



SHELTER SCOTLAND BRIEFING: SCOTTISH BUDGET 2024/25

Shelter Scotland exists to defend the right to a safe home and fight the devastating impact the housing emergency has on people and society. We work in communities to understand the problem and change the system. We run national campaigns to fight for home.

Key asks

- **The Scottish Government must respond to the Housing Emergency and create a dedicated ringfenced fund of £300 million to procure social homes for the 1,910 households with children that have been in trapped in temporary accommodation (TA) for over a year.**
- **Scottish Government must buy and build 38,500 social homes by 2026 to reduce housing need, tackle the backlog in temporary accommodation and ensure AHSP (Affordable Housing Supply Programme) grant money is used exclusively to deliver social homes.**
- **Councils must be given the support and resources they need to uphold housing rights and prevent homelessness services from failing.**

The choices made on housing today have implications for decades to come. Just as we continue to live with the impact of policy decisions made since the 1980s, policy and spending decisions made now will impact our communities, our health and education systems, our economy and society, far into the future.

We are in a housing emergency because of decisions made over recent decades, and that requires an emergency response from government now.

We understand the extremely challenging fiscal context in which this budget is being set. However, this budget is about choices¹ and that is why every MSP and government minister is in the position they are – to make those choices to ensure everyone in our country is able to live in dignity. Unfortunately, **for far too many people, including thousands of children, the prospect of living in a safe, secure home is a pipedream.**

We are under no illusions that cuts – most likely in both real terms and cash terms – are looming heavily. It should be unfathomable for those cuts to fall, once again, on providing people with that most basic of rights: having somewhere to call home. This budget is about choices, and the **Scottish Government can either choose to do everything in its power to provide a safe, secure home for everyone, or it can choose not to.**

Housing is a human right while some other areas of capital spending are not. We urge the Finance Secretary to consider the 9,595 children trapped in temporary accommodation as she finalises her spending plans.

Make no mistake, another year of failure to provide the resources needed to deliver vital social homes and maintain homelessness services would essentially be an acceptance of rising levels of homelessness.

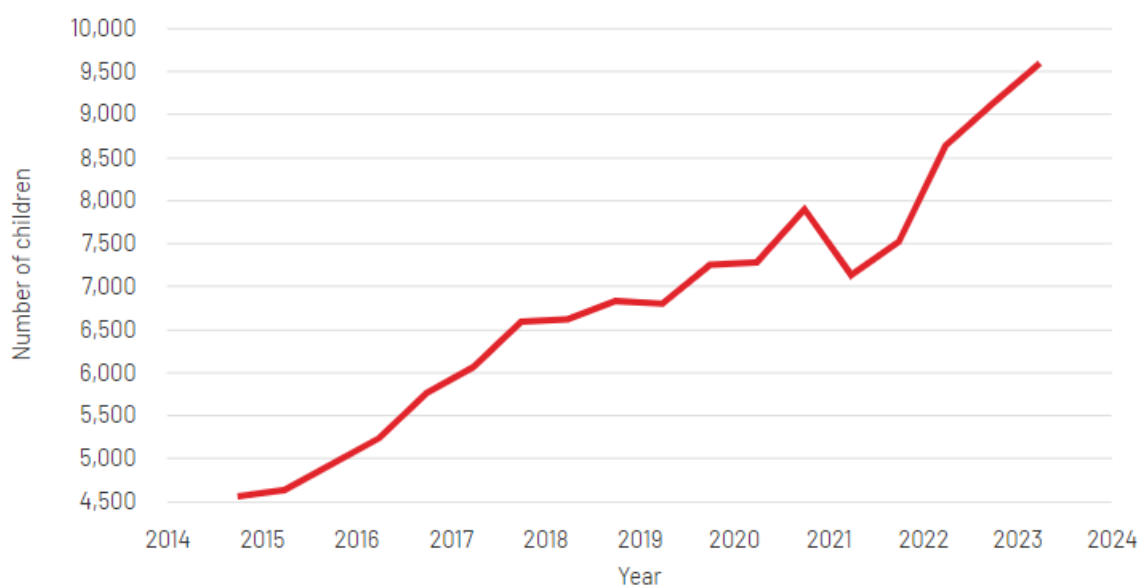
¹ Finance Secretary Shona Robison [told MSPs during Portfolio Questions](#) on 1st November 2023, “this is a budget of difficult choices”, in response to a question from Neil Bibby MSP.

Scotland's Housing Emergency

Scotland is in the grip of a devastating housing emergency which damages lives every single day.

