



ALACHO Statement to the Local Government Housing & Planning Committee – 20th February 2024.

Housing Needs/Homelessness System post Pandemic

The statements from the Scottish Housing Regulator in February and December 2023 of systematic failure in the homelessness system were a wakeup call to Scottish Government, Local Authorities and everyone operating in the Housing Sector to consider a response to housing and homelessness pressures which were not business as usual. To date, ALACHO has not recognised a response from Scottish Government that has met the test. It has been left to individual Local Authorities to consider their own housing need and demand position and for some, so far to declare Housing Emergencies.

The publication of the SOLACE/ALACHO report in July 2023 outlined a range of actions that Scottish Government should take to address the crisis over the next 3 years. It is vital that the Government and the 2040 Board focus on this and implement supports to change the dial in Scotland before it is too late. The Housing Sector has put in a significant input of work to crystallise productive actions to boost short-term housing supply. This effort has been undermined by the proposed cut to the AHP.

Building More Affordable Homes – 110,000 Target by 2032

ALACHO does not believe that the Government will meet this target. All the most recent statistics have shown starts falling across all sectors as projects delayed by Covid-19 are completed and the impact of the cost-of-living crisis and rising construction costs plays out.

Research by Shelter Scotland, the Chartered Institute of Housing and the Scottish Federation of Housing Associations found that in order to meet the current housing shortfall, Scotland needs to build at least 37,100 social homes between 2021 and 2026¹ or 7,420 a year. Actual social housing completions since 2009 have averaged 5,0561. Social housing starts have been averaging just over 4,800 since 2021 but were as low as 3,292 in 2023. Average annual completions in the 16 years from 2008 to 2023 were 18,459². Whilst they have been over 20,000 for the three years since 2021, house starts fell to 16,274, the lowest level since 2015.

The proposed cut to the AHP of 26% announced by the Government does not build a sustainable financial basis for building to the target. ALACHO believes that the Government need to review the target and focus on what is deliverable over the next 2-3 years to make a difference to Housing Emergencies and Homelessness Crisis positions in 15 Local Authority Areas (results of most recent ALACHO RAG Survey). Rather than cutting the AHP, the Government needs to reinstate the funding to support the programme and frontload the RPAs to assist those Local Authorities that have declared, or just about to declare Housing Emergencies.

¹ [Scotland 'should build 35,000 new social houses by 2026' | The Herald \(heraldscotland.com\)](https://www.heraldscotland.com/news/2023/12/14/scotland-should-build-35000-new-social-houses-by-2026/)

² [December+2023+-+Quarterly+Charts+and+Tables+-+Publishable+%281%29.xlsx \(live.com\)](https://www.live.com/December+2023+-+Quarterly+Charts+and+Tables+-+Publishable+%281%29.xlsx)
(Chart 1)

Tenure balance locally and nationally

A further dimension of the need for more Affordable Homes is the tenure balance at national and local levels. The relative sizes of the social and private rented sectors are changing. The PRS is shrinking, which in ALACHO's view creates the space for growth of the social rented sector through active acquisition of landlord portfolios. We need to shift about 150,000 at risk of homelessness, low-income households out of the PRS into social housing. Having a substantial social sector just makes things better.

Regulation in the PRS - is one dimensional and not fully effective. We need a much more sophisticated approach so that we can deal with bad practice and affordability without chasing away investment in the sector where it is needed. Linked to this and the homelessness debate, we need to look again at how we cast the relationship between tenants and landlords and in particular take things like selling the house or going bankrupt out of the frame for evictions.

Building homes and retrofitting existing homes to provide for affordable warmth and zero emissions?

ALACHO welcomes the current Scottish Government's consultation on the new Social Housing Net Zero Standard as being more realistic to timeline and EPC requirement for council and RSL houses. We believe that it is still unaffordable for social landlords based on a rent-based funding model. Other sources of grant-based funding need to become available to social landlords to take pressure from increasing tenant rents to meet the new standard.

ALACHO is also clear that Scotland is still building private homes that will need to be retrofitted and that we need to do more to financially support heat networks or district heating in high density areas. Government is also doing what we said we should not do; that is asking the social sector to lead on this and take the innovation risk. New technologies are always more expensive and less reliable but social housing tenants are being asked to take that risk on. That's not appropriate. In policy terms we're also still not addressing owner-occupied and PRS homes.

Ensuring that new and existing homes are safe and of a high quality?

ALACHO believes that we're on good ground in the social sector with the large-scale provision of sprinkler systems and smoke/CO detectors. The main priority and focus right now are questions around internal air quality, dampness and mould. The Scottish House Condition Survey isn't good enough to provide reliable data even at Scotland wide level and we know that the view of tenants differs from that of social landlords. The PRS is certainly in a worse condition than other tenures but that's mostly because it has more older homes in the sector.

John Mills
Co-Chair of ALACHO