

We know that good quality homes and services play a key role in building communities, improving health and wellbeing and supporting people to reach their full potential. In this new series of briefings linked to CIH Scotland's Housing Festival themes we will take a more in depth look at how good quality homes are at the heart of everything we are trying to achieve as a country from reducing inequalities to supporting our ageing population and tackling climate change. This edition of Homes not Houses focuses on:

Housing and poverty

Introduction

The Scottish Government has shown a clear commitment to reducing poverty and inequality in Scotland with a particular emphasis on child poverty. [Research](#) published in 2017 showed that one in four children in Scotland were living in poverty. The [Child Poverty \(Scotland\) Act 2017](#) sets out four targets to be met by 2030:

- **Fewer than 10% of children living in families in relative poverty.** This means households on low incomes, compared to the average UK household.
- **Fewer than 5% of children living in families in absolute poverty.** This means low income households where living standards are not increasing.
- **Fewer than 5% of children living in families living on combined low income and material deprivation.** This means low income households who can't afford basic essentials, goods and services
- **Fewer than 5% of children living in families in persistent poverty.** This means households living in poverty for three years out of four.

The Scottish Government also published '[Every Child, Every Chance](#)' in March 2018 setting out a delivery plan for tackling child poverty up to 2022. Following on from this, the [first annual progress report](#) for the plan was published in June 2019 and the [Resolution Foundation has published a report](#) on the likelihood of the targets being met.

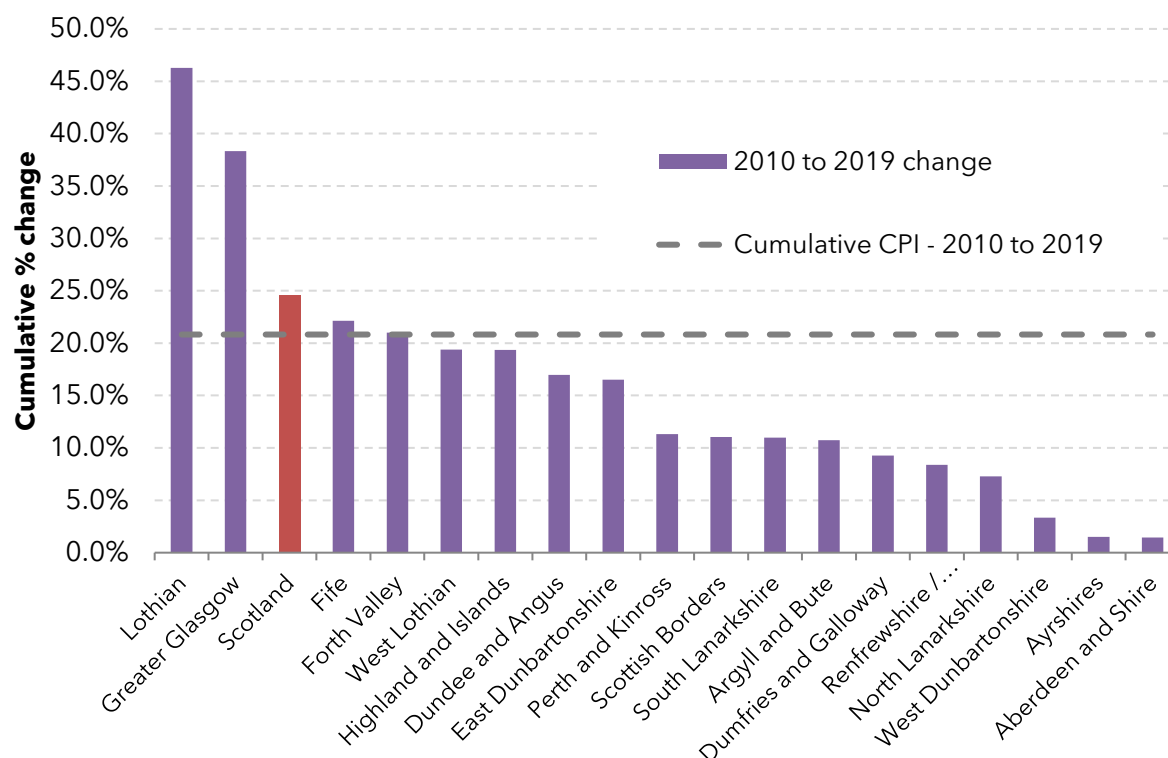
In the simplest sense, poverty is about not having enough income - but there are things we can do in the housing sector to contribute to reducing poverty and inequality across all age groups and meeting the 2030 targets for child poverty. Having a safe, secure home sets people up for life. This briefing explores the relationship between housing and poverty and how the housing sector can support a better quality of life for children and their families.

