

Crisis submission to the Local Government, Housing and Planning Committee to inform its inquiry into Housing to 2040



5th 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. We welcome the opportunity to respond to the Local Government, Housing and Planning Committee's inquiry into the Scottish Government's Housing to 2040 strategy.

Having somewhere safe to stay is one of the most basic human needs that we all share. A home is more than a physical structure; a safe and settled home is the foundation on which people can build a decent life and meet their true potential. The right housing, with the right support, doesn't just transform, but even saves lives.

The sharp end of insufficient housing is homelessness. Every year, tens of thousands of people in Scotland need assistance because they do not have anywhere to live. Many thousands more are pushed into housing insecurity for a wide range of reasons including lack of affordable homes in places where people want to live, cost, unsuitable or poor quality of housing, and unmet needs for help to maintain their living situation.

Key messages

- A new outcome on 'home' should be introduced into the refreshed National Performance Framework, to make housing a cross-government priority. This should inform budget decisions and allow for greater scrutiny of our progress against the priorities set out in Housing to 2040.
- Despite evidence of housing demand outstripping supply, the Affordable Housing Supply Programme (AHSP) budget has been cut by £196m, a reduction of 26% in the current Budget. The proposed reductions in the AHSP budget should be reversed. We need sufficient investment to deliver the supply needed to meet demand.
- New and existing supply should be prioritised towards the households currently in need of housing, and those most at risk of homelessness. Those currently in the homelessness system, those at risk of homelessness, and those on low incomes, are locked out of the housing market because social housing is in increasingly scarce supply, and other tenures are becoming unaffordable.
- With 15,000 households currently in temporary accommodation, we urgently need to stem the flow of households into the homelessness system by doing everything we can to secure people's existing housing. The homelessness prevention duties as part of the upcoming Housing Bill, offer an opportunity to do that.

1. Rising demand for affordable homes is not being met

The Scottish Government's Housing to 2040 strategy is full of ambition, with commitments across supply, planning, housing quality, affordability and energy efficiency. The commitments in Housing to 2040 are the right ones, with their focus on tackling inequality by ensuring everyone has "access to a home that is affordable, and choices about where they live."

This remains the primary test for whether we are achieving the ambition set out in Housing to 2040: whether everyone has a place to call home. Right now, with tens of thousands of households in the homelessness system, the government is not delivering on that commitment.

- The number of households and, most concerning, the number of children in temporary accommodation, are **at their highest since records began**. At the end of March 2023, there were 29,600 households in the homelessness system. This included 15,000 households in temporary accommodation, and almost 10,000 children.
- As pressure rises on homelessness services, local authorities have **repeatedly breached their legal duties to provide suitable temporary accommodation for people experiencing homelessness**. Breaches of the unsuitable temporary accommodation order have increased by 124% in the last three years and there simply are not enough homes for people to move on to.
- A year ago, the **Scottish Housing Regulator** warned of impending failure of homelessness services in certain local authorities. In December 2023, the Regulator provided an update, saying 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.”

Not only is Scotland in danger of failing to deliver the wider commitments – around zero emissions homes and place making, for example - in this ambitious housing strategy by the year 2040, but it is already failing to deliver the most basic of commitments – a settled home – to thousands of households.

2. The supply of affordable homes is not meeting existing housing need

These stark figures highlight how essential it is that we continue to prioritise building and acquiring more homes for social rent.

- **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 178,260.¹ 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.²
- Research for Homes for Scotland³ 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.
- Economic uncertainty, higher interest rates and tighter mortgage lending have contributed to a rapid slowdown in house building starts, with just 4,423 homes started in Q1 2023, 16% fewer than in Q1 2022. Particularly troubling is the **reduction in Affordable Housing Supply Programme starts**. In 2022/23, there were 5,302 social rented starts, 18% down from 2021/22 and 40% down from the 8,781 in 2019/20.
- Faced with high prices and fewer and more expensive mortgage products, **growing numbers of adults have deferred plans to buy**, with 13% fewer mortgage advances to first-time buyers in Scotland in 2022 than in 2021.⁴ This is **fuelling demand pressures in the private rental market**

