

Edinburgh City Council submission on the housing emergency

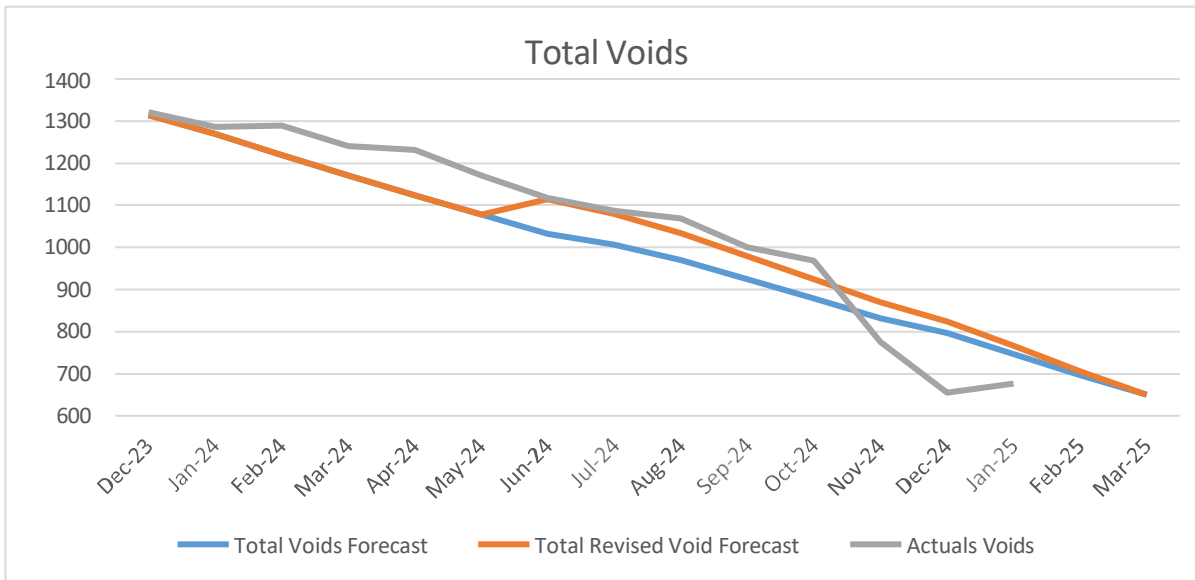
Thank you for your letter dated 20 January 2025 requesting information from us to support your inquiry into housing. You have asked for a response to three key areas and I will address these in turn below.

- **An update on the action taken in your area to tackle the emergency and what progress has been made**
- **Details of how you measure progress towards tackling the emergency, including indicators and how these are monitored**

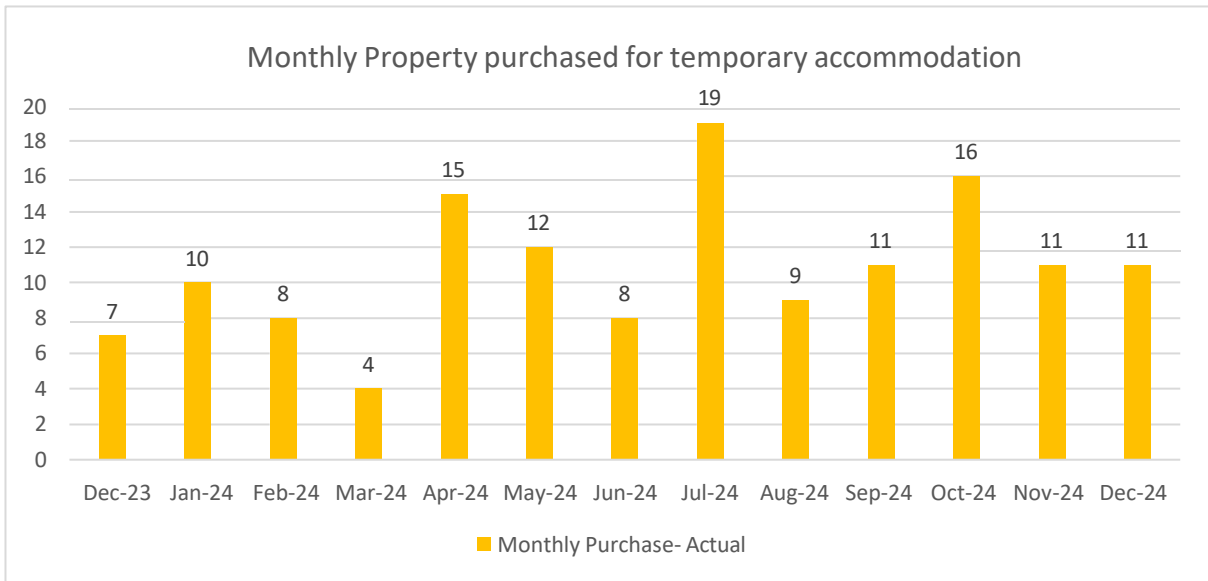
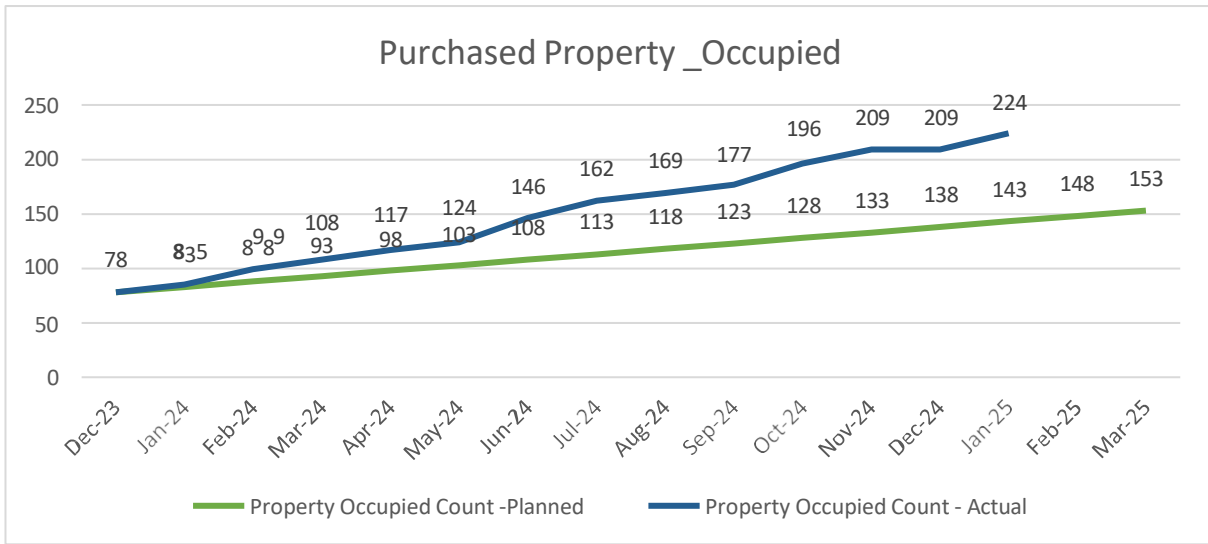
Since agreeing our Housing Emergency Action Plan (HEAP) in February 2023 we have been working with partners to tackle key issues relating to homelessness and housing availability. The [attached Committee report](#), to be considered at our Housing, Homelessness and Fair Work Committee on 25 February 2025, explains the progress made on delivering against the 6 key themes identified in the HEAP, and proposes a consultation period over March and April to identify a refreshed HEAP.

- **An update on what progress is being made in reducing the number of property voids or empty homes, or to increase the acquisition of properties**

The graph below shows our success in bringing void Council properties back in to use. Our baseline at 4 June 2023 was 1,464 voids, and the reduction to the end of January 2025 means a reduction of 55% to date. On an annualised basis this brings c£5m HRA rental income for reinvestment in the estate.



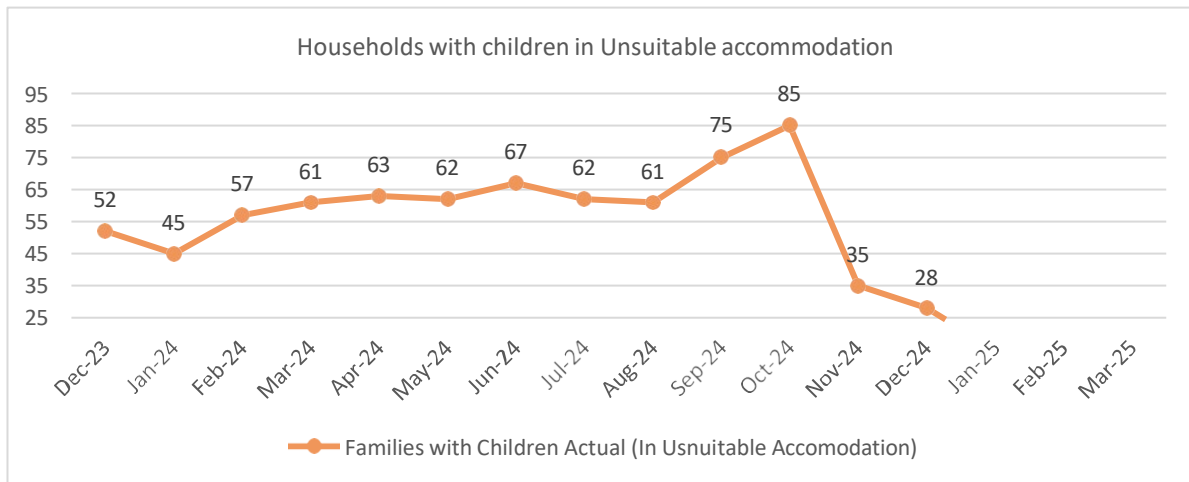
In the last 12 month, the Council has funded the purchase of over 700 new houses for permanent and temporary accommdoation. While these are at various stages of construction, the graphs below illustrate our progress in buying and allocating them to tenants.



- **Whether you are experiencing a reduction in the numbers of people and children living in temporary accommodation, or who are homeless, as a result of those actions**

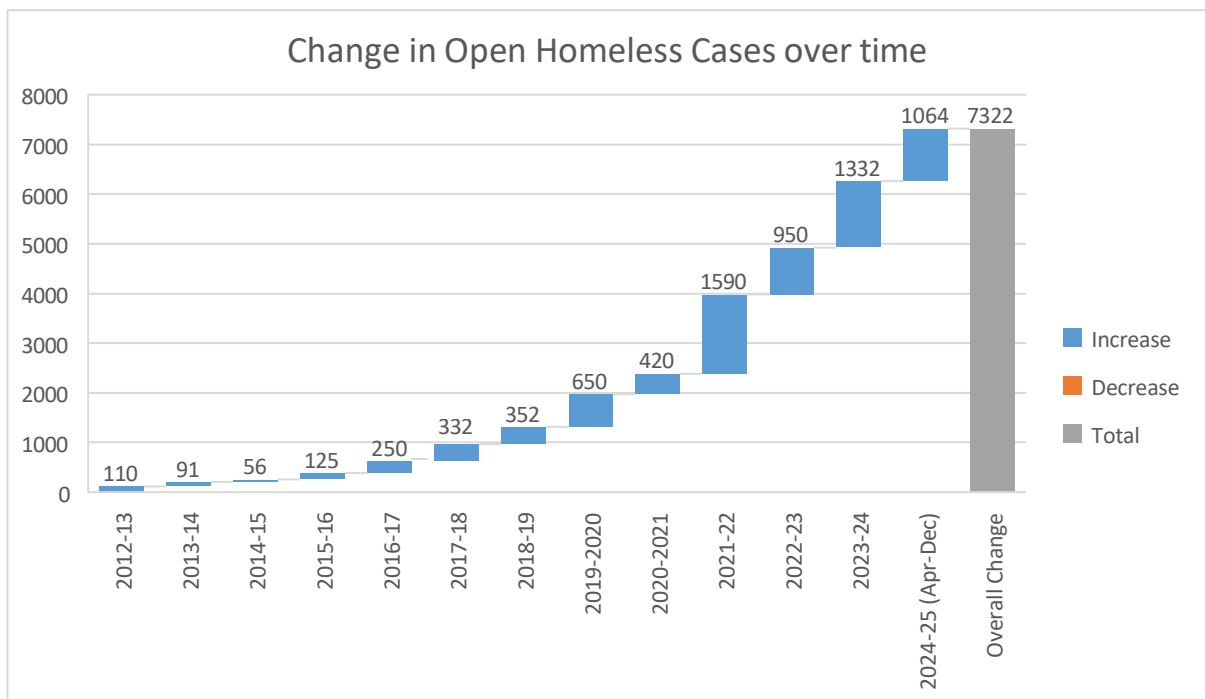
Our records show that we have c3,000 children and young people in temporary accommodation. This will fluctuate on a monthly basis.

