

1. Visit to Community Help and Advice Initiative, Edinburgh

Briefing sent in advance:

What: Visit to Community Help and Advice Initiative (CHAI) Edinburgh

When: 9 am to 10 am – Wednesday 20th December 2023

Where: CHAI Head Office, 28 Westfield Avenue, Edinburgh EH11 2QH

Who: [REDACTED], Depute Service Manager, CHAI

[REDACTED], Scotland Manager, Advice UK

Why: To meet staff of CHAI to hear about their services as well as to highlight the advice in accessible settings funding, which is supporting partnership work between CHAI, the Rock Trust and Community Alliance Trust (the fund is distributed by Advice UK)

Key messages: Advice services are critical to Scotland's communities, supporting people to understand their rights and entitlements, maximising incomes and helping to reduce poverty.

The advice in accessible settings fund is supporting and encouraging partnerships between experienced advice agencies and a range of other services and organisations. This partnership approach helps to increase the availability and accessibility of advice within community, health and education settings.

We know that advice services are under pressure whilst they help people to navigate the cost of living crisis and we will continue to work with them to understand the issues and target resources at those that need them most.

Official support: [REDACTED], Financial Wellbeing Unit [REDACTED]

Media handling: SG Comms have advised that the visit will be marked on Social Media

Entrance and greeting party: [REDACTED] CHAI and [REDACTED], Advice UK

Parking for ministerial car Unrestricted parking outside the building – please be advised that there may be some signage up from where there were previous restrictions but these no longer apply.

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ANNEX A

EVENT PROGRAMME

9 am Arrive at CHAI offices

9am- 10 am Minister will meet CHAI staff and will hear about the range of services on offer, in particular the partnership work with the Rock Trust and Community Alliance Trust, funded by the Advice in Accessible Settings Fund.

10 am: Depart

ANNEX B

ATTENDEES

Key Staff:

[REDACTED] **Depute Service Manager- CHAI**

[REDACTED]

[REDACTED] **Development Manager- Advice UK**

[REDACTED]

Other CHAI staff in attendance

[REDACTED] Service Manager (Advice for Families)

[REDACTED] Service Manager (Housing & Debt)

[REDACTED] (Fundraising & Development Manager)

[REDACTED] (Youth Housing Hub Lead – Rock Trust)

[REDACTED] (Youth Housing Hub project worker)

[REDACTED] (Advice Worker – CHAI)

ANNEX C

KEY MESSAGES- ADVICE SERVICES

- Advice services are critical to Scotland's communities, supporting people to understand their rights and entitlements, maximising incomes and helping to reduce poverty.
- In 2023-24 the Scottish Government has allocated £12.3 million to support free income maximisation, welfare and debt advice services.
- We know that accessing advice can help to prevent problems from escalating and can help people to access the help, support and services they need.
- Our investment supports advice services which are delivered in a range of ways, including face-to-face, telephone and on-line.
- We provide funding to a range of advice providers both nationally and locally.
- Our investment in advice services includes our continued support for Welfare Advice and Health Partnerships which sees welfare rights advisers embedded within primary health care services including GP surgeries.
- Building on the success of the Welfare Advice and Health Partnerships, we launched the new £1 million Advice in Accessible Settings fund this year to increase the provision of advice within services that people already go to such as education, health and community settings. (see additional lines below)
- We remain committed to supporting advice services as they continue to provide much needed support to households across Scotland.
- The Scottish Government is committed to increasing the awareness and take-up of benefits and other sources of financial and practical help as well as funding services that help to tackle problem debt.

ADVICE IN ACCESSIBLE SETTINGS FUND

- To build on the success of the Welfare Advice and Health Partnerships work we launched the new £1 m advice in accessible settings fund in 2023-24, delivered by Advice UK, to increase the provision of advice within services that people already go such as education, health and community settings.
- This fund supports partnership working between advice agencies and a range of other services in order to increase the accessibility and awareness of advice.
- Projects supported by the fund are delivering holistic advice services, including debt advice, in education, health and other community settings.
- For the period covering 1 July 2023 to 30 November 2023, 24 member organisations received funding, working with 45 partner organisations, allowing for 67 organisations to be supported by this fund.
- From the 1 July 2023 to the 30 November 2023, the funding has supported 2115 clients across 23 Local Authority Areas in Scotland.
- Over £1,496,065.30 of debt is currently being managed as a result of this funding and £1,644,959.66 of Financial Gains have been achieved.
- Families receiving support from these services include lone parents, minority ethnic families and families with Disabled children.
- The fund is supporting and encouraging partnerships between advice providers and a range of other community- based services including youth charities, housing and homelessness services, faith-based charities, specialist mental health services and carers support services.

ANNEX D

BACKGROUND- CHAI

- The Community Help and Advice Initiative (CHAI) is an Edinburgh based voluntary organisation with charitable status and is a company limited by guarantee. It was formed in October 1997 from a planned amalgamation of a number of smaller organisations that had previously been operating in similar fields of work in the Wester Hailes Community in Edinburgh.
- Initially the Project was funded through the Urban Aid programme, and successor funding initiatives, as part of the wider regeneration initiative in the Community of Wester Hailes in Edinburgh – an area recognised as suffering from multiple deprivation.
- In more recent years, CHAI has developed its remit to provide additional services under specific contracts with the City of Edinburgh Council, Registered Social Landlords, NHS Lothian and the Scottish Legal Aid Board.
- CHAI provides free, independent, and impartial information, and high quality advice on welfare rights, employability, debt, and housing matters to their clients, focusing on homelessness prevention and supporting people out of poverty.
- The organisation is accredited to the Scottish National Standards in Advice Provision to Type III in benefits, housing and money advice.
- CHAI delivers a range of both generalist and specialist services and currently holds a contract with Edinburgh Council's Integrated Joint Board for embedded advice services within GP surgeries and community mental health hubs in collaboration with Granton Information Centre and Citizens Advice Edinburgh. This work has been extended to some additional GP surgeries through the Scottish Government's Welfare Advice and Health Partnership funding.
- CHAI also deliver hospital advice services within the Royal Hospital for Sick Children in Edinburgh, in collaboration with Citizens Advice Edinburgh.
- CHAI also deliver a specialist Housing Advice project in collaboration with Melville Housing Association.
- CHAI have also been successful in receiving Scottish Government funding linked to the Drug Death Task Force to deliver advice to drug users.
- Several streams of funding have come to an end recently which has meant the reduction of some services and redundancies for some staff. This includes the Maximise Project (advice in Schools in collaboration with Children 1st) and housing related advice previously funded through the Scottish Legal Aid Board as well as their No One Left Behind Youth project.

Advice in Accessible Settings Project (CHAI):

- The Advice in Accessible settings fund was launched in June 2023, funded by the Scottish Government and managed by Advice UK.
- CHAI are a member of Advice UK and were successful in their application to the fund and have been awarded just over £19,000 for a partnership project with the Rock Trust.
- The aim of the project is to work alongside the Rock Trust, Scotland's leading youth homelessness charity to provide a person-centred and holistic advice service that listens to the voices of young people and identifies barriers that are pertinent to their circumstances. Using CHAI's knowledge and expertise they are taking a proactive stance to address these barriers through income maximisation, benefits, housing and debt advice.

- The staff member recruited for the AIAS funding commenced employment on the 24th of July and has subsequently undertaken an intensive training programme as well as shadowing experienced advisers, she has also visited with the Rock Trust and is delivering advice sessions two days per week on a Wed and Fri morning.
- It was reported to Advice UK recently that the number of referrals from the Rock Trust were lower than expected and so CHAI have now involved an additional partner organisation in this project.
- The additional partner is the Community Alliance Trust, a well established community development trust working in the greater Craigmillar area of Edinburgh.

