

# Shelter briefing

## Abolishing priority need by 2012

**A final response from Shelter Scotland to the Scottish  
Executive Consultation**

**From the Shelter policy library**

**30/9/05**

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# Shelter

## Shelter Scotland response to Scottish Executive consultation on the Ministerial Statement on priority need

The consultation on the priority need statement is a landmark in reaching the Homelessness Task Force's vision of giving every homeless person the right to a home by 2012. Shelter's view is that, as the Task Force recommended, progress should take place at the rate of local authorities' ability to cope, but always with the clear view that the 2012 target is the agreed end point. The statement should be another opportunity for the Executive as a whole to re-affirm its commitment to the internationally acclaimed target. However, its success is directly dependent on the availability of affordable housing, and therefore a focus on increasing the supply of affordable housing is critical to ensuring the success of the homelessness agenda.

Most of our comments below relate to how the legislation is implemented. That is no reflection on the importance of housing supply to Shelter as well, as reflected in a number of our activities in the following months:

- We have been conducting research to feed into our proposals for a substantial overhaul of the Right to Buy scheme.
- We have commissioned good practice guidance on how best councils and housing associations can work together to house homeless people.
- We are developing various ways of engaging with the long-term reform of the land use planning system, with a view to it delivering more affordable homes.
- Our work on the private rented sector in the 2005 Housing (Scotland) Bill is aimed at promoting a more efficient and higher quality sector that will, indirectly, relieve some of the pressures faced by councils and housing associations.
- In the south west of Scotland we have been actively supporting the formation of a new housing trust to tackle rural housing shortages.

Shelter's proposals for the expansion and eventual abolition of priority need in 2012 centre on an approach that allows individual local authorities an element of discretion within a planned phasing out of priority need, as long as that is backed by meaningful monitoring and effective sanctions on individual authorities.

## 1. What other sources of information should be considered in assessing ability to meet need?

## 2. What are the main gaps in the evidence base in relation to assessing the capacity to meet need?

As well as providing useful information about projected levels of need in each local authority, the pro-forma exercise also identified gaps in local authority knowledge regarding capacity to meet the 2012 target. Shelter believes there are a number of areas where more information is required.

- The Scottish Household Survey (SHS) revealed that only 42% of those questioned who had experienced homelessness had received help from their local authority. This suggests a continued high rate of hidden homelessness in Scotland. Given that the 2012 deadline requires being able to project future levels of need, it is crucial that we have an understanding of trends in, and levels of, hidden homelessness in Scotland. Shelter is currently working with the General Register Office in Scotland in the hope of introducing a question in the 2006 Census Test that would ensure better collection of information on levels of hidden homelessness in Scotland.
- The pro-forma exercise also confirmed that large numbers of homeless applicants lose touch with the local authority during the course of their application. Shelter's view, on the basis of our experience of providing housing advice, is that there are a multitude of reasons for this; for example, a perception that the wait for a permanent home is too long, or because the applicant moves into another form of short term accommodation during the application and fails to notify the local authority. The diverse range of reasons reflects the complex nature of homelessness. A better understanding of why applicants lose touch during an application is therefore urgently required. Once that information is available, steps can be taken to reduce the risk of loss of contact and ensure that higher numbers of homeless applicants complete an application, and receive assistance.
- Shelter concurs with local authorities completing the pro-forma who believe that successful prevention strategies will not reduce net need; rather reducing repeat applications, hidden homelessness and loss of contact during an application. However, since the 2001 Act placed a duty on local authorities to produce strategies for the prevention and alleviation of homelessness, no national research has been carried out to examine the impact of prevention activity. An evaluation at this stage would be timely.
- Shelter recently completed research that examined the impact of changes to the Supporting People funding regime on services to homeless people<sup>1</sup>. The research

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<sup>1</sup> 'Supporting people? The impact of changes to Supporting People funding on services to homeless people in Scotland', Shelter Scotland, 2005.

found that local authority staff are concerned about services not being available to meet demand. The lack of reliable information about what, and how much, support is being provided makes it impossible to assess exactly how much new support is required in order to meet need. Information on what support is being provided to whom, is needed in order to plan for the expansion of priority need, and implementation of the intentionality provision in the 2003 Act.