The graph below shows the number of Households with children in Unsuitable accommodation, which has reduced over the Autumn, coinciding with our work to resolve the compliance risk we had when using unlicensed HMO accommodation. Households with children and young people remain a priority for us when allocating suitable, permanent accommodation.



- **Additional and contextual information**

The rate of homelessness in Edinburgh is increasing, as the graph below illustrates:



This is despite our increasing success in preventing homelessness, with over 2000 cases prevented this year.

Our officers meet on a weekly basis with your Housing Emergency response team, and held a 'deep dive' session on our data with them and the First Minister's delivery unit. The slides from that session have been attached here for your information and we would be happy to discuss these further with you if that would be helpful for your inquiry.

Yours sincerely

Paul Lawrence
Chief Executive

Housing and Homelessness

Deep dive

January 2025

AGENDA

1. Welcome and Introductions
2. Local and national context
3. Historic trends
4. Current and Emerging Issues

Lunch 12:30 – 1:00

5. Current Mitigations
6. Data and ongoing monitoring
7. Future Work Required

Local & national context - Housing

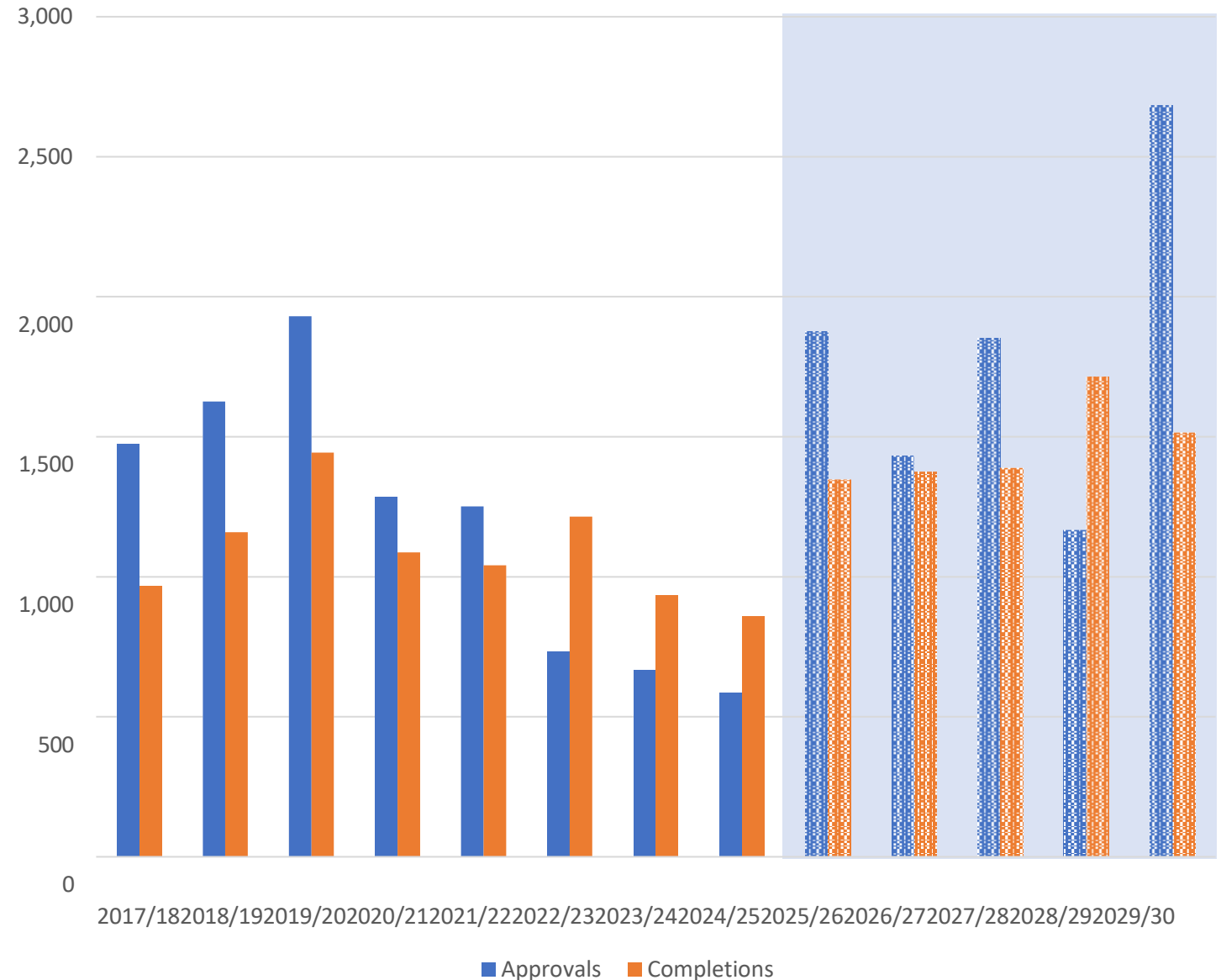
- On 2nd November 2023, the City of Edinburgh Council declared a Housing Emergency
- There are around 7,000 households in Edinburgh without a permanent home, with around 5,000 households residing in temporary accommodation
- Edinburgh's population is expected to grow by 7% between 2018-2028, compared to 2% for Scotland as whole.
- HNDA3 stated that there is demand for between 36,000 and 52,000 new homes in Edinburgh between 2021 to 2040; between 24,000 to 35,000 of these homes need to be affordable.
- Edinburgh's tenure mix differs from the rest of the country. Only 16% of households in the city are in social rent housing (c.37,484 households). This is notably lower than the Scottish average of 22% and lower than most major cities.
- 17% of Edinburgh's residents (and 20% of all children) are living in poverty across the city. Almost one in three families in Edinburgh in poverty are pulled below the poverty line solely due to their housing costs.
- Edinburgh's unemployment rate is 2.6% - The proportion of people in Edinburgh who are economically inactive but want a job is lower than the average of major UK cities. 33.2% of Edinburgh's population were in key worker roles in 2019.

New affordable homes

- Over the last 10 years 11,134 new affordable homes have been completed .
- The chart shows a trend of reducing numbers of affordable homes approved and completed over the last five years, as costs have increased.
- Over the last eight years 58% of all grant funded completions and 68% of all approvals have been for social rent homes
- The SHIP provides an estimate, rather than a target, of potential approvals and completions as delivery of affordable homes is dependent on a number of factors out with the Council's control, including the amount of affordable housing grant funding made available to

Edinburgh by the Scottish Government.

AHSP Approvals & completions 2017/18 -2029/30

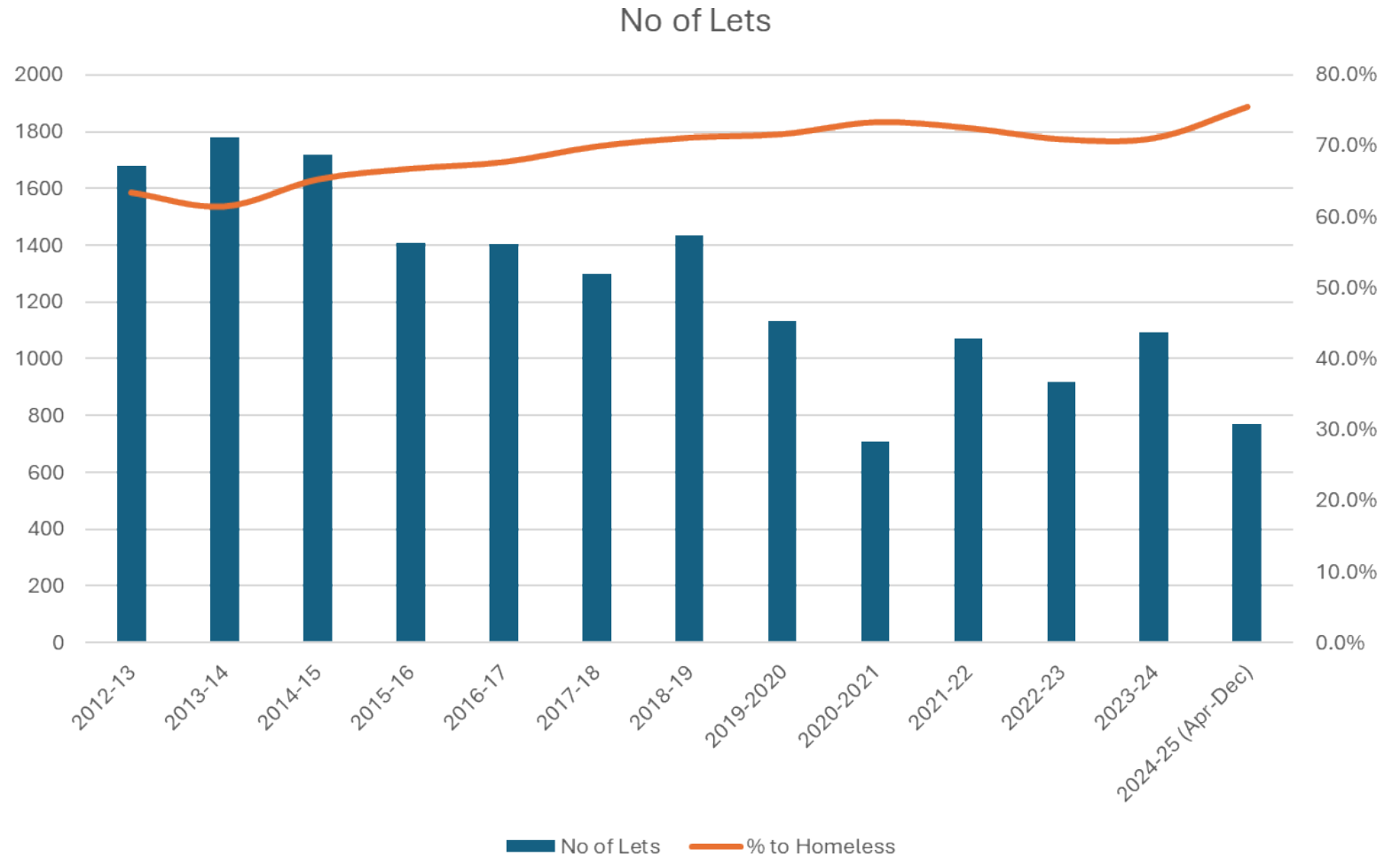


(including homes for social rent, mid-market rent, intermediate rent and low-cost home

ownership). Around half were supported with Scottish Government grant funding.

