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Committee
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1 July 2025

Dear Convener,

Following my appointment as the Cabinet Secretary for Housing, I am writing to update on two important issues: the Scottish Government's response to housing emergency and ongoing preparations for Stage 3 of the Housing (Scotland) Bill. This letter also provides a formal response to the Committee's Housing Inquiry Report.

Making progress on these matters is a top priority and I intend to maintain an open and constructive dialogue with Committee Members. It is vital we make progress during the summer so I will be working at pace and my office will be in touch with members directly regarding a number of multilateral and bilateral meetings I intend to take forward, more details of which are set out below.

Housing Emergency Response

Firstly, I want to provide the Committee with a further update on the Scottish Government's response to the Housing Emergency as we enter our next phase of work and to respond to your recently published Housing Inquiry report dated 15 May. My letter comes to you very early in my tenure as Housing Secretary. Therefore, while I am pleased to highlight the work of my Ministerial colleagues and Officials in the preceding year, this is not intended to be an outline of my future plans in the role.

You will be aware that 15 May 2025 marked one year since the declaration of the national housing emergency. On 22 May, the Cabinet Secretary for Social Justice made a [statement](#) to Parliament setting out the key response activities and outputs that have been delivered over the last 12 months, as well as acknowledging the challenges that remain, and our plans to continue driving forward a response effective at both local and national levels.

As we reflect on the progress made in the last year, I should record that some of the most significant actions stem from solid partnership working with stakeholders from across the housing sector. Working in this way, we have:

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- Increased the Affordable Housing Supply Programme budget for 2025-26 to £768 million, taking our investment over this parliament to £3.5 billion.
- Collaborated with COSLA to utilise a £40m Scottish Government acquisitions fund each year in 2024-25 and 2025-26 to increase the supply of social and affordable housing and, where appropriate, applying a focus on family homes to support targeted reduction in children in Temporary Accommodation.
- Brought almost 1,000 homes back into use, helping reduce the number of homeless households in temporary accommodation.
- Helped an estimated 2,457 households with children into affordable housing in the year to end March 2025.
- Invested £46m in Charitable Bonds, supporting the delivery of around 325 homes and invested £13.8m in charitable donations to help fund future social rented housing projects.
- Launched a [Planning and the Housing Emergency Delivery Plan](#), recognising that while planning is not the cause of the housing emergency, it is part of the solution. This Delivery Plan outlined 23 short term actions to unlock the potential of planning as a lever for investment in our economy and ensure the system operates as efficiently as possible.
- Invested £16m to support enabling infrastructure at Granton as part of our Programme for Government commitment to accelerate development of strategic sites
- Made £1 million available in 2024/25 to registered social landlords and third sector partners to help sustain tenancies and prevent homelessness.
- Made a long-term commitment of £100 million for Mid-Market Rent, and with institutional investment we will grow that fund to at least £500 million to support the construction of around 2,800 mid-market rent homes. This is a long-term commitment over several years to make public funds go further, and will form part of the Affordable Housing Supply Programme.
- Included an additional £4 million in the Ending Homelessness Together budget for 2025-26 to help prevent homelessness before it occurs.
- Established a Short Life Working Group (SLWG) on planning, with focused action on: flexibility of affordable housing provision, flooding, lack of market interest and viability, biodiversity (water voles) water and drainage, transport (road and rail), brownfield land, education provision and longer-term revenue costs.
- Since 2010, our £3.7 million investment in the Scottish Empty Homes Partnership has helped local authorities bring over 11,000 empty homes back into active use. Building on this success, we have increased our funding from £0.4 million last year, to a record £2 million in 2025/26 – raising our total investment to £5.7 million.

As we now move into the second phase of our response, I recognise that we are still faced with an extremely challenging position. The [Programme for Government](#) published on 6 May reiterated our commitment that we will deliver 110,000 affordable homes by 2032. In addition, we will take action on removing barriers to stalled housing sites, securing tenancies, investing £21 million on housing adaptations for disabled tenants and spend £97 million to enable councils to use discretionary housing payments to protect more than 94,000 households against the worst impacts of harmful UK Government policies, such as the bedroom tax and the benefit cap.