¹ Stephens, M., Perry, J., Williams, P. & Young, G. (2023) UK Housing Review. Coventry: Chartered institute of Housing. <https://www.ukhousingreview.org.uk/ukhr23/index.html>

² Solace Scotland (2023) Housing in Scotland: Current Context and Preparing for the Future. South Lanarkshire: SOLACE. <https://solace.org.uk/housing-in-scotland/>

³ [Existing Housing Need in Scotland - Homes for Scotland](#)

⁴ Scottish Government (2023) Scottish Housing Market Review Q1 2023. Edinburgh: Scottish Government. <https://www.gov.scot/publications/scottish-housing-market-review-q1-2023/pages/6/>

which, having to house more ‘frustrated first-time buyers,’ drives rental prices up for lower income households.

Despite these signals of demand outstripping supply, the **Affordable Housing Supply Programme budget has been cut by £196m**, a reduction of 26% in the current Budget, disproportionately high when compared to the overall budget reduction of 4%.

3. We need to ensure existing stock goes to those most in need so people can access homes now

Irrespective of whether we are building enough homes in the right places, currently, existing housing stock is not being made available to those who need it most. Even in parts of Scotland where there are enough dwellings to meet the needs of the local population, there are groups of people who are not able to *access* that housing. Those currently in the homelessness system, those at risk of homelessness (for example due to domestic abuse or relationship breakdown), and those on the lowest incomes, are locked out of the housing market, because social housing is in scarce supply, and other tenures are unaffordable.

- There has been an increase in the proportion of social housing allocations to homeless households, from 46% in 2018/19 to 54% in 2022/23. However, these increases have not been sufficient to prevent temporary accommodation use rising to an historic high. **Two thirds of local authority respondents to the Homelessness Monitor Scotland 2024 survey think that allocations to homeless households in their area are not high enough.**⁵
- The Homelessness Monitor Scotland’s survey of local authorities conducted in 2023 found that almost all (25 of 30) local authority survey respondents identified a **decline in in the availability of private rented accommodation for those experiencing homelessness** in the last year. The vast majority of local authority survey respondents (25 of 30) nevertheless think that **more use should be made of private tenancies in preventing/alleviating homelessness**. This is a finding that has come through other surveys too. In 2021, CIH Scotland carried out an online survey of local authorities across Scotland asking about progress with implementation of Rapid Rehousing Transition Plans (RRTPs) and **70 per cent of respondents said that in order to tackle homelessness, local authorities need to make better use of the PRS.**⁶
- **Shortfalls between rents and Local Housing Allowance are also locking people on low incomes out of the PRS.** Analysis by Crisis found that, across Scotland, despite an estimated 15% of renters in the private sector in Scotland needing support with housing costs, just 7% of 1–3 bedroom private rented sector properties listed on the property website Zoopla in 2022–23 were affordable to people who need housing benefit to help pay their rent.⁷ The uplift in LHA rates to meet at least the bottom third of rents from April 2024 will improve this picture, but there will still be many for whom the PRS remains unaffordable. **We need a long-term commitment to providing financial support to struggling renters in the PRS.**

4. Even when housed, too many households are living in poor quality, overcrowded and/or unaffordable housing

- **Low-income renters are forced to spend a high proportion of their incomes on rents, caught in the growing gap between the support that is available to them and the true cost of housing.** This eats into the funds available to spend on other essentials, putting households at risk of

⁵ Watts-Cobbe, B., Bramley, G., Fitzpatrick, S., Pawson, H., McMordie, L & Young, G. (2024) [The Homelessness Monitor: Scotland 2024](#), London: Crisis.

⁶ CIH (2021) [Rapid Rehousing Transition Plans, temporary accommodation and housing options: a survey of Scotland’s local authorities](#).