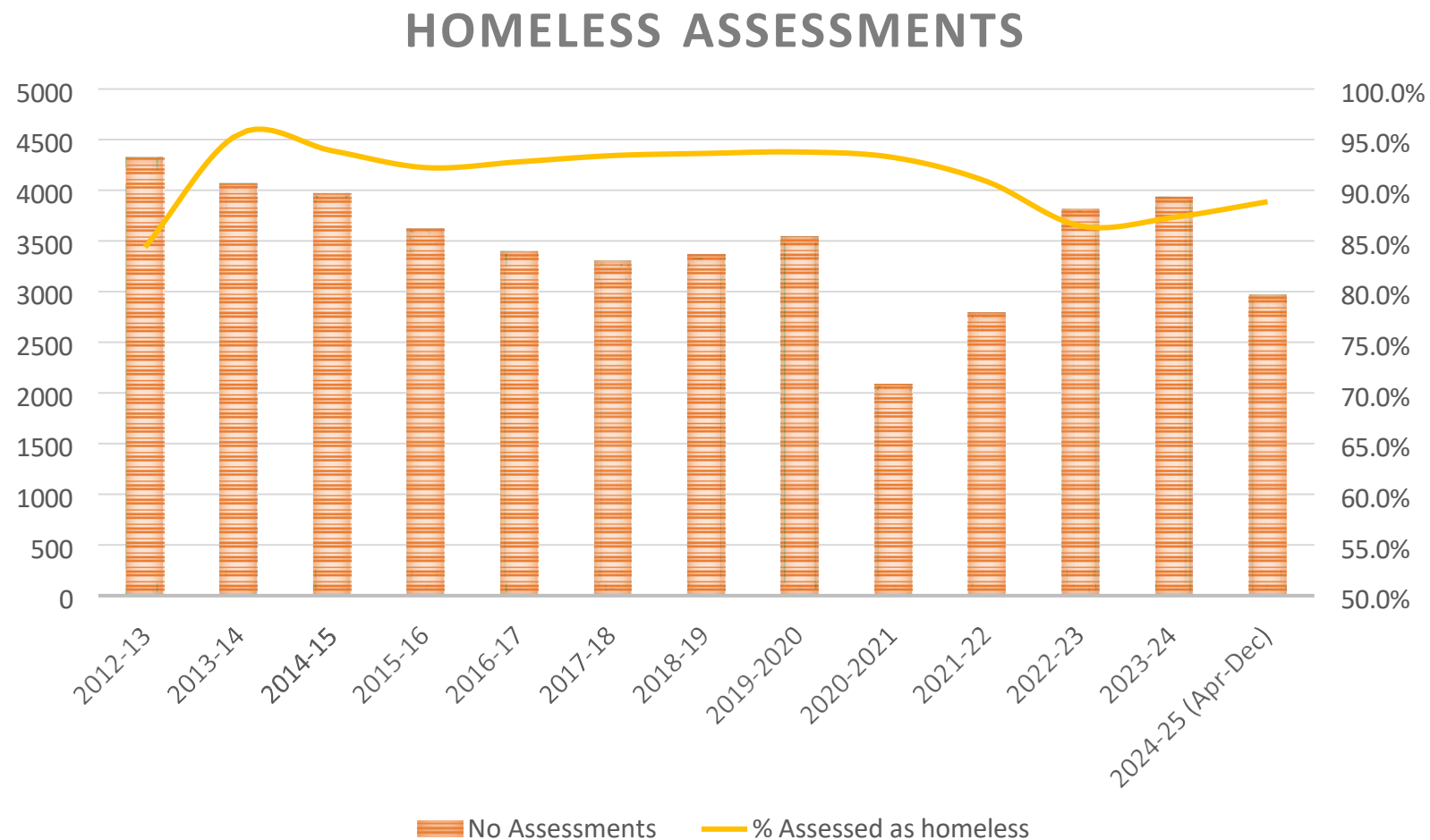
CEC Lets

- In 2012-13, there were 1,680 CEC lets. In 2022-23, there were 918. A reduction of 45%.
- In 2012-13, 63.5% of all CEC lets went to homeless households; in 2023-24, 70.9% of all CEC lets went to homeless households.
- As at end of December 2025, there have been 818 CEC lets, with 77.0% going to homeless households.



Homeless Assessments

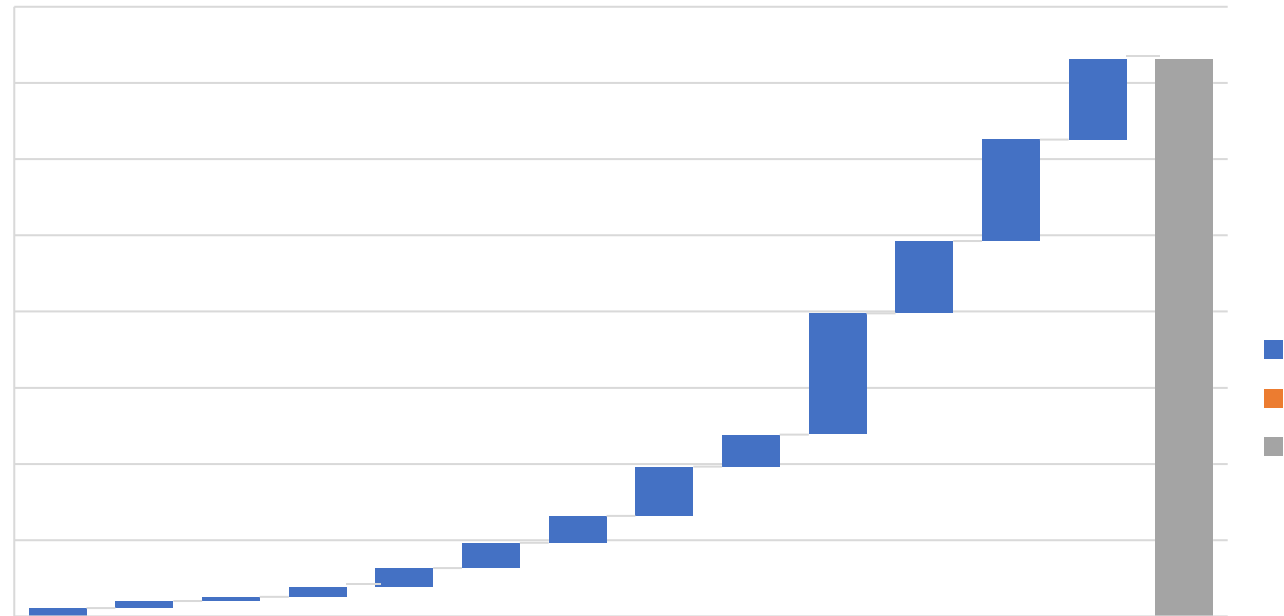
- In 2023-24, there were 3,934 homeless assessments completed with 87.3% of households assessed as being statutorily homeless.
- To date in 2024-25, there have been 2,966 homeless assessments completed with 88.9% assessed as homeless.
- It is likely there will be greater than 3,900 homeless assessments in 2024-25.
- Whilst there had been a reduction in homeless assessments between 2012-13 and 2016-17, excluding the covid years, there has been increased assessments over the last 3 years. This is replicated Scotland wide.



Open Homeless Cases

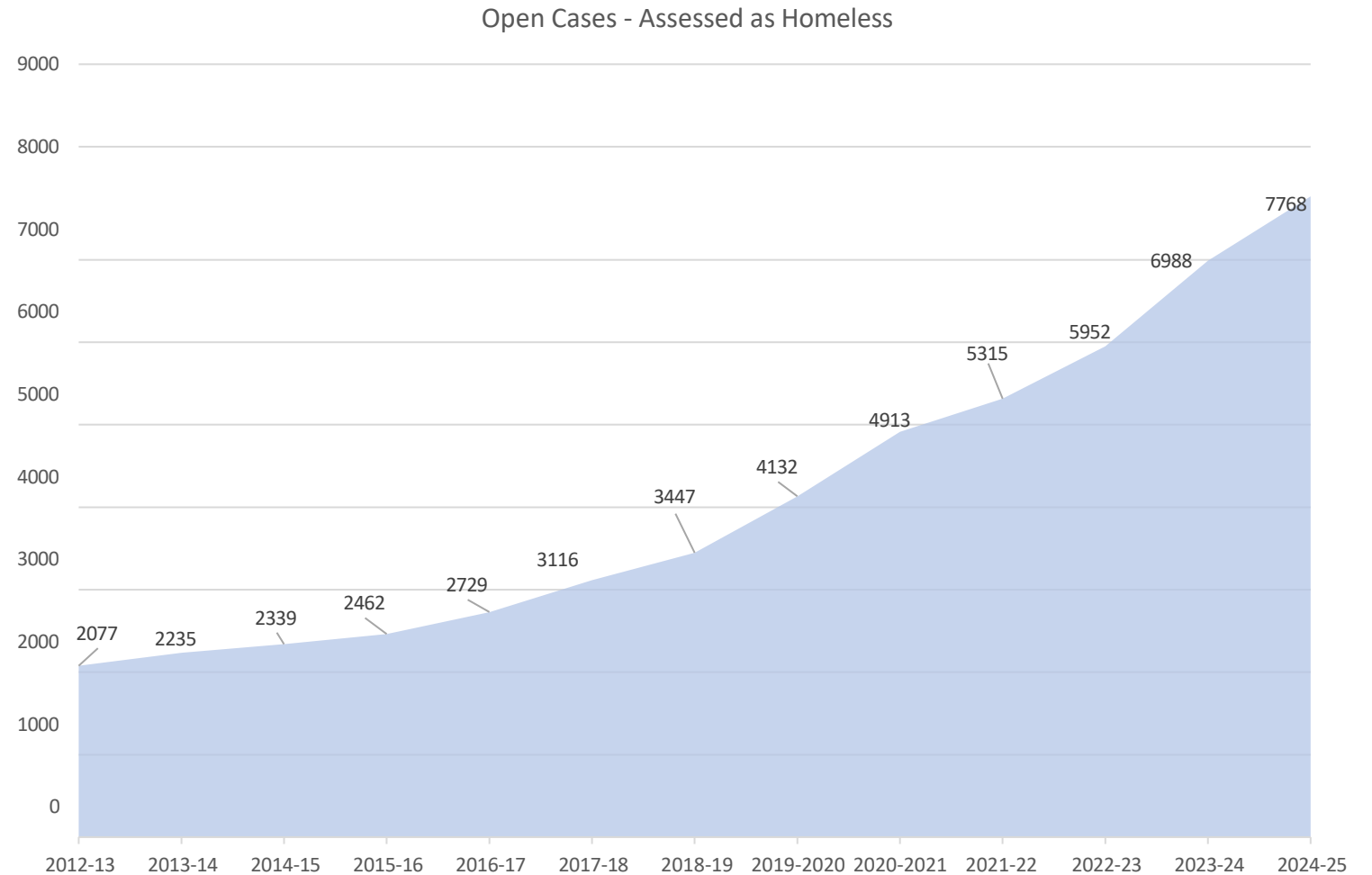
- For each of the last 13 years, there have been more homeless presentations each year than homeless cases closed.
- This has led to a net increase of around 7,300 cases over the 13 years period.
- To date in 2024-25, there has been a net increase of 1,064 cases

