

<b>COMMITTEE:</b>	Cabinet
<b>MEETING DATE:</b>	10 March 2026
<b>BY:</b>	Depute Chief Executive – Children and Communities
<b>REPORT TITLE:</b>	Second and Empty Homes Council Tax
<b>REPORT STATUS:</b>	Public

---

## **1 PURPOSE OF REPORT**

- 1.1 The purpose of the report is to seek approval for the use of council tax generated through the Council Tax Empty Property Policy to help deliver key initiatives to help mitigate the current affordable housing emergency.

## **2 RECOMMENDATIONS**

Members are recommended to:

- 2.1 Approve the use of the majority of this council tax fund to help maximise funds received by the Scottish Government to help families out of temporary accommodation.
- 2.2 Approve the use of this fund to match fund an Empty Homes Officer to help bring empty properties in East Lothian back into use.
- 2.3 Note that the use of this fund will be monitored through the HRA Housing Board to ensure the optimum use of this fund in line with Scottish Government direction and criteria. The outcome of this will be reported through the annual Strategic Housing Investment Plan (SHIP).

## **3 BACKGROUND**

- 3.1 Cabinet approved the Council Tax Policy changes on 21 January 2025, agreeing that any increase in council tax income generated from this policy change would be earmarked for the purposes set out in section 3.3.
- 3.2 Cabinet also approved the income to be earmarked to support the Council's response to the affordable housing emergency declared in

November 2024 and to consider the opportunity to invest in measures which may assist with bringing empty properties back into use.

3.3 The changes to the way in which additional council tax revenue raised from reducing the discount on second homes and long-term empty properties can be spent to permit local authorities as well as Registered Social Landlords (RSLs) to use this funding and widen the range of housing activities to which funds can be applied. This income can be used by local authorities to support revenue and capital expenditure related to a range of affordable housing activity including (but not limited to):

- Providing new-build affordable housing through Registered Social Landlords (RSLs) or new council house building;
- Bringing empty properties back into affordable housing use – including topping up or establishing an Empty Homes Loan Fund;
- Land acquisition for affordable housing development;
- Purchasing off-the-shelf houses from private developers for affordable housing use – including the purchase of developers' part exchange properties

3.4 In the past the Council has used Second Homes Council Tax monies to:

- Provide top-up funding to help deliver RSL projects where section 75 contributions have been particularly high or where there are many site abnormalities which result in a project being above the Scottish Government benchmark.
- To grant East Lothian Mid Market Homes LLP funding to acquire discounted sale properties to ensure these properties were not lost to our affordable housing stock through open market re sale.
- To provide a grant to ELHA to assist with energy efficiency measures to their stock, which complimented the Scottish Government's Area Based Scheme targeting those in fuel poverty which also resulting in cost efficiencies through economies of scale.

3.5 For the 2025/26 financial year the Scottish Government announced an £80m acquisition fund of which 80% was allocated to the five local authority areas experiencing the highest current and sustained temporary accommodation pressures for the last three years (Edinburgh, Fife, Glasgow, South Lanarkshire and West Lothian).

3.6 The remaining 20% of the £80 million has been allocated across the other 27 local authority areas, using the same distribution methodology to inform each local authority area's share. Funding allocated to East Lothian Council for 2025-26 is set out below.

<b>2025-25 Share of £40m</b>	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Total</b>
<b>Scottish Government grant</b>	£439,000.00	£307,000.00	£746,000.00
<b>ELC contribution</b>	£760,000.00	£750,000.00	£1,510,000.00
<b>ELC Balance</b>	£1,620,000.00	£870,000.00	£2,256,000.00

- 3.7 To date £299,515 has been drawn down from grant for the purchase of three properties, topped up by £529k of council tax monies.
- 3.8 In order to draw down remaining grant from the allocation, it is recommended to use a further £750,000 of the income generated from the council tax fund to ensure we maximise the Scottish Government grant and meet the policy intent to help families out of temporary accommodation.
- 3.9 The Scottish Government has also agreed to match fund a 2-year Empty Homes Officer Post to help invest in measures to bring empty homes back into use. This post is currently being evaluated.
- 3.10 East Lothian is in a unique position, being one of the fastest growing authorities with high house prices, high rents, high tenancy sustainment with low turnover of stock. This fund will help to target the purchase of both smaller homes and larger family homes to help provide permanent accommodation to allow families and single homeless to move on from temporary accommodation. It will also help to invest in measures to bring empty homes back into use and help mitigate the current affordable housing emergency.

#### **4 POLICY IMPLICATIONS**

- 4.1 This intervention would be consistent with the Council's Financial Strategy and help meet the Scottish Governments policy of moving families out of temporary accommodation. It will also help to meet need identified in the Local Housing Strategy 2024-29.

#### **5 RESOURCE AND OTHER IMPLICATIONS**

- 5.1 Finance: As set out in the report.
- 5.2 Human Resources: None

- 5.3 Other (e.g. Legal/IT): This will require resources from Housing, Estates and Legal.
- 5.4 Risk: We are unable to compete with other purchasers with the risk that this fund will not be maximised.

## 6 INTEGRATED IMPACT ASSESSMENT

- 6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

**or**

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	
Socio-economic disadvantage/poverty	
Climate change, the environment and sustainability	
Corporate parenting and care-experienced young people	
Storage/collection of personal data	
Other	

*[Enter information on impacts that have been identified]*

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

[https://www.eastlothian.gov.uk/info/210602/equality\\_and\\_diversity/12014/integrated\\_impact\\_assessments](https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments)

## 7 APPENDICES

7.1 None

## 8 BACKGROUND PAPERS

8.1 Cabinet report, 21 January 2025

8.2 Scottish Government Acquisition Fund

## 9 AUTHOR AND APPROVAL DETAILS

### Report Author(s)

<b>Name</b>	Bex Astin
<b>Designation</b>	Housing
<b>Tel/Email</b>	<a href="mailto:rastin@eastlothian.gov.uk">rastin@eastlothian.gov.uk</a>
<b>Date</b>	18/02/2026

### Head of Service Approval

<b>Name</b>	Wendy McGuire
<b>Designation</b>	Head of Housing
<b>Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed</b>	Confirmed
<b>Approval Date</b>	February 2026

