



# What you need to know about the draft Scottish Budget 2021/22

## Background

The Scottish Government's [draft budget for 2021/22](#) was published on 28 January 2021. For the second year running it was announced ahead of the corresponding UK budget which is due to be announced in March 2021.

This is also the last budget ahead of the Scottish Parliamentary election in May and the last budget ahead of the Scottish Government's Housing to 2040 strategy which is expected in March 2021.

## What's in the budget?

### Housing

The Budget provides capital grant funding of £667.6m for affordable housebuilding in 2021-22, including £575.4m through the Affordable Housing Supply Programme, and £92.2m through local government. The £667m is lower than the £896m allocated for more social homes in the 2020/21 draft budget.

An additional £142m of financial transactions – capital funding that must be used in the form of loans outwith the public sector – is allocated to support housing, including shared equity schemes.

£12m will be allocated to deliver on the Ending Homelessness Together action plan, in 2021-22. This will focus on scaling up Housing First; end the use of communal night shelters; advance legislative protections for people experiencing domestic abuse and exploring alternative routes to reduce migrant homelessness.

The Budget also notes the Scottish Government will later this year issue guidance for social housing landlords on:

- net zero carbon standards;
- private or communal outdoor space;
- space for home working or study; and
- digital connectivity.

The Scottish Government confirmed they will also work with partners to review grant subsidy benchmark levels and act on the recommendations of the Parliamentary Working Group for Tenement Maintenance.

### Fuel poverty and energy efficiency

In 2021-22, £145.6m will be allocated to fuel poverty and energy efficiency measures, which is an increase from £137.1m last year. This incorporates programmes such as Warm Homes Scotland and Area Based Schemes.

### Social security

£118m has been allocated for local authorities to support low income families, through the Scottish Welfare Fund and Discretionary Housing Payments. This includes £71 million to mitigate the bedroom tax. Additionally, there will be £68m allocated to the new Scottish Child Payments.

### Local government settlement

The draft budget document pledges £11.6 billion total spend for local government for 2021/22. Regarding local government funding outwith core settlement, the Budget document states this has increased from £428m to £512m.

### Other

Land Building and Transaction Tax will again be payable on properties over £145k, with an exemption for first time buyers, from 1 April. The Additional Dwelling Supplement rate will remain at 4 per cent. However, the SG plan to consult on its reform in the next Parliament.

Public sector workers earning under £25,000 will get a three per cent pay rise and those on higher wages will receive a 1% increase capped at £800 above £80,000.

## Reaction from CIH

The funding announced for the first year of the next Affordable Housing Supply Programme must be a down payment by the Scottish Government. With costs of construction rising and social landlords expected to meet new higher standards, the money announced today

must be sustained and increased throughout the next parliament.

While a record number of homes have been delivered over the course of this parliament, the Scottish Government must build on this progress. We need a commitment in the government's upcoming Housing to 2040 strategy that affordable housing need will be in decline by the end of the next parliament. That means building 53,000 affordable homes, including 37,100 homes for social rent.



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