

Background

The <u>Programme for Government</u> (PfG) 2022-23 was introduced by the First Minister on 6 September. Nicola Sturgeon MSP noted the challenges of the cost of living crisis, inflation and the economy.

An emergency budget is expected to be announced in the coming weeks after the new Prime minister, Liz Truss MP, makes her announcement on the UK approach to addressing energy prices. The PfG plans may be subject to change depending on the amount of financial support announced by the UK Government.

This briefing summarises the main announcements in the PfG relating to housing and the cost of living.

Support with housing costs

The **Tenant Grant Fund**, established to support people cover the cost of rent during the Covid-19 pandemic will have eligibility widened.

The Scottish Government will encourage mortgage lenders to work with owners who are struggling to cover mortgage costs.

Eviction protections and rent freeze

Emergency legislation covering the social and private rented sector will be introduced to freeze rents and impose a moratorium on evictions until at least 31 March 2023. Legislation will be subject to approval but the First Minister stated that the intention is for rents to be frozen with immediate effect.

A new tenants' rights campaign will showcase how tenants can challenge actions such as rent increases and a Scottish Government "cost of living" website will help people find advice and support.

Help with energy costs

The PfG sets out the following measures:

- The Fuel Insecurity Fund will increase by £10 million to £20 million to support households at risk of disconnection or self-rationing.
- A new Winter Heating Payment will guarantee an annual £50 payment to around 400,000 low income households.
- Local authorities will be given flexibility to use Discretionary Housing Payments (DHPs) to help households with energy costs. DHP funding will be increased by £5 million.



- Widening eligibility of the Warmer Homes Scotland fuel poverty programme.
- Increasing funding available for local authority led Area Based Schemes and expansion of the Home Energy Advice Scotland Advice Service.

Tackling child poverty

The Scottish Child Payment, currently £20 per week for eligible children under the age of six, will rise to £25 per eligible child per week and be extended to children up to age 16 from 14 November 2022. It is estimated that number of children in receipt of the benefit will rise from 104,000 to over 400,000.

The CIH View

We welcome much of the immediate support announced by the Scottish Government today. The cost of living crisis is affecting people across Scotland and risks significant increases in poverty.

While the proposed freeze in rents will be welcomed by tenants, this cannot be a long-term solution to the current crisis. We urge the Scottish Government to ensure that sufficient financial support is available to avoid catastrophic increases in rent arrears and mitigate any unintended consequences while evictions are suspended.

In the social rented sector, landlords reported the highest level of rent arrears since the introduction of the Scottish Social Housing Charter, currently just under £170 million. Social landlords rely on rental income to fund new affordable homes, maintain and improve existing homes, and provide vital services to tenants. If the sector is to continue to meet its social purpose, it must have financial certainty.

We understand that the Scottish Government is limited in what it can commit to before the UK Government announces its support package. In the emergency budget, and longer term, we must see a greater commitment to delivering affordable homes and further investment in upgrading existing homes to reduce energy demand and meet net-zero ambitions.

The forthcoming Housing Bill should be used to create longer-term security for tenants and ensure that routes to redress such as the First Tier Tribunal are streamlined, providing quick and simple adjudication on cases such as rent increases, providing greater certainty for landlords and tenants.