parr, Glasgow City Council



In this guide, we have divided the outline of capital and resource finance into subsections, ranging from private owner sources of finance through to sources of specialist funding. This is by no means a fully comprehensive list of finance sources or funders.

The aim is to show the importance of diversity of finance and the weight that should be given to considering the outcomes you will achieve and what type of funders will benefit.

Private finance

No two empty properties are exactly the same, and owners are equally varied. However, for the purposes of this guide, it is useful to think of them as comprising two broad groups.

Owners with resources – these are owners who have the financial means to bring their properties back into use through rent, sale or occupation but have declined to do so. With such owners, the council's role is to steer them towards a beneficial outcome for themselves and the community. This is where the council's provision of advice and information can be crucial.

Owners without immediate funds – this second group of owners may be without immediate access to funds for reasons which may be simple or difficult to resolve. In either case, it is the job of the council to kickstart action and point the owner towards options available for someone in such circumstances. Below is a range of potential sources of finance towards which you could direct this group of owners.

Bank loans

The most obvious source of private finance is a bank or credit union loan. The loan could be used to cover the cost of putting a property up for sale or to renovate the property before letting it out.

The council can supply a list of local financial institutions without making recommendations. Councils can also point out the economic case for bringing a property back into use – how investing a small amount of money will pay future dividends through rental or sale income. This can include quantifying the current cost to the owner and the community of leaving the property empty.

Equity release

Research suggests that a high proportion of empty home owners own their properties outright, after inheriting them or paying off the mortgage. Thus all but the most derelict empty homes will have some equity locked up in them which could be used to renovate and refurbish the property for rent or sale.

There are a number of private equity release companies aimed at the over-50s' market, some more reputable than others. Also, in some regions, there are private finance institutions, such as the London Rebuilding Society (see case study box), that run equity release schemes to finance repairs.

London Rebuilding Society

The London Rebuilding Society is a not-for-profit organisation that provides loans for London property owners to carry out repairs. A share in the capital is retained and the loan is repayable on sale or transfer of the property. For details, visit www.londonrebuilding.com

Equity release schemes may also be run by local authorities or social landlords. The council takes a stake in the property and gives the homeowner a sum of money to bring the home back into use. This is in effect a loan, as the council will get its money back, plus or minus the change in value of the property, at point of sale. If the equity release scheme is aimed at improving property to bring it back into use, this should increase the value. It should be possible for creative councils to use such schemes as a way of financing incentive packages for empty home owners. Equity stakes can be tied to requirements to sell or let, or for handing nomination rights to the council for a set time.

Benefit in kind (sweat equity, etc)

Financing (or resourcing) bringing empty properties back into use need not always involve a straight exchange of money. As detailed in the Scottish Empty Homes Partnership's guide to creating an empty homes action plan, 'sweat equity' is another model whereby a tenant with building skills can take on the refurbishment of a property in exchange for paying a low or nominal rent. The property's improvement benefits the owner by increasing its value. And the tenant can use skills rather than rent to 'pay' for the tenancy.

Tax relief

Under certain circumstances, the standard rate of VAT can be reduced when renovating empty properties. If a house has been empty for two years, the owner is only obliged to pay 5 per cent VAT on work to bring it back into use as a dwelling.

There are other circumstances where reduced VAT can be charged when renovating non-residential buildings into residential dwellings. [See Note 708 from HM Revenue & Customs](#)

Council and public sector finance

Owners can access private finance directly, but there will be occasions when council and public sector finance can be used to develop programmes for incentive and enforcement work to bring private sector empty homes back into use.

Housing association grant (HAG) is Scottish Government funding available to social landlords to acquire land or buildings and build, convert or improve housing for rent or low-cost home ownership. There is no reason HAG cannot be used to acquire empty property and bring it into use as part of a development programme.



Photo: Gerry Beag, Scottish Borders Council

Mendip District Council – working with empty property owners and housing associations

Mendip District Council is working in partnership with social landlords to bring empty properties back into use. The empty homes officer can provide guidance and support to property owners, with up-to-date information and advice on letting and other options. The empty homes officer can also advise on financial assistance available.

