

Homelessness in Scotland

Evidence to Local Government and Communities Committee, 11.2.09

The Committee has asked for our views on access to housing in local areas, on homelessness legislation and on housing supply generally. Since each of these is a big issue in its own right, in the evidence below, Shelter has looked mainly at progress towards the 2012 homelessness target and at some of the implications of that target.

Summary of main points

Scotland has made good progress towards the 2012 target, having travelled four-fifths of the way there. However, most councils now need to increase the pace of progress to be fully on track to meet the target:

- The Committee may wish to ask the Minister whether he feels that he has sufficient means to gather evidence on what is happening with the homelessness programme and whether he has the tools available to drive it forward.
- Shelter believes that there should be a 'stock-take' on progress towards 2012 and a detailed implementation plan to cover the years 2009-2012.
- The pattern of lets of social housing and the trend in temporary accommodation use both show signs of a system under some pressure:
 - the use of temporary accommodation has more than doubled since 2002
 - 30 per cent of all social lets go to homeless people.
- However, in the case of lets, for Scotland as a whole, the pressure is not yet as marked as is sometimes claimed. To the extent that there is pressure, it is primarily due to a decline in housing supply.
- The evidence in this paper, coupled with dramatic changes in the housing supply chain, make even more compelling the case for a programme of 10,000 affordable homes per year.

1. Background

Scotland is currently embarked on an internationally-acclaimed programme of action on homelessness. This was set in motion by the report of the Homelessness Task Force in 2002. The Task Force made 59 recommendations, the centre-piece of which was the commitment that, by 2012, all unintentionally homeless people would be entitled to a permanent home. This commitment is enshrined in primary legislation.

2. Progress on homelessness

Shelter has been heartened by the repeated commitments made by the First Minister, the Cabinet Secretary for Health and Wellbeing and the Minister for Communities and Sport to deliver on the 2012 target. Quite apart from it being a statutory target, it is also embedded in the National Performance Framework. The prevailing situation – where some homeless people are entitled to the stability of a permanent home and others are not – is simply not tolerable in a nation which prides itself on social justice.

High level commitments are important but what really matters is how they translate into change on the ground. In our evidence to Committee in June last year we warned that there were increasing signs of pressure. We can now update that analysis for Committee members.

We have attached a recently published article which assesses the pace at which local authorities are making progress to 2012. In summary it shows that:

- As a whole, Scotland is **four-fifths (79 per cent)** of the way to 2012: it is not some distant dot over the horizon. This is to the credit of local authorities and partner organisations and the way they have risen to a very challenging target.
- However, the speed at which local authorities are making progress is only about half as fast as it needs to be. In other words, if the current pace were simply maintained, without any acceleration, at least some councils would fall short of the target.
- Averages disguise lots of variation between council areas. **Seven** councils are ahead of or on track to meet 2012. But **seven** councils are also going in the wrong direction. The remaining **18** are going in the right direction but not quickly enough.

The attached article picks out the top and bottom five local authorities. However, the table attached to this paper as an appendix also sets out the trend in all 32 council areas, based on the most recent data available.

The second area to which we wish to draw Committee members' attention is the most recent data on homelessness inspections, carried out by the Scottish Housing Regulator. As at the end of January, 28 inspections had been carried out, with each local authority being scored from A to D on their homelessness service. **Only one council (Edinburgh) has scored A, with three (East Dunbartonshire, West Dunbartonshire and North Ayrshire) scoring B. Most councils have scored C (19) with five scoring D.** In general, councils score worse on homelessness than they do on the other functions on which they are inspected: housing management and property management.

While homelessness services have improved hugely in the last ten years, inspections are a sobering reminder that there is still some distance to travel.

3. Drivers for progress on homelessness

The analysis so far suggests that councils are making progress on homelessness but that there are still areas of weakness. The 2012 target has to be met by 31 December 2012 so there are only four years to go. Further, councils have to meet an interim target on the road to 2012 by the end of March 2009, which is only a matter of weeks away.

In such a context it would be reasonable to expect that the Scottish Government was cranking up its activity in order to meet the target. While there is no doubting ministerial commitment, and no question as to the hard work of senior officials, **the reality is that the Scottish Government is now in a weaker position to drive the homelessness programme** than it has ever been since the Homelessness Task Force report was published seven years ago:

- The Homelessness Monitoring Group (HMG), a multi-agency forum set up to oversee progress on the Homelessness Task Force's recommendations has been shelved. While the HMG was not working effectively, in its absence there is no transparent way of checking on what is happening with progress. For example, the HMG produced an annual report looking at progress; there is no mechanism for this to happen now.
- The decision to remove ring-fencing from homelessness funds (at around £40 million per year) and housing support (at around £400 million per year) has removed another means by which ministers could influence or track the development of homelessness services. While we do not want to re-open the discussion about ring-fencing and local versus central autonomy, the point here is that the loss of specific funding mechanisms has not been replaced by any other means to influence service development.
- There is ambiguity as to whether the Scottish Housing Regulator (or any successor body) will continue to inspect and regulate local authority homelessness services, once all 32 councils have been inspected. If this function were to be diluted it would remove yet another means by which progressive reforms can be driven.

