

Briefing for Stage 3 debate of the Housing (Scotland) Bill on 3 November 2010

Better support for homeless persons or those threatened with homelessness

Should the amendments 14 and 15 in the name of Jim Tolson MSP be moved at the debate on 3 November we urge MSPs **not to support them**.

Amendments 14 and 15 in the name of Jim Tolson MSP

Jim Tolson

Supported by: Alex Neil

14 Leave out section 143B

After section 143B

Jim Tolson

Supported by: Alex Neil

15* After section 143B, insert—

<Guidance: housing support assessment and provision for persons who are homeless or threatened with homelessness

After section 37 of the Housing (Scotland) Act 1987 (c.26) insert—

“37A Guidance: housing support assessment and provision for persons who are homeless or threatened with homelessness

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(1) The Scottish Ministers must prepare and issue guidance to local authorities on—

(a) the assessment of housing support needs for persons who are homeless or threatened with homelessness; and

(b) the nature and duration of the provision of housing support services to such persons.

(2) Such guidance must be issued within 12 months of the commencement of section (*Guidance: housing support assessment and provision for persons who are homeless or threatened with homelessness*) of the Housing (Scotland) Act 2010 (asp 00), following consultation with—

(a) such bodies representing local authorities;

(b) such bodies representing the interests of homeless persons; and

(c) such other persons,

as they think fit.

(3) In this section, “housing support services” has the same meaning as in section 91(8) of the Housing (Scotland) Act 2001 (asp 10).”>

SUMMARY

Amendment 14 seeks to delete a positive and progressive provision in the Housing (Scotland) Bill which improves the rights of homeless persons to housing support, we **strongly urge MSPs not to support them.**

Amendment 15 merely introduces guidance which we ALREADY have. If the provision in the housing Bill (Section 143B) is removed it will maintain the current status quo, where only some people who need housing support services receive them.

Research has shown a clearly and unequivocally that providing housing support is cost effective. We detail this below.

The costs to local authorities have been overstated and we have set this out below. We have also challenged the Supplementary Financial Memorandum with the Scottish Government which we believe misleads Parliament.

Shelter Scotland, supported by Scottish Churches Housing Action, Chartered Institute of Housing Scotland, Veterans Scotland, Barnardos Scotland, One Parent Families Scotland, Capability Scotland, Quarriers and Quarriers VIP Group, Scottish Youth Parliament, Scottish Commissioner for Children and Young People, TIS, and SamH are dismayed that amendments 14 and 15 have been submitted by Jim Tolson MSP and strongly urge MSPs **not to support them.**

If you reject Jim Tolson's amendments you will ensure that new legislative duties will remain in the Bill which are needed to guarantee that **all** households who are homeless or threatened with homelessness receive the housing support they need to keep their homes. We need to ensure that housing support is just as central to preventing homelessness as access to a house if we are to successfully meet the 2012 commitment. Any additional costs of strengthened duties would be quickly outweighed by the savings made across services from preventing homelessness. We will see a positive impact on the lives of the most vulnerable in Scotland.

With the impact of the benefit cuts, increasing unemployment and forthcoming job losses in the public sector, there has never been a more important time to tackle the scourge of homelessness. One of the ways, we in Scotland, can ensure that those who are the most vulnerable can be supported to keep their homes is to ensure that every council fulfils its existing responsibilities to provide housing support to homeless people and those facing homelessness.

These responsibilities have existed in guidance form since 2005 and many local authorities have a strong track record in delivering housing support in their area. However many are failing to live up

to the spirit of the guidance allowing vulnerable homeless people to fall into the trap of repeat homelessness.

Amendment 14 seeks to delete a positive and progressive provision in the Housing (Scotland) Bill which improves the rights of homeless persons to housing support. The amendment brought forward by Mary Mulligan MSP at **Stage 2** for this provision was voted for **unanimously** by all who attended the Local Government and Communities Committee meeting on 6th October. This provision in the Bill is forward thinking and flexible – the Minister in the Stage 2 Local Government and Communities Committee meeting said *‘There is unanimous agreement among stakeholders about the importance of good housing support. It is a key component in preventing homelessness and in meeting the 2012 target’*. With reference to Mary Mulligan’s amendment he said *‘it is sufficiently flexible for me to be content to support it’*. This provision is a credit to MSPs who have fought hard to take Scotland to the forefront of homelessness policy.

What provision does amendment 14 seek to delete?

