

Scottish Parliament Social Justice and Social Security Committee

Pre-Budget Scrutiny 2024-25

Written submission by Shelter Scotland, 14 September 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 are pleased to have the opportunity to give evidence at the Social Justice and Social Security Committee as part of the pre-budget scrutiny process.

The choices made in housing budgets today have implications for decades to come. Just as we continue to live with the effects of policy decisions made in the 1980s and 1990s, policy and spending decisions made now will impact our communities far into the future. We are calling on the Scottish Government to provide the resources needed to:

- Deliver the social homes required to reduce housing need and tackle the record numbers of people trapped in temporary accommodation
- Enable local authorities to meet their existing statutory duties
- Ensure new duties, including forthcoming prevention duties and the human right to adequate housing, are enforceable and achievable.
- Implement a human rights-based approach to budgeting

We are in a housing emergency, and that requires an emergency response from government.

Scotland's Housing Emergency

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

- A record 9,595 children trapped in temporary accommodation – up 130% since 2014
- 45 children become homeless every day
- A household becomes homeless every 16 minutes
- A 10% year-on-year increase in households assessed as homeless
- Couples with children spend nearly a year trapped in temporary accommodation, on average¹
- Routine failure by local authorities to uphold housing rights
- A failure to deliver the social homes we urgently need and a significant slowdown in new social housing developments in the last year

¹ Scottish Government (2023), [Homelessness in Scotland 2022/23](#).

- Warnings of a broken and failing housing system from the Scottish Housing Regulator², SOLACE³, the Accounts Commission⁴, and the Scottish Government's own expert Task and Finish Group on Temporary Accommodation⁵

The Scottish Government must acknowledge that we are in an emergency and allocate the resources needed to tackle it through delivering more social homes, fully funding local homelessness services and ensuring councils have the funding they need to deliver on existing housing rights.

Scottish Budget 2024/25: Social housing supply

The Scottish Government is not on track to meet its 10-year target of 110,000 affordable homes. It has failed to allocate sufficient capital to reduce so called 'affordable housing need'⁶ and it is neglecting its commitment to ensure every child in Scotland has an adequate home.

We were deeply concerned last year when the Scottish Government announced a 16% year-on-year cut to the budget for social housing delivery. We have already seen the consequence of this, with a slowdown in new homes coming onto site in the first quarter of 2023/24, a 24% drop in approvals and 8% drop in starts between April and June⁷. The tens of thousands of people experiencing or at risk of homelessness cannot afford for the government to make further cuts this year.

The Scottish Government's previous Targeted Review of the Capital Spending Review⁸ commits the government to a capital spend (excluding the Edinburgh and Glasgow-specific Transfer of Management Development Funds and Financial Transactions) of £480.9m for the Affordable Housing Supply Programme in 2024/25. This would represent yet another cut in that budget, reducing the spend in 2024/25 to even less than the £489m committed in 2023/24, which itself was a significant cut to what had been previously planned for that year, and spent the year before.

Continuing with cuts, whether they are already profiled within the longer-term plan or not, is not the emergency response we need to the crisis situation we are currently facing. The government needs to commit more funding, not less.

We know we can expect updated figures for the AHSP capital programme alongside the 2024/25 budget from the ongoing review of Capital Spending being undertaken by the Cabinet Secretary for Finance. This review must put an end to the year-on-year cuts currently profiled for the AHSP, and instead increase capital spending to enable local authorities and RSLs to deliver the homes we need.

² Scottish Housing Regulator (2023), Homelessness Services in Scotland: A Thematic Review

³ SOLACE (2023), Housing in Scotland: Current Context and Preparing for the Future

⁴ Accounts Commission (2023), Local Government in Scotland

⁵ Scottish Government (2023), Temporary Accommodation Task and Finish Group: final report and recommendations

⁶ Shelter Scotland, CIH, SFHA (2020) Affordable Housing Need in Scotland Post-2021

⁷ Scottish Government (2023), [Housing Statistics for Scotland Quarterly Update to end June 2023](#).

⁸ Scottish Government (2022), [Targeted Review of the Capital Spending Review – Updated Spending Allocations for 2023/24 to 2025/26](#).

The case for investment

We have raised our concerns with the Finance Secretary⁹ ahead of this year's budget process, and have called on her to ensure that the Affordable Housing Supply Programme is protected from the cuts which appear to be looming as part of the reviews of Capital Spending and Infrastructure Investment. The Scottish Government has no hope of meeting its statutory child poverty targets if it continues to look to the social housing supply budget for savings at every opportunity.

