



Together
we will end
homelessness

The homelessness monitor: Scotland 2019

Suzanne Fitzpatrick, Hal Pawson, Glen Bramley, Beth Watts, Jenny Wood, Mark Stephens & Janice Blenkinsopp, Institute for Social Policy, Housing and Equalities Research (I-SPHERE) and The Urban Institute, Heriot-Watt University; City Futures Research Centre, University of New South Wales.

February 2019



The homelessness monitor

The homelessness monitor is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments across the UK. Separate reports are produced for each UK nation.

This year's Scotland Monitor is an account of how homelessness stands in Scotland in 2019, or as close to 2019 as data availability allows. Written at a pivotal moment for homelessness policy and practice in Scotland, it also highlights emerging trends and forecasts some of the likely future changes, identifying the developments likely to have the most significant impacts on homelessness.

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About Crisis

Crisis is the national charity for homeless people. We help people directly out of homelessness, and campaign for the social changes needed to solve it altogether. We know that together we can end homelessness.

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Disclaimer: All views and any errors contained in this report are the responsibility of the authors. The views expressed should not be assumed to be those of Crisis, JRF or of any of the key informants who assisted with this work.

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Acronyms

B&B	Bed and Breakfast
BRMA	Broad Rental Market Areas
CG	Crisis Grants
CCG	Community Care Grant
CIH	Chartered Institute of Housing
COSLA	Convention of Scottish Local Authorities
CPAG	Child Poverty Action Group
CPI	Consumer Price Index
DHP	Discretionary Housing Payments
DWP	Department for Work and Pensions
EU	European Union
GFC	Global Financial Crisis
HARSAG	Homelessness and Rough Sleeping Action Group
HB	Housing Benefit
HL1	Statutory homelessness data
HSCP	Health and Social Care Partnership
JRF	Joseph Rowntree Foundation
JSA	Jobseekers' Allowance
LA	Local authority
LBTT	Land and Building Transaction Tax
LHA	Local Housing Allowance
PREVENT1	Homelessness Prevention and Housing Options data
PRS	Private Rented Sector
RPZ	Rent Pressure Zone
RRTP	Rapid Rehousing Transition Plan
RSL	Registered Social Landlord
RTB	Right to Buy
SAR	Shared Accommodation Rate
SAT	Short Assured Tenancies
SHORE	Sustainable Housing on Release for Everyone
SHS	Scottish Household Survey
SNP	Scottish National Party
SWF	Scottish Welfare Fund
TA	Temporary Accommodation
TAF	Targeted Affordability Fund
TPD	Third Party Deductions
UC	Universal Credit
UK	United Kingdom
UKHLS	UK Household Longitudinal Study

Foreword

In the three years since the last report was published, homelessness has become a key policy priority for the Scottish Government, which has recently set out a bold plan to end homelessness giving effect to the recommendations set out by the Homelessness and Rough Sleeping Action Group (HARSAG).

Drawing on statistical analysis, insights from a survey with local authorities and interviews with key informants, this year's monitor shows that the overall scale of statutory homelessness in Scotland has been relatively flat for the past five years. Levels of homelessness and rough sleeping have remained relatively static, however more people are stuck in temporary accommodation, including a 12% increase in bed and breakfast, revealing blockages in the system that are restricting people's ability to build a better life and move on from homelessness.

The recommendations set out by the HARSAG and the Local Government and Communities Committee adopted by the Scottish Government and CoSLA in their national 'Ending Homelessness Together: High Level Action Plan' include a shift towards housing all homeless people quickly into permanent accommodation. The research shows that while many welcome the leading and progressive intention of these proposals, some concerns remain about the long-term housing investments needed to make them a reality, compounded by the challenges posed by the benefits freeze, benefit cap and other Westminster welfare policies.

The research also identifies a number of challenges in relation to Universal Credit, which is intended to help prevent people being swept into poverty, the supply and allocation of social housing and support from health and social care partners. The majority (88%) of Scottish Councils believe that homelessness in their area will rise as a result of welfare reform over the next two years, and many reported difficulties in accessing council tenancies to assist their homeless clients.

Scotland continues to lead the way in its commitment to ending homelessness and the ambition set out in the government's plan is welcomed, but there's no room for complacency to ensure that wider structural challenges do not prevent the 'Ending Homelessness Together: High Level Action Plan' delivering on its promise.

We will continue to play our part to actively support the implementation of the next phase in Scottish homelessness policy and work with partners to realise the potential of meaningful reforms to end homelessness, and make sure any lessons learnt can be shared across the UK.



Jon Sparkes
Chief Executive, Crisis



Campbell Robb
Chief Executive, Joseph Rowntree Foundation

Executive summary

Key points

The Homelessness Monitor series is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in Scotland and elsewhere in the UK.¹ This update report provides an account of how homelessness stands in Scotland in 2019, or as close to 2019 as data availability allows, and how things have changed since the last Homelessness Monitor Scotland report was published in 2015.²

Key points to emerge from this latest analysis are as follows:

- Rough sleeping appears to have been relatively stable over the last three years at national level, while displaying considerable variation in trends between different localities. Estimates based on the two key data sources currently available³ suggest that the annual number of rough sleepers in 2017 was around 5,300, with a nightly snapshot estimate of just over 700.
- In 2017/18 Scottish local authorities logged 34,950 statutory homelessness assessments, of which 28,792 (82%) resulted in a

judgement that the household concerned was 'legally homeless'. The fall in statutory homelessness assessments between 2009 and 2014 has subsequently plateaued, while in the more recent period the recorded number of Housing Options approaches has fallen by 30%. Combining the statistics on statutory homelessness assessments with Housing Options approaches triggered by 'homelessness reasons' (rather than 'prevention reasons') suggests that overall 'expressed homelessness demand' may have fallen by about 20% since 2014/15. Change in the most recent year is, however, estimated by the Scottish Government as a 3% reduction.

1 Parallel Homelessness Monitors are being published for England, Wales and Northern Ireland. All of the UK Homelessness Monitor reports are available from <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/>

2 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Scotland 2015*, London: Crisis.

3 Note that the Centre for Homelessness Impact is conducting an options appraisal for a national data and monitoring system for street homelessness.

Again, this could possibly indicate a near stabilising of overall demand after a period of marked decline.

- However, dramatic variations both between local authorities and over time cast doubt on the reliability of the Housing Options official data in particular as a means of gauging underlying homelessness pressures, as is widely acknowledged by local authorities and other stakeholders. Most respondents to the 2018 local authority survey reported that overall homelessness 'footfall' had remained unchanged or had slightly increased in their area since 2017.
- One finding that may seem, on face of it, very surprising is that – as officially recorded – a high pressure area like Edinburgh has seen a sharp fall in both Housing Options approaches and formal homelessness acceptances over the past three years. One key informant interpreted this as arising from the disincentive effects associated with what potential applicants may interpret as a 'poor' offer from Edinburgh, given the pressure on its temporary and permanent housing stock.
- After a very marked increase in homelessness temporary accommodation placements until 2010, overall numbers have subsequently remained fairly steady – albeit up by 4% over the past two years. As of 31 March 2018, there were 10,933 households in temporary accommodation in Scotland. Most temporary accommodation placements are in ordinary social housing stock, with only a minority involving non-self-contained accommodation. Nevertheless, the three years to 2018 saw a 12% increase in bed and breakfast placements. Temporary accommodation placements involving family households increased by 25% over the same period, presumably reflecting 'blockages' in moving these families on to settled housing. The vast bulk of this increase in family placements has involved social sector and 'other' accommodation.
- An alternative to focussing exclusively on the official statistics on homelessness is to triangulate a variety of existing data sources to assess trends in 'core homelessness', people literally homeless 'now' (e.g. rough sleeping, sofa surfing, staying in hostels, refuges or unsuitable forms of temporary accommodation). The overall level of core homelessness in Scotland (number homeless on a typical night) has been running at between 11,600 and 13,250 over the period since 2010, with a distinct fall in 2013, and a slight rise in 2017. The fall in 2013 was seen in hostels, unsuitable temporary accommodation and sofa surfing. The rise in 2017 has been primarily in unsuitable temporary accommodation.
- Despite these mixed or ambiguous recent statistical trends, homelessness has recently become a key policy priority for the current Scottish Government, with a short-life Homelessness and Rough Sleeping Action Group appointed by the First Minister in September 2017, alongside the announcement of £50 million additional expenditure on homelessness over the next five years. A Scottish Government 'Ending Homelessness Together Action Plan', published in November 2018 seeks to address all 70 Homelessness and Rough Sleeping Action Group recommendations, including key ones on 'rapid rehousing', Housing First, having a stronger focus on the frontline, expanding emergency and settled housing options, a new prevention duty on all public authorities, and legal changes on intentionality and local connection rules.
- Homelessness and Rough Sleeping Action Group recommendations on

rapid rehousing and Housing First in particular were welcomed by many local authorities, but those in more pressured/rural areas tended to be more critical. Concerns about rapid rehousing often focused on the implications for local social housing allocation policies, whereas with regard to Housing First anxieties fixed more on whether the required support from local health and social care partners would be forthcoming. Some resistance to Housing First policies was also said to arise from the 'tenancy readiness' culture that prevails in certain social landlords, and from some providers of more traditional forms of provision.

- Local authority respondents in the Glasgow and Clyde Valley area were far more positive than those elsewhere in Scotland about the contribution made thus far by Health and Social Care Partnerships to the prevention and alleviation of homelessness. Several local authorities and stakeholders in these other parts of Scotland commented that the 'Rapid Rehousing Transition Plans' ushered in under the auspices of Homelessness and Rough Sleeping Action Group had provided a useful framework for more constructive engagement with Health and Social Care Partnerships on homelessness.
- The number of new lets in the social rented sector overall had been on a declining trajectory since 2013/14, but increased in 2017/18 compared to 2016/17. The number of lets to homeless applicants has risen as a result of a higher proportion of lets being made to this group. A higher proportion of new council lets (55%) than new housing association lets (31%) are made to homeless people. Nonetheless, many local authorities reported difficulties in accessing council tenancies to assist their homeless clients, and even greater difficulties accessing housing association tenancies, often as a result of what they viewed as restrictive association policies on 'tenancy readiness' or 'rent in advance'.
- In the longer-term the end to Right to Buy will help to preserve the overall numbers of lets that can be made, although there will be little short-term impact. As with the abolition of the Right to Buy, the Scottish Government's affordable housing programme was generally welcomed by stakeholders although some suggest that there is a need to take a longer view than the five years of the programme. The signs are that the target of 50,000 units, 35,000 of which are to be social rented, will be met by 2021. The Scottish Government has now opened a 'Housing Beyond 2021' consultation and published a discussion paper.⁴
- The private rented sector has grown enormously over the past 20 years, and all age groups under 75 are now more likely to live in the sector than was the case 20 years ago. Almost one-quarter of lone parents are private tenants and 15% of children live in the tenure. Tenancy reform in response to these changes aims to greatly increase security of tenure by greatly reducing the scope for 'no fault' evictions. The reforms also make provision for controls over excessive rent rises in individual cases, and for the introduction of Rent Pressure Zones.
- Local authorities generally believed that post-2010 welfare reform has exacerbated homelessness in their area, although almost all acknowledged that its impacts had been mitigated by the Scottish Government, particularly via Discretionary Housing Payments. The Scottish Welfare Fund was also said

4 Scottish Government (2018) *Housing Beyond 2021*, Online: Scottish Government. <https://www.gov.scot/publications/housing-beyond-2021>

to play an important role, but some local authorities noted that it has become less generous.

- The Scottish Government has used its powers to fully mitigate the 'Bedroom Tax' through Discretionary Housing Payments. The Bedroom Tax would have affected one in five social tenants and now costs nearly £48 million to mitigate. Mitigation of the Bedroom Tax accounts for 81% of Discretionary Housing Payment expenditure in Scotland, and it is likely that this has been prioritised over people suffering hardship from other cuts to Housing Benefit.
- The roll out of Universal Credit has repeatedly been delayed, and is now not expected to be completed until the end of 2023. Its visibility is growing in Scotland as full service roll out reached Glasgow and Edinburgh at the end of 2018. The Scottish Government has used its limited powers to allow claimants to receive Universal Credit payments more frequently and to have housing assistance paid directly to landlords. Early indications suggest that around 45% of new claimants in full service areas choose to exercise some choice in these matters.⁵
- The Benefit Cap threshold, introduced in 2013, was reduced in 2016 and this has almost trebled the number of claimant households in Scotland affected to more than 3,000, two-thirds of whom are lone parent households.
- Three-quarters of Scottish local authorities anticipate that the full rollout of Universal Credit will exacerbate homelessness in their area over the next two years. The consensus of concern is almost as strong with respect to the lowering of the Benefit Cap.

