# SCU 15 HOUSING ENERGENCE



### Our housing system in Scotland is broken and biased:

- In the last year the number of children stuck in temporary accommodation rose by 17%- the highest since records began and a doubling since 2014<sup>1</sup>
- In 2020-21 there was a decrease of 16% of new homes started, and a decrease of 30% of new homes completed, through the Affordable Housing Supply Programme compared to the previous year<sup>2</sup>
- Local authorities unlawfully turned people with the right to emergency accommodation away on at least 690 occasions<sup>3</sup>
- Rent arrears for social tenants are over £307 million<sup>4</sup>
- Families with children are spending on average nearly a year in temporary accommodation<sup>5</sup>

Footnote: [1] Scottish Government (2022) Homelessness in Scotland: 2021/22

Footnote: [2] Scottish Government (2022) New Housing Supply Housing Statistics 2020 & 2021

Footnote: [3] Scottish Government (2022) Homelessness in Scotland: 2021/22

Footnote: [4] Scottish Housing Regulator (2021) National Report on the Scottish Social Housing Charter 2020/21

Footnote: [5] Scottish Government (2022) Homelessness in Scotland: 2021/22

- Over 250,000 people living in poverty are trapped in the private rented sector, unable to access a social home<sup>6</sup>
- 130,000 households are on waiting lists for social homes<sup>7</sup>
- The average rent for a two-bedroom home in the private rented sector has risen by 25% in the last 10 years<sup>8</sup>
- Every 18 minutes a household becomes homeless in Scotland<sup>9</sup>
- 6 in 10 social tenants say that their financial circumstances are worse than before the pandemic, and 7 out of 10 are concerned about future affordability of their rent<sup>10</sup>

Footnote: [6] Scottish Government (2021) Poverty and Income Inequality in Scotland 2017-20

Footnote: [7] Scottish Government (2020) Scottish household survey 2019: annual report2017-20

Footnote: [8] Scottish Government (2021) Private sector rent statistics: 2010 - 2021report2017-20

Footnote: [9] Scottish Government (2022) Homelessness in Scotland: 2021/22

Footnote: [10] Scottish Housing Regulator (2022) National Panel of Tenants and Service Users 2021 to 2022 We are calling on the First Minister, Nicola Sturgeon, to spearhead an urgent Scottish Housing Emergency Action Plan to protect households in Scotland from homelessness. The plan must aim to reduce 'affordable housing need"' by 2026.

The Emergency Action Plan should be delivered by a dedicated senior Government Minister with authority to instruct all relevant departments in the Scottish Government.

It should aim to prepare Scotland's housing system for the upcoming impact of Covid-19 related rent arrears, rising rents and energy bills and be responsible for meeting the needs of people already trapped in our broken and biased homeless system. Any effort to address the housing needs of people in Scotland will work best if the UK Government also uses its powers to improve the benefits system and tackle energy prices. This action plan however, is focussed on what the Scottish Government can do now with the powers it has. People at risk of homelessness cannot wait any longer.

Footnote: [11] **Affordable housing need** is the combined measure of homelessness, housing affordability, overcrowding and social housing demand used by academics and local authority planners to determine how many homes are required in an area. <u>Affordable Housing Need in Scotland – Post 2021</u> **Shelter Scotland believes a Scottish Housing Emergency Action Plan should be developed** around three key commitments:



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### BUY AND BUILD 38,500 SOCIAL HOMES BY 2026

- Redirect all subsidy from the Scottish Government's Affordable Housing Supply Programme exclusively to homes for social rent
- Undertake a national social housing acquisition plan to buy homes in areas of greatest need
- Force the reluctant owners of long-term empty homes to sell up or rent them out to people who are homeless or on the housing waiting list

#### Redirect all subsidy from the Scottish Government's Affordable Housing Supply Programme exclusively to homes for social rent

Public subsidy should only go to social housing and no other forms of so-called affordable homes.