Among the options available, two involve housing associations:

- 1) selling the property to a housing association
- 2) housing association leasing providing worry-free letting with the housing association dealing directly with occupiers on the owner's behalf

Benefits for owners of housing association leasing include:

- money may be available to improve or repair the property
- guaranteed rent for 52 weeks of the year
- no agency fee to pay
- if problems arise, owners can count on back up from an experienced housing association
- vacant possession at the end of the lease
- property returned to you in good order
- regular inspections and maintenance
- Mendip District Council in partnership with the YMCA convenes a regular landlords forum which offers up-to-date advice and support to private sector landlords.

Money from council tax discounts and increases

Since 2003, councils have been able to reduce the discount on long-term empty properties from 50 per cent to 10 per cent. Most councils now charge the maximum council tax. Scottish Government reports that in 2009–10, £5.7 million was raised by reducing council tax discount on long term empty homes (raised from 25,000 homes in total).

It would seem reasonable for some of this ring-fenced money to be earmarked for work to bring private sector empty homes back into use, since houses brought back into use will be charged full council tax rates and boost council revenue.

In early 2011, the government proposed giving Scottish councils the power to increase the rate of council tax to empty home owners to up to twice the full rate. It would not be a statutory duty, and the decision to implement it would rest with councils. Data collection would be a potential source of difficulty, but if that is resolved the proposal could increase council revenue – which could be spent on empty homes work – and act as a deterrent to home owners who kept their properties empty.

Homes Fit for the 21st Century

The Scottish Government's recent housing strategy and action document, Homes Fit for the 21st Century, indicated that the government will 'consult on legislation to allow councils increased flexibility in the amount of council tax they can charge on long-term empty (LTE) properties. This will encourage owners to bring empty properties back into use, with any additional resources raised as a result of these measures to be invested directly in affordable housing, providing much needed funding for developments, particularly in pressured areas (eg Aberdeenshire, Edinburgh, Fife, Highland and Scottish Borders). We estimate that if councils could apply an excess charge on LTE properties, up to £30 million could be raised annually'.

Commuted sums

Most councils require developers to ensure that sizeable developments include a percentage (typically 25 per cent) of affordable homes, ie homes built by a social landlord for rent or low-cost ownership. Councils are enabled to do this by the Town and Country Planning (Scotland) Act 1997, sec.75. The Scottish Government has recently signalled some flexibility in these agreements, but it remains a key part of affordable housing policy.

In cases where a developer can provide evidence that the affordable homes quota cannot be met, a commuted sum is paid instead. These sums can be used to invest in other forms of housing development such as empty homes work.

Amber Valley Borough Council – commuted sums for shared equity scheme

In 2009, Amber Valley Borough Council used commuted sums from sec.106 (Town and Country Planning Act 1990) agreements to bring empty properties back into use as affordable housing.

The council launched a shared equity scheme, paying up to 50 per cent of the value of a property (up to a maximum of £140,000) to enable first-time buyers to get on the housing ladder. The scheme targeted long-term empty homes (six months or more) in the ward to which the commuted sums applied. Empty home owners were contacted and those who expressed an interest and had a property that met mortgage requirements were given favourable treatment (the scheme also included some properties that were not long-term empties).

The equity stake or loan represents a percentage of the property's value and that is the amount repaid on disposal. For example, if the council provides a loan of 50 per cent on a property worth £100,000 (ie £50,000) and the property rises in value to £120,000 before it is sold, the council will get back £60,000 (50 per cent of £120,000).

The council actively promoted the purchase of empty properties. It was not a condition of access to the shared equity scheme that purchasers took on an empty home, but about half did. The council repeated the scheme again in 2010 using its own resources and this time around 75 per cent of purchasers chose to purchase an empty property.

