

Scottish Parliament Social Justice and Social Security Committee

Local Housing Allowance

Written submission by Glasgow City Health and Social Care Partnership, January 2026

1. Background

- 1.1 Glasgow City Council declared a Housing Emergency in November 2023. This was driven by a convergence of factors including the cost-of-living crisis impacting affordability across all tenures, insufficient housing supply, particularly in social housing, and an increase in homelessness applications, especially from refugee households following the Home Office's streamlined asylum decision-making process in July 2023.
- 1.2 As at December 2025, there are 6,985 live homelessness applications in Glasgow, and 4,728 living in local authority provided temporary accommodation, including 1,398 families with children, of which 698 families have 3 or more children. 2,100 households are now residing in hotel and bed breakfast accommodation across 56 different sites, which compares with 220 pre-Covid. These factors have resulted in additional unfunded financial pressures on Glasgow City of £27m in 2024/25, and £38m in 2025/26. This will deplete available reserves by 31 March 2026. The projected unfunded homelessness pressures for 2026/27 are £56m and £73m in 2027/28. These pressures are unprecedented and unsustainable without additional central government funding.
- 1.3 While the private rented sector (PRS) may be accessible to some of those presenting as homeless, competition for limited numbers of PRS tenancies, requirements to pay rent deposits and rent in advance, and affordability of monthly rents mean that PRS is an unsustainable option for most homeless households.
- 1.4 That said, the PRS is an important component of Glasgow's broader housing system. The [Glasgow and Clyde Valley Housing Need and Demand Assessment](#) (2024) recognises that the PRS is an important tenure for new households seeking to settle in the region and responds to factors such as varying demand for the student population.
- 1.5 In Glasgow, 55% of homes are rented (either social or private rented) compared to around 39% for Scotland as a whole. There are circa 60,000 properties legally entitled to be let by private landlords at any one time in Glasgow, approximately 19% of all homes. There are around 108,500 social rented homes provided in Glasgow by Registered Social Landlords (RSLs), which is approximately 36% of all homes.
- 1.6 Data on the PRS Glasgow is provided by CityLets and includes monthly statistics on the number of listings and the monthly rent depending on property size. It is

not an exhaustive list of all private rental properties available in Glasgow City. The average rent is calculated as a mean.

No. bed rooms	No. listed	Percentage of listings	Change no. listings from Q3 2024	Average listed monthly rent	Change rent from Q2 2024	Lowest listed rent	Highest listed rent
1	287	27.8%	-29.3%	£906	-0.48%	£500	£1,750
2	567	54.9%	-22.0%	£1,216	2.31%	£600	£2,495
3	132	12.8%	-12.0%	£1,725	7.39%	£795	£3,250
4	30	2.9%	-21.1%	£2,705	8.39%	£1,695	£3,570
5+	23	2.2%	27.8%	£3,415	0.88%	£700	£4,500

Source: CityLets Rents Data Q3 2025

- 1.7 Sector Analysis indicates that rents continue to rise, reflecting high demand and limited stock. The average private sector rent for the city is £1,229 per month and has risen by 2.2% in one year, 46.1% over 5 years and 79.7% over 10 years. Rents have increased more for larger properties.
- 1.8 At the same time, the average number of listings has decreased, indicating that there is pressure in the city's private rented sector in relation to the supply, demand and affordability of properties.
- 1.9 An analysis of CityLets data for Q3 2025 shows that there was limited availability of properties to let at, or below LHA rate, with 10.8% of one-bedroom listings, dropping for larger property sizes to 3.8% for 4+ bedroom properties.

No. bedrooms	Monthly (UC)	Av. PRS monthly rent	No. total listings	No. listings below LHA	% total listings below LHA
1 bed shared	£450.00	£906.06		0	0.0%
1	£695.00	£906.06	287	31	10.8%
2	£850.00	£1,215.62	567	42	7.4%
3	£970.00	£1,724.61	132	7	5.3%
4+	£1,800.00	£2,705.00	53	2	3.8%

Source: CityLets

2. Impact of LHA freeze

- 2.1 LHA is set at the 30th percentile of your Broad Rental Market Area (BRMA). That means that 70% of available properties are at a rent level higher than the LHA rate. This makes it very difficult for customers who require financial assistance with their rent via Universal Credit (UC) or Housing Benefit (HB) to find affordable accommodation. This pool of properties will shrink as rents increase and the