Last year, all of the main homelessness organisations put a case, to the Committee, for a 'stock-take' on homelessness to be carried out. The Scottish Government declined that suggestion, among the reasons for which was that it would replicate the work of the Homelessness Monitoring Group. **In our view, the case for a stock-take – accompanied by a detailed implementation plan 2009-2012 – has even grown more urgent.**

We understand that the Committee will be taking evidence from the Minister a few weeks from now. It may be an appropriate time to ask him whether he feels he has all the tools he needs to assess progress on homelessness meaningfully and to drive action towards the 2012 target.

To be fair on the Scottish Government, it has issued, with CoSLA, a statement of joint priorities on homelessness. This letter was issued on 23 December and outlined four priority areas:

- Joint working across public services.

- Improving access to existing housing: including RSL stock and the private rented sector.
- Preventing homelessness.
- Investing in supply.

However, the letter contains little that is new and simply outlines a set of activities the impact of which is, as yet, unknown. For example, on prevention of homelessness, there is the introduction of section 11 of the 2003 Homelessness Act, which requires lenders and landlords to tell councils when someone is being evicted. However, a survey currently being carried out by Shelter, shows that a significant number of councils are worried about how ready they will be when the provision goes live on 1 April. There is also the intention to expand the state mortgage rescue scheme. These are welcome steps but will only impact on quite a small number of homeless people.

Prevention of homelessness still remains at the margin of homelessness services. This point is further illustrated by research published at the end of 2008 by Shelter. This showed that almost 3,600 households lost their homes following legal action by social landlords in 2007-08; also, that social landlords obtain decree against proportionately twice as many tenants as commercial lenders do against home-owners. While we were careful, in that report, to dismiss any notion that social landlords are cavalier with eviction action; **we also believe that levels of legal action on this scale cannot all be justified as a last resort; nor is it compatible with a service model that has fully embraced the priority attached to preventing homelessness.**

4. Impacts of homelessness change

Finally, we wish to draw attention to some of the areas in which current housing pressure manifests itself most clearly. There are two main areas: the level of social housing lets and the use of temporary accommodation.

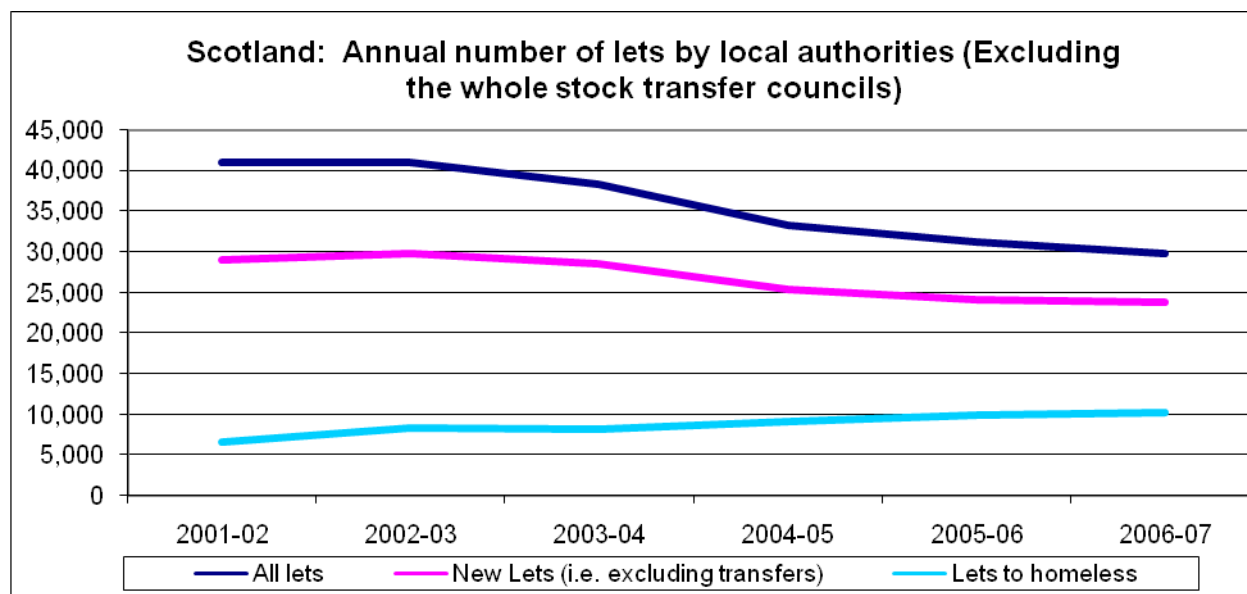
A concern of some observers has been whether the ongoing implementation of the 2012 homelessness target is resulting in a disproportionate level of lettings going to homeless people. We have assembled some of the statistical evidence below but it does beg the question of what 'disproportionate' would be. If one takes the view – as does Shelter – that homeless people are generally people on house waiting lists for whom the pressure of waiting spills over into a crisis, then it seems legitimate that homelessness is high among the competing priorities that social landlords have to meet. If one takes the view that homeless people are queue jumpers or 'at it' – a view that still prevails in some quarters – clearly one will take a different view of what constitutes 'disproportionate'.

