

Report

Halfway to 2012?

Delivering on Scotland's homelessness commitments

From the Shelter policy library

1 October 2007

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Shelter

Halfway to 2012

2007 marks the halfway point in a 10 year programme that will revolutionise homelessness services in Scotland, culminating in the abolition of the priority need test by 2012.

This report provides a broad overview of how far homelessness services have come in being able to meet this challenging target. It also examines the priorities for the coming years in ensuring that the 2012 target is met, providing Shelter's views on what the most important factors are and drawing on the opinions of local authority homelessness staff as expressed in a recent Shelter survey.

It is clear that there is still some way to go to ensure that the vision of everyone in Scotland having the right to a home becomes a reality. It is also clear, however, that this goal is achievable. There are a number of interventions and actions identified within this report that can assist local authorities dealing with increased responsibilities to tackle homelessness; to both prevent homelessness and increase housing supply to help meet the 2012 target. These will require the engagement of all those working in housing and homelessness in Scotland across all levels.

Scotland has experienced a great deal of political change in Scotland in 2007 but the stated commitment of central government to meeting the 2012 target remains. Scotland continues to lead the world in the way that we are dealing with homelessness. We are still only halfway there and the momentum required to meet the 2012 target will have to be maintained and built upon for the next five years and beyond.

Background

In 2002 the Homelessness Task Force (HTF), a multi-agency forum set up by the Scottish Executive to create an action plan to tackle homelessness in Scotland, published its final report.¹ This document set out a radical plan of action to revolutionise homelessness policy, practice and legislation. The report contained 59 recommendations covering a wide range of areas but all concerned with attempting to ensure that homelessness is prevented wherever possible and tackled effectively when it does occur.

This report led to the most significant legislation on homelessness in Scotland since 1977, the Homelessness etc (Scotland) Act 2003. This set out a ten year programme of action to reform homelessness law in Scotland, culminating in the abolition of the priority need test by 2012.

¹ Helping Homeless People (2002) Homelessness Task Force Final Report

Priority need is one of the four tests used to determine whether or not a homeless household is legally entitled to permanent accommodation. Households assessed as being in priority need were generally those that contained dependent children or a member who was vulnerable for some reason. This could be by virtue of their age (either particularly young or old) or due to some medical condition. The emphasis on families with children has largely resulted in single homeless people not being entitled to permanent housing through the homelessness legislation. This has meant that decisions have been made on the basis of the household type, rather than the severity or urgency of the actual housing issues.

The priority need test, however, is only one in a series of tests that are applied to households to determine their eligibility for assistance under the homelessness legislation. The first is a check on whether the household is actually homeless, followed by the priority need test, then an assessment of whether they became homeless intentionally, because of something that they did or did not do. Finally it is established whether the applicant has a local connection (such as family or work) in the area in which they are applying as homeless. Generally, permanent rehousing would only be allocated to unintentionally homeless households, in priority need, with a local connection to the area.

When the 2003 Act has been fully implemented only the first of these (the 'are you homeless?' test) will remain in its current form. Essentially this means that councils will have a duty to secure housing (or at least some form of accommodation²) for every household that they assess as being homeless.

This represents a massive change to the services that local authorities will be providing to homeless households. Not only will more homeless households simply be entitled to permanent housing but the entire culture of homelessness services will have to change from one of a process that rations access to a limited resource to one which seeks to facilitate lasting solutions to a range of housing difficulties that people experience.

The HTF recognised that this change could not occur overnight and on their recommendation a phased approach to the abolition of priority need was designed. This sets out a 10 year programme of reform, the conclusion of which is the abolition of the use of the priority need test by 2012.

² Intentionally homeless households will not automatically be granted a permanent tenancy but a fixed term probationary tenancy.

Halfway there? How far is there to go?

Although there has been little opposition to the principles behind the homelessness legislation (for example no MSP voted against it in Parliament) there has been concern raised about the resources required to implement this programme, not least the impact that it may have on available housing supply and the ability of local authorities to be able to provide housing for others in need.

Table 1: Homelessness applications, assessments and permanent accommodation outcomes

	2002-03	2005-06
Total Applications	51,999	59,970
Assessed as homeless	40,046	40,431
Assessed as homeless and in priority need	29,309	30,273
Permanent Accommodation secured³	15,533	21,191

Source: Scottish Executive

In 2002 – 03, at the time of the Homelessness (Scotland) Act 2003 being passed by Parliament local authorities in Scotland received 51,999 applications from people under the homelessness legislation⁴. This represented a rise in applications which had been relatively steady at around 40,000 – 45,000 throughout the 1990s. This rise was largely attributed to increased rights, particularly to temporary accommodation being extended to all households assessed as homeless in the Housing (Scotland) Act 2001. Of the applications received in 2002-03, 77 per cent (40,046) were assessed as being homeless and of these 73 per cent were judged to be in priority need (29,309).

In the years since the legislation was passed there has been a further significant rise in the overall homelessness applications that have been made, to 59,970 in 2005/06. However, the number of households assessed as homeless has not risen in line with

³ Calculated using reported proportion of priority need homeless households accessing permanent accommodation of 53% and 70% respectively in these years (Source Scottish Executive Statistical Bulletins)

⁴ Scottish Executive (2003) Statistical Bulletin HSG/2003/5 Operation of the Homelessness Legislation in Scotland.

this, being 40,431⁵. The reason behind the drop in the proportion of applicants being determined as homeless, from 77 per cent to 67 per cent, is unclear. However it has been interpreted as evidence that local authorities are becoming more strict in applying the homelessness test as a result of having increased duties to those who are assessed as homeless.⁶

Priority need determinations have remained relatively constant both in absolute numbers and as a proportion of those assessed as homeless over this period. In 2002-03 73 per cent of homeless applicants were assessed as being in priority need (29,309 households). In 2005-06 75 per cent of homeless households were afforded priority need status (30,273).

Across Scotland, were these figures for applications and assessments to remain relatively constant over the period up to 2012, roughly 10,000 additional homeless applicants would be eligible for permanent accommodation through the homelessness legislation.

The reasoning behind the ten year programme reflects the recognition that the implementation of the HTF recommendations is a major reform of homelessness services and the culture that they are delivered in. This could not be achieved overnight and for housing and homelessness organisations to be able to cope with the change a phased approach to implementation has been embarked upon. This includes an interim target, announced in a Ministerial Statement to Parliament in December 2005, of each local authority increasing by 50 per cent the proportion of priority need determinations made in homelessness assessments by 2009⁷. Taking into account that the profile and nature of homelessness can vary between different areas, how this is to be achieved has been left for individual local authorities to decide.

There are, at the time of writing, no figures on the application of the homelessness legislation available from the period following the announcement of the 2009 interim target. It is therefore difficult to provide any objective analysis of what progress is being made. However, anecdotal evidence suggests that many local authorities have found it difficult to decide upon the ways by which they should extend priority need to additional households. Part of this difficulty apparently relates to a reluctance to include a particular client group within priority need categories if neighbouring councils have not extended priority need to that category. The fear is that people falling into that group will then make homeless applications into that area,

⁵ Scottish Executive (2006) Statistical Bulletin HSG/2006/6 Operation of the Homelessness Legislation in Scotland.