- Overall, Scotland is a relatively prosperous part of the UK, but the Scottish economy has maintained low levels of economic growth, and these have lagged behind those of the UK as a whole in recent years. Whilst modest growth is forecast to continue, Brexit is creating much uncertainty. The performance of the Scottish economy will become increasingly important now with key elements of taxation devolved, and if growth lags behind the rest of the UK then it is likely that the resources available to the Scottish Government to spend on services such as housing and homelessness will be less than under the block grant. In the background there also remains, of course, the possibility of a second independence referendum.

Trends in homelessness

Rough sleeping

According to local authority statistical returns, some 1,537 people applying as homeless in 2017/18 (4.4% of all applicants) reported having slept rough the night preceding their application. In addition, another 1,145 applicant households contained a member who had slept rough in the previous three months. In all, therefore, 2,682 households (7.7% of applicants) had been part of the rough sleeper population on this wider measure.

This official data indicates that rough sleeping has plateaued across Scotland over the past four years. However, there is also major trend variability in recorded rough sleeper across the country. Thus, while the rate of pre-application rough sleeping remains highest in Glasgow (460 – or 8.8% – of 5,204 applicants recorded as such in 2017/18), the city's annual flow has recently remained relatively unchanged. Meanwhile in Edinburgh, while rates of pre-application rough sleeping are significantly lower (5.8%

⁵ By December 2017, more than 45% of the 5,800 UC claimants in Scotland had exercised some choice: 1,600 for more frequent payments, 500 for direct payments to their landlord, and 500 for both. Further details can be found via the Scottish Government: <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland/SSFSSep2018>

in 2017/18), numbers have risen substantially over the past two years.

The Scottish Household Survey (in most years up to 2015) asked retrospective questions about experiences of homelessness, including whether the respondent applied to a local authority for assistance. The latter question shows that generally 70% of homeless people in Scotland apply to a local authority, and are therefore recorded on HL1 returns. Combining this Scottish Housing Survey data with HL1 figures, and applying a set of evidence-based assumptions, suggests the annual number of rough sleepers in 2017 was around 5,300, with a nightly snapshot estimate of just over 700. These numbers have fluctuated to only a moderate degree since 2011, in the range 650-800.⁶

This analysis also indicates that levels of rough sleeping in Scotland may have fallen until around 2013 and remained relatively stable since then. We would speculate that the gradual implementation of fuller homelessness services for single homeless people in the period up to 2012 meant that more of those who experienced transitory rough sleeping managed to get help more directly through the statutory system, so reducing this type of rough sleeping.⁷ However, the 'harder-to-help' groups have benefited less from this, and may even have increased in number. Certainly, the share of homeless applicants with support needs, particularly in relation to mental health but also in relation to

addictions, has increased, while total numbers have come down.⁸

Statutory homelessness and Housing Options

In 2017/18 Scottish local authorities logged 34,950 statutory homelessness assessments, of which 28,792 (82%) resulted in a judgement that the household concerned was 'legally homeless'. In terms of recorded applications, the overall scale of statutory homelessness has been virtually flat for the past five years, having seen a sharp reduction between 2010 and 2014.

In recognition of the new stress on a prevention-focused approach, the Scottish Government in 2014 introduced a complementary monitoring system to calibrate such 'Housing Options' activity (PREVENT1). There has been a marked downward trend in Housing Options cases subsequently logged – a reduction of 30% in the three years to 2017/18.⁹ Moreover, differentiating 'homelessness type' approaches from 'prevention type' approaches (using Scottish Government conventions) the former have fallen by 35% since 2014/15 whereas the latter have declined by only 21%.

A comparison with our analysis of 2014/15 Housing Options and statutory homelessness statistics¹⁰ implies a substantial reduction in homelessness approaches or presentations over the past three years – a drop from some 54,000 to some 43,000 (20%) in 'expressed homelessness demand'.

6 This estimate of 700 is somewhat higher than the estimate presented in the 2015 Homeless Monitor Scotland. This reflects additional evidence and revised assumptions based on this evidence. It does not indicate that rough sleeping is rising in Scotland, just that the scale appears to be slightly greater than previously suggested.

7 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Scotland 2015*, London: Crisis.

8 Shelter Scotland (2018) *Getting behind the homelessness statistics: Update for 2017-18*. Online: Shelter Scotland. https://scotland.shelter.org.uk/_data/assets/pdf_file/0011/1612298/Behind_the_Stats_2018_FINAL.pdf

9 Including both those seeking assistance for 'homelessness type' reasons and those whose approach was prompted by 'prevention type' reasons (as classified by the Scottish Government). In 2017/18 the overall total number of logged HO approaches split 61% vs 39% on this basis.

10 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Scotland 2015*, London: Crisis.

However, it is important to bear in mind that the PREVENT 1 statistics are still bedding down, retain their 'experimental' status, and may not as yet be a reliable means to track homelessness pressures. Moreover, one possible explanation for both the drop in recorded Housing Options approaches, and a reported reduced overlap with formal assessments, may be changed practices on the part of local authorities in the light of a critical Scottish Housing Regulator report.¹¹ Another key factor is likely to be the publication of the Housing Options Guidance clarifying when a homelessness application must be made which will have led to a reduction in cases being recorded in PREVENT1 as they are homelessness cases.¹²

Nonetheless, it is worth noting that there is no clear geographical pattern in recent increases and reductions seen in statutory homelessness applications as well as Housing Options approaches across Scotland in recent years. On the face of it, particularly difficult to explain is the finding that – as officially recorded – a high pressure area like Edinburgh has seen a sharp fall in both Housing Options approaches and formal homelessness acceptances over the past three years. One key informant interpreted this as arising from the disincentive effects associated with what potential applicants may interpret as a 'poor' offer from Edinburgh, given the pressure on its temporary and permanent housing stock.

More broadly, the downward trajectory in these official statistics is also at odds with what local authorities are reporting with regard to homelessness 'footfall' in their area, with most respondents to the 2018 local authority survey perceiving that overall homelessness demands had remained unchanged or had slightly increased

in their area since 2017. Some of those reporting increased footfall referred to welfare reform drivers and/or housing supply and access pressures, especially with regard to more difficult to place households with complex needs whereas others emphasised local administrative or service changes.

Over the past three years the profile of assessed applicants has generally remained stable both in terms of previous housing circumstances and reason for application. However, one potentially significant development is that the number of former social renters applying as homeless has increased by 12% over the past three years. One third of local authorities responding in our online survey (30%) perceived that social tenancy terminations had become a more significant contributor to homelessness over this period, whereas only two believed that this scenario had declined in importance.

There have been few if any significant changes in the composition of statutorily homeless households over the past few years. For example, the period since 2014/15 has seen the gender breakdown of main applicants remaining stable at 55% males, 45% females. However, there has been a slight reduction in the representation of young people – with the proportion aged under 25 falling from 30% to 25% within this timeframe. In terms of household type, the applicant cohort remains overwhelmingly dominated by single adults.

After a very marked increase in homelessness temporary accommodation placements until 2010, overall numbers have subsequently remained fairly steady – albeit up by 4% over the past two years. As of 31 March 2018, there were 10,933 households in temporary accommodation in Scotland. On

11 Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

12 Scottish Government (2016) *Housing Options guidance*. Online: Scottish Government. <https://www.gov.scot/publications/housing-options-guidance>

average, households spent just under six months in temporary accommodation in Scotland in 2017/18, but for 13% of statutorily homeless households the period spent in temporary accommodation was over a year. Most temporary accommodation placements are in ordinary social housing stock, with only a minority (27% in March 2018) involving non-self-contained accommodation within 'hostel' or bed and breakfast categories.

Nevertheless, the three years to 2018 saw a 12% increase in bed and breakfast placements. Temporary accommodation placements involving family households increased by 25% to 3,349 in the three years to 31 March 2018. The vast bulk of this increase in family placements has involved social sector and 'other' accommodation.¹³ The existing 'unsuitable accommodation' order limits use of bed and breakfast and other unsuitable forms of temporary accommodation to seven days for families with children and pregnant women (a reduction from 14 days since the last Monitor report),¹⁴ and it is now Scottish Government policy to extend this order to all homeless households (see below). On 31 March 2018, there were 20 breaches (mostly in Edinburgh) of this order.

Core homelessness

An alternative to an exclusive focus on the official statistics on homelessness is to triangulate a variety of existing data sources to assess trends in 'core homelessness', that is, people currently experiencing the most acute forms of homelessness or living in short-term or unsuitable accommodation.

In a parallel research project for Crisis,¹⁵ Heriot-Watt has developed a UK-wide definition and estimate of 'core homelessness' which includes people in the following situations: rough sleeping; sleeping in cars, tents, public transport, or occupation of non-residential buildings; staying in hostels, refuges and shelters; living in 'unsuitable' temporary accommodation (e.g. bed and breakfast); sofa-surfing (i.e. staying with non-family, on a short-term basis, in overcrowded conditions).

The overall level of core homelessness in Scotland (number homeless on a typical night) has been running at between 11,600 and 13,250 over the period since 2010, with a distinct fall in 2013, and a slight rise in 2017. The fall in 2013 was seen in hostels, unsuitable temporary accommodation and sofa surfing. The rise in 2017 has been primarily in unsuitable temporary accommodation.

The overall message from this analysis, though, is one of general stability in levels of homelessness across Scotland. The relatively flat trend in core homelessness in Scotland differs from the trend over the same period in England, which showed an increase of 28%.

Wider forms of hidden homelessness

There are a range of housing situations which may, for some people, constitute a form of 'hidden homelessness', while for others it may create a situation of risk which may lead to homelessness at a future date, or an ongoing situation of unmet housing need. Most of the core homeless groups (with the exception of sofa surfers) are not located in conventional household settings

13 See the following for a detailed analysis of the current position and trends in TA across Scotland: Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland*; Edinburgh: Heriot-Watt University. *Key findings are summarised in Chapter 3*

14 Scottish Government (2017) *Homeless Persons (Unsuitable Accommodation Order) (Scotland) Amendment Order 2017*. Edinburgh: Scottish Government.

15 Crisis (2017) *Homelessness projections: Core homelessness in Great Britain, Summary Report*. Online: Crisis. https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf

and therefore will not be directly measured by household surveys. By contrast, household surveys are our main source of evidence on wider and hidden homeless groups. The main groups considered are concealed households, households which have not formed ('suppressed household formation'), sharing households and overcrowded households.

Our analysis indicates that nearly 10% of households (236,000) in Scotland contain concealed households, who would prefer or expect to live separately. This includes 53,500 concealed households containing unrelated single adults and 18,200 households with concealed families, involving in total 266,000 adults and about 20,000 children. The proportion of concealed households is somewhat lower in Scotland than in UK and has not increased to the same extent as in other parts of UK.

Another way of looking at this issue is to examine the extent to which different age groups are able to form separate households, as measured by the 'household representative rate'. In general, at least up until 2010, one could say that the chances of a younger adult forming a separate household were increasing in Scotland, and were greater in Scotland than in the UK as a whole. However, since 2010 there has been a sharp fall for all of these age groups, which Scotland has experienced in parallel with the UK. The effect of the drop in the proportion of younger adults (20-34) in Scotland heading separate households since 2010 is that 67,650 households have been prevented from forming. These figures understate the true denial of opportunities to form households, because, on the basis of previous decades of experience, these

rates should have been expected to rise significantly, not fall.

Sharing households are separate households who live at the same address and typically share some facilities or common spaces but do not share both cooking facilities and a living/sitting/dining room/area.¹⁶ This distinguishes them from concealed households, who would share both of the above elements. Sharing used to be common, especially in Scotland, but has seen a long-term decline until around 2010, since when there has been some increase. While traditional sharing mainly took the form of multiple occupation in tenements or larger older properties, the recent rise may reflect some newer forms of congregate accommodation, possibly including some student accommodation as well as some forms of temporary accommodation for homeless people.

