



SHELTER SCOTLAND BRIEFING: SCOTTISH BUDGET 2025-26

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.

The 2025-26 Scottish Budget is a key test of the Scottish Government's claims that housing and ending the housing emergency are a priority. The First Minister previously said that if we want to tackle the housing emergency, "we have to be prepared to put our money where our mouth is"¹, and that "there has to be public expenditure allocated to make sure that we can support the affordable housing programme"².

We all accept that Scotland is experiencing an unprecedented housing emergency. Homelessness is at record levels; social housebuilding has reduced at an alarming rate and the Scottish Housing Regulator says they are unable to enforce rights across ten local authorities. Any failure to invest in homelessness prevention services or in social housebuilding will represent a budget that will inevitably increase homelessness.

Shelter Scotland believes that it is vital that this budget is a budget to reduce homelessness. This briefing sets out the priorities to achieve that vision.

Our asks

- **The Scottish Government must make this a budget to reduce homelessness.**
- **MSPs and Ministers have a choice – they can pass a budget that reduces homelessness, or pass another budget that increases homelessness.**
- **The additional funding coming to Scotland as a result of UK spending decisions must be used to fully restore the Affordable Housing budget to bring it back up to £3.5bn over the course of this parliament, as a minimum, and making housing the government's number one national infrastructure priority.**
- **The Scottish Government must increase investment in local homelessness services, many of which are facing systemic failure due to demand, and provide the support needed to ensure people are able to keep the homes they have.**
- **The Scottish Government must recognise the unequal nature of the housing emergency and target funding more effectively in areas that need it most, and at protecting those who suffer most from the broken and biased housing system.**
- **The Scottish Government must provide fair, multi-year funding commitments to organisations that rely on this to carry out vital work, including the Scottish Empty Homes Partnership, and to provide certainty to organisations providing lifeline legal services via Scottish Legal Aid Board funding.**

Scotland's Housing Emergency

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

- **A record 10,110 children trapped in temporary accommodation – up 143% since 2014.**

¹ [Scottish Parliament Official Report](#), 22 November 2023.

² [Scottish Parliament Official Report](#), 14 November 2024.

- **42 children become homeless every day.**
- **A household becomes homeless every 16 minutes.**
- **A 9% increase in households living in temporary accommodation** compared to last year.³
- **At least 7,915 instances of local authorities failing to provide temporary accommodation** to those legally entitled to it (**up 1,659% in a year**).
- **At least 7,400 breaches of the Unsuited Accommodation Order** in 2023/24 (up 41%).
- Local Authority homelessness services facing **systemic failure** across the country.
- **A failure to deliver the social homes** we urgently need and a significant slowdown in new social housing developments in the last year.

This is an emergency that damages health, wellbeing, education and the economy, and leaves tens of thousands of people without anywhere to call home. It is **a national scandal**.

Delivering the social homes we need

Scotland's housing emergency is decades in the making and is the result of decades of underinvestment in social housing. Policies such as Right to Buy reduced the supply of social homes and despite investment over recent years the consequences of that policy continue to loom large.

People are trapped in temporary accommodation that stretches the definition of 'temporary', or are stuck in homes which do not meet their needs. **If the government is serious about tackling the housing emergency and eradicating child poverty, then it must increase investment in social housing.** Simply put, the government cannot eradicate child poverty without eradicating child homelessness. It cannot eradicate child homelessness without social homes.

A cumulative cut of 37% over the last two budgets has seriously undermined delivery of new social homes, and the Scottish Government must give the sector confidence again by showing that it agrees it is too important to be cut.

The additional funding coming to Scotland in 2025/26 – £3.4bn, including over £600m of capital funding – must be used to fully reverse the two years of cuts to the Affordable Housing Supply Programme, **bringing investment over this parliament back up to the £3.5bn originally planned as an absolute minimum.** This additional funding should have the specific goal of reducing the number of children in temporary accommodation by the end of this parliament – not only building, but also buying the supply we need by adequately resourcing the National Acquisition Programme.

Housing must be the government's number one national infrastructure priority, with increased investment to reflect the seriousness of the housing emergency. If that means cutting back on projects in other areas, such as transport, in order to invest in an area that will help with the government's central mission of eradicating child poverty, then the government must make that decision.

We are therefore calling on the Scottish Government to:

- **Put social housing at the centre of the government's mission to eradicate child poverty.**
- **Fully reverse the 37% cut to the Affordable Housing Supply Programme (AHSP) over the last two years by pausing spending on other capital projects if necessary and investing all additional capital funding in restoring the housing budget.**

³ Scottish Government (2024), [Homelessness in Scotland 2023/24](#).

