### SJSS/S6/25/18/5



Social Justice and Social Security Committee Thursday 12 June 2025 18th Meeting, 2025 (Session 6)

# Housing emergency

# Introduction

This paper provides information and suggested themes for discussion for the Committee's evidence session on the housing emergency. The focus of the session is on the issues that have given rise to some local authorities and the Scottish Government declaring housing emergencies and the impacts this is having on those on low incomes or living in poverty.

At the time of preparing this paper the following witnesses had been confirmed:

- Maeve McGoldrick, Head of Policy and Communications for Scotland, Crisis
- Susie Fitton, Policy Manager, Scottish Federation of Housing Associations
- Fionna Kell, Director of Policy, Homes for Scotland
- John Blackwood, Chief Executive, Scottish Association of Landlords (SAL)
- Mike Callaghan, Policy Manager, COSLA

# Background

Thirteen of Scotland's 32 councils have declared local housing emergencies in their areas beginning with Argyll and Bute Council in June 2023, with the most recent being East Lothian Council on 12 November 2024:

- Argyll and Bute (12 June 2023)
- Edinburgh City (2 November 2023)
- <u>Glasgow City</u> (30 November 2023)
- Fife (21 March 2024)
- <u>West Dunbartonshire</u> (1 May 2024)
- <u>Scottish Parliament</u> (15 May 2024)
- Scottish Borders (30 May 2024)
- West Lothian (29 May 2024)

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- <u>South Lanarkshire</u> (12 June 2024)
- Angus (20 June)
- Dumfries and Galloway (27 June 2024)
- Aberdeen (5 September 2024)
- East Renfrewshire (12 September 2024)
- East Lothian Council (12 November 2024)

On 15 May 2024, the Scottish Parliament agreed to a <u>Scottish Labour</u> motion declaring a national "housing emergency" in Scotland.

### **Reasons for declaring a housing emergency**

There's no standard definition of what constitutes a housing emergency. Each council has its own reasons for declaring a housing emergency in its area. While the reasons are complex and varied, common themes include pressures on homelessness services, high levels of people in temporary accommodation and a lack of affordable homes compared to high waiting lists.

Other factors are more specific to some areas, for example, <u>Glasgow City</u> <u>Council</u> has referred to pressures on the homelessness system from the UK Government's streamlined asylum process. <u>Aberdeen City Council has also cited</u> <u>the presence of Reinforced Autoclaved Aerated Concrete (RAAC)</u> in some homes in its area.

The declarations are intended to focus attention, at both the local and national level, to the significant housing and homelessness pressures local authorities are facing.

During the May 2024 parliamentary debate on a national housing emergency, reference was made to a range of factors influencing the emergency declaration, including a shortage of affordable housing in Scotland and high numbers of households in temporary accommodation.

Contributory factors include demand for social housing outstripping supply, and rent increases in the private rented sector. Other factors outside of the Scottish Government's control include high inflation, increases in the cost of living and a <u>freeze to local housing allowance (LHA) rates</u>.

The Local Government, Housing and Planning Committee published its <u>Housing</u> <u>Inquiry report</u> on 15 May 2025. It identified that the housing emergency has been years in the making as a result of systemic issues, such as failure of wages to keep up with increasing house and rental prices.

# **Responses to the housing emergency**

<u>Responses to the local housing emergency declarations have varied.</u> Commonly, councils have developed action plans and are working with partners to implement shorter- and longer-term actions. The type of work includes:

### • bringing void and empty properties back into use.

Scottish Government data on council void data which provide the position at March 2024 – with 11,751 vacant homes (a vacancy rate of 3.6%). Of these, 5,640 are vacant homes regarded as 'normal use' i.e. those that are not waiting to be demolished etc. This is a vacancy rate of 1.9%

The Scottish Housing Regulator has also undertaken an ad hoc data collection on the number of Registered Social Landlords (RSLs) empty/homes voids (this does not include council stock):

- Of the total 305,100 homes provided by RSLs, 4,875 were empty on 28 February 2025. This equates to 1.6% of total homes.
- 2,052, or 42%, of the total empty homes were normal lettable self-contained dwellings. Many of these voids will be in the process of being let.
- 2,823, or 58%, of the total empty homes were empty for a specific reason, with the largest proportion of these being homes that were empty pending disposal, demolition or reconfiguration.