Overcrowding is another indicator of housing pressure and of housing need which is not being fully met. The most widely used definition of overcrowding is known as 'the bedroom standard'. Overcrowding as measured by this standard is generally somewhat lower in Scotland than in the UK as a whole, for example in 2016 when the Scottish rate of 2.4% compares with the UK level of 3.4%. This is of a piece with other measures considered in this section, which indicate a somewhat lower level of pressure on housing in Scotland than in other parts of the UK. The rate also appears to have fallen since 2011, although with a slight uptick in 2015. In general, crowding is most common in social renting, followed by private renting, with much lower rates in owner occupation.

16 The definition of a household is "one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area." Office for National Statistics (2018) *Methodology used to produce household projections for England: 2016-based*, p.37, Online: ONS. <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/methodologyusedtoproducehouseholdprojectionsforengland2016based>

Economic and policy impacts on homelessness

While overall Scotland is a relatively prosperous part of the UK, the Scottish economy has maintained low levels of economic growth, and these have mostly lagged behind those of the UK as a whole in recent years. The performance of the Scottish economy will become increasingly important now with key elements of taxation devolved, and if growth lags behind the rest of the UK then it is likely that the resources available to the Scottish Government to spend on services such as housing and homelessness will be less than under the block grant. Brexit is of course creating much uncertainty, and in the background there also remains the possibility of a second independence referendum.

Although cash house prices have returned to their 2007 levels, they are still 25% below the pre-crisis peak in real terms. There has been a revival in the numbers of first-time buyers which have now returned to the 2007 levels. However, affordability had already deteriorated by 2007 so access to the sector is still restricted. Around one in ten first-time buyers are assisted through Scottish Government shared equity schemes. Levels of repossessions have declined and this is likely to continue so long as the favourable interest rate environment continues and economic shock are avoided. Mortgage and rent arrears, in combination, account for only around 5% of all statutory homelessness acceptances in Scotland; a proportion that has remained steady in recent years.

The number of new lets in the social rented sector overall has declined 2013/14 – 2017/18, but increased in 2017/18 compared to 2016/17. The number of lets to homeless applicants has risen as a result of a higher proportion of lets being made to this

group. A higher proportion of new council lets (55%) than new housing association lets (31%) are made to homeless people. Nonetheless, many local authorities report difficulties in accessing council and, especially, housing association tenancies to prevent or relieve homelessness. In the latter case particularly, this was said to be related to restrictive allocation policies concerning ‘tenancy readiness’ and ‘rent in advance’, as well as supply pressures.

The Scottish Government’s affordable housing programme was generally welcomed by stakeholders although some suggested that there was a need to take a longer view than the five years of the programme. The Scottish Government has now opened a ‘Housing Beyond 2021’ consultation and published a discussion paper.¹⁷ The signs are that the target of 50,000 units, 35,000 of which are to be social rented, will be met by 2021. In the longer-term the end to Right to Buy (RTB) will help to preserve the overall numbers of lets that can be made, although there will be little short-term impact.

The private rented sector has grown enormously over the past 20 years. All age groups under 75 are now more likely to live in the sector than was the case 20 years ago. The biggest proportionate increase in private tenants has been among 25-34 year olds. Almost one-quarter of lone parents are private tenants and 15% of children live in the tenure. Tenancy reform in response to these changes aims to increase security of tenure by greatly reducing the scope for “no fault” evictions. The shift of tenancy disputes from sheriff courts to the tribunal system is intended to make the system easier and cheaper to use for both tenants and landlords. The reforms also make provision for controls over excessive rent

17 Scottish Government (2018) *Housing Beyond 2021*. Online: Scottish Government. <https://www.gov.scot/publications/housing-beyond-2021>

rises in individual cases, and for the introduction of Rent Pressure Zones. However, there are many barriers to local authorities wishing to introduce Rent Pressure Zones.

While Scottish local authorities generally reported that welfare reform has exacerbated homelessness in their area, it is clear that welfare reform has not, at least as yet, had the devastating homelessness impacts that have been all too evident in England. In particular, the official statistics on statutory homelessness show little obvious tendency toward rising numbers of people applying as homeless as a result of the loss of a private tenancy. This contrasts sharply with the position in England, where there has been a dramatic increase in the number of such cases over the post-2010.¹⁸

This milder homelessness impact of welfare reform in Scotland to date can be attributed in large part to the relatively lower overall housing pressures in Scotland. However, local authorities also give credit to the Scottish Government's mitigation efforts, especially via the Discretionary Housing Payments. These have been used to fully mitigate the Bedroom Tax in Scotland, but this may be at the expense of less protection being offered to private sector tenants affected by the Local Housing Allowance and Shared Accommodation Rate (albeit that this does not as yet seem to have fed through into increased statutory homelessness amongst those affected, as just noted). The Scottish Welfare Fund was also said by local authorities to be helpful in preventing homelessness, though some noted that it appears to have become less generous.

As is well known, the roll out of Universal Credit has repeatedly been delayed, and is now not expected to be completed until the end of 2023. Its visibility is growing in Scotland as roll out reached Glasgow and Edinburgh at the end of 2018. The Scottish Government has used its limited powers to allow claimants to receive Universal Credit payments more frequently and to have housing assistance paid directly to landlords. Early indications suggest that around 45% of new claimants in full service areas choose to exercise some choice. The Benefit Cap threshold, introduced in 2013, was reduced in 2016 and this has almost trebled the number of claimant households in Scotland affected to more than 3,000, two-thirds of whom are lone parent households. Three-quarters of Scottish local authorities anticipate that the full rollout of Universal Credit will exacerbate homelessness in their area over the next two years, and the consensus of concern was almost as strong with respect to the lowering of the Benefit Cap.

In the period since the last Homelessness Monitor Scotland was published, homelessness has become a key policy priority for the current Scottish National Party administration. In September 2017, the Scottish Government announced "a clear national objective to eradicate rough sleeping in Scotland and transform the use of temporary accommodation".¹⁹ A short-life Homelessness and Rough Sleeping Action Group was appointed by the First Minister,²⁰ alongside the announcement of £50 million additional expenditure on homelessness over the next five years (the 'Ending Homelessness Together Fund'). A cross-party

- 18 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., Watts, B. & Wood, J. (2018); *The Homelessness Monitor, England 2018*, London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2018>
- 19 Scottish Government (2018) *A nation with ambition: the Government's Programme for Scotland 2017-2018*. Online: Scottish Government. <https://www.gov.scot/publications/nation-ambition-governments-programme-scotland-2017-18>
- 20 Scottish Government (2018) *Homelessness and Rough Sleeping Action Group*. Online: Scottish Government. <https://www.gov.scot/groups/homelessness-and-rough-sleeping-action-group>

Local Government & Communities Committee's year-long inquiry into homelessness, which reported in February 2018, was also important in contributing to this changing policy landscape.²¹

Subsequently, a national 'Ending Homelessness Together Action Plan' was published by the Scottish Government in November 2018 seeks to address all 70 Homelessness and Rough Sleeping Action Group recommendations. The planned actions include a national shift towards rapid rehousing 'by default' for all homeless people, and the upscaling of Housing First provision (which also emphasises rapid rehousing into mainstream accommodation, together with the necessary wrap-around support, for those with the most complex needs), as well as a new prevention duty to apply across all public authorities and housing associations. There is also a commitment to bring into force provisions from the Homelessness Etc. (Scotland) Act 2003 on intentionality and local connection, alongside an undertaking to consider options for narrowing the definition of intentionality to 'deliberate manipulation' of the homelessness system. A transformation in temporary accommodation in Scotland is also envisaged, with a smaller number of people, spending far less time in such accommodation, which will also be subject to new regulatory standards. Scope is also to be made for a more diverse range of 'settled' and 'emergency' housing options for homeless people and those at risk, including 'community hosting' models. A 'national outreach model' is intended to empower frontline workers, and in the context of a transformed system where there is to be 'no wrong door' for homeless people, a more 'flexible' approach will be taken to where statutory assessments are conducted

(albeit with the local authority retaining the statutory duty).

These are challenging and far-reaching proposals that, perhaps unsurprisingly, have divided opinion in the Scottish homelessness sector. Many stakeholders and local authorities have welcomed the rapid rehousing and Housing First proposals in particular, as bolstering their efforts to shift local policies and practices in a progressive direction. For others, however, there are seen to be clear obstacles and concerns that must be overcome. It certainly seems to be the case that local authorities in the more pressured housing markets, and in rural areas, have the greatest anxieties about the Homelessness and Rough Sleeping Action Group led policy agenda.

One pronounced theme is the challenge to local social housing allocations policies presented by the rapid rehousing policies, with absolute shortages in social housing supply cited as a barrier in some places, while anticipated resistance by elected members and housing association boards was raised elsewhere. Alongside the planned scaling up of Housing First for homelessness people with complex needs, there inevitably comes the implied scaling down of other, more traditional forms of congregate provision, which may present challenges to some existing providers. A culture of 'tenancy readiness' on the part of some housing associations and local authorities was said to mitigate against the implementation of the Housing First policy.

A major and often repeated concern, particularly relevant to the Housing First roll-out plans, is the perceived failure of health and social care partners to provide the support needed by homeless people with complex needs. Interestingly,

21 Scottish Parliament (2018) *Local Government and Communities Committee: Report on Homelessness*. Online: The Scottish Parliament. <https://digitalpublications.parliament.scot/Committees/Report/LGC/2018/2/12/Report-on-Homelessness>

though, the establishment of Health and Social Care Partnerships were generally reported as having brought distinct advantages in this regard in the Glasgow and Clyde Valley area of Scotland, while elsewhere Rapid Rehousing Transition Plans were said by some stakeholders and local authorities to provide a useful framework for moving this agenda forward. Powerful evidence on the strong links between homelessness and increased mortality and morbidity that emerged from recent data linkage research published by the Scottish Government has reinforced the need for strong connections between homelessness and health services in particular.²²

There are also more general anxieties about whether there will be sufficient funding for the radical changes in policy and practices sought within the Action Plan, and whether the current upward swing in social and affordable housing supply will be sustained beyond 2021. Some stakeholders feel that certain recommendations, such as on revised temporary accommodation standards, are couched in too long a timeframe, while it has also been noted that some of the actions lack a clear set of targets or deadlines for their achievement.

However, against this background of debate, and to some extent controversy, over the Scottish Government's plans, it might be noted that it is rather remarkable that homelessness has attained this high a level of political salience in a context where there is little if any evidence of upward pressures in terms of the numbers affected, as discussed above.

Conclusion

This year's Homelessness Monitor was written at a pivotal moment for policy and practice in Scotland. A radical set of plans to 'rewire' the Scottish homelessness system had just been published by the Scottish Government, in partnership with the Convention of Scottish Local Authorities, to give effect to the recommendations of Homelessness and Rough Sleeping Action Group. The next Homelessness Monitor Scotland update in 2021 will enable us to track the practical impact of the Scottish Government's Ending Homelessness Together Action Plan, and more broadly whether the current expansion in social housing supply will be sustained, and whether the feared homelessness impacts of Universal Credit roll out and Benefit Cap come to pass. The post-Brexit position of Scotland may also be somewhat clearer. Whatever the ramifications of these major political upheavals, the Monitor will retain its focus on the implications for people facing homelessness, poverty and associated issues in Scotland.

22 Waugh, A. et al. (2018) *Health and homelessness in Scotland*. Online: Scottish Government. <https://www.gov.scot/publications/health-homelessness-scotland>

Introduction

1. Introduction

1.1 Introduction

This study provides an independent analysis of the impact on homelessness of recent economic and policy developments in Scotland. It considers the impact of the welfare reforms implemented by the United Kingdom (UK) Government and measures taken by the Scottish Government under its new social security powers, as well as the effect of relevant Scottish Government policies on housing and homelessness.