⁶ Pawson (2007) Evaluation of Homelessness Prevention Activities in Scotland, Scottish Executive

⁷ Scottish Executive (2005) Helping Homeless People: Ministerial Statement on the Abolition of Priority Need by 2012

knowing that they will have rights that they would not have in their own council area. This potential fear is also related to the proposals that are being considered to suspend the local connection test. Local authorities have expressed a desire for central government to take the lead and define how priority need categories should be widened. However, this could also be achieved by neighbouring authorities themselves agreeing to share insights into the best way to implement the interim target and to share at least some common ground.

Above, we noted that something of the order of 10,000 additional households may become eligible for permanent accommodation by 2012 (assuming for the time being no overall rise in the number being assessed as homeless or, indeed, that prevention work will not reduce the numbers). However, it should be borne in mind, that not all of those who are assessed as homeless will be allocated a permanent tenancy from a social landlord. In 2005-06, 26 per cent of all applicants lost contact with the local authority that they had applied to before their application had been completed.⁸ As stated above there were 30,273 priority need assessments made in 2005-06, however only around 70 per cent of these secured permanent accommodation through their homelessness application. The reasons for such a high 'attrition' rate is unclear and there is a need for more research on why so many of those who are eligible for permanent housing do not receive this outcome.

In some cases this will be for positive reasons in that the individual or household has successfully resolved their own housing issue. However, there must be some concern that a positive outcome will not always be the case and local authorities have to be careful that they are not losing contact with the people who are most in need of a service. Furthermore as more local authority housing and homeless services begin to engage in more housing options work to deal with people having housing problems, there may be a more varied range of outcomes that are achieved for homeless households than a social sector tenancy. While this again, may represent a positive result from the point of view of both the council and the applicant, the information behind this must be recorded and reported in order to retain confidence that services are being effective at facilitating solutions to people's housing difficulties. Further consideration of housing options work and housing outcomes are provided later in this report. For present purposes, however, we need to note that the demand for additional lets will be something less than 10,000.

Housing Supply – Whose Housing is it?

We recognise that the increasing duties to provide permanent accommodation to homeless households is causing concern among housing and homelessness practitioners. These are coming at a time when the available stock of affordable

⁸ Scottish Executive (2006) Statistical Bulletin HSG/2006/6 Operation of the Homelessness Legislation in Scotland.

housing is diminishing and has been for some time. For example in December 2002 there were reported to be 535,000 local authority dwellings in Scotland. By the end of 2005 this figure had dropped to 363, 000, a reduction of 32 per cent. There has been a corresponding reduction in the annual lettings made by local authorities in Scotland, from 54,575 in 2001-02 to 31,894 in 2005 – 06, a 39 per cent reduction⁹.

In 2001-02 RSLs accounted for 22 per cent of Scotland's social housing stock, 148,274 properties.¹⁰ In 2005-06 this had risen to 251,100 properties which corresponds to 42 per cent of social housing in the country¹¹. Similarly there has been a significant rise in the number of lets made by RSLs from 15,575 in 2001- 02 to 28,346 in 2005 – 06.

Overall, then, the number of lets of social rented housing has declined from 70,150 in 2001-02 to 60,240 in 2005-06: a decline of 14% in only 4 years.¹²

Table 2: Social Sector housing dwellings and lettings 2005 – 06

	RSLs ¹³	Local Authorities ¹⁴
Total Stock	251,100	353,000
Total Lets	28,346	31,894

A significant amount of this change in the profile of Scotland's housing stock can be accounted for by local authorities transferring their housing to RSLs. Over the period under consideration this occurred in the Glasgow, Scottish Borders and Dumfries and Galloway areas. Since 2005/06 further stock transfers have taken place in Argyll and Bute and the Western Isles and a further transfer is scheduled to be completed in Inverclyde in December 2007.

In these areas councils retain the statutory duties for dealing with homelessness while RSLs take on the responsibility for actually accommodating homeless households. Across Scotland however, as the proportion of social housing stock held by RSLs has increased it has been argued that RSLs should be taking on a greater role in providing housing for homeless households.

⁹ Scottish Executive (2007) Statistical Bulletin HSG/2007/2 Housing Trends in Scotland

¹⁰ Communities Scotland (2002) Scottish Registered Social Landlord Statistics 2001 - 02

¹¹ Communities Scotland (2007) Scottish Registered Social Landlord Statistics 2005 - 06

¹² A very good visual illustration of this is in the report, 'The Right to Buy in Scotland: Pulling Together the Evidence', Scottish Executive, 2006. Figure 4.2 shows quite graphically that the 'squeeze' on the relative proportion of lets going to homeless people vis a vis waiting list is explained much more by the overall decline in lets than it is by homeless people being allocated a house.

¹³ Communities Scotland (2007) Scottish Registered Social Landlord Statistics 2005 - 06

¹⁴ Scottish Executive (2006) Statistical Bulletin HSG/2006/6 Operation of the Homelessness Legislation in Scotland.

In addition to stock transfer RSLs have been responsible for the vast majority of new social housing development over the past couple of decades, while council stocks have reduced through right to buy sales and in some areas, demolition of stock. This means that RSLs represent a much larger proportion of the housing stock in the affordable rented sector than when the original homelessness legislation first placed duties on local authorities to accommodate homeless households. It is for these reasons that RSLs are now expected to provide a more significant contribution to housing homeless households.

Shelter, along with other housing and homelessness organisations, are at the time of writing campaigning for a significant increase in new build provision of housing for affordable renting. In the 2007 Comprehensive Spending Review we believe that funding must be made available for 30,000 new homes to be built for affordable renting in the period 2008 - 2011.

However, the scale of new investment aside there will still be pressure on the supply of affordable housing, with demands being placed on this resource from a variety of sources, of which homelessness is one. Increasing the supply of new build housing is recognised as being of vital importance to meeting the 2012 target but it is not the only way of increasing housing supply. There are a range of other things that central and local government and their partner organisations in the RSL and voluntary sectors can do. These range from minimising demand through preventing households from becoming homeless in the first place to increasing or protecting supply in relation to the stock of housing that already exists.

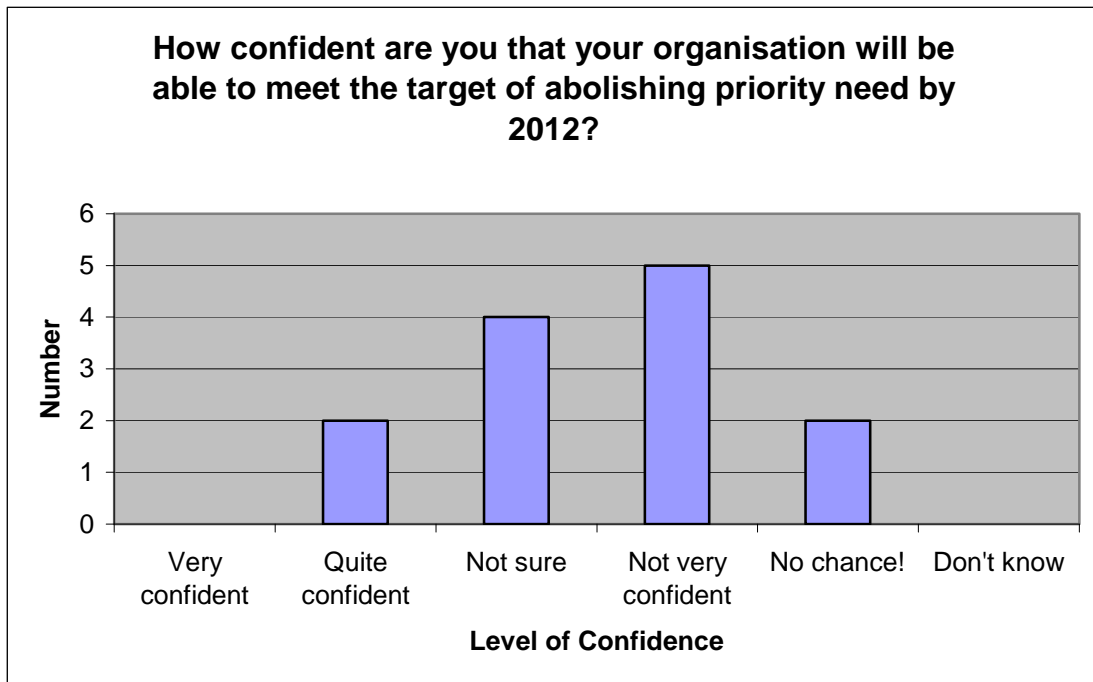
Where do we go from here?