ADVICE UK- BACKGROUND

- Advice UK was appointed by the Scottish Government to manage and distribute the £1m Advice in Accessible settings Fund in small grants to members who provide money and debt advice services within Scotland. The funds are intended for provide money, debt, benefits and other advice services within community settings.
- Advice UK is the largest support network for independent advice organisations in the UK. They support 700 members across the UK with nearly 100 of those in Scotland.
- Advice UK provides support to their members on a range of issues including funding, governance and recruitment as well as training resources. They also provide training on and management of a case recording system – Advice Pro- for their members.
- Advice UK also provides a range of other training and networking opportunities for their members and act as a voice to decision makers for the independent advice sector.

Note of Meeting:

The Minister met Community Help and Advice Initiative (CHAI) staff to discuss their service including their partnership with the Rock Trust, part of the Advice in Accessible Settings funding programme. The visit took place in person at CHAI's office in Edinburgh on 20 December 2023.

Attending

- Paul McLennan MSP, Minister for Housing
- [REDACTED] Depute Service Manager, CHAI
- [REDACTED] Development Manager – Advice UK
- [REDACTED] Service Manager (Advice for Families), CHAI
- [REDACTED] Service Manager (Housing & Debt), CHAI
- [REDACTED] (Fundraising & Development Manager), CHAI
- [REDACTED] (Advice Worker), CHAI
- [REDACTED] (Youth Housing Hub Lead), Rock Trust
- [REDACTED] (Youth Housing Hub project worker), Rock Trust

Official Support

- [REDACTED] Welfare and Debt Advice Services – Advice Services Policy Manager

Welcome and Introductions

[REDACTED] the CHAI Depute manager along with other CHAI and Rock Trust colleagues provided an overview of CHAI's work.

Discussion topics included:

- The value of providing advice in multiple outreach locations such as GP surgeries and the importance of taking services into settings where people feel comfortable – in effect taking advice to them.
- Flexibility is key to CHAI's impact and has enabled them to engage people who would otherwise not seek advice, in many hard-to-reach areas.
- Adding an additional partner to the project, the Community Alliance Trust, has proved very successful with high levels of engagement from people seeking advice.
- Engaging young people with the Advice in Accessible Settings (AiAS) project has proved more of a challenge than expected but the Rock Trust is working to build up referrals from other services such as Job Centres and colleges.
- The importance of promotion to remind partners (especially in health settings) that CHAI is available to their service-users as partner agency staff move on and are replaced by new or temporary staff who have no knowledge of CHAI.
- Housing is an issue for about 50% of the 'Advice for Families' service clients and it is taking longer to find suitable accommodation for families, many of whom are in temporary accommodation.
- The value of Employability services which support people with services like childcare and help them to find work.
- The importance of holistic funding like the AiAS Fund which means people can be helped with the multiple issues that they face. It also means that there is nearly always something CHAI can do to support people from increasing their income or providing employability support or just a listening ear.
- The Minister asked about CHAI referral processes – the focus is on minimal bureaucracy and navigating the different processes in place for different agencies to make it as easy as possible to refer clients for help.
- There was a discussion about the importance of prevention, which will feature in the Housing Bill and how this can help to avoid many problems at an early stage. Examples discussed were mediation in housing cases especially between young

people and their families and a growing emphasis on working with younger families to help support children from a very young age.

- Mr McLennan asked CHAI if there were any issues they wished to raise with him. Topics raised are outlined below:

Funding

- Short-term funding causes difficulties for several reasons: people are encouraged to use a service embedded in a location like a school but are then left without support when funding ends; funding helps to train staff (it takes two years to bring an adviser up to the required standard) but they move on either because funding ends or to find better paid work, often in statutory services; the value of unrestricted funding to enable CHAI to provide holistic services; it can be difficult to source funding for advice work as grant-providers will often prioritise other causes such as health-related work.

Partnership work

- Partnership work between CHAI and other agencies helps to fill the gaps between services and reduces competition between agencies, allowing them to play to their strengths and provide the services clients need.

Action Points:

- Mr McLennan thanked CHAI for the meeting and the work they are doing. He would be happy to visit any of their outreach projects in the future.

[REDACTED]
21 December 2023

2. Budget meetings with Shelter, Rettie & Co, Scottish Property Federation, Everyone Home Collective, Homes for Scotland, COSLA, ALACHO, UKAA

Briefing sent in advance:

What: Post budget calls with key housing stakeholders

When: Wednesday 20th December 2023

Where: Microsoft Teams

Who: Key housing stakeholders – see Annex A - G

Why: Engagement with key housing stakeholders after the Scottish Budget is announced in Parliament on 19 December.

Key messages: Core narrative set out in each Annex

Official support: Joe Brown, More Homes [REDACTED]

Agenda: 15 minute discussions with stakeholders – no formal agenda. Background and key messages for each stakeholder is included in the briefing pack as follows:

Annex A: Homes for Scotland

Annex B: Scottish Federation of Housing Associations (SFHA)

Annex C: Rettie & Co/UKAA

Annex D: Scottish Property Federation

Annex E: COSLA

Annex F: ALACHO

Annex G: Shelter Scotland

Annex HG: Everyone Home Collective

Main objective: To convey key messages and to seek immediate feedback on impact for stakeholders. Particular focus on engaging investor community in as positive a way as possible.

ANNEX A

Homes for Scotland – Jane Wood, Chief Executive

Issue/ background: HfS have issued a press release following the budget announcement expressing their “shock at level of budget cuts to housing and planning” Stating “Concern policies acting as a deterrent to investment”.

On 7 November, HfS’s [REDACTED] wrote to the Cabinet Secretary for Finance outlining five key recommendations regarding the 2024/25 budget.

Recommendation 1: If Scotland is to return to pre-financial crisis levels of housing output and deliver at least 25,000 new homes each year across all tenures to help meet need and demand, local authorities must be adequately resourced financially to provide the skills and resources required to facilitate new housing rather than restrict it.

Recommendation 2: To help incentivise the general public to make climate friendly choices, the Scottish Government should align the current Land and Buildings Transaction Tax and Council Tax bandings to energy efficiency or offer rebates on the most energy efficient homes rated EPC A.

Recommendation 3: To directly assist SME home builders, the Scottish Government should create a specific infrastructure grant concentrated on small brownfield sites and prioritise other grant funding to tackle problems of vacant and derelict land in order to increase development opportunities for small home builders.

Recommendation 4: To help alleviate pressure on the social and private rented sectors and also support the aspiration of the majority of Scots to own their own home at a time of particular challenge in the context of higher interest rates and deposits, the Scottish Government must take wider action to assist First Time Buyers, whether through the reintroduction of shared equity products or more generous LBTT thresholds to create parity with purchasers south of the border.

Recommendation 5: The Scottish Budget process must ensure funding is made available to address data gaps on housing at a national level.

Cladding

- We are continuing to invest in the Cladding Remediation programme through our £41.3 million investment.
- The Cladding Remediation Programme aims to safeguard residents and homeowners by addressing the risk to human life that is (directly or indirectly) created or exacerbated by a building's external wall cladding system, as well as the consequential negative impacts which can exist in relation to the buying and selling and remortgaging.

