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Local Government, Housing and Planning
Committee

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Dear Convenor,

I am writing to update you on the topics that we discussed at Committee on 14 January, and in response to your letter of 20 January.

Responding to the Housing Emergency

Our work to address both the causes of and response to the Housing Emergency has made it clear that a long-term, system-wide approach is the most effective way forward. While we welcome positive reports from local authorities—such as increased return of vacant council-owned properties to use—I want to reassure the Committee that our commitment to tackling these pressures remains steadfast.

We acknowledge that many of the factors driving this crisis are beyond our direct control, but we are stepping up to deliver a lasting response. Rather than focusing on an exit strategy shaped by external factors, we are committed to embedding this enhanced approach into the way we deliver housing across the country. We are working with our Housing to 2040 Board on Key Performance Indicators – these are not yet finalised, but I will update Committee in due course. As I said in Committee, my priority is making sure that the proposed increased £768m housing budget is used in the most impactful way possible in order to achieve our desired outcomes.

Local connection

We discussed local connection legislation during the session, and I undertook to update you on our monitoring of implementation. Our monitoring shows us that there is a flow of people moving across the country as the legislation intended, and some local authorities are seeing a small increase in presentations from homeless households following the change. Whilst we recognise that there are wider pressures on the homelessness system, the change in legislation does not represent a significant contributor noting that homeless households are benefitting from stronger rights and reduced barriers to homeless services and wider support

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services. A report on the impact of the changes made to local connection by [The Homeless Persons \(Suspension of Referrals between Local Authorities\) \(Scotland\) Order 2022](#) was shared with the Social Justice and Social Security Committee in December 2024.

Affordable Housing Supply Programme (AHSP)

We also discussed various elements of AHSP delivery during the session, and a review of deliverability which we are undertaking. The review is being finalised and I will write to committee to share a copy as soon as possible.

You also raised a point about potential AHSP delivery models in Argyll and Bute. We will be meeting with Argyll and Bute Council shortly to get further detail on the issues they raised with the Committee on the need for further flexibility in the Affordable Housing Supply Programme budget.

Privately owned empty homes

[Official statistics](#) report Scotland had 43,538 long-term empty homes in September 2024, a 6% decrease on 2023 figures. These statistics are derived from council tax data collected annually from local authorities. Some of the decrease in 2024 is attributable to data improvement activity, which ensured only homes empty over 6 months are counted. This data adjustment was particularly significant for the City of Edinburgh, which saw its numbers of long-term empty homes fall from 7,200 in 2023 to 3,093 in 2024. Data quality and analysis will continue to be integral to driving forward a strategic approach to bringing long-term privately owned empty homes back into use. Our £2 million investment in 2025-26 will also enable more empty homes officers to be employed by local authorities, building on endorsement from a 2023 audit that found these roles as vital to engaging and supporting private owners to take action.

Converting non-residential premises

With regard to the potential to convert empty non-residential premises to homes, the Affordable Housing Supply Programme can already support the conversion of these where they are strategic priorities for local authorities. We have seen many good examples of this in town centres across Scotland including the conversion of libraries and former schools as well as former commercial properties such as shops and hotels including Coatbridge Library and the former Arnotts building in Union Street Inverness. There is also a current project in Dunfermline, previously office accommodation for Fife Council, which is now being converted to 32 Mid-Market Rent homes.

However, not all vacant non-residential buildings will be suitable for use as housing or recognised as a strategic priority by local authorities. Given the multi-year nature of housing delivery, the programme for 2025-26 is already heavily forward committed with plans well developed to utilise local allocations in line with local authority Strategic Housing Investment Plans. The proposed increased budget allocation will allow new projects to come forward providing these are a priority for Councils.

In addition, the Place Based Investment Programme (PBIP) enables local authorities and partners to deliver shared ambitions for place, town centre revitalisation, living well local, community-led regeneration and community wealth building.

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PBIP includes delivery of the Regeneration Capital Grant Fund (RCGF), support for Clyde Gateway and a direct allocation of capital funding to all local authorities. Since 2021 (to date), local authorities have received £100m (PBIP LA funding), which has supported over 530 capital projects. Some local authorities have targeted their funding allocations towards transforming vacant town centres, such as repurposing vacant and/or derelict buildings into housing units, all of which contribute to supporting housing supply and encouraging town centre living.

In 2025-26, Ministers intend to support communities across Scotland through delivery of place-based regeneration schemes with investment of £62.15m. We will provide further clarity to local authorities and partners on the updated regeneration budget position, following the budget outcome.

Housing to 2040

We also discussed the Housing to 2040 Strategic Board and its role in responding to the Housing Emergency. The Board's remit is to provide strategic oversight of Housing to 2040 delivery; accountability on progress towards the vision, including advising on the development of an appropriate measurement framework; and ownership of Housing to 2040 beyond Government. Whilst the Board has currently pivoted to support the housing emergency response, we remain committed to working with the Board and a range of partners across the housing system to ensure we can deliver our long-term strategic aims. Alongside our response to the housing emergency, we continue to make progress against the strategic aims set out in Housing to 2040, for example by delivering commitments such as the power for local authorities to increase council tax premiums on second homes which has led to the lowest levels of second homes being reported in a decade.

I thank Committee for the suggestion of further input from community led housing associations and cooperatives – we are considering the forward work plan for the Board and I will ensure that insight from community led organisations is part of our planning for the Board.

Innovation in construction

Finally, you raised queries in relation to innovation in rural house building and wider opportunities. As set out in our Rural and Islands Housing Action Plan we are working collaboratively with South of Scotland Enterprise and Highlands and Islands Enterprise through the housing sub-groups of the Regional Economic Partnership including consideration of future economic growth opportunities, housing delivery, construction and skills capacity and the broader role of the private sector in supporting and responding to housing requirements.

I note the committee's interest in the potential for companies to invest in Scottish timber, to benefit from the opportunities presented by carbon sequestration in new-builds to offset Scope 3 emissions. Although this is not a specific workstream within the housing emergency, I will ensure that the issue is raised with relevant colleagues to consider.

I hope this detail is helpful to assist the Committee.

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Yours sincerely,

PAUL MCLENNAN

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