The implementation of the Homelessness Act has without doubt led to unprecedented change and attention being paid to the delivery of services to homeless households, as well as those at risk of becoming homelessness. The remainder of this report looks at some of the initiatives and services that are being taken forward by local authorities and their partners, as well as looking at some of the options that are available for increasing housing supply. In presenting this information and Shelter's views on what the priorities for being able to meet the 2012 target are, we also draw on the views of local authority homelessness practitioners, as expressed in a recent survey conducted by Shelter. Details of how this survey was conducted are included at Appendix 1.

Taking stock; moving forward

Confidence in meeting the 2012 target

One of primary functions of the poll was to provide an indication of the level of confidence that exists on whether the 2012 target can be met and this was the first question asked.



These results show a relatively wide spread of opinion although more respondents appear negative than positive about their organisation's ability to meet the 2012 target. What is perhaps of additional interest is that very few responses were given at the extremes, indicating that council officials retain doubts about the likelihood of the target being met whether they are positive or negative overall in their assessment. What does appear to be of relevance though is that only two respondents in the survey believe that there is 'no chance' of meeting the 2012 target and most report as being in the middle range. This question also asked respondents to provide the reasons behind their answer. Overwhelmingly the information provided expressed concern about the difficulties that will be entailed in meeting the 2012 target, for example:

Lack of suitable, affordable housing options locally make 2012 an impossible target to meet.

Housing stock is limited and sometimes not in places where people wish to stay. Additional properties from RSLs are also limited & prevention work is still at quite an early stage.

Some stated, however, that, although abolishing priority need would in itself be relatively straightforward, the Council would struggle to be able to actually house the homeless applicants as a result:

'We have already had committee approval to extend our PN categories in line with 2009 targets however whilst we will be implementing the extension we already know that we do not have the resources by way of temp accommodation, mainstream accommodation and staff to respond to the level of demand.'

'We will be able to abolish the priority need assessment, however, we will not be able to deliver the resultant duties which will be placed upon us, nor will the outcomes for homeless households be as envisaged.'

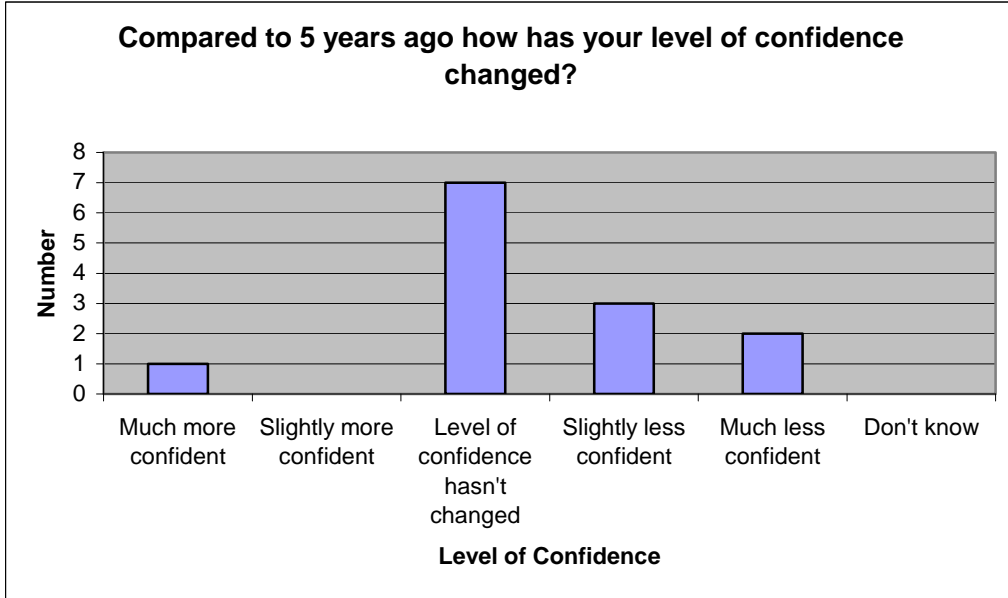
However, one positive effect of the legislative target that was identified was how crucial it is proving to be in focusing attention and resources on the issues of homelessness and in identifying new ways of tackling it:

'Helps us to focus on what the critical issues are and to assist in the ultimate vision for our new homelessness strategy.'

'Our prevention work is having a marked effect which is why we have seen a slight downward trend in our statistics and we are in the process of restructuring our homeless service with a focus on prevention and housing options.'

More or less confident halfway down the road?

We also asked respondents to indicate how their confidence had changed (if at all) over the past 5 years, when the target to abolish the priority need test was first announced.



It appears that most respondents' level of confidence remains unchanged from the position that they held 5 years ago, although a small number have become less confident while one individual is feeling much more confident about meeting the target.

Again the space for comments to illustrate answers to this question was largely used as an opportunity to raise concerns about the implementation of the 2012 programme:

'Homelessness legislation has always looked theoretically sound but people need houses to live in, not theories.'

For those who had experienced a reduction in their level of confidence, this was generally attributed to being as a result of falling housing stocks since the 2012 target was announced while homelessness presentations have risen and the responsibilities on councils to tackle homelessness have also been increased:

'Significant increases in homeless presentations since 2002 compounded by continuing difficulties (investment/land etc) to meet identified shortfalls.'

'Figures continue to rise and resources are short term arrangements therefore difficult to put planning into place. Still not sure that homelessness is seen as a corporate issue.'

'I'm less confident that the additional resources needed to effect the last push will be found, i.e. housing supply costs increasing all the time and also concerns that public attitudes to people with high levels of need are getting worse.'

Homelessness prevention

It is crucial to prevent people from becoming homeless whenever it is possible to do so. Not only can this allow people to avoid the stress and misery that can be endured through a period of homelessness, but it can potentially ensure that available housing supply goes a bit further, through decreasing demand from homeless households.

The prevention of homelessness has been the focus of increased attention in the past couple of years and is now becoming much more represented in homelessness policy and practice across Scotland. In March 2007 Shelter published a report on various aspects of homelessness prevention recognising this increased area of activity and describing some of the main services and initiatives that are being undertaken.¹⁵ The Scottish Government has also published major research in 2007, evaluating current approaches to homelessness prevention in Scotland¹⁶ and is developing guidance for local authorities in this area of work.