Poverty and the cost of housing

There are strong links between housing and poverty with housing costs often the biggest outgoing for households. In Scotland, social renters spend an average of 24 percent of their income on housing costs compared to 27 percent for private renters, 8 percent for households with a mortgage and 3 percent for households who own their home outright.

Average private sector rents continue to rise across Scotland, but the market is varied with the average cost of renting a two-bedroom home increasing substantially across certain areas of Scotland. For example, in 2010 average monthly rent for a private two-bedroom property in Lothian was £665. In 2019 this has risen to £972 with an average 46 percent increase over the last nine years (see Chart 1).

Chart 1: Cumulative % Change in Average (mean) Rents from 2010 to 2019 (years end to end-Sept), by Broad Rental Market Area - 2 Bedroom Properties.



Source: Scottish Government (<https://www.gov.scot/publications/private-sector-rent-statistics-2010-2019/>)

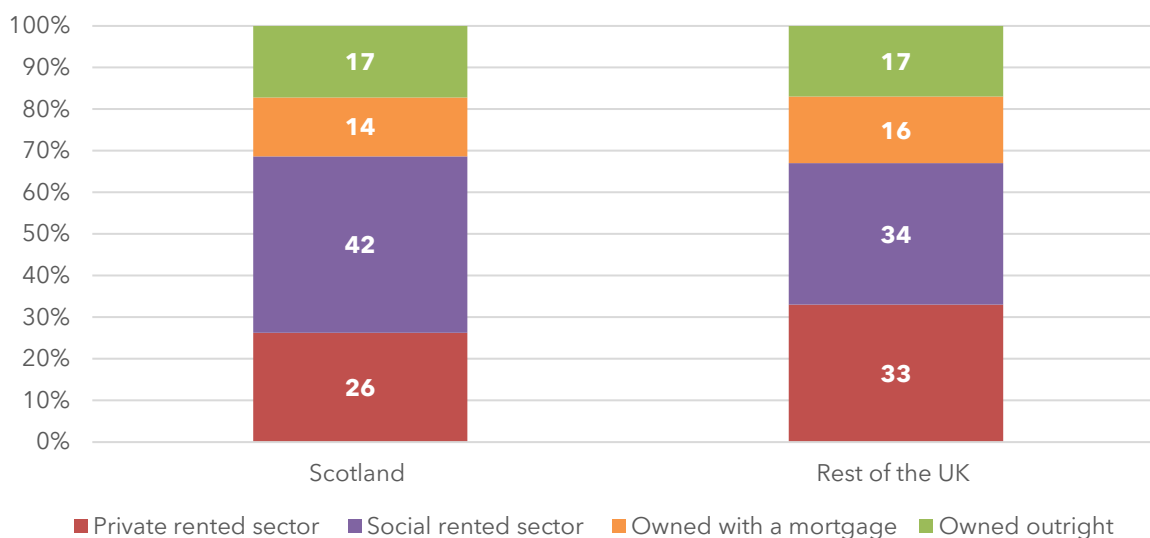
Scottish Government data shows that high demand areas such as the Lothians and Glasgow have seen private rents increasing significantly above inflation over the last seven years. While other areas have also experienced increases, these have been much more modest.