LHA rate remains frozen; it also becomes less appealing for landlords to rent to benefit claimants

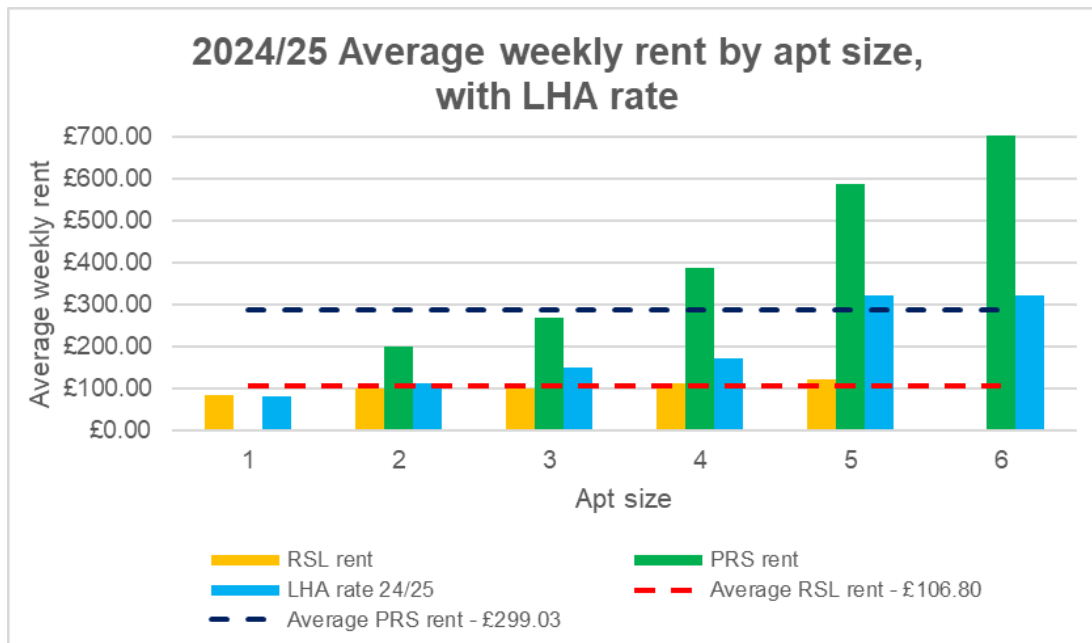
- 2.2 There are only 18 Broad Rental Market Areas [BRMA] for the whole of Scotland and Glasgow City is entirely covered by the Greater Glasgow BRMA, which also covers some parts of our neighbouring LA's. This limits localities in the city where customers can reasonably look to rent due to the fluctuating rents across the city.
- 2.3 The weekly LHA rates for the Greater Glasgow BRMA from April 2019 onwards are:

	Shared rm	1 Bed	2 Bed	3 Bed	4+ Bed
19/20	£68.28	£94.82	£120.03	£137.31	£212.21
20/21	£80.55	£113.92	£149.59	£172.60	£322.19
21/22	£80.55	£113.92	£149.59	£172.60	£322.19
22/23	£80.55	£113.92	£149.59	£172.60	£322.19
23/24	£80.55	£113.92	£149.59	£172.60	£322.19
24/25	£103.56	£159.95	£195.62	£223.23	£414.25
25/26	£103.56	£159.95	£195.62	£223.23	£414.25
26/27	£103.56	£159.95	£195.62	£223.23	£414.25

- 2.4 These can be compared to the 30th percentile rate for Greater Glasgow as follows:

Greater Glasgow BRMA	LHA rates for April 2025 - March 2026	30th percentile market rents September 2024
1 Bedroom Shared	£103.56	£109.32
1 Bedroom	£159.95	£159.95
2 Bedroom	£195.62	£195.62
3 Bedroom	£223.23	£230.14
4 Bedroom	£414.25	£425.75

- 2.5 As would be expected, average weekly rents are higher in the PRS compared with social rented sector. PRS rents are also proportionally higher for larger homes than in the social rented sector. Higher private sector average rents, and the rate of increase in rents for larger properties impact on availability of affordable housing options for families with children, with fewer larger homes available within the LHA rate.