Councils' general fund for housing capital expenditure

Private sector empty homes can be a source of affordable housing if owners are incentivised to exchange the tenancy for assistance in bringing it up to standard. Schemes that have worked elsewhere involve small grants or loans in exchange for council nomination rights for a set period. If your council has placed a priority on increasing the number of affordable housing units and/or reducing council house waiting lists, the council's general fund for housing capital expenditure could be used to implement a scheme to free up private empty stock for use by the council.

Scottish Government Innovation and Investment Fund 2011–2022

The Innovation and Investment Fund is a £50 million pot for affordable housing provision. £20 million each is allocated to bids from housing associations and councils, and £10 million is earmarked for bid applications that promote the introduction of new affordable housing funding and delivery models.

Applications will be accepted from a range of organisations, including private sector bodies, housing associations, local authorities and other landlords. The Scottish Government is seeking to support proposals that will extend the funding and delivery of affordable housing. Bids will be expected to be:

- innovative
- offer value for money
- reflect an acceptable level of risk
- support the local authority housing strategy and reflect its priorities for investment
- and provide quality houses and sustainable places in which to live.

The criteria for this fund include specific reference to private sector empty homes work and include them as eligible projects to be considered for funding.

At the time of publication the application period for this fund will have just closed. We await the outcome of the assessment phase to see if any empty homes projects will be funded. We will also have to wait to learn if this model of funding will continue in future.

Scheme of assistance

The scheme of assistance, introduced by the Housing (Scotland) Act 2006 allows local authorities to provide assistance for house repairs, improvements, adaptations and construction, as well as for the acquisition or sale of a house. The assistance can take various forms, including grants, standard and subsidised loans, practical assistance, information or advice.

Councils are required to fund property adaptations for disabled occupants, but they are allowed discretion in deciding other types of assistance. The cheapest assistance, involving limited use of staff resources, is the provision of advice and information. Advice to empty home owners on renting, selling or repairing property can kickstart the process to bring it back into use.

Next in line is practical assistance, such as help in carrying out a survey of the work needed to make a property habitable, or finding tenants or matchmaking investors with sellers.

Finally, assistance could extend to offering loans or grants to home owners, usually for renovating the empty home with a view to renting or selling it.

East Lothian BTS/empty homes grants

East Lothian Council is currently the only council in Scotland offering grants for empty home owners to bring properties back into use. Grants are available up to £15,000 per property on the condition that owners rent it out for 80 per cent LHA level for at least five years.



Photo: Scottish Empty Homes Partnership

A corporate approach

Reducing the number of private sector empty homes can have an impact on other areas of council work, which can be relevant – and advantageous – in calculating the use of financial and staff resources.

Consider how private sector empty homes work can contribute to other departments' outcomes. A small amount of money from other departmental budgets could spread the cost, and the benefits, of bringing empty homes back into use.

Departments that will benefit from private sector empty homes work include:

- housing – housing supply/affordable housing/ quality of private rented sector outcomes
- environmental health – decreases in flytipping, preventative work with regard to other environmental hazards
- building standards

- community safety – empty homes are a magnet for anti-social behaviour, arson and other crime
- regeneration – empty homes can contribute to neighbourhoods' unfavourable perception, but bringing empty homes back into use can boost regeneration efforts
- climate change – using existing assets uses less carbon than building new homes
- planning
- economic development – stimulates the local building trade.

Shared services

Another way of spreading the costs of empty homes work could be to adopt a shared services approach. In England, a number of councils share empty homes officers and funding. Some involve only two neighbouring councils, and others a regional set up with a parent county council and a number of subordinate borough or district councils.

A shared services approach to empty homes work can reduce staff costs and generate regional momentum and results. Developing expertise is the key – a shared dedicated empty homes officer is more likely to show expertise than several staff members for whom it is only a minor part of their work and whose responsibilities are fragmented.



Photo: Karen Walker, East Ayrshire Council

The Lincolnshire empty homes project

The Lincolnshire empty homes project employs two shared empty homes project officers between six district councils. Luke Taylor is hosted by North Kesteven District Council and focuses on research and strategy, while Sophie Coles is hosted by City of Lincoln Council and focuses on procedure. Each undertakes practical day-to-day empty homes officer functions in three district council areas.