Longer term, social housing landlords will start collecting data from 1 April 2025 which will report the number of self-contained properties void at the year end and, of those, the number that have been void for more than six months by category. The Scottish Housing Regulator (SHR) will then collect this information in May 2026, to monitor performance over that year

The <u>Local Government</u>, <u>Housing and Planning Committee</u> identified that not all social landlords had a problem with void properties and that reducing the number of void properties does not solve wider structural issues in the long-term.

At September 2024, there 43,538 properties that had been empty for more than 6 months (based on council tax statistics). Just under three quarters (31,596 or 73%) of empty properties were long term empty properties (empty for 12 months or more). There are wide geographical variations, Highland (12%; 3,660) reported the highest proportion of Scotland's long term empty properties and East Renfrewshire reported no long-term empty properties.

If an owner of an empty home is unwilling to sell it or bring it back into use local authorities can use a Compulsory Purchase Order (CPO). The Scottish Government is working to reform and modernise the <u>Compulsory Purchase Order (CPO)</u> system as the "<u>underpinning legislation governing compulsory purchase is old, complex and</u> widely regarded as in need of reform..." and that "overall objectives of the reform programme are to make the compulsory purchase system simpler, more streamlined and fairer for all parties." The Scottish Government plans to carry out a public

consultation on proposed measures later in 2025 although any legislation would need to be taken forward in the next parliamentary session.

Some local authorities have argued for the introduction of compulsory sales orders which would enable planning authorities to require that land or property that has been vacant or derelict for an undue period of time to be sold by public auction to the highest bidder. <u>The Scottish Government has asked the Scottish Empty Homes</u> Partnership to explore with local authorities and empty homes officers the practicalities of a potential compulsory sales process for long term empty homes, and the extent to which this might add value to existing compulsory purchase powers. This work is expected to conclude in early 2026.

# • more purchases of existing homes to increase the availability of housing and temporary accommodation.

Some local authorities have used additional funding from the Scottish Government (see below) to expand their acquisition programmes. In some areas, such as <u>South</u> <u>Lanarkshire Council for example</u>, acquisitions have been used to target particular house types, for example those suiting larger families.

### • reviewing allocations systems

For example, <u>Glasgow City Council</u> has been working with RSL partners to promote a housing transfer incentive scheme with the aim of encouraging households that are under-occupying larger homes to transfer to a home that meets their needs. <u>The City of Edinburgh Council has suspended its council homes letting policy to</u> reserve almost all properties for people experiencing homelessness.

- **improving homelessness prevention services** through partnerships working with health, social care and the private sector
- continuing work on developing new homes

The Scottish Government has increased the Affordable Housing Supply Programme for 2025-26 to £768m (see below). Local authorities have a key role in developing programmes, in conjunction with their partners, for how this money is spent in their area. Local authorities receive a Resource Planning Assumption (RPA) which is a funding assumption from the Scottish Government. This enables each local authority to set out local priorities for affordable housing developments in their Strategic Housing Investment Plans, informed by the strategic priorities in their local housing strategies.

It is <u>relatively common for the amount that is actually spent in a council area to vary</u> from the RPA. The National, for example reported that Fife Council had underspent its affordable housing supply programme despite declaring a housing emergency in its area. Variations could be due to, for example, slippages in a new build programme. The Scottish Government works can reallocate funding where slippage occurs and this might be within the same regional area.

# **Scottish Government response to the housing emergency**

On 20 June 2024, the Minister for Housing, Paul McLennan MSP, made a <u>statement</u> to the Scottish Parliament on the Scottish Government's response to Scotland's housing emergency.

The statement set out high-level actions to increase housing supply and tackle homelessness. The key actions, organised under three strategic pillars, included: more quality, permanent homes; the right homes in the right places; and a permanent home for everyone.

During a parliamentary <u>statement on the housing emergency on 22 May</u> 2025 the Cabinet Secretary for Social Justice set out further details of the response since the declaration of the emergency. Specific actions have included:

- <u>An increase in the Affordable Housing Supply budget in 2025-2026</u> to £768 million, following a previous budget cut.
- Additional money for councils who are experiencing the greatest homelessness pressures. Additional £4m in the ending homelessness together budget in 2025-26 for homelessness prevention pilots.
- Working with social landlords to understand what they need to do to reduce turnaround times for empty homes and voids.
- Progressing the <u>Scottish Government's Planning and the Housing Emergency</u> <u>– Delivery Plan</u> including <u>work on 'stalled sites' where planning approval has</u> <u>been provided but building is yet to begin</u>.
- Developing specific <u>options to attract private investment through the Housing</u>
  <u>Investment Taskforce</u> (which is expected to report soon)
- £2 million invested through the Scottish Empty Homes Partnership to continue to reduce the number of privately owned empty homes.
- Progressed the Programme for Government commitment on strategic sites by confirming £15 million in funding to unlock the opportunities for more than 800 affordable net zero homes at the Granton strategic site.
- Introduction of the Housing (Scotland) Bill to provide for strengthening homelessness prevention and a framework for private rented sector rent controls.

