



The Voice of Scotland's Housing Associations

Tackling Tenant Hardship





Introduction

Over a million people in Scotland live in a social home: but nationally, there is a waiting list of over 250,000 people.

Scotland's housing associations provide safe, warm, affordable homes for life, and we desperately need more of them. That's why housing needs to be a crucial part of the conversation ahead of the next Holyrood elections on 7 May 2026. SFHA is publishing a series of policy position papers to set out the challenges for our members, outline and test our key policy positions, provoke debate, and seek to influence party manifestos.

This paper looks at the key asks to the Scottish Government so housing associations can effectively tackle tenant hardship. It will discuss the reforms and change of practice that will enable housing associations and their partners to mitigate poverty and empower tenants with dignity of choice and control in their lives.

About SFHA

The Scottish Federation of Housing Associations (SFHA) is the voice of housing associations and co-operatives. Housing associations and co-operatives provide homes for over half a million people in Scotland. As not-for-profit organisations, they don't just build, maintain and rent out homes; they also help their tenants by providing care and support services as well as advice and support on energy efficiency, finances, employment and more.

‘Tackling Tenant Hardship’ within our Road to 2026 papers

This is the fifth paper in the SFHA’s series of ‘Road to 2026’ pre-election papers. This paper on tackling tenant hardship builds on the policy recommendations from previous papers—each makes specific asks related to reducing poverty and inequality in their respective areas. The papers and a selection of their key asks are:



Meeting the challenge of net zero - which calls for energy market reforms and devolved energy costs protections to low-income households which use clean heat with additional uplifts for those in remote and rural areas.



Delivering the Social homes we need - which calls for commitments to delivering the 15,693 social and affordable homes Scotland needs per year over the course of the next Parliament, in recognition of the sector’s contributions to tackling hardship.



Homes fit for the future - which calls for a national housing strategy for older and disabled people in Scotland and commitments to funding housing support models e.g, tenancy sustainment, supported housing, sheltered housing, and housing first.



Maintaining tenancies and preventing homelessness - which calls for the creation of a new Scottish hardship grant or last resort fund.

Summary

Housing individuals, families and communities in Scotland is at the heart of all social and political ambitions because housing helps us meet some of our most fundamental needs.

High quality, affordable, safe, accessible and adaptable homes give us a material base from which to build a livelihood and take part in the life of the community. Good housing allows people to work or study, play, learn, socialise, and care for others in a space we can call home. It helps us weather the difficult times in any person's life and helps us prepare for change and build futures.

We know that access to high-quality affordable housing is fundamental to tackling hardship in Scotland - it increases disposable incomes, prevents material deprivation, improves work incentives, and contributes to successful place-making.

Scotland's social homes are concentrated in the most deprived communities. Nearly half of social rent homes (46%) are in the 20% most deprived areas in Scotland as measured by the Scottish Index of Multiple Deprivation, whilst just 2% of social rent homes are in the 20% least deprived areas of Scotland.¹

This means social tenants are more likely to receive a proportion of their income through the social security system and so are more likely than the general population to live in poverty. At 40%, social housing is the tenure with the highest proportion of people living in relative poverty in Scotland.²

However, the Institute for Public Policy Scotland estimates that up to 60,000 people are kept out of poverty in Scotland by not having to rent privately. A further 30,000 people are estimated to be lifted out of poverty if they could rent socially instead of privately.³ With average rents being half of that in the private sector, and some of the most energy efficient homes in any tenure, social housing and the support our members offer are one of our strongest tools in tackling hardship.⁴

1. www.gov.scot/publications/rented-sector-reforms-fairer-scotland-duty-assessment/pages/3/

2. Cost of Living Bill - Key Statistics - gov.scot

3. Tipping the scales: The social and economic harm of poverty in Scotland | IPPR

4. Energy efficiency in homes - Energy efficiency - gov.scot (www.gov.scot)



Whatever a person’s situation in life, whether leaving home for the first time, a key worker, homeless, an older person living independently, a young family, and so many others in between – a social home can be the anchor which allows people to put down roots in a community. Social housing helps tackle tenant hardship by lowering housing costs and reducing poverty, but also by mitigating loneliness and isolation, violence and abuse, long-term unemployment in job seekers, or wider social disengagement.

