

# Report

# Homelessness prevention

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# Shelter

## Homelessness prevention

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## Homelessness prevention

### Summary

This report seeks to draw together various strands of current thinking about the prevention of homelessness. It is aimed at national and local policy-makers who want to get a better handle on what is meant by 'prevention' and at practitioners who want to develop their own range of services.

The first section describes the policy background which has given homelessness prevention a much more prominent role in Scotland in recent years. This marks a move from the traditional model of councils intervening to tackle homelessness when it occurs, to taking on a more responsive culture that seeks to identify lasting solutions to people in a range of housing circumstances and difficulties. Prevention of homelessness work has also been accelerated by a Scottish Executive focus on this area with specific guidance on prevention planned, for the first time, in 2007.

This section also examines some of the issues in relation to developing a practical, working definition of homelessness prevention. This can assist in focussing the work that is undertaken by housing providers and homelessness services and while being comprehensive must also take into account the fact that resources should be targeted at those interventions that work best.

This is further discussed in the second section, which looks at the monitoring and evaluation of homelessness prevention. While local authorities become more involved in homelessness prevention it is becoming clear that there is little in the way of a framework to monitor work in this area. This makes it harder for organisations to assess the impact of their services, a crucial source of information in determining the future direction of prevention work. Furthermore, robust and transparent monitoring of prevention services can ensure that councils protect themselves from accusations of 'gatekeeping'. This is where people are diverted from making a homelessness application rather than actually being genuinely helped to resolve their housing difficulties and is a path that must continue to be avoided in Scotland.

Some of the services that are becoming more commonly developed to prevent homelessness by local authorities and partner organisations are discussed in the third section of this paper. These cover the adoption of housing options approaches to dealing with housing issues, as well as, the use of mediation services and the private sector to prevent homelessness. While this covers the positive implications of adopting a new approach to homelessness some concerns are raised in their operation to be taken into consideration regarding these developing areas of practice.

The final section looks at issues of tenancy sustainment in the social rented sector. This includes consideration of how organisations may target resources and services to help those vulnerable to becoming homeless. It also looks at the use of legal action against tenants with rent arrears and examines the evidence of whether the threat or use of eviction is an effective way to ensure that tenants pay their rent. However it is also argued that some of the systems used to report on the performance of social landlords may undermine their ability or motivation not to resort to legal action when dealing with arrears. The role of housing benefit is also a matter for consideration in the areas of the system where a bit of increased flexibility could potentially improve tenancy sustainment and prevent homelessness.

Successful prevention strategies will involve a range of partners, representing the myriad of factors that can contribute to causing homelessness and the reflecting range of services that can contribute to preventing it. To effectively prevent homelessness is not something that housing and homelessness services can achieve alone, but will take the support of partners from a wide range of services and sectors. Furthermore, the available resources will also have to be targeted at what can be shown to work best.

This report contains a number of recommendations for policy and strategy staff at both a local and national level and for practitioners themselves. These reflect the fact that the prevention of homelessness agenda provides a real opportunity for organisations to work together to ensure that the misery, stress and devastation of homelessness can be avoided wherever possible. This is something we must all work towards.

## Section 1: Setting the scene

### **Introduction and background**

Scotland is internationally recognised as being at the forefront of tackling homelessness. Through the Homelessness (Scotland) Act 2003, all unintentionally homeless households will, by 2012, have the right to permanent housing. Achieving this ambitious target is about improving the rights that homeless households have and the services that they receive. It should involve substantial investment to improve the provision of affordable housing. It will also involve improving services to prevent households from becoming homeless whenever this is possible.

The Scottish Executive and local authorities are increasingly turning to homeless prevention work to assist with meeting the 2012 target. This is to be welcomed. Homelessness is known to cause enormous stress and devastation to individuals and families. Homelessness impacts on people's health and well-being, disrupts the education of children and can lead to people suffering worse problems than those that caused them to become homeless in the first place. Wherever the provision of a service can prevent this from happening, by helping people to sustain their home where this is appropriate, this is a much better outcome for the household affected. It can also ensure that local authorities are better placed to tackle homelessness when it does occur and direct resources that are needed to alleviate other forms of housing need within their area.

Shelter Scotland published a briefing paper on the prevention of homelessness in April 2006, reflecting the increased attention being paid to this topic in housing and homelessness policy and practice.<sup>1</sup> That paper set out some of the activities that were already being undertaken, particularly by local authorities, to prevent homelessness. It also outlined issues around the definition of homelessness prevention and the challenges of monitoring and evaluating this area of work.

This paper can be seen as an update and extension to that published in April 2006 and seeks to explore the main areas of activity that have developed through homelessness prevention. The paper also looks at the implications for the rights and services that homeless households are entitled to and receive in the name of homelessness prevention.

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<sup>1</sup> Shelter Scotland (2006) *Homelessness Prevention in Scotland*

The prevention of homelessness was significantly represented in the work and recommendations of the Homelessness Task Force.<sup>2</sup> However, as these have been taken forward, the emphasis has been more on tackling and alleviating homelessness, through changing legislation and practice. In December 2005, the Ministerial Statement to Parliament on the Abolition of Priority Need signalled an increased focus on efforts to prevent homelessness.<sup>3</sup> Correspondingly, in 2006 the Scottish Executive funded eight pilot prevention projects through an Innovation Fund and commissioned academic research into the current practices of local authorities in Scotland in preventing homelessness.<sup>4</sup> The Executive has also committed itself to developing and issuing further guidance to local authorities on preventing homelessness based on the lessons learned through the research. As expected, this increasing focus on prevention of homelessness is resulting in a marked increase in the prevention services that are being undertaken by councils across the country.

### **Homelessness prevention or homelessness gatekeeping**

A long running debate in the prevention of homelessness concerns whether services are operated as a means of preventing people from getting access to statutory homelessness services; in other words, gatekeeping.

For homelessness prevention to be worthwhile it must not be about stopping people from accessing their rights under the homelessness legislation; rather, it must be about facilitating access to services that can provide people with suitable, sustainable solutions to any housing related difficulties that they are experiencing. Where appropriate a household should be assisted to remain in their current accommodation, however, homelessness prevention should not be about forcing people to remain in accommodation that is unsuitable or about restricting access to the rights that people have under homelessness legislation.

Efforts at homelessness prevention can be undermined if there is a perception that it is about gatekeeping. This is a path that Scotland must continue to avoid.

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<sup>2</sup> Scottish Executive (2002) *Homelessness Task Force Final Report: Helping Homeless People: An action plan for prevention and effective response*

<sup>3</sup> Scottish Executive (2005) *Ministerial Statement on the Abolition of Priority Need*

<sup>4</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

## Defining homelessness prevention

There is little in the way of a standard, accepted working definition of what constitutes homelessness prevention in use in Scotland. The Scottish Executive's Code of Guidance on Homelessness does contain a chapter on the prevention of homelessness which states that its purpose is 'to describe the action to be taken by local authorities to prevent homelessness arising in the first place and then recurring'.<sup>5</sup>

The Code then goes on to describe actions that local authorities can take to prevent homelessness in their area. This covers the role of advice and information, what can be done to prevent homelessness among known high risk groups such as people leaving institutions, young people leaving care and those leaving the armed forces. It also includes information on what councils should consider in the provision of resettlement services in order to prevent homelessness recurring when rehousing homeless households.

While the information in the Code of Guidance is a useful starting point in providing information on some of the activities that local authorities should be providing, there are limitations to this. There is no discussion or guidance on what some councils are increasingly doing to prevent homelessness such as mediation services, the adoption of housing options work or the use of the private sector<sup>6</sup>. Furthermore, while the Code of Guidance describes activities there is little attention paid to the impact that these are likely to have, or indeed on any aspect of monitoring or evaluation. This is a recurring issue in relation to homelessness prevention. These gaps will be crucial areas for the forthcoming guidance, specifically on homelessness prevention.