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While we continue to work with all local authorities to respond to the housing emergency, a key feature of our response to date has placed a targeted focus on working in close partnership with those local authority areas who are experiencing the greatest homelessness and temporary accommodation pressures. We have already seen excellent progress as a result of that partnership approach, particularly in relation to acquiring new affordable homes, taking action on privately owned empty homes and reducing void properties with Edinburgh Council's management information showing us that void levels have been cut by over 50% since June 2023.

As we progress our response, we are keen to expand our engagement to understand further issues and identify additional action. We recognise the crucial role Registered Social Landlords play in this. While both the Scottish Federation of Housing Associations and Wheatley Group are key members of the Housing to 2040 Board, who have pivoted to provide external governance of our emergency response, we are keen to go further. The Cabinet Secretary for Social Justice and former Minister for Housing met with a representative group of Registered Social Landlord Chief Executives on 28 May to discuss joint working opportunities over the coming months to further support our emergency response. I look forward to engaging with this group as their work progresses over the coming months.

Housing Inquiry Report – Scottish Government Response

I thank the Committee for this report and I am grateful to all who gave evidence to your Inquiry. In an update to Parliament on 22 May, the Cabinet Secretary for Social Justice set out that we would be giving the Housing Inquiry Report the close and serious attention it deserves before responding. We have now considered each of the recommendations and have provided a response in Annex A.

Housing (Scotland) Bill

Stage 3 preparations are now well underway and the Scottish Government is working at pace to progress the policy issues arising from Stage 2. Since taking on this role I have been working intensively on the legislation. These are clearly complex areas and I want to build on the open and constructive dialogue which characterised Stage 2.

The Cabinet Secretary for Social Justice wrote to you on 10 June setting out issues to progress over the summer, and these remain top priorities for the Scottish Government:

- Homelessness prevention measures
- Student tenancies
- Data collection
- Rent control exemptions and use of modified rent cap
- Evictions
- Repairs and standards
- Keeping pets and making changes to let property
- Mobile homes
- Cooperatives

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The housing emergency underpins much of the wider policy context in which this legislation is operating. Specific provisions were also added on the emergency during Stage 2 and I will be discussing these with MSP colleagues as part of my engagements over the summer.

It is important we continue engaging in the cross party spirit demonstrated during Stage 2 to ensure this legislation is robust and free from unintended consequences, supports growth in the housing sector to ensure we continue to increase supply, and effectively strengthens tenants' rights and protections so people can have safe and warm homes.

Finally, when the Cabinet Secretary for Social Justice appeared before the Committee on 29 May as part of the Stage 2 consideration, the need to keep members updated on the work of the Housing to 2040 Board was discussed – particularly in relation to their work on the potential for a future strategy for the private rented sector in Scotland. The Housing to 2040 Board will next meet after the summer recess and I will ensure that a full update is provided to you following that meeting. For information, minutes of previous board meetings can be accessed [here](#).

I trust you find this information helpful and I very much look forward to working with the Committee in my new Cabinet role.

I am copying this letter to the Social Justice Committee.

Yours sincerely,

MÀIRI MCALLAN

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SCOTTISH GOVERNMENT RESPONSE TO THE LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE HOUSING INQUIRY REPORT

Report Recommendation	Response
The Committee recommends that the Scottish Government develops a national overarching Housing Emergency Action Plan by the end of this session of Parliament in collaboration with the wider housing sector. This should include clear milestones and outcomes to enable progress to be measured.	Addressing the housing emergency is a top priority for the government. Our actions are centred on key themes that support the housing emergency and align to the 17 asks presented by a coalition of stakeholders. We have taken an interventionalist approach with 5 local authorities, developing a localised delivery approach, tailored initially to those local authorities with sustained levels of homelessness. Taking such an action-based approach from the outset of declaring a national housing emergency has supported us to significantly reduce social voids. For example, Edinburgh council's management information shows us that voids levels have been cut by over 50% since June 2023. This progress is down to the hard work of local authorities, supported by our £40m Acquisition and Social Voids Fund, helping reduce the number of homeless households in temporary accommodation.

