

Shelter Scotland Councillors' Newsletter

Welcome to the fifth edition of Shelter Scotland's newsletter for local councillors. We value your contributions and feedback. Please contact debbie_king@shelter.org.uk or 0344 515 2447.

Recession and rise in repossessions – how are homeowners supported?



Alex Neil
*Housing and
Communities Minister*

Photo: Scottish Government

One of the effects of the recession has been the impact on homeowners, with an increasing number losing their homes. Recent statistics from the Scottish Government reveal that in the six months from April to September 2009, 426 owner occupiers applied as homeless, stating mortgage default as their reason for applying. Here, Housing and Communities Minister, **Alex Neil** explains what protection the Scottish Government is offering to struggling homeowners.

The debt trap

One of the most significant consequences of the economic recession is that too many Scots find themselves caught in a debt trap, putting family homes, and families, at risk.

We moved quickly to introduce more protection for homeowners and to offer support to those people who currently cannot access debt solutions. Our response to tackle the problem is embodied in the Home Owner and Debtor Protection (Scotland) Act 2010, recently passed with cross-party backing in the Scottish Parliament.

We appreciate the support provided by Shelter and many other advice

agencies, which helped secure consensus across the parties on the value of the new legislation.

Working together

As we implement the provisions in the Act, we will continue in the spirit of co-operation that has been a feature of discussions among all political parties in the chamber.

Families facing financial difficulties will be able to sleep safe in the knowledge that help is at hand, and that they will be protected by the full weight of the law.

We are working closely with lenders, the courts, the advice sector and others, to make sure they are all geared up for implementation of the Act.

Sensitive approach

Since the Act was passed, I have been encouraged by steps taken by financial institutions to demonstrate a sensitive approach to those with financial problems. Two banks – RBS and NatWest – have made a commitment not to initiate action against those in arrears for at least six months. That action is welcome and I hope others will follow suit.

More widely, I want to encourage local authorities to recognise the importance of meeting the 2012 homelessness target by actively following up all section 11 referrals from lenders – where lenders alert local authorities that they are initiating court action

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for repossession – as part of their homelessness prevention activity.

It's also important that councils continue to provide support for CABs, Shelter and other advice agencies operating in their areas.

Help at hand

To drive up standards I want to encourage council and voluntary sector advice services to seek accreditation against the Scottish National Standards for Information Advice Providers. It will ensure homeowners at risk of repossession and other vulnerable people facing personal traumas get the best advice possible.

We have also provided £35 million over two years for the Home Owner Support Fund, which operates two schemes:

The **Mortgage to Rent scheme** enables eligible households to remain in their home by selling it to a social landlord, normally a local authority or housing association, and becoming a tenant of that landlord.

Those eligible for the **Mortgage to Shared Equity scheme** must have at least 25 per cent equity in their home and will retain ownership. They will enter into a shared equity agreement with the Scottish Government, having had their secured debt reduced to a manageable level.

The schemes are targeted towards those least able to trade down and will continue to provide practical help, alongside the improved legislative protection, for those most at risk.

The missing link? Support for homeless households

Housing leaders and organisations across Scotland are calling for housing support to be placed centre-stage in the battle against homelessness.



Twenty years ago, homelessness policy seemed simple. People needed a home and, if they satisfied various tests, they usually got one. But then some weaknesses were pointed out. A young person was unlikely to get far with no more than a set of keys, so furniture packages and furnished tenancies were introduced. And over the last ten years a whole range of housing support projects has emerged, designed to help people keep their homes and avoid repeated homelessness.

Now some organisations and housing leaders are calling for housing support to be placed centre-stage in the battle against homelessness.

Graeme Brown of Shelter Scotland is among them. He said: 'We have legislation which gives everyone the right to a home by 2012. But do we also need to recognise the importance of

support in making that commitment real? Is there still a missing link?'

Taking control

Proponents claim that housing support enables people to take control of their lives as well as keep their tenancies. Brown cites the example of a Shelter client, Paula, who fled her abusive partner with her three children. But the children were taken into care when she became homeless. Without support she would not have been able to get her children back while she was homeless, as she was being told that she would have to go into a large hostel, which was unsuitable for children.

Help included money advice and support for the children to enable them to settle into their new home and school. Paula said: 'I couldn't have made it without the support we received and don't ever see myself

being homeless again because I now know how to keep my home.'

Brown says Paula's experience backs Shelter's call for housing support services to be put on a firmer legal footing.

'The Housing Bill currently in the Scottish Parliament is a unique opportunity to make access to support just as central as access to a house. That is why I believe all councils should assess the housing support needs of households at risk of homelessness and provide the services which will help people sustain their tenancies.

'The best councils are already doing this. I'd like to see it as standard practice.'

Stirling support

It's an argument which finds favour with Alasdair MacPherson, Portfolio Holder for Housing at Stirling Council.



'I fully support any measures which provide extra support for tenants facing homelessness.'

He said: 'Homelessness can't always be prevented, but we can help households to avoid the disruption and the trauma that goes with losing their home. At Stirling we take this very seriously.

'Last year we became the first local authority in the UK to stop evicting tenants for rent arrears. This radical move shows how seriously we view homelessness.

'I fully support any measures which provide extra support for tenants facing homelessness.'

These viewpoints in Stirling are echoed by Cllr MacPherson's counterpart in Dundee, Cllr Jimmy Black.



'Without proper assessment and access to the necessary support, tenants are more likely to become homeless and also fail in any new tenancy they are given.'

He said: 'Homelessness is not just about housing. In almost every case poverty will be a factor. If you have money you can generally sort things out without the council's help. So benefits advice, as well as helping people get access to affordable credit, is essential, as is help with practical things like furniture and white goods.