The partnership has developed a Lincolnshire empty homes strategy adopted by all six district councils and a shared website with a matchmaking service (linking empty home owners interested in selling with potential buyers). It has developed a shared approach for prioritising interventions and publicity material, etc. Working groups have also been set up in each district involving planning, building control, environmental health, and fire and rescue.

The focus has been on proactive work with owners and on supporting owners to secure occupation or sale. The project's next step will be to consider a range of measures (financial assistance, management orders, enforced sale etc) to bring problematic long-term empty properties back into use. The project officers will work in conjunction with private sector housing grants officers and enforcement officers with such interventions. The project officers are currently funded until 31 March 2012.

The project has generated much interest from the media. It has also raised the profile of empty homes among district council elected members and parish councils.

Sources of specialist funding

This section looks at potential specialist sources of finance. None of these sources is aimed at bringing private sector empty homes back into use, or at providing affordable housing. But dovetailing empty homes work with energy efficiency, conservation and regeneration work means some projects could qualify for these other sources of finance.

While by no means an extensive list of possible sources, this section covers the three most common non-housing sources of finance for empty homes work:

- regeneration funding
- energy efficiency funding
- historic buildings funding.



Regeneration funding

Perhaps the most obvious policy link to empty homes work, apart from housing supply, is to regeneration. Empty homes can bring down the appearance and feeling of well-being within a community, and bringing them back into use can breathe new life into a neighbourhood. The blight factor should not be underestimated. Often, that is the reason for homes being brought to the attention of the council or elected members in the first place.

Energy efficiency and historic buildings funding is property specific, but funding for regeneration is not. This makes it impossible for a council officer or home owner to apply for regeneration funding to bring a single empty home back into use.

Your council may, however, be accessing regeneration funding for larger scale projects. These sources are outlined in the Scottish Government's Building for a Sustainable Future regeneration discussion document. Funding sources with a specific link to regeneration include JESSICA, the Joint European Support for Sustainable Investment in City Areas, and the Scottish Government's town centre renewal funding as well as other work undertaken to vacant premises by business improvement districts and development trust associations. [Please see this discussion document for a fuller discussion of these sources.](#)

None of these regeneration funds apply to stand-alone empty homes projects, however you may have some success in obtaining general funding if you can work with colleagues to make bringing private sector empty homes back into use part of a wider, area-based regeneration scheme.

Energy efficiency funding

The Scottish Government has a target to cut carbon emissions in Scotland by 80 per cent by 2050. Increasing the energy efficiency of domestic housing is part of the policy. Standards for new build are continually updated to promote higher energy efficiency, however new build will remain only a small proportion of the housing stock, and the major effort to increase energy efficiency will be focused on retrofitting homes built before 2011, which will still be the majority in 2050.

The link with empty homes which could qualify for funding aimed at retrofitting housing for energy efficiency is obvious.

The Energy Saving Trust has advice centres which can provide details of the latest energy efficiency funding schemes. Each advice centre has advisers who will know the best deals and could help with application forms. You can contact your local advice saving centre on 0800 512 012.

Feed-in tariffs

If a homeowner installs renewable electricity technology, the feed-in tariff (FITs) scheme guarantees a minimum payment for electricity generated by the system. These feed-in tariff payments are calculated in two ways:

- a generous amount per unit of electricity generated (up to 41p per unit for a small scale solar PV installation)
- a smaller amount of money per unit exported to the grid (currently set at 3p per unit) .

The feed-in tariffs also work if the property is let, allowing the landlord to take advantage of the payments while the tenant benefits from the supply of free electricity.

<http://www.energysavingtrust.org.uk/Generate-your-own-energy/Sell-your-own-energy/Feed-in-Tariff-scheme>

Carbon emission reduction target (CERT)

This requires gas and electricity suppliers to fund CO² emissions reductions in domestic properties. This could fund insulation and the installation of renewable energy and energy efficiency technologies.