It is acknowledged that there is little available to local authorities and their partner agencies undertaking homelessness prevention work to measure the impact that this has.¹⁷ It is also recognised that successful prevention strategies will involve a range of partners, representing the diverse factors that can contribute to causing homelessness. To effectively prevent homelessness, therefore, is not something that housing and homelessness services can achieve on their own. It 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. To provide some indication of what Homelessness Strategy Officers believe are the interventions that work best we asked them to evaluate the

¹⁵ Shelter Scotland (2007) Homelessness Prevention 2007

¹⁶ Pawson (2007) Evaluation of Homelessness Prevention Activities in Scotland, Scottish Executive

¹⁷ Pawson (2007) Evaluation of Homelessness Prevention Activities in Scotland, Scottish Executive

effectiveness of a range of homelessness prevention services. Homelessness prevention work can encompass a wide range of activity and different services, some of which are relatively far removed from what are traditionally the activities of housing and homelessness departments. Therefore, in this survey we limited the options presented to those that are now commonly being delivered, specifically as homelessness prevention activities.

Table 3: Homelessness prevention survey responses

	Makes a significant difference	Makes some difference	Slight difference	No difference at all	Don't know
Provision of advice and information	6	5	2	0	0
Rent deposit guarantee schemes	1	9	2	1	0
Family mediation services	0	7	4	1	0
Provision of tenancy support	5	8	0	0	0
Supported housing for young homeless people	5	7	0	0	0
Protocols in place with hospitals/prisons/the armed services to prevent people becoming homeless on leaving these institutions	2	10	1	0	0

All of the service options presented are thought to be effective to some extent and do make a difference in terms of preventing homelessness. However, some are perceived as being more effective than others.

The provision of advice and information services is viewed as the most effective service provision in this survey. This may be as a result of this being one of the more well-established homelessness prevention services. Furthermore the existence of recognised accredited standards in the provision of this service, that the majority of providers are trained in or working towards, may also contribute towards this type of activity being viewed as more effective.

The provision of tenancy support is another service area that is relatively positively viewed in this poll and again is another area of homelessness prevention that has become widespread in recent years, mainly through the provision of Supporting People funding.

Supported housing for young people is also viewed as one of the more effective types of homelessness prevention services. Young people in particular, continue to be over represented in homelessness statistics and although the provision of supported housing may not prevent an initial period of homelessness (since the young people involved are often homeless already at the point of accessing a supported accommodation project) it may prove to be effective at equipping those

involved with the independent living skills required to be able to sustain any future accommodation.

While all of the other interventions listed are identified as making some difference in preventing homelessness, these are generally less likely to be thought of as being significant in this respect. This finding may be in accordance with other research in this area and available statistical information. For example, it may be viewed as surprising that none of the respondents identified family mediation services as making a significant impact when this type of service has received a high level of attention and generated much activity within the context of homelessness prevention. However, while most local authorities now have an operational mediation service available to those who are at risk of becoming homeless due to some kind of relationship/ family difficulty, it has been reported that in many council areas the take up of these services, when offered, is low¹⁸.

Rent deposit guarantee schemes are also used in the vast majority of council areas. However, in many areas the private rented sector is relatively small in scale and the impact that it can make will necessarily be limited. Other difficulties that have been reported by local authorities in relation to the private rented sector include affordability issues which cannot be overcome through the provision of assistance with the rent deposit. This is argued to be particularly the case for single homeless people under the age of 25 who are subject to the Single Room Rent Restriction, meaning that a high proportion of private rented accommodation is unaffordable to them. There also remains a significant proportion of private landlords who will not rent accommodation to people in receipt of benefits which may make this type of accommodation unavailable to some homeless households.¹⁹

Finally, the impact of having protocols in place with relevant institutions (for example, prisons, hospitals, armed services) to ensure that people do not become homeless while leaving these institutions is viewed, primarily, as having some impact in preventing homelessness rather than having a significant impact. Again this may be reflection of a relatively low proportion of homeless applicants overall becoming homeless from such institutions.

One of the changes in service provision that that we did not ask about in this survey but is being used is that of developing a housing options approach to dealing with people who present to a local authority with housing issues, including homelessness. Although this is being undertaken as a means of preventing homelessness, relatively

¹⁸ Pawson (2007) Evaluation of Homelessness Prevention Activities in Scotland

¹⁹ Shelter (2006) The Path to Success? Shelter's Research on Housing Benefit Reform

few local authorities are currently operating this method of working which is why we could not include it in the questionnaire.²⁰

In a housing options system, typically, a two stage process to dealing with enquiries is undertaken. Initially at the point of presentation a housing options interview is held, the nature of the problem investigated and advice and information provided. If the household is homeless or threatened with homelessness the outcome of this interview would generally be a formal homeless application and the household should then be entitled to their rights under the legislation such as temporary accommodation and eventual subsequent rehousing.

A housing options approach should take into account the urgency of the problem that the household has presented with while also ensuring both that people's legal rights are respected and that they get the best housing outcome, which will depend on the circumstances of the individual and their housing problem. This presents further questions for all of us working to prevent and tackle homelessness. Shelter recognises that a social rented house may not always be the most suitable outcome for all of the households who present to councils as homeless.

However, a challenge for a housing options approach is ensuring that people are not inappropriately diverted or prevented from making homeless applications, a process known as gatekeeping. Housing options must be about ensuring that the discretion that this entails is exercised appropriately and not as a means of gatekeeping. To be able to do this housing options work must be able to accurately assess the individual's housing circumstances, the seriousness and urgency of any housing problems, the individual's housing choices and aspirations, as well as any other factors that may impact upon their ability to sustain future accommodation such as support needs.

In order to do this effectively and to guard against accusations of gatekeeping which could be levelled in some circumstances will require careful monitoring, ensuring that discretion is being exercised in accordance with the law. Part of the issue may lie in the options that are available to local authorities in discharging the duties that they have to households who are homeless and (currently) in priority need. In the vast majority of cases this will be a Scottish Secure tenancy from a council or RSL. In order to address the issue of ensuring that homeless households get the most appropriate outcomes there may be a case for attention being paid to the range of outcomes that are typically obtained following a homelessness application. This also has the potential advantages of essentially bringing housing options work into the framework of the formal homelessness assessment, protecting against gatekeeping, and may also help manage the demands being placed on limited stocks of social housing.

²⁰ Pawson (2007) Evaluation of Homelessness Prevention Activities in Scotland

Housing Supply

There is increasing evidence that the Scottish housing market is under strain. House prices have increased by unprecedented levels over the past five years, resulting in a situation where the average house price has now grown to 6.7 times the average salary in Scotland. As noted previously, homeless applications have also been on the increase in recent years as have the numbers of people on waiting lists for social housing. At the last count in March 2006 there were over 200,000²¹ households on council waiting lists in Scotland and over 8000 homeless households living in temporary accommodation²².

Our survey asked respondents to indicate the potential significance of a range of variables, all of which have the potential to increase housing supply. Also presented in this section is Shelter's views on these various initiatives, the contribution that they can make and recommendations for how their use should be progressed.

Generally, all of the options were seen as being important, and that they could have an impact on being able to increase supply and assist in meeting the 2012 target. However, again there was stronger support for some of the options presented than others.