The provision (Section 143B in the Bill) which amendment 14 seeks to delete will ensure that people who are homeless or threatened with homelessness are assessed as to whether, in addition to the various duties to provide advice, assistance and accommodation, they also require housing support services. If services are required the local authority will then provide the services which will allow the applicant to successfully find and sustain a tenancy. The provision will ensure equal treatment of homeless persons no matter where they are housed. Research has shown that homeless support services improve quality of life for individuals, create greater stability, improve educational achievement and decrease social exclusion, easier access to appropriate services and improved involvement in the community¹.

How will the duty work?

The assessment will be undertaken **only** where the authority has reason to believe that the applicant may be in need of housing support. In practice, we would expect local authorities to undertake an **initial light-touch assessment** of support needs as part of the homelessness assessment which applies to all homeless people anyway. This is in line with what the official Code of Guidance on Homelessness recommends already.

Only those households which appear, from the homelessness assessment to be in need of housing support services would require to have a full assessment of housing support needs carried out and for the local authority to provide the necessary services.

Many local authorities are already carrying out the work to assess needs and provide support to those threatened with homelessness or those who are already homeless.

For example in Stirling a support assessment is carried out by case workers as part of the homelessness assessment and depending on the needs identified the officers can refer the client

¹ Capgemini (2009) Research into the financial benefits of the Supporting People Programme, 2009.

to the income maximisation team, social work, youth support, voluntary sector housing support services, money advice services and the resettlement officer.

However, despite having the official Code of Guidance on Homelessness which explicitly says that local authorities should assess support needs, it is clear from Scottish Housing Regulator inspections of homelessness services that such assessments are often not happening at all or are happening inconsistently.

Evidence which shows that providing support is cost effective

- a. Research from Tribal Consulting on provision of housing support services in Scotland showed that there were cost savings, as for a spend of **£107m** an identified monetary benefit was found to be **£129m**. The report points out that its estimate of the benefit of providing housing support is conservative and that there could be additional benefits. They also say “it is also possible that we have not fully quantified all the costs avoided”. **Their conclusion finds a clear and unequivocal cost benefit for providing housing support².**
- b. In our briefings we have referred to the English research published in 2009 on the cost benefits of providing housing support because it is more up to date and more refined in looking at the wide range of benefits to other services. The evidence commissioned from Cap Gemini in 2009 found that there is a cost benefit not only to housing and homeless services but also across health and social services and criminal justice. An overall assessment of support for homeless households in England concluded that the **total savings were more than 50% greater than the total cost³.**
- c. In addition there are other smaller studies, and one commissioned by the Scottish Government shows the cost benefit of projects which seek to support the most vulnerable in our communities. For example a social return on investment (SROI) analysis of North Ayrshire Fab Pad, a tenancy sustainment project, identified a high return. For every £1 invested in the project, a social return on investment of £8.38 was realised⁴. This was due to the reduced tenancy turnover and anti-social behaviour, increased ability of tenants to pay rent, reduced health care costs and welfare benefits due to moving into employment. The pay-back period for this investment was found to be a mere four months.

Cost to Local Authorities

We recognise that local authority budgets are under considerable pressure and that they need to make efficiency savings across a range of services. By introducing a duty for all local authorities to

² Supporting People: Costs and Benefits report commissioned by the Scottish Government
<http://www.scotland.gov.uk/Publications/2007/12/14141444/0>

³ Study by Cap Gemini, 2009. Research into the financial benefits of the Supporting people Programme. The total cost was £286.8 million. The total benefit was valued at £442.4 million. Available at:
<http://www.communities.gov.uk/publications/housing/financialbenefitsresearch>

⁴ Tenancy breakdown cost is £8,765 and the cost for FabPad is £2,500/head plus the social value added. The added value per participant was found to be £19,238. Available at
<http://www.sroiproject.org.uk/media/8362/ArtsFab.pdf>

assess and provide housing support where necessary, there will be significant financial benefits for councils and government. The only additional cost will be to local authorities failing to do what they should already be doing.

The overall cost is calculated by taking the number of households assessed as homeless with support needs (13,733 in 2007/08) multiplied by the average cost per client (£2,658 in 2004/05 and rounded up to £3,000) and taking this total (£41,199,000) as a percentage of Supporting People funding spent on homeless and related groups (£107,226,000 in 04/05).