“With good housing, you can be the best version of yourself. It’s not just a roof over your head, it’s your life’s opportunities.”

Alec, tenant, Linthouse Housing Association in Glasgow⁵

Housing associations are trusted partners in contributing to a fairer and more equal Scotland, where everyone has the right to warm, safe, and secure homes. However, they are being asked to do more with less to help large numbers of people who are in real hardship.

People are choosing between paying for heating or eating, or between bus fare and household maintenance. Too many people in social homes, and those awaiting one, face severe hardship that has been compounded by the Covid-19 pandemic and the cost of living crisis, now illuminated by the housing emergency.

Housing associations and their partners provide important lifelines for people in hardship, but they need long-term support and progressive reform to do so. In advance of the 2026 election, SFHA is calling for:

Place-based funding for RSLs and partners for community investment, including replacement for the Investing in Communities Fund due to expire in 2026.

Reform of the Scottish Welfare Fund so it is fit for purpose and non-exclusionary, including support to people with No Recourse to Public Funds.

Reform of Universal credit to ensure an Essentials Guarantee⁶: a legal minimum in Universal Credit which is independently recommended, based on the cost of essentials for a household.

Reform to the energy market to tackle fuel poverty, including the introduction of a Social tariff.

5. SFHA It’s Your Life’s Opportunities – the impact of the cost of living, 2023 report

6. www.jrf.org.uk/social-security/guarantee-our-essentials-reforming-universal-credit-to-ensure-we-can-all-afford-the

The need for change: Hardship in the Scottish Housing association sector.

Poverty in Scotland is deepening, with nearly 1 in 10 people in very deep poverty.⁷ In-work poverty is also high, 6 in 10 people, and nearly 75% of children in poverty live in a household where someone works.

We know that these hardships are further compounded for some social tenants, including women, older people, minority ethnic families, rural populations, and disabled people:

7. The standard poverty line is below 60% of the median income after housing costs; deep poverty describes incomes below 40% of the median.

According to JRF 2025 data, over half of all children in poverty live in a household where someone is **disabled**.⁸

Minority ethnic families have the highest risk of child poverty of all of the priority groups.⁹

Pensioner poverty is on the rise from 12% in 2016 to 15% in 2024, with a 34% rise in homelessness applications from people **aged over 65** in the five years since 2021/2022.¹⁰

Women's unequal incomes and higher likelihood of poverty means women are more likely to require access to social housing and are more likely to rely on social security to meet their housing costs.¹¹ Shelter Scotland and Engender's recent report shows that by 2027, the most economically marginalised women in the UK are projected to have endured a 21% reduction in their living standards since 2010.

Incomes of **remote and rural** households must be between 10-40% higher to achieve the UK average Minimum Income Standard.¹² 40% of rural households are in fuel poverty compared to 24% in rest of Scotland.¹³

8. Birt, C., Cebula, C., Evans, J., Hay, D. and McKenzie, A. (2025) Poverty in Scotland 2025. York: Joseph Rowntree Foundation.

9. www.gov.scot/publications/tackling-child-poverty-priority-families-overview/pages/poverty-rates-amongst-priority-family-types/

10. www.independentage.org/news-media/press-releases/independent-age-reacts-to-homelessness-among-older-people-scotland-rising

11. www.engender.org.uk/content/publications/Shelter-Scotland-and-Engender-Report.pdf