- Expedite the acquisition of larger properties specifically for households with children trapped in temporary accommodation for more than a year where needed to help reduce the harm being inflicted on children due to the housing emergency.
- Ensure the AHSP funding is used exclusively to deliver social homes rather than other forms of profit-led forms of so-called 'affordable' housing such as Mid-Market Rent.
- Create a match fund for local authorities to scale up existing empty homes teams to bring 3,000 private empty homes per year back into use. This should be supported by 100% funding for acquisition of such homes and support to bring homes up to standard.

The Scottish Government has declared a housing emergency and made it their mission to eradicate child poverty. They must show they are serious about making progress on these structural issues by investing in the social homes Scotland desperately needs.

Fully funding local homelessness services

The Scottish Housing Regulator has once again reiterated the systemic failure impacting on local services across Scotland. The body charged with regulating Scotland's housing and homelessness services could not be clearer – **the level of need is far exceeding the capacity in the system to respond.**⁴ This is an existential threat to local government across Scotland, and requires a significant increase in funding and capacity in order to meet housing need.

The Scottish Housing Regulator has been warning of the seriousness of this situation since its first thematic review of homelessness services in February 2023. In the year after that report was published, failures to provide temporary accommodation increased by 1,659%, while breaches of the UAO hit at least 7,400. **Legal duties are being breached on an industrial scale. Over 10,000 children are trapped in temporary accommodation, while the budget for social housing has been cut by a cumulative 37% in 2023/24 and 2024/25.**

Services such as ours continue to bear the brunt of these cuts and the ever-increasing demand on frontline services. Due to the systemic failure being experienced by local authorities, and the failure to uphold people's housing rights on such a scale, more and more people are turning to organisations such as us for assistance.

However, **this is also exceeding our own capacity to respond and support people in need**, with multiple parts of our frontline services no longer able to intervene on breaches of the Unsuitable Accommodation Order because of the scale of Failure to Accommodate breaches being experienced across the country. This has left **people unable to access their housing rights and without adequate support** – reflecting the vicious cycle of Scotland's housing emergency.

In the first budget since the Scottish Government declared a national housing emergency, the Finance Secretary must face up to the reality of what systemic failure means for people across Scotland, and provide the finances necessary for local authorities to meet their legal duties and find homes for the 10,110 children stuck in temporary accommodation.

There also needs to be consistent and sustained funding to ensure people are supported to keep the homes they have and to prevent homelessness from happening in the first place. New laws won't achieve this alone – **existing prevention work needs to be backed up by funding, and this means ensuring local authorities have the resources they need to achieve this.** The Scottish Government must also maintain its commitment to fully mitigating the Bedroom Tax and Benefit Cap in light on continued UK Government inaction on these issues.

⁴ Scottish Housing Regulator, [Annual Report and Accounts 2023/24](#).

We are therefore calling on the Scottish Government to:

- Target additional revenue funding specifically at local authorities identified as experiencing, or being at heightened risk of, systemic failure in their homelessness services where people are denied their right to safe and suitable accommodation.
- Support registered social landlords to maintain their wider remit investment in prevention services such as welfare rights, tenancy sustainment and housing support for those with wider care and support needs.
- Continue to mitigate the Bedroom Tax and Benefit Cap.
- Adequately invest in local prevention services so people can keep their homes.
- Create a new Homelessness Prevention Fund accessible to local authorities, RSLs and the third sector for tenants across all tenures.
- Commit to maintaining funding for Rapid Rehousing Transition Plans until the end of this Parliament and provide clarity on future funding plans for subsequent years.

Ending housing inequality

Scotland's housing emergency impacts on different communities unequally. Simply put, Scotland's housing system is broken and biased, and it works to embed inequality and racism rather than acting against these stains on our society.

Our recent research into minoritised ethnic communities' experiences of social housing⁵ found **a housing system that did not respond to the needs of individuals living within it on the basis of race**, and the need for government, councils, RSLs and others to develop an anti-racist culture within the social housing sector if we are to begin tackling those deeply embedded inequalities.

Gender inequality is also baked into the housing system, leaving women exposed to additional and unnecessary harm that would not be happening if the system worked as it should.

Women's access to safe, secure and affordable homes is constrained by their economic inequality. The lack of social homes in Scotland, and the cuts to the affordable housing supply programme, disproportionately impact women. The ever-growing backlog of families trapped in temporary accommodation also has a particular impact on women, as we know women in temporary accommodation often have dependent children living with them.

Gender-based violence is endemic in Scotland and domestic abuse is the leading cause of homelessness among women. Often homelessness services and social landlords fail to appropriately respond to this. **Any response to the housing emergency and the increasing levels of homelessness in Scotland must be made from a gendered perspective.** Women have specific needs in relation to housing and homelessness.