Change in Open Homeless Cases over time



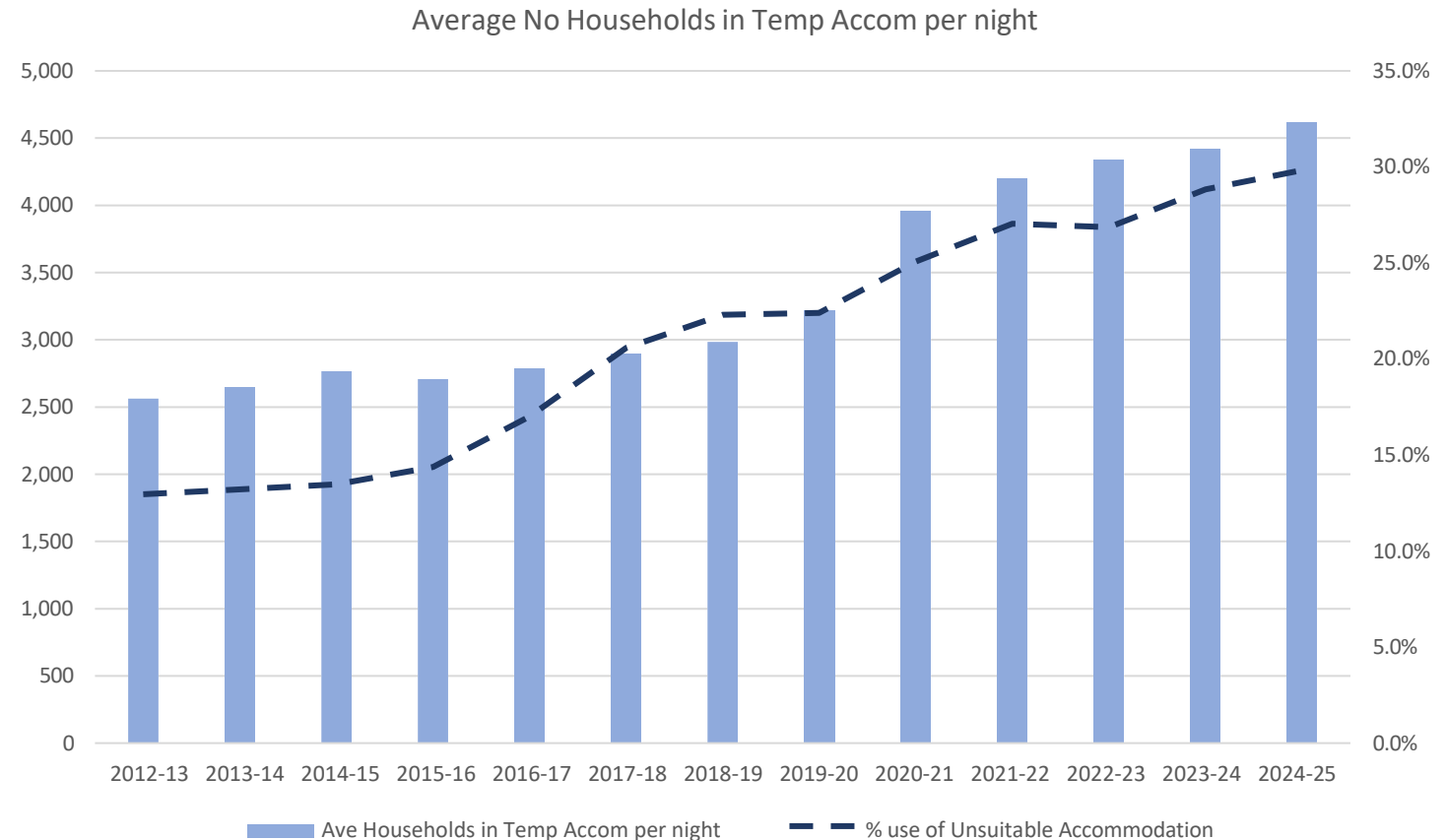
Open Homeless Cases

- As on 31 December 2024, there were 7,811 open cases of which 7,768 have been assessed as statutorily homeless (99.4%)
- The largest increase occurred in 2021-22, when there was a net increase of 1,590 cases. This was a 33% increase on the open cases at the end of 2019-20.



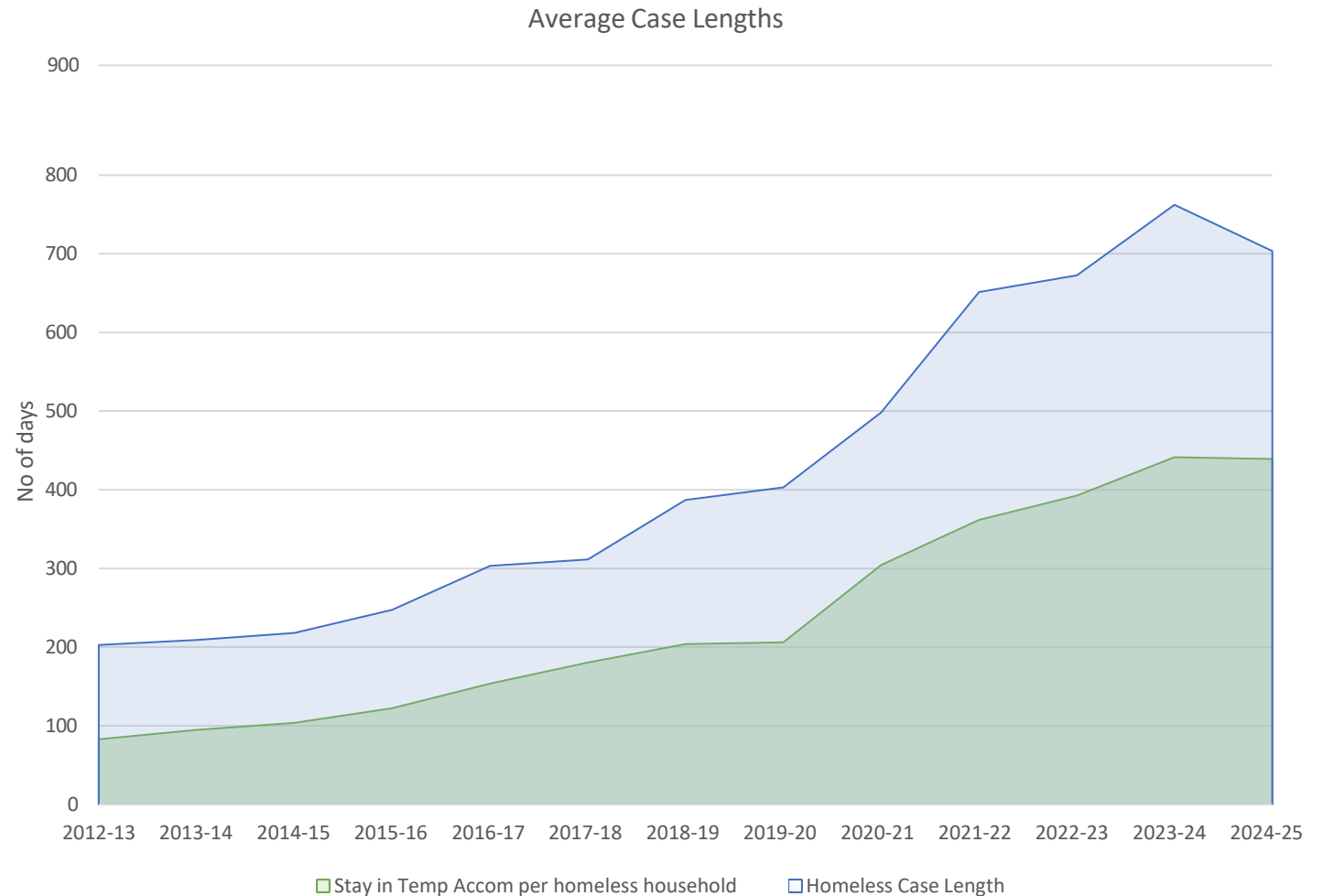
Households in Temporary Accommodation

- In 2012-13, there were on average 2,560 households accommodated in Temporary Accommodation per night, with 13.0% in unsuitable accommodation (as per current definitions).
- In 2024-25, there have been on average 4,617 households accommodated in Temporary Accommodation per night, with 29.8% in unsuitable accommodation.
- This is an 80% increase in the number of households being accommodated in comparison to 2012-13.



Case Lengths

- In 2012-13, the average case length for a household assessed as statutorily homeless was 203 days. In 2023-24 this rose to 762 days.
- To date in 2024-25, the average homeless case length has been 704 days. A drop of 58 days in comparison to the previous year.
- Over the same period, the time the average household assessed as statutorily homeless and who has required temporary accommodation has increased from 83 days to 440 days.
- An increase of 357 days / 430%.

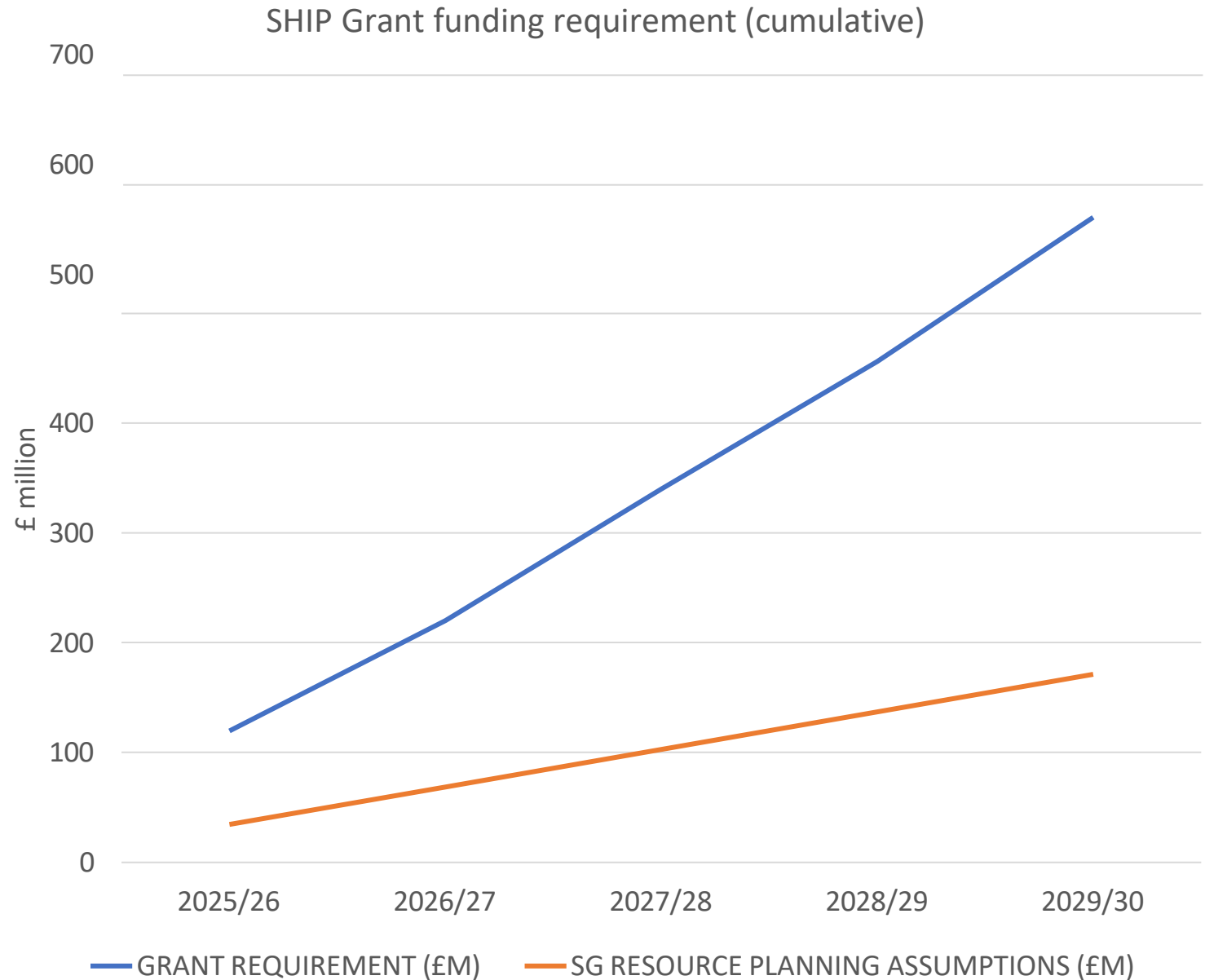


New Homes - Current & Emerging Issues

- There is a high demand for social rented housing in Edinburgh. Approximately 25,741 households are currently registered with EdIndex (Sep 2024). There are on average 290 households bidding for every social rented home that becomes available for let.
- The National Affordable Housing Supply Programme budget was reduced by 26% in 2024/25 and Edinburgh's budget was cut by 24% from £45.053m in 23/24 to £34.207 in 24/25.
- The draft budget statement in December 2024 set out a national AHSP budget for 2025-26 of £767.745m. This represents an increase of £171.883m, 29%, when compared to the 2024-25 budget of £595.862m. The 2025/26 budget is subject to approval and Edinburgh's AHSP allocation for 2025/26 is still to be confirmed.
- The uncertainty and fluctuations in funding and the ability of this to sustain a pipeline of affordable homes has a direct impact on delivery partners. Since the submission of the last SHIP two key RSL partners have taken the decision to pause their development programmes, contributing to the lesser number of projected approvals in the SHIP 2025-30.