12. A Minimum Income Standard for Remote and Rural Scotland, published by Highlands and Islands Enterprise (no date).

13. A Perfect Storm: Fuel Poverty in Rural Scotland, Changeworks 2023

Increased pressure on housing association services

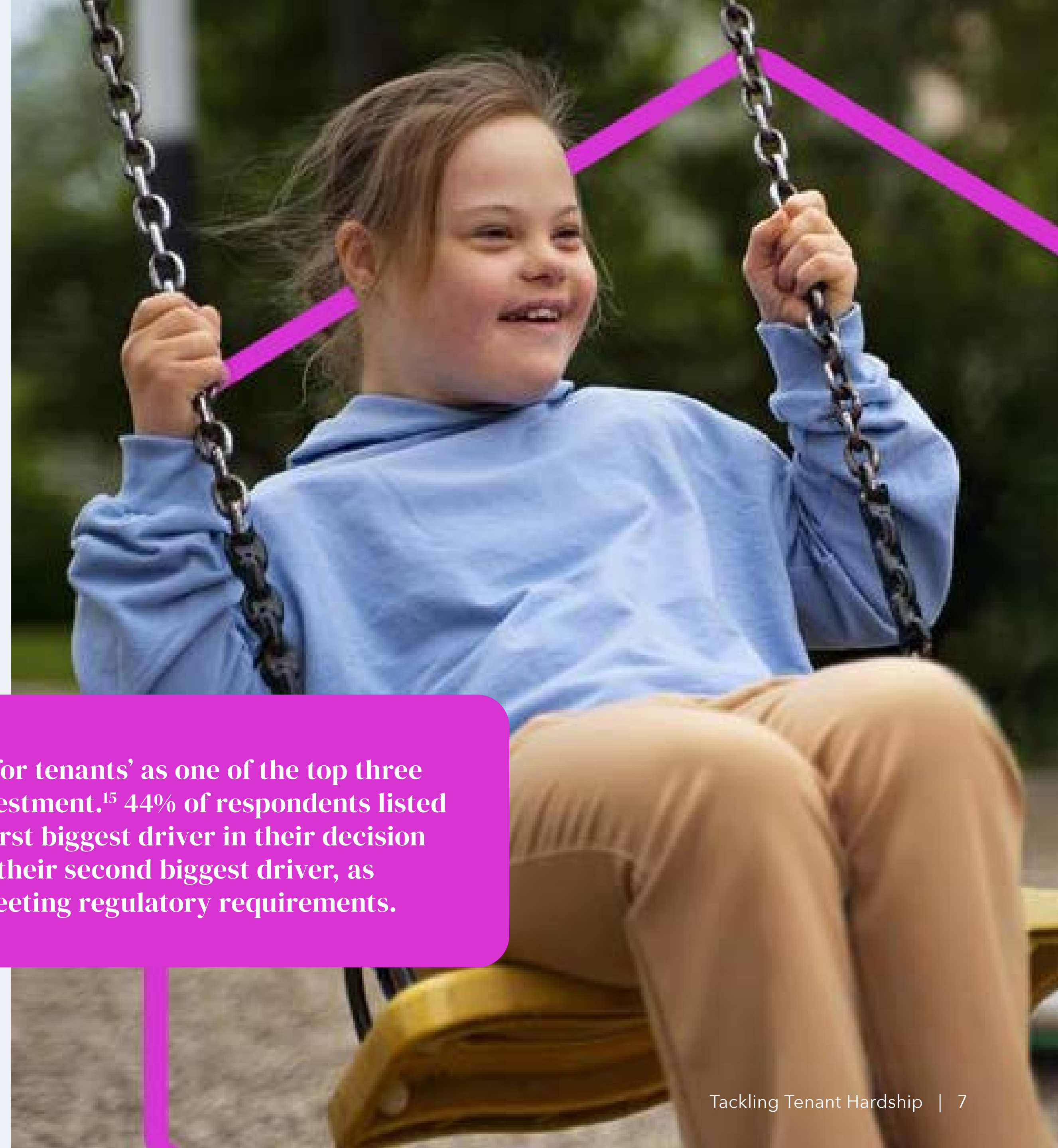
SFHA's recently published report 'Still Waiting' considers the changes in demand for Housing services in the sector. It finds that more than three in four respondents said that the number of applicants with support needs was higher (35%) or much higher (43%) in the post-pandemic period compared to before the Covid-19 pandemic.¹⁴

