

Shelter Scotland Briefing Paper: **Local Government and Communities Committee**

Homelessness and Covid-19 evidence session with Housing Minister Kevin Stewart, 14th August 2020.

Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

We have been supportive of and welcomed the swift actions taken by the Scottish Government to protect people in housing need by providing emergency funding to effectively end rough sleeping during the first months of this pandemic, and to halt evictions for a six-month period while we remain in the grip of this public health emergency. We were however disappointed that confirmation of an extension to the emergency no evictions measures was not forthcoming in the announcements made on 11 August in Scottish Parliament, which would have provided certainty for tenants who are struggling to pay their rent during these unprecedented times.

We believe more action must be taken or we risk losing the progress we have made on homelessness – and indeed potentially face a tidal wave of evictions, increased rough sleeping and an overwhelmed homelessness system as we head into the winter months, while the virus remains present in our communities. The evidence we currently have on increasing rent arrears, increasing unemployment, increasing welfare claims and huge uptake of crisis grants clearly indicated the impact of this pandemic, which will continue for many months to come, and it is vital we protect people from losing their homes during this crisis.

Key statistics which highlight the significant impact of the pandemic:

- The Scottish Housing regulator data for June shows the number of people who applied to local authorities as homeless increased by 18% to 2,923, and the number of households in temporary accommodation increased by 7% to 13,875.¹
- In June rent arrears for tenants of social landlords increased by £3.75m.²
- There has been a 76% increase in the number of households in Scotland affected by the benefit cap between February and May this year. The benefit cap is forcing families in Scotland into poverty and significant hardship.
 - Of the households capped 2,157 (36%) saw their need assessed benefits docked by £50 or more per week, and 743 (12%) lost £100 or more per week.
 - 66% of households (4,004) that had their benefits capped in Scotland were single-parent families.³
- The latest figures show a 40% increase in applications for crisis grants from the Scottish Welfare Fund with a 43% increase in expenditure compared to June 2019.⁴
- Almost a third of households (31%) across Scotland have reported a drop in incomes since March 2020.⁵
- Almost half of private tenants in Scotland (45%) have seen a drop in their incomes since March 2020 and 25% have already fallen behind with a payment, most likely gas, electricity and other bills. In

¹ Scottish Housing Regulator data [LINK](#)

² Scottish Housing Regulator data [LINK](#)

³ <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-may-2020>

⁴ <https://www.gov.scot/publications/swf-monthly-management-information/>

⁵ Joseph Rowntree Foundation, (2020) [Almost a third of Scots' incomes have reduced in lockdown](#)

the social rented sector, one in three tenants (32%) have fallen behind with a payment, with tenants more likely to report falling behind with council tax and rent than other household bills.⁶

- As of June, there were 215,000 people in Scotland claiming Jobseekers Allowance and out-of-work Universal Credit, compared to just over 111,000 during March.⁷
- Since March 2020, the Claimant Count has increased by 116.8%, or 1.4 million, across the UK.⁸
- Recent figures also showed nearly 900,000 people in Scotland are either on furlough or accessing self-employed support.⁹ The scheme is set to end in October with no indication of further support.
- In a Scotpulse survey for CAS of 1,135 people across Scotland, results showed that 35% of people were concerned about their income levels.¹⁰
- Latest stats from the Trussell Trust show 1.9m food parcels were distributed in 2019/20, including nearly 240,000 in Scotland – a 75% increase over 5 years, proving existing need before the pandemic struck. The impact of the pandemic is only likely to increase this even further.
- UK-wide data from StepChange Debt Charity found that, between the start of the lockdown period and the end of May, 2.8 million people have fallen into arrears: most frequently utilities (1.2 million), council tax (820,000) and rent (590,000).¹¹

Shelter Scotland's 3-point plan:

In response to this crisis Shelter Scotland launched an urgent 3-point plan campaign calling for both short and longer-term actions to protect people now and in the future and these include:

- An extension of the emergency coronavirus powers to protect people from being evicted from private rented housing, social housing, and temporary accommodation for any reason other than criminal or significant anti-social behaviour until at least April 2021.

In addition to this the Scottish Government must ensure that people who have been supported through the emergency funding to stay in emergency accommodation in hotels, do not slip through the safety net again. We cannot let them return to rough sleeping once the funding comes to an end at the end of August.

We must also build on the positive changes brought in by the Scottish Government during this pandemic and ensure that we do not see a return to the use of dormitory style emergency night shelters.

- We urgently need a commitment to a new affordable house building programme for 53,000 affordable homes, of which 37,100 are socially rented homes, to be built over the course of the next parliament to reduce housing need in Scotland, tackle child poverty and ensure everyone has a safe and affordable home. These figures are based on [independent academic research](#) commissioned by Shelter Scotland, CIH Scotland and the SFHA.¹²
- Providing a rights-based framework is crucial if we are to ensure people are supported to find and keep a safe and affordable home. People need to be empowered to understand and assert their housing rights with a strong regulatory framework which will guarantee their right to a safe home. A right to a safe and affordable home should also be enshrined in a new Scottish Human rights bill.

⁶ Joseph Rowntree Foundation, (2020) [Almost a third of Scots' incomes have reduced in lockdown](#)

⁷ UK Government (2020) [Labour Market Overview July 2020](#)

⁸ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2020#employment-unemployment-and-economic-inactivity>

⁹ <https://www.bbc.co.uk/news/uk-scotland-scotland-politics-53422581>

¹⁰ Citizens Advice Scotland (2020), [One third of people worried about incomes during COVID-19](#)

¹¹ StepChange Debt Charity (2020) [Coronavirus and personal debt](#).