*Shelter defines homelessness prevention as that which prevents situations of urgent housing need from arising in the first place. In general this refers both to far-reaching structural provisions (for example, which increase the supply of social rented housing or which increase security of tenure) as well as other interventions into individual circumstances which make it considerably less likely that an occupant would lose their home during difficult economic or personal times (for example, tenancy sustainment services or defending possession proceedings). Schemes which enable people to find alternative or better housing before urgent situations arise also play an important role in helping to prevent homelessness.*

This reflects a much wider interpretation of what may constitute homelessness prevention than that provided in the Code of Guidance. However, homelessness prevention could be

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<sup>5</sup> Scottish Executive (2005) *Code of Guidance on Homelessness*

<sup>6</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

defined in even wider terms than this. For example, research on the role of advice and information in relation to homelessness, published by the Glasgow Homelessness Network, identified that the following personal factors can contribute to people being able to manage transitions in their housing circumstances more successfully and thereby prevent homelessness:<sup>7</sup>

- positive social networks of family and friends
- meaningful occupation – being employed, volunteering, in training or in education
- access to a relevant range of advice and information in relation to their circumstances and situation
- sufficient financial resources.

These points underline the wide range of relevant issues that potentially impact on homelessness and its prevention. It also highlights the fact that the issues which contribute to people becoming homeless, such as poverty, relationship issues and employment, go far beyond the normal scope of what are traditionally considered to be the functions of a local authority housing or homelessness service. This is reflected in the projects that are being funded through the Executive's Innovation Fund, which cover the following wide range of services:

- the Forth Valley Street Sport initiative for women in Clackmannanshire
- an access to accommodation and skills for prison leavers scheme across Tayside
- a multi-agency training project in East Dunbartonshire
- a CAB Rent Arrears Scheme in East Lothian
- the development of a Domestic Abuse Resource pack in East Lothian
- the Safe as Houses project in Edinburgh
- an anger management project in Falkirk
- a housing and employment project in Glasgow.

To prevent homelessness effectively, housing departments and homelessness services will either be required to take on a wide range of potentially new and innovative service responses or facilitate such services through engagement with potential partners from a range of other sectors and services. While local authorities have increasingly involved partners in designing and delivering local homelessness and housing strategies, there is potential need for this approach to be significantly increased if homelessness can really be effectively prevented.

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<sup>7</sup> Glasgow Homelessness Network (2006) *The role of advice and information in the prevention and alleviation of homelessness in Glasgow*



However, this breadth also poses a dilemma. With so much potentially being described as 'prevention', it is difficult for organisations to decide which is the **best** approach. At worst, there is a danger that all sorts of things, which are worthy of support in general, will be labelled as prevention work because of its currency. This amplifies the need for evaluation of effectiveness, a theme we stress several times in this report.

### **This report**

This report seeks to draw together various strands of current thinking about the prevention of homelessness. It is aimed at national and local policy makers who want to get a better handle on what is meant by 'prevention' and at practitioners who want to develop their own range of services. Each section of the report ends with a series of policy and/or practice recommendations representing the two areas of influence in preventing homelessness.

### **Recommendations**

1. Forthcoming Scottish Executive Guidance on homelessness prevention should be practical and provide a working definition of the operation of homelessness prevention.
2. While Shelter recognises the wide range of factors that impact on homelessness prevention, guidance should focus on those interventions that can be delivered and are proven to work most effectively.

## Section 2: Monitoring and evaluating homelessness prevention

One of the clear conclusions that can be drawn from the Scottish Executive research is that while there is a range of activity being undertaken to prevent homelessness there is no recognised framework for monitoring and evaluating this work.<sup>8</sup> This raises a number of questions about how the impact of homelessness prevention can be assessed and whether the outcomes of interventions are truly providing lasting solutions to the housing problems experienced by people. Effective mechanisms to monitor and evaluate homelessness prevention should also be able to address the key question of not just what works, but what works best?

### Measurement of homelessness application

In England, the prevention of homelessness as an area of activity is thought of as being more developed than in Scotland. Services aimed at prevention have been in place for a longer period. The response to the difficulty in measuring the impact of prevention services has been to simply monitor the numbers of people making formal applications for assistance under the homelessness legislation. There has been a dramatic downturn in homelessness applications in England in the past three years, which has been attributed by the UK Government as being down to an increase in prevention work.<sup>9</sup> For a fuller description of the type of activities being undertaken in England see the Shelter briefing Homelessness Prevention in Scotland, 2006.<sup>10</sup>

In the past two years, Government statistics indicate a reduction in homeless acceptances of 30.6 per cent from 135,430 in 2003/04 to 93,980 in 2005/06 in England.<sup>11</sup> One of the main drivers reducing homelessness acceptances in England is the target, introduced by the Government in 2005, to reduce the numbers of households in temporary accommodation in England by half, by 2010. One of the ways that local authorities can work towards this target is to ensure that fewer households make homelessness applications, meaning that there is no duty to provide temporary accommodation. However, a great deal of concern has been raised by organisations working with homeless people, including Shelter, as to whether homelessness is truly being prevented in many cases, or whether gatekeeping practices have been allowed to develop.

Prevention in England has explicitly been about introducing filters between a household making an approach to a local authority for assistance and being able to make an application as homeless. For example, the Homelessness Code of Guidance in operation

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<sup>8</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

<sup>9</sup> DCLS Homelessness Acceptances, December 2006

<sup>10</sup> Shelter (2006) *Homelessness Prevention in Scotland*

<http://scotland.shelter.org.uk/files/docs/18918/Homelessness%20prevention%20April06.pdf>

<sup>11</sup> DCLG Homelessness Acceptances, December 2006

in England states, 'it is open to them [the local authority] to suggest alternative solutions'<sup>12</sup> when a household seeks assistance regarding homelessness.

These filters, framed within a housing options approach, are a series of specific service responses that have been designed for the most common reasons that people become homeless. These are: that friends or family are no longer willing to accommodate, relationship breakdown/domestic violence and the loss of a private sector tenancy. Responses to people becoming homeless for these reasons include mediation, home visits and referrals to short term tenancies in the private rented sector.

However, the prevention of homelessness is not the same as the prevention of a homelessness application, that is, gatekeeping. The following practices have been reportedly used by authorities seeking to stop households being able to make a homelessness application:

- referring applicants to another council to get that authority to take the application
- filtering out applicants before they get to see a trained housing adviser
- placing unreasonable burdens of proof on people regarding their housing situation before an application is accepted
- preventing people from making their application until they have been to a mediation appointment. If the person fails to attend that appointment, duty is discharged.<sup>13</sup>

There are significant differences in the policy frameworks between Scotland and England. The target to reduce the number of households in temporary accommodation in England has led to an expectation that local authorities should reduce both the numbers of applications that they accept and the numbers of applicants that are assessed as being in priority need.

This is markedly different to the policy direction in Scotland where there is no equivalent target to reduce temporary accommodation use. Homelessness applications have risen in recent years following the implementation of new legislation increasing the duties of local authorities to assist homeless households, particularly single person households. This has included the right to temporary accommodation being extended to all households assessed as homeless. Furthermore, through the implementation of the Homelessness etc (Scotland) Act 2003 the priority need distinction is being phased out in the period up until 2012, effectively meaning that rather than reducing priority need decisions, these will be increased to the point that all applicants assessed as homeless will be afforded priority need status.

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<sup>12</sup> Department for Communities and Local Government (2006) *Homelessness Code of Guidance for Local Authorities* p30

<sup>13</sup> Roof Magazine; *Keeping the Numbers Down* January/ February 2005

The policy framework is clearly different in Scotland and the nature of this should mean that the pressure on local authorities to preserve resources through gatekeeping is less direct. However, social housing is, in Scotland as well as England, a resource for which demand outstrips supply and there could be concerns that increasing the rights of people assessed as homeless will put similar pressure on homelessness services. For example, as more applicant households will have a right to be rehoused, this may lead to councils attempting to avoid taking applications or to gatekeep through increasing the number of households assessed as not homeless.