- The consultation refers to local authority concerns of balancing need between those who are in priority need and those on the waiting list. Shelter believes that all local authorities should have a better understanding of levels of urgent housing need on their waiting list. At the moment the “homelessness versus waiting list” argument is conducted mainly at the level of anecdote, pressing this or that household’s individual housing circumstances. Until the evidence is clearer it is unhelpful to talk about homeless people displacing people on waiting lists, as if assuming that all those on waiting lists are equally needy.
- Shelter is disappointed that Local Housing Strategies could not have been more useful in providing information about future stock levels, and anticipated demand. Given the amount of expectation on LHS as a process, it would be useful to review whether all councils have the capacity to deliver on them.

### **3. Would it be useful to re-run the pro-forma exercise at a later date and if so, when? If not, then what process would be helpful to inform local authority planning for 2012?**

Shelter agrees that the pro-forma was a useful exercise, and would support using it as a base to assess capacity to meet the 2012 target. However, completing the pro-forma successfully is resource-intensive. It is Shelter’s view that while an annual re-run of the pro-forma would require additional resources for local authorities, this would be money well spent.

### **4. Are there other policy areas that are relevant to the 2012 target, which should be considered? What are the priorities?**

The Homelessness Monitoring Group made fifty-nine recommendations, only five of which related to legislation; the rest focused on policy and practice changes that would ensure implementation of its vision. Shelter therefore looks to the report to raise a number of issues that are relevant to the 2012 target.

- The Task Force recommended that the very different problems in high and low demand areas should be addressed, in order to tackle homelessness effectively. It

recommended building houses of reasonable quality in areas people want to live, in areas of low demand, and that an absolute increase in supply is required in high demand areas. These issues are as acute today as they were in 2002 when the Task Force report was launched. Supply and quality of housing should be at the core of the homelessness agenda; implementation of the legislation is dependent on the availability of affordable housing of decent quality, in the right areas. The next Comprehensive Spending Review must therefore prioritise the building of new homes if the 2012 target is to be reached.

**5. Are there specific actions that would contribute to the 2012 target, which the statement should contain? In particular are additional actions required to ensure homelessness is prevented, and sustainable solutions achieved for homeless people and local communities?**

**6. What are the barriers to diverse housing outcomes for homeless people and how can these be overcome?**

- A number of pieces of recent research have found that section five referrals are being under-used<sup>2</sup>. During inspection of six local authorities, Communities Scotland found that not all of the councils were using section 5 referrals to maximise the availability of houses for let to homeless people. Lack of knowledge of the legislation, and bad practice in carrying out section five referrals has led to their under-use. Shelter is due to publish a good practice guide on maximising use of section five referrals in the autumn.
- The private rented sector should be an additional source of accommodation for local authorities, increasing choice for applicants applying under the homelessness legislation. However, there are two main obstacles to greater use of the private rented sector in meeting housing need. Firstly, the tenancy framework in the private rented sector does not afford tenants sufficient security of tenure, with a short assured tenancy lasting for just six months. This has resulted in a lack of confidence in the sector, as prospective tenants fear eviction with relatively little notice. Secondly, as most private sector landlords offer a short assured tenancy, local authorities are prevented from using a private rented tenancy to meet their statutory duties under the homelessness legislation. The Housing Improvement Task Force recommended that

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<sup>2</sup> Section 5 Homelessness Referrals in Practice. SFHA Information Note, July 2004.  
Key Themes from Inspections – Homelessness. Communities Scotland, June 2005  
Section Five referrals - statistical examination of the use of the statutory referral process and an examination of its effectiveness, CIH, February 2005.

the tenancy regime in the private sector be reviewed, at the very least to look at incentives for landlords to offer long-term tenancies.

- Historically, the Right to Buy has been the biggest factor in reducing the pool of accommodation available to social landlords. Shelter supports continuing reform of Right to Buy, as part of a long term programme to ensure that housing which is urgently needed for people in housing need is not lost to the sector.