Although private rents in some areas are much lower and may seem to be more affordable, the lower costs are reflected in the support that people can get through the benefit system. The freeze on Local Housing Allowance (LHA) rates introduced in 2016 has significantly reduced the proportion of homes that low income households can afford.

[Mind the Gap](#) published by CIH in 2016 highlights the growing shortfall between the Local Housing Allowance (LHA) and actual rental costs in the PRS, particularly for family sized homes. Frozen Out, a recent [report](#) by published by CIH, highlights that this gap has remained, and [work](#) from CIH Scotland notes that affordability for private renters continues to be an issue in Scotland.

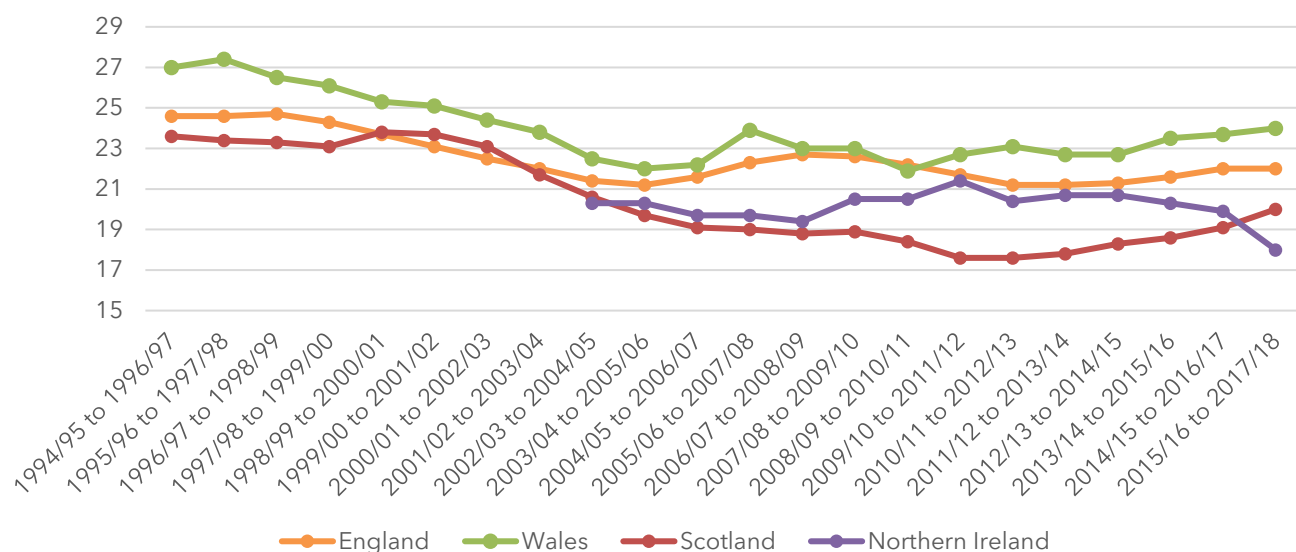
[Analysis published by the Joseph Rowntree Foundation](#) (JRF) in 2019 showed that poverty levels after housing costs are lower in Scotland than the rest of the UK suggesting that this is in part due to the higher proportion of social housing in Scotland and the lower cost of housing, particularly social housing. Despite a stronger social housing sector, social tenants are still more likely to be living in poverty accounting for 42 percent of people living in poverty compared to 26 percent in the private rented sector, 17 percent who own their home outright and 14 percent of owners with a mortgage.

Chart 2: Proportion of people living in poverty by tenure, Scotland and the rest of the UK 2015 - 2018



Source: *Poverty in Scotland 2019*, JRF

Chart 3: Poverty rates (%) in England Wales Scotland and Northern Ireland after housing costs (AHC) 1994/95 - 2015/16 - 2017/18



Source: *Poverty rates in England, Wales, Scotland and Northern Ireland*. JRF analysis: <https://www.jrf.org.uk/data/poverty-levels-and-trends-england-wales-scotland-and-northern-ireland>



Chart 3 highlights that while poverty rates in Scotland fell after housing costs between 1994-2012, after this time they have been increasing at a sharper rate than elsewhere in the UK.