Key message(s)

- The UK Government did not inflation-proof their Capital Budget which has resulted in a 9.8% real terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.
- This flat and falling funding trajectory from the UK Government has significantly impacted our ability to deliver on all our capital infrastructure commitments.
- The decisions made by the UK Government to reduce our capital funding in real terms year on year, alongside the construction supply chain issues, labour shortages and high inflation means that we cannot deliver on all our capital projects within the funding available.
- One of the most difficult choices we have taken is to reduce the funding for our Affordable Housing Supply Programme.
- We will still invest more than half a billion pounds in affordable homes across Scotland next year.
- The 2024-25 budget of £555.862 million represents a decrease of £157.3m (22%) on the previous published Capital Spending Review figure for 2024-25 of £713.145m – a decrease of £66.5m capital (14%) and a decrease of £70.8m (65%) in financial transactions.
- The 2024-25 budget represents a decrease of £196.1m (26%) when compared to the 2023-24 Affordable Housing Supply Programme budget of £751.945m – a decrease of £74.7m capital (16%) and a decrease of £121.4m (71%) in financial transactions.
- We will continue to work with partners to increase the delivery of more affordable homes, the majority of which will be for social rent, including supporting acquisitions of existing properties.

- We will be considering how we utilise our reduced Financial Transactions to best effect.
- We will be continuing our funding support for the Rural and Islands Housing Fund and the Rural Key Workers Fund.
- Our area teams will work closely with local partners to ensure programme delivery in 2024-25 reflects this reduced budget envelope whilst looking at ways to maximise what can be progressed.
- At a time when there are extreme pressure on housing systems, and each home costs more to build or buy, we have less to invest;
- Our target of delivering 110,000 affordable homes by 2032 is at risk [REDACTED]
- As such we will bring forward the review of the target from 2026/27 to 2024, with a focus on the timeline for delivery of 110,000 affordable homes.
- And in parallel we will accelerate work with the financial community in Scotland and elsewhere to boost private sector investment in Scotland year on year, and help deliver more homes.

I recognise our shared interests in delivering new homes and the impact these homes can make on peoples' lives. New housing adds economic value and contributes to community wellbeing. Scottish ministers remain ambitious to deliver the aims of Housing to 2040 in that regard, and our strong record of affordable housing delivery is one we are keen to build on.

As a result of the economic mismanagement from the UK Government on last year's mini-budget as well as the cut to Scotland's capital budget from Westminster, this government is operating in challenging financial circumstances. We, however, remain committed to working with the sector to deliver the high quality homes that Scotland needs and to work collaboratively to remove barriers to delivery where they arise.

I will continue to engage with Homes for Scotland on a regular basis which will allow your recommendation to be discussed in more detail.

Cladding

- The Cladding Remediation Programme budget aims to safeguard residents and homeowners by addressing the risk to human life that is (directly or indirectly) created or exacerbated by a building's external wall cladding system, as well as the consequential negative impacts which can exist in relation to the buying and selling and remortgaging.
- We are making progress on a step change in delivery as we move towards having 105 buildings on a pathway to a single building assessment by June 2024
- We will continue to work collaboratively with Homes for Scotland and developers can explore next steps at our round table discussion in January.

Suggested question(s)

- What will the cladding remediation budget deliver?
- The budget supports the undertaking of a stock survey of relevant medium and high-rise buildings to identify buildings with potentially unsafe cladding across Scotland.
- Transitioning pilot buildings through to a Single Building Assessment and actions to support the implementation of the national programme and scaling up of delivery.

- It also supports the provision of urgent interim measures to mitigate risk to life. What is the budget for the Programme/will you confirm that there is sufficient budget to remediate all buildings?
- Where risk to life is identified we will always ensure that there is the necessary funding to support action.

Contact point: Joe Brown, [REDACTED]

ANNEX B

Scottish Federation of Housing Associations (SFHA) – Sally Thomas, Chief Executive

Issue/ background

Warn that defining mission of tackling poverty is at risk and call for £700 million funding gap to be restored to the Affordable Housing Supply Programme.

Other Asks

- Commit to funding the both the Fuel Insecurity Fund and Winter Hardship Fund each year until the end of this parliament in 2026.
- Implement a rural uplift to flat rate devolved payments and expand eligibility for support to include all off-gas households.
- Introduce a single national cross-tenure framework for adaptations, supported by an additional annual investment of at least £10.5m

Key message(s)

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- As such we will bring forward the review of the target from 2026/27 to 2024, with a focus on the timeline for delivery of 110,000 affordable homes.
- And in parallel we will accelerate work with the financial community in Scotland and elsewhere to boost private sector investment in Scotland year on year, and help deliver more homes.

Fuel Insecurity Fund

- Unfortunately the very difficult financial situation we are facing means that we are unable to commit additional funding [at this point]
- Since winter 2020, we have made over £63m available via the Fund to support households at risk of self-rationing or self-disconnecting their heating source. Our latest estimates suggest we will reach close to 250,000 households through some level of direct support via our trusted network, which SFHA are a part.
- The current cost crisis has though underlined that high energy prices are the single most important driver of fuel poverty. Regulation of energy markets, remain under the UK Government's control and we must see more positive action from them to address the immediate energy price crisis.
- Our Warmer Homes Scotland Scheme and our Area Based Schemes both support those most at risk of living in fuel poverty to live in warmer and easier to heat homes – the budget for both of these schemes has been maintained at 2023/24 levels.
- Low-income households with an additional need for heat will continue to receive support through the Winter Heating Payment which this Government introduced last winter. This £22m investment is an important support mechanism for households during the winter, it is targeted support for people with a young child, a disability or an older person within the household.

Adaptations Funding

- For 2024-25 there will be a reduction on the Housing Support capital line of £3.755m compared to 2023-24.
- The Housing Support line funds capital construction projects for Gypsy/Traveller accommodation and to help Registered Social Landlords (RSLs) deliver a front-line service for disabled tenants and who need adaptations to their homes.
- The Gypsy/Traveller programme will be maintained at £6m for 2024-25.
- For RSL adaptations, provision remains in place, albeit at a reduced level of £8.245m for 2024-25. Reduced from £11m in the current financial year.
- To continue to deliver adaptations for disabled tenants at a level beyond that achievable with SG support alone, some RSLs may fund adaptations for disabled tenants from their own resources. Also in individual cases where supporting

adaptations helps meet local health priorities, some resources may be available from IJBs.

- Landlords have some responsibilities under the Equality Act (Scotland) 2010 to make reasonable adjustments for disabled tenants including some low-level adaptations such as ramps. This does not extend to structural changes to properties such as level access bathrooms.

Contact point: Joe Brown, [REDACTED]

ANNEX C

Rettie & Co - Matthew Benson (Director)
UK Apartment Association (UKAA) – Gillian McLees - Chair of UKAA Scotland

Issue/ background

In April 2023, Rettie commissioned the British Property Federation to undertake an assessment of Scotland's emergency cost of living legislation – Assessment of Scotland's Rent Freeze and Impacts.

The key conclusions impacting Scottish Government are as follows:

1. the need for a stable policy environment
2. the need for a positive planning attitude including supporting density for BTR and dealing with planning applications quickly
3. the need for engagement with the industry to foster confidence and trust

You met with investors who participated in the study on 18 October in London.

A follow up meeting focusing on rent freeze and to be coordinated by Rettie is planned early 2024. Rettie has offered to pull together terms of reference for this group. We are still waiting for a copy of this.

You also met with Rettie on 5 December where Matthew Benson presented Rettie's thoughts on how to increase the supply of affordable housing and presented a number of ideas. We are still awaiting a revised copy of this presentation.