The Cabinet Secretary also spoke of a "number of legacy issues, outstanding challenges and inhibitors that continue to present a challenge to delivery". For example, reference was made to UK Government's streamlining of the asylum decision-making process which means that it will be challenging to reduce the numbers in temporary accommodation in the short to medium term, particularly in Glasgow and Edinburgh and the issue of the local housing allowance rate (the

maximum housing support costs that can be paid to private rented tenants) which she has repeatedly raised with the UK Government's child poverty task force.

# Impact of responses to the housing emergency

The most recent data on homelessness shows that there was a continued increase in homeless applications, homeless households and open applications. There were 20,823 homelessness applications recorded in the period April to September 2024, a 1% increase.

On 30 September 2024, there were16,634 households in temporary accommodation as a 6% increase since September 2023. The <u>number of households in temporary</u> <u>accommodation in 12 council areas has reduced and 20 councils have reduced the</u> <u>number of children who are in temporary accommodation</u>.

In 2023 the Scottish Housing Regulator identified systemic failure in some councils in delivering their statutory duties regarding homelessness. In March 2025, the Regulator's risk assessment of social landlords noted that they now regard three local councils in systemic failure, increased from two in the previous year.

The <u>Local Government</u>, <u>Housing and Planning Committee</u> identified that there are still significant challenges around homelessness, particularly in Glasgow and Edinburgh council areas. <u>Glasgow City Council</u>, for example, reports ongoing <u>pressures from households granted refugee status</u>, with the number of households and the number of children in temporary accommodation increasing.

Between 2023 and 2024 Glasgow experienced the largest numerical increase in homelessness applications (766, 22%), Glasgow's situation can partly be attributed to those with refugee/leave to remain status with a total of 1,250 applications received with this eligibility, an increase of 360, 40% compared to last year. Glasgow accounts for 63% of all applications received from those with refugee/leave to remain status. The next largest is Edinburgh at 15%.

The Local Government, Housing and Planning Committee sought follow up information from councils that had declared an emergency in December 2024. Ten local authorities responded. Some local authorities reported successes such as reductions in the number of their void properties or improved void turnaround times. The City of Edinburgh Council, for example, reported the number of council void homes reduced from 1,465 in June 2023 to 672 in March 2025. Local authorities also pointed to their longer-term actions they are working on, the impact of which has yet to be seen.

The response also highlighted remaining challenges faced which were previously raised with the committee. These included, for example, high development costs, ongoing increase in demand for affordable housing and a reduction in turnover of tenancies.

In terms of housing supply, work is progressing to meet the Scottish Government's long-term target to deliver 110,000 affordable homes by 2031. By the end of December 2024, just over 26,000 homes had been completed. With just over seven years of the target remaining around 84,000 homes need to be completed. However, at current levels of approvals and starts under the Affordable Housing Supply Programme, the 110,000 target looks like challenging to meet.

Investment in social housing is resulting in an overall increase in the number of social homes. Recent statistics show that there are around 633,000 social homes in Scotland, an increase of just over 6,100 since the previous year. The Scottish Government also points to its comparatively good performance in delivering new social homes compared to other UK nations.

The Scottish Housing Regulator has reported that there are signs that <u>turnover of</u> <u>social lets is slowing down</u> and social landlords have to balance investment in new homes with investment in the retrofitting of existing stock.

The Local Government, Housing and Planning Committee recognised the complexity of the housing system with multiple areas where government and other bodies need to work together to bring about change and improvement.

# **Submissions Received**

At the time of preparing this paper, written submissions had been received from the Scottish Association of Landlords and the Association of Local Authority Chief Housing Officers and COSLA. The following summarises the key points made in their submissions.