Grant funding requirement

- Edinburgh's daily forward commitment is around £61m due to the number of approvals made to date and those planned for this financial year.
- Approved projects require grant to be provided in stages over several financial years. The SHIP 2025-30 would require a 250% increase in funding to deliver the pipeline of new homes identified.

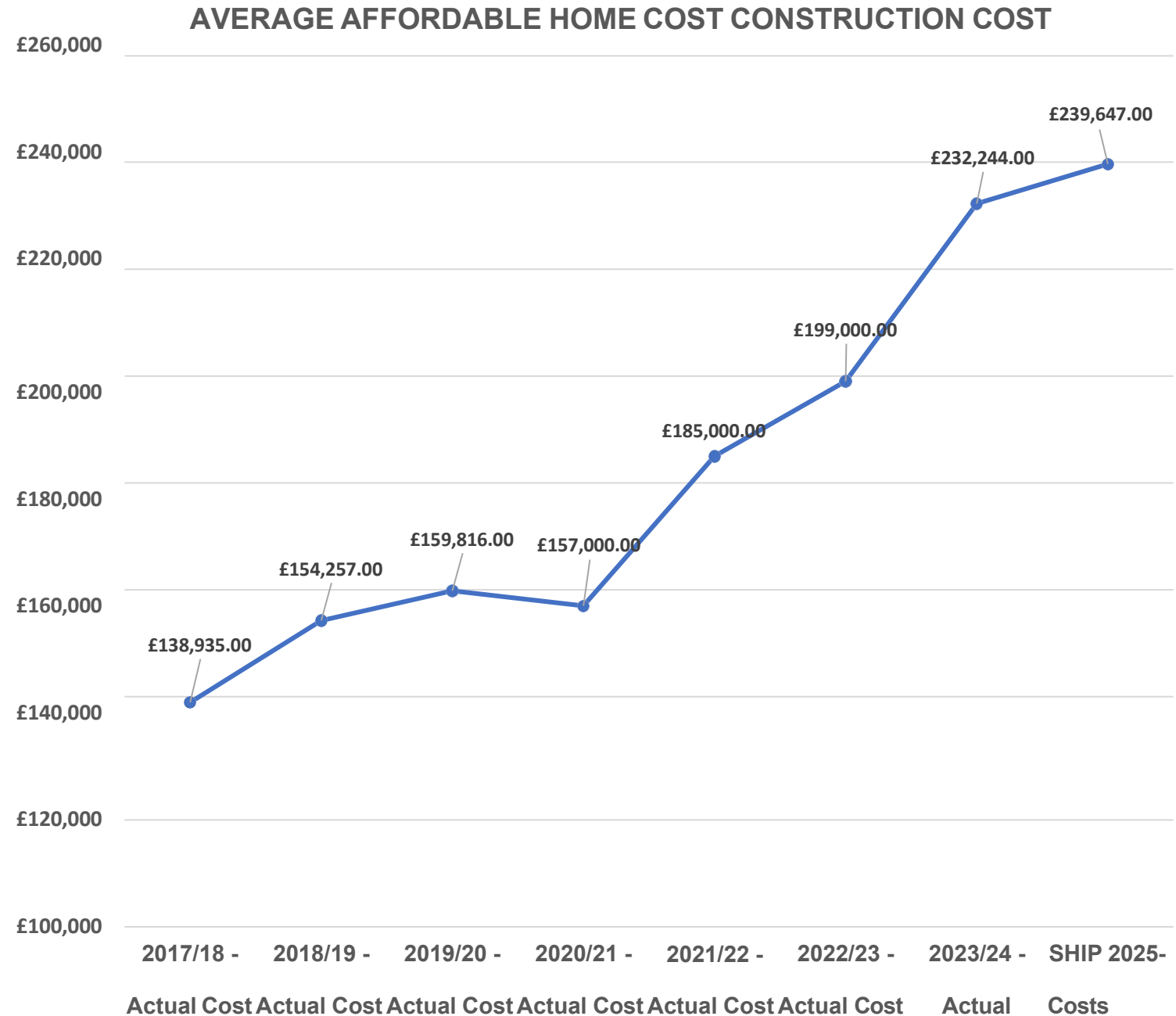


**There are presently no Resource Planning Assumptions known beyond 2024/25, for*

illustrative purposes the current levels of funding have been applied to future years.

Construction cost increases

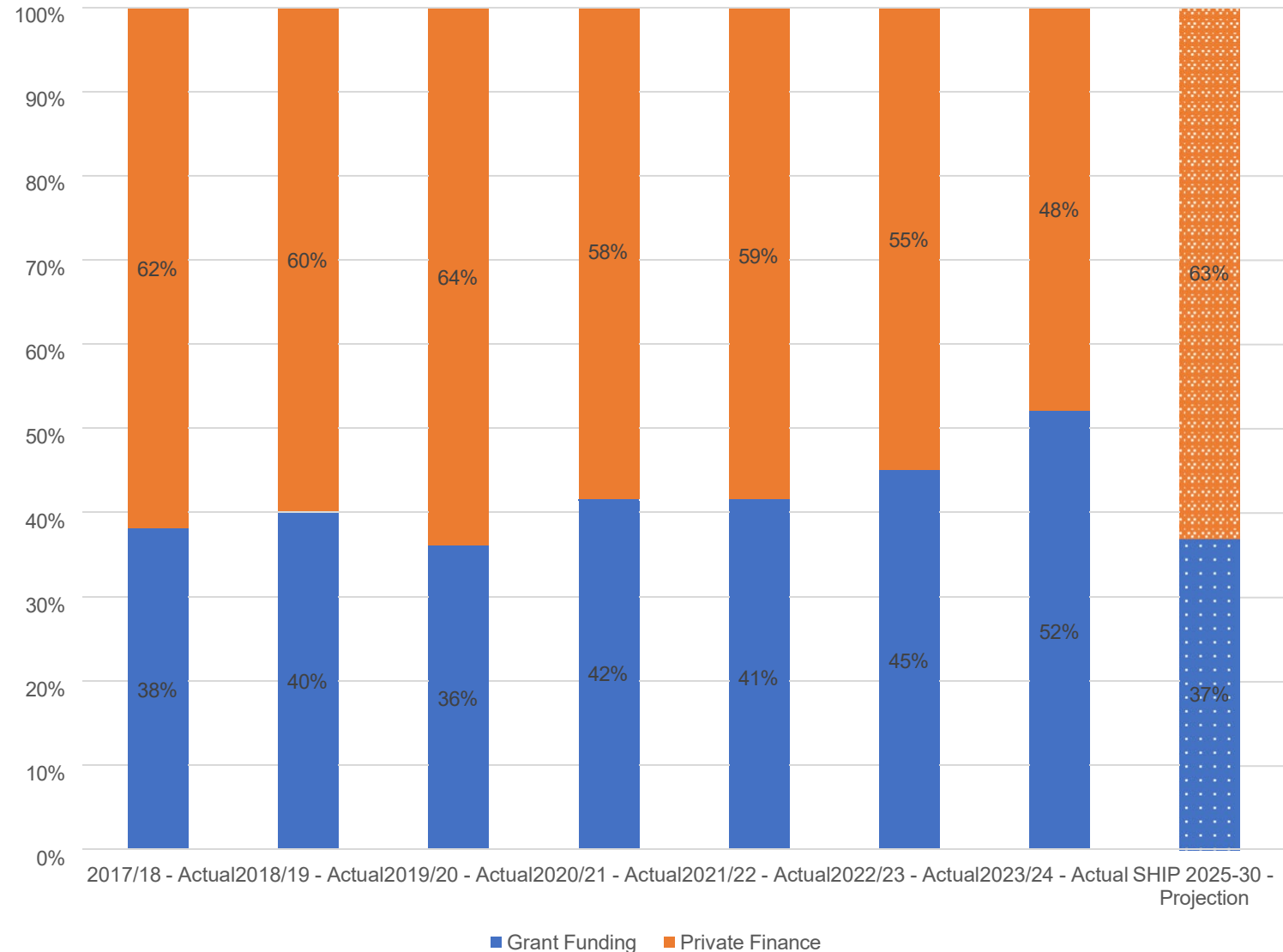
- In 2023/24 it was estimated that the average construction cost of an affordable home in Edinburgh is almost £240,000. This is an average estimated cost based on AHSP data; construction costs vary depending on numerous factors such as specification, location, number and size of homes, etc.
- From 2020 to 2024, the average construction cost of an affordable home recorded in AHSP data for Edinburgh showed an increase of over 40%.



Financing of homes

- The ability to secure private finance for development partners can be impacted by market uncertainty, economic fluctuations & uncertainty around grant funding.
- Control of sites, sites being brought forward by landowners & developed in a timeous manner & construction sector capacity can also impact delivery.
- The proposed adoption of City Plan 2030 & a minimum 35% affordable housing requirement presents further challenges for delivering new affordable homes on site.

Total Unit Cost Funding Breakdown

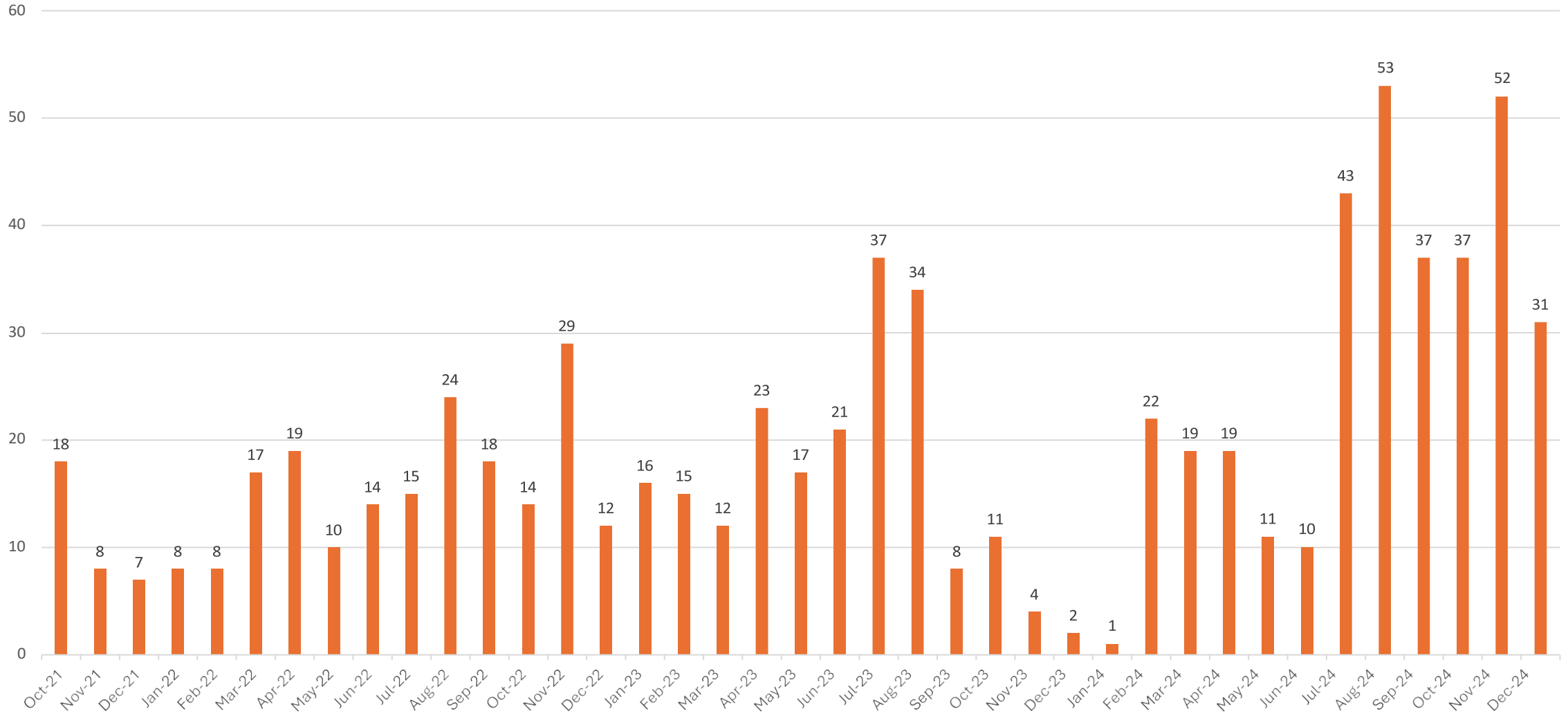


The ratio of grant to private finance is higher in 2023/24 as the last financial year saw a number of 'off the shelf' purchases that have not been included in this calculation. In addition to this, around 90% of new build approvals last year were for social rent, which requires higher grant levels.