⁷ Sims, R., Allard, M. (2023) [Locked Out: Local Housing Allowance and affordability in the private rented sector in Scotland](#), London: Crisis.

material deprivation and rent arrears. In 2017/20, private renters in the lowest income quintile spent around 47% of their net household income on housing costs. For those in the second income quintile the proportion was 36% and for those in the middle of the income distribution it was 26%.⁸ A survey of 1,012 private renters in Scotland in 2021 similarly reported that 30% said it was difficult to afford their rent, rising to 41% of low-income renters and 44% for those in receipt of Universal Credit or Housing Benefit.⁹

- The most recent Scottish Housing Conditions Survey found that **41% of social housing stock failed the Scottish Housing Quality Standard**, with energy efficiency issues being the biggest driver. The failure rate in the private sector overall is 44%, also driven by failures of the Energy Efficient criterion. 1 in 50 (2%) of all dwellings in Scotland (around 40,000) fell below the tolerable standard for conditions and repairs in 2019.¹⁰
- A recent survey of nearly 14,000 people for Homes for Scotland¹ found 28% of current Scottish households (693,000 households) have some form of housing need, much more than with official measures that look only at overcrowding and households in temporary accommodation. The breadth of the statutory definition of homelessness means that **many of these households could be assessed as homeless if they made an application**. Some of these households could make in-situ repairs, but 330,000 are estimated to require affordable housing.

The conditions in homeless accommodation are sometimes extremely poor. **Crisis regularly encounters examples of people being placed in homelessness accommodation with damp, mould, or other serious problems.**

Case study:

A family supported by Crisis is in very poor quality, overcrowded homeless accommodation owned by the local authority. There are two adults and five children living in cramped temporary accommodation infested with mice and rats and damp and mould. The children have recurring viral illnesses and are struggling to sleep, which is also impacting on their performance at school. Their GP expressing real concern for the family's wellbeing and has strongly recommended they leave the accommodation due to health issues, but no support has been offered. One child under 10 has asthma, while a child under two has been hospitalised on a number of occasions due to living conditions.

5. Certain households face additional barriers in accessing and maintaining housing

Housing to 2040 explicitly recognises that certain groups are at higher risk of homelessness than others and commits to: "implement and embed homelessness prevention pathways for: individuals released from prison sentences and remand; young people leaving care; young people; victims of domestic abuse; veterans." In the years since Housing to 2040 was published, extensive policy work has taken place to develop recommendations to meet the housing needs of these specific groups, but these recommendations *have not been implemented*, and groups with protected characteristics or adverse experiences continue to be marginalised in access to housing.

- Domestic abuse and other forms of gender-based violence are the most common cause of women's homelessness. However, we still have not seen quick enough progress in implementing recommendations of to improve housing outcomes for women and children

⁸ Scottish Government (2021) A New Deal for Tenants - draft strategy: consultation – derived from Family Resources Survey.

⁹ Simcock, T. (2022) [Living in Scotland's Private Rented Sector](#). Glasgow: CaCHE.

¹⁰ [Scottish Housing Conditions Survey](#) (2019)

experiencing domestic abuse.¹¹ The Domestic Abuse Protection Act (2021), now passed over three years ago, has still not been implemented.

- Recent research from Heriot-Watt University¹² on women's experience of homelessness, substance use and offending, reveals how women with these experiences are being failed again and again by housing support services. Services are too often poorly coordinated, inadequately funded, not receiving the right training, and unable to meet their complex needs – such as dual diagnosis – that these women present with.
- Immigration status can be a major barrier to housing. European Economic Area citizens living in Britain are almost twice as likely to experience the worst forms of homelessness in comparison to the general adult population.¹³ Homelessness and destitution are particularly common and acute amongst those with no recourse to public funds (NRPF) and other restricted eligibility related to immigration status.
- Research from Shelter Scotland¹⁴ shows institutional racism in Scotland's housing systems inhibits access to housing for minoritised ethnic communities. Direct discrimination takes the form of excluding such communities from more desirable housing options. Indirect discrimination includes the lack of interest in engaging with these communities. Even where housing is available, the lack of suitable stock with more than one or two bedrooms severely restricts the options available to large households across the population and disproportionately impacts certain minoritised ethnic groups.

