



SHELTER SCOTLAND WRITTEN EVIDENCE: LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE PRE-BUDGET SCRUTINY, 2025/26

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 glad to have the opportunity to inform the committee's pre-budget scrutiny work. The experience of the past two Scottish Budgets, in which the Affordable Housing Supply Programme has been raided in order to prioritise other portfolios cannot be repeated as we seek to tackle the housing emergency. We hope that this pre-budget scrutiny process allows for a strong defence of housing budgets and their importance to society as a whole.

Key lines

- **The 138% increase in the number of children stuck in temporary accommodation since 2014 is a national scandal.**
- **Recent interventions from the Scottish Housing Regulator and from ALACHO show the scale of the challenge facing local authorities in dealing with the emergency and the government must prioritise additional financial support if people are to have their housing rights enforced and upheld.**
- **The First Minister has said eradicating child poverty in Scotland is his 'driving mission' and he has accepted that Scotland is in a housing emergency – this budget must show he is serious about tackling these issues.**
- **There is no route to eradicating child poverty without ending the housing emergency.**
- **The Scottish Government must use its next budget to fully fund local homelessness services in order to avoid more falling into systemic failure, and take radical approaches to increase the supply of social homes to permanently reduce housing costs.**

Scotland's Housing Emergency

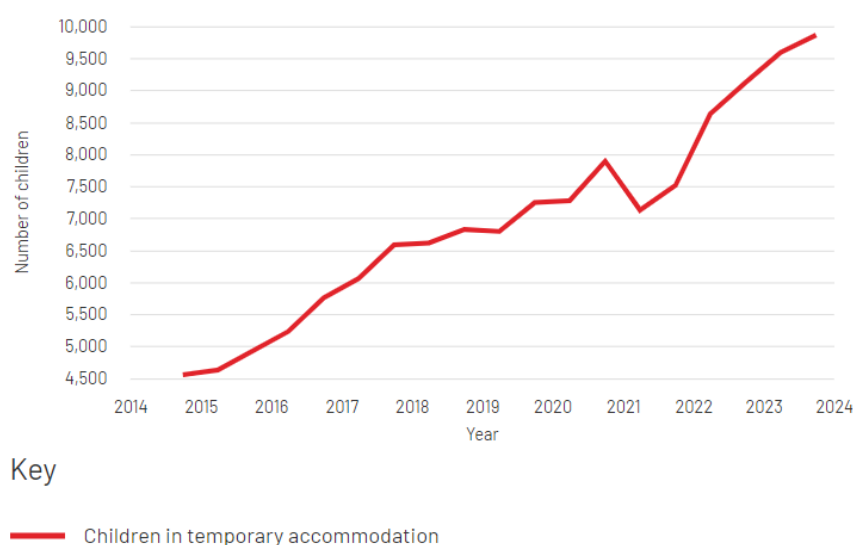
Scotland is in the grip of a devastating housing emergency which damages lives.

- **A record 9,860 children trapped in temporary accommodation – up 138% since 2014.**
- **45 children become homeless every day.**
- **A household becomes homeless every 16 minutes.**
- **A 10% increase in households becoming homeless compared to last year.¹**
- **Local Authority homelessness services in systemic failure across the country.**
- **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.**
- **Private rents continuing to rise despite emergency legislation, and household incomes and the UK Government's Local Housing Allowance rates are failing to keep pace.**

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

This is an emergency that damages health, wellbeing, education and the economy, and leaves tens of thousands of people without anywhere to call home. It is **a national scandal**.

Number of children in temporary accommodation in Scotland 2014 – 2023



Fully fund local homelessness services

The Scottish Housing Regulator's confirmation that two local authorities (Edinburgh and Glasgow) are in systemic failure, while eight others (Aberdeen, Dundee, Dumfries and Galloway, East Lothian, East Renfrewshire, Fife, Stirling, and West Lothian) are at heightened risk of systemic failure must awaken us all to the severity of the situation facing local authorities.²

Systemic failure means that the level of demand on housing and homelessness services in those areas is surpassing the local authority's ability to respond. That means people are being turned away from homelessness services, unable to access support or have their housing rights enforced.

It means local authorities are breaking the law with such regularity that they are beyond the point of regulation.

The situation is reflected in the 1,400% increase in failures to provide temporary accommodation in the most recent homelessness statistics.

Failure on this scale demands an emergency response. We cannot simply accept people's rights being ignored with such regularity and not demand immediate action to tackle the problem.

We also know that this emergency disproportionately impacts already minoritised and marginalised groups – people from minoritised ethnic communities, women, those with disabilities, people with a history of homelessness, and other individuals and communities with protected characteristics. Failure to fix the broken system deepens social inequality. Our recent research on minoritised ethnic communities' access to social housing³ called for greater

² Inside Housing, "[Eight Scottish councils at risk of 'systemic failure' on homelessness services](#)", 9 April 2024

³ Menezes, D., Netto, G., and Hasan, S. (Shelter Scotland) (2023), [Minoritised Ethnic Access to Social Housing in Scotland at Key Transition Points](#).

capacity building in the sector to help tackle structural inequalities, and the Scottish Government should be taking a leading role in that work by providing additional, dedicated resources to achieve their own ambitions on racial equality.

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. The Scottish Government must ensure local services have the resources they need to deliver on existing and future housing rights.