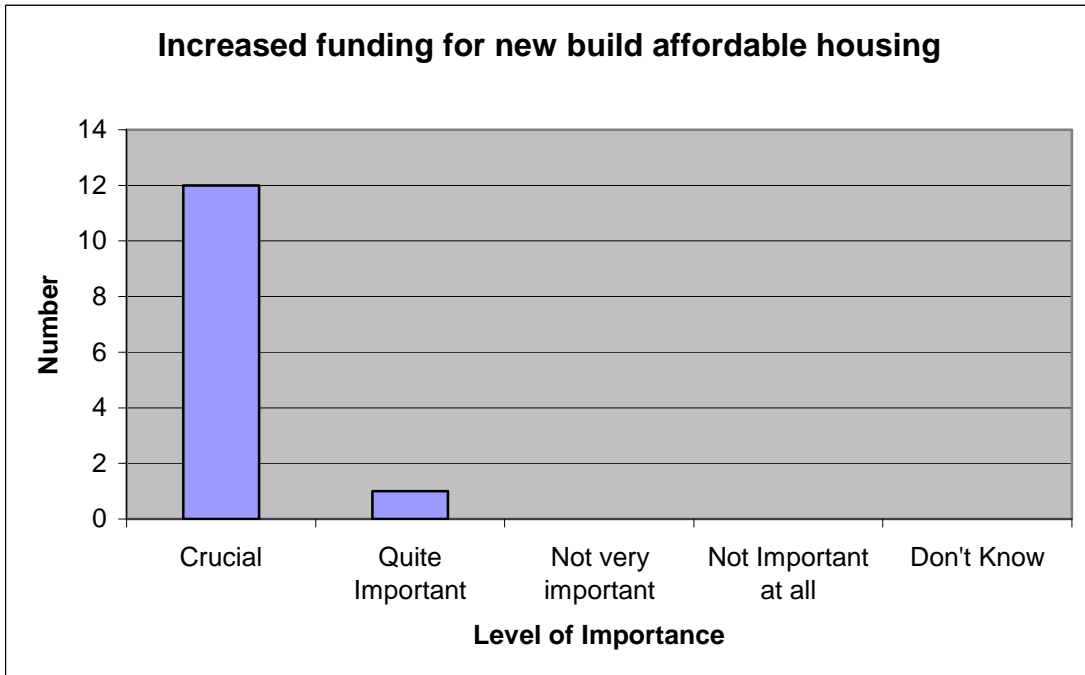
Probably the most rehearsed argument raised about being unable to meet the 2012 target, which is evident in some of the quotes included previously in this paper, concerns new housing supply. Simply, it is argued that there is not enough affordable housing available for all priority need homeless households to be accommodated and for social housing providers to be able to meet other forms of housing need.

New build housing has the potential to make a significant contribution to increasing housing supply. However it will not be the only way to boost the amount of accommodation available to local authorities to accommodate homeless households. The questions in this section of the survey were intended to provide some indication of how important the impact of different mechanisms that potentially impact on housing supply could be in assisting organisations to meet the 2012 target.

²¹ Scottish Executive (2006) Statistical Bulletin HSG/2006/05 Housing Trends in Scotland

²² Scottish Executive (2007) Statistical Bulletin Operation of the Homeless Persons legislation in Scotland: quarters ending 30 June and 30 September 2006

Increased funding for new build affordable rented housing



The vast majority of respondents believe that it is crucial for there to be increased funding invested in new build affordable housing for rent. 12 of the 13 submissions indicated this to be the case, with the only remaining respondent indicating that this was quite important.

Shelter's View

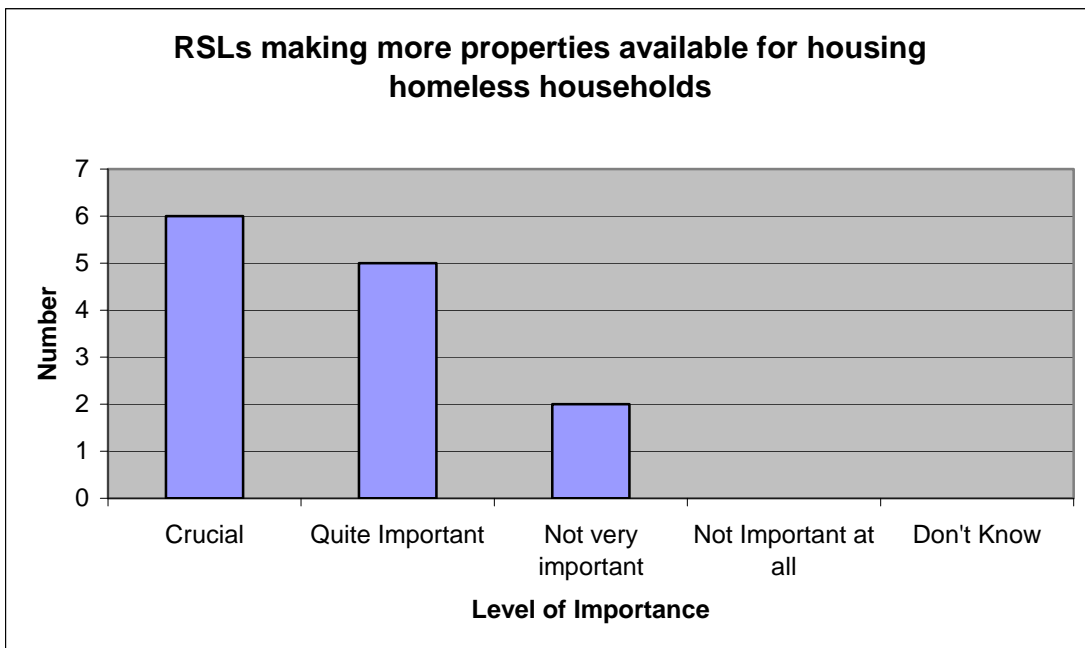
Shelter, along with a range of other housing organisations, believe that there is a need for the current level of investment for housing to be increased to build at least 10,000 new homes for affordable renting per year between 2008 – 2011. We believe this to be achievable financially in that the additional cost of this programme would be £750 million over three years. This is equivalent to just 0.8 per cent of the total Scottish budget over that time.

There would also be other significant benefits from increasing the availability of affordable rented housing through investment in new build properties. Failure to meet the need for new affordable homes will place the social housing sector in difficulty. Legal obligations to homeless households will be under pressure; social polarisation by tenure and neighbourhood will intensify; and opportunities to provide low cost homes as part of mixed neighbourhoods will remain out of reach.

The Role of RSLs

The Housing (Scotland) Act 2001 placed a duty on RSLs to provide permanent accommodation for homeless households when requested to do so by a local authority. This recognises that RSLs now account for 42 per cent of the social housing sector in Scotland and that more formal arrangements are necessary to ensure that homeless households are able to access RSL accommodation. This system, known as Section 5 referrals has been in operation for the past 5 years. In 2005/06, the year that the most recent data are available, 13.5 per cent of RSL lets were made as a result of section 5 referrals²³. This equates to 12.6 per cent of the households assessed as being homeless and in priority need by local authorities (3,814 lettings from 30,187²⁴ priority need homeless decisions). The Scottish Government is currently conducting a review of the operation of the Section 5 referral system.

We asked Homelessness Strategy Officers to indicate the importance of RSLs making more properties available for housing homeless households



While not as clear cut as the case for increased investment in new build affordable rented housing, the majority of respondents thought that it was either crucial or quite important for RSLs to be making more properties available to accommodate homeless households.