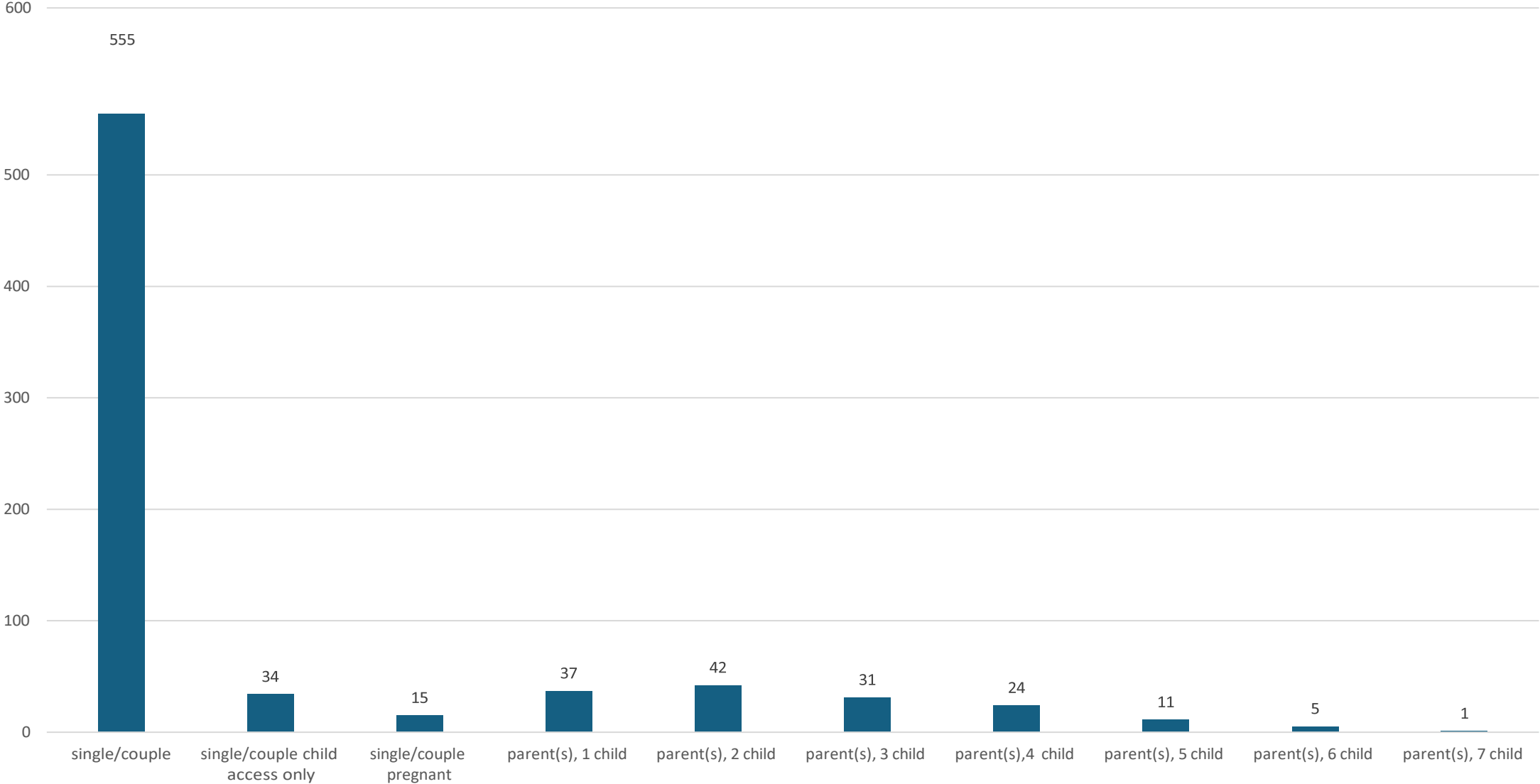
Homeless ness- Current & Emerging Issues

- Ongoing lack of affordable housing options and solutions for homeless applicants, leading to lengthy stays in temporary accommodation whilst waiting on social housing.
- Significant numbers of legal challenges, predominately relating to the Unsuitable Accommodation Order, leading to increased legal costs, staff time to deal with them and inability to manage limited stock appropriately.
- Large number of households presenting from England, who have recently established leave to remain. Recent increase in other households who are leaving secure accommodation to present in Edinburgh for a variety of reasons, but who still need accommodated.
- Majority of households presenting from elsewhere in the UK are coming directly from Home Office accommodation, however we have a number of single males that had been granted leave to remain some time ago and due misaligned policies have come to Edinburgh.
- Where English not first language of person presenting, significant additional costs for interpretation services, use of translation services for written correspondence and the requirement that decision letters etc are individually translated.
- There have been changes to entitlement for EU citizens and households with NRPF, and case law being established which has resulted in challenges in decision making and keeping up to date with changes.
- Increase in presentations from Ukrainian nationals, who have now become homeless. Currently around 100 households in temporary accommodation, pre changes to the Warm Scottish the numbers were around 20. The vast majority of these cases have presented from other Council areas. These have increased month on month, as could increase further dependant on the approach to the use of non-licensed HMO's.
- The removal of the requirement for a local connection from homelessness assessments, continues to add pressure to our services. Given that the number of failures to accommodate and breaches of the unsuitable accommodation order by the Council, additional presentations from this route are exacerbating this issue.

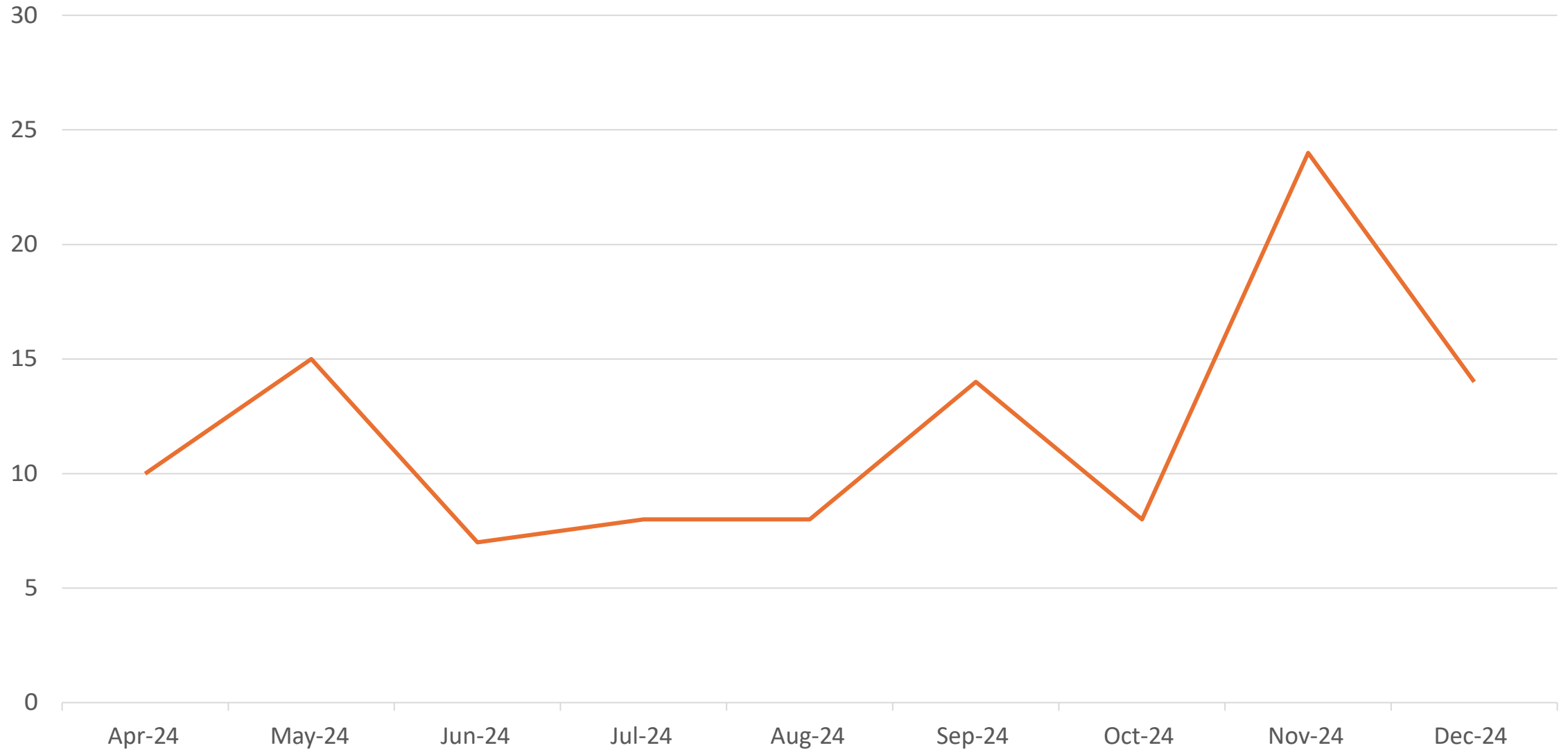
Legal challenges for UAO (Oct 21 - present)