5. Homelessness is costly to public services and to people. It undermines our delivery of other government priorities

Supply of housing is essential if Scottish Government is going to meet its other commitments, including meeting poverty targets, tackling health inequalities, ending drugs deaths, keeping The Promise, and tackling gender-based violence. Too often we think about housing as being about bricks and mortar, about units, and dwellings and property. But home is about community; home is about family; home is about security and the support to maintain it. Safe, secure homes for people in Scotland will help us achieve our other aims as a nation.

- Social housing is essential in supporting Scottish Government to meet its Child Poverty Targets. JRF, IPPR and Save the Children estimate that more than 50,000 people are kept out of poverty by the low housing costs they see through social housing.¹⁵
- Preventing homelessness will alleviate pressures on health services. People with experience of homelessness make up more than half (55%) of A&E admissions and half of outpatient appointments (49%), and 80% of Admissions to Mental Health Specialities have had homelessness experience - 4.9 times the rate of even those in the most deprived of Scotland's communities.¹⁶
- We also know there is a huge overlap between homelessness and the justice system – with *Hard Edges Scotland* research finding that over a year, 5,700 people in Scotland experience

¹¹ [Improving-Housing-Outcomes-for-Women-and-Children-Experiencing-Domestic-Abuse-Report.pdf \(womensaid.scot\)](#)

¹² Johnsen, S., & Blenkinsopp, J. (2024). *Hard Edges: The reality for women affected by severe and multiple disadvantage*. Heriot-Watt University. <https://doi.org/10.17861/6nrm-jb28>

¹³ Bramley, G., Morris, M., Mort, L., Netto, G., Sosenko, F., and Webb, J. (2021) [The scale, causes, and impacts of homelessness among EEA Citizens](#), Heriot-Watt University and IPPR

¹⁴ Menezes, D., Netto, G., and Hasan, S. (2023). [Minoritised Ethnic Access to Social Housing in Scotland at Key Transition Points](#). Shelter: Online.

¹⁵ [tipping-the-scales-may23.pdf \(svdcdn.com\)](#)

¹⁶ [Health and homelessness in Scotland: research - gov.scot \(www.gov.scot\)](#)

homelessness, substance dependency and offending simultaneously; with 28,800 experiencing two out of these three.¹⁷

The lesson is clear: by preventing homelessness and building more social homes, we reduce pressure on every other part of our public services.

Solutions:

1. Ensuring everyone has a safe place to call home should be a cross government priority.

In 2023, thirteen housing and homelessness organisations - representing the third sector, housing associations, local authorities, and academics - came together to call on Scottish Government to introduce the following new outcome into its revised National Performance Framework:

“We all have good homes we can sustain: Everyone has a home to live in that is good quality, affordable, and suitable to their needs, and can access the support they need to live in it.”

This outcome should be underpinned by indicators that consider people in a wide range of circumstances, including those in poor or overcrowded housing, living in poverty, who have care needs because of age, disability, health or other needs. The concept of ‘home’ incorporates but takes us beyond a focus on infrastructure and availability of affordable houses, and towards a person-centred approach. It acknowledges people who are homeless or living in inadequate housing, who can sometimes be forgotten in discussions about housing and community, because they lack a house or a place-based community. Crucially, it also includes housing support to enable people to live successfully in their homes.

Having this new outcome in the National Performance Framework should make housing a cross-government priority, inform budgetary decisions, and allow for greater scrutiny of our progress against the priorities set out in Housing to 2040. The proposed reductions in the Affordable Housing Supply Programme budget should be reversed. We need sufficient investment to deliver the supply needed to meet demand.

2. Housing to 2040 should set a vision for the tenure mix which will meet the housing needs of Scotland’s changing population

The commitments in Housing to 2040 are the right ones; but a vision for the future tenure-mix of housing to meet the housing needs of Scotland’s changing population would be hugely beneficial.

We need a long-term vision for tenure mix that is informed by a robust assessment of need. Given changing demographics and the integrated nature of the housing system, where dwellings shift across tenures in response to investment opportunities, the Scottish Government needs to make explicit strategies for housing provision which meets the needs of local/regional populations. Importantly, without a vision for the size and role that the PRS should play in the future tenure-composition of housing, it risks remaining the ‘residual’ tenure which absorbs demand from other tenures without being fit for purpose to meet the needs of those it is housing.