²³ Communities Scotland (2007) Scottish Registered Social Landlord Statistics 2005/06

²⁴ Scottish Executive Statistical Bulletin (2006) Operation of the Homelessness Legislation in Scotland: National and Local Authority Analyses 2005/06

Shelter's View

RSLs house far fewer homeless households than their share of the stock would suggest that they should and this cannot be explained through differing stock profile. While RSLs argue that their contribution is underestimated because homeless households access RSL accommodation through other routes than Section 5 referrals we believe that all homeless referrals to RSLs should be made through the Section 5 system. The mixture of both referrals and nominations arrangements undermine transparency and may cause underestimation of the true proportion of lets that are allocated to homeless households. Nomination arrangements also allow RSLs to screen potential tenants and allow for refusal to let to particular homeless households for reasons that are outwith those allowed by law through the Section 5 system.

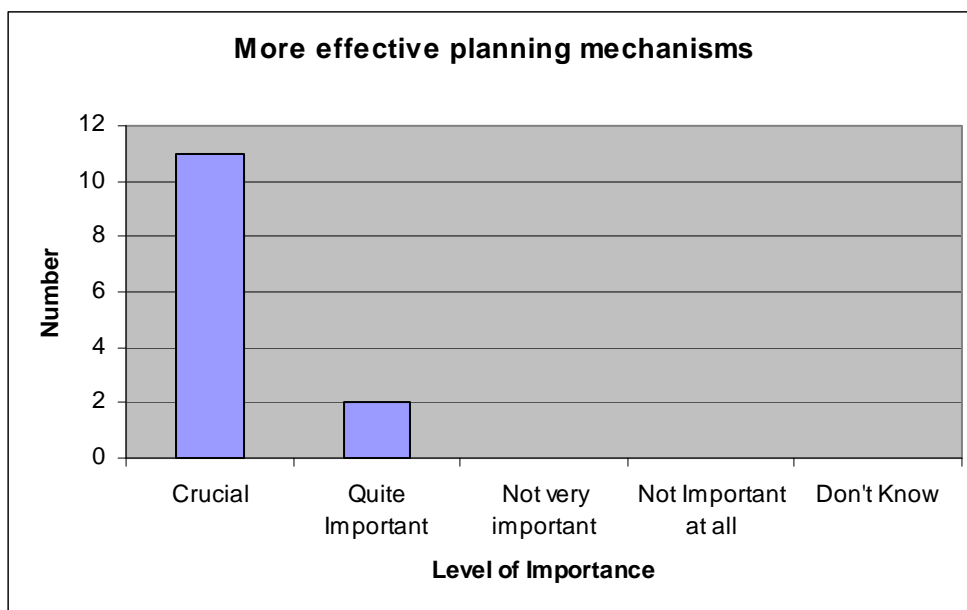
There must be attention paid to the arbitration system that has been designed to determine disputes between RSLs and local authorities in relation to individual referrals. In 2005-06 almost 50 per cent of 6,958 Section 5 referrals did not lead to the household being accommodated, yet of these only one single case was referred to the arbitration system for further attention²⁵. Examination is necessary on whether the arbitration system is effective and whether the lack of its use is appropriate. This may involve an examination of the turnover of RSLs that refuse a high level of section 5 referrals to determine whether these are being refused appropriately and whether or not local authorities are able to negotiate around refusals effectively.

Land-use planning

The systems and procedures around the planning process have been identified as an area that constrains the development of new affordable housing for rent rather than facilitating it. Currently planning by local authorities is determined by Scottish Planning Policy 3 (SPP3) which sets out the Scottish Government's policies in relation to ensuring that new housing developments are of good quality and are built in the right places as well as ensuring that there is sufficient land available for new build housing. Scottish Planning Policy documents are supplemented by Planning Advice Notes which provide further guidance and good practice. Planning Advice Note 74 sets out how the planning system should be used to support the delivery of affordable housing.

We asked how important more effective planning systems are in ensuring that there is sufficient available land for building new housing for affordable renting.

²⁵ Communities Scotland (2007) Scottish Registered Social Landlord Statistics 2005/06



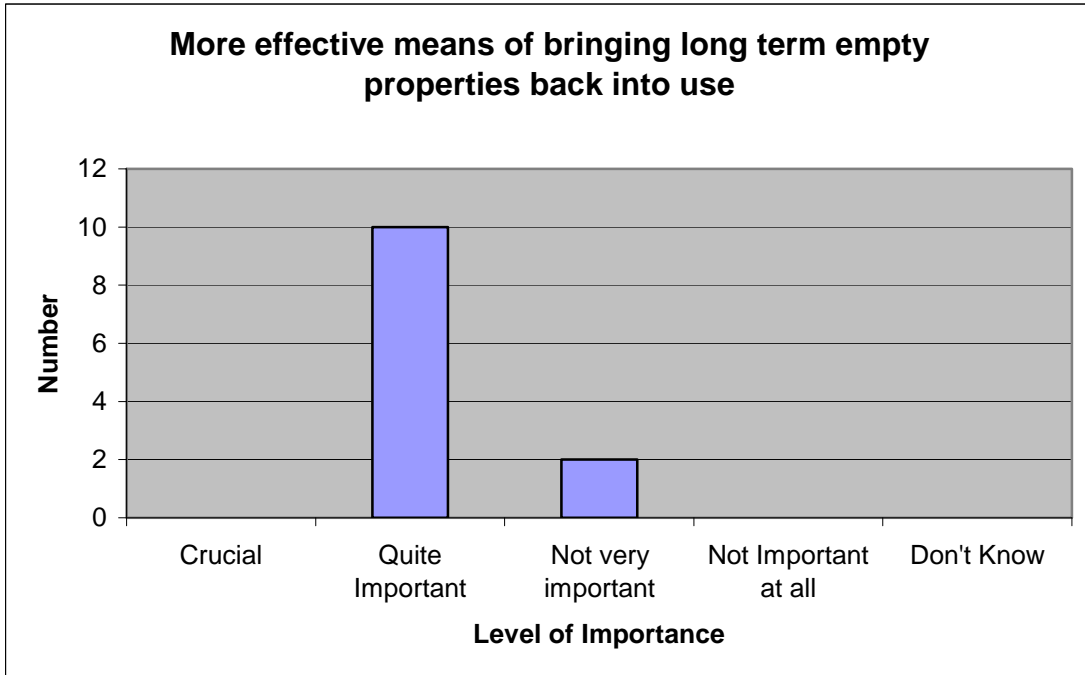
Again, the results from this question are particularly clear cut in that the vast majority of respondents see a more effective planning system as being crucial in delivering the land that is necessary for new affordable rented housing to be built.

Shelter's View

The spatial planning system has a key role to play in addressing affordable housing needs. Scottish Planning Policy 3 and Planning Advice Note 74 have established the provision and retention of affordable housing as a legitimate planning concern. However the long lead in time for policies and the slow process of statutory plan making is hampering the much needed delivery of affordable homes in the short term. Shelter wants to ensure that development plans identify sufficient land for affordable housing, integrate work on housing needs assessments through local housing strategies and development plans. Additionally Planning Advice Note 74 should provide clearer guidance on the definition of affordable housing and the definition of need, as well as advice on land valuation methodologies and joint working. We are pleased that the Housing Supply Task Force, announced in June 2007, has made land supply and planning issues its top priority.

