Shelter Scotland would like to thank the Local Government and Communities committee for inviting us to respond to its call for evidence ahead of the publication of the Scottish Government’s Draft Budget 2018-19. We are a national housing and homelessness charity, offering housing advice and support across Scotland. Last year Shelter Scotland helped 21,145 people in Scotland through our housing advice and support services. Of those, 44% needed help keeping their home. We know that Scotland is in the grip of a housing crisis, to alleviate this crisis, we must build more homes in Scotland. We will continue to campaign; to ensure that there’s a home for everyone.

**Housing supply**

Shelter Scotland welcomes the Scottish Government’s 2016 commitment to build 50,000 affordable homes (35,000 of which for social rent) over the course of this parliament. This represents the most significant housing programme commitment since the 1970s and is strongly welcomed. An independently-conducted piece of research on housing need commissioned by Shelter Scotland, CIH Scotland and Scottish Federation of Housing Associations concluded that a programme of 60,000 affordable homes was needed over the same period. This means 50,000 ambition should be regarded as a minimum benchmark rather than an upper target.

With regards to Resource Planning Assumptions (RPAs), Shelter Scotland welcomes the increase in RPAs across local authorities. However, we are not in a position to comment whether these will be adequate to meet the 50,000 homes target, especially considering variations in land and construction costs between each local authority. Despite welcome increases to RPAs, we are concerned that other budgets and income streams are decreasing (e.g. less income via rent due to the impact of welfare reform) and this may have an adverse impact on housebuilding targets.

We look to local authorities and housing associations for direction on whether the RPAs are appropriate and urge the Scottish Government to take heed of this given the paramount importance of housebuilding to meeting Scotland’s growing housing needs.

**Homelessness services and support**

Homelessness services are vital to ensuring a person’s homeless journey is as smooth and short as possible. Homelessness affects an individual’s employment, education, health and wellbeing. Shelter Scotland supports the protection and enhancement of Local Authority homelessness budgets, as we are aware that local authorities are beginning to struggle to meet their homeless duties due to resourcing.
Shelter Scotland commissioned a 2016 study on trends in funding local authority homelessness services. The study suggests that despite the success of the strong preventative approach adopted over the last five years, housing system imbalances continue to put pressure on homelessness service delivery and expenditure for around half of participating LAs. A combination of economic and demographic drivers, the legislative framework for homelessness in Scotland, combined with UK government policy on welfare has resulted in continued demand.

The study concluded that once there is clarity over cost of homelessness services, value for money for temporary accommodation charges, and affordability, the Scottish Parliament may wish to consider stimulating innovation in the sector to explore a wider range of funding methods, and to use its powers to mitigate against the difference there may be between the cost and affordability.

**Temporary accommodation**

From April 2019, changes in the way that temporary accommodation will be funded in local authorities will inevitably lead to a shortfall. We are concerned that this will, in turn, impact the quality of the homelessness services and temporary accommodation which local authorities are able to provide.

Additionally, we support budgets which enable evidence-based preventative spend to tackle homelessness. We are concerned that welfare reform is pushing more people into homelessness and urge budgets to take this into consideration.

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