Key message(s)

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- The decisions made by the UK Government to reduce our capital funding in real terms year on year, alongside the construction supply chain issues, labour shortages and high inflation means that we cannot deliver on all our capital projects within the funding available.
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 - We will continue to work with partners to increase the delivery of more affordable homes, the majority of which will be for social rent, including supporting acquisitions of existing properties.
 - We will be considering how we utilise our reduced Financial Transactions to best effect.
 - We will be continuing our funding support for the Rural and Islands Housing Fund and the Rural Key Workers Fund.
 - Our area teams will work closely with local partners to ensure programme delivery in 2024-25 reflects this reduced budget envelope whilst looking at ways to maximise what can be progressed.
 - At a time when there are extreme pressure on housing systems, and each home costs more to build or buy, we have less to invest;
 - Our target of delivering 110,000 affordable homes by 2032 is at risk [REDACTED]
 - As such we will bring forward the review of the target from 2026/27 to 2024, with a focus on the timeline for delivery of 110,000 affordable homes.
 - And in parallel we will accelerate work with the financial community in Scotland and elsewhere to boost private sector investment in Scotland year on year, and help deliver more homes.

Our long-term housing strategy, Housing to 2040, sets out our plans to continue delivering homes, including for private rent. Our focus remains on maximising delivery of homes at the affordable end of market rents

We recognise the importance of the private rented sector in the provision of rented housing, including homes provided through the build to rent sector and we believe that a well regulated private rental sector is good for both tenants and landlords.

It is important that this government works with the property sector to foster confidence and trust to support the industry deliver the high quality homes that meet the needs of Scotland's people.

I want Scotland to be a competitive and attractive place to invest.

As part of how the SG responds to the FM's Investor Panel I will place a specific focus on attracting investment into housing. I want to work with you and your clients to make sure we are creating the right conditions; overcoming barriers and acting as a catalyst for new partnerships. I want to bring in others, such as the Scottish National Investment Bank so that together we can make the most of the opportunity ahead.

Contact point Joe Brown [REDACTED]

ANNEX D

Scottish Property Federation – David Melhuish (Director)

Issue/ background

You meet the Scottish Property Federation and their members on a regular basis as part of their round table discussions. The key concerns at these meetings has tended to focus on the length of time planning applications take and the impacts of rent control particularly on appetite to invest in Scotland for build to rent.

Key message(s)

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Contact point: Joe Brown, [REDACTED]

ANNEX E

COSLA – Councillor Maureen Chalmers

Issue/ background

COSLA released a statement on the Local Government Settlement 2024/25 on Tuesday night

COSLA RELEASES BUDGET REALITY DOCUMENT | COSLA

This highlighted:

Revenue: £144m has been provided for a council tax freeze – COSLA say the cost could be as much as £300m leaving a gap of £156m and is a cut of £251m for Local Government (note that this does not include the impact of inflation.

Capital: Article also states that this is also a cut of £99.5m for Local Government

Key message(s)

- The UK Government did not inflation-proof their Capital Budget which has resulted in a 9.8% real terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.
- This flat and falling funding trajectory from the UK Government has significantly impacted our ability to deliver on all our capital infrastructure commitments.
- The decisions made by the UK Government to reduce our capital funding in real terms year on year, alongside the construction supply chain issues, labour shortages and high inflation means that we cannot deliver on all our capital projects within the funding available.
- One of the most difficult choices we have taken is to reduce the funding for our Affordable Housing Supply Programme.
- We will still invest more than half a billion pounds in affordable homes across Scotland next year.
- The 2024-25 budget of £555.862 million represents a decrease of £157.3m (22%) on the previous published Capital Spending Review figure for 2024-25 of £713.145m – a decrease of £66.5m capital (14%) and a decrease of £70.8m (65%) in financial transactions.
- The 2024-25 budget represents a decrease of £196.1m (26%) when compared to the 2023-24 Affordable Housing Supply Programme budget of £751.945m – a decrease of £74.7m capital (16%) and a decrease of £121.4m (71%) in financial transactions.

- We will continue to work with partners to increase the delivery of more affordable homes, the majority of which will be for social rent, including supporting acquisitions of existing properties.
- We will be considering how we utilise our reduced Financial Transactions to best effect.
- We will be continuing our funding support for the Rural and Islands Housing Fund and the Rural Key Workers Fund.
- Our area teams will work closely with local partners to ensure programme delivery in 2024-25 reflects this reduced budget envelope whilst looking at ways to maximise what can be progressed.
- At a time when there are extreme pressure on housing systems, and each home costs more to build or buy, we have less to invest;
- Our target of delivering 110,000 affordable homes by 2032 is at risk [REDACTED]
- As such we will bring forward the review of the target from 2026/27 to 2024, with a focus on the timeline for delivery of 110,000 affordable homes
- And in parallel we will accelerate work with the financial community in Scotland and elsewhere to boost private sector investment in Scotland year on year, and help deliver more homes.
- £6m has been identified for continued operation of the Gypsy/Traveller Accommodation Fund in 2024-25. The Fund is currently supporting six projects in Clackmannanshire, Highland, Perth and Kinross, Aberdeen City, Fife and South Lanarkshire.

Contact point Joe Brown, [REDACTED]

ANNEX F

ALACHO – [REDACTED], Policy Manager

Issue/ background

ALACHO and the Chartered Institute of Housing (CIH) wrote a joint letter to the Minister for Housing on 31 October. In this letter, they called for the Scottish Government to:

- Urgently update local authorities on the distribution of £2 million RRTP funding to prevent loss of staff and projects grinding to a halt.
- Commit to extending RRTPs beyond the current five-year timescale.
- Provide adequate funding to support RRTP work for at least a further five years.
- Work with the housing sector and key partners to develop details of the homelessness prevention duties in tandem with the development of the Housing Bill.
- Review the Homelessness Code of Guidance taking account of the new Homelessness Prevention Duties ahead of implementation to support understanding of the new requirements and allow time for changes to be planned and implemented. This should include clear guidance on the contribution that key partners should make towards tackling homelessness.

Key message(s)

- The UK Government did not inflation-proof their Capital Budget which has resulted in a 9.8% real terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.
- This flat and falling funding trajectory from the UK Government has significantly impacted our ability to deliver on all our capital infrastructure commitments.
 - The decisions made by the UK Government to reduce our capital funding in real terms year on year, alongside the construction supply chain issues, labour shortages and high inflation means that we cannot deliver on all our capital projects within the funding available.
 - One of the most difficult choices we have taken is to reduce the funding for our Affordable Housing Supply Programme.
 - We will still invest more than half a billion pounds in affordable homes across Scotland next year.
 - The 2024-25 budget of £555.862 million represents a decrease of £157.3m (22%) on the previous published Capital Spending Review figure for 2024-25 of £713.145m – a decrease of £66.5m capital (14%) and a decrease of £70.8m (65%) in financial transactions.
 - The 2024-25 budget represents a decrease of £196.1m (26%) when compared to the 2023-24 Affordable Housing Supply Programme budget of £751.945m – a decrease of £74.7m capital (16%) and a decrease of £121.4m (71%) in financial transactions.
 - We will continue to work with partners to increase the delivery of more affordable homes, the majority of which will be for social rent, including supporting acquisitions of existing properties.
 - We will be considering how we utilise our reduced Financial Transactions to best effect.
 - We will be continuing our funding support for the Rural and Islands Housing Fund and the Rural Key Workers Fund.
 - Our area teams will work closely with local partners to ensure programme delivery in 2024-25 reflects this reduced budget envelope whilst looking at ways to maximise what can be progressed.
 - At a time when there are extreme pressure on housing systems, and each home costs more to build or buy, we have less to invest;
 - Our target of delivering 110,000 affordable homes by 2032 is at risk [REDACTED]
 - As such we will bring forward the review of the target from 2026/27 to 2024, with a focus on the timeline for delivery of 110,000 affordable homes.
 - And in parallel we will accelerate work with the financial community in Scotland and elsewhere to boost private sector investment in Scotland year on year, and help deliver more homes.