This 'update' report provides an account of how homelessness stands in Scotland in 2019 (or as close to 2019 as data availability allows), and analyses key trends in the period running up to 2019. It focuses in particular on what has changed since we published the last Homelessness Monitor for Scotland in 2015. Readers who would like a fuller account of the recent history of homelessness in Scotland should consult with the two previous reports for Scotland.²³ Parallel Homelessness Monitors have been published for other parts of the UK.²⁴

1.2 Scope of report

There is a great deal of debate on the most appropriate definition of

homelessness, with stakeholders often disagreeing vigorously on where the boundary should lie between 'homelessness' and other forms of housing need.²⁵ In order for this report to be as comprehensive and inclusive as possible, we adopt a range of definitions or 'perspectives' on homelessness, considering the impacts of relevant policy and economic changes on the following (partially overlapping) groups:

- People sleeping rough.
- Statutorily homeless households – that is, households who seek or receive housing assistance from local authorities (LAs) on grounds of being currently or imminently without accommodation.
- People experiencing 'core homelessness':²⁶ this refers to households who are currently experiencing the most acute forms of homelessness or living in short-term or unsuitable accommodation. It includes people in the following situations: rough sleeping (also considered separately, as noted above); sleeping in cars, tents and public transport, or occupation of

23 Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.; Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Scotland 2015*. London: Crisis.

24 See Crisis (n.d.) *About the Homelessness Monitor*. Online: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/>

25 Busch-Geertsema, V., Culhane, D., & Fitzpatrick, S. (2016). Developing a global framework for conceptualising and measuring homelessness. *Habitat International*, 55, 124–132.

26 Crisis (2017) *Homelessness projections: Core homelessness in Great Britain, Summary Report*. Online: Crisis. https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf

non-residential buildings; staying in hostels, refuges and shelters; living in 'unsuitable' Temporary Accommodation (TA) (e.g. bed and breakfast (B&B); sofa-surfing (i.e. staying with non-family, on a short-term basis, in overcrowded conditions).

- People experiencing 'wider homelessness': a range of housing situations which may, for some people, constitute a form of 'hidden homelessness', while for others it may constitute a situation of risk which may lead to homelessness at a future date, or an ongoing situation of unmet housing need. This includes 'overcrowded' households, and also 'concealed' households and 'sharing' households.

1.3 Research methods

Four methods have been employed in this longitudinal study.

First, relevant literature, research and policy documents have been reviewed.

Second, we have undertaken in-depth interviews with a sample of key informants from across the statutory and voluntary sectors in Scotland. The sample of 10 interviewees included representatives of homelessness service providers, as well as other key

stakeholders with a national overview of relevant areas of policy and practice in Scotland.

Third, we have undertaken statistical analysis on a) relevant economic and social trends in Scotland; and b) the scale, nature and trends in homelessness amongst all of homeless groups noted above.

Fourth, for the first time in Scotland, we have conducted a bespoke online survey of Scotland's Local Authorities (in autumn 2018), with view to gaining their perspective on local homelessness trends and also on the impacts of a range of relevant policy developments. We laid particular emphasis this year on local authority (LA) reactions to the work of the Homelessness and Rough Sleeping Action Group (September 2017-June 2018).²⁷

In all, 29 Scottish LAs responded (a response rate of 91%). The only non-respondents were Clackmannanshire, West Dunbartonshire and West Lothian. In analysing the returns, responding authorities were classed according to a typology combining housing market conditions and geographical location (see Table 1.1).

Table 1.1 Typology of local authorities

Edinburgh and other pressured markets	Aberdeen City, Aberdeenshire, East Lothian, Edinburgh, Highland, Midlothian, Moray, Orkney Islands, Perth & Kinross, Shetland Islands, Stirling, West Lothian (non-respondent)
Glasgow and rest of Clyde Valley	East Dunbartonshire, East Renfrewshire, Glasgow, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire
Rest of Scotland	Angus, Argyll & Bute, Clackmannanshire (non-respondent), Dumfries and Galloway, Dundee, East Ayrshire, Eilean Siar, Falkirk, Fife, North Ayrshire, Scottish Borders, South Ayrshire, West Dunbartonshire (non-respondent)

²⁷ Scottish Government (2018) *Homelessness and Rough Sleeping Action Group*. Online: Scottish Government. <https://www.gov.scot/groups/homelessness-and-rough-sleeping-action-group>

1.4 Causation and homelessness

All of the Homelessness Monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.²⁸

Theoretical, historical and international perspectives indicate that the causation of homelessness is complex, with no single 'trigger' that is either 'necessary' or 'sufficient' for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, across countries, and between demographic groups.

With respect to the main structural factors, international comparative research, and the experience of previous UK recessions, suggests that housing market trends and policies have the most direct impact on levels of homelessness, with the influence of labour market change more likely to be lagged and diffuse, and strongly mediated by welfare arrangements and other contextual factors.

The individual vulnerabilities, support needs and 'risk taking' behaviours implicated in some people's homelessness are themselves often, though not always, rooted in the pressures associated with poverty and other forms of structural disadvantage. At the same time, the 'anchor' social relationships which can act as a primary 'buffer' to homelessness, can be put under considerable strain by stressful financial circumstances. Thus, deteriorating economic conditions in Scotland could also be expected to generate more 'individual' and 'interpersonal' vulnerabilities to homelessness over time.

That said, most key informants consulted for the various Homelessness Monitors we have conducted since 2011 have maintained that policy factors have a far more profound impact on homelessness trends than the economic context in and of itself. This remains the case in this current Scottish Monitor.

1.5 Structure of report

Chapter 2 reviews the current economic context and the implications of housing market developments for homelessness in Scotland, with a particular focus on access to all three of the main tenures for homeless people and those at risk. Chapter 3 shifts focus to the impacts of the policy programmes of both the Westminster and Scottish Governments, especially with regard to homelessness and welfare reform. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of and recent trends in homelessness in Scotland, focusing on the subgroups noted above. All of these chapters are informed by the insights derived from our qualitative interviews with key informants conducted in autumn 2018, and from the statistical and qualitative information gleaned from this year's online survey of LAs. In Chapter 5 we summarise the main findings of this 2019 update report.

28 For a more detailed account of this conceptual framework please consult with Chapter 2 in the first Homelessness Monitor for Scotland: Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.

Economic factors

2. Economic factors potentially impacting on homelessness

2.1 Introduction

This chapter reviews recent economic and housing market developments in Scotland and analyses their potential impact on homelessness. After reviewing the general economic context, we move on to examine general trends in housing demand and supply, before focussing on access to each of the three main housing tenures in turn.

2.2 The broader economic context

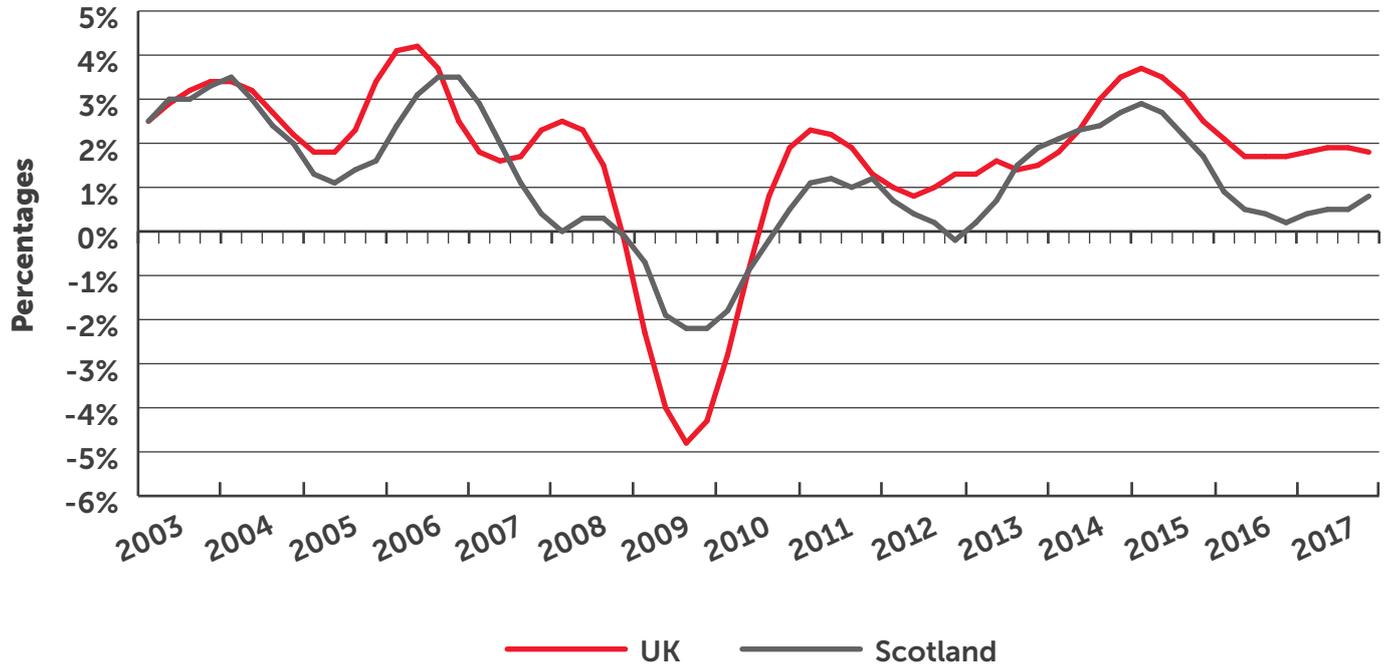
Overall, Scotland is a relatively prosperous part of the UK. The legacy of de-industrialisation is still reflected in the persistent concentrations of multiple deprivation in Glasgow and other former industrialised areas. However, the bottoming out of this process has allowed the economy to restructure in recent decades and Scotland now has the third highest per capita incomes in the UK, after London and the South East. Nonetheless, the recovery of the whole UK economy following the Global Financial Crisis (GFC) now a decade ago has been sluggish even within the context of subdued world economic growth. Further, the growth of the Scottish

economy has lagged behind even that of the UK as a whole.

Recent trends in Scotland reflect those in the UK as a whole. Figure 2.1 compares economic growth rates between Scotland and the UK going back to 2003. Whilst the impact of the GFC on growth was much greater in the UK as a whole compared to Scotland, since then Scotland's recovery has been weaker. Indeed, economic growth in Scotland has lagged behind that of the UK in all but six of the quarters in the period 2010 and 2017.

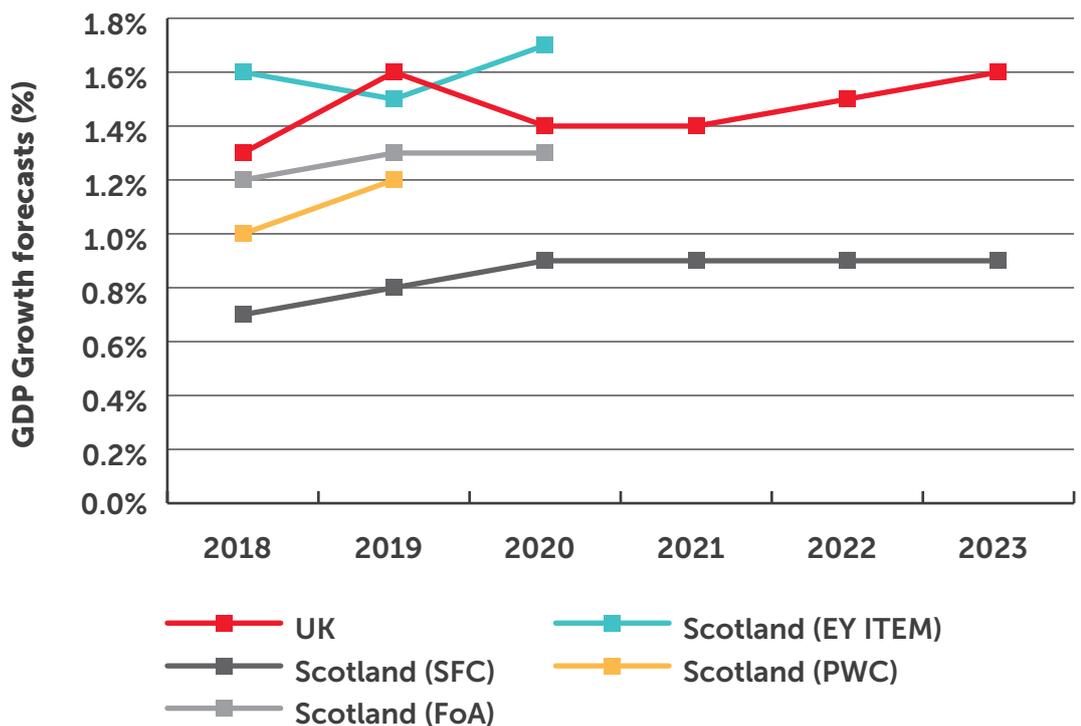
The trend is forecast to continue with Scottish economic growth remaining below 1% p.a. and UK growth between 1.3% and 1.6% in the period 2018-23. However, it should be noted that the Scottish Fiscal Commission's growth forecasts are lower than those of other forecasters such as the Fraser of Allander Institute, EY ITEM Club and PWC (see Figure 2.2). Further, when adjusted for the effects of different population growth rates, the difference is much smaller.