Empty properties

There are currently over 87,000 empty dwellings in Scotland²⁶. This is almost 4 per cent of all the homes in the country and could, if brought back into use make a contribution to meeting housing needs.



There is less importance placed on this option than the previous examples, possibly due to perceived limitations on the powers of local authorities to compel the owners of private property to bring their dwellings back into use and the likelihood that the potential impact of empty properties, in terms of numbers, will be less than that of other initiatives. There is still however a view expressed to some extent that the use of empty properties can make some difference.

Shelter's View

As well as a focus on building new affordable rented properties, greater attention could be given to making the best use of privately owned properties that are currently left vacant. Shelter was disappointed that its proposals to include empty dwelling management orders in the Housing Bill in 2005 were not adopted. These proposals would have allowed local authorities to encourage and ultimately compel an owner to lease a long-term empty property to a RSL in return for a guaranteed income. These measures are one way of dealing with the growing trend of 'buy to leave' property

²⁶ Shelter (2005) Compulsory Leasing of Empty Homes in Scotland

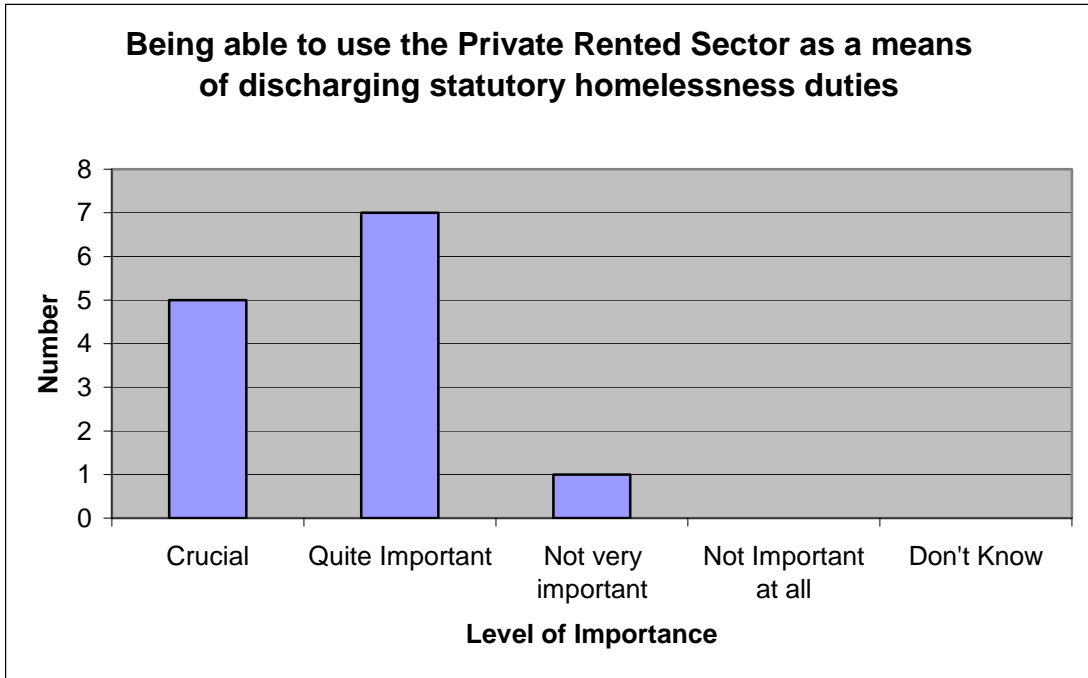
speculation which is putting homes out of reach of people in housing need. Private Sector Leasing Schemes are already making a supply of private owned properties available to social landlords. Shelter believes that there is more scope to use empty properties and to explore how we can make the best use of the housing stock that exists. We do acknowledge however, that the potential impact of empty properties is much less than other potential interventions and should never be used as a reason to stall on other means of tackling housing supply such as building new homes.

Private Rented Sector

The Private Rented Sector accounts for around 7 per cent of Scotland's housing stock²⁷. Over the past few years private rented accommodation has become a more common outcome for some homeless households who have made an application to a local authority for assistance. All councils now have in operation a rent deposit guarantee scheme to assist households with raising the deposit that is generally required to access a private rented tenancy. However, the homelessness legislation states that priority need households have to be offered permanent accommodation. Although this can include an assured tenancy in the private rented sector, this type of tenancy is very rarely used by private landlords. The most commonly used tenancy by private landlords is the short assured tenancy which typically lasts for only six months. This does not provide the security of tenure necessary for local authorities to be able to discharge their homelessness duties. Recent research published by the Scottish Executive indicated that there was a desire among local authorities to allow for discharge of duty to be achieved more often through facilitating access to a private sector tenancy.²⁸

²⁷ Scottish Government (2007) Scotland's People: Annual Report

²⁸ Pawson (2007) Evaluation of Homelessness Prevention Activities in Scotland, Scottish Executive



There is some support evident for allowing the private rented sector to be used for discharge duty in that the majority of respondents (seven) felt that this was quite important and only one who believed that this was not very important.

Shelter's View

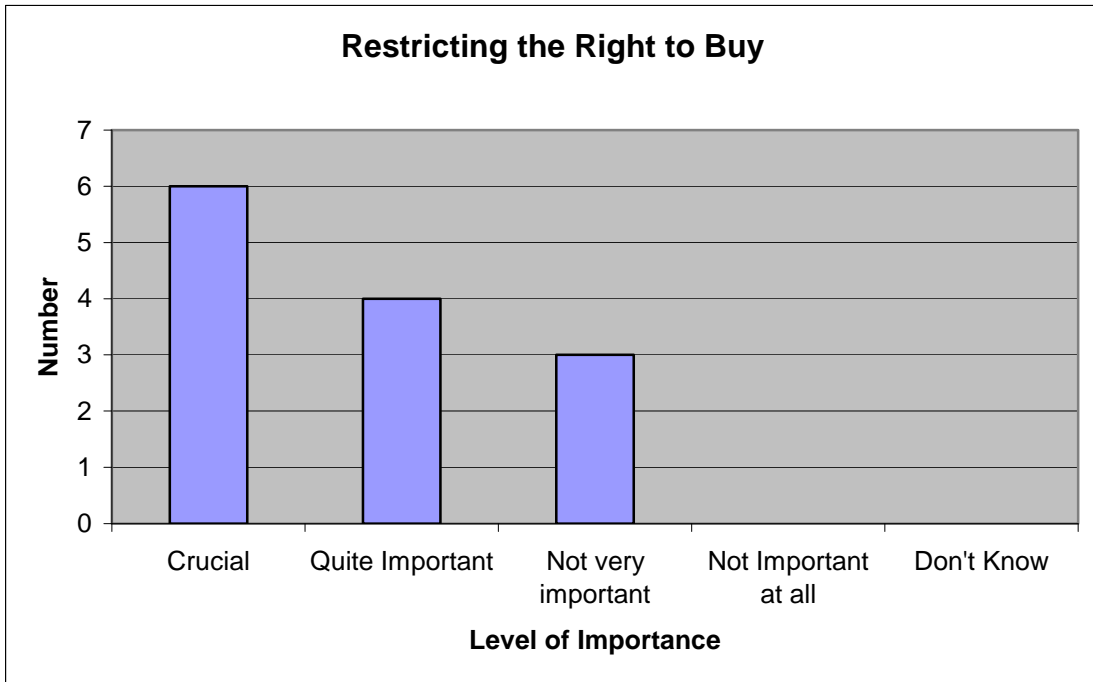
The shortages of available social sector housing mean that there may be instances where accessing a private sector tenancy may be the best outcome for a particular homeless household and we believe that there is a legitimate debate around this. For example, if someone wants to live in a particular area where there is very limited social rented housing available, which can be particularly acute in most city centres and in many small rural communities it is virtually impossible for these aspirations to be met through the social rented sector. However, the domination in the use of the Short Assured Tenancy means that private tenants are afforded little in the way of security of tenure. Such a short-term option cannot be considered as a satisfactory resolution of an individual's homelessness and is likely to result in repeated instances of homelessness. Before the private rented sector can be considered as a viable means of discharging homelessness duties some kind of review of the tenancy regime will have to take place.