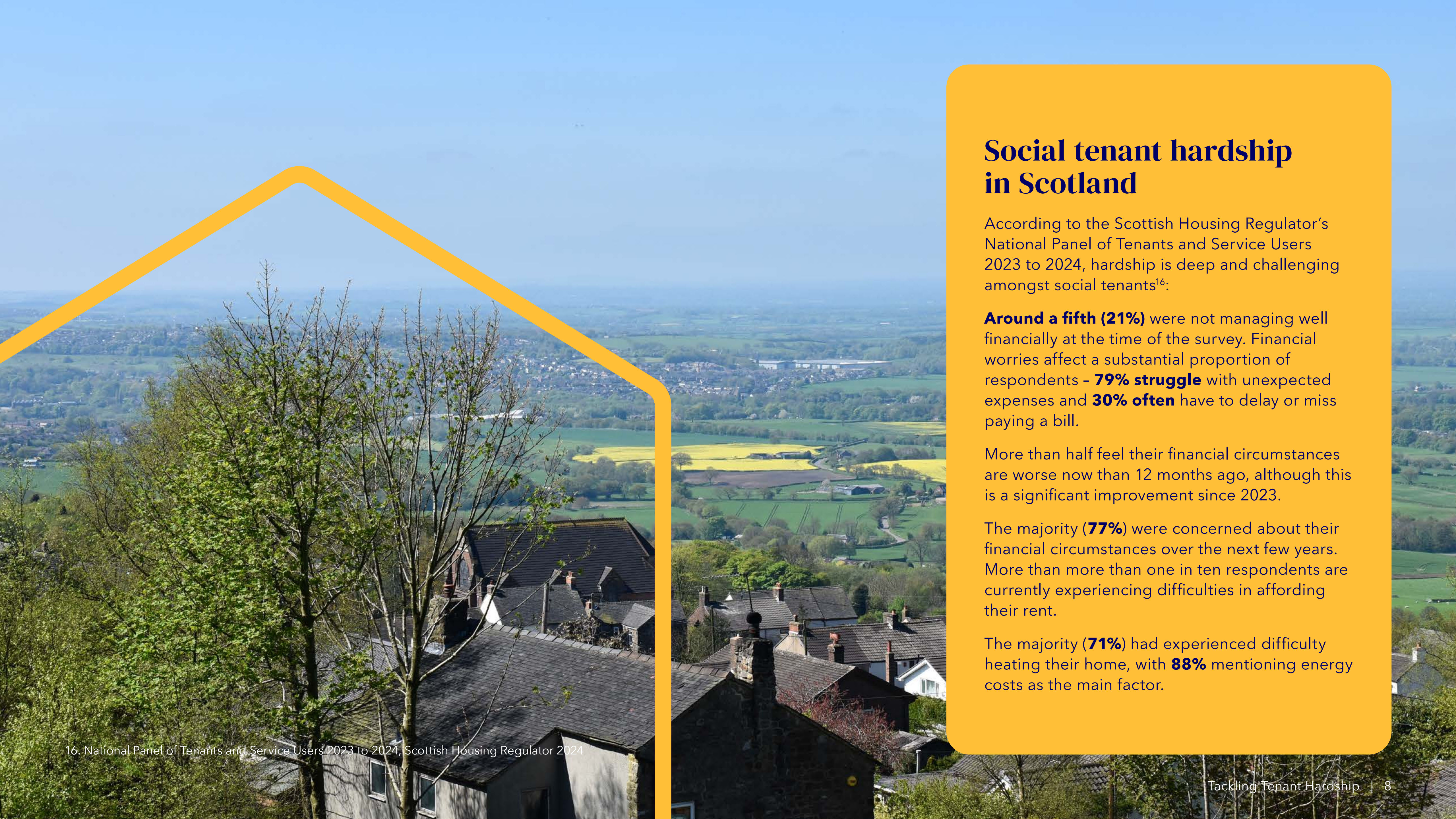
The provision of welfare advisors is widespread across the sector, partially in response to the changing social security landscape over the past 12 years. A 2023 survey of SFHA membership, representing 45 organisations and at least 85,000 tenants, showed that 95% of members provide financial and welfare support and advice. 58% report providing it directly, with an additional 13% providing services in partnership with others. More still do both.