4.1 Council housing lets

Overall, around 39 per cent of all lets of local authority stock go to homeless people.

The number of lettings to homeless people has been increasing, as shown by the graph below. The percentage of lets going to homeless people has also been increasing at the same time as the overall number of lets made by local authorities is falling. We might call this the 'lettings squeeze'.

However, the graph also shows that the squeeze is far more accounted for by the overall fall in lettings than it is by the rise in lets to homeless people. In other words, it is supply side failures rather than demand side adjustments that have caused the squeeze.



Once again, averages disguise a lot of variations. In five local authorities the proportion of lets going to homeless people is above 50 per cent - these are Angus, East Dunbartonshire, East Lothian, Perth and Kinross and West Lothian. The highest is West Lothian with 67 per cent and the lowest Aberdeen at 20 per cent.

4.2 Lettings to housing associations

Of course, one of the reasons for the fall in lettings made by local authorities is the transfer of stock to RSLs. So it is important to look at RSL lettings to homeless people as well.

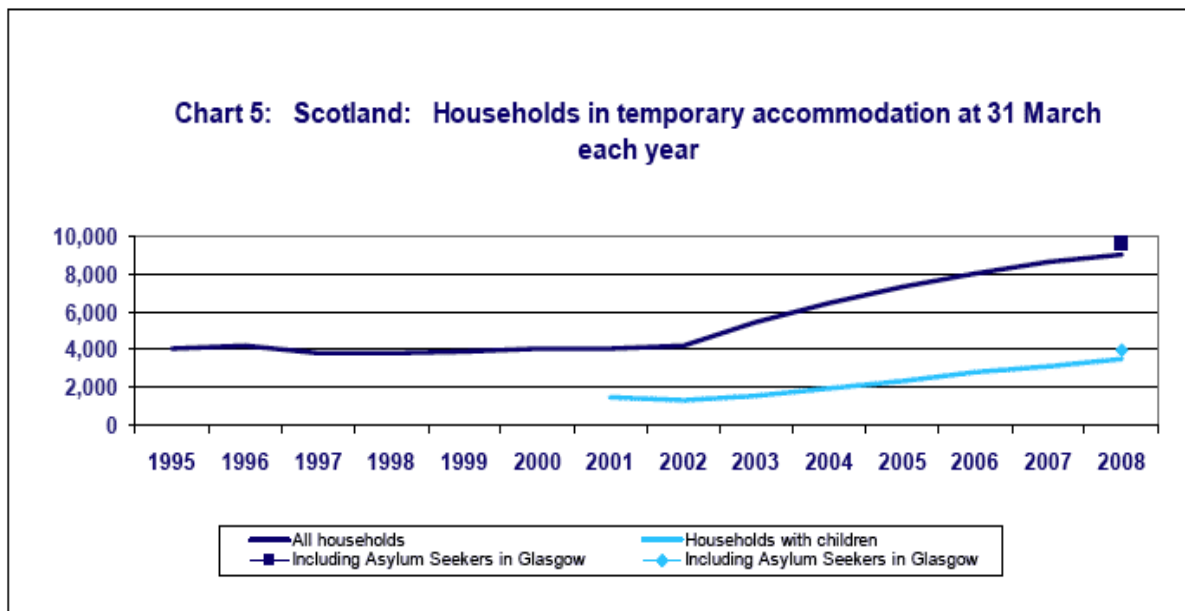
The data for 2007-08 show that 22 per cent of all lettings made by RSLs were to homeless people, most of which went through a formal process known as section 5 referrals. This means that for every one let made to a statutory homeless person, almost four lets were made to people on waiting lists: this is not consistent with assertions that homeless people are swamping lettings.

4.3 Social lets overall

Taking council lets and RSL lets together, in 2007-08 30 per cent of all lets of social housing went to homeless households. For some local authorities and some landlords the proportions will be much higher than that; and this may be even greater in some parts of a landlord's stock. That is, the pressure on lets from homeless people is not yet as dramatic as is often made out; however, this may not be the case in some particular hotspots.