Figure 2.1 Annualised GDP growth in Scotland and the UK by quarter Q1 2003-Q2 2017



Note: Rolling 4Q on 4Q
 Source: Scottish Government. (Scotland = ONS; UK = OECD)
<https://www2.gov.scot/About/Performance/scotPerforms/purposetargets/economicgrowth#performance>

Figure 2.2 Annual GDP growth forecasts 2018-2023



Source: Office of Budgetary Responsibility (UK); Scottish Fiscal Commission; Scottish Government

As in the rest of the UK, the Scottish labour market has exhibited high levels of employment recently. Record levels of employment (75.8%) were reached in 2017, with a slightly lower rate recorded in 2018. Unemployment, as measured by the International Labour Organisation method, was under 5% (4.3%) and the economic inactivity rate was 21.4%. Further signs of labour market tightening are suggested by the growth in full-time employment and the continued downward trend in underemployment which has now returned to pre-GFC levels.²⁹

However, the UK economy has been beset by becoming locked in a high employment but low earnings growth trap, meaning that little of the modest levels of economic growth feed through into earnings growth. Part of this phenomenon has been attributed to low levels of productivity growth, which has fallen below its long-term growth rate since 2008 in the UK and in other economies. The causes of this are unclear and hence it is known as the 'productivity puzzle'. Yet, even taking into account lower productivity growth, earnings growth is lower than expected.³⁰ Further, living standards in the UK have been affected by the devaluation of sterling that occurred as a reaction to the Brexit referendum vote in 2016. This increased the cost of imports and fed through into higher levels of inflation, which rose from zero in 2016 to 2.7% in 2017 and is expected to be 2.6% in 2018.³¹ In 2018 median full-time earnings in Scotland were 0.8% higher than in 2017 when

inflation is taken into account, compared with a rise of 1.2% in the UK. However, real earnings in Scotland are still below the levels seen a decade ago³² and inflation is forecast to remain at 2% over the next five years.³³ The Scottish Fiscal Commission does not expect real household disposable income to rise until 2020-21 due to slow employment growth, limited earnings growth and inflation.³⁴

The performance of the Scottish economy matters in terms of living standards and the ability of households to pay for housing. How spending power is distributed between households also matters because it affects the ability of different households to pay for housing, especially where there are shortages and rising costs. This will be considered further in Section 2.3 below.

However, the performance of the Scottish economy now also matters more than in the past because of the devolution of some tax raising powers. These include the complete devolution of income tax as it is applied to earned income (with the exception of the personal allowance which remains reserved to Westminster) which came into effect in April 2018. In the first year of devolved income tax, the Scottish Government changed the rates of income tax to make the system more progressive. It also set the threshold for the higher rate of income tax below the level in the rest of the UK. Land and Buildings Transaction Tax (LBTT)

29 Gillespie, G. (2018) *State of the Economy*, Office of the Chief Economic Advisor, Scottish Government, June. Online: Scottish Government. <https://www.gov.scot/publications/state-economy-june-2018>

30 Scottish Fiscal Commission (2018) *Scotland's Economic and Fiscal Forecasts*, May. Online: Scottish Fiscal Commission. <http://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts/scotlands-economic-and-fiscal-forecasts-may-2018>

31 Office for Budget Responsibility (2016; 2017; 2018), *Economic and Fiscal Outlook*. Online: Office for Budget Responsibility. <https://obr.uk/report/economic-and-fiscal-outlook> Table 1.1

32 Scottish Government (2018) *Labour Market Briefing – Weekly Earnings (Annual Survey of Hours and Earnings)*. Online: Scottish Government. <https://www2.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SCOT-2017>

33 Office for Budget Responsibility (2016; 2017; 2018), *Economic and Fiscal Outlook*. Online: Office for Budget Responsibility. <https://obr.uk/report/economic-and-fiscal-outlook> Table 1.1

34 Scottish Fiscal Commission (2018) *Scotland's Economic and Fiscal Forecasts*, May. Online: Scottish Fiscal Commission. <http://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts/scotlands-economic-and-fiscal-forecasts-may-2018>

(formerly stamp duty) has also been devolved and reformed. Meanwhile preparations are underway for the first 10 pence of standard rate and first 2.5 pence of reduced rate VAT raised in Scotland to be 'assigned' to the Scottish Government (although the Scottish Government has no control over the VAT rate).

However, it is not only the structure of taxes that determines the revenues available to the Scottish Government. It depends on the numbers of people in paid employment, and the growth in their earnings, levels of property prices and numbers of sales, and (for VAT) levels of expenditure in the economy. If the levels of earnings or expenditure in the Scottish economy lag behind those of the rest of the UK, then the resources available to the Scottish Government are likely to be less than if the block grant had continued in its old form. On the other hand, if the Scottish economy outperforms the rest of the UK, then tax revenues will be greater. This is one reason for the Scottish Government's emphasis on economic performance, and its plan to establish a National Development Bank.

At the time of writing the outcome of Brexit is unknown. Virtually every economic assessment of Brexit suggests that the UK economy would experience lower growth as a result. The Treasury assessment published in November suggests that the economy would be 7.7% smaller in 2035-36 if the UK experienced a 'no deal' Brexit than if it had remained in the European Union (EU), and this assumes that

migration does not change. If there were no migration from the EU/ European Economic Area, then the figure becomes 9.3%.³⁵ On the other hand, the economy would be 2.1% smaller than would have been the case if the UK had remained in the EU if the (now amended) Chequers agreement were to be implemented. The Bank of England's modelling issued more pessimistic scenarios, with GDP falling below the May 2016 trend by up to 10.5% by the end of 2023, which would represent an economic shock at least as severe as the GFC.³⁶ The UK Government and Bank of England have less scope to counter any economic shock that results from Brexit. Public Sector Net Debt has only recently peaked at almost 80% of GDP and the Bank Rate is only 0.75%.³⁷

The ramifications for Scotland are of course bound up with the possibility of a second independence referendum.

2.3 Housing demand and supply

In 2017 Scotland had a crude surplus of dwellings over households of about 130,000 units,³⁸ which means that there are around 5% more dwellings than there are households. This pattern is reflected in all LAs apart from Edinburgh, where there are slightly more households than there are dwellings. In four LAs there are only 2% more dwellings than households (East and West Lothian, North Lanarkshire and Renfrewshire). The difference is greatest in Argyll and Bute which is the only LA where the numbers of dwellings exceeds the number of households by more than 10%.

35 Sabbagh, D. (2018) *UK significantly worse of under all Brexit scenarios – official forecast, 28 November*. Online: The Guardian. <https://www.theguardian.com/politics/2018/nov/28/uk-significantly-worse-off-under-all-brexit-scenarios-official-forecast-gdp>

36 Bank of England (2018) *EU withdrawal scenarios and monetary and financial stability*. Online: Bank of England. <https://www.bankofengland.co.uk/report/2018/eu-withdrawal-scenarios-and-monetary-and-financial-stability>

37 Stephens, M. et al. (2018) *Autumn Briefing Paper, 2018 UK Housing Review*. Online: Chartered Institute of Housing, Heriot Watt University.

38 National Records of Scotland (2018) *Estimates of Households and Dwellings in Scotland, 2017*. Edinburgh: National Records of Scotland. <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/households/household-estimates/2017>

Of course these statistics do not tell us about the availability or suitability of accommodation. Almost 106,000 dwellings are estimated to be either vacant or are second homes.³⁹ Moreover, these crude numbers tell us nothing about substandard housing or overcrowding, the latter leading to 'concealed' households (see Chapter 4). Further, generally between one and two thousand properties are demolished each year.⁴⁰

It was acknowledged by some key informants that, notwithstanding the housing pressures in some parts of the country, especially Edinburgh, the overall position in Scotland was very different to that south of the border:

"I mean, it's not in any way perfect in Scotland, far, far from it. We absolutely have a housing crisis, but, it doesn't feel as acute as it does in England...all [political] parties here actually see the need to invest in housing, and, for me, that's the most important distinction. Over the last two-and-a-half years you've had all parties almost compete about who could do more for housing."

(Independent key informant, 2018)

Between 2016 and 2026, the numbers of households in Scotland are forecast to increase by an average of 15,750

per year.⁴¹ This figure provides a simple way of forecasting new short-term need, but does not address backlog in terms of size, quality or location. There is also a fundamental problem in estimating future housing need, which arises from the fact that the people who aspire to form households can only do so if there is housing available which they can afford. Heriot-Watt's on-going work for Crisis and the National Housing Federation seeks to provide authoritative estimates of housing need across Great Britain, including Scotland. These numbers include significant allowances for suppressed household formation by younger adults resulting from previous inadequate supply and unaffordability, as well necessary provision for more demolitions and vacancies. Consequently, these estimates are significantly above official household projections. On this basis the requirements for Scotland are 26,000 units per year up to 2031, of which 5,500 should be social rented and 4,500 other forms of affordable housing.⁴²

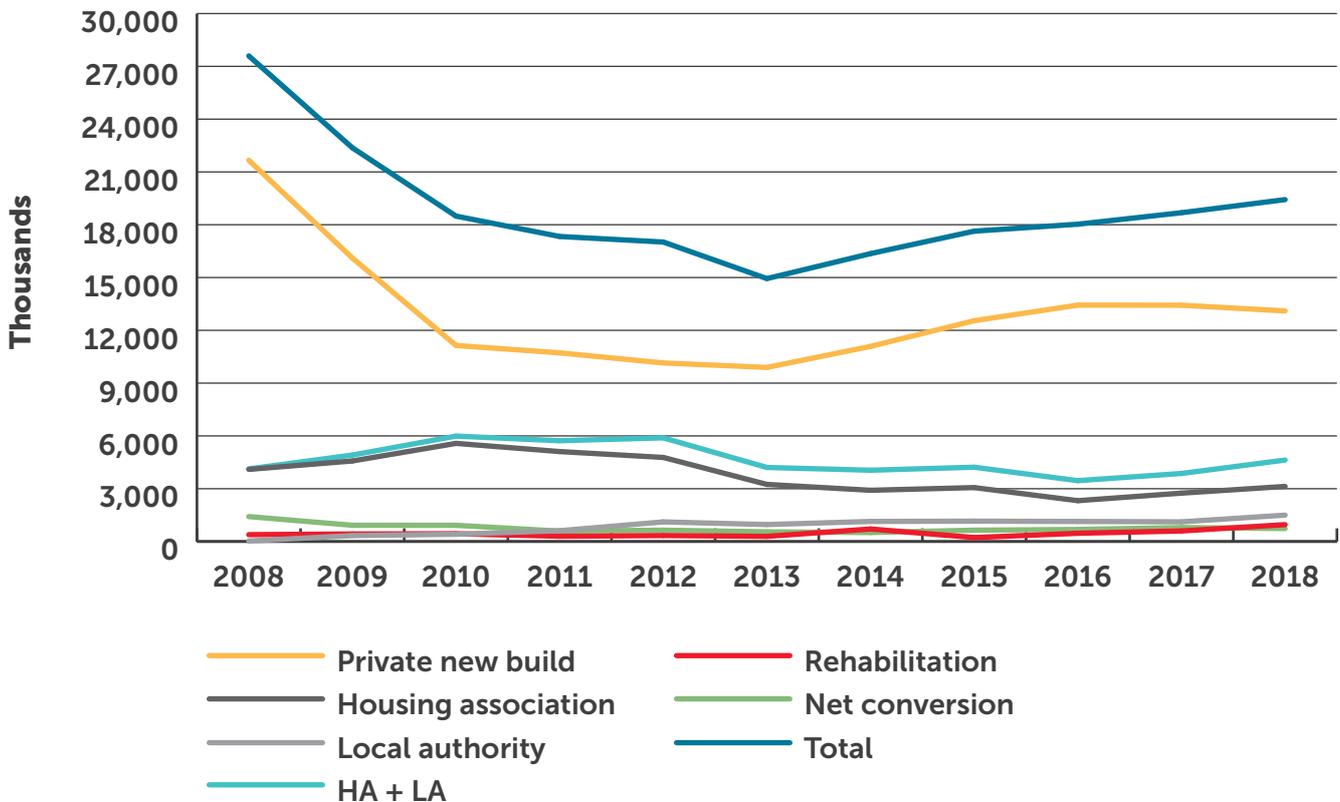
Housing completions fell dramatically with the GFC, particularly in the private sector where output more than halved. Private sector new build has picked up somewhat since the trough year of 2013 when fewer than 10,000 units were completed. However, it has been static at 13,000-13,500 units in the financial years ending 2015-18, some 8,000 units below the pre-GFC figure. The inability of the private sector has been attributed to barriers such as the planning system, and the current Planning Bill is intended to speed up

39 National Records of Scotland (2018) *Estimates of Households and Dwellings in Scotland, 2017*. Edinburgh: National Records of Scotland. <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/households/household-estimates/2017> Table 4

40 The most recent figures are: 2,072 (2015-16), 817 (2016-17) and 1,197 (2017-18). Scottish Government (2018) *Housing Statistics for Scotland – Demolitions*. Online: Scottish Government. <https://www2.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/Demolitions>.