- A record **9,595 children trapped in temporary accommodation** – up 130% since 2014.
- 1,910 households with **children trapped in temporary accommodation for over a year**.
- **45 children become homeless every day**.
- A **household becomes homeless every 16 minutes**.
- A **10% increase** in households becoming homeless compared to last year.
- Local Authority **homelessness services are busier than ever**, with record numbers of open homelessness applications.
- Couples with children spend just under **a year trapped in temporary accommodation**, on average²
- Routine **failure by local authorities** to uphold housing rights.
- “Systemic failure” in local authority homelessness services.³
- A **failure to deliver the social homes** we urgently need and a significant slowdown in new social housing developments in the last year.⁴
- Private **rents continuing to rise** despite emergency legislation, and household incomes and the UK Government's **Local Housing Allowance rates failing to keep pace**.

Number of children in temporary accommodation in Scotland 2014 – 2023



Key

— Children in temporary accommodation

² Scottish Government (2023), [Homelessness in Scotland 2022/23](#).

³ Scottish Housing Regulator (2023), [Update to our February 2023 Thematic Review of Homelessness Services in Scotland, December 2023](#).

⁴ Scottish Government (2023), [Housing Statistics for Scotland Quarterly Update to end September 2023](#).

Over a year of warnings being ignored

August 2022:

- Shelter Scotland published our Scottish Housing Emergency Action Plan in response to then-record homelessness statistics.

December 2022:

- The Scottish Government announced cuts to the budget to deliver social homes for 2023/24.

January 2023:

- Record levels of homelessness were hit again.

February 2023:

- The Scottish Housing Regulator warned of a risk of systemic failure in homelessness services.

March 2023:

- The Temporary Accommodation Task and Finish group presented its findings and recommendations, but waited months for the government to respond.

May 2023:

- The Accounts Commission warned of local authority housing and homelessness services being at risk.

June 2023:

- Argyll and Bute Council declared a housing emergency.

July 2023:

- Local authority chief executives warned of a failing housing system and a housing emergency in Scotland.
- The Scottish Government finally responded to the TA Task and Finish Group recommendations, but the response offered no new targets, piecemeal funding and a limited leadership role for Scottish Ministers.

August 2023:

- Yet more record levels of homelessness were reported as the number of children trapped in temporary accommodation rapidly approached 10,000.

November 2023:

- The City of Edinburgh Council and Glasgow City Council declared housing emergencies in Scotland's two largest cities, while the Scottish Government refused to back calls to declare a national housing emergency.
- Statistics outlined devastating numbers of deaths of homeless people in Scotland, and continued growth in private sector rents despite emergency legislation.

December 2023:

- The Scottish Housing Regulator said some local authorities were experiencing systemic failure in their homelessness services, and were beyond the point of regulation.
- A further significant slowdown in the delivery of social homes was announced in quarterly statistics – with new social starts falling by a staggering 29% on last year.

Housing Emergency Acquisitions Fund⁵

A housing emergency requires an emergency response that would not be prioritised if the system were functioning as it should. The priority must be reducing the number of children in temporary accommodation. None of the Scottish Government's responses over the last 12 months go far enough to make a real difference.

That is why we are **calling for a dedicated, ringfenced budget of £300 million to procure social homes for the 1,910 households with children that have been in trapped in temporary accommodation for over a year**. This is in line with a recommendation from the Scottish Government's Temporary Accommodation Task and Finish Group that there needs to be a National Acquisition Programme to reduce the numbers of households in TA – with a particular focus on larger families and households with children⁶.

There are a record number of children living in temporary accommodation in Scotland – 9,595 as of 31 March 2023⁷. Households with children remain trapped longer in TA because of the lack of larger family sized social homes to move into. There are currently 1,910 households with children in Scotland who have been stuck in TA for over a year⁸. A stay in temporary accommodation can have a devastating long-term impact on children's wellbeing^{9,10}.

While the Scottish Government continues to fail to act, they are accepting that thousands of Scotland's children must grow up in temporary accommodation, being denied their right to a safe, secure and affordable home, and unable to achieve their full potential.

We are also recommending that this **ringfenced funding is combined with a policy that any property purchased through this programme has 5 years to comply with the Scottish Housing Quality Standard, as long as the property is safe and secure**. This will remove an initial barrier for social landlords when looking to purchase housing for households trapped in TA.

The Scottish Government can deliver this ringfenced fund either via existing AHSP funding, or by **leveraging in new funding and prioritising homes for children over other capital projects**, such as via the proposal outlined by SFHA and Poverty Alliance earlier this month¹¹.

Deliver the social homes we need

Without sufficient good quality social homes across Scotland, we will not meet anti-poverty targets, tackle health inequalities, close the attainment gap, reduce homelessness, or alleviate the significant strain on local services; but if we get housing right, Scotland has every chance of success.

The government is failing to deliver new social homes at the rate required to reduce housing need. **Year-on-year budget cuts have resulted in a steep fall in both starts and approvals of new social homes (down 29% and 18% respectively in the most recent statistics¹²)** – and without those homes the housing emergency is only going to get worse.

⁵ See Appendix for methodology behind this proposal.