The housing system also serves to deepen poverty and drag more people into poverty, increasing rates of homelessness and placing additional pressure on local authorities. This impact is acutely felt by children across Scotland, particularly children from single parent households, or from minoritised ethnic communities. Local authorities are now routinely failing to uphold housing rights, again an issue that is likely to have **a bigger impact on those who already suffer from discrimination – for instance, African households spend significantly longer in temporary accommodation than white households, on average.**

⁵ Menezes, D., Netto, G., and Hasan, S. (Shelter Scotland)(2023), [Minoritised Ethnic Access to Social Housing in Scotland at Key Transition Points](#).

The government must begin taking targeted policy and budgetary decisions in order to alleviate the additional harm being experienced by marginalised groups, particularly those facing multiple layers of discrimination in their lives. **We are calling on the Scottish Government to:**

- **Provide dedicated, additional funding to help build capacity across the housing sector aimed at tackling racial inequality and discrimination.**
- **Target funding approaches at communities most in need of additional support, such as those already identified as ‘priority families’ in the Scottish Government’s own child poverty work.**
- **Invest in the Scottish Welfare Fund and create targeted streams of the fund to support marginalised women, including migrant women, women with no recourse to public funds and unpaid carers.**
- **Create a permanent national ‘fund to leave’ for women experiencing domestic abuse.**
- **Recognise the urgent need for gendered temporary accommodation in Scotland, in particular for women with children, and work with local authorities to ensure that availability of this type of temporary accommodation is increased.**
- **Ensure councils and RSLs are adequately funded to carry out necessary adaptations work in a timely manner, so fewer people are trapped in homes which do not meet their accessibility needs.**

Fair funding and human rights budgeting

Third sector organisations and other groups and projects reliant on government funding require this support to be fair and, crucially, multi-year, to allow organisations to plan for the medium and long term. Unfortunately, this has not been the case for a number of years and has had an impact on our work, particularly through the Scottish Empty Homes Partnership and around Scottish Legal Aid Board Funding. The implications of funding uncertainty can be easily seen with the recent loss of Rural Housing Scotland’s invaluable expertise.

The uncertainty on future funding for Scottish Legal Aid Board undermines our ability to best represent our clients, and is an issue that the Equalities, Human Rights and Civil Justice Committee has sought to raise with the Scottish Government.⁶ In order to ensure those at risk of homelessness are able to continue accessing the support, advice and legal representation that they need, the government must commit to adequate funding for 2025-26, and set out a plan for how projects that rely on SLAB funding will continue to do so for future years. Otherwise, we risk creating yet another gap in support and advice at a time of record homelessness.

The Scottish Empty Homes Partnership, funded by the Scottish Government and hosted by Shelter Scotland, carries out vital work across the country in helping to make full use of existing housing stock by bringing empty homes back into productive use. Since the Partnership was established in 2010, almost 11,000 long term empty homes have been brought back into use across Scotland. The Partnership relies on funding from the Scottish Government to carry out this important work, and any effort to tackle the housing emergency must mean this funding is continued for 2025-26, with additional multi-year certainty for the Partnership to allow them to plan and strategise for the long-term. Empty homes work forms part of the government’s own Ending Homelessness Together strategy.⁷ It cannot be abandoned.

A human rights-based approach to budgeting is needed if we are to finally make progress on tackling deeply embedded poverty in this country. The Scottish Government continues to make

⁶ [Letter to the Cabinet Secretary for Social Justice, Scottish Legal Aid Board Funding](#), 4 October 2024.

⁷ Scottish Government (2020), [Ending Homelessness Together Action Plan](#).

strong commitments to tackle poverty, particularly child poverty, but the way it delivers its budget prevents it from being able to meet these goals – meaning spending decisions do not have the intended impact. You cannot guarantee people’s rights without funding the policies, institutions and systems that are required to make them a reality.

We need to move from a position of asking ‘how do we respond to need with the money we have?’, to ‘how much money do we require to respond to need?’. Targeting money where it is most needed – and indeed finally living up to the preventative spend ambitions outlined in the Christie Commission well over a decade ago – is the only way we will be able to tackle the housing emergency and tackle deep-rooted poverty, and to close the implementation gap between our world-leading housing legislation and the outcomes that are actually delivered.

We are therefore calling on the Scottish Government to:

- **Commit to a human rights budgeting approach and fully implement this.**
- **Provide funding certainty in the short and long-term for vital housing and homelessness prevention work, such as the Scottish Empty Homes Partnership and Scottish Legal Aid Board funding.**

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