41 National Records of Scotland (2018) *Estimates of Households and Dwellings in Scotland, 2017*. Edinburgh: National Records of Scotland. <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/households/household-estimates/2017> Table 1

42 Reported in Stephens, M. et al. (2018) *Autumn Briefing Paper, 2018 UK Housing Review*. Online: Chartered Institute of Housing, Heriot Watt University; Bramley, G. (2018) *Housing supply requirements across Great Britain: for low-income households and homeless people*. London: Crisis and National Housing Federation

Figure 2.3 Housing completions FYE 2008-FYE 2018

Source: Scottish Government (2018) People Communities and Places, Table 1

the system. However, it is unclear why the planning system that facilitated outputs of more than 20,000 units before the GFC should be such an inhibitor now. The numbers of units with detailed planning permission has exceeded the numbers of houses built in each of the 11 years 2006/07 – 2016/17, and by a total of 39,000 units over the period.⁴³ It is widely acknowledged that the small-to-medium housebuilding sector has lost capacity as a result of the crisis. The social sector received a boost as part of the UK Government's stimulation package in response to the crisis, and more recently has received enhanced funding from the Scottish Government in pursuit of its 50,000 Affordable Housing Supply Programme (see below). The revival of the LA sector is a notable feature of recent years.

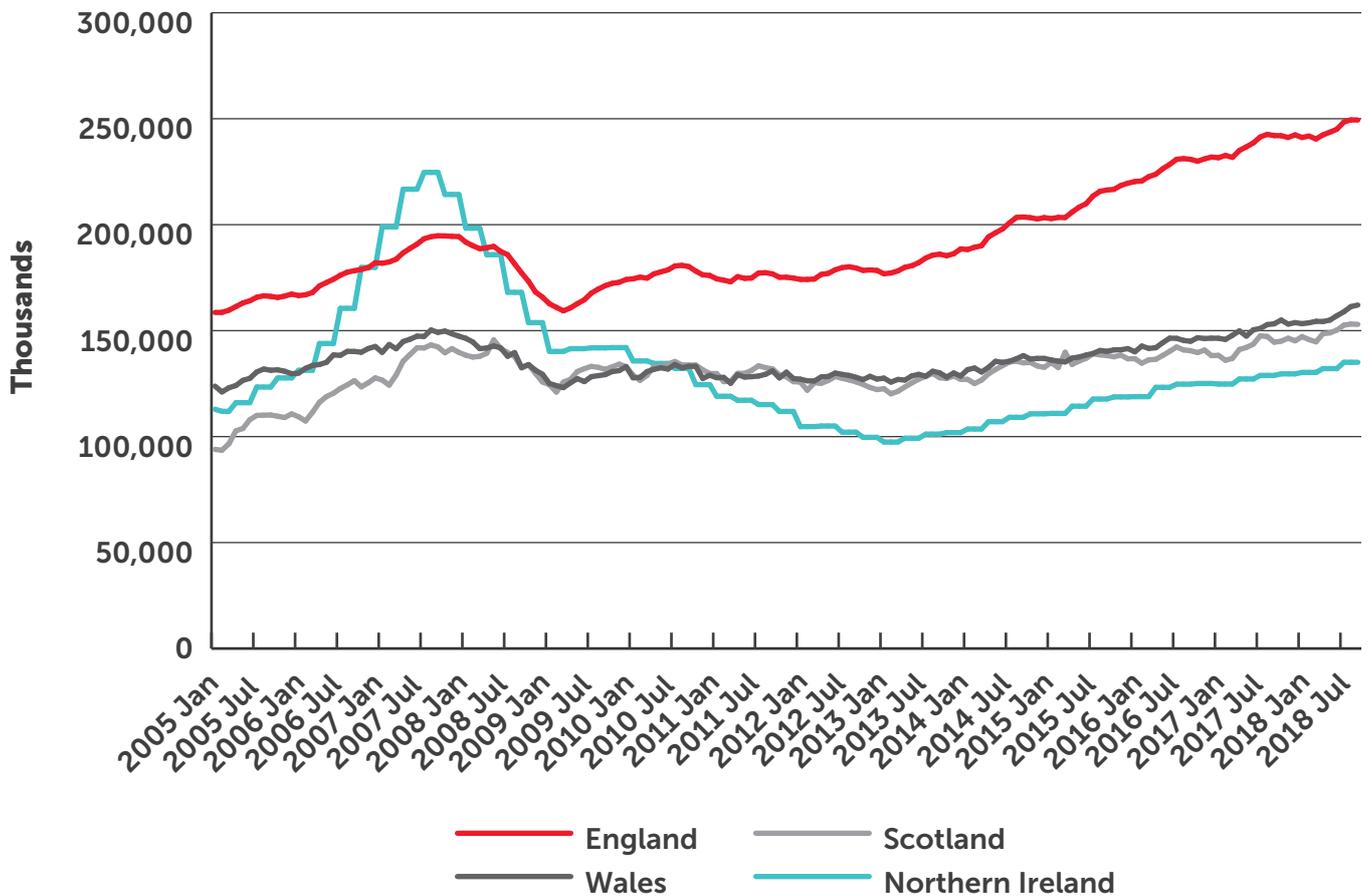
On current form, therefore, the supply of new housing runs ahead of the crude projections for household growth, but lags behind by more than 6,000 units per year based on Heriot-Watt's estimates of needs to 2031.

2.4 Access to home ownership

Figure 2.4 shows the evolution of house prices in the four nations of the UK since 2005. These figures take account of the characteristics of properties sold (they are 'mix adjusted'), but do not take account of general inflation (so the prices are 'nominal' or 'cash' rather than 'real'). In cash terms average house prices in Scotland rose rapidly from beginning of 2005 (when this series begins) from £94,000 to £143,000 on the eve of the credit crunch in August 2007. Thereafter nominal prices fell to a low

43 Stephens, M. (2018) *Planning frameworks and housing delivery*, in Stephens, M. et al. (2018) *Autumn Briefing Paper, 2018 UK Housing Review*. Online: Chartered Institute of Housing, Heriot Watt University.

Figure 2.4 Trends in house prices 2005-2018 (£)



Source: Office for National Statistics

of £121,000 in February 2009. The subsequent (uneven) recovery did not see cash prices return to the pre-crash peak until 2017 – 10 years later. When we adjust for inflation,⁴⁴ the picture changes. The cash price of housing in 2017 may have equalled the cash price in 2007, but in real terms it was still 25% lower than in 2007 (although 8% higher than in 2005). Indeed real house prices in 2017 were lower than in 2009 when nominal prices were at their trough. Cash prices continued to rise in 2018, when real prices were similar to 2009. Although the details in England differ in some respects, the key trend is the same. Real prices were lower in 2017 than in 2005.

The adjustment for inflation demonstrates two things. First the power of the so-called 'money illusion' – the impression that house prices have risen by more than they have because we ignore (or downplay) the role of inflation in eroding their real value. Second, the power of the London effect. House prices rose in cash terms by more than 60% in London between 2007 and 2016, more than twice the rate of any other English region and in contrast to two regions where they fell and three where the rise was under 10%.⁴⁵

So why is there still a strong perception that owner-occupied housing remains inaccessible to many aspiring first-time buyers?

44 Adjustments for inflation have been made using the Bank of England inflation calculator.

45 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., Watts, B. & Wood, J. (2018); *The Homelessness Monitor, England 2018*. London: Crisis.

Part of the answer lies in when the house price index begins: in 2005. By then affordability had already been eroded by real house price rises since the previous house price trough in the early 1990s. Further, as we have seen in Section 2.2 above, real earnings in Scotland are still below the level they were in 2007. Would-be first-time buyers have been further disadvantaged by a deterioration in the demographic distribution of earnings. The Scottish Fiscal Commission has demonstrated that the shape of the distribution of wages has changed over the past decade:

“Real wages have fallen for people in their 20s, 30s and 40s, while the real wages have increased for people in their 50s and 60s. Someone in their 50s, on average, has wages 40% higher than someone in their 20s.”⁴⁶

The ‘deposit gap’ which emerged in the early 2000s as house prices rose to a point whereby increasing numbers of first-time buyers were priced out of the market because they could not service a 95% or 100% mortgage, and could not afford the deposit. The credit crunch and GFC led to restrictions on the availability of mortgage finance which exacerbated the situation because larger deposits were required. In turn, this placed older homeowners with equity in property in a position to put down deposits and to borrow at historically low interest rates.

Nonetheless, the first-time buyer market is recovering across the UK. The numbers of first-time buyers across the UK and Scotland in 2017

returned to the 2007 levels. In the case of Scotland these declined from 35,400 in 2007 to 19,200 in 2012, but reached 35,577 in 2017.⁴⁷ The average price paid by Scottish first-time buyers was £140,010 and the average deposit was 15% of the price.⁴⁸ The Halifax analysis provides a crude indication of affordability with a house price to average earnings ratio: it found that in 2017 eight of the 10 most affordable local authority (LA) districts in the UK were in Scotland.⁴⁹ However, it should be remembered that the deposit constraint kicked in before 2007, so access to home-ownership remains restricted.

The Scottish Government introduced first-time buyer relief for Land and Buildings Transaction Tax (LBTT) in 2018. However, given that the threshold for LBTT of £145,000 is below the average house price and average price paid by first-time buyers, it is not clear that this is a particularly well targeted policy. The relief applies on properties up to £175,000, and on the first £175,000 of properties above this value. Combined with the 3% surcharge introduced for purchases of houses that will not be used as principal homes this is intended to tilt the balance in favour of first-time buyers against movers and (in particular) private landlords. However, the efficiency of transaction tax concessions is questionable as part of the benefit will be enjoyed by sellers as purchasers can afford to offer more for properties.