## **7. Could existing funding streams be used more effectively to prevent and tackle homelessness? How could this be done?**

Shelter's research into Supporting People (SP) made a number of relevant recommendations. The research called on the Scottish Executive to consider how it could provide an active role in monitoring the extent to which SP money is spent on homelessness within local authority areas. Furthermore, it recommended that there is an increased allocation, or an alternative development and innovation fund for new projects created to take into account the new duties towards homeless people. There must be flexibility in responding to changes in levels of need. Finally, the research responded to confusion among local authority staff over how the new SP formula would be implemented locally – such as whether 30 per cent of the total SP fund allocated according to homelessness criteria should be reflected in SP spending in local authorities. The research recommended that the Executive provide clarity on such issues about changes to SP to local authority staff.

## **Section 4 - Monitoring and setting interim objectives**

Local authorities currently exercise considerable discretion in deciding whether individual applicants are in priority need, and who should be allocated permanent accommodation and at what pace<sup>3</sup>. A model that allows for phased expansion of priority need while also giving individual local authorities discretion offers a possible balance between moving closer to the 2012 target where every homeless person will have the right to a home, and working at a rate that allows individual local authorities to match that to local capacity and circumstances. No system between now and 2012 will be perfect. On balance, Shelter believes that it should be possible to develop a model where local authorities are given discretion to map out and submit their own ways of meeting the 2012 target, on the basis of local circumstances, provided that:

- it is clear that the 2012 target itself is non-negotiable

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<sup>3</sup> Official Statistics for 2003-2004 show a wide variation in the percentage of non-priority homeless applicants given a permanent tenancy. The national average is 10 per cent; however some local authorities offer a permanent tenancy to more than a third of their applicants who are not in priority need.

- there is detailed monitoring of local authorities and the extent to which they are progressing meaningfully towards the 2012 endpoint, coupled with effective sanctions if progress is not satisfactory
- the Scottish Executive sets out the various options that local authorities might choose from, as to how they meet the 2012 target.

Shelter therefore can see merit in the introduction of a model that allows each individual local authority to make decisions about the rate at which they expand priority need between now and 2012, starting from the current set of rights (that is, there is no option for councils to dismantle the changes from the 2001 Act or the January 2004 commencements). At an agreed date before the end of 2012, the priority need test will then cease to exist.

Under this system:

- The next phase in the abolition of priority need is planned for an agreed date, for example, 1<sup>st</sup> June 2007.
- In early 2006, The Scottish Executive will set out a series of options for priority need expansion in 2007. So, for example, the Scottish Executive will set out that, in 2007, each local authority will either:
  - a) Award priority need to everyone based on age
  - b) Scrap the vulnerability test
  - c) Award priority need to a new set of groups: for example, those experiencing external violence, and those with drug or alcohol dependency<sup>4</sup>.
  - d) Award priority need to 70% of applicants
- On the basis of their own projected level of need, each individual authority will decide which mix of options to implement in 2007. They will set out the rationale for this decision, and the steps towards implementation in a Delivery Plan, which will be submitted to the Scottish Executive by 1<sup>st</sup> June 2006, for approval.
- Monitoring and evaluation would be carried out on an annual basis, measuring progress against a set of indicators but also qualitatively.
- In December 2008, the Minister will report to parliament, detailing progress nationally, on the basis of information received following a full year of the new expansion.
- Local authorities will then have the option of a further phase in 2010, or wait until final abolition in 2012.

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<sup>4</sup> In practice, extending priority need groups and scrapping the vulnerability test may amount to much the same thing.



One option, as outlined by the Scottish Executive, is for the measures a) to d) above to be implemented nationally. There is a lot of support, in principle, for this approach which would be simpler. But it has proved very difficult to agree a credible and defensible set of criteria that would set one group apart from another. Shelter believes that this would risk creating arbitrary boundaries between clients that are not related to housing need or the urgency of housing circumstances.

An approach that allows discretion within specific parameters to local authorities will of course, mean geographical variation. But that can at least be rationalised as attempting to match to a specific local social and housing context. In addition, we think it is important for **all** local authorities to take ownership of the 2012 target: some have done this very well at the moment; others have proved more reluctant. Giving some element of discretion on how to achieve the fixed end point will help to secure more universal 'buy-in'.