<http://www.energysavingtrust.org.uk/cym/Easy-ways-to-stop-wasting-energy/Energy-saving-grants-and-offers/Carbon-cuts-get-serious-with-CERT>

Gas connections

Subsidies are available for connecting a gas supply to properties in deprived areas or to residents at risk of fuel poverty, although the heating system would still have to be paid for.

Home insulation schemes

Property owners can access loft insulation top-ups (if their current loft insulation is between 60mm and 160mm). This is only available in some areas. You can check if this includes your local authority area here:

<http://www.energysavingtrust.org.uk/scotland/Scotland-Welcome-page/At-Home/Home-Energy-Scotland/Home-Insulation-Scheme/Home-Insulation-Scheme-areas-and-prices>

Landlords energy saving allowance (LESA)

This is essentially a tax break allowing private landlords to claim on the cost of buying and installing energy saving products.

http://www.direct.gov.uk/en/HomeAndCommunity/PrivateRenting/RentingOutYourProperty/DG_175186

Private sector landlord loans

Interest-free loans of £1,000 to £100,000 are available for private sector landlords to promote the use of renewable energy or reduce overall energy consumption. The loans can be used for improving lighting and controls, installing new boilers and heating control systems, building and pipe work insulation, and fitting heat pumps and solar powered water heating. The scheme is also referred to as the small business loan scheme.

<http://www.energysavingtrust.org.uk/scotland/Scotland-Welcome-page/Business-and-Public-Sector-in-Scotland/Grants-loans-awards/Small-business-loans>

Two new schemes are also due to be introduced by the Westminster Government and will apply to the whole of the United Kingdom, including Scotland:

Renewable heat incentive (RHI)

The renewable heat incentive scheme aims to increase the use of renewable energy as an alternative to fossil fuels. The first phase of the scheme (starting around July 2011) will earmark £15 million for one-off renewable heat premium payments to those who have installed systems such as solar panels, air source heat pumps, biomass boilers and ground source heat pumps. From October 2012, people in receipt of such payments (and anyone who installed renewable heating after 15 July 2009) will qualify for long-term payments similar to those generated by the feed-in tariff for electricity.

http://www.decc.gov.uk/en/content/cms/what_we_do/uk_supply/energy_mix/renewable/policy/incentive/incentive.aspx

Green Deal

The Green Deal aims to make homes better insulated and more energy efficient. Due to be introduced in 2012, it will run alongside the RHI, to support the installation of energy efficiency measures, such as

loft and cavity wall insulation, and will allow homeowners to pay the government back through a levy on homeowners' energy bills. The scheme is designed to ensure that paying back the cost of insulation is balanced by energy savings, so that bills do not rise overall. Landlords could theoretically install measures at no cost while tenants' bills would remain the same or be reduced (repayments would be attached to tenants' bills but energy savings would more than compensate).

http://www.decc.gov.uk/en/content/cms/what_we_do/consumers/green_deal/green_deal.aspx

Climate challenge fund

The climate challenge fund is worth £37.7 million between 2008 and 2012. Communities can bid to fund projects aimed at reducing carbon emissions. Applicants must be legally constituted, not-for-profit community groups. The fund is now closed but it is hoped support will be made available in the next financial year. <http://ccf.keepsotlandbeautiful.org/>

The Carbon Trust

The Carbon Trust is a not-for-profit company providing specialist support to help business and the public sector boost returns by cutting carbon emissions. The trust receives funding from institutional investors and other bodies, including a major contribution from the government (Defra, and the devolved regional assemblies). Its mission is to accelerate the move to a low carbon economy and develop new low carbon technologies. The trust offers advice on good practice and capital to support energy saving projects. Empty homes projects may qualify if pitched correctly.