'But some homeless people will need support of a different kind; they may never have lived independently before, they may have issues of domestic abuse to contend with or they may be disabled. They may need legal advice.

'Without proper assessment and access to the necessary support, they are more likely to become homeless and also fail in any new tenancy they are given.

'In Dundee we have re-organised our team to ensure that we try everything to prevent people becoming homeless. A huge part of that is a proper assessment, followed by referrals to

whichever specialist agency is most appropriate. We have no difficulty in principle in supporting Shelter's call for proper assessment and support for all homeless people. It's what we are already attempting to do.'

Costly delay

So with senior housing leaders joining the fray, what are the prospects of the Housing Bill being changed? Shelter's Graeme Brown acknowledges that the potential cost has been raised as an issue but argues that this needs to be looked at 'in the round', saying: 'The cost of strengthened duties is only a fraction of what was formerly spent on supporting homeless people in the Supporting People budget. And once all the savings from successfully preventing homelessness are counted in then the only real cost lies in delaying changing the law.'

We should know within the next few months whether MSPs accept that logic or not.



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'Local homes for local people'?

This slogan has featured in the press more than once in the last few months. What lies behind it, asks the Director of Shelter Scotland, Graeme Brown.



There are very few councillors who won't have heard the story. A constituent – let's say a young woman who works in a baker's shop – is stuck on a house waiting list with little apparent prospect of getting a home. The constituent – or sometimes the parents of the constituent – is angry or bemused that other people seem to be given houses before her. She's especially upset that some of the people don't seem to be from her local area.

There's no doubt that such circumstances can be genuinely frustrating, even distressing. It leads to mistrust in public or voluntary bodies. It can even fuel opposition to new developments, with opponents citing a fear that new homes will be taken by people new to the neighbourhood.

The answer seems clear, does it not? Rules on the allocation of social housing should be changed so that local people are given higher priority.

Judging by newspaper headlines, that conclusion seems to have been drawn by a number of politicians of different political parties. There's talk, at least in general terms, of an amendment to the Housing Bill that is currently before Parliament, to secure such a change.

But I'd want to pose three challenges to that direction of policy.

First of all, we live in a modern society that is defined by mobility. We value stable communities but we also know that the strongest communities are those which can absorb change; indeed

they prosper through it. Most of us stay somewhere different from where we were born and we value, in the private market, the ability to choose where we live, within the bounds of what we can afford.

Secondly, the story above is recognisable but how widespread is the problem? In my experience when we look at actual evidence, there are very few instances of people with no connection with a locality getting social housing in that locality. And even in those isolated examples there can be good reason – such as an applicant fleeing violence. This is also the conclusion drawn by a Scottish Government Working Group on allocations last year and by the Scottish Parliament's Rural Affairs Committee in its inquiry into rural housing.

And thirdly, what do we mean by 'local' anyway? Does one have to be born in an area or have three generations of forebearers buried in the local churchyard to count? Current housing law does allow social landlords to take account of local connection more broadly; for example, looking at social, health or employment reasons for wanting to move to an area. Further, some social landlords have developed successful 'Local Lettings Initiatives' which target allocations for specific areas, usually over a specific period of time.

So are we simply to wring our hands in helplessness? There is an issue, but I believe it is one of housing supply. Measures to stop as many homes being sold off through Right to Buy, to expand options in the private rented sector, to build new rented homes – these are all much more fruitful solutions to explore than splitting applicants into 'local' and 'outsider' camps.



Tackling mortgage repossessions – working with the new legislation

Shelter Scotland conference

This conference explores what will be involved in working with the Home Owner and Debtor Protection (Scotland) Act, which is due to come into force in late summer 2010.

Date:
Thursday 17 June 2010, 9.30am–3pm

Venue:
Teacher Building, Glasgow

Cost:
£150 + VAT

How to book:
Email scotlandevents@shelter.org.uk

scotland.shelter.org.uk/events

Advice and information
There is information to help homeowners having problems paying their mortgage on the **Get Advice** section of Shelter Scotland's website:

scotland.shelter.org.uk/getadvice/advice_topics/paying_for_a_home/mortgage_arrears

Shelter also provides a free, housing advice helpline staffed by trained housing advisers. Call free on **0808 800 4444** (some mobile phone networks may charge for calls to this number). Lines are open from 9am to 5pm, Monday to Friday.

How can Shelter Scotland help your constituents?

Free housing information and advice



Advice and support for constituents facing housing problems is available on our website

If your constituents are facing housing problems such as eviction, struggling with mortgage or rent arrears, are homeless, or about to lose their home, getting the right advice as soon as possible is vital.

Shelter can take referrals and provide advice.

Call our free* housing advice helpline on 0808 800 4444 (open 9am–5pm Monday to Friday).

*Some mobile phone networks may charge for calls to this number.

Practical housing advice and information can be found online at scotland.shelter.org.uk/getadvice

Research and policy
Shelter produces a range of policy, campaigning and research reports.

We can also advise on housing and homelessness policy at UK, Scottish and local government level.

For accurate facts and figures about housing in your area, visit scotland.shelter.org.uk/housingfacts

About Shelter

We are one of the richest countries in the world, and yet millions of people in Britain wake up every day in housing that is run-down, overcrowded, or dangerous. Many others have lost their home altogether. Bad housing robs us of security, health, and a fair chance in life.

Shelter helps more than 170,000 people a year fight for their rights, get back on their feet, and find and keep a home. We also tackle the root causes of bad housing by campaigning for new laws, policies, and solutions.

Our website gets more than 100,000 visits a month; visit shelter.org.uk to join our campaign, find housing advice, or make a donation.

We need your help to continue our work.

Please support us.

Contacts

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