

Shelter Scotland Budget Debate 2015/16:

Stage 1 Briefing

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Shelter
Scotland

Summary

Shelter Scotland wants to see this year's budget as a **budget for homes**. We want to see a real commitment to the aspiration that everyone in Scotland should have a safe, secure and affordable home.

- We, along with others in the housing sector, estimate that Scotland needs **at least 10,000 affordable socially rented homes a year** in order to meet homelessness commitments and address the backlog of people on housing waiting lists.
- We estimate that a building programme of this scale would require around **£200m in additional spending from the Scottish Government** to fund a major boost to capital investment in socially rented housing.

We welcome the measures already in this budget which Shelter Scotland called for:

- Measures to address the impact of the changes to the welfare system – to help protect households and to help Scottish public services prepare for the changes.
- A commitment to extend the Scottish Empty Homes Partnership, which is hosted by Shelter Scotland. Bringing long term empty homes back into use is an important contribution to housing supply, at a time when there is significant and building pressure in the Scottish housing system.

Investment in social housing

Rising house waiting lists¹, fewer lets becoming available² and high numbers of people stuck in temporary accommodation³ are all evidence of a growing pressure on affordable housing.

Despite the overwhelming and compelling case for investment in new social housing, the Scottish Government's target of 6,000 affordable homes which includes a commitment to build at least 4,000 socially-rented houses per year for this spending period is insufficient to meet even a conservative estimate of housing need. These annual targets are modest,

¹ Currently 150,500 people are on local authority waiting lists (Scottish Government, 2014)

<http://scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/HousingLists>

² <http://scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/socialhousing>

³ Currently, 10,308 households are in temporary accommodation

<http://scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/RefTables>

both in relation to levels of need identified in Local Authority Housing Needs and Demands Assessments, or to the benchmark for new affordable housing need which builds on the Bramley research conducted in 2006⁴ evidencing the need for increased supply of social housing.

Investment in affordable social housing brings multiple benefits and could be the foundation for economic recovery and growth, as well as improving the energy efficiency of our existing housing stock. Meeting housing need provides a firm basis for households to thrive socially, economically and educationally. Good quality affordable homes are also a key building block in meeting public health objectives. Capital investment in new affordable social homes fosters economic growth and a house building programme of sufficient scale would bring a much needed boost to the construction industry and provide jobs and prosperity to local communities, including around 32,000⁵ jobs sustained in construction and supplier industries. New social housing is built to the highest energy efficiency standards and, reuse of empty existing private sector homes brings opportunities to refurbish and improve existing housing stock.

The Scottish Government has recently reviewed and increased grant rates for social housing providers which now average at around £50,000 per home. These rates represent at least 50% leverage of new money into the public sector, giving each pound of investment a double impact.

Committing at least an additional £200m in this year's budget to affordable house building would go a long way towards meeting this target. Shelter Scotland would also like to see a renewed emphasis on meeting housing need take centre stage in the comprehensive spending review anticipated in 2015/16.

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⁴ 'Local housing need and affordability model for Scotland (update)' Bramley et al (2006)
www.scotland.gov.uk/Resource/Doc/1035/0085202.pdf

⁵ "Scottish Government projections show that each new investment of £100 million in the housing sector would support around 1,000 jobs directly, with an additional 600 jobs within related supplier industries." Preparing for Recovery: Update on the Scottish Economic Recovery Programme, Scottish Government, 15 June 2009