12% of respondents listed 'financial and welfare support and advice for tenants' as one of the top three areas their housing association or co-operative made the biggest investment.¹⁵ 44% of respondents listed 'Supporting and protecting tenants during the cost of living' as the first biggest driver in their decision making about where to invest, with an additional 38% listing this as their second biggest driver, as compared to other options of maintaining the quality of homes or meeting regulatory requirements.

14. Still Waiting for a home: Stories of people waiting for social housing, Altair for SFHA and Wheatley Group, 2025

15. SFHA Member Survey Spring 2023: Housing at Scotland's Heart, n=45





Social tenant hardship in Scotland

According to the Scottish Housing Regulator's National Panel of Tenants and Service Users 2023 to 2024, hardship is deep and challenging amongst social tenants¹⁶:

Around a fifth (21%) were not managing well financially at the time of the survey. Financial worries affect a substantial proportion of respondents – **79% struggle** with unexpected expenses and **30% often** have to delay or miss paying a bill.

More than half feel their financial circumstances are worse now than 12 months ago, although this is a significant improvement since 2023.

The majority (**77%**) were concerned about their financial circumstances over the next few years. More than more than one in ten respondents are currently experiencing difficulties in affording their rent.

The majority (**71%**) had experienced difficulty heating their home, with **88%** mentioning energy costs as the main factor.

16. National Panel of Tenants and Service Users 2023 to 2024, Scottish Housing Regulator 2024



Scotland’s wider policy context

The National Performance Framework for Scotland sets out a vision for collective wellbeing and provides a framework for all other strategies and policies.

It intends to articulate the kind of country the Scottish Government would like Scotland to be, with a focus on improving the lives of people in Scotland. Several of these relate to tackling hardship:

Poverty
We tackle poverty by sharing opportunities, wealth and power more equally.

These are measured by Cost of Living, Food Insecurity, Persistent Poverty, Relative Poverty after Housing Costs, Satisfaction with Housing, and Unmanageable Debt.¹⁷

Housing
We live in safe, high-quality and affordable homes that meet our needs.

Health
We are healthy and active

Communities
We live in communities that are inclusive, empowered, resilient, and safe.



17. Scottish Government: [webarchive.nrscotland.gov.uk/20250311154136
nationalperformance.gov.scot/national-outcomes/national-outcomes/poverty/about-poverty-national-indicators](https://webarchive.nrscotland.gov.uk/20250311154136/nationalperformance.gov.scot/national-outcomes/national-outcomes/poverty/about-poverty-national-indicators)

Child poverty

Around one in four children in Scotland lives in poverty. This has influenced Scottish Government's child poverty reduction targets for 2030, as set by The Child Poverty Act (Scotland), which broadly aims for 10% of children living in relative poverty.¹⁸

The Scottish Government is currently drafting its next Tackling Child Poverty Delivery plan 2026-2031. In order to make the much-needed progress on these targets, Scottish Government must put social housing at the forefront of its plan.

While Scottish Government's stated aim is to eradicate child poverty, with a focus on six priority family types, SFHA members serve a much more diverse group of people, including single people, young couples, older people and many others. The recommendations in this report are therefore necessarily for a more inclusive approach to tackling hardship for all.

18. Child Poverty (Scotland) Act 2017:
www.legislation.gov.uk/asp/2017/6/contents



Community anchors tackling hardship

As community anchors, housing associations and co-operatives re-invest their income into the areas in which they operate, contributing to the Scottish Government's community wealth building agenda.

Community Wealth Building

The Scottish Government plans to introduce a community wealth building approach to realise the wellbeing economy envisioned in its National Strategy for Economic Transformation (NSET).