<http://www.carbontrust.co.uk/cut-carbon-reduce-costs/products-services/Pages/eca.aspx>



Photo: Scottish Empty Homes Partnership

Historic buildings funding

Another area covered by specialist funding is the conservation of historic buildings. Such funds are mainly focused on preservation, rather than on bringing empty properties back into use. But some empty homes qualify as historic buildings. In such cases, these funding streams could contribute to making the property habitable.

For information on sources of funding, take a look at the Architectural Heritage Fund's [funding for historic buildings guide](#). The guide includes the major heritage sector funders such as Historic Scotland and Heritage Lottery Fund, and lists smaller funding bodies with specialist aims. Scotland also has a network of building preservation trusts (BPTs) which, while they do not generally offer grants or loans, can work as partners or agents for empty homes projects and may lever in heritage sector funding.

Historic Scotland – building repair grant

Under the agency's historic building repair grants scheme, financial help is available to owners to meet the cost of repairs using traditional materials and specialist craftsman to conserve original features in buildings of outstanding architectural or historic interest.

In return, owners must insure and maintain the building and allow access to visitors.

For more information follow this link to the [building repair grant section of the Historic Scotland website](#).

Historic Scotland – conservation area regeneration scheme (CARS)

This fund provides financial assistance for area-based regeneration and conservation initiatives by local authorities.

Assistance is either through support to establish a conservation area regeneration scheme or through support for a Heritage Lottery funded townscape heritage initiative (THI).

For more information follow this link to the [conservation area regeneration scheme section of the Historic Scotland website](#).

Historic Scotland – thatching

Financial assistance is available towards the cost of maintaining historic buildings' thatched roofs – including complete re-thatching, repairs to divots and minor roof timber repairs.

For more information follow this link to the [thatching section on the Historic Scotland website](#).

Historic Scotland – conservation training grants scheme

The Technical Conservation Group operates a grant scheme to raise technical standards in the conservation, repair and maintenance of the traditionally built environment in Scotland. The focus

is on supporting those involved in evaluating, specifying and undertaking works to building fabric to extend their knowledge and skills base.

The grant scheme covers attendance at training courses up to a value of £2,000. Only private sector bodies or individuals may apply, and commercial enterprises must have an annual turnover of less than £2 million a year.

For more information follow this link to the [conservation training grants scheme section of the Historic Scotland website](#).

Heritage Lottery Fund – heritage grants

The Heritage Lottery Fund's main vehicle for supporting projects related to UK national, regional or local heritage offers grants of more than £50,000.

For more information, visit the [Heritage Lottery Fund website](#).



Photo: Scottish Empty Homes Partnership

Heritage Lottery Fund – Skills for the Future

In July 2009, the Heritage Lottery Fund announced that it was to invest an additional £7.3 million to support specialist skills and training in the heritage sector. The scheme will deliver up to 1,000 training opportunities in specialist skills ranging from horticulture to conservation and web design.

£5 million will create a new programme, entitled Skills for the Future, to launch towards the end of the year. It will offer work-based training in the skills needed to look after buildings, landscapes, habitats, species, and museum collections. This could include training education and outreach officers, volunteer managers and people engaged in raising public awareness about our heritage.

For more information, visit the [Heritage Lottery Fund website](#).

Heritage Lottery Fund – townscape heritage initiative

Through its townscape heritage initiative programme, the Heritage Lottery Fund makes grants to regenerate communities displaying social and economic need throughout the United Kingdom (except the Channel Islands and Isle of Man). It encourages partnerships to carry out repairs and other work on historic properties and improve the quality of life for their residents, employees and visitors.

For more information, visit the [Heritage Lottery Fund website](#).

Building preservation trusts

A building preservation trust is a charity whose main aims include the preservation and regeneration of historic buildings. There are more than 300 of these organisations in the UK, some with remits in Scotland, others with a UK-wide remit. The Architectural Heritage Fund maintains a register of active BPTS and can advise if one is operating in your area www.ahfund.org.uk

The Architectural Heritage Fund offers loans, at below market rates of interest, to charities seeking to undertake qualifying projects (see below).