3. The Affordable Housing Supply Programme should be prioritised towards the households currently in need of housing, and those most at risk of homelessness

Strategic Housing Investment Plans (SHIPs) support the implementation of the Affordable Housing Supply Programme. The framework for resource planning for this programme includes consideration of homeless households in temporary accommodation and who receive social lets. In planning its

¹⁷ [Hard Edges Scotland | The Robertson Trust](#)

investment in affordable housing, the Scottish Government should clearly set out the outcomes it expects to achieve through its investment including reducing homelessness and poverty.

Crisis supports the recommendations of the Temporary Accommodation Task & Finish Group, including that the Scottish Government should urgently introduce a large-scale national acquisition policy and action plan to buy private sector properties. This should support local authorities to rapidly scale up their acquisition programme and quickly drive up the numbers of social homes available for let. Acquisitions should be prioritised and aligned to local housing needs, using homelessness data to target purchases of properties that will meet the needs of those currently stuck in TA for long periods.

4. We need to ensure our housing system is set up to cater to those with complex needs.

Housing First should be the first response for people whose homelessness is made harder by experiences with trauma, addictions and mental health. Housing First combines settled housing with person-centred and flexible support – as much and for as long as someone wants it. The international evidence on Housing First is exceptionally strong, demonstrating that where provision is consistent with the principles, it can deliver excellent tenancy sustainment outcomes. The Homelessness Monitor Scotland, however, found that around half of all LAs, report levels of provision insufficient to meet demand.¹⁸ Housing supply was widely identified as the main barrier to scale-up. Not enough properties in Scotland are being made available for Housing First, which could undermine the potential success of this programme.¹⁹

5. With 15,000 households currently in temporary accommodation, we urgently need to do everything we can to prevent people’s housing from becoming insecure

Against this challenging backdrop, **the Housing Bill – and specifically the homelessness prevention duties – offer a key solution** to reduce the numbers of people needing to rely on the homelessness system.

In many cases, there is an opportunity to provide help before people reach crisis point and lose their home. Yet, all too often, temporary accommodation has become the default solution to someone facing housing difficulty. This reliance on temporary accommodation eats into our settled housing stock, exacerbating the problems set out above.

We now have an opportunity to get services to work together better and act earlier, to improve the lives of people who need our help, take pressure off other public services, and to stop people experiencing trauma in circumstances when we know it could have been prevented.

Five years ago the Homelessness and Rough Sleeping Action Group²⁰ recommended that Scotland: “legislate for a new prevention duty that brings the Housing Options approach into the heart of the statutory homelessness framework.” And, commissioned by Scottish Government, three years ago the independent Homelessness Prevention Review Group²¹ published proposals which, if implemented well, will provide better outcomes for people, a more person-centred and integrated approach, more choice and control in housing outcomes, and a more efficient system.

¹⁸ Watts-Cobbe, B., Bramley, G., Fitzpatrick, S., Pawson, H., McMordie, L & Young, G. (2024) [The Homelessness Monitor: Scotland 2024](#), London: Crisis.

¹⁹ Homeless Network Scotland (2022) [Housing First Scotland: Annual Check-Up 2022](#)

²⁰ Scottish Government (2018) [Homelessness and Rough Sleeping Action Group: final recommendations report](#)

²¹ Prevention Review Group (2021) [Preventing Homelessness in Scotland: Recommendations for legal duties to prevent homelessness: A report from the Prevention Review Group](#)

We've long known the value of prevention in Scotland. Crisis published analysis in 2015²² which demonstrated that the costs of failing to intervene might be between 3 to 13 times higher than providing immediate support when an issue first emerges. Many of these costs accrue to non-homelessness/housing services such as A&E, psychiatric, drug and alcohol and criminal justice services. The conclusion was clear: preventing and rapidly resolving homelessness *always costs less public money than allowing homelessness to become sustained or repeated.*

When viewed in the context of almost 30,000 households currently in the homelessness system in Scotland, the potential savings should not be underestimated.

²² Pleace, N. (2015) [At what cost? An estimation of the financial costs of single homelessness in the UK.](#)