The Scottish Government currently plans to invest £3.4 billion in its affordable housing supply programme. Thirty percent of the homes in that programme will not be accessible to people trapped in the homelessness system. Thirty percent of the subsidy will be used for private developers and to subsidise homeownership. At a time when the costs of delivering social housing have risen dramatically it can no longer be justified to divert finite public subsidy to benefit private sector developers. Removing public subsidy does not mean that all other forms of sub-market homes will stop being built. Ministers should make better use of the programme from HM Treasury known as Financial Transactions Capital, that can only be used to make loans to or equity investments to private sector bodies.

#### Undertake a national social housing acquisition plan to buy homes in areas of greatest need

The Scottish Government should lead a new national acquisition programme to purchase social homes on the open market. This will increase the availability of social homes, reduce affordable housing need, and help reduce the record number of households in temporary accommodation.

The scale and pace of Scotland's housing emergency means that many families cannot afford to wait years for the total number of social homes to increase. Inflation, Brexit-related skills gaps, and the cost of reaching net-zero each present a new challenge to efforts aimed at increasing the supply of social housing in Scotland. That is why buying as well as long term building of social homes, should play a bigger role in meeting the demand for social housing.

Until it was rightly scrapped in 2016, Right to Buy removed nearly 500,000 homes from the social sector. Today many of these properties are rented back to local authorities at inflated costs. At a time when many small-scale landlords are looking to sell up, there is a new opportunity to increase the supply of social homes at a faster pace than the traditional build and development model. Many local authorities – including those in the most overheated property markets – are already purchasing homes where they can. However, purchasing at scale is not achievable without the economies of scale and the expertise available through the Scottish Government, the Scottish Futures Trust, and the Scottish National Investment Bank. By freeing up funds currently allocated to 'affordable' rather than social homes, the Scottish Government can target investment where it can have the most impact on reducing affordable housing need.

#### Force the owners of long-term empty homes to sell up or rent them out to people on the housing waiting list

The Scottish Government should urgently pass new laws forcing the owners of Scottish empty homes to sell or rent their property to people in need of a home.

Scotland has over 43,000 long-term empty properties, many of which could be a suitable home for people trapped in temporary accommodation or stuck on housing waiting lists. For owners who refuse to bring these much-needed properties back into use, despite being offered support to do so, more measures are urgently needed.

The Scottish Government promised to introduce Compulsory Sale Orders (CSOs) for long term empty homes in 2019. In 2021 the Scottish Parliament's Local Government and Communities Committee urged them to bring forward the legislation but we are still waiting. CSOs are not like Compulsory Purchase Orders where a public body forces a property owner to sell their property to the state. CSOs simply require the property to be sold on the open market so that it no longer remains unused.

Shelter Scotland also believes that a new Compulsory Rental Order (CRO) should be introduced where a property requires repairs and upgrading to make it habitable. A CRO would allow a social landlord to make the necessary repairs and then rent the property out to a household on the waiting list until the social landlord has recovered its investment. The home remains the property of the owner who would be able to sell the property or continue the rental agreement after the initial rental period is completed.

### FULLY FUND LOCAL AUTHORITY HOMELESSNESS SERVICES

- Conduct an audit of all homelessness funding – national and local – to identify the true levels of investment and identify shortfalls
- Create a new 'homelessness emergency' fund to plug the gap in funding and direct additional resource where it is most needed

#### Conduct an audit of all homelessness funding to track investment and identify where money should be directed

A recent report<sup>12</sup> prepared by Audit Scotland found that local government budgets had been cut by 4.2% in real terms since 2014. At Shelter Scotland we recognise that local authorities cannot deliver more with less. With more people likely to become homeless as we see an increase in the cost of living, Covid related evictions and the need to welcome refugees – a welcome and necessary commitment by Scottish Ministers – more resource is needed for already overburdened homelessness services.

When the Scottish Government and COSLA launched the 'Ending Homelessness Together Action Plan' in 2018 local authorities estimated that circa £130 million<sup>13</sup> of new investment was needed during the last Parliament to deliver results. Despite this, only £50 million additional investment from the Scottish Government was made available. A further £50 million has since been made available for this parliamentary term. With many of the local authorities struggling to uphold people's rights this will very likely fall short of what is needed to meet existing need and considerably short of what is needed to avoid homelessness services failing in the months ahead as demand increases.