Source: Scottish Housing Regulator/Scotland's Housing Network/CityLets

- 2.6 The 2024 Child Poverty in Glasgow report revealed that while the number of children in Glasgow is decreasing, the rate of relative poverty increased by 1% to 25%. The rate of relative poverty appears to be consistently between 24% and 26% since 2020. The LHA rate freeze disproportionately affects single parents and families with children who require larger homes.
- 2.7 Data provided by the Glasgow Private Rented Sector Housing and Welfare Hub based in the Council's Neighbourhoods, Regeneration and Sustainability Service, outlines a range of complex challenges relating to these trends. These challenges are contributing towards increasing the risk of households becoming homeless, experiencing poverty and poor health and wellbeing. As a result, there is likely to be an increase in the number of families who are living in the private rented sector that will require either further financial support to sustain their tenancy, or access to housing in the social rented sector.

3. Use of Discretionary Housing Payments to support tenants with shortfalls

- 3.1 Discretionary Housing Payments (DHP) can provide financial assistance towards housing costs. A qualifying individual is someone with entitlement to Housing Benefit or Universal Credit with a housing costs element and appears to need additional financial assistance to meet housing costs.
- 3.2 As outlined above, average rents in Glasgow are typically above the LHA rate, and DHP is available to those eligible to make up the difference between the LHA rate and the rent charged. For prospective private sector tenants, it can help to secure a tenancy, for example to pay rent in advance, or a deposit if other schemes are unavailable, or cover other costs associated with a housing need, such as removal costs.

- 3.3 DHPs are also awarded to meet a shortfall where we believe the tenancy is sustainable. For example, there is likely to be a change in the household circumstances that will make the rent unaffordable without the assistance of DHP. This could be where the household composition will change or where the household is likely to have a change in income. We may also support households in the short term where we believe the tenancy is not sustainable to allow them time to find other accommodation and avoid the prospect of homelessness. Special consideration will be given to individuals and households fleeing violence and similar situations.
- 3.4 The majority of DHP spend in the City is on the removal of the Spare Room Subsidy, which has also resulted in a significant increase in unfunded administration burdens on local authorities.
- 3.5 The non-SRS DHP funding for 2025/25 was £1.331m (a 1.9% increase on 2024/25). It should be noted that in 2024/25 Scottish Government stopped redistributing any underspend from the previous year.
- 3.6 Additional funding was awarded in 2025/26 to support Councils in moving clients from homeless to Private Rented accommodation as part of the Scottish Government's Housing Emergency Action Plan. Glasgow received £169,000 to be spent by 31/3/2026, and £620,000 to be spent by 31/3/2027. A working group has been set-up to tackle the challenge of moving households with children out of homeless accommodation into the Private Rented Sector.

4. Proposed reform of LHA

- 4.1 The Housing Emergency in Glasgow, and the unprecedented pressures on homelessness services and budgets, is likely to be further exacerbated by any ongoing restriction to the supply of private sector rented housing to those in receipt of LHA and DHP. This is likely to be particularly relevant to larger households.
- 4.2 Fundamentally, the freezing of the LHA rates by the UK Government from 2024/25 is increasing the differential with private rents in many areas of the City. Restoring LHA to 30th percentile applied on an annual basis in line with the private sector market would improve the affordability of the PRS.
- 4.3 The BRMAs have not been reviewed since the introduction of the scheme and this limits the availability of properties in more expensive rental areas. BRMA is defined as "where a person could reasonably be expected to live taking into account access to facilities and services". Changing BRMA boundaries might assist in areas where higher rents are prevalent. However, that would need to be balanced with the potential impacts on LHA rates to less expensive areas across the City.
- 4.4 Currently any single individual aged 35 or under is only entitled to the shared room rate. This excludes many individuals from finding affordable rental opportunities. Removing or reducing the shared room rate cap that currently applies to single households aged 35 or under would make the PRS a more

sustainable option for those aged 35 or under currently unable to afford any advertised properties.

- 4.5 The costs associated with DHP administration are increasingly a concern for local authorities. One of the main reasons for this is the significant increase in the assessment requirements and overall workload relates to the Spare Room Subsidy elements of the DHP. There is an increasing disparity between the Scottish Government's administrative funding for DHP and actual local authority spend. This is impacting the ability of Glasgow City Council to adequately resource the administration of DHP administration.