4.4 Temporary accommodation

The second way in which housing pressure may be manifested is in the use of temporary accommodation, most of which is used to house homeless people when there is not an immediately available permanent let for them. The figure below illustrates the dramatic rise in the number of households in temporary accommodation in the last five years.



Part of the explanation for this trend is that homeless people were given new rights to temporary accommodation in 2002. However, the rights did not change for families with children and yet the trend there has been upward too. **Underlying that change in rights has been an increasing logjam in the supply of new homes for people to move into. In other words, the graph above also illustrates a longer-term problem of shortage of affordable homes.**

5. Homelessness and housing supply

Taking both of these trends together – lettings data and use of temporary accommodation – there are signs that the progress which councils are making towards 2012 has created pressure elsewhere in the housing system. So it is reasonable to assume that if local authorities increase the pace towards 2012, which we have argued they need to do, then that pressure will increase.

Critically, however, the pressure is less to do with rising demand from homeless households and more to do with the declining availability of lets, as new builds have lagged behind the rate of sale through Right to Buy. In the medium to long term the Scottish Government's intention to reform Right to Buy will help here. **But what is urgently needed is a step change in the provision of new affordable homes. Shelter, SCSH and SFHA all agree that 10,000 affordable rented homes are needed each year.** The analysis in this briefing lends weight to that case. As well as the immediate housing pressures such a programme would help to relieve, it would have a massive positive impact on sustaining jobs and bringing economic stability.

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Appendix: Progress towards 2012

	Assessed as priority need (% - 2003-04)	Target for 2009	Assessed as priority need (% - 2005-06)	Progress	Assessed as priority need (% - 2006-07)	Progress	Assessed as priority need (% - 2007-08)	Progress
Scotland	73	86.5	76	55.6%	77	49.4%	79	55.6%
Aberdeen City	65	82.5	71	85.7%	66	9.5%	67	14.3%
Aberdeenshire	68	84	67	-15.6%	70	20.8%	76	62.5%
Angus	81	90.5	..		76	-87.7%	80	-13.2%
Argyll & Bute	60	80	67	87.5%	74	116.7%	74	87.5%
Clackmannanshire	73	86.5	82	166.7%	82	111.1%	80	64.8%
Dumfries & Galloway	71	85.5	75	69.0%	81	114.9%	85	120.7%
Dundee City	86	93	79	-250.0%	81	-119.0%	80	-107%
East Ayrshire	58	79	64	71.4%	69	87.3%	67	53.6%
East Dunbartonshire	68	84	70	31.3%	72	41.7%	74	46.9%
East Lothian	51	75.5	59	81.6%	62	74.8%	64	66.3%
East Renfrewshire	75	87.5	71	-80.0%	71	-53.3%	78	30.0%
Edinburgh, City of	68	84	78	156.3%	81	135.4%	82	109.4%
Eilean Siar	55	77.5	62	77.8%	65	74.1%	71	88.9%
Falkirk	69	84.5	..		72	32.3%	78	72.6%
Fife	62	81	64	26.3%	66	35.1%	69	46.1%
Glasgow City	88	94	86	-83.3%	85	-83.3%	87	-20.8%
Highland	56	78	57	11.4%	71	113.6%	78	125.0%
Inverclyde	67	83.5	74	106.1%	69	20.2%	70	22.7%
Midlothian	69	84.5	79	161.3%	84	161.3%	81	96.8%
Moray	60	80	51	-112.5%	54	-50.0%	69	56.3%
North Ayrshire	76	88	77	20.8%	81	69.4%	88	125.0%
North Lanarkshire	67	83.5	78	166.7%	76	90.9%	75	60.6%
Orkney	83	91.5	76	-205.9%	69	-274.5%	78	-73.5%
Perth & Kinross	76	88	69	-145.8%	69	-97.2%	71	-52.1%
Renfrewshire	73	86.5	86	240.7%	86	160.5%	90	157.4%
Scottish Borders, The	73	86.5	69	-74.1%	67	-74.1%	72	-9.3%
Shetland	64	82	76	166.7%	69	46.3%	62	-13.9%
South Ayrshire	61	80.5	71	128.2%	75	119.7%	74	83.3%
South Lanarkshire	65	82.5	73	114.3%	73	76.2%	83	128.6%
Stirling	62	81	67	65.8%	67	43.9%	68	39.5%
West Dunbartonshire	81	90.5	89	210.5%	90	157.9%	96	197.4%
West Lothian	70	85	75	83.3%	80	111.1%	80	83.3%

This table shows the rate of progress for each council and for Scotland as a whole towards the 2012 target. The final column shows, as a percentage, the rate of progress towards 2012. A score of 100% or more means that the council is on or ahead of target. Between 0-100% the council is going in the right direction but not fast enough. If the score is a negative value, the council is going in the wrong direction.