UAO - Household Composition



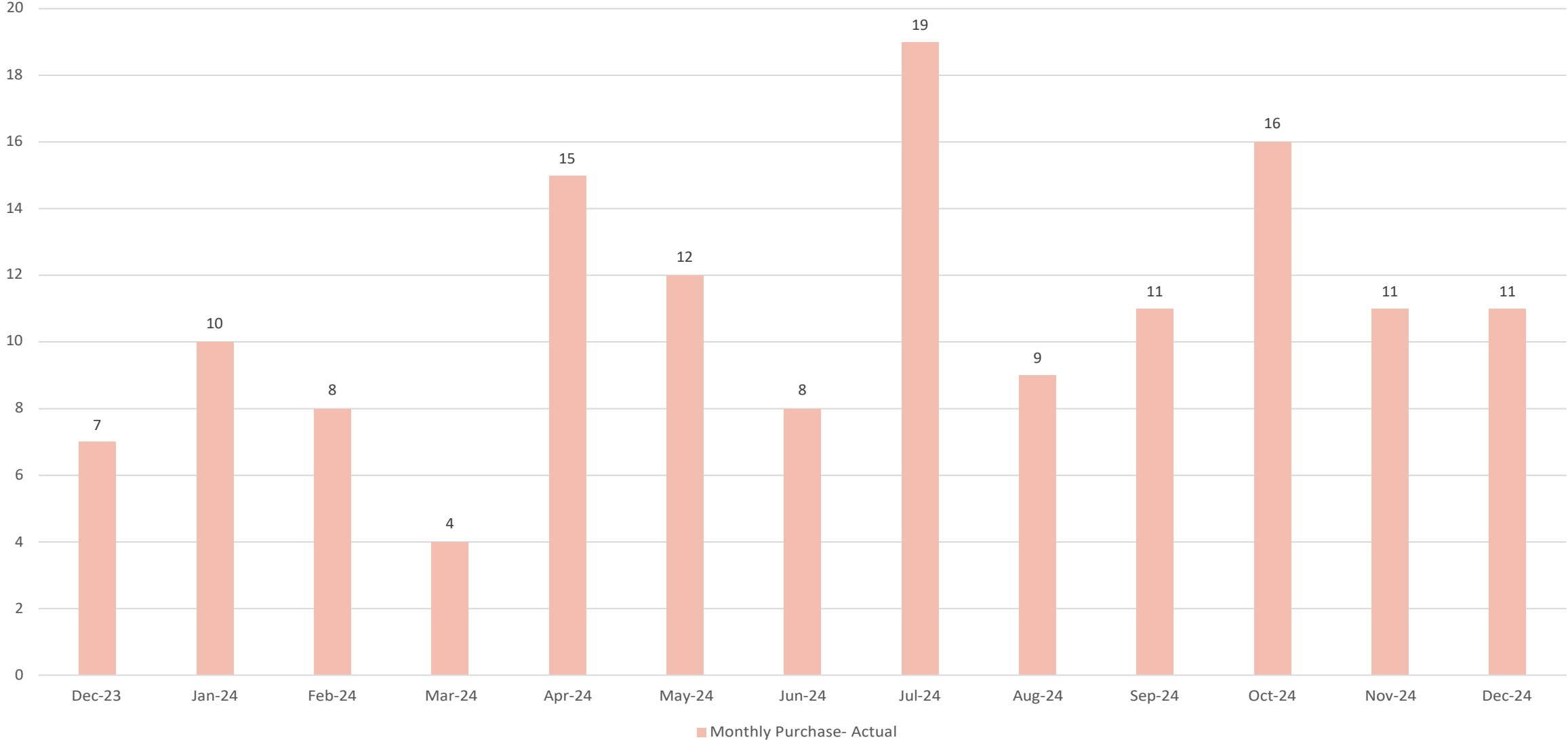
Impact of local connection rule changes



New Homes - Current & Emerging Mitigations

- In September 2024 the Scottish Government confirmed an additional £14.8m of grant funding to Edinburgh as part of an £80m National Acquisition Programme announced in 2023/24.
- Flexible use of acquisition grant funding, enabling the purchase temp homes.
- The expansion of Council's Acquisitions and Disposals (A&D) strategy seeks to purchase existing homes on the open market to consolidate block ownership. 566 additional properties have been approved for Off the shelf purchase, 130 homes have already been completed, with all remaining homes being handed over by the end of 2025/26
- The Council's Affordable Housing Policy (AHP) applies to any new residential planning application for 12 homes or more. The latest City Plan 2030 has increased the percentage of on-site affordable housing from 25% to 35%.
- The Council is carrying out financial modelling to explore ways to reduce the reliance on grants. In addition, alternative income streams are being modelled, including the Visitor Levy for Edinburgh and opportunities to increase income from land sales.
- Opportunities to support purpose-built Build-to-rent accommodation are also being explored as this offers a non-grant funded route to deliver homes at a scale and pace which exceeds that of homes for market sale. However, these have been stalled due to uncertainties in long term rent levels brought about by the Draft Housing Bill.

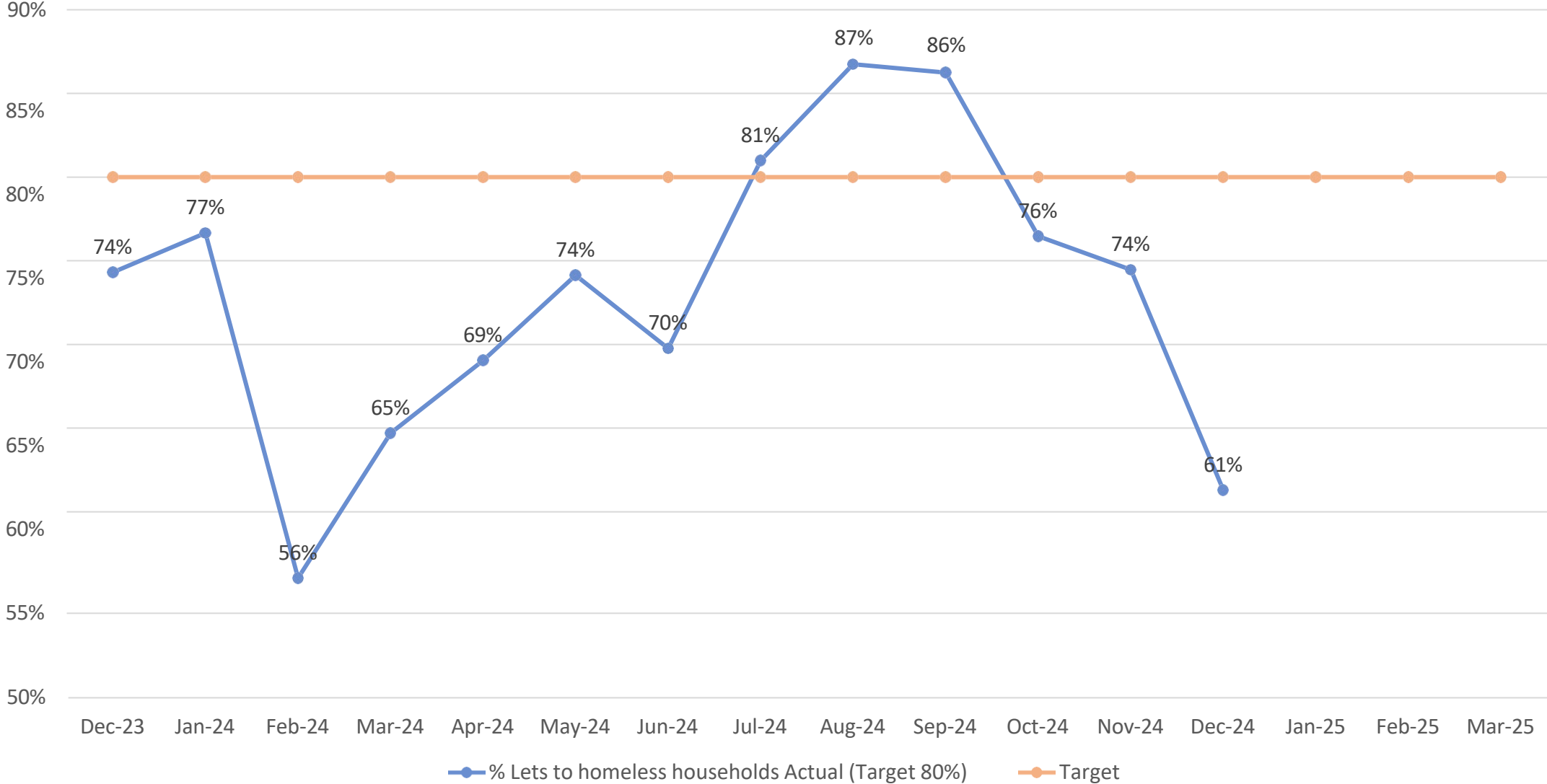
Monthly Property purchased for temporary accommodation



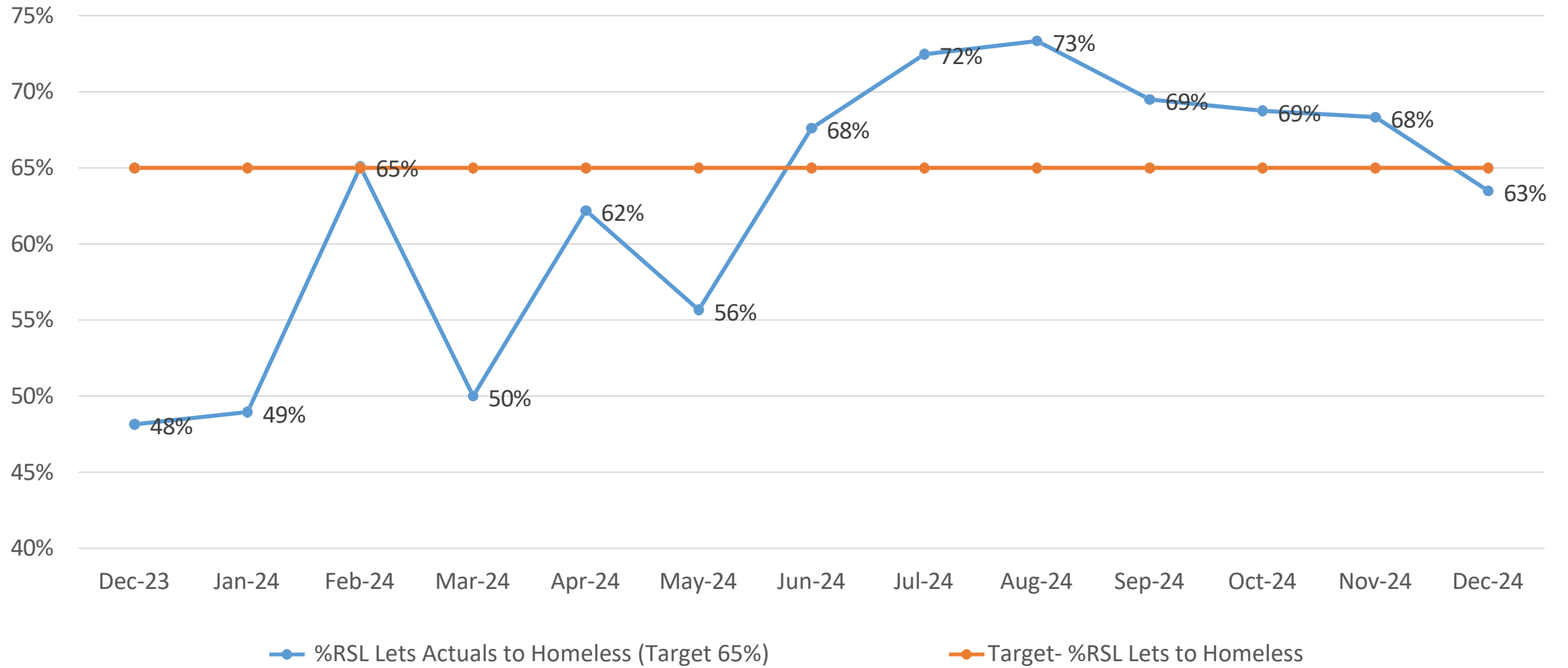
Homeless- ness- Current & Emerging Mitigations

- Agreement from Finance and Resources Committee to make changes to lease payments in the PSL scheme to enhance the scheme. Opportunity to expand further.
- Opportunity for third sector providers to purchase property via social investment funds including Simon Community, Cyrenians and Rowan Alba. This will result in at least 86 bedspaces this year.
- Increased the number of homeless accommodation with support bedspaces via recent commissioning exercise providing 65 bedspaces.
- Increased the % of lets to homeless households from CEC and RSL's.
- Introduced dedicated Family and Household Support team to provide support to households to reduce the time between a household accepting an offer of permanent housing and moving into their home.
- PRS team continue to support households at risk of homelessness into MMR properties.
- Continued development of new forms of temporary accommodation including supported lodgings and expanding home share temporary accommodation.
- Continued successful delivery of homelessness prevention activity. Recently introduced services have prevented homelessness for 656 households so far this year with a cost avoidance of £16.4m
- Focused work to bring void properties back into use.