There may be some evidence of this beginning to occur. For example, although the number of applications received by councils has risen in recent years, there has been no accompanying increase in households actually being assessed as homeless. In 2002/03 there were 51,999 homeless applications received and 40,046 were assessed as homeless. However, in 2005/06 there were 59,970 applications, of which 40,431 were assessed as homeless. This represents a reduction in the proportion of applications that were assessed as homeless from 77 per cent to 67 per cent over this three year period.<sup>14</sup> Without knowing the circumstances of each household we cannot tell whether this fall is a result of stricter practices or an underlying change in the nature of homeless applicants. But, at the very least, it merits further investigation.

It is not wise to measure the effects of homelessness prevention purely in terms of looking at the numbers of applications that are received by local authorities. Shelter has argued for a number of years that the number of applications is not a reliable or comprehensive measure of actual homelessness.

A local authority has a duty to accept an application for assistance if there is a reason to believe that a presenting household is homeless or threatened with homelessness. It appears that, in Scotland, the majority of local authorities accept at face value an applicant's claim of being homeless (or at risk of homeless) and accept applications from them.<sup>15</sup> Many local authorities report being keen to avoid the potential for being accused of gatekeeping where initial presentations to a local authority are not formally logged or cases are not recorded until a household undergoes an official assessment. This is likely to reflect official guidance that prohibits these types of practices.<sup>16</sup> There have also been criticisms of practices such as reception staff screening out applicants and local authorities not recording initial enquiries from homeless or potentially homeless

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<sup>14</sup> Scottish Executive (2006) Statistical Bulletin HSG/2006/6 *Operation of the Homeless Persons Legislation in Scotland*.

<sup>15</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

<sup>16</sup> Scottish Executive (2005) *Code of Guidance on Homelessness*, Chapter 4

households in Inspection Reports published by Communities Scotland.<sup>17</sup> These are likely to have contributed to a culture where organisations are keen to avoid perceptions of gatekeeping.

### **What can we expect from homelessness prevention?**

A drop in homelessness applications if it comes about as a result of an underlying reduction in actual levels of homelessness is, of course, a good thing and what the efforts of homelessness prevention activity will seek to achieve. At Shelter, we share the optimism that the current focus on the prevention of homelessness is an opportunity to bring about real reductions in homelessness. However, we remain cautious. As the level of understanding of the impact of homelessness prevention is currently in development, it is far too early to divert attention away from the need to provide responses as people become homeless.

There may be risks in assuming, currently, that there will be a significant decrease in homelessness, to the levels reported in England for example, through prevention work. One of the most significant factors that are attributed to cause homelessness at a structural level are shortages of affordable housing available for rent from councils and registered social landlords. There is no sign of these pressures easing.

Professor Glen Bramley's Local Housing Needs and Affordability Model, commissioned by the Scottish Executive and Communities Scotland, makes an assessment of housing need in local authority areas across Scotland.<sup>18</sup> As part of this work, the research team was asked to look specifically at projected trends in homelessness.

The report estimates that as a result of homelessness prevention work there could be a reduction of between 20-45 per cent in levels of homelessness over the period until 2021. The main basis for this appears to be the drop in recorded homelessness that has occurred in England in recent years. However, to make this assumption may not be appropriate in Scotland. While much of the prevention work and policy initiatives that are being developed in Scotland are of a similar nature to those being practised in England, the diverging policy and legislative environments may cause these to impact in quite different ways. For example, rises in recorded homelessness in Scotland in recent years have been viewed positively as a reflection of the fact that rights to receive services have been extended to more homeless households.

Demographic changes are also used to back up the prediction of a falling homelessness rate. For example, an ageing population is seen as being significant due to younger

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<sup>17</sup> For examples see Communities Scotland Inspection Reports on Orkney Islands Council (2006) Aberdeen City Council (2005) and South Ayrshire Council (2005)

<sup>18</sup> Bramley (2006) *Local Housing Need and Affordability Model for Scotland – Update* (2005 based)

people being more represented in the age of profile of homelessness populations. In addition rising overall levels of household income are also expected within this context to mean that less people will become homeless when they experience sudden changes in their housing situation. This assumes however that these factors will impact evenly at all levels and on all sections of society and this may not be appropriate.

While we share the optimism that prevention work can reduce homelessness, we are less convinced about the scale of that. Until we have a more sophisticated understanding of the impact that prevention can have, it is far better to assume that specific prevention initiatives should go hand in hand with work to improve options for people as they become homeless.

More sophisticated understanding will involve ways of measuring, monitoring and evaluating homelessness prevention work which, as has been recognised, are not available at the current time. Furthermore the issue may be one of timing. To meet current levels of housing demand from a variety of needs, of which homelessness is one, there does need to be more affordable housing available. For local authorities and RSLs to be able to meet demand from waiting lists and homeless households, Shelter, the Chartered Institute of Housing, Scottish Council for Single Homeless and Scottish Churches Housing Action estimate that at least 10,000 new build properties for affordable renting are required each year in the period from 2008-2011.<sup>19</sup>

### **Sustainability of outcomes**

One of the biggest issues that needs to be resolved is how the impact and effectiveness of homelessness prevention work is monitored and evaluated. Within this is how and when homelessness prevention work can be considered to be a success. For example, if a young person leaving the family home is provided with access to a mediation service, which facilitates their return to the family home, this may be counted as a success. However, if this results at some point in the future in a further deterioration within the family relationship and the young person is forced to leave again, was homelessness truly prevented? Similarly, if a household is assisted to access a tenancy in the private rented sector for a period of six months and this is not extended at the end of this period, again, was homelessness prevented? In order to say with any certainty that there has been success through the provision of a homelessness prevention service there has to be some measure of the sustainability of the outcomes achieved through the service provision as well as their appropriateness within the individual context.

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<sup>19</sup> Shelter Scotland, Scottish Churches Housing Action, the Chartered Institute of Housing in Scotland and Scottish Council for Single Homeless (2007) *Submission to the 2007 Comprehensive Spending Review in Scotland*

### Measuring prevention within current mechanisms

There appears to be some confusion currently about how councils should monitor and report interventions that prevent homelessness within the current reporting framework. Councils provide data on homelessness applications, assessments and outcomes to the Scottish Executive through a statistical return known as the HL1. There is currently no framework within the HL1 form that councils can provide details of homelessness prevention work.

In research for the Scottish Executive, local authority staff were asked how they would log a case where a person was helped to avoid actual homelessness. These outcomes were reported to be recorded as 'not homeless' or 'homelessness resolved prior to assessment decision'.<sup>20</sup> While these may be the most appropriate options available to local authority staff to record such instances, neither could be said to truly reflect the fact that the local authority has intervened, provided a service and assisted the household avoid homelessness.

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<sup>20</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

### **Recommendations**

3. Scottish local authorities must continue to avoid a gatekeeping culture to the prevention of homelessness.
4. More defined means of monitoring the impact of prevention require to be developed than simply monitoring the impact on homelessness applications.
5. Any framework developed to monitor the impact of prevention work should reflect the nature of the actual service provided and the outcomes that were achieved by it.
6. A measure of what defines success will require to be developed in relation to homelessness prevention. This should involve a measure of the sustainability of outcomes achieved.
7. As issues around the monitoring and evaluation of homelessness prevention are still in development it is not possible to currently make assumptions on what the impact of prevention will be on homelessness overall. It is not yet possible to divert resources from other areas of housing and homelessness service provision on the basis of the possible impact of homelessness prevention work.
8. Whatever monitoring arrangements are put in place there is a case for the HL1 homelessness monitoring system to be adapted to more fully reflect homelessness prevention work and the outcomes that can be gained from it.



### **Section 3: Approaches to homelessness prevention**

Homelessness has in the past generally been an issue that agencies such as local authorities, voluntary organisations and charities have tackled. That is to say, when a household has become homeless these organisations have provided services as a response, to try to alleviate the devastating effects that this can have on people's lives or to attempt to facilitate access to settled accommodation. As mentioned previously, the shift in emphasis towards homelessness prevention represents a significant and welcome change in the way that local authorities' homelessness services and other organisations operate and this is beginning to become evident in a number of ways.