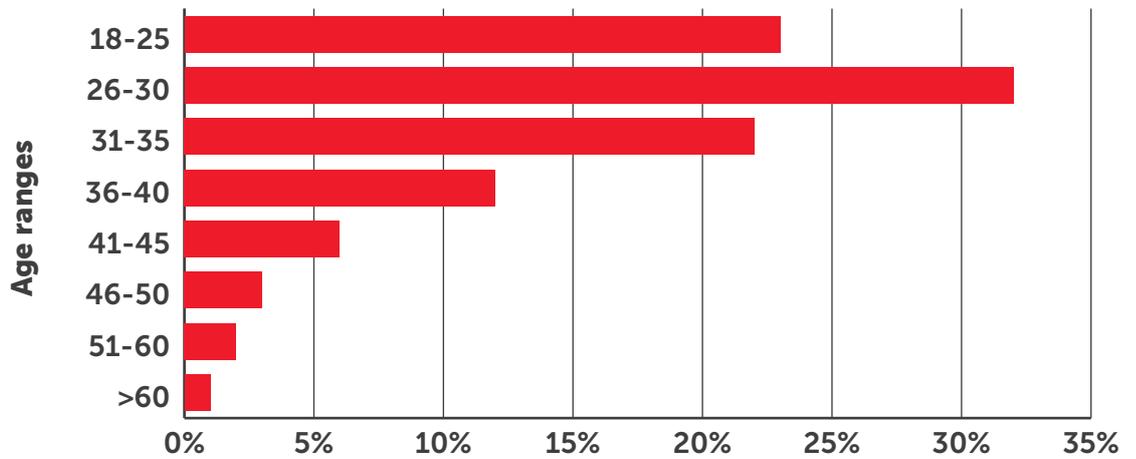
Further government assistance for first-time buyers comes through a number of shared equity schemes, including Help to Buy (which has been extended to March 2021). This scheme is open to both first-time buyers and

46 Stone, D. (2018) *The outlook for wages and demographic change*, Scottish Fiscal Commission External Briefing, 22 October. Online: Scottish Fiscal Commission. <http://www.fiscalcommission.scot/media/1391/outlook-for-wages-and-demographic-change-annotated-slides.pdf>

47 Halifax (2018) *Number of first-time buyers highest since 2007 despite deposits doubling*, Press Release, 27 January. Online: Halifax. <https://static.halifax.co.uk/assets/pdf/mortgages/pdf/2018-01-27-number-of-ftb-highest-since-2007-HPI.pdf>

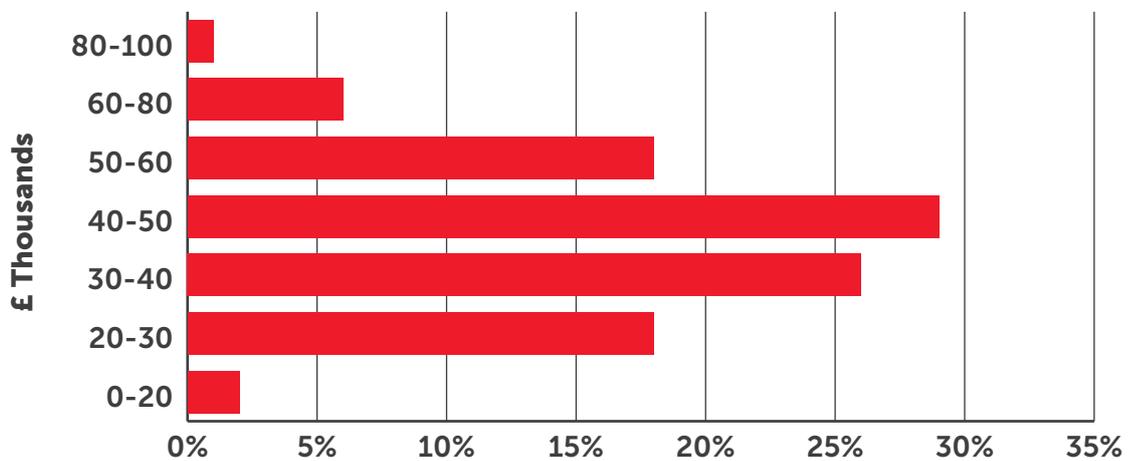
48 Ibid.

49 Ibid.

Figure 2.5 Help to Buy (Scotland) buyers by age band (2016/17) (%)

Note: the over 60 age band is less than 1%

Source: Scottish Government (2018) *Help to Buy (Scotland) monitoring characteristics of households report*

Figure 2.6 Help to Buy (Scotland) households by gross household income (2016/17) (£ '000/ %)

Note: £80-100,000 category is recorded as less than 1%

Source: Scottish Government (2018) *Help to Buy (Scotland) monitoring characteristics of households report*

movers wishing to purchase a new home. The minimum deposit is 5%, the government's maximum equity stake is 15%, and the maximum price is £200,000. In 2017-18 there were 2,290 sales under Help to Buy. The average purchase price was £170,300 and the average government stake was £25,400 (15% of the total).⁵⁰ The average price under Help to Buy is actually £30,000 higher than the average price paid by first-time buyers in Scotland (£140,010) in 2017.⁵¹ Almost three-quarters (73%) of purchasers were first-time buyers, and 27% movers.

The scheme mostly supports people in their 20s to mid 30s, with the most common age range being 26-30. However, almost one-quarter of beneficiaries were aged over 35. The most common level of gross household income was £40-50,000 in 2016-17 (29% of the total) followed by £30-40,000 (26%). About one-quarter of beneficiaries had household incomes in excess of £50,000 compared to one-fifth with incomes under £30,000.

Two other schemes operate under the Scottish Government's Low-cost Initiative for First-Time Buyers (LIFT): New Supply Shared Equity which applies to housing association or co-operative properties (where the purchaser's stake in the property may be as low as 60%), and a similar scheme called Open Market Shared Equity, which is not restricted to new properties. There were almost 2,000 approvals under the LIFT schemes at a cost of £75.5 million in 2016-17. Open Market Shared Equity was the

largest component accounting for 85% of the total approvals and 87% of expenditure.⁵²

Overall, a rough calculation suggests that about 3,700 first-time buyer households benefit from the shared equity schemes in a year, which represents about 10% of the total.

Repossessions

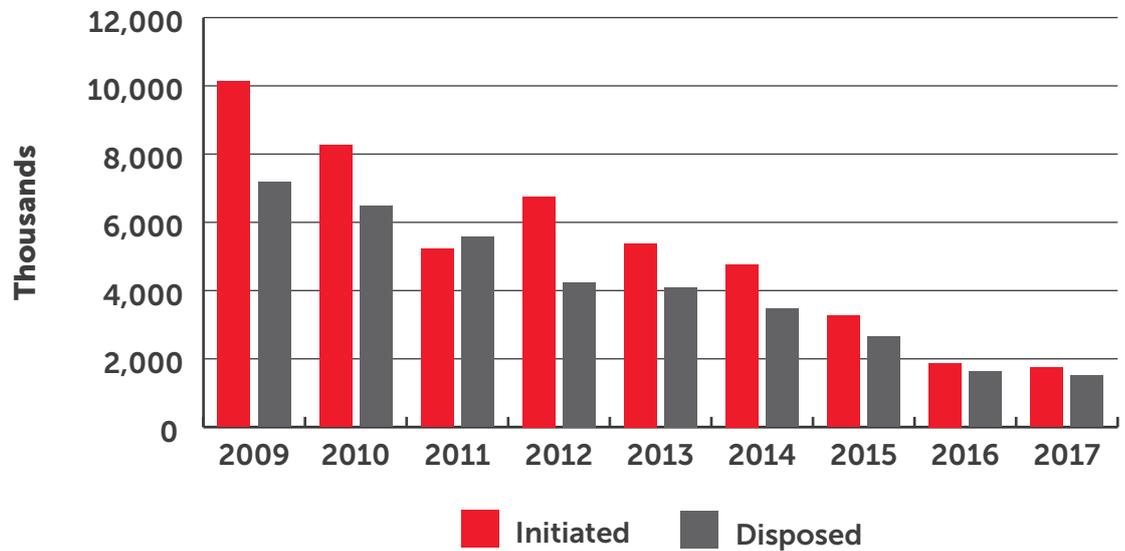
Repossessions of mortgaged properties in Scotland have declined greatly since 2008/09 – falling from 7,182 in that year to 1,506 in 2016/17, a decrease of 79%. The decline may be attributed to the low interest rate environment, and perhaps also to the need for borrowers to have more substantial deposits. Distressed borrowers were protected by a relaxation in the rules regarding social security support during the recession, and the requirement for pre-application protocols to be employed before taking court action. The numbers are considerably smaller than those that arise from the eviction of tenants. This is likely to continue so long as interest rates remain low. Mortgage and rent arrears, in combination, account for only around 5% of all statutory homelessness acceptances in Scotland; a proportion that has remained steady in recent years (see Chapter 4).

50 Scottish Government (2018) *Help to Buy (Scotland) monitoring information report 2017-2018*. Online: Scottish Government. <https://www.gov.scot/publications/help-to-buy-scotland-monitoring-information-report-2017-2018>

51 Halifax (2018) *Number of first-time buyers highest since 2007 despite deposits doubling*, Press Release, 27 January. Online: Halifax. <https://static.halifax.co.uk/assets/pdf/mortgages/pdf/2018-01-27-number-of-ftb-highest-since-2007-HPI.pdf>

52 Scottish Government (2018) *Affordable Housing Supply Programme: Out-turn report 2016-2017*. Online: Scottish Government. <https://www.gov.scot/publications/affordable-housing-supply-programme-out-turn-report-2016-2017> Table 6

Figure 2.7 Repossession cases initiated and disposed of in sheriff courts FYE 2009-2017



Source: Scottish Government (2018) Civil Justice Statistics 2016-17, Table 20

2.5 Access to social housing

Social housing lets

Social rented housing still makes up 23% of the housing stock in Scotland. Since 2013/14, 43,000-45,500 households move into housing let by LAs and housing associations each year. This is now divided roughly 55%/45% between housing associations and LAs. As we shall see, efforts are being made to protect and boost the stock of social housing by ending the RTB and by supporting a social housebuilding programme. The numbers of social lets was on a downward trajectory until 2017/18 when a rise of 944 new lets was recorded. Whilst LA lets had continued to decline this was outweighed by an increase in housing association new lets (Figure 2.8).

Over the period, however, new social lets have fallen by 4.6% between 2013/14 and 2017/18 – representing more than 2,000 fewer new lets. Over this period the proportion of new lets to homeless applicants has fluctuated

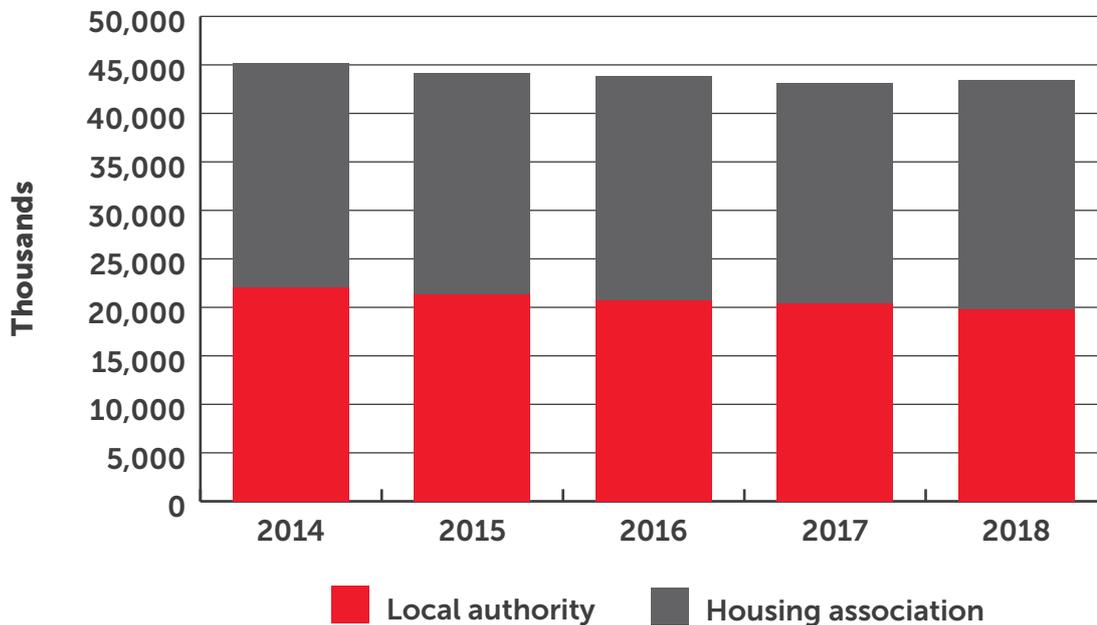
between 38% and 42%, which implies a slightly higher number of social lets to homeless applicants despite the reduction in the total number of lets. There is, however, a marked difference in letting profiles between LAs and housing associations. Whilst 55% of new LA lets were made to homeless applicants in 2017/18, only 31% of housing association lets are made to this group.⁵³ LA nominations to housing associations are recorded as a separate category, but these do not include nominations of homeless people. The housing association total also includes a higher proportion of allocations to people from “other sources.” Nonetheless, housing associations allocate a higher proportion of new lettings to housing list applicants than do LAs: 62% against 45% in 2017/18.⁵⁴

New social housing supply

The Scottish Government met its target of supplying 30,000 new affordable homes over the 2011-16 Parliament, and is now pursuing a

⁵³ Calculated from Scottish Housing Regulator Charter Indicators

⁵⁴ Ibid.