There is, of course, a risk in this approach. While most authorities can be expected to progress meaningfully towards the 2012 end point, some may choose to delay action, perhaps hoping for a change in heart at national level or simply not engaging with the process. That is why it is important that the statement in 2005 is clearly backed by the Executive as a whole. We would also trust that CoSLA will continue to affirm its public backing of the programme.

At a practical level, there are some measures that could help to ensure that local authorities are all actively engaged on progress towards 2012:

- Monitoring needs to be of some depth. A series of national indicators is useful but a recent internal exercise for Shelter, assessing local progress on homelessness, has shown that this needs to be backed by detailed discussion with staff and also with service-users. This level of monitoring is potentially carried out by Communities Scotland but the cycle of inspections is over too long a period to allow a meaningful snapshot to be available in a single year. With the current transition in Communities Scotland's functions and its relocation to Glasgow, there is an opportunity to rethink how homelessness practice can be assessed over the next few years. We have written to Communities Scotland, seeking an opportunity further to discuss this.
- If detailed monitoring shows that an authority has not been taking steps to meet the 2012 target, there needs to be some sanctions. In the normal cycle of inspections Communities Scotland can issue a post-inspection improvement plan but that would not be sufficient here, for the reasons described above. Over the next few years, there needs to be a more precise instrument to respond to delivery plans that are not consistent with meeting the 2012 target. Ultimately, Scottish ministers should have a power to modify the formal policies and procedures of a local authority if it is showing limited progress in moving towards 2012. Of course, responsibility may also fall on



national government to ensure delivery: for example, to make money available to provide more homes.

## **8. How should capacity be measured and is it possible to set relevant benchmarks?**

Under Shelter's proposal, a range of indicators will be required to allow local authorities and national government to measure how close they are to the 2012 target. However, we also believe that desktop measurement is not sufficient to be sure that progress is being made.

Since the ultimate goal is to ensure that 100 per cent of homeless people are provided with permanent accommodation (leaving aside provisions for intentionally homeless people for the moment) and we have data on current rates of permanent rehousing, one measure should be to see a gradual increasing of this "conversion rate". Alongside this should be measures of the effects that this is having: for example, proportion of lets to people who are homeless against those on the waiting list. However, we would counsel against using this uncritically until we have a better sense of the extent of needs of those on waiting lists (as suggested above). Other indicators of pressure (or of measures that might relieve pressure) could include:

- Use of temporary accommodation and lengths of stay there.
- Use of section 5 referrals and the number of people housed by housing associations

Alongside these quantitative benchmarks are some more qualitative measures which councils can use to assess local capacity: for example, the extent to which the private rented sector is responding to higher standards set out in the Housing Bill.

Measuring capacity should be genuinely seen as a tool for local authorities to bring them closer to the 2012 target, as an opportunity to spot gaps in progress, and not as a justification for slowing down progress later on. So, should a local authority be assessed as below capacity to meet the target, the response should be to examine what needs to change within the local authority, not to slow down progress. Shelter believes that it's more useful to refer to measuring *progress* rather than capacity.

## **9. Should local authorities be required to report against a broad set of targets?**

As well as a number of national indicators, councils would need to set out their own local indicators, within their delivery plan to match the range of options they had chosen to meet the 2012 target.

## **10. Would it be useful to resubmit homelessness strategies following publication of the statement?**

Homelessness strategies should continue to be worked on in the normal five-year cycle. The key document that would need to be developed after the statement is the 2012 delivery plan.

## **11. Should the statement contain an interim objective in relation to the abolition of the priority need test, or is this precluded by the current position?**

## **12. If an interim objective on the abolition of the priority need test is incorporated, how should it be framed?**

## **13. What other interim objectives should be set?**

The consultation paper asks (p.32) if there should be an option of not expanding priority need in light of the challenges faced by local authorities. Shelter very firmly opposes such an option. There are very big challenges facing councils at the moment and in the years ahead but it needs to be remembered that expanding priority need is about ending a three decades-old distinction between those with and without children: a distinction that has no basis in housing need or in the profile of housing problems. The challenges to be met need to be met by expanding provision, not by restricting the services to some people.

**For more information, contact Gavin Corbett, at 0131 473 7197 or [gavin\\_corbett@shelter.org.uk](mailto:gavin_corbett@shelter.org.uk)**