By conducting a full audit of all homelessness funding will help ensure that policy makers, third sector and people with lived experience of homelessness will be better able to make recommendations for improvements.

Footnote: [12] Local government in Scotland Financial overview 2020/21

Footnote: [13] Inside Housing – <u>Cost of new Scottish homelessness plan assessed as eight times above budget</u>

#### Create a new 'homelessness emergency' fund to plug the gap in funding and direct additional resource where it is most needed

The Scottish Government should create a new emergency fund to direct ring-fenced funding to the homelessness services at greatest risk of failure.

Building on the evidence from the audit, Scottish Ministers should use any Scottish Government underspend or additional in year Barnett consequentials to fund those homelessness services identified as unable to meet demand for homeless and permanent accommodation. And at a time when the cost of living is going through the roof, services helping to prevent homelessness have never been more important. Too often, tenants are faced with eviction and they're unaware of or unable to exercise their housing rights. All landlords should be following due process for evictions and both landlords and local authorities should be ensuring there is appropriate and timely support for tenants who are in arrears and facing homelessness. No one should be evicted into homelessness and services should be funded to ensure they can support tenants facing arrears and eviction.

### GUARANTEE THE RIGHT TO A HOME FOR EVERYONE EXPERIENCING HOMELESSNESS

- Urgently prioritise action to address failures in the homelessness system ensuring appropriate redress for individuals where their rights have been breached
- Introduce tougher enforcement action against public bodies that repeatedly breach their legal duties

#### Urgently prioritise action to address failures in the homelessness system ensuring appropriate redress for individuals where their rights have been breached

On paper, people in Scotland have some of the strongest homelessness rights in the world but recent Scottish Government statistics show that these rights are unlawfully denied on a regular basis. At Shelter Scotland we see the impact of the failure to uphold rights every day in the experiences of those who ask for our assistance. Third sector advocacy services like Shelter Scotland advice, information and legal representation cannot meet the scale of the need. People must be empowered to know and realise their legal rights, and no one should be left with any additional financial burdens where local authorities have failed to provide any or suitable temporary accommodation.

#### Introduce tougher enforcement action against public bodies that repeatedly breach their legal duties

Individuals shouldn't be left to fight for their rights because the homelessness system is failing. Instead, public bodies must be held accountable. We should be making maximum use of the existing range of enforcement powers including the Scottish Housing

Regulator's powers to intervene. Every breach should prompt an investigation into what's gone wrong, and should require action to prevent future incidents, at both an individual and systemic level.

## THE REAL LIVES BEHIND THE STATISTICS



M has been living in temporary accommodation for almost two years, in a three-bedroom furnished flat with her elderly mother and six children between the ages of one and 22.

When asked the difference that a social home would make to their lives, M advised:

For one, I would know my kids are secure. I'd be more relaxed. My children would have their own space, their own time. Currently there is eleven people sharing one bathroom and this can be degrading. A has been stuck in temporary accommodation for seven months to date and A explains the impact it is having on her daughter:

My daughter has been isolated from her friends because our temporary accommodation is on the other side of the city from our old neighbours and nursery. She missed four months of nursery because of the distance. Now I travel across the city to take her there and back in order to keep some stability in her life because I have a car.

Her behaviour has changed a lot since moving and her nursery have noticed too. Children and families social work are now involved.

When Client B approached her local authority in the central belt for temporary accommodation for herself and her two young daughters, she was told the only options available were hundreds of miles away, in the north of Scotland or down in England. With her daughter starting back at school that week, she was forced to turn it down. V has been in temporary accommodation for almost three years with three children and is really struggling at the moment. She is desperate to be permanently accommodated as her temporary accommodation is an hour on public transport from her children's schools, she has been having issues with the temporary landlord, and she has also had a number of break-ins to the property. V has mental health issues which are deteriorating due to her housing issues.

V said:

All of my problems are to do with housing, if I get a settled home then my mental health will get better, I won't be as exhausted and stressed all the time, I can get a part-time job and start living my life properly.

We exist to defend the right to a safe home and fight the devastating impact the housing emergency has on people and society.

**Shelter Scotland** 

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