Prevention work is involving homelessness services in different and new areas of work. This is changing the focus of statutory services from a rationing function, applying legislative criteria to assess whether someone is eligible, to providing a service that facilitates solutions to a household's housing issues. This can be provided whether the household meet the legislative criteria for rehousing or not. The services that are now being developed represent some wide and radical departures from the traditional role of housing and homelessness services and there are arguments that these go well beyond the scope of work that councils can or even should be expected to undertake.

The list of projects that gained support through the Homelessness Innovation Fund represent a wide range of activity, some of which is well outwith the scope of a local authority homelessness service, such as facilitating access to sport or anger management programmes. While the value of such programmes is not being questioned, the impact that they may have on homelessness and its prevention may be indirect, not quantifiable nor be expected to be areas that local authority homelessness services can deliver as a matter of course. As there is such a wide range of matters, quite unrelated to housing, that can contribute to homelessness, it is unrealistic to expect local authorities current homelessness services to be able to tackle them all.

The following sections describe some of the more common service responses that have been developed by councils in making the transition from rationing access to local authority housing to achieving positive housing outcomes for individual clients. As the range of potential services and interventions is so wide, this paper has had to concentrate on those that are being developed by local authorities, in partnership with other organisations, rather than those that could not be easily adopted into the practices of traditional service delivery models. Even within these parameters it is not possible to cover all of the areas that are being put into practice. For example, housing advice and information services are now established across much of Scotland, being provided by a range of agencies. These are undoubtedly making an impact on those who use them, helping, them to find and keep a home, although this impact is notoriously difficult to quantify. This report rather concentrates on some of the areas that are being developed

and are relatively new in practice but which local authorities and other organisations can and indeed are taking on, putting into practice and making a difference.

These areas of work are recognised as being relatively labour intensive and have generated substantial new posts in local authorities' homelessness services as well, typically in the areas of housing support and funded through the Supporting People budget.<sup>21</sup> Local authority homelessness practitioners have expressed their support for this change in the approach to dealing with homelessness in recent research. Survey respondents recognised the value in preventing homelessness both in terms of achieving better outcomes for homeless households and the fact that this may provide a means to effectively manage resources, something that will become increasingly important to councils as we move towards 2012.<sup>22</sup>

### **Housing options interviews**

The housing options approach to dealing with homelessness presentations potentially introduces a much wider range of housing outcomes for homeless or potentially homeless households. Typically when this type of approach is used a distinct two-tier system is introduced. When a household presents at a local authority service with a housing problem the authority conducts an interview at which a full assessment is made of the presenting circumstances and generally a plan is devised to resolve the housing issues that the household is experiencing. In some circumstances this may involve providing advice and assistance or advocacy work; a referral to a money advice service if there are issues with rent or mortgage arrears or a referral to a mediation service to assist with relationship issues that may be threatening a person's continued residence in their home.

As part of this pre-application process, as it has been developed in Scottish local authorities, an assessment is done on whether there is a reason to believe the household is homeless or at risk of homelessness. If so, the applicant then goes on to make a formal application under the homelessness legislation.

An effect of this should therefore be a distinct reduction in the proportion of not homeless decisions that are issued within this system, since this part of the assessment is being done outwith the formal assessment process. This can be seen through Edinburgh City Council's homelessness service, where a housing options approach has been adopted. In

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<sup>21</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

<sup>22</sup> Scottish Executive/ Chartered Institute of Housing (2006) *Knowledge, Understanding and Views of Homelessness among Service Providers*

2005/06 the authority only assessed five per cent of applicants as not homeless, the lowest proportion of such decisions in Scotland.<sup>23</sup>

There are currently five local authorities in Scotland using a housing options approach towards homelessness services with a further five either developing such a service or considering it.<sup>24</sup>

However, there appears to be little clear guidance as to how these approaches sit within the formal assessment framework and on how councils should record activities that they undertake through housing options work with service users. Within the Executive research, there are a number of instances where local authority staff raise concerns about this lack of monitoring processes and the potential for accusations of gatekeeping to arise as a result of housing options work with potentially homeless applicants.<sup>25</sup>

The current model in operation in some councils, where housing options work is undertaken out with the formal assessment process opens up a wide area of discretion for local authority homelessness staff. This can be viewed as a move towards providing a solutions-based response to people experiencing housing difficulties rather than responding through the application of a legalistic approach only. Potentially, this could lead to many more households being eligible for help and a greater flexibility in the outcomes that may be secured through a local authority intervention.

It may also allow the opportunity for households to get help with housing difficulties at a much earlier stage than the current legalistic model. Currently a household will only be classed as being threatened with homelessness if there is a risk that they will lose their accommodation within two months. There is only a legal duty for local authorities to respond and provide support and assistance within this period. The adoption of a housing options approach may allow for households to seek and receive assistance as soon as the potential for difficulty arises. Services may then be provided at a much earlier stage, before any situation has become a crisis and may allow for the facilitation of better outcomes for service users.

This indicates that there is much to commend the adoption of a housing options approach. However, it also opens up the possibility for introducing bad practice through gatekeeping or introducing a filter to people being able to exercise their legal rights under the homelessness legislation. Additionally, without a homelessness application being made,

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<sup>23</sup> Scottish Executive (2006) *Operation of the Homeless Persons Legislation in Scotland 2005/06. HSG 2006/6*

<sup>24</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

<sup>25</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

there may be little transparency, making it harder to detect and challenge poor practice. Some councils have recognised the risk of this and have ruled out the use of housing options work within their service due to the fear of being perceived as gatekeepers.<sup>26</sup>

There are two potential solutions to this issue which could prevent such an accusation arising. The first is to remove the responsibility for homelessness prevention through housing options work to independent organisations. Councils have a clear motivation to prevent homelessness applications, particularly as the implementation of the Homelessness (Scotland) Act 2003 places increasing duties to provide permanent accommodation from already stretched housing resources. As it becomes more difficult to meet the housing demands that are faced, the temptation may increase to use housing options work as a means of diverting potential homeless applicants.

As noted above, there are a huge range of potential factors that can contribute to people becoming homeless, many outwith the usual range of functions undertaken by the housing and homelessness services of local authorities. However, the current emphasis is that these services will be expected to deal with these and provide assistance to people in relation to their housing problems only. There may be a range of homelessness prevention activities that could be taken on by external agencies, such as those in the voluntary sector. These organisations do not have a direct service interest in the outcome of any homelessness prevention work and can refer households to a range of other organisations, where appropriate, in order to receive specialist assistance with any issues that are impacting on their housing situation. One such outcome may be to be referred to the local authority for a homelessness application to be made. Local authorities already engage external organisations in a variety of functions, for example, the duty to ensure that there is provision of free and independent housing advice and information services within a local authority area. To set up a model of housing options work delivered through external organisations is essentially an extension of this type of existing service delivery.

Whether or not housing options work is undertaken internally by a local authority or externally, by another organisation, it may have the additional benefit of encouraging people to actually use services that they otherwise may not. Unfortunately the perceived stigma of being labelled as homeless persists. To allow people access to housing advice and support services without having to make a homelessness application may mean that some individuals are more likely to seek support if it is provided outwith the formal homelessness application framework. Facilitating wider access to a broader range of services and outcomes may in turn further contribute to preventing homelessness.

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<sup>26</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

If outsourcing the responsibility for homelessness prevention work to independent organisations was not to be pursued, then there is an argument that homelessness prevention work, including housing options, should be performed within the existing framework for dealing with homelessness applications. This means that all homeless or potentially homeless households would make a formal application rather than the housing options work occurring as a potential filter, prior to an application being made. The process would then allow for homelessness prevention to be undertaken as one of the initial stages of the assessment process.

This would mean updating the HL1 reporting system to reflect the range of interventions and outcomes that are anticipated to develop through homelessness prevention work. It is essential that information on these is available in order that more sophisticated monitoring of homelessness prevention work is done. This will lead to more confidence in the services developed through homelessness prevention and safeguard against gatekeeping becoming more common. However, what homelessness prevention work would not cause is a reduction in the numbers of applications that are received by local authorities under the homelessness legislation. It could actually cause an increase in homelessness applications, which has the potential to, in turn, increase pressure on housing stock for both temporary and permanent rehousing.

