

COSLA's Consultative Draft to Respond to Scotland's Housing Challenges/Opportunities

Leaders on 27 June, 2025 agreed a series of medium to long term actions as a consultative draft to respond to Scotland's housing challenges and opportunities. The medium to long term actions are grouped under seven headings, i.e. Funding and Financial Models, Housing Supply and Development, Strategic Planning and Co-ordination, Land Use and Market Reforms, Community and Stakeholder Engagement, Sustainability and Infrastructure, Monitoring and Evaluation are set out in Annex 1.

As these are longer term actions, the intention is for further input, engagement and prioritisation within Local Government, as well as with external partners before being finalised. As a result, the consultative draft in Annex 1 is to be used to inform a special workshop with Solace, as well as in further engagement with DOF, SLAED, ALACHO and HOPs.

Additionally, COSLA will be continuing discussions with Scottish Government Housing officials on the consultative draft and other external partners at future meetings, given they will help inform COSLA's finalised manifesto.

ANNEX 1 – COSLA’s Consultative Draft to Respond to Scotland’s Housing Challenges/Opportunities

1. Funding and Financial Models

- Scottish Government must make a long-term commitment to provide grant funding that truly reflects increasing costs and provides multi-year funding certainty.
- There should be a review of the housing finance model, considering international models and what options could be explored.
- Continue to seek write-off of historic HRA debt to help provide further capacity for new supply.
- Reform Funding Formulae: Review the SHIF (Strategic Housing Investment Framework) and amend as required to ensure this effectively supports affordable housing.
- Stable Investment Environment: Work with the UK government to establish a pro-investment focus for social housing through revised fiscal rules and public accounting practices.
- Blended Subsidy Models: Use blended subsidy approaches, combining different funding sources and mechanisms to support affordable housing development.
- Funding Balance: Develop a clearer rationale for the balance of funding for new social housing between current tenants (through rents) and taxpayers.
- A review of the way in which funding allocations are calculated to take into account local circumstances.
- National resource should be provided with sufficient flexibility and should not be directive in a way that prohibits local delivery.

2. Housing Supply and Development

- Increase Affordable Housing Supply - Investment in the construction of new affordable homes through public funding and incentivising private developers (Conclusions from Housing Investment Taskforce), to be supported by implementation of above finance actions.
- Revitalise existing properties and repurpose vacant buildings into affordable housing e.g. expanding KLTR proactive project.
- Enhance Planning Policies - Streamline planning processes to reduce delays and simplify regulations for new housing developments and implement policies that prioritise affordable housing in all new developments.

3. Strategic Planning and Coordination

- Supply Strategy: Agree on a long-term, 15 year supply strategy and targets.
- Management of AHSP: Review the management of the Affordable Housing Supply Programme (AHSP) to consider further devolution to local councils and greater flexibility.
- Planning and Land Use: Localise and revise Housing Needs and Demand Assessments (HNDA) and conduct a new national affordable needs study.

- Enhance collaborative working across housing sector partners and across the housing workforce.

4. Land Use and Market Reforms

- Land Market Reforms: Implement land market reforms, including adjusting land compensation rules and reducing land values for social and affordable housing.
- Broad Rental Market Area Definitions: Raise issues with the SG/UK Government.
- Exploration of legislative powers to restrict the sale of housing in pressured areas for second and holiday homes or through the consideration of premiums on local council tax.

5. Community and Stakeholder Engagement

- Community Engagement: Foster community-led housing initiatives, such as cooperatives or community land trusts.
- Clear expectations for the contribution of partners towards both preventing homelessness and supporting those who do become homeless.
- Local authorities work with partners and energy suppliers to reintroduce the option for a preferred supplier scheme for the social rented sector to help address unnecessary delays in relets.

6. Sustainability and Infrastructure

- Sustainability Initiatives: Promote energy-efficient building practices and provide grants or incentives for retrofitting existing homes to meet energy standards. Encourage the use of sustainable materials and technologies in new housing projects. As well as ensure existing buildings are safe in their construction.
- Infrastructure Investment: Ensure that housing developments are accompanied by adequate infrastructure investments, including transportation, schools, and healthcare facilities. Support local authorities to align housing projects with community needs.

7. Monitoring and Evaluation

- Monitor and Evaluate Outcomes: Establish metrics to assess housing policies and programmes, ensuring that they are effective and adaptable to changing needs. Regularly review housing strategies to respond to evolving demographic and economic conditions e.g. migration and population drivers.
- Affordability Understanding: Agree on how the shared understanding of affordability should impact policy and decision-making at both the SG and LG local levels.
- A focus on understanding the varying levels of homeless applications between local authority areas to inform our approach long term.