

Shelter Scotland briefing for Housing Supply Debate

30 September 2014

Shelter Scotland works with over half a million people in Scotland each year across all housing tenures. We believe that everyone has the right to a safe, secure affordable home and that housing is vital to people and families being able to flourish in their communities. We know that there is increasing pressure on housing and that Audit Scotland has estimated that 'Scotland will need more than half a million new homes over the next 25 years' and that the supply of housing is not meeting current levels of need.¹ **It is within this context that the supply of housing must be made a national priority in order to start to meet current and future need.**

Action we are calling for:

- Shelter Scotland is calling for the Scottish Government to commit at least an additional £200m in this year's budget to social rented house building. This would go a long way towards meeting the existing Scottish Government target of building 30,000 affordable homes over the lifetime of this parliament, including 20,000 socially-rented homes.
- We also want to see a renewed emphasis on meeting housing need take centre stage in the comprehensive spending review anticipated in 2015/16.
- Shelter Scotland is calling for continued and longer term funding for the Scottish Empty Homes Partnership and a further round of loan funds to bring empty homes back into use. Investing in the Scottish Empty Homes Partnership to expand its reach would mean increasing funding from around £50,000 to £130,000 in the next budget period, but with a longer term commitment to fund at this level for a period of 5 years.

Affordable housing supply

There is significant and growing pressure in the Scottish housing system, shown by rising house waiting lists², fewer lets becoming available³ and high numbers of people stuck in temporary accommodation⁴. **Shelter Scotland urges the Scottish Government to make this year's budget, a budget for homes.**

¹ 'Housing in Scotland' (Audit Scotland, July 2013), p12 http://www.audit-scotland.gov.uk/utilities/search_report.php?id=2295

² Currently 150,500 people on local authority waiting lists (Scottish Government, 2014) <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/HousingLists>

³ <http://scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/socialhousing>

⁴ Currently, 10,281 households (<http://scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/RefTables>)

We estimate that Scotland needs at least 10,000 new socially rented homes a year in order to meet homelessness commitments and address the backlog of people on housing waiting lists. Increasing spending on social rented housing would cost an additional £200 million a year, but will bring considerable benefit to Scotland in supporting economic growth.

Investing in 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 socially rented homes are also a key building block in meeting public health objectives. Capital investment in new 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.

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 extremely modest, both in relation to levels of need identified in local authority Housing Needs and Demands Assessments, and to the benchmark for new affordable housing need that builds on the Bramley research conducted in 2006⁶. Shelter Scotland, along with other organisations in the housing sector, has long contended that at least 10,000 new social rented homes should be built each year to meet housing need⁷.

Committing at least an additional £200m in this year's budget to social rented 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.

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

⁶ 'Local housing need and affordability model for Scotland (update)' Bramley et al (2006) www.scotland.gov.uk/Resource/Doc/1035/0085202.pdf

⁷ Given the economic pressures, demographic changes and the impact of welfare reforms, we would welcome updated Scottish Government research on national housing need.

Empty homes

As well as the emphasis on building new affordable social homes, Shelter Scotland would like to see a long term commitment to making best use of the housing stock that we already have.

The Scottish Government has funded the Scottish Empty Homes Partnership since June 2010. The Partnership, hosted by Shelter Scotland, works with councils to help them develop their policies and processes in relation to private sector empty homes.

The Scottish Government has also been co-funding three empty homes shared services projects to provide empty homes staff within seven partner councils, and it introduced a £4.54m Empty Homes Loan Fund to bring private sector empty homes back into use as affordable housing. This fund was welcomed and will enable councils and others to bring certain types of empty homes back into use as affordable housing.

In October 2012, the Scottish Parliament approved the Local Government Finance (Unoccupied Properties etc.) (Scotland) Bill, which will give councils the power to remove vacant property discounts and charge increased council tax on long-term empty homes. Shelter Scotland and the Scottish Empty Homes Partnership are encouraging councils that take up this power to recycle some of the money they collect to provide help, advice and incentives to owners of empty homes.

Our experience of running the Empty Homes Partnership shows it is vital that housing capital investment programmes seek to encourage projects that bring private sector empty homes back into use, as part of a programme of housing supply. It is a mixture of engagement, incentives and enforcement that encourage empty home owners to bring their homes back into use when they otherwise would not have done so. In 2013/14 local authorities reported bringing 278 empty homes back into use, up from 76 in 2012/13⁸.

We are calling for continued and longer term funding for the Scottish Empty Homes Partnership and a further round of loan funds to bring empty homes back into use. Investing in the Scottish Empty Homes Partnership to expand its reach would mean increasing funding from around £50,000 to £130,000 in the next budget period, but with a longer term commitment to fund at this level for a period of 5 years.

⁸ Scottish Empty Homes Partnership, Annual Report 2012-13, http://scotland.shelter.org.uk/data/assets/pdf_file/0008/684737/ScottishEmptyHomesPartnershipAnnualReport1213.pdf

Key Scottish Housing Facts:

There are currently more than:

- 150,500 people on council house waiting lists in Scotland
- 4,000 children in Scotland currently live in temporary accommodation
- 36,000 homelessness applications to Scottish local authorities in 2013/14
- We need to see at least 10,000 socially rented homes built every year to begin to meet this back log
- Audit Scotland has estimated that Scotland will need more than half a million new homes over the next 25 years
- In Scotland there are approximately:
 - 1.46 million owner-occupied homes
 - 368,000 privately rented homes
 - 277,000 homes rented from housing associations
 - 318,000 homes rented from local authorities.
- There are currently 23,000 long term private sector empty homes across Scotland.
- According to the 2011 census, there are 37,000 second and holiday homes in Scotland, comprising 1 per cent of the total housing stock.
- If house prices had increased in line with general inflation since 1970, the average house price in Scotland in 2012 would have been £78,000, it is actually £215,000.
- An estimated 65,000 households in Scotland were living in overcrowded homes in 2012.

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