This may lead to debate on the possible outcomes that can be achieved through a homelessness application. However, by allowing people to pursue a greater range of housing options through a homelessness application, such as a private sector tenancy, this increased demand could become more manageable. This would entail close monitoring, as discussed, to ensure that people are not being inappropriately filtered out of being able to access a social rented tenancy. Additionally, the use of the private rented sector as a source of accommodation for homeless households has its own set of pros and cons, which are discussed later in this report.

### **Mediation services for young homeless people**

The Homelessness Task Force's recommendations on homelessness prevention centred on particular groups that are known to be at risk of becoming homeless, including young people.<sup>27</sup> Young people are significantly over represented in homelessness statistics, often becoming homeless as a result of family breakdown, being asked to leave by family or friends and other forms of relationship difficulties.

The majority of local authorities now have in place services that are intended to prevent homelessness among young people. These are well established in some areas and relatively new in others. One of the most common service responses has been the implementation of youth mediation schemes with the intention of facilitating a move back

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<sup>27</sup> Scottish Executive (2001) *Homelessness Task Force's Final Report: Helping Homeless People*

to the family home. Shelter has long advocated the use of mediation in assisting young homeless people, although not just to effect a return to the family home.<sup>28</sup> If, however, a family can be helped to resolve relationship difficulties and this allows a young person to return to their home, in many cases this can be the best outcome for all concerned.

Some councils, in what we believe to be particularly good practice in the use of mediation, are accepting homelessness applications from young people and providing access to mediation services while they are resident in temporary, often supported, accommodation. The desired outcome is not to facilitate a return home, but to seek to repair damaged family relationships in order that the young person can receive the support of their family on taking on a new tenancy and living independently. Having supportive relationships with family makes it much more likely that a young person will be able to sustain a subsequent tenancy successfully.<sup>29</sup>

There are differences in the ways that mediation services have been developed by councils. Some have commissioned an external agency to provide a mediation service, such as SACRO. Others have developed mediation services to be delivered by their own staff, typically homelessness caseworkers.

There is widespread variation in the reported success of these mediation projects.<sup>30</sup> These relate to both the actual uptake of mediation services and the outcomes of using the service.

It appears that mediation services tend to have a low rate of take up when they are provided by an external body rather than directly by the council.<sup>31</sup> A contributing factor to this is identified as agencies contracted to provide the service not having sufficient capacity to respond to referrals quickly, leading to long waiting times for a service. Mediation services delivered directly by local authority staff have been identified as being much more successful in terms of the take up of services provided.

There are some potential inconsistencies raised, however, by the way that mediation services are being operated with the principles of mediation as defined by practitioners in this area. For example, the Scottish Mediation Network states that mediation is based on 'the principle of voluntary participation'.<sup>32</sup> There are several schemes in operation across Scotland where participation is mandatory for the homeless applicant and their family.

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<sup>28</sup> Shelter (2005) *Developing a youth homelessness mediation scheme in Scotland: a good practice guide*

<sup>29</sup> Shelter (2005) *Developing a youth mediation scheme in Scotland*

<sup>30</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

<sup>31</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

<sup>32</sup> Scottish Mediation Network (2004) *Guidelines on the Practice of Mediation*



Furthermore, the Scottish Mediation Network also states that mediators must be 'impartial, independent and neutral'. While in relation to the actual nature of the dispute a local authority homelessness case worker can be neutral, they may not be in relation to the outcome of the mediation if this is to encourage the young person to return to the family home.

If inappropriately used, there can be dangers in the use of mediation. A young, homeless person may be forced back into an abusive or dangerous environment. It is essential that councils using these processes have robust procedures in place to ensure that this does not happen. Additionally, if compulsory mediation is carried out with families and individuals return to the family environment inappropriately, this could, in the long-term, cause further damage to relationships, which may result in irretrievable breakdown.<sup>33</sup>

### **The use of the private sector**

When a household is assessed as homeless the local authority has at least a duty to provide temporary accommodation and often a duty to provide permanent rehousing. There is no shortage of material suggesting that there are shortages of both temporary and permanent social housing across the country. Many local authorities are reported to struggle to meet their duties in both providing temporary accommodation to homeless households and in ensuring that there is enough affordable housing available within their area to meet a range of housing needs.<sup>34</sup>

It appears that local authorities are increasingly being encouraged to look to the private rented sector in attempting to prevent homelessness. At a Shelter conference on the private rented sector in October 2006, then Deputy Communities Minister Johann Lamont called for the use of the private sector in providing accommodation solutions for homeless households. The Deputy Minister stated during her address to the conference: 'A social let is not always the right solution and it is important that local authorities are able to draw on a range of housing solutions to meet a variety of needs and demands.'<sup>35</sup>

There may indeed be instances when a council or RSL tenancy is not the most appropriate accommodation outcome from a homelessness application. In particular this may not be the aspiration of the homeless applicant. The shortages of available social rented housing will necessarily limit the choice of housing available to homeless applicants. If, for example, someone wants to live in a city centre, there is little chance of this being met in the social rented sector. Also, in many rural areas the greatest choice of rented accommodation is in the private sector. In many cases, for people to be able to

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<sup>33</sup> Shelter (2005) *Developing a youth mediation scheme in Scotland*

<sup>34</sup> Shelter (2006) *Temporary Accommodation: A Summary 10 Point Plan*

<sup>35</sup> Inside Housing, 1 September 2006; *Scottish rehousing drive courts the private sector*

choose to rent a home in a particular area of a particular property type or size, the only opportunity for this to happen will be found within the private rented sector.

However, while there are ongoing efforts to improve management and standards in the private rented sector, there remains a range of significant issues to be addressed if it can be extensively used to provide appropriate housing for homeless households.

Households that are assessed as unintentionally homeless and in priority need have a legal right to be offered a permanent tenancy under the Housing (Scotland) Act 1987. As the private rented sector is dominated by the use of the short assured tenancy, which generally runs for a standard six month period, this cannot be considered as an outcome achieving discharge of duty under the homelessness legislation. However there are currently a range of circumstances where a household can be assisted to access a private tenancy.

These include households that have been assessed as homeless but not in priority need or found to be intentionally homeless. Also, where an unintentionally homeless household in priority need has refused an offer of permanent accommodation and the local authority has subsequently discharged its duties under the legislation, there are instances where the authority may provide assistance to that household in accessing private rented accommodation. Often this is through access to rent deposit guarantee schemes. While the use of the private sector in these ways cannot be said to be widespread, there are a small number of councils making increasing use of the private sector to provide accommodation to homeless and potentially homeless households. If Glasgow, Edinburgh and Fife Councils are excluded from analysis, less than two per cent of the recorded outcomes from homelessness applications are facilitating access to a private sector tenancy.<sup>36</sup>

If, however, local authorities are using the private rented sector as a means of providing accommodation primarily for non-priority need homeless households, this will only be useful in the short-term. As the legislative target of 2012 is enacted, abolishing the priority need test, there will cease to be non-priority need households and this calls into question the long-term strategy for the use of the private rented sector. In light of the recognition that there are homeless households for whom a private tenancy is their desired and most appropriate outcome, it would be unfortunate if the homelessness legislation, which Shelter continues to fully support, had the unintended consequence of limiting the housing options available to homeless households.

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<sup>36</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*



### Affordability

The private rented sector is typically a more expensive accommodation option than renting from a local authority or RSL. While many homeless households will receive assistance in meeting their housing costs through housing benefit, there are further problems with this. These include the Single Room Rent Restriction, which limits the housing benefit entitlement of people under the age of 25. This may mean that the provision of a private tenancy is unavailable to homeless service users under that age.

There is also the potential of benefits recipients being caught in a poverty trap if they are accommodated in private rented accommodation. If a private tenant moves into paid work, this will be likely to affect their housing benefit entitlement and may mean that they can no longer afford their accommodation. Such disincentives to work must not be allowed to creep into the homelessness system, particularly since one of the main factors that prevent people becoming homeless is that they have meaningful employment.<sup>37</sup>

Further discussion of various issues with the benefits system in relation to homelessness prevention is covered later in this document.