⁶ Scottish Government (2023) [Temporary Accommodation Task and Finish Group: final report and recommendations](#)

⁷ Scottish Government, (2023) [Homelessness in Scotland: 2022-23](#)

⁸ Scottish Government, (2023) [Homelessness in Scotland: 2022-23](#)

⁹ Shelter (2017) [Research: Impact of homelessness on children - research with teachers](#)

¹⁰ NHS Lanarkshire, Rebecca Campbell (2019) [A Health Needs Assessment of children experiencing homelessness](#)

¹¹ [Joint open letter to the First Minister](#), SFHA, Poverty Alliance and others, 12 December 2023.

¹² Scottish Government (2023), [Housing Statistics for Scotland Quarterly Update to end September 2023](#).

We have raised our concerns with the Finance Secretary¹³ ahead of the budget and called on her to ensure that the Affordable Housing Supply Programme is at a minimum protected from the cuts which are looming as part of the reviews of Capital Spending and Infrastructure Investment. **The Scottish Government has no hope of meeting its statutory child poverty targets if it continues to look to the social housing supply budget for savings** at every opportunity.

While we recognise the difficult financial position the Scottish Government is in, failing to deliver the homes needed to lift children out of poverty will deepen that difficult financial situation rather than alleviate it. **The £500m of housing 'failure spend' identified by IPPR Scotland, Save the Children and the Joseph Rowntree Foundation will simply keep growing if we do not deliver the homes needed.**¹⁴

Now is the time for the Scottish Government to show it is serious about tackling deep rooted poverty and ending the housing emergency by ramping up investment in social housing. The £3.5bn currently committed to over the course of this parliament will not deliver the homes at the pace or scale we need – the **Scottish Government must use its forthcoming budget to make social housing its number one priority when it comes to capital spending** and increase investment to a level that will see the social homes we need being bought and built at the scale required to reduce affordable housing need.

Simply put, **housing is a human right while some other areas of capital spending are not.** The government's commitments must reflect that reality in these strained financial circumstances.

The Scottish Government can and must do more, and that is why we are renewing our calls for the Scottish Government to ensure AHSP grant money is used exclusively to deliver social homes rather than other, profit-led forms of so-called 'affordable' housing. **Social housing is our route out of this crisis**, and that is where the government's limited funds should go.

Fully Fund Homelessness Services

Significant investment in frontline services is required if we are to tackle the backlog in temporary accommodation and ensure people's housing rights are upheld and enforced. **Local authorities cannot continue to be asked to do more with less**, and the warnings from the Scottish Housing Regulator, Accounts Commission and SOLACE should awaken the government to the reality of the crisis being faced in housing and homelessness services.

Earlier this month, **the Scottish Housing Regulator said that we were now at the point of systemic failure in local homelessness services**, following previous warnings in February. This is an emergency.

Over a decade of austerity and real terms budget cuts have left local authority services stripped to the bone while they try to deliver the rightful extension of housing rights from national government. This has resulted in a situation where **legal duties are routinely breached** – and it is people in need of support who are left to suffer the consequences of that.

The Scottish Government **must ensure local authorities have the resources they need to deliver on existing housing rights**, as well as ensuring the funding is in place and staff are prepared to deliver the suite of new housing rights, such as the UN right to adequate housing.

For further information, please contact David_Aitchison@shelter.org.uk

¹³ Shelter Scotland (2023), [Letter to Cabinet Secretary for Finance, 12 September 2023](#)

¹⁴ IPPR Scotland, Joseph Rowntree Foundation, Save the Children (2023) [Tipping the Scales: The Social and Economic Harm of Poverty in Scotland.](#)

Appendix: Housing Emergency Acquisitions Fund Methodology

In order to calculate the amount needed to purchase properties for the 1,910 households with children in Scotland that have been in TA for over a year, we have made a number of assumptions and estimates.

- We have assumed that the majority of households with children in TA for over a year are larger households¹⁵, and so these households will require larger than average homes to be purchased.
- The average house price in Scotland is £214,000, in Edinburgh, Lothians and Borders the average house price is £286,000¹⁶. 52% (985) of the households with children living in TA for over a year are in Edinburgh. To account for the higher-than-average house prices in Edinburgh and that many of these households will be requiring a larger home, we have used an estimated cost per house of £260,000.
- We consider that this ring-fenced funding should be given as a grant that covers 50% of the purchase cost of the property, with the rest to be covered by the councils Housing Revenue Accounts and through borrowing.
- Therefore, our calculation is: 1,910 households multiplied by £260,000 = £496.6 million. This divided by 2, to account for the grant covering 50% of the cost = £248.3 million. We have rounded this up to £300 million to cover any additional costs, for example fees and staffing costs.

¹⁵ This assumption is supported by additional Scottish Government analysis which shows that 1,502 households containing 3 or more people have been in TA for over a year.

¹⁶ Registers of Scotland, [House Price Statistics](#)