Additionally there are concerns about the affordability of private rented accommodation for those on lower incomes. For applicants in receipt of housing benefit this may also involve disincentives to work as the sharp reductions in housing benefit entitlement that accompany moving into paid employment can lead to people

effectively being financially penalised by entering into work. Furthermore, the single room rent restriction that limits the amount of housing benefit available for single people under the age of 25 will also inhibit the ability of this group to access and sustain private rented accommodation. These issues of security of tenure and affordability would require careful attention before homelessness duties can be discharged by facilitating access to a private rented sector tenancy.

Reforming the Right to Buy

Since the right to buy was introduced in 1980 councils in Scotland have sold almost half a million homes meaning that around a quarter of all the houses in Scotland have moved from the social sector into private ownership. Although sales through the Right to Buy have slowed somewhat in the last few years, it is still the case that more homes are sold through the Right to Buy than are being built for affordable renting.



Again a relatively strong opinion is held that restricting the right to buy can make a significant improvement in increasing housing supply.

Shelter's View

The sale of social-rented homes through the Right to Buy scheme is continuing to reduce the amount of affordable housing available to let, even after allowing for changes introduced in 2002 to limit maximum discounts. In 2012, the Right to Buy will be extended to many more housing association tenancies. The Right to Buy

creates particular problems for local authorities in planning for housing need. Shelter believes that all landlords who have to work with Right to Buy should have greater discretion to determine its scope. The starting point would be that all tenants with current eligibility would have the right to apply to buy their home at a discount. However, landlords would have powers to vary the terms, including the right to decline to sell where evidence on the local market justified it.

Priorities for housing supply

The housing supply issue that is identified as most crucial in assisting local authorities in meeting the 2012 target is to increase the funding made available for new build properties for affordable renting according to those Homelessness Strategy Officers who responded to this survey. 12 of the 13 respondents believed that increased funding for new build will be crucial in this respect. Closely behind this is that the planning system needs to be more effective in delivering affordable housing. This may reflect concerns about being able to access land for affordable housing and the issues that are often experienced in negotiating the planning system such as working with private developers and overcoming the attitudes of some local communities who are often known to object to new developments of social housing. The perceived importance of planning issues may also be a recognition that the planning process is, in general not very quick and that the window of opportunity for new build housing to be available for 2012 is rapidly closing.

RSLs contributing more accommodation for homeless households and further reform of the Right to Buy were each identified by six participants as being crucial to increasing housing supply to meet 2012. By attending to what other respondents felt was 'quite important' in the survey it appears that the contribution of RSLs is of slightly greater importance to those who took part. (Interestingly, in spite of previous research suggesting that there is a widespread appetite for legislative reform to allow for the use of the private rented sector as a means of discharging homelessness duties²⁹, this was not reflected as a priority compared to most of the other options presented here. Five of the thirteen respondents believed it to be crucial. This may reflect the fact that in some local authority areas the private rented sector is relatively small in scale and therefore has little ability to be able to contribute significantly. There may also be concern, again particularly in areas where there is a low proportion of private rented accommodation available, that to rely heavily on it to provide accommodation for homeless households may create further housing need from others who may be attempting to access this type of accommodation.

²⁹ Pawson (2007) Evaluation of Homelessness Prevention Activities in Scotland, Scottish Executive

No-one in this study believed that improved mechanisms to bring empty properties back into use would be crucial in helping to increase housing supply to help meet the 2012 target.

Conclusion

There can be little doubt that the 2012 target of abolishing the priority need test and ensuring that all homeless households are entitled to permanent accommodation remains a key legislative commitment and a promise that Scotland is expected to deliver on. Although there has been much political change in Scotland in 2007, the new First Minister, the Cabinet Secretary for Health and Well Being and the Communities Minister have all reaffirmed their commitment to the 2012 target since coming into office. The government may have changed but the determination that exists to address homelessness remains.

It is also clear, however, that there is a relatively high level of concern among local authority staff about how this will be achieved. It would be wrong to conclude that respondents believe that the situation is hopeless or that the target cannot be met. There are also some positive views expressed, particularly about the amount of work that is being undertaken and the increased attention that is being paid to tackling homelessness effectively.

The main reason for the doubts expressed is that there is simply not enough accommodation available to meet the additional demands that homelessness will place on housing providers. Most respondents believe, as Shelter does that the range of options that are considered, both to prevent homelessness and to increase housing supply to help tackle homelessness when it does occur, in this report can make a difference to being able to meet the legislative commitment. While different approaches and initiatives will make more significant impacts in different areas the full range of available options will each have a role to play. These will place responsibilities on those in all sectors and at all levels in tackling homelessness. They will place significant challenges on everyone involved, but the importance of effectively tackling homelessness and ensuring that everyone in Scotland has the right to a home remains. By working together and investing the time and resources needed, the 2012 target can and should be met.

Appendix 1 – Survey Methodology

In order to provide some indication of the level of confidence that exists in meeting the 2012 target we conducted a short poll of local authorities.

A brief questionnaire for completion by local authority Homelessness Strategy Officers was developed. This was intended to gather some indication of how confident these individuals were about whether their organisations would be able to meet the 2012 target as well and to provide some assessment of how committed they felt that their organisation was to delivering on this target. The questionnaire also contained questions on the potential impact that various initiatives could make to assisting to meet the target in relation to both housing supply and homelessness prevention.

We asked that respondents answered in a personal capacity, expressing their own views rather than those of the organisation that they are employed by or represent. While we did ask that people supplied the name of their local authority this was merely to ensure that we got a reasonable spread of areas responding and assurances were provided that information that could identify any individual or organisation would not be made available publicly.

Methodology

An email was sent to Homelessness Strategy Officers in all 32 Scottish Local Authorities. This described the purpose of the study and contained a link to the actual questionnaire which was placed in a closed section on the Shelter Scotland website in order that it could only be accessed by those in possession of the link. Strategy Officers were asked to complete the survey as experienced professionals within the homelessness sector and were asked to provide their own opinions in response to the questions which did not necessarily have to reflect the official position of the organisation that they work for. Guarantees were provided that any information submitted would not be reported in any way that could identify any individual or organisation.

21 completed surveys were submitted. However nine of these came from one single local authority. In order that these did not distort the results in favour of this authority eight of these were discounted with only the response that was submitted first from this area being included in the analysis of the results.

Most of the questions asked respondents to indicate their opinion from a menu of options however for 2 of the questions additional space was provided for further information to be provided if appropriate.