### Security of tenure

The other major issue with the use of the private rented sector is insecurity of tenure. In Scotland the vast majority of private rented tenancies are covered by the short assured tenancy, which has a standard six months length of contract. This does not represent long-term or secure accommodation. Potentially, people accessing private rented accommodation may lose this accommodation following the end of the six month period and become homeless again. In a case where a household is assisted to access a private sector tenancy as a means of preventing homelessness has the household avoided homelessness or merely deferred it?

The Housing Improvement Task Force recommended a review of the assured and short assured tenancy regime, which may provide an opportunity for these issues to be addressed.<sup>38</sup>

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<sup>37</sup> Glasgow Homelessness Network (2006) *The role of Advice and Information in Preventing and Alleviating Homelessness*

<sup>38</sup> Scottish Executive (2003) *Stewardship and Responsibility: A Policy Framework for Private Housing In Scotland*, The final report and recommendations of the Housing Improvement Task Force

## **Recommendations**

### **Housing options**

9. While potentially a welcome move towards a more flexible and open model of providing access to housing support and advice, this type of work must be carefully monitored by the Scottish Executive to ensure that it is not operated as a filter to homelessness applications.

10. The potential case for housing options work to be delivered by agencies other than local authorities could be examined through individual pilot projects.

### **Mediation**

11. Shelter supports the use of mediation as a valuable source of support and assistance to young homeless people and their families. We particularly welcome a flexible approach to the use of this and believe that it should not only be used by local authorities as a means of facilitating a return to the family home for the young person involved.

12. Mediation services should be made available by local authorities in accordance with the established standards and principles of mediation.

### **Private Sector**

13. Where appropriate and desired by a homeless household, support to access a private rented sector should be available.

14. Housing benefit should not act as a barrier to private rented sector tenants being able to enter employment.

15. The recommendation of the Housing Improvement Task force on reform of the tenancy regime in the private rented sector should be advanced by the Scottish Executive in partnership with stakeholders.

## Section 4: Resettlement services and keeping a home

The point at which someone takes on a local authority or RSL tenancy is the point at which homelessness prevention work should begin. This is particularly important when there is any known factor that places that household at an increased risk of becoming homeless. Some organisations have developed good practice in identifying households that may be at risk of homelessness or in providing ongoing support to such households. However, there is still a great deal that could be done and anecdotal reports and case studies suggest that even when good services are designed, such as planned settling-in visits in the early stages of a tenancy, these are not always followed through into practice. Furthermore, services in place for intervening at an early stage when there is a risk of someone losing a tenancy, often through rent arrears, are generally targeted at tenants of the local authority's own housing stock only.<sup>39</sup>

### Tenancy sustainment

The HTF recommendations on tenancy sustainment cover a range of issues, including allocating properties to homeless households in areas that they want to live wherever possible, ensuring the ongoing provision of support wherever appropriate when people take up tenancies and ensuring the provision of independent advice and advocacy services.<sup>40</sup>

Information on general tenancy sustainment is not centrally collected or reported by the Scottish Executive. It is therefore not possible to build a picture of the overall average length of tenancy or on the proportion of tenancies that break down quickly. Reports on the length of time that new tenancies are sustained (for example, are they still active after six months, one year, two years, etc) could be relatively easily collected and reported. Furthermore, it may be useful to compile information, over a period of time, regarding tenancies that end in the period and how long they had been active for. It would also be necessary to compile information on the reasons for tenancies finishing. Many will be for positive reasons and people naturally moving on as their life circumstances change, which would not be considered to be a tenancy breakdown or failure. However, it should be possible on this basis to work out the rate at which tenancies are ended or abandoned for negative reasons. The availability of this information could be a useful tool in being able to examine the factors that impact on tenancy sustainment and in designing services to try to ensure that support and assistance is in place to help tenants keep their home

While not collected centrally, some information is available through research and information published by individual councils and RSLs. Glasgow Housing Association

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<sup>39</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

<sup>40</sup> Scottish Executive (2001) *Homelessness Task Force Final Report: Helping Homeless People – An Action Plan for Prevention and Effective Response*.

commissioned research which reports that 20 per cent of new tenancies end within a year of starting and that almost half of permanent lettings to homeless and waiting list applicants are not sustained beyond two years.<sup>41</sup> There may be some difference in the reasons behind these tenancies not being sustained so it is not possible to assume that this is purely tenancy failure, as mentioned above. While these figures cannot be assumed to be typical across the country, taking into account the unique position and profile that Glasgow has in terms of both housing and homelessness, the conclusions of the researchers may indicate issues that are relevant for landlords in other areas.

Perhaps one of the most interesting findings is that there is little difference in tenancy sustainment rates among those housed through the waiting list and households accommodated through the homelessness legislation. This suggests that there are limitations in targeting tenancy sustainment measures and services purely at tenants who have a previous history of homelessness.

Some local authorities, having recognised this, have developed early warning systems and services in order to attempt to get support in place for any tenants or prospective tenants who may benefit from assistance in sustaining their tenancy. Examples include local authorities who have instigated systems which screen all new housing list applications for any factors that may signal an increased risk of homelessness such as having a 'care of' address, a history of relationship breakdown or dispute or evidence of having literacy issues.<sup>42</sup>

Allocations policies are of particular relevance in this context. A tenancy is much more likely to be sustained if a household is allocated a property that they actually want to live in and meets their needs. The local area is also important: if someone lives in a good quality neighbourhood where they have proximity to services and amenities as well as social networks there is a greater likelihood in the tenancy will succeed. Edinburgh City Council reports that the implementation of a choice based lettings policy has resulted in a reduction in the proportion of tenancies that failed within six months from 15-20 per cent to 5-10 per cent.<sup>43</sup>

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<sup>41</sup> Heriot-Watt University and Mandy Little wood/ Glasgow Housing Association (2006) *Investigating Tenancy Sustainment in Glasgow*

<sup>42</sup> Scottish Executive Social Research (2007) *Evaluation of Homelessness Prevention Activities in Scotland*

<sup>43</sup> The City of Edinburgh Council (2005) *Re-Housing and Choice Based Lettings: Report to the Executive of the Council*

## The responsibility to prevent homelessness

*'All local authority departments...should work together to prevent homelessness'<sup>44</sup>*

Local authorities have a corporate responsibility to prevent homelessness that extends to the entire council, not just the homelessness and/or housing services. How well other parts of the council are incorporated into homelessness strategies, policies and practice is unclear. However, there are some conclusions that can be inferred from available sources of information. Communities Scotland Regulations and Inspections reports provide information on local authorities homelessness prevention activities and RSLs approaches to tenancy sustainment. These do not report specifically on the level that councils engage corporately on the prevention of homelessness but they do provide some information on the approach that councils and RSLs take to preventing people becoming homeless through rent arrears.