Little Houses

The Little Houses Improvement Scheme (LHIS) is a branch of the National Trust for Scotland's (NTS) buildings department and operates as a building preservation trust. It works to save, restore and regenerate historic and vernacular domestic buildings throughout Scotland.

The LHIS was designed to preserve buildings less grand than the trust's well-known castles and country houses, but no less important to Scotland's architectural and cultural heritage. LHIS projects are usually undertaken where buildings of importance are under threat of dereliction, decay and neglect.

The buildings are often in historic townscapes, where neglected and dilapidated buildings create an air of neglect and degeneration. Restoration of a building of architectural merit can have considerable benefits, often leading to wider regeneration and the renewal of local pride.

The LHIS is a building preservation trust and a member of the Association of Preservation Trusts.

Former school house, Logie, near Montrose

Before



After



The building is owned by the NTS and the project was carried out under its Little Houses Improvement Scheme. A condition of one of the funders was that the property be let out for at least six years. After that time it may be sold and the proceeds used to reimburse the LHIS revolving fund. The project cost £434k of which £293k was grant-eligible. Historic Scotland grant was £156k.

The Architectural Heritage Fund (AHF)

The Architectural Heritage Fund promotes the conservation of historic buildings in the UK. It provides advice, information and financial assistance in the form of grants and low interest working capital loans for projects undertaken by BPTs and other charities throughout the UK. AHF funding is supported through grant support from Historic Scotland.

Only organisations with charitable status are eligible for financial assistance from the AHF. Any charity with a qualifying project is entitled to apply for an options appraisal grant, or a loan, but the AHF's other grants are reserved for BPTs – charities established specifically to preserve historic buildings. Financial assistance is available only for buildings that are listed, scheduled or in a conservation area and of acknowledged historic merit. Projects must involve a change either in the ownership of a property or in its use.

Please note that the AHF cannot help private owners, or buildings in continuing long-term ownership or use.

Architectural Heritage Fund grant – Peterhead

Before



After



The National Trust for Scotland (NTS) Threadneedle Street (Peterhead) project was awarded a project organiser grant (POG) of £7,500 from the AHF.

The grant was for a project organiser to develop the project (including funding package and working with consultants on the design scheme) to on-site stage.

Project organiser costs were £21,000. £7,500 came from AHF and the balance from a charitable trust.

The project involves the restoration and adaptation of a group of Georgian terraces, some partially demolished and others derelict, in the heart of the historic burgh of Peterhead.

The buildings were brought to the attention of the NTS's Little Houses Improvement Scheme by Tenants First Housing Co-operative, which wanted community care housing in the burgh.

A 'partnership' was formed that would see the NTS restore the buildings with THC acquiring them on completion, for letting to the care provider Inspire-Partnership Through Life.

Completion is anticipated in mid-May 2011.

For projects which do not qualify for loans from the AHF, or which require longer term funding, the [Ecology Building Society](#) and the [Triodos Bank](#) offer loans to those involved in the repair of historic buildings, albeit at commercial market rates of interest.

There are also a number of loans available at below full commercial market rates with the specific aim of carrying out socially desirable projects (which can involve the restoration of historic buildings as an incidental benefit). For example the [Charity Bank](#).

Other

This guide cannot cover all potential sources of funding for empty homes work. Other sources that could be considered include those aimed at employability (empty homes projects can be linked to training opportunities and apprenticeships), community safety and economic development, to name a few. In all cases, the principles of diversity of funding, skills and buy in described in the first section of this guide will apply.

Conclusion

This guide is intended to give a flavour of the possible sources of finance for private sector empty homes projects.

We looked at possible sources of private finance, central government grants, council and other public financing as well as specialist sources of funding.

We acknowledge that finding finance for new projects in the current climate will not be easy. However, we hope that this guide will spark some creative ideas about how to seek funding for projects.

When looking at any of these sources, consider what the empty homes project proposed can achieve and who stands to benefit from the expected outcomes. Empty homes work touches on many policy areas, and if at first you don't succeed you will have several other doors to knock on.

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