RRTPs

- Rapid Rehousing Transition Plans (RRTPs) play an important role in Scotland's strategy to end homelessness. We have provided local authorities with £52.5 million between 2018-24 for their RRTPs to support people into settled accommodation first before helping them with their longer-term needs.
- We are also providing them with £30.5 million in 2023-24 for their work to prevent homelessness.

- We remain wholly committed to rapid rehousing. For 2024-25 £8m of funding will be provided to local authorities for the ongoing implementation of RRTPs, in line with the level of annual funding provided since 2019.
- The economic conditions for the 2024-25 Scottish Budget are set to remain challenging as inflationary pressures continue on households, businesses and public services.
- The funding provided in the Autumn Statement falls far short of what we need. Scotland needed more money for infrastructure, public services and fair pay deals – the UK Government has let Scotland down on every count. Instead, this delivers a real terms reduction in the total block grant.
- The UK Government has not inflation-proofed their Capital Budget which is forecast to result in a 9.8% real terms cut in our capital funding over the medium term between 2023-24 and 2027-28.

Homelessness prevention

- We know that the best way to end homelessness is to prevent it from happening in the first place.
- The new prevention of homelessness duties will build on the strong housing rights that already exist in Scotland for people who become homeless.
- The duties will be based on the principles that prevention should be a shared public responsibility, that there should be earlier intervention across systems and that people facing homelessness should have more choice and control over where they live.
- By intervening at an earlier stage, and encouraging services to work together to respond to people's needs, we can ensure fewer people and families are faced with having to re-build lives affected by homelessness and savings will be made across public services.
- There will be new duties for specified public bodies to 'ask and act' about a person's housing situation and we will make changes to existing homelessness legislation to ensure local authorities must act at an earlier stage to prevent homelessness.
- The Homelessness Prevention and Strategy Group (HPSG) established a Task and Finish Group to focus on how best to prepare the ground for implementation of the new duties. The group published its recommendations in August 2023 and we published the Scottish Government's response on 18 December.

Next Steps

- We confirmed in the PfG 2023/24 that we will introduce draft legislation which will include the prevention of homelessness duties as part of the year 3 legislative programme.
- The exact timing of the Bill will be informed by our engagement with stakeholders and final decisions taken by Cabinet.
- In line with the Scottish Ministerial Code 2023 I cannot discuss the specific content of the legislation without prior agreement of the Cabinet.
- Legislation is still being drafted, and we cannot share the final proposed text.
- We will work closely with our partners, both in strategic and frontline roles, and with people who have lived experience of homelessness, in developing the legislation, as well as the guidance and training required to accompany the duties.

Other matters

- £6m has been identified for continued operation of the Gypsy/Traveller Accommodation Fund in 2024-25. The Fund is currently supporting six projects in Clackmannanshire, Highland, Perth and Kinross, Aberdeen City, Fife and South Lanarkshire.

Contact point[REDACTED]

ANNEX G

Shelter Scotland – Alison Watson, Director

Issue/ background

Shelter Scotland has urged the Scottish Government to prioritise the needs of homeless children when it delivers its budget on Tuesday.

- Following the SFHA and Poverty Alliance’s calls for £700 million to be restored to the Affordable Housing Supply Programme, Shelter Scotland said ministers must ringfence additional funding to deliver social homes for children who have been trapped in temporary accommodation the longest because of the lack of larger family-sized social homes available.
- The charity is calling for a new dedicated, ringfenced, Housing Emergency Acquisition Fund of £300m to procure social homes for the 1,910 households with children who have been stuck in temporary homeless accommodation for more than a year.

Key message(s)

The UK Government did not inflation-proof their Capital Budget which has resulted in a 9.8% real terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.

- This flat and falling funding trajectory from the UK Government has significantly impacted our ability to deliver on all our capital infrastructure commitments.
- The decisions made by the UK Government to reduce our capital funding in real terms year on year, alongside the construction supply chain issues, labour shortages and high inflation means that we cannot deliver on all our capital projects within the funding available.
- One of the most difficult choices we have taken is to reduce the funding for our Affordable Housing Supply Programme.
- We will still invest more than half a billion pounds in affordable homes across Scotland next year.
- The 2024-25 budget of £555.862 million represents a decrease of £157.3m (22%) on the previous published Capital Spending Review figure for 2024-25 of £713.145m – a decrease of £66.5m capital (14%) and a decrease of £70.8m (65%) in financial transactions.
- The 2024-25 budget represents a decrease of £196.1m (26%) when compared to the 2023-24 Affordable Housing Supply Programme budget of £751.945m – a decrease of £74.7m capital (16%) and a decrease of £121.4m (71%) in financial transactions.

- We will continue to work with partners to increase the delivery of more affordable homes, the majority of which will be for social rent, including supporting acquisitions of existing properties.
- We will be considering how we utilise our reduced Financial Transactions to best effect.
- We will be continuing our funding support for the Rural and Islands Housing Fund and the Rural Key Workers Fund.
- Our area teams will work closely with local partners to ensure programme delivery in 2024-25 reflects this reduced budget envelope whilst looking at ways to maximise what can be progressed.
- At a time when there are extreme pressure on housing systems, and each home costs more to build or buy, we have less to invest;
- Our target of delivering 110,000 affordable homes by 2032 is at risk [REDACTED]
- As such we will bring forward the review of the target from 2026/27 to 2024, with a focus on the timeline for delivery of 110,000 affordable homes.
- And in parallel we will accelerate work with the financial community in Scotland and elsewhere to boost private sector investment in Scotland year on year, and help deliver more homes.

ACTION TO REDUCE THE USE OF TA

We are committed to reducing the number of households in temporary accommodation, especially those with children.

- Most households in temporary accommodation are living in either local authority or housing association properties.
- The figures include households who have been offered settled accommodation but have chosen to wait for an offer that fully meets their needs.
- In some circumstances, such as families with children, it can take time to identify an appropriate property of the correct size and type for the household's needs.
- Waiting times for property can also be exacerbated by limited turnover or stock availability, changes to a household's circumstances, or instances where families need to access other services such as health, justice or social work.
- Not all temporary accommodation is unsuitable; in some cases, the local authority can 'flip' the accommodation to the household's permanent home. This can reduce the number of transitions for homeless households, but flipping relies on the property being the right size and type to meet the household's needs.

We have committed to reducing the use of TA by 2026.

- We are committed to acting on the recommendations of the expert Temporary Accommodation Task and Finish Group. We will:
 - o invest at least £60m this year through the Affordable Housing Supply Programme to support a national acquisition programme
 - o work with social landlords to deliver a new programme of stock management;
 - o implement targeted partnership plans with the local authorities facing greatest pressure – backed by an additional £2m.
- A transition to rapid rehousing by default is the best way to reduce the use of temporary accommodation in the longer term. We remain wholly committed to rapid rehousing and future budgets will be set out in December.
- Our planned investment of £60m this year in the national acquisition programme will help local authorities and registered social landlords to acquire properties for

use as high quality, affordable, permanent homes. This will help boost the supply of available affordable housing, including settled family homes.