While we recognise the difficult financial position the Scottish Government is in, failing to deliver the homes needed to lift children out of poverty will simply deepen that difficult financial situation rather than alleviate it. The £500m of housing 'failure spend' identified by IPPR Scotland, Save the Children and the Joseph Rowntree Foundation will simply keep growing if we don't deliver the homes needed.¹⁰

Now is the time for the Scottish Government to show it is serious about tackling deep rooted poverty and ending the housing emergency by ramping up investment in social housing. The £3.5bn currently committed to over the course of this parliament will not deliver the homes at the pace or scale we need – the Scottish Government must use this budget to make social housing its number one priority when it comes to capital spending and increase investment to a level that will see the social homes we need being bought and built at the scale required to reduce affordable housing need.

The Scottish Government can and must do more, and that is why we are renewing our calls for the Scottish Government to ensure AHSP grant money is used exclusively to deliver social homes rather than other, profit-led forms of so-called 'affordable' housing. Social housing is our route out of this crisis, and that is where the government's limited funds should go.

Temporary Accommodation Task and Finish Group response

We are concerned that the Scottish Government's response to the Task and Finish Group will not drive the kind of structural change needed to meaningfully tackle the housing emergency. There are no new targets, piecemeal funding has been offered, and we have concerns about the limited leadership role the Scottish Government appears to play in the proposed National Acquisition Programme.

The 2024/25 budget must go further and deliver more funding for acquisitions, so we can quickly deliver the homes we need, particularly larger homes to help get families out of temporary accommodation and to meet the needs of all our communities including some minoritised ethnic groups who are disproportionately affected by the housing emergency.

⁹ Shelter Scotland (2023), Letter to Cabinet Secretary for Finance, 12 September 2023

¹⁰ IPPR Scotland, Save the Children, Joseph Rowntree Foundation (2023), Tipping the Scales: The social and economic harm of poverty in Scotland, p.34.

Scottish Budget 2024/25: Housing and homelessness services

Significant investment in frontline services is required if we are to tackle the backlog in temporary accommodation and ensure people's housing rights are upheld and enforced. Local authorities cannot continue to be asked to do more with less, and the warnings from the Scottish Housing Regulator, Accounts Commission and SOLACE should awaken the government to the reality of the crisis being faced in housing and homelessness services.

Over a decade of austerity and real terms budget cuts have left local authority services stripped to the bone while they try to deliver the rightful extension of housing rights from national government. This has resulted in a situation where legal duties are routinely breached – and it is people in need of support who are left to suffer the consequences of that.

The Scottish Government must ensure local services have the resources they need to deliver on existing housing rights, as well as ensuring the funding is in place and staff are prepared to deliver the suite of new housing rights, such as the UN right to adequate housing.

Meeting the needs of the priority families

The unequal impact of the housing emergency in Scotland continues to devastate lives and the Scottish Government has a responsibility to ensure everyone – no matter their race, ethnicity, disability, gender or sexual identity – is able to access a home that meets their needs.

For too many people, this is simply not the case at present – and stretched homelessness services are struggling to ensure the diverse needs of our communities are met. Recent homelessness statistics showed that the majority of homeless households have at least one identified support need (such as mental or physical ill-health, disability or medical condition), while African households spend longer trapped in temporary accommodation and the homelessness system than people from other backgrounds. Even at the sharp end of the housing emergency, racial inequality continues to play a part in outcomes for households.

Recent research commissioned by Shelter Scotland into the role of race in housing in Scotland¹¹ made a number of recommendations, and we urge the Scottish Government to use the budget process to make progress on these recommendations. In particular, the Scottish Government must play a leadership role in delivering the social homes we need and ensuring these are able to meet the needs of a diverse population, and help build capacity within social landlords to ensure staff have the training and resources they need to better meet the needs of their tenants.

¹¹ Menezes, D., Netto, G., and Hasan, S. (Shelter Scotland) (2023), Minoritised Ethnic Access to Social Housing in Scotland at Key Transition Points.

Human Rights budgeting

The Scottish Government has the capacity and power to shape Scottish society. The decisions and priorities of Ministers have a direct impact on the lives of citizens. This can be seen clearly in the continued decision to underinvest in social house building.

There is a direct relationship between the spending priorities of the last decade and the harm experienced by communities. The 130% growth in children in temporary accommodation since 2014 is directly due to the failure to build family-sized properties in the social housing sector.

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 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 welcome the Scottish Government’s ongoing commitment to delivering a Human Rights Bill, which will include the UN right to adequate housing. Incorporating the UN right to adequate housing into Scots law must be matched with the resource required to make that a reality for everyone – by delivering social homes and ensuring local authorities have the resources to uphold that right.

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