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A whole-systems approach is required that is led by the Scottish Government and its partners in order to stabilise housing in Scotland and help prevent future emergencies. The Committee therefore recommends that the Scottish Government sets out how it will better coalesce its own departments around tackling housing need and ensure that wider policies across different portfolios can have a positive impact.	I agree that a whole-systems approach is required in order to help prevent future housing emergencies. Housing to 2040 remains our overarching strategic vision for housing in Scotland and I am keen to continue working with the Housing to 2040 Board to examine how can best to achieve this vision, whilst also recognising the ongoing and immediate challenges presented by the housing emergency. I will of course be happy to keep the Committee updated as that work progresses. I also agree that portfolios across the Scottish Government have a role to play in tackling housing need. That is why a cross-portfolio, Housing Emergency Delivery Action and Assurance Group has been established - bringing together senior officials from housing, planning, investment and health portfolios to discuss the emergency response and identify where wider policies can have a positive impact.
The Committee also recommends that the Scottish Government ensures it assesses the impact of its wider policies on housing, as an important component in tackling the current housing emergency and also in helping prevent future such emergencies. This might require the creation of housing impact statements.	This year's Programme for Government includes a commitment to publish an action and implementation plan based on an assessment of the regulatory controls which exist in key growth sectors, starting with housing, public infrastructure, and green industries, by the end of 2025 – designed to make it easier to do business.
The Committee asks the Scottish Government to provide clarity on whether its additional funding for the Affordable Housing Supply Programme budget will ensure that it meets its target of providing 110,000 affordable homes by 2030. It is vital that in the future all spheres of government ensure housing is a priority and that the Scottish Government gives consideration to the importance of retaining the Affordable Housing Supply Programme budget.	We have a strong track record in delivering affordable housing in Scotland with latest statistics showing that from 2007 up to March 2025, more than 139,000 affordable homes have been delivered with 99,000 of those for social rent. We will continue to work with partners to increase these levels through our £768 million investment in 2025-26. On average, between 2007-08 and 2023-24, affordable housing supply per 10,000 population in Scotland has been 47% higher than in England, and 73% higher than in Wales.

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	We are committed to investing £3.5 billion over the lifetime of this parliament and delivering 110,000 homes by 2032. We have shown this by: • Increasing the AHSP budget by over £200 million in 2025-26 to £768 million which should support the delivery of around 8,000 homes. • We have also a long-term commitment of £100 million for Mid-Market Rent – and with institutional investment we will grow that fund to at least £500 million to support the construction of around 2,800 mid-market rent homes. This is a long-term commitment over several years to make public funds go further by effectively leveraging private investment and will form part of the Affordable Housing Supply Programme. • We will not know the full impact of the UK Spending Review on Scottish Government funding until the UK Budget. We recognise the importance of multi-year funding for the AHSP and the confidence it brings to the sector. While the recent UK Spending Review settlement for Scotland was disappointing, we remain committed to providing greater certainty where possible. • On the 25th of June, we published our Medium-Term Financial Strategy and Fiscal Sustainability Delivery Plan, which outlines the challenging fiscal context and our response. Looking ahead, our Scottish Spending Review, to be published alongside the Budget in December, will set out three-year resource and four-year capital plans, offering a more stable basis for planning across sectors, including housing.
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The Committee recommends that the Scottish Government, as a matter of urgency, completes and implements its existing commitments, including its review of the affordable housing target. The Minister told Parliament this would be completed in summer 2024 and the Committee therefore asks the Scottish Government to provide an update on what progress has been made and what the revised timescales are for completion. We have also yet to see the outputs from the Housing Investment Taskforce	Both the Affordable Housing Supply Programme and the Housing Investment Taskforce reports have been published (Affordable Housing Supply Programme Deliverability Review on 22 May, and Taskforce report on Monday 9 June). Ahead of providing the SG with its report at the end of March 2025, the Housing Investment Taskforce has worked with the SG throughout the last year this has supported the recently launched consultation on exemptions from rent control and the SG raising Housing Revenue Account debt as part of the UKG Spending Review preparations. In the First Minister's Programme for Government, we made a commitment to implement the recommendations of the Housing Investment Taskforce and that we would focus on long-term plans for implementation to unlock new investment opportunities across all tenures.
The Housing to 2040 strategy sets out the Scottish Government's long-term vision for housing, and the Committee believes that its delivery will be an important component in re-balancing the housing sector and preventing future emergencies. It therefore recommends that an implementation plan should be developed as a matter of urgency.	Housing to 2040 included a route map for how this Government intends to deliver the Housing to 2040 Vision and translate that vision into action. As set out above, we will continue to work with the Housing to 2040 Board to examine how best to achieve this vision, whilst also recognising the ongoing and immediate challenges presented by the housing emergency.