ACTION TO DELIVER AFFORDABLE HOUSING

Scotland has led the UK in providing affordable housing.

- From April 2007 to end September 2023, we have delivered 126,396 affordable homes, over 89,000 of which were for social rent, including 23,625 council homes.
- In the year to end September we have delivered 10,582 affordable homes.
- The number of all-sector new build homes completed in Scotland decreased by 6% (1,355 homes) in the latest year to end September 2023 to 21,952 homes, down from 23,307 homes.
- Inflationary pressures, Brexit impacts and wider market conditions have combined to trigger various issues including rising construction costs and workforce challenges.
- The housing sector has done incredible work to deliver homes in these circumstances and we continue to work with partners to mitigate these impacts.

HOMELESSNESS FUNDING

Most funding for homelessness is provided through the local government settlement. In addition, we give local authorities £30.5m annually for their work to prevent homelessness.

- Separately, we are providing £100m from our multi-year Ending Homelessness Together fund to transform the homelessness system.
- This transformation funding has already provided local authorities with £52.5m between 2018-24 for their rapid rehousing transition plans to support people into settled accommodation.
- We remain committed to supporting the delivery of 110,000 affordable homes by 2032, 70% of which will be for social rent.
- We have committed an additional £2m of funding to reduce the use of temporary accommodation and implement targeted partnership plans with the local authorities facing greatest pressure.
- We spend more per person than any UK nation on discretionary housing payments, helping struggling households to remain in their homes.
- In 2023-24, we are making £83.7m available to local authorities to spend on discretionary housing payments.

HOMELESS DEATHS STATISTICS

Behind every statistic is a human being. We are committed to doing all we can to address disadvantage, tackle health inequalities and prevent homelessness from happening in the first place.

- We know that experience of multiple forms of extreme disadvantage, including homelessness, poor mental health and opioid dependence, are linked to higher rates of ill health and premature death.
- That is why we are investing £250m over the life of this Parliament to improve drug and alcohol services via our National Mission and this includes work to strengthen partnerships between health and homelessness services.

- Our ground-breaking prevention of homelessness duties will ensure that the prevention of homelessness is a shared public responsibility and that action to prevent homelessness starts much earlier.
- Housing First, which offers a mainstream settled tenancy and wraparound support, is the best response for people experiencing homelessness who have multiple and complex needs.
- We have provided £52.5 million to local authorities between 2018-24 to support the transition to rapid rehousing, including the delivery of Housing First.

ACTION TO ERADICATE ROUGH SLEEPING

We remain committed to eradicating rough sleeping and the use of night shelters in Scotland.

- We know that night shelters do not provide a safe or dignified way for people at risk of rough sleeping to receive support.
- Local authorities have a legal duty to provide accommodation to anyone at risk of homelessness and nobody should have to sleep rough in Scotland.
- Since 2020 we have provided over £1.1m of funding to support the operation of rapid rehousing welcome centres in Glasgow and Edinburgh which operate through the winter to ensure people at risk of rough sleeping can access accommodation and support in a safe and dignified way.
- We have also provided over £147,000 of funding to third sector organisations across Scotland since 2020 so staff can meet the needs of people at risk of, or experiencing, rough sleeping and provide them with support in a dignified and person-centred way.

LHA RATES

While the Scottish Government takes action to tackle homelessness, UK Government decisions are compounding a difficult situation.

- While we are relieved to hear the Chancellor will be scrapping the freeze on Local Housing Allowance the damage done over the three years the freeze has been in place has been considerable – an estimated £819m cut to the allowance across Great Britain, coupled with cuts of £181m to Scotland’s capital budget, has hampered efforts to increase available housing.
- We are concerned that the UK government appears to be lifting the freeze for only one year, and is planning to freeze rates again after next year; no-one should have to make the choice between paying their rent, feeding their family or heating their home.

Contact point[REDACTED]

ANNEX H Everyone Home Collective

Issue/ background

The Everyone Home Collective wrote to DFM on 22 November with two asks around the forthcoming Budget:

1. The investment already committed to the Affordable Housing Supply Programme will not go far enough in delivering the social homes that communities across Scotland so desperately need. That money must be increased, and it must be better targeted.

2. The budget must also see action to bolster local authorities. Scotland has some of the strongest statutory homelessness rights anywhere. And the strength of those rights is something we should all be proud of. But those rights mean very little if Scotland's local authorities, under-resourced and overwhelmed, are unable to meet the immense demand that they face. With rights being breached with regularity across Scotland, it is critical that the budget provides councils with the investment they need to meet their duties, commission services and to protect people from all communities from homelessness.

Key message(s)

- The UK Government did not inflation-proof their Capital Budget which has resulted in a 9.8% real terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.
- This flat and falling funding trajectory from the UK Government has significantly impacted our ability to deliver on all our capital infrastructure commitments.
- The decisions made by the UK Government to reduce our capital funding in real terms year on year, alongside the construction supply chain issues, labour shortages and high inflation means that we cannot deliver on all our capital projects within the funding available.
- One of the most difficult choices we have taken is to reduce the funding for our Affordable Housing Supply Programme.
- We will still invest more than half a billion pounds in affordable homes across Scotland next year.
- The 2024-25 budget of £555.862 million represents a decrease of £157.3m (22%) on the previous published Capital Spending Review figure for 2024-25 of £713.145m – a decrease of £66.5m capital (14%) and a decrease of £70.8m (65%) in financial transactions.
- The 2024-25 budget represents a decrease of £196.1m (26%) when compared to the 2023-24 Affordable Housing Supply Programme budget of £751.945m – a decrease of £74.7m capital (16%) and a decrease of £121.4m (71%) in financial transactions.
- We will continue to work with partners to increase the delivery of more affordable homes, the majority of which will be for social rent, including supporting acquisitions of existing properties.
- We will be considering how we utilise our reduced Financial Transactions to best effect.
- We will be continuing our funding support for the Rural and Islands Housing Fund and the Rural Key Workers Fund.
- Our area teams will work closely with local partners to ensure programme delivery in 2024-25 reflects this reduced budget envelope whilst looking at ways to maximise what can be progressed.
- At a time when there are extreme pressure on housing systems, and each home costs more to build or buy, we have less to invest;
- Our target of delivering 110,000 affordable homes by 2032 is at risk [REDACTED]
- As such we will bring forward the review of the target from 2026/27 to 2024, with a focus on the timeline for delivery of 110,000 affordable homes.
- And in parallel we will accelerate work with the financial community in Scotland and elsewhere to boost private sector investment in Scotland year on year, and help deliver more homes.

ACTION TO SUPPORT LOCAL AUTHORITIES

- I am aware of the magnitude of housing pressures local authorities are experiencing and would like to reiterate this government's commitment to work collaboratively with them to address these.
- I am continuing to meet with local authorities on a regular basis and working with them to identify solutions.
- We have said we will invest at least £60m from the £752m Affordable Housing Supply programme in 2023-24 to support a national acquisition plan, enabling local authorities and registered social landlords to acquire properties for use as affordable, permanent homes.
- We have targeted funding of £2 million to local authorities with the largest increases in temporary accommodation use to help manage housing stock to increase options for people to move to a permanent home.

HOUSING SUPPLY AND HOMELESSNESS

- The Scottish Government is absolutely determined to address levels of homelessness and improve social and affordable housing supply.
- We have the right strategy to end homelessness and the right long-term housing targets but some matters are beyond our control.
- For example, the Home Office's poorly managed process for asylum decisions has left local authorities unable to plan and puts many people at risk of rough sleeping and destitution.
- However, the Scottish Government will continue to work with partners to mitigate these impacts.