The available reports paint a picture of varied practice, with some services praised for the approach that is taken to dealing with arrears in relation to homelessness prevention and others criticised. The approaches praised include using early warning systems and targeted interventions at an early stage when tenants get into arrears, effective referral systems with dedicated money advice services for tenants and examples of good working relationships between housing staff and those in welfare and benefits services to meet the needs of vulnerable tenants. There are, however, a number of organisations criticised for lacking these types of services and for not adopting a preventative approach to dealing with tenants in arrears. One of the most criticised areas is the lack of joint working and communication that occurs between housing management staff on the one hand and revenues and benefits staff on the other.<sup>45</sup>

## The use of legal action in dealing with rent arrears

A survey of available statistics reveals further this varied approach to dealing with rent arrears. This is reflected in the number of tenants who are taken to court and in the subsequent numbers of tenants who are evicted. The proportion of tenants who were taken to court because of rent arrears in 2005/06 ranges from none (Orkney Islands Council, Shetland Islands Council), to almost one tenant in every ten, 9.8 per cent (West Lothian Council) 9.4 per cent Falkirk Council and nine per cent Dundee City Council.<sup>46</sup>

Such detailed information on legal actions raised by individual RSLs is not available. However, statistics on the RSL sector as a whole indicate that some practice issues may be similar. RSLs do appear to take legal action against fewer tenants than local

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<sup>44</sup> Scottish Executive (2005) *Code of Guidance on Homelessness*, p. 3

<sup>45</sup> Communities Scotland (2005) *Thematic Study, Evictions in Practice*

<sup>46</sup> Scottish Executive (2006) Compiled from *Quarterly Housing Trends in Scotland* reports

authorities, 2.3 per cent of all tenancies in 2005/06<sup>47</sup> compared to 4.7 per cent in the local authority sector<sup>48</sup>. Furthermore, the total number of evictions for rent arrears by RSLs dropped from 630 in 2004/05<sup>49</sup> to 514 in 2005/06.<sup>50</sup> However, Communities Scotland also reports that in 2005/06 small scale transfer RSLs reported a 33 per cent increase in evictions while whole stock transfer RSLs reduced their evictions by 35 per cent.<sup>51</sup> It may be reasonable to assume that although the following paragraphs concentrate on councils due to the availability of data, that variable practice across the social housing sector makes the conclusions drawn relevant across the sector.

This is reflected in councils in the proportion of legal action that actually results in eviction. In Scotland in 2005/06 4.7 per cent of tenants were taken to court by council landlords in response to rent arrears. In Clackmannanshire only 0.4 percent of tenants were subject to legal proceedings being raised against them (19 tenants) and these resulted in five evictions (25.3 per cent of all eviction actions raised but only 0.09 per cent of all tenancies). However, in West Lothian, the council that raised the most legal actions, this resulted in 66 evictions (or five per cent of the actions raised resulted in eviction, equating to 0.5 per cent of all the local authority's tenancies).

There are wide variations in the way that councils operate the options that they have to raise legal proceedings for eviction in relation to rent arrears. What appears to be the case though is that some councils use the threat of legal action as a means of debt collection, effectively trying to scare tenants with the threat of eviction into paying their rent. This is in contrast to good practice guidelines, which state that this practice should not be used by landlords.<sup>52</sup> Furthermore, the addition of court costs to a tenant's debt will not assist those who are already be struggling to meet their financial commitments.

In relation to the varied practice that is occurring, there is little to suggest that those councils who are more likely to raise legal proceedings to evict are actually more successful in collecting rent. For example, Dundee City Council raised legal proceedings against nine per cent of tenants yet still had a level of current arrears, as a percentage of total rent due in the year, above the Scottish average of 7.1 per cent, at 9.9 per cent.<sup>53</sup> Similarly, Renfrewshire raised legal proceedings against 6.1 percent of tenants in this period and had an arrears rate of 12.9 per cent. It should be pointed out that this is not a situation that is replicated across all councils. It is also the case that there are several

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<sup>47</sup> Communities Scotland (2005) *Thematic Study, Evictions in Practice*

<sup>48</sup> Scottish Executive (2006) Compiled from *Quarterly Housing Trends in Scotland* reports

<sup>49</sup> Communities Scotland (2006) *Scottish Registered Social Landlord Statistics 2004/05*

<sup>50</sup> Communities Scotland (2007) *Scottish Registered Social Landlord Statistics 2005/06*

<sup>51</sup> Communities Scotland (2007) *Scottish Registered Social Landlord Statistics 2005/06*

<sup>52</sup> Communities Scotland (2005) *Thematic Study, Evictions in Practice*

<sup>53</sup> Audit Scotland (2006) *Key Performance Indicators*

local authorities that take a relatively high proportion of tenants to court over rent arrears and have relatively low levels of rent arrears.

There are also several councils who take legal action against fewer tenants than the national average and also have levels of rent arrears that are less than the average, summarised in table 1 below.

	<b>Percentage of tenants to court<sup>54</sup></b>	<b>Percentage of rent arrears as proportion of total annual rent due<sup>55</sup></b>
Scotland	4.7	7.1
Aberdeenshire	2.6	4.7
Moray	0.3	3.9
Perth & Kinross	2.4	5
South Lanarkshire	3.0	4.1

*Table 1: Percentages of tenants taken to court and current rent arrears: selected local authorities*

The fact that there is such varied practice in the use of legal action in response to rent arrears and no real pattern in the outcomes as a result of these, suggests that no certainty can be drawn that the use of legal action is actually an effective means of ensuring that tenants pay their rent. Other factors clearly have an influence. Also there may be a range of alternative measures that local authorities have at their disposal to deal with tenants who are in debt to them. Potentially these may be more effective in ensuring that rent arrears are recovered but without resorting to causing homelessness through eviction. These would be available through a range of forms of diligence that are available to creditors in enforcing debts.

Furthermore, while evictions cause homelessness rather than prevent it, there is also a practical point to consider. It is much easier for landlords to successfully pursue a debt from a current tenant than it is to do so with a former tenant.

<sup>54</sup> Scottish Executive: *Collation of figures from Quarterly Housing Trends in Scotland Series covering the period 1 April 2005 – 31 March 2006*

<sup>55</sup> Audit Scotland (2006) *Key Performance Indicators*



## Structural issues in rent arrears

Audit Scotland publishes annually key performance indicators to assess how well local authorities perform in certain key financial areas. Communities Scotland reports similar information on RSLs. One of these performance indicators is the level of current tenants' rent arrears, reported as a percentage of the net<sup>56</sup> amount of rent due in the year. The percentage of tenants who are in arrears of more than 13 weeks' rent (excluding those with a debt of less than £250) is also reported.

These statistics carry great weight among social landlords in driving the culture of organisations in collecting rent and dealing with tenants in arrears. The information is presented comparatively and an assessment is provided on performance. What we are concerned about is that a preoccupation with driving down current tenants' arrears may implicitly drive councils to unnecessarily move to legal action in rent arrears cases. By evicting, the tenant's rent arrears are immediately removed from the current tenant arrears account and into the former tenant arrears account. This removes them from the scrutiny of Audit Scotland and Communities Scotland performance indicators and the influence that these exert.

These performance indicators are also somewhat distorted by the fact that the total amount of rent due is reported excluding the amount that the local authority receive in housing benefit. This serves to inflate artificially the level of arrears that are reported through the Statutory Performance Indicators. For example, in 2003/04 the total rent due in the year to local authorities was reported as being £354 million and the total arrears reported as being £28 million.<sup>57</sup> This system assumes that none of these arrears have arisen as a result of Housing benefit errors or delays in processing applications. The basis of this assumption is that these things will be sorted out over the course of a year and will not impact on individual tenants getting into arrears. However, were the £539 million<sup>58</sup> paid to councils through Housing benefit rent rebate to be added to the total rent due, to give the actual amount collected by local authorities through the rental incomes for their properties, the arrears figure for Scotland would have dropped from 7.9 per cent to 3.1 per cent.

## Benefits issues: the individual perspective

In addition to these more systemic benefits issues, a number of other problems and potential problems have been identified in the benefits system. These can be seen to

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<sup>56</sup> The amount of rent that is paid through Housing Benefit from the Department of Work and Pensions is excluded from this calculation.

<sup>57</sup> Audit Scotland (2005) *Housing & Social Work: Performance Indicators 2003/04*

<sup>58</sup> DWP (2004) *Housing Benefit Expenditure by Region and Country*  
[http://www.dwp.gov.uk/asd/asd1/hb\\_ctb/hb\\_ctb\\_annual\\_may04.xls](http://www.dwp.gov.uk/asd/asd1/hb_ctb/hb_ctb_annual_may04.xls)



impact at a more individual level than those previously discussed and can undermine efforts by local authorities and partner agencies to prevent homelessness.

#### Housing benefit on two properties

While housing benefit is available on two properties, recognising the issues that arise when some households are in transitional housing situations, this can only be paid for a maximum of four weeks and only when the tenant has moved into the new tenancy. These tight criteria can be at odds with the lettings practices of some landlords and this may have subsequent issues for the sustainability of the new tenancy.