This involves increasing the influence communities have on the economy and ensuring communities receive more of the benefits from the wealth they help generate. Key pillars of community wealth-building are spending, workforce, land and property, inclusive ownership, and finance—all of which relate significantly to social housing and future development agendas. As formal and highly regulated bodies, RSLs can leverage resources quickly, or use their own resource, to inject into projects or distribute to others for community investment.

For example, Hjaltsland Housing Association in Scotland reports that 93.5% of the association's 2024-2025 spend was attributed to local suppliers, and 89.8% of those were SMEs. Hjaltsland's expenditure primarily contributes to the local economy of Shetland and enhances sustainability and wellbeing within the isles.¹⁹

The multiplier effect

HACT's 2023 social impact analysis suggests administering support services is highly effective via housing associations and cooperatives, demonstrating the ways in which RSLs are strong community investment partners.²⁰ HACT's social value calculation methodology, demonstrates the value of programmes such as in-house advice or signposting which may otherwise include various government bodies or heavily subscribed charities like Citizens Advice Bureau. The rigorous evaluation underlines housing associations' unique ability to multiply impact, even if it relates to one-off payments.

Our members are good investment partners to deliver high impact and efficiency on government money—money gets re-invested into the local community to multiply its power in tackling hardship.

19. Hjaltsland Housing Association Annual Procurement Report 2024-2025

20. The Impact of Social Housing: Economic, Social, Health and Wellbeing (2020). Available at: www.sfha.co.uk/mediaLibrary/other/english/66627.pdf

Reducing Energy Costs for Social Housing Tenants

High energy costs means people on the lowest incomes will often self-disconnect, or turn off their heating and electricity to save money. This brings significant detriment to health, wellbeing, and properties. SFHA, along with a broad coalition of over 100 charities in the UK, has previously called for introduction of a targeted support mechanism to intervene in the energy market and ensure people can live comfortably in their homes. We therefore welcome the Scottish Government’s efforts to convene a Social Tariff Working Group²¹ and develop recommendations on how this could be designed to support those in greatest need.

While the implementation of a social tariff and other energy market reforms sit with UK Government and the Scottish Government must continue to influence decisions on the Energy (Social Tariff) Bill and other reserved policies which will impact social tenants in Scotland.

However, the most recent report by the Scottish Fuel Poverty Advisory Panel²² also concludes that fuel poverty hasn’t received the level of strategic prioritisation needed and that the legally-binding targets to reduce fuel poverty in Scotland are unlikely to be met without a new approach. A revised Fuel Poverty Strategy will therefore be critical in realigning and accelerating government interventions to tackle all fuel poverty drivers in line with the scale of the challenge.

21. Social Tariff Working Group: final report – spring 2025 - gov.scot
22. Scottish Fuel Poverty Advisory Panel response to the Scottish Government’s Tackling Fuel Poverty in Scotland: periodic report 2021-2024 - Fuel Poverty Scotland
23. www.wheatley-group.com/media/news/newsfolder/council-co-leaders-back-whsouth-new-cost-of-living-campaign

Inadequate Social Security

A 2023 Joseph Rowntree Foundation and Trussell Trust report ‘Existing Not Living,’ commissioned by Wheatley, found inadequate benefits were the main driver of the explosion in destitution and food bank use. The report revealed 65% of claimants believe the payment did not give them enough money to cover their basic needs, and 62% did not give them enough money to cover their basic needs, while 62% believed it did not help them back into work – despite that being the primary goal.

2025 data confirms the trend: 42% of people in a family in receipt of a low-income benefit e.g., UC, were trapped in poverty. The low rates are keeping people in poverty, with housing costs continuing to be the largest expense for renters (private and social).