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The Committee recommends that the Scottish Government explores further the opportunities presented by increasing social investment in housing and in developing the capacity of the non-profit sector to obtain private finance.	The SG recognises the potential for a variety of forms of private investment, including social investment, to support housing need. The Housing Investment Taskforce has noted that the non-profit affordable housing sector continues to attract private finance as it is asset-backed, has long-term predictable income and strong credit credentials. However the cost of this finance, given wider economic factors has been the recent challenge.
The Committee welcomes the Scottish Government's financial support for local authorities in providing discretionary housing payments and seeks clarification from the Scottish Government that these will be retained in the long-term.	Discretionary Housing Payments (DHPs) are an important part of our prevention measures to keep people in their homes which is one of the main reasons we included in the latest PfG. The UK Government's recent spending review was a missed opportunity to take action on Local Housing Allowance and uplift support for private renters. The Scottish Fiscal Commission latest forecasts set out the expected spend on DHPs up until 29/30. Since 2017 we have invested over £712 million in DHPs to deliver our commitment to fully mitigate the UK Government's unfair bedroom tax and benefit cap as far as is possible within devolved powers; delivering vital action to reduce poverty, safeguard tenancies and prevent homelessness. In 2025-26 we are making over £97m available to local authorities to spend on DHPs, an increase of nearly £7m over 2024-25. • £79.7m to fully mitigate the bedroom tax, helping over 94,000 households in Scotland sustain their tenancies, 14,000 of which are families with over 20,500 children . • Over £9.4m to mitigate the UK Government's benefit cap as fully as possible within devolved powers, supporting around 3,000 families, with almost 10,000 children.

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	£7.9m to mitigate against the impact of UK Government welfare cuts, including shortfalls in Local Housing Allowance rates.
The Committee recommends the Scottish Government should include how it, and other public sector bodies, could help facilitate the sale and use of public sector land in its Housing 2040 strategy or proposed Housing Emergency Action Plan.	The Scottish Public Finance Manual sets out a process for applicable public bodies to follow when considering disposal of surplus property assets. As part of that process, is a requirement to notify other bodies of the proposed disposal (known as The Trawl). Scottish Government's Housing Directorate is notified of proposed asset disposals through The Trawl, enabling it to consider suitability for affordable housing development and work with partners to facilitate a disposal for that purpose.
The Scottish Government needs to provide clarity as a matter of urgency to housing providers on the intended statutory requirement for homes to meet net zero standards. Uncertainty is acting as a deterrent on development and needs to be addressed in order to help tackle the housing emergency	In relation to new building standards, regulatory amendments fulfilling Ministers' commitment to Parliament were laid in December 2024. With Stage 2 consultation programmed for summer 2025 we will set out the detail of proposed new performance targets for new buildings and an enhanced compliance regime. Research to derive the cost and benefits of review options will also be published as part of the Stage 2 consultation proposals. Officials have engaged extensively with stakeholders during the course of the review and will continue to work closely with industry organisations and the housing sector on the development of the standard for publication in 2026. A deferred implementation date of March 2028 is set for the new standard to enable the construction sector to prepare for the changes. In relation to the Social Housing Net Zero Standard. We can advise that: Our consultation last year on a new Social Housing Net Zero Standard (SHNZS) asked for views on proposals to require

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	social landlords to improve fabric efficiency and install clean heating where it is technically feasible and cost-effective to do so. • We recently met with our stakeholder Review Group to discuss the proposals for a new Social Housing Net Zero Standard (SHNZS) and discuss next steps. • Following the meeting with the review group, we are currently reflecting on the feedback received as well as considering the implications of the changes that Ministers have announced to our proposed Heat in Buildings Bill. We will provide a further update as soon as practicable. • In the meantime, the Scottish Government recommends that social landlords should continue to invest in energy efficiency measures to help reduce running costs, and in zero emissions heating systems where appropriate.
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