



## **SHELTER SCOTLAND BRIEFING: SCOTTISH CONSERVATIVE PARTY PARLIAMENTARY HOUSING DEBATES, 25 JANUARY 2023**

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.

We welcome the decision by the Scottish Conservatives to hold these two important debates on Scotland's housing emergency. **This housing emergency has been with us since long before the Covid pandemic hit and long before the current cost-of-living crisis.** Although these events have exacerbated the challenges that Scotland's housing system faces, the housing emergency is with us despite introducing a strong housing rights legislative framework, as the lack of adequate funding and support has meant there is a growing implementation gap. There has been a **long-term failure to acknowledge the seriousness and scale of the crisis** facing households across the country, caused by a housing system which does not work for people.

### **Scotland's Housing Emergency**

- Record numbers of **children (8,635) trapped in temporary accommodation** – a **107% increase** since 2014.
- Households with children now spending on average 1 year in temporary accommodation, rising to 2 years in areas of Scotland under extreme pressure.
- Rising homelessness with a 35% increase in households (13,945) having to live in temporary accommodation compared to 2014.
- Housing rights that aren't upheld or enforced. In 2021/22 there were at least 690 instances when a household was not offered temporary accommodation and 2,015 reported cases of households being placed in temporary accommodation which was deemed by law to be 'unsuitable'.<sup>1</sup>
- 14% of social tenants reporting damp or mouldy living conditions in 2019<sup>2</sup>.
- A **broken and biased housing system** which disproportionately harms communities of colour and people with disabilities<sup>3</sup>.
- 500,000 **social homes lost to Right to Buy** and not yet replaced.
- Unsustainable rent increases in the private rented sector<sup>4</sup>.
- Dangerous levels of overcrowding. In 2019 around 51,000 households lived in overcrowded accommodation<sup>5</sup>.
- An **inability to suitably house** and rightly support those fleeing war and conflict.
- Families one lost paycheque away from homelessness.

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<sup>1</sup> [Homelessness in Scotland 2021/22.](#)

<sup>2</sup> [14% of social tenants reported damp or mould in their property in 2019.](#)

<sup>3</sup> [1.5 million people suffering due to Scotland's broken and biased housing system](#) 3% per cent – representing more than 130,000 adults from protected characteristic groups agreed they had experienced discrimination in the search for their current home. (Shelter Scotland media release, 2021)

<sup>4</sup> [Private Sector Rent Statistics, 2010-2021.](#)

<sup>5</sup> [Scottish house condition survey: 2019 key findings](#)

This is the **reality of Scotland's housing emergency**. Many of these problems have been building for decades, and after decades of not doing enough to solve the issue, our housing system is failing and damaging health, education and society. **Scotland's Government and Scotland's Parliament must do everything in its power to end this housing emergency that is caused by a lack of good quality social homes.**

## Our Action Plan

To provide effective, **long-term solutions to Scotland's housing emergency**, we are calling on the Scottish Government to:

- **Reverse its planned cuts to the housing capital budget to ensure at least 38,500 social homes are delivered by 2026 to reduce housing need<sup>6</sup>. They should prioritise funding in the Affordable Housing Supply Programme exclusively to delivering homes for social rent and introduce a national acquisition programme.**
- **Fully fund local government and local homelessness services, including carrying out a full audit of existing homelessness spend and create a new Homelessness Emergency Fund to direct money where it is most needed.**
- **Guarantee the right to a home for everyone experiencing homelessness.**

## Social housing supply

Increasing the supply of social housing in Scotland is crucial if we are to address the housing emergency. It requires adequate funding to **ensure enough homes are delivered to reduce housing need** and to get people out of temporary accommodation.

The **large cut to the social housing capital budget announced by John Swinney in December** poses real problems for increasing the supply of social homes and reducing housing need, particularly when we have seen the cost of building increase over the past year. **Failing to deliver the new social homes Scotland needs will keep Scotland in the grip of this devastating housing emergency.**

A cut to the budget, especially in the current economic environment, essentially means we are **planning for fewer social homes to be delivered**. The [latest housing statistics](#) already show starts and approvals slowing down in the year to September 2022 – and with less funding, we can only expect that to continue. **Planning for fewer social homes means planning for higher child poverty rates**, more homelessness, more families in temporary accommodation, more children falling behind at school, worse health outcomes, and missing out on potential economic benefits<sup>7</sup>. That is **the cost of not investing adequately in social homes**, and MSPs from across the Chamber must decide whether they are prepared to accept this fate.

We acknowledge the current challenges in meeting social housebuilding targets across Scotland – that is why we have [offered urgent solutions to the Scottish Government](#) to help ensure the social homes we need are still delivered:

- **redirect all public subsidy in the AHSP exclusively to homes for social rent**
- **develop a national acquisition programme to increase the supply of social homes**
- **reverse the cuts announced in the draft budget, which will prove doubly devastating for the delivery of social homes in the current inflationary environment.**

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<sup>6</sup> 38,500 social homes by 2026 would mean the Scottish Government delivering 50% of its longer-term target of 110,000 affordable homes, at least 70% of which are for social rent, by 2032.

<sup>7</sup> [The New Economic Case for Social Housing](#) (2020).

## Scottish Budget 2023/24

As noted, we have **significant concerns at the 16% cut to the housing capital budget** in 2023/24. Cuts to the budget for social housing at a time when rising costs and inflation are already eroding the spending power of local authorities and RSLs will prove disastrous.