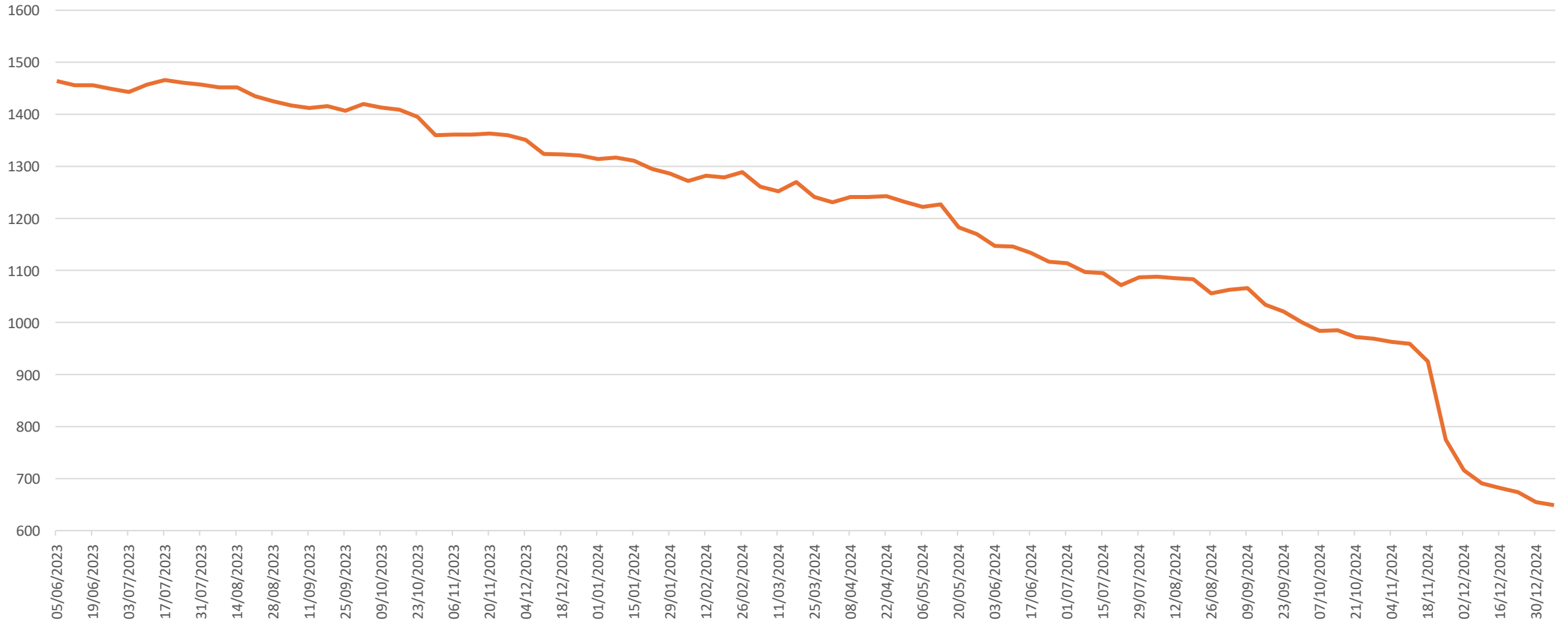
% CEC lets to homeless households



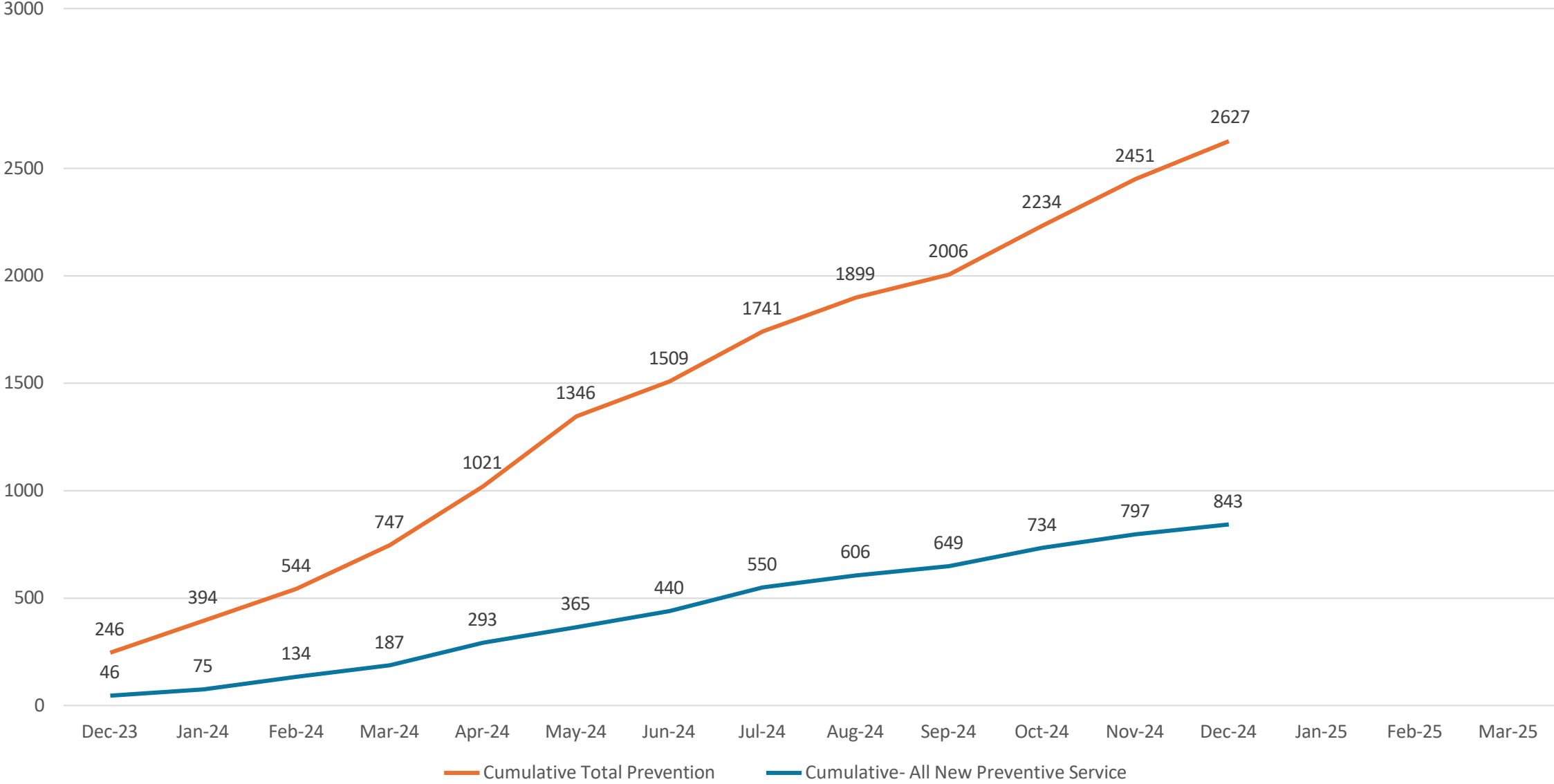
% RSL lets to Homeless



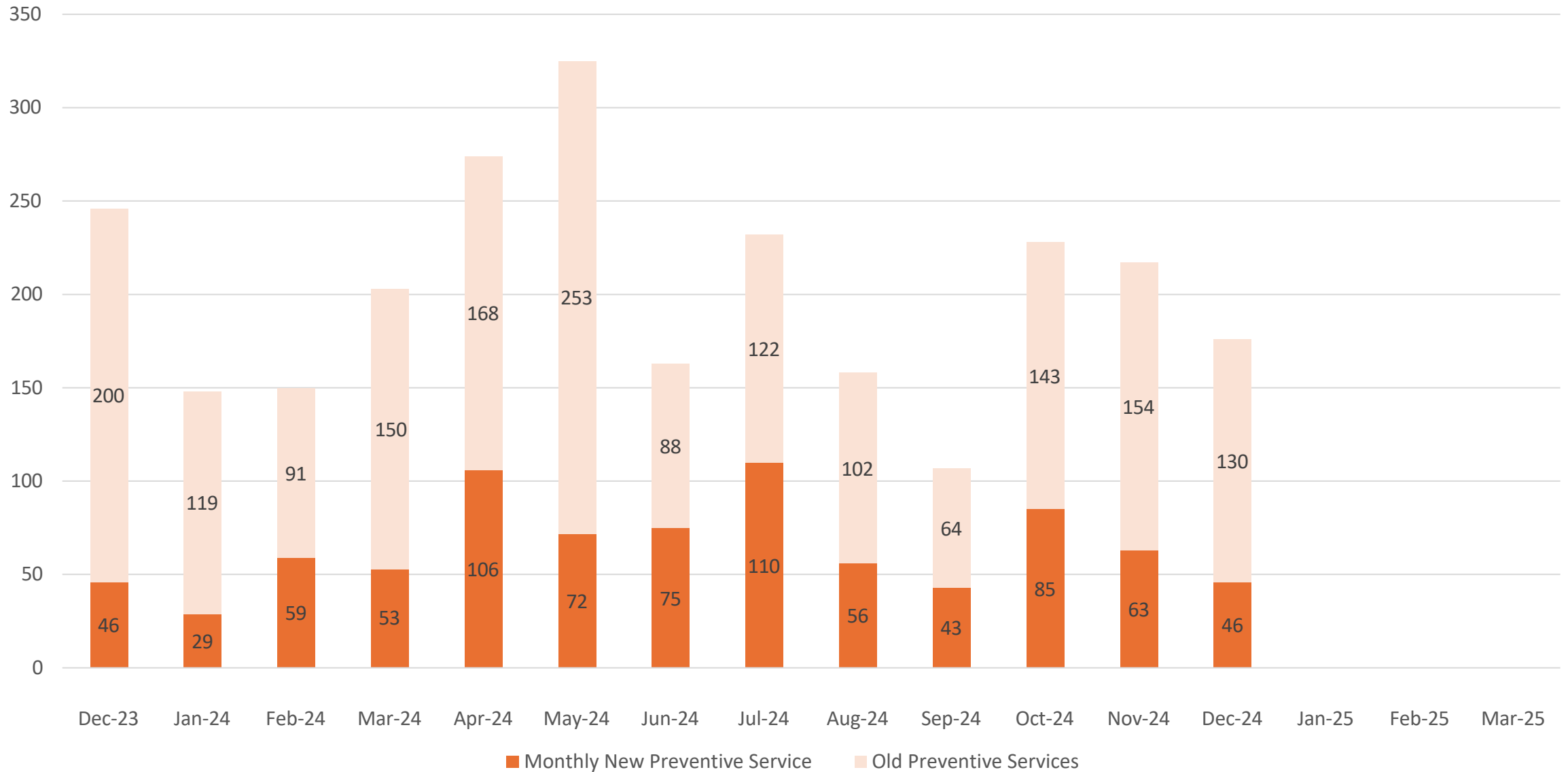
Voids since baseline set 03/06/23



Monthly Prevention - cumulative



Monthly Prevention



Data Driven

Data Loch

- NHS / PHS / CEC
- Health service-based approach to homelessness prevention / prediction
- Looking to identify potential homelessness at the earliest point i.e. 3 years before first presentation

Edinburgh Future Institute

- Public health approach to learning
 - Financial data – overdraft use; rent / tax arrears, benefit entitlement
 - Education attendance
 - Other Council and public services
 - Smart Data Foundry
- Looking at real time data to identify households that may be getting into difficulty

VIVD & Damp meters

- Utility usage in identified areas - harvesting smart meter data
- Damp meters – 500 CEC homes, plan to roll out a further 2000