However, the actual cost is likely to be significantly lower - in fact **significantly less than £10 million** because:

- It is necessary to only take into account the **additional** cost to provide support to those who currently don't get support but would now get support due to this duty.
- The estimate is based on a cost per case of providing housing support from 2004/05 when Supporting People funding was more generous. It is reasonable to assume that unit costs are likely to have been driven down since then, making the cost of providing support lower than £3000 per case.
- It is unlikely that everyone who is eligible for an assessment or for support following an assessment would take up the offer of support.

Taking all this into account our estimation would be significantly less than £10million. All estimates of the cost of housing support do not, of course, take into account the savings that could be generated elsewhere for local authorities by providing housing support.

Link Housing Association supports our call to ensure housing support remains in this Bill:

“For over 30 years Link Housing Association has recognised the need for people to get access not only to quality housing but also to quality support. The availability or lack of support early in a tenancy can mean the difference between success or failure for vulnerable people and can help them thrive and flourish in their own home while enjoying a positive experience within their communities. **The social and financial return on investment in housing support consistently outweighs the cost of implementation and underpins our intentions as a mature nation to address homelessness.**”

Scottish Government evidence in the Supplementary Financial Memorandum

Shelter Scotland is **very concerned** that the information given in the supplementary Financial Memorandum SFM is incorrect and misleading.

The SFM refers in paragraph 38 to research conducted for the Scottish Government by Tribal Consulting in 2007. Significantly, it *misrepresents the findings of the study by drawing the conclusion that the benefits of providing housing support did not outweigh the costs of service provision*. This misrepresentation is both factually inaccurate and misleading. In their study, trial

found that for a spend of £107m on support for homeless households, there was an identified monetary benefit of £129m. Furthermore, the report points out that its estimate of the *benefit* of providing housing support is conservative and it admits “it is also possible that *we have not fully quantified all the costs avoided*”. We cannot see any justification in the 2007 research report for the Financial Memorandum to state that “the benefits did not in fact outweigh the costs of service provision”.

In addition, the Scottish Government’s calculation on the cost to local authorities has resulted in an **over inflation** of the cost to £22 million by making the following assumptions:

- a. **The use of 2004-05 data for cost per case updated for inflation is highly dubious.** 2004-05 was in the days of ring-fencing but we know that there has been very significant downward pressure on costs since then and unit costs are much likely to have gone down rather than up.
- b. **They inflate the number of cases and the time per case.** The Scottish Government has wrongly calculated the additional cost based on one hour’s assessment for 42,921 homeless applicants. This is wrong because:
 - at least 13,569 of these applicants are already having their support needs assessed, and
 - the maximum number of people who do not have their support needs assessed is therefore around 29,000.

This will reduce the additional bill from £500,000 to an absolute maximum of £352,584. The actual figure will of course be significantly less than £352,584 because the amendment as passed at stage 2 relates only to households the local authority has reason to believe are in need of housing support. In addition, the Code of Guidance already states that support needs should be assessed, the new duty simply makes this a requirement and we should not therefore anticipate the additional costs of assessing support needs being so high.

- c. The use of the figure for the number of people receiving support at case closed as the basis for calculations will result in an over-estimate. This is a snapshot of those receiving support on a particular date and will exclude those who have received support before or after their case was closed– hence inflating the 8,379 – they mention this as a caveat but still use the higher figure.
- d. In addition, the Scottish Government’s contention that more detailed assessment would result in more cases being eligible is not the experience in Glasgow. A snapshot of single homeless people in Glasgow found that only 21 per cent of homeless households, where a homelessness integrated assessment was completed, were identified as having additional support needs. On many occasions these were low level housing-related support services such as budgeting, debt advice and assistance with form filling.
- e. In the supplementary Financial Memorandum quotes an estimate given by CoSLA of what it would cost an unnamed medium sized LA to provide for housing support as set out in the Bill. **This figure is quoted with no accompanying explanation, and then rounded up in some unexplained way to give an overall estimate for all local authorities.** Without further

explanations, we do not think that this figure should be quoted in an objective document like a Financial Memorandum.

Amendment 15 merely introduces guidance which we ALREADY have. If the provision in the housing Bill (Section 143B) is removed it will maintain the current status quo, where only some people who need housing support services receive them. While some progressive local authorities are already successfully assessing and providing housing services to those who need them there are many people in other local authorities who do not receive the services which can help them sustain their tenancies. Are we to abandon people who have housing support needs?

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