### Shelter Scotland's budget analysis:

Capital Investment in Social Homes through the Affordable Housing Supply Programme (AHSP) Budget £m	2022/23 Budget	2023/24 Draft Budget (15 December)	Difference
Capital	601.8 <sup>8</sup>	489.0 <sup>9</sup>	-112.8
Transfer of Management of Development Funding (TMDF)	92.2	92.2 <sup>10</sup>	0
<b>TOTAL (Capital plus TMDF)</b>	<b>694</b>	<b>581.2</b>	<b>-112.8 (-16.2%)</b>

The TMDF funding, which helps support Edinburgh and Glasgow in delivering new social homes, remains the same year-on-year – a large real terms cut with inflation at the highest level in 40 years. **The Scottish Government's own budget document puts price inflation at 17%.<sup>11</sup>**

The Scottish Government has claimed that the cut 'only' amounts to 4.7%. We believe this claim to be inaccurate.

### Scottish Government calculations:

Affordable Housing Supply Programme (AHSP) Budget £m	Previously planned (CSR) 2023/24	15 December Draft Budget 2023/24	Difference £m
AHSP – Cdel	543.570	489.100	-54.570
Transfer of Management of Development Funding (TMDF)	92.245	92.245	0
AHSP – Financial Transactions	153.000	170.600	17.600
<b>TOTAL AHSP</b>	<b>788.815</b>	<b>751.945</b>	<b>-37.320 (-4.7%)</b>

The **government's figures do not compare budget-to-budget**, but instead compare previously planned spent for 2023/24 in the Capital Spending Review with the draft Budget 2023/24. This is a **comparison of two potential cuts** rather than a year-to-year change. **We agree with the Scottish Government's Head of Local Government Finance that comparisons should be made year-to-year.<sup>12</sup>**

<sup>8</sup> [Scottish Budget 2022/23](#), Table 5.03, p.40.

<sup>9</sup> [Draft Budget 2023/24](#), Table 5.03, p.45.

<sup>10</sup> [Draft Budget 2023/24](#), Table 5.11, p.48.

<sup>11</sup> [Draft Budget 2023/24](#), p.13.

<sup>12</sup> At the [Local Government, Housing and Planning Committee meeting on 17 January 2023](#), the Scottish Government's Head of Local Government Finance said: "Parliament dictates that budget comparisons in the budget document must be from budget to budget. That is a matter of parliamentary demand in order to assist scrutiny. If we were to add things such as the autumn budget revision, those comparisons would be impossible for Parliament and, indeed, us to deal with."

The Scottish Government's calculations also factor in forms of funding which do not deliver social homes, but other forms of so-called 'affordable housing'. We have been clear that **this emergency requires exclusive delivery of social homes**, thus that is the area of the budget that is absolutely crucial. The Scottish Government has sought to reassure by noting that they are mitigating the cut with funding from Financial Transactions (which do not deliver **social homes**), funding from the zero-emissions heating budget (which won't deliver more homes, but will improve the quality of those already being built), and funding from the Charitable Bonds scheme which we understand is part of the Financial Transactions budget. The Charitable Bonds scheme, while a welcome addition, is no substitute for a 16.2% cut to the capital budget for social homes. The Scottish Government must reverse this cut.

## Homelessness and Temporary Accommodation

The funding of homelessness services and temporary accommodation in Scotland is extremely hard to follow, making it difficult to know what funding is available and what impact it is having.

This is why we have been calling for **an audit of homelessness funding**, both national and local, to better understand true levels of funding and identify shortfalls. We have also been calling for **additional funding to be put in place in the form of a Homelessness Emergency Fund, to plug gaps in funding locally and direct resources to where they are most needed**.

We are therefore disappointed to see the lack of focus on solving these issues, particularly following recent statistics<sup>13</sup> showing a rise in homelessness and a record number of children trapped in temporary accommodation for an increasing amount of time. **The Scottish Government's stated commitment to tackling child poverty is undermined if we are willing as a country to leave thousands of children trapped in temporary accommodation.**

The newly rebranded 'Homelessness Prevention Fund', a combination of previous Temporary Accommodation funding and Hostels Grant funding<sup>14</sup>, represents a spending freeze when compared with 2022/23. When pressure on the system is growing and costs for local authorities are rising, keeping funding at the same level as last year is an inadequate response to Scotland's housing emergency.

**The Scottish Government must ensure that homelessness services are fully funded** so that rights can be upheld and enforced, and people are able to access temporary accommodation that meets their needs before being quickly resettled into a suitable permanent home.

**Freezing funding for homelessness services and cutting funding for the delivery of new social homes is not in line with the Scottish Government's international obligations to progressive realisation of rights.**

## The real lives behind the statistics – testimony from our clients

- 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 1 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."*

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<sup>13</sup> [Homelessness in Scotland, 2021/22](#).

<sup>14</sup> [Draft Budget 2023/24](#), p.51-52.

- V has been **in temporary accommodation for almost 3 years with 3 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 stated that she feels like *"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"*.
- When 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.

### Further reading:

- [Cost of Living Act – Shelter Scotland written evidence to LGHP Committee](#)
- [Scottish Budget 2023/24 – Shelter Scotland briefing](#)

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