¹² Shelter Scotland, CIH Scotland, SFHA (2020) [Affordable Housing Need in Scotland Post-2021](#).

We were pleased to see the Scottish Government accept these calls, in principle, as part of the [Homelessness and Rough Sleeping Action Group's \(HARSAG\) recommendations](#).¹³

We are calling for a firm commitment from the Scottish Government to build the social homes that Scotland needs to reduce housing need, to extend the emergency powers so that people do not face eviction this winter and to protect and strengthen people's housing rights. Only by doing this will we be in a position to stop homelessness during this pandemic and beyond.

Managing rent arrears:

Extending the emergency powers to prevent most evictions for another 6 months will provide respite for families struggling to manage their finances due to impact of the pandemic. However, for many households who cannot access housing support through Universal Credit, or are not awarded the full amount to cover all their rent, they will urgently need financial support in order to reduce debt and rent arrears.

Discretionary housing payments (DHP) and Scottish Welfare Fund (SWF)

1. **In order to support tenants through this crisis DHP and SWF must be kept topped up**, and tenants must be fully supported to access Universal Credit, the DHP and SWF grants by local authorities. The grants must be easy to access and be actively and widely promoted by local authorities.
2. **Further data on how tenants are accessing DHPs is required.** For example how are DHPs being promoted, how are tenants being supported to access DHPs and are there any issues with tenants accessing DHPs quickly. The latest statistics show that there has only been a 3% increase in application in May 2020 compared to May 2019. This seems like a low uptake and it would be good to understand if there are any issues which are preventing tenants accessing the DHPs. We have seen a big upsurge in applications for crisis grants¹⁴ which are easier to access as they do not require a tenant to be on Universal Credit or have Housing Benefit. The latest statistics show a 40% increase in applications for crisis grants with a 43% increase in expenditure compared to June 2019 indicating there is a high level of need in our communities.¹⁵

Many tenants will not be able to access UC, or due to the benefit cap, their housing element of UC will be very low, or there will be long delays to having their application processed and they will be at risk of eviction. Consideration must be given to how these tenants will be supported during this pandemic and beyond as the aftermath of the crisis will be felt for quite some time.

We would like to see DHPs made available to all tenants, including tenants who are not able to access UC.

Debt management

We would also like the Scottish Government to urgently assess whether an additional emergency fund is required so tenants can be supported to access an emergency debt mitigation programme to help them with rent arrear debts, if they have no access to any other support.

¹³ [Tackling homelessness in Scotland following the coronavirus pandemic - Recommendations from Homelessness and Rough Sleeping Action Group.](#)

¹⁴ A Crisis Grant aims to help people who are in crisis because of a disaster or an emergency. A disaster is something like a fire or a flood. An emergency might be when money has been stolen.

¹⁵ <https://www.gov.scot/publications/swf-monthly-management-information/>

Lift Local Housing Allowance

In order to provide an adequate safety net through our social security system we have called on the UK Government to raise Local Housing Allowance to the 50th percentile, to cover the average cost of rents and to lift the benefit cap to ensure people are supported to stay in their homes.

The housing element of Universal Credit currently only covers the **lowest third of market rents in an area**, meaning those paying average rents will face a large shortfall. For example, the average rent for a two-bed property in Lothian is £900 a month while the Local Housing Allowance (LHA) rate for a two-bed home in the region is £822.73.

Claimants will also only receive LHA for the number of bedrooms the social security system says they are entitled to, making the shortfall even larger for those with more rooms, or anyone paying an above average rent.

Case study Samantha and her partner live with their toddler son in Dundee. The rent on their two-bed property is £625 a month but Universal Credit housing element is only £444 leaving them with a shortfall of £181 a month. Their self-employed income has fallen to zero as a direct result of the coronavirus outbreak, but their landlord is still seeking the full rent every month.

Benefit cap

The benefit cap should be lifted. As long as it is kept in place any increase in housing benefit will be cancelled out, as this is the first benefit to be reduced when the cap is reached. Under the benefit cap housing benefit can be reduced to as little as 50p a month.

Latest statistics published this month have shown an increase of 76% in the number of households in Scotland affected by the benefit cap between February and May this year.¹⁶ This means as of May 2020, 6,034 households in Scotland were hit by the benefit cap, compared to 3,428 in February 2020.

The benefit cap is forcing families in Scotland into poverty and significant hardship.

The statistics show that:

- Of the households capped 2,157 (36%) saw their need assessed benefits docked by £50 or more per week, and 743 (12%) lost £100 or more per week.
- 66% of households (4,004) that had their benefits capped in Scotland were single-parent families.

A Shelter UK wide campaign has been calling on the UK government to raise Local Housing Allowance to the **50th percentile**, to cover the average cost of rents and **to lift the benefit cap** to ensure people are supported to stay in their homes during this pandemic.

We will continue to campaign for changes to Social Security and would ask that the Scottish Government and others joined this call for these changes, so that the safety net does ensure that tenants are protected, do not build up debt and are not at risk of eviction due to rent arrears.

¹⁶ <https://www.gov.uk/government/statistics/benefit-cap-number-of-households-capped-to-may-2020>