SCOTTISH BUDGET 2024-25

- Our budget will deliver against our three central missions of equality, opportunity, and community.
- We are reviewing opportunities for more effective targeting of existing provision and services in the 2024-25 Budget, whilst prioritising programmes of work which have the greatest impact on the delivery of our three core missions.
- In the most challenging budget settlement since devolution, however, difficult decisions have had to be made across government.
The economic conditions for the 2024-25 Scottish Budget are set to remain challenging as inflationary pressures continue on households, businesses and public services.
- The funding provided in the Autumn Statement falls far short of what we need and delivers a real terms reduction in the total block grant.
- Scotland needed more money for infrastructure, public services, and fair pay deals – the UK Government has let Scotland down on every count.
- The UK Government did not inflation-proof their Capital Budget which has resulted in a 9.8% real terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.
- This flat and falling funding trajectory from the UK Government has significantly impacted our ability to deliver on all our capital infrastructure commitments.
- The decisions made by the UK Government to reduce our capital funding in real terms year on year, alongside the construction supply chain issues, labour shortages and high inflation means that we cannot deliver on all our capital projects within the funding available.

Contact point Joe Brown, [REDACTED]
[REDACTED]

Notes of Meetings:

Minister for Housing – Calls with stakeholders on the Budget 2024-25

Note of meetings – 20 December 2023

In each call, the Minister for Housing made the following points:

- There was a 10% reduction in the block grant and 26% reduction to the AHSP.
- These cuts are expected to continue over the next few years.
- The Minister mentioned that the Welsh Government is in a similar position to the Scottish Government, having had to cut every budget except for Health, and that he expected they would also be writing to the UK Government to look for more flexibility.
- The cut in capital from the UK Government was not what Scotland needed, and meant that difficult decisions had to be taken.
- At a time when there are extreme pressure on housing systems, and each home costs more to build or buy, we have less to invest.
- Our target of delivering 110,000 affordable homes by 2032 is at risk [REDACTED]
- As such we will bring forward the review of the target from 2026-27 to 2024, with a focus on the timeline for delivery of 110,000 affordable homes.
- And, in parallel, we will accelerate work with the financial community in Scotland and elsewhere to boost private sector investment in Scotland year on year, and help deliver more homes. SFT, SIB and investor and housing stakeholders would be involved in a very inclusive process from January 2024.
- The Minister is keen to work with stakeholders to maximise where the impact of the funding we do have.
- He is seeking a meeting of the Housing to 2040 Strategic Board early in the new year, which will provide the opportunity to consider what is possible.
- The Minister is speaking to key stakeholders today to get immediate reactions.

Shelter Scotland

Minister for Housing
Alison Watson, Shelter Scotland
[REDACTED] Shelter Scotland
David Aitchison, Shelter Scotland
[REDACTED] Better Homes
[REDACTED] PS

- Alison thanked the Minister for making himself available.
- She reiterated the range of stakeholders citing a housing crisis and the warnings given of an emergency situation, followed by devastating cuts to the housing budget.
- She asked for a breakdown of the cuts and what it meant for key AHSP commitments.
- Alison asked for a breakdown of the £35m allocated for homelessness and if there were any new monies for 'ask' and 'act' under the homelessness prevention duties.
- The Minister responded that the Housing to 2040 Strategic Board meeting would provide an opportunity for an honest conversation about reviewing the target to build 110,000 affordable homes by 2032.

- There was a bigger reduction in FTs than in the capital budget, so the Minister is looking at what flexibilities there are here to leverage more money into the sector.
- He will continue to engage with LAs around how to maximise their budget and posed the question as to whether some prioritisation was needed for some LAs, such as Edinburgh and Glasgow.
- The Minister asked if there is any work Shelter Scotland can do with their Welsh colleagues.
- In response to Alison's question about whether Housing to 2040 was dead in the water, the Minister replied absolutely not.
- Alison advised that RSLs have told Shelter Scotland they could not build anything and that was before these cuts.
- The Minister responded that the biggest barrier to HAs was the cost of borrowing and that a discussion with Homes for Scotland, the SFHA, etc was needed on this.
- Consideration also needs to be given to different ways to finance land.
- Alison asked if specifics could be shared on funding for homelessness services in recognition that some LAs are struggling more than others.
- The Minister confirmed that letters on RRTP funding and the Homelessness Prevention Fund would be issued to LAs later today.
- In response to [REDACTED] question as to whether the normal funding mechanism had been applied in allocating this funding or if it had been targeted in response to the findings in ALACHO's report, the Minister confirmed that the same distribution formulas for this funding had been used as in previous years.
- The Minister is conscious of there may be a need to focus on some of the more pressurised areas, but this decision needs to be taken in partnership with stakeholders and LAs.
- Alison highlighted the genuine jeopardy, harm and hardship caused by the decisions that have been taken and the thousands of people who will suffer as a result.
- She added that it was difficult to take the Scottish Government's child poverty commitment seriously when the commitment to move children out of temporary accommodation is not delivered on.
- She concluded that Shelter Scotland stands ready to do what they can and that they would continue to crunch numbers in the meantime.
- The Minister stated that he wants to work closer with Shelter Scotland and expects the organisation to hold him to account.

Rettie & Co

Minister for Housing
 Matthew Benson (MB)
 Gillian McLees
 Joe Brown, More Homes
 [REDACTED] PS

- MB responded positively to the Minister's commitment to early 2024 work on investment, possibly through a task force or equivalent.
- He offered continued support, asked for information about changes to planning budget allocations, and signalled that investors will be looking for SG to revise risk appetite parameters and have a clear ambition on gearing scale.

Scottish Property Federation

Minister for Housing
David Melhuish (DM)
Joe Brown, More Homes
[REDACTED] PS

- DM responded positively to the Minister's commitment to early 2024 work on investment, possibly through a task force or equivalent.
- He offered SPF support and a willingness to broaden participation (to include, for example, [REDACTED]).
- He confirmed that his members have concerns about rent control elements of the Housing Bill and are actively engaged with Better Homes officials and consultation elements of the preparations for the Housing Bill.

Everyone Home Collective (EHC)

Minister for Housing
Maggie Brunjes, Homeless Network Scotland (HNS) on behalf of EHC
Joe Brown, More Homes
[REDACTED] Better Homes
[REDACTED] PS

- Maggie stated that the continuation of the RRTP funding is positive news, but the cut to AHSP was unexpected. If anything, there had been an expectation that this would increase rather than go down.
- Maggie asked how well developed the other investment methods were that the Minister had referred to in his speech at HNS' conference and how can stakeholders help.
- The Minister replied that, combined with inflation, there is not enough money to go around and more flexibility in capital programme was needed from the UK Government.
- He referenced the role of the Scottish National Investment Bank, Scottish Futures Trust, etc and advised that something on this would be coming out shortly.
- He added that getting more funding into the sector over a longer period of time will be the challenge.
- Maggie highlighted the importance of the role social investment can play, and opportunities around investors with funds available for social use.
- She added that Simon Community Scotland, Cyrenians and Rowan Alba already have these forms of housing but doing this in a broader, targeted way could draw down higher investment.
- The Minister asked Joe for his team, which will be leading on work on changing the dynamic of investing, to pick this up with Maggie as stakeholder input into framing how we move forward with this will be helpful.
- Maggie asked for clarification on "we will invest £35 million in specific action to end homelessness and reduce the number of households living in temporary accommodation, in addition to homelessness funding provided through the local government settlement." She queried if this was additional funding for homelessness or an extension of the current commitment.