Currently, staff and citizens alike are being let down by an inability for staff to do their jobs, and an inability for people to have their housing rights upheld and enforced. Nobody becomes a housing officer in a local authority in order to turn people away at the door – but unfortunately this is happening far too routinely across the country, and staff are demoralised as a result.

At local authorities across the country, staff have graded their own services as being Red across the range of indicators in the ALACHO survey of senior housing officers.⁴ This means that staff themselves believe their service is struggling to cope on supplying temporary accommodation, on meeting the Unsuitable Accommodation Order, and on the supply of permanent lets.

Coupled with the Regulator's recent interventions, this reflects an unprecedented scenario in which those responsible for delivering housing services on the ground are saying they cannot meet their duties, and those responsible for regulating that service delivery agree that many services are beyond the scope of regulation.

For these services to properly function, we need serious investment across local authority departments – including housing, homelessness, planning, and welfare – as well as the housing capital budget to be prioritised to ensure the social homes needed can be delivered. Without additional funding, law-breaking will simply remain a normal part of Scotland's housing system.

We are therefore calling for:

- **Scottish Government to provide additional funding to local authorities to ensure they are able to uphold and enforce housing rights.**
- **Funding to be targeted at local authorities on the basis of need not population and ensure that the money is focused in areas that need it most – those local authorities experiencing systemic failure and those who have declared local housing emergencies.**
- **Create a new Homelessness Prevention Fund accessible to local authorities, RSLs and the third sector for tenants across tenures.**
- **Commit to maintaining funding for Rapid Rehousing Transition Plans until the end of this Parliament and provide clarity on future funding plans for subsequent years.**
- **Provide dedicated funding to local authorities and RSLs to help build capacity to tackle the structural racism and inequalities embedded in the housing sector.**

Delivering the social homes we need

The Scottish Government's declaration of a housing emergency must be backed up by action and resource if it is to mean anything of substance. As now-First Minister John Swinney said last year during the first debate on Scotland's housing emergency, "we need to be prepared to put our money where our mouth is".⁵

⁴ The Herald, "[Swinney told to 'listen and act' on 'deplorable' homelessness fails](#)", 31 July 2024.

⁵ Official Report, "[Meeting of the Parliament, 22 November 2023](#)".

We agree with calls on the UK Government to increase the available capital grant to the Scottish Government to help facilitate greater spending on social housing, and we also believe there is more that the UK government can do on benefits and welfare, such as abolishing the bedroom tax and ending the benefit cap, which would allow the Scottish Government to spend the money it is currently using to mitigate these policies on other forms of housing support.

However, this is the Scottish Government's budget, and as such they must take responsibility for the spending decisions they are making. Over the past two years, **the Scottish Government has slashed the Affordable Housing Supply Budget by 37% to prioritise other areas of capital spending**. We warned when the first of these cuts was announced in December 2022 that we would see a sharp decline in the number of social homes delivered, and a sharp uptick in homelessness, as a result. This is exactly what has come to pass.

If we continue to fail to deliver sufficient good quality social homes across Scotland, we will not meet anti-poverty targets, tackle health inequalities, close the attainment gap, reduce homelessness, or alleviate the significant strain on local services. Critically, recent cuts also mean we have lost the skills and capacity to build, an issue that will be extremely challenging to rectify even with additional investment.

Councils such as the City of Edinburgh have already confirmed that they are likely unable to build any new affordable homes this year and next year⁶ as a result of these cuts, and the **Scottish Housing Regulator has highlighted that RSL new builds are likely to remain at a lower level for the next five years**.⁷

Capacity has been dramatically reduced as a result of previous Scottish Budget decisions, and the **government must now respond to their own acknowledgement of a housing emergency in Scotland by making housing their number one priority** when it comes to capital spending.

We acknowledge the planned reduction in the capital budget from the UK Government, but the Scottish Government has disproportionately passed this on to housing in previous years. In 2025/26, it is vital for the Scottish Government to put their money where their mouth is if they are to have any hope of meeting their own targets on social housing, and crucially on eradicating child poverty.

There is no route to eradicating child poverty in Scotland without permanently reducing housing costs by delivering the social homes we urgently need. Not only will this help to tackle poverty, but given we know that poverty and the housing emergency disproportionately impact minoritised ethnic groups and people with protected characteristics, it will also help to tackle social inequality more broadly.

It is incumbent on the Scottish Government to begin viewing housing as an anti-poverty tool. The First Minister will fail in his own driving mission if he does not.

We are calling on the Scottish Government to:

- **Put social housing at the centre of the government's mission to eradicate child poverty.**
- **Fully reverse the 37% cut to the Affordable Housing Supply Programme (AHSP) over the last two years by pausing spending on other capital projects if necessary.**

⁶ Scottish Housing News, "[Edinburgh 'has no budget' for new affordable homes this year](#)", 9 May 2024.

⁷ Scottish Housing Regulator (2024), [New Homes, empty homes and lettings: An early analysis of 2023/24 data returns from social landlords](#).

- Expedite the acquisition of larger properties specifically for households with children trapped in temporary accommodation for more than a year where needed to help reduce the harm being inflicted on children due to the housing emergency.
- Create a match fund for local authorities to scale up existing empty homes teams to bring 3,000 private empty homes per year back into use. This should be supported by 100% funding for acquisition of such homes and support to bring homes up to standard.