John Swinney MSP
Deputy First Minister & Cabinet Secretary for Covid Recovery
Scottish Government
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Date: 19th October 2022

Dear Deputy First Minister,

## **Budget 2022/23 – Reducing Scotland's Housing Need**

We are writing to you in your capacity as acting Cabinet Secretary for Finance and the Economy. As representatives of Scotland's leading housing organisations we are calling on the Scottish Government to urgently prioritise and fully fund the delivery of the social homes required to reduce housing need in the upcoming budget, or we risk choking off the supply of the social homes required to reduce housing need.

Independent academic research commissioned by our organisations has stated that in order to reduce housing need at least 37,100 social homes must be delivered between 2021 – 20261. The Scottish Government committed in 'Housing to 2040' to deliver 50,000 affordable homes of which 70% (35,000) must be social homes by 2026. This was replaced by a commitment to 110,000 affordable homes by the cooperation agreement between SNP and Scottish Green Party. This increased commitment for delivering the 38,500 social homes by 2026 would meet the requirement to reduce housing need.

We recognise the challenges that lie ahead and that there will be difficult choices that have to be made within a limited budget. However, it is vital that the Scottish Budget ensures the rapidly growing number of households and children in temporary accommodation are able to find a suitable and affordable social home.

Reducing affordable housing need is closely tied to achieving other social justice outcomes, and failure to deliver the Scottish Government's social housing targets will not only put additional pressure on a housing and homelessness system already on the brink of failure, but it will also hinder efforts to address the wider social economic challenges many families face. Action must be taken now in order to ensure these targets are met by the end of this parliament.

<sup>1</sup> Independent academic research shows that a minimum of 37,100 affordable homes need to be delivered by the end of the current parliament to begin reducing affordable housing need in Scotland: <u>Affordable Housing Need in Scotland Post-2021</u>

Failure to deliver the 38,500 social homes by the end of this parliament will mean affordable housing need will increase. These are the real-life consequences if challenges are not overcome and targets are not met.

There are actions within the current gift of the Scottish Government and during these unprecedented times we are calling on the government to ensure the delivery of these social homes and prioritise public subsidy for social housing. The funding must be targeted effectively on the areas of most acute need.

We urge you to use the Scottish Budget as the opportunity to commit to reducing housing need by making social homes the cornerstone of Scotland's fight for social justice – rebuilding Scotland's economy, invigorating our communities, creating more jobs, helping meet climate and child poverty targets and building a brighter future.

Yours sincerely

Alison Watson, Director, Shelter Scotland

Callum Chomczuk, National Director (Scotland), Chartered Institute of Housing Scotland Sally Thomas, Chief Executive, Scottish Federation of Housing Associations