- Karen clarified that the Ending Homelessness Together Fund in 2024-25 has been maintained at broadly similar levels to 2023-24.

Homes for Scotland

Minister for Housing (PM)

Minister for Local Government Empowerment and Planning (JF)

Jane Wood, CEO (JW)

Fiona Kell, Policy Director (FK)

Joe Brown, More Homes (JB)

[REDACTED] PS

- Following opening remarks JW articulated that HfS members were deeply disappointed in the Budget, and asked for an outline of the impact of significant reductions in planning budgets.
- JF confirmed that wider reforms would continue, recognising the social and economic importance of effective planning. Capital budget reductions would impact largely on digital innovation, with a prioritisation of programme elements closest to implementation or most impactful emerging from a re-set process now underway. JF confirmed interest in exploring at scope to draw in private sector funding, appropriate to the integrity of the planning system, as proposed by CBI Scotland and others. And he concluded by reiterating a commitment to consultation and engagement as reforms are progressed.
- JW welcome that update and noted the importance of aligning with the New Deal for Business principles. She advised that HfS would be publishing research on housing need on 8 January 2024, and invited FK to comment on members' response to reductions in the housing budget.
- FK recognised that government could support the sector in other ways in the context of reduced budgets. She referenced a pipeline of building standard and regulatory changes expected to impact on costs and affordability and noted that business-friendly sequencing would support sector resilience.
- JW responded positively to the Minister's commitment to early 2024 work on investment, possibly through a task force or equivalent, while highlighting the importance of using existing groups, notably the Housing to 2040 Strategic Board. She noted that she is meeting SNIB in January, and is keen to build on their experience of supporting SMEs.
- JW reiterated her ask for SG support to established a futures needs hub.
- FK asked for an update on plans to review the 110,000 home target in 2024. JB confirmed that the focus would be on delivery timeline rather than the quantum.
- JW suggested there may be merit in arranging an ad hoc budget-focused meeting before February, closed by reiterating the sectors concerns and disappointment and also signalling that could be mitigated by adoption of Housing as a new National Outcome.

COSLA

Minister for Housing

Cllr Maureen Chalmers (MC)

[REDACTED] COSLA

[REDACTED] COSLA

Joe Brown, More Homes
[REDACTED] Better Homes
[REDACTED] PS

- MC noted that COSLA officials were still working through the detailed implications of the Budget for local authorities. While very disappointed with the housing and homelessness elements of the Budget, she articulated a strong commitment to maintaining the partnership working which had been a feature of the Minister's approach, and a focus on finding solutions to the substantive housing challenges we face.
- MC responded positively to the Minister's commitment to early 2024 work on investment. She noted that SFHA statements had highlighted that budget reductions would further inhibit investor interest. The Minister noted that meetings today with investor representatives had not surfaced that concern, and that he was meeting SFHA later.
- MC welcomed confirmation of the RRTP quantum, and that detailed allocations should be issued to LAs this week.
- In closing, the Minister said he was considering Jane Wood's suggestion that there may be merit in arranging an ad hoc budget-focused meeting before the H2040 Strategic Board meeting scheduled for February.

ALACHO

Minister for Housing
[REDACTED] ALACHO [REDACTED]
Joe Brown, More Homes
[REDACTED] Better Homes
[REDACTED] PS

- The Minister's opening remarks were expanded to include reference to RRTP and consideration of an ad hoc budget-focused meeting before the H2040 Strategic Board meeting scheduled for February.
- [REDACTED] confirmed the disappointment and frustration voiced by members in response to the Budget, and reflected on the long-lasting impact of equivalent reductions in 2009/10 where sectoral capacity was lost and took many years to be restored. He welcomed the plans to review the 110,000 home target, noting the focus on timelines, and confirmed that ALACHO stand ready to support work on private investment.

UKAA

Minister for Housing
Brendan Geraghty, UKAA (BG)
Gillian McLees, UKAA (GM)
[REDACTED] More Homes
[REDACTED] PS

- Responding to the Minister's commitment to early 2024 work on investment, possibly through a task force or equivalent, GM would like the focus to be on the

social impact of BtR as no other mechanism can deliver at the same scale. SG may have to consider political exemptions around rent controls.

- BG noted strong support, particularly around institutional investment and links to the green agenda. BtR should be seen as the new anchor tenant in regeneration, creating footfall that facilitates other housing. He explained that UKAA is developing a code of conduct and performance which will be useful for both their members and the wider industry.
- BM asked if the Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights would be involved in the new group. The Minister stated he is speaking to Mr Harvie on a regular basis.
- BG asked about potential group members. The Minister stated that SFT, SNIB, Rettie and Scottish Property Federation would be involved, and he would welcome further suggestions.

SFHA

Minister for Housing
Sally Thomas, SFHA
Carolyn Lochhead, SFHA
Joe Brown, More Homes
[REDACTED] Better Homes
[REDACTED] PS

- The Minister noted the reduction in available capital and that the UKG had not inflation proofed its budget.
- Sally noted that SFHA were happy to be invited participate in a conversation on the 2024/25 budget.
- Sally noted her disappointment and advised that the RSL sector had been blindsided by the reduction in capital funding for housing within the budget. Whilst they are aware of the challenging environment, the SFHA had assumed there would be a steady or no change position. In particular, the SFHA felt that they need to know what this will mean for their members, tenants, people on waiting lists and those living in temporary accommodation.
- Sally asked if the Minister could confirm if the SG continued to have confidence in the RSL sector, despite the cut in funding for the AHSP in 2024/25.
- The Minister explained that there was insufficient capital across the SG budget. This did not mean that there had been any shift in housing priorities. The Minister confirmed that SG continues to be confident in and impressed by the RSL sector.
- The impact of key issues, such as the current cost of borrowing and construction costs, were raised. They noted that recently reported figures showing inflation falling hopefully means this is now moving in the right direction.
- The Minister indicated that he would like to catch up early next year with a number of stakeholders, including SFHA, in advance of the next H2040 board meeting after there had been time to digest the detail of the budget. The SFHA advised they would be happy to participate.
- The Minister spoke of his plans to work with stakeholders to secure additional institutional and other forms of investment, and that he would welcome SFHA input.

- Sally felt that there needed to be a plan to mitigate the pressures on capital investment, which are likely to continue for the next few years . This should address short, medium and longer term priorities, particularly as the issues the Minister had raised on institutional investment would, in SFHA's view, take a long lead-in time.
- Joe confirmed that a review of the 110,000 house target is being brought forward to 2024 with particular reference to the timeframe. The review will have an inclusive approach and will be seeking views from stakeholders.
- [REDACTED] advised that, as the Adaptations programme is funded through capital, the position here will also be challenging. The SG will work with RSLs on this. Sally noted this, commenting that many RSLs felt existing resource levels were insufficient and that the overall adaptations system needs improvement.
- The Minister indicated that he expects the capital funding situation to remain difficult over the next few years, which the IFS/OBR evidence to Committee reflected.
- Finally, the Minister advised that he would be happy to participate in a virtual meeting with RSL CEOs.

3. Regular catch up meeting with Joe Fitzpatrick

Briefing sent in advance:

No briefing but the agenda below was sent to the Minister in advance:

1. Reflections on housing round table of 16 November
2. Consideration of first draft protocol
3. Update on planning resourcing workstream

Notes:

Brief bullets were taken as electronic notes as below:

- Planning for housing protocol. Discussed potential timeframes for engagement with stakeholders and convening of next roundtable.
- HfS research on needs. Min for Housing noted possible publication early in the new year.