

# Crisis briefing – Budget (Scotland) (No. 3) Bill

8 February 2024

#### **About Crisis**

Crisis is the national charity for people experiencing homelessness. We help people directly out of homelessness, including through our Skylight service operating in Edinburgh and the Lothians, and we campaign for the social changes needed to solve it altogether.

## **Key messages**

- 1. Ending homelessness should remain be at the centre of Scottish Government's decision-making as a top national priority. Ensuring everyone in Scotland has an adequate home to live in, with security and dignity, is essential to achieving Government's homelessness commitments, but also in meeting its wider aims relating to poverty, health and wellbeing, and particularly in meeting Child Poverty Targets.
- 2. Scotland has a strong record of introducing ground-breaking policy which results in a tangible difference. In recent years, the Scottish Government's decision to make ending homelessness a national priority has played a key role to mitigate the steep rise in homelessness levels, seen in other parts of Great Britain, with greater volumes of affordable housing in Scotland contributing to lower levels of poverty. But with levels of homelessness now rising, and record numbers of children living in temporary accommodation, it is vital that momentum is not lost. It is still possible for the Scottish Government to reverse recent trends before they become ingrained. With the right decision making on long term investment of infrastructure, such as housing, Scotland can not only reduce levels of homelessness, but it can also end it altogether.
- 3. The budget sets out what the government prioritises. In that context, disproportionate cuts to the house building budget are deeply concerning. Crisis supports Scottish Government targets to build 110,000 new affordable homes by 2032, with 70% for social rent. Yet, the current budget contains proposals to cut the Affordable Housing Supply Programme by nearly £200m (a 26% cut in the housing budget, against a 4% cut in the overall budget).

#### The state of homelessness in Scotland

- Official figures show there are now 15,000 households living in temporary accommodation, with nearly 10,000 children living in temporary accommodation in Scotland the highest on record.
- Homelessness deaths have risen since 2017; an estimated 244 people died while homeless in Scotland in 2022. Almost half (49%) of homeless deaths were people aged under 45.
- Crisis' state-of-the-nation report Homelessness Monitor Scotland 2024 found that the main driver of rising homelessness is a large 'backlog' of open cases built up during the pandemic. Several factors have compounded the impact of this, including Brexit, the cost-of-living crisis, the war in Ukraine and increasing challenges accessing and affording private rented sector accommodation.
- The Welcome Centres in Glasgow and Edinburgh which provide emergency accommodation during the winter months have filled up exceptionally quickly this year, and have been **operating at capacity**, with many households unable to get access even to emergency accommodation.
- A year ago, the Scottish Housing Regulator warned of impending failure of homelessness services in certain local authorities.<sup>3</sup> In December, the Regulator provided an update to say that "in some areas, the demand now exceeds the capacity to respond [...] there is a systemic failure in the services that are provided by some councils, and that there is a heightened risk for other councils."

- In the summer ALACHO and SOLACE published a report setting out their view of the unsustainable
  pressures on local authority housing and a system that is siloed and has a short-term focus. Three councils
  have now announced a housing emergency, with Fife and others expected to follow suite soon.
- Research for Homes for Scotland recently found that that more than a quarter of households in Scotland
  are in housing need, many more than most local assessments suggest. Many of these households are likely
  to meet official statutory homelessness status.
- The most severe and immediate forms of homelessness ("core" homelessness e.g., rough sleeping, sofa surfing, staying in hostels, refuges or unsuitable forms of temporary accommodation) have **risen by 11%** since 2020 to an estimated 18,400 households.
- The 2024 homelessness monitor projected a 33% rise in homelessness in Scotland by 2026 without a significant change in policy from both UK and Scottish governments.

## **Budget 2024-25: Housing and homelessness**

- Ensuring sufficent investment in an adequate supply of housing is a key condition to ending homelessness and preventing more people from being forced into the homelessness system in future. Fully funded new prevention duties in future legislation will also be of benefit, by reducing the flow.
- Plans to protect social security spending in 2024/25 budget will play a key role in preventing people from being forced into homelessness.
- Crisis welcomes the decision to **maintain homelessness funding**, with £35m set aside for Rapid Rehousing Transition Plans, homelessness prevention and other areas.
- Yet while tackling homelessness requires new affordable and social homes, this is the second year in a row the Affordable Homes Supply Programme budget has been reduced.
- Current budget proposals set out plans to spend £556 million on the Affordable Homes Supply Programme in 2024-25. This represents a £196 million cut in cash terms (-26%), or a real-terms cut of £205 million (or -27%) compared to the 2023-24 budget. The capital element of the budget has been cut by £75 million (-14% in real terms).
- Evidence from Solace shows the annual supply of social rented lettings falls well short of the demand. In the five years to March 2020, an average of 162,000 applicants (including transfers) were logged on LA or common housing registers at the end of each financial year. In March 2021, this number had jumped to 178,260. More recent official figures are unavailable but SOLACE suggests that this number has continued to rise and warn of a "critical lack of capacity" in the social rented sector.
- Crisis strongly supports plans to build more social housing, including Scottish Government targets for 110,000 new affordable homes by 2032, with 70,000 for social rent. Yet there are now just over 8 years left to meet this target, with government figures suggesting around 94,300 homes remain to be completed – an average of over 11,000 a year.

The Scottish Government has proven that good policy making can turn the tide of homelessness. Investing in an adequate supply of homes for Scotland and helping people keep their home will make this government's ambition a reality. Crisis urges the Scottish Government to ensure fiscal decisions enable its policy ambitions can be met, otherwise there is a real risk that the positive trends seen in recent years will be undermined.

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