While lower housing costs in Scotland have contributed to lower poverty rates than in the rest of the UK, this advantage could be at risk if we do not continue to ensure that housing costs remain affordable. Social tenants have faced rent increases in recent years as social landlords have invested significantly in improving the condition of existing stock and in building new affordable homes. While this investment is essential, the social housing sector faces a difficult balancing act in continuing to make improvements while keeping rents affordable. There is a clear requirement for Scottish Government to maintain at least the current levels of investment in affordable housing beyond 2021 to increase affordable housing supply and keep rents down.

How does poverty affect families?

In a 2017 report published by CIH, [*'Feeling the Pinch - the lowered benefit cap one year on...'*](#) parents described the stress and hardship caused by the UK Government benefit cap or worries about income being reduced in the future. Interviewees described the human cost of living on a low income in terms of:

- Difficulty budgeting for essentials such as rent, food and fuel.
- Negative impacts on physical and mental health.
- Struggling to cover costs associated with school including travel, uniforms and school trips.
- Children missing out on social activities.

One interviewee described the stress of trying to deal with a reduction in income and the prospect of her and her children being made homeless.

"This (the cap) has been going on since I found out I was pregnant, I ended up in the hospital with high blood pressure, honestly I've been in tears so many times its been unbelievable and I'm tired of putting on a brave face because my kids don't know the extent of what's happening and I don't want to worry them. I'm just living day-by-day and waiting on the 3rd of July and then I'm going to have to go homeless. I've been in this house seven years and I've made it a home, the thought of losing everything makes me feel sick."

Other parents spoke about the impact of not being able to afford to pay for activities for their children.

"The kids are affected, I can't afford for them to go to clubs at night... I feel like I'm failing the kids, I can't take them out, the kids want to do things their friends are doing and I have to say we can't afford that. It does bring you down a lot. I feel like I'm constantly saying no, no."



"Yes, they've had to miss school trips because obviously I've only been back at work. They caught me off guard the other day and had a school disco, and asked for a pound, and I know it's just a pound but that was literally £2 each, £6 and I didn't have that. So I was like, mummy will take you to the park for an hour, everything's got to be free. In the holidays my kids watch all the other kids go out on day trips with their parents while they're sat in the front garden or I'm taking them to a local park. Or I'm trying to find a park with a free paddling pool just so they can do a bit of swimming."

Impact of parent/guardian homelessness on children – North Lanarkshire case study

In a [report](#) from NHS Lanarkshire, ISD Scotland used HL1 data and linked it with health data from North Lanarkshire to compare the health outcomes between children where a parent/guardian was experiencing homelessness (n=1478) and those who were not (n=61,821). Children were aged 16 and below and parents/guardians had to have made a homelessness application in 2016/17.

The findings indicate that the health outcomes for children where one of their parents/guardians' experiences homelessness are more negative compared to children who do not experience these issues. For instance, children in the HL1 group were reported to have a higher rate of A&E attendance along with presentations for respiratory issues and conditions. Overall there was also a higher rate of emergency admissions and NHS24 consultations.

The HL1 group was also less likely to go to appointments after a health issue had been noted or take up preventative services. There was also a higher rate of referral to Child and Adolescent Mental Health Services (CAMHS).

The implications from these findings are that children can be negatively impacted by their parents/guardians experiencing homelessness and poverty, even if the children are not homeless themselves. This Adverse Childhood Experience (ACE) can negatively impact the outcomes of children in future. For instance, a 2012 [article](#) from academics at Heriot Watt University indicated that people who experienced homelessness as children were more likely to experience homelessness as an adult.

The role of the housing sector in reducing poverty

The housing sector has a vital role to play in reducing poverty by:

- Supplying homes to meet a range of needs for different types of household at different price points.
- Ensuring that homes across all tenures are warm and safe.
- Providing security of tenure, allowing people to build support networks and children to settle into social groups and schools.
- Income maximisation through advice and information or support into employment.