# Scottish Association of Landlords (SAL)

SAL's submission states that it believes that to mitigate the housing emergency housing supply in every sector of the housing market including the private rented sector (PRS) must be increased. The focus should be on increasing the supply of properties in the social and private rented sectors which are best placed to house those living in poverty or on low incomes.

SAL believes a two-pronged approach is needed to increase housing supply:

- 1. Stemming the exodus of landlords from the sector. SAL cites survey evidence suggesting that more landlords are leaving the PRS than landlords acquiring new properties. It stages that proposed regulatory changes and negative attitudes towards landlords are main reasons for landlords withdrawing properties from the sector. Rent control legislation is a key concern. Landlords also need certainty on future energy efficiency standards.
- 2. Encouraging new investment in the sector. SAL believes that that the Additional Dwelling Supplement (ADS) which is charged at 8% of the purchase price of properties bought to let (on top of any Land & Buildings Transaction tax due) is a barrier to investment and should be reconsidered. SAL is therefore calling for an

ADS moratorium for at least 2 years to incentivise investment in the sector. It states that while tax revenue may decrease it would be more cost effective for the government than having to fund the building of new homes to alleviate the housing emergency.

## Association of Local Authority Chief Housing Officers (ALACHO)

ALACHO's submission notes the complexity of the housing system and the wide range of factors that have contributed to the housing emergency (similar to points outlined above). It states that, "the current housing emergency is the result of policy failures at both UK and Scottish level".

ALACHO's submission outlines that the homelessness challenges are more acute and the level of harm being experienced by many vulnerable households has increases since the publication of the report of Homelessness and Rough Sleeping Action Group in 2018.

It states that it is unlikely that challenges will be resolved in the short term and a twopronged response is needed, "focusing both on how to improve the situation and end the emergency and protecting the safety and wellbeing of those caught up in it".

It states that increasing the number and proportion of social rented housing remains the one long term policy response that is most likely to have a lasting impact. ALACHO mention some of the challenges local authorities are their partners have faced in increasing housing supply including, rising costs and limited availability of land and willing developers in rural areas and long-term uncertainty of funding.

### COSLA

COSLA's submission states that the response to the housing emergency must be on "ensuring sustainable, affordable and high quality housing for individuals and families in our local communities, while addressing the immediate needs of those in temporary accommodation and the long-term goals of housing development and planning."

Its submission outlines a series of actions it is working on grouped under four headings:

- Governance, policy development and legislation, for example, a realistic timetable for the implement of the housing bill along with adequate resources for local authorities
- Financial support and investment strategies, for example ascertaining the cost of temporary accommodation to better understand how it is funded and a review of the affordable housing supply programme to allow greater flexibility
- Collaboration and engagement, for example, the performance of RSLs is considered by local government and the SFHA to ensure they provide appropriate support to councils for homeless applicants
- Enhancing housing solutions and temporary accommodation, for example, the risks to safety for people in temporary accommodation, in particular for

women and children are better understood by Scottish Government and local government, in order to agree effective support and protection services

### Themes members may wish to discuss:

### General

1. What has prompted local authorities to declare housing emergencies in their areas and in general how would you assess the overall response to date?

### **Housing Supply**

- 2. How effectively are local authorities and their partners using the affordable housing supply programme budget to improve housing supply. Why are there underspends of the programme in some areas? Why, as COSLA suggest, is there a need for more flexibility in the programme?
- 3. The Scottish Association of Landlords suggest changes to the Additional Dwelling supplement to encourage new private landlords into the sector. Can SAL say more about this and whether any other panel members have views about changes that might help to improve supply of affordable private rented accommodation?
- 4. What progress has been made in bringing empty homes back into use, is there more that could be done to improve social landlord void levels and turnaround times or the use of private sector empty homes?
- 5. How is the planning system helping to facilitate the supply of new affordable homes where they are needed?

### Impact, homelessness and temporary accommodation

- 6. What impact are the responses to the housing emergency having, particularly on homelessness and those living in poverty?
- 7. Why is temporary accommodation use still high in some areas, and how can this situation be improved?
- 8. ALACHO's submission stated that there was a "pressing need to ensure that those impacted by homelessness are safe and properly supported

whilst they wait for settled accommodation." How can this best be achieved?

### The future

- 9. Are there any further short-term actions that any level of government could take to improve the immediate response to the housing emergency?
- 10. In the longer term, what needs to change to prevent future housing emergencies occurring?

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