In addition to keeping rent arrears down, pressure is brought to bear on housing professionals to avoid rent being lost through void properties. This can manifest itself through housing staff pressurising prospective tenants into signing a tenancy for a property as soon as possible at the point of offering the home. The new tenant then becomes immediately liable for the rent, even if the property is not ready for them to move into. There may be no gas and/or electricity; there may be no furniture or cooking equipment. The property may be in a poor state of repair or decorative order. This forces people into taking on a tenancy before it is really ready for habitation. Due to the fact that they cannot get housing benefit on the property until they move in, the pressure is on them to move in immediately. If they do so, the poor conditions can make it more likely that the tenant fails to settle into their new home and abandons the property. Such practice greatly reduces the chances of the tenancy working.

However, if the household waits and does not move in until the property is habitable, being unable to get claim housing benefit to cover the rent, they are likely to be in several weeks' worth of rent arrears by the time that they take occupancy. Again, this can impact on the sustainability of the tenancy by creating problems for tenants in meeting these arrears payments when they do take up residency of their new home.

#### Housing benefit administration

It remains the case that it takes a local authority in Scotland an average of 33 days to process a new housing benefit claim.<sup>59</sup> This delay can cause rent arrears to accrue on new tenancies, undermining the chances of the tenancy getting off to a good start, which can impact on its sustainability.

In the private sector, delays in processing claims and payments can cause landlords to refuse to accept prospective tenants on benefits. This prevents people on benefits being able to avoid homelessness through the private rented sector.

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<sup>59</sup> Department for Work and Pensions (2006) *Housing Benefit Quarterly Statistics (Data for 2006/07)*

The Local Housing Allowance (LHA), which has been piloted for the private sector, does introduce a system that is somewhat simpler, which is welcome in light of the processing times that delay payments. This does appear to have gained some success in relation to reducing processing times in the pilot authorities. However, this has been undermined by continues complexities in the verification framework and in the vulnerabilities assessment, which have meant that these improvements have not been as significant as had been hoped.<sup>60</sup>

### Recommendations

16. Housing management policy and practice by social landlords should ensure that the point at which a tenancy begins is the point at which homelessness prevention work on that tenancy should also begin.

17. All local authority departments should be involved and actively engaged in their corporate responsibility to prevent homelessness

18. The use of legal action in relation to rent arrears may not be effective and is certainly not the only relevant variable as to whether or not rent is collected. Social landlords should be supported to use other means of diligence to enforce debts that do not threaten tenants accommodation.

19. Structural factors in the monitoring and reporting of rent arrears among social landlords by those bodies who monitor and report on the performance of social landlords should be reviewed to ensure that these do not act as an incentive to pursuing legal action to evict.

20. Housing benefit rules should be altered by the DWP to be more flexible in the arrangements in place for payment on two properties.

21. Efforts to improve housing benefit administration and processing times, including those that simplify the application process, should be continued and further developed by the DWP.

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<sup>60</sup> Department for Work and Pensions (2006) *Local Housing Allowance Final Evaluation: Implementation and delivery in the nine pathfinder areas*

## Conclusion and recommendations

Shelter welcomes and supports the increased focus on homelessness prevention. We continue to appreciate efforts that are aimed at preventing people experiencing the trauma, distress and devastation that the experience of homelessness can cause. 2007 will be another crucial year on the road towards 2012 and the abolition of priority need. For this target to be achieved, it will be essential that homelessness is prevented wherever possible.

However, this is not a task that councils can achieve alone. Many have developed good services and practice in relation to some aspects of preventing homelessness while others are in earlier stages of development. This development must be backed up by support from central government through the development of useful and comprehensive guidance for local authorities in preventing homelessness. This should assist with monitoring and evaluation as well as with the actual activities that they can undertake. Support will also be necessary from a range of partner organisations, particularly in the voluntary sector. There are many areas of homelessness prevention that can be taken on outwith the council and with respect to the huge range of factors that can contribute to causing homelessness, many organisations involved in these areas can have a role to play in preventing it.

As well as external organisations, support will have to be gained from other parts of the council. A homelessness service can put in place a range of good services to prevent homelessness but these can be significantly undermined if other parts of the council, such as those in revenues or benefits sections, are not part of the commitment to prevent homelessness.

Similarly, there are elements of the benefits system practices and procedures that are not consistent with the aim of preventing homelessness. The Homelessness Task Force committed the Scottish Executive to making representations to the Department for Work and Pensions on various benefits issues that were seen as being at odds with the drive to tackle homelessness. Real progress on these issues needs to be made.

There has been concerns that prevention activity in Scotland would replicate the form that this area of work has taken in England, where accusations of gatekeeping have been widespread. Many councils in Scotland seem to be keen to avoid being perceived as using gatekeeping practices. As homelessness prevention continues to develop as an area of activity this culture must be retained.

### **Recommendations – Section 1: Setting the Scene**

1. Forthcoming Scottish Executive Guidance on homelessness prevention should be practical and provide a working definition of the operation of homelessness prevention.
2. While Shelter recognises the wide range of factors that impact on homelessness prevention, guidance should focus on those interventions that can be delivered and are proven to work most effectively.

### **Recommendations – Section 2: Monitoring and evaluating homelessness prevention**

3. Scottish local authorities must continue to avoid a gatekeeping culture to the prevention of homelessness.
4. More defined means of monitoring the impact of prevention require to be developed than simply monitoring the impact on homelessness applications.
5. Any framework developed to monitor the impact of prevention work should reflect the nature of the actual service provided and the outcomes that were achieved by it.
6. A measure of what defines success will require to be developed in relation to homelessness prevention. This should involve a measure of the sustainability of outcomes achieved.
7. As issues around the monitoring and evaluation of homelessness prevention are still in development, it is not possible to make assumptions currently on what the impact of prevention will be on homelessness overall. It is not yet possible to divert resources from other areas of housing and homelessness service provision on the basis of the possible impact of homelessness prevention work.
8. Whatever monitoring arrangements are put in place, there is a case for the HL1 homelessness monitoring system to be adapted to more fully reflect homelessness prevention work and the outcomes that can be gained from it.

## **Recommendations – Section 3: Approaches to homelessness prevention**

### **Housing options**

9. While potentially a welcome move towards a more flexible and open model of providing access to housing support and advice, this type of work must be carefully monitored by the Scottish Executive to ensure that it is not operated as a filter to homelessness applications.

10. The potential case for housing options work to be delivered by agencies other than local authorities could be examined through individual pilot projects.

### **Mediation**

11. Shelter supports the use of mediation as a valuable source of support and assistance to young homeless people and their families. We particularly welcome a flexible approach to the use of this and believe that it should not only be used by local authorities as a means of facilitating a return to the family home for the young person involved.

12. Mediation services should be made available by local authorities in accordance with the established standards and principles of mediation.

### **The private rented sector**

13. Where appropriate and desired by a homeless household, support to access a private rented sector should be available.

14. Housing benefit should not act as a barrier to private rented sector tenants being able to enter employment.

15. The recommendation of the Housing Improvement Task force on reform of the tenancy regime in the private rented sector should be advanced by the Scottish Executive in partnership with stakeholders.

## **Recommendations – Section 4: Resettlement services and keeping a home**

16. Housing management policy and practice by social landlords should ensure that the point at which a tenancy begins is the point at which homelessness prevention work on that tenancy should also begin.

17. All local authority departments should be involved and actively engaged in their corporate responsibility to prevent homelessness

18. The use of legal action in relation to rent arrears may not be effective and is certainly not the only relevant variable as to whether or not rent is collected. Social landlords

should be supported to use other means of diligence to enforce debts that do not threaten tenants accommodation.

19. Structural factors in the monitoring and reporting of rent arrears among social landlords by those bodies who monitor and report on the performance of social landlords should be reviewed to ensure that these do not act as an incentive to pursuing legal action to evict.

20. Housing benefit rules should be altered by the DWP to be more flexible in the arrangements in place for payment on two properties.

21. Efforts to improve housing benefit administration and processing times, including those that simplify the application process should be continued and further developed by the DWP.