During the pandemic, Wheatley Group launched a ‘Here for You’ campaign to support their tenants and the wider community, which:



A tenant supported by a fuel advisor got their debt wiped off their electric meter and a refund of £100. In their own words,

“I really appreciate what my fuel advisor did for me. I was stressed out about the situation and struggling with the electric company, but he told me what I needed to say. It really made a big difference to my life...” ²⁴

Other examples

Maryhill Housing Association have a ‘customer kitty’ that awards up to £250 to tenants for a range of ad hoc household costs or education and employment costs. Maryhill Housing Association donates £12,000 each year and levers in additional community benefits. 2022 data indicates Albion Housing Association commits £8,000 to community support grants for local charities and Skye & Lochalsh Housing Association provide £9,000 to a crisis fund for tenants annually.

The creation of hardship funds or floating funds are common throughout the sector, but these are unsustainable on their own and paid for through tenant’s rent.

24. www.wheatleyhomes-south.com/about-us/media/latest-news/wheatley-staff-help-tenants-with-millions-of-pounds-of-support

CASE STUDY

Eildon Housing Association: Community Food Hub

Eildon Housing Association operates in the Scottish Borders and houses 17,649 tenants and with a team of 231 staff.

Eildon Housing Association partnered with 14 local food charities to jointly deliver the Borders' Community Food Hub. The formal network began in 2020 with the start of the pandemic, when demand for food assistance starkly increased. Eildon, with support from Scottish Borders Council, partnered with the charity Cyrenians FareShare to deliver parcels to food banks and community groups in the Borders area.

Eildon's office in Selkirk acts a regional distribution hub for the network. As with many rural areas, convening resources are an important piece of increasing community access to the services that are already there. The Eildon hub supports existing organisations operating in Edinburgh and the Borders, all of which were under increased pressure from high demand during hardship, to help meet local need. Since its first year in 2020, Eildon Food Hub has distributed over 230 tonnes of food to help meet community needs. Eildon's contributions as an RSL brings additional staffing, volunteer recruitment capacity, regional strategy, and finance to local food charities to support the development of a network.

The provision of an Eildon hub means staff are taking on additional roles and bringing a strategic lens to the food hub, which serves as an important point of engagement for struggling community members. For example, Eildon is supporting the network's shift to food vouchers instead of parcels, with an aim to adopt a cash-first approach to promote a more empowering and equitable service for people. Eildon provides fuel advisory services to food hub users to offer a more holistic anti-poverty support to the community.

Nile Istephan, Chief Executive of Eildon Housing Association, says,

“This project has been fantastic at bringing like-minded organisations together for the greater good of the Borders, and provides a good example of the additionality that RSL partnerships bring to existing community investment work.”



Our calls to action

Place-based funding for RSLs and partners for community investment, including, replacement for the Investing in Communities Fund due to expire in 2026. Long-term community investment funds allow RSLs to mitigate against hardship in the communities they serve.

Reform of the Scottish Welfare Fund so it is fit for purpose and non-exclusionary, including support to people with No Recourse to Public Funds. Our members experience the Scottish Welfare Fund as restrictive and bureaucratic. We are asking for additional flexibility so the fund can be used for pre-tenancy work, and for additional streams for supporting marginalised women, people with no recourse to public funds, and unpaid carers.

Reform of Universal credit to ensure an Essentials Guarantee¹⁹: a legal minimum in Universal Credit which is independently recommended, based on the cost of essentials for a household. Around five in six low-income households on Universal Credit are currently going without essentials and almost half of household's payments are reduced by deductions and caps. 72% of the public support the Essentials Guarantee.²⁵

Reform to the energy market to tackle fuel poverty, including the introduction of a Social tariff. SFHA and partners call for a targeted support mechanism for the energy market to ensure they are able to live in their homes comfortably. This could take the form of a discounted, targeted tariff designed to support social tenants and automatically available to those who need it, including people in rural and remote areas.

Our members do the important work of tackling tenant hardship every day. But poverty and inequality will not be reduced, nor will social tenants enjoy more choice and empowerment in their lives, without commitments from government to invest in the necessary change.

25. Guarantee our Essentials- Trussell Trust and Joseph Rowntree Foundation 2025:
www.jrf.org.uk/social-security/guarantee-our-essentials-reforming-universal-credit-to-ensure-we-can-all-afford-the



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