Figure 2.8 New social housing lets FYE 2014-2018

Source: Estimated from Scottish Government (2018) Social Tenants in Scotland 2016 (for FYE 2014, 2015 and 2016); Scottish Housing Regulator Charter Indicators (FYE 2017 and 2018).

target of 50,000 units, 35,000 units of which are to be social rented (the remainder being low cost home ownership) during the 2016-21 Parliament. The programme is being supported by a higher level of grant per unit, which is now roughly twice the level available to landlords in England. LAs are also entitled to grants that are only slightly less generous than those available to housing associations, and have not been subject to the constraints of borrowing caps that until recently applied to English authorities. Against these incentives, LAs are losing RTB receipts, but on the other hand the incentive to build is greater if there is no risk of the stock being purchased by the tenant at a discount. The Scottish Government has committed significant financial resources to the programme. The five-year programme ending in 2015/16 attracted almost £1.8 billion of government subsidy. The cumulative subsidy available for the five years to

2020/21 is £3 billion, with the annual figure rising from £572 million in 2016/17 to £756 million in 2018/19. At the half way point, it appears that the 50,000 target is on course to be met.⁵⁵

Amongst our key informants, there was broad support for Scottish Government policy in this area, with some caveats:

“I think in terms of the 50,000 homes target, we’re all supporting that. My issue...is that that needs to be the same commitment over a period of 20 years, we can’t keep looking at new build programmes over five-year periods. We need to look at new build programmes over 20-year horizons...but I think the government certainly,

55 Scottish Construction Now (2018) *Affordable housing programme ‘on target’ at halfway point*. Online: Scottish Construction Now. <https://www.scottishconstructionnow.com/29041/affordable-housing-programme-on-target-at-halfway-point>

and most political parties would see there needs to be a continued investment, a new social rent and other housing tenures as part of that to actually build up the stock.”
(Statutory sector key informant, 2018)

It should be noted that the Scottish Government has now opened a ‘Housing Beyond 2021’ consultation and published a discussion paper.⁵⁶

Right to Buy

The different parts of the UK have operated increasingly different RTB schemes. For example, limits on the maximum discount introduced by the 1997-2010 Labour Governments greatly reduced the level of sales in England until these were ‘reinvigorated’ under the Coalition, with a rapid recovery in sales. A lower limit was set in Wales, but in Scotland the lower limit applied only to post-2001 tenancies (subject to the ‘modernised RTB), so there was no limit for most tenants.

RTB has now been phased out in Scotland. In March 2011 the scheme ended for new tenants, and from August 2016 the scheme ended altogether. The anticipation of the scheme’s end is reflected in the uplift in sales figures in 2015/16 and 2016/17. In total almost 14,000 units of social housing were sold between 2010/11 and 2016/17, representing 2.5% of the 2010 stock.⁵⁷ This is a higher proportion than in England or Wales, but the picture will change dramatically in comparison with England. Just as there was a lag between the introduction of RTB and the reduction of lets available, there will also be a delay before its ending makes a difference. This is because the

tenant/ purchaser continues to occupy the dwelling until they move or die.

The ending of RTB was viewed favourably by all of our key informants, alongside the focus on new supply:

“I think that definitely was very, very positive...totemic in terms of seeing that era has finished. What you don’t want to have is just a continual depletion of a scarce resource which is what Right to Buy was doing... removing Right to Buy... absolutely critical that we did that, but that’s a part of a much bigger jigsaw puzzle which is about you need to build a tonne.”
(Voluntary sector key informant, 2018)

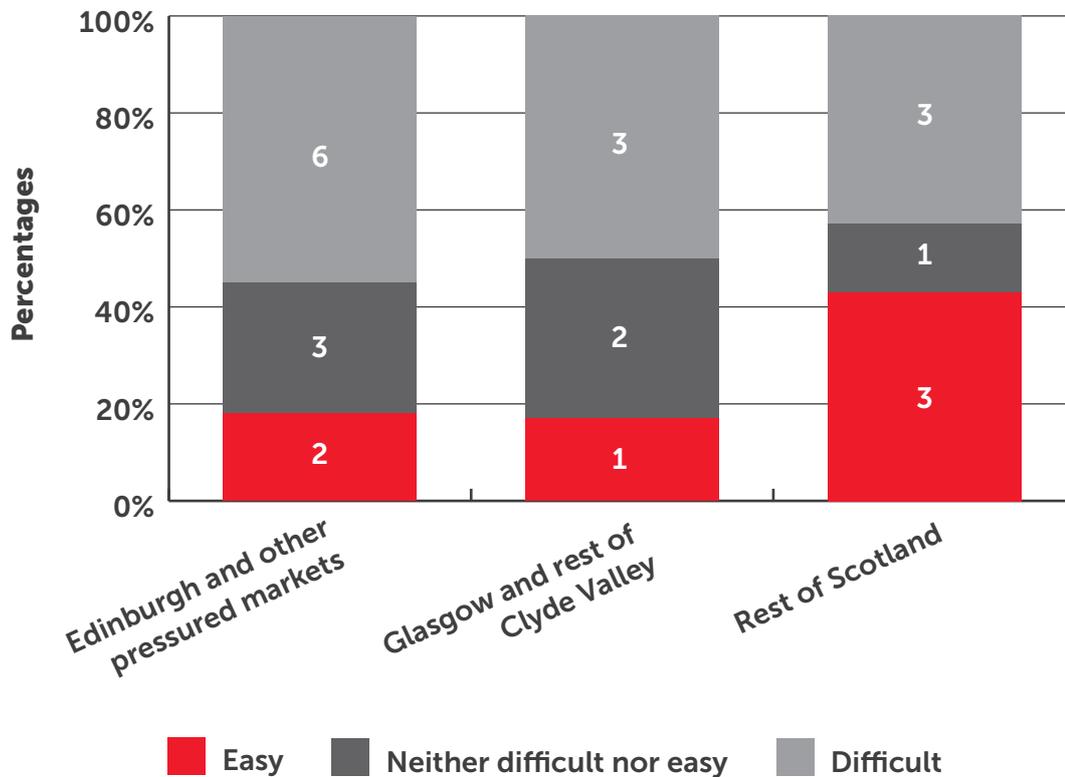
“I think the end to Right to Buy is long overdue. We’re now at a point between the end of Right to Buy, and the capital investment programme, we’re seeing councils actually increasing their social housing stock for the first time in, I’ve absolutely no idea when!...Fifty thousand homes is a huge step forward...but it’s not enough.”
(Independent sector key informant, 2018)

“I was personally delighted to see the end of Right to Buy and that will make a huge impact on local authorities. Mainly because they can now use

⁵⁶ Scottish Government (2018) *Housing Beyond 2021*. Online: Scottish Government. <https://www.gov.scot/publications/housing-beyond-2021>

⁵⁷ Stephens, M. with Fitzpatrick, S. (2018) *Country Level Devolution: Scotland, SPDO Research Paper 1, LSE/ Nuffield Foundation*.

Figure 2.9 Ease of accessing local authority tenancies



Source: LA Survey 2018. N=24 (not applicable to post-stock-transfer authorities)

their HRA [Housing Revenue Account] business plans to build homes knowing that they won't be sold under Right to Buy discounts so that was the modernisation of Right to Buy and the eventual abolition was fully supported by local authorities."

(Statutory sector key informant, 2018)

LA and stakeholder views on access to social housing to prevent/resolve homelessness

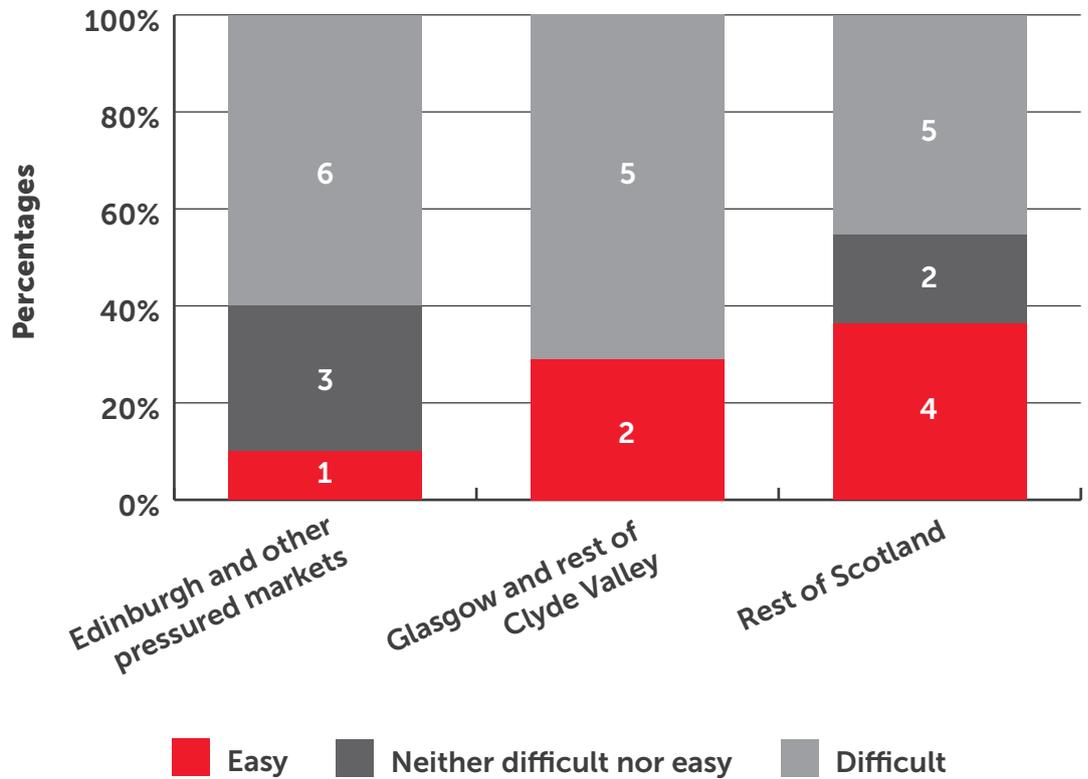
In half of responding LAs in Scotland which had retained LA housing, it was reported as difficult to assist applicants in preventing or resolving homelessness via a council tenancy – see Figure 2.9. As one would expect,

difficulties were most commonly reported in the more pressured areas.

For some respondents, there was the blunt challenge posed by the relationship between council housing supply and homelessness demand. Notably, this wasn't limited to the more pressured housing market areas:

"We have over 1,100 homeless applicants per year and about 900 mainstream council vacancies."

(LA respondent, Pressured Market, 2018)

Figure 2.10 Ease of accessing housing association tenancies

Source: LA Survey 2018. N=28

“We have approx. 3,000 houses with a turnover of 200 houses per year with over 400 homelessness applicants applying each year.”
(LA respondent, Clyde Valley, 2018)

“We have about 760 homeless cases each year and about the same number of voids becoming available.”
(LA respondent, Rest of Scotland, 2018)

For other respondents, the issue was more mismatched supply and demand:

“There [are] significant mis-matches in supply and demand across the area for accommodation for single

people and larger families.”
(LA respondent, Rest of Scotland, 2018)

This captures a recurring theme within the LA survey responses, that single people and larger families (defined as those with 3 or more children), along with applicants with multiple or complex needs were the most difficult to rehouse.

A somewhat larger proportion (and number) of respondents reported it as difficult to assist applicants in preventing or resolving homelessness via accessing housing association tenancies (see Figure 2.10). In six of 28 responding authorities this was described as ‘very difficult’.

For some LAs, challenges in accessing housing association tenancies mirrored the ‘mismatch’ problems that were common issues for LA allocations:

“The local housing associations have similar issues to the local authority in terms of the availability of...1 bed, 3 bed, and 4 bed properties.”

(LA respondent, Pressured Market, 2018)

Other respondents highlighted administrative barriers:

“Some housing associations are part of the Common Housing Register but others are not and require separate applications.”

(LA respondent, Rest of Scotland, 2018)

Most often, however, concerns were expressed about housing association policies that posed particular barriers to access for homeless people:

“There are...issues around homelessness households being considered as ‘tenancy ready’ which takes a number of forms. This may include previous tenancy history but extends to cover households with particular health and social care needs.”

(LA respondent, Rest of Scotland, 2018)

“...significant barriers to entry include Rent In Advance impositions, often with little flexibility, resulting in inability to resolve homelessness. Considerable challenges faced with re-housing those with multiple and complex needs...”

(LA respondent, Clyde Valley, 2018)

“Housing associations in our area are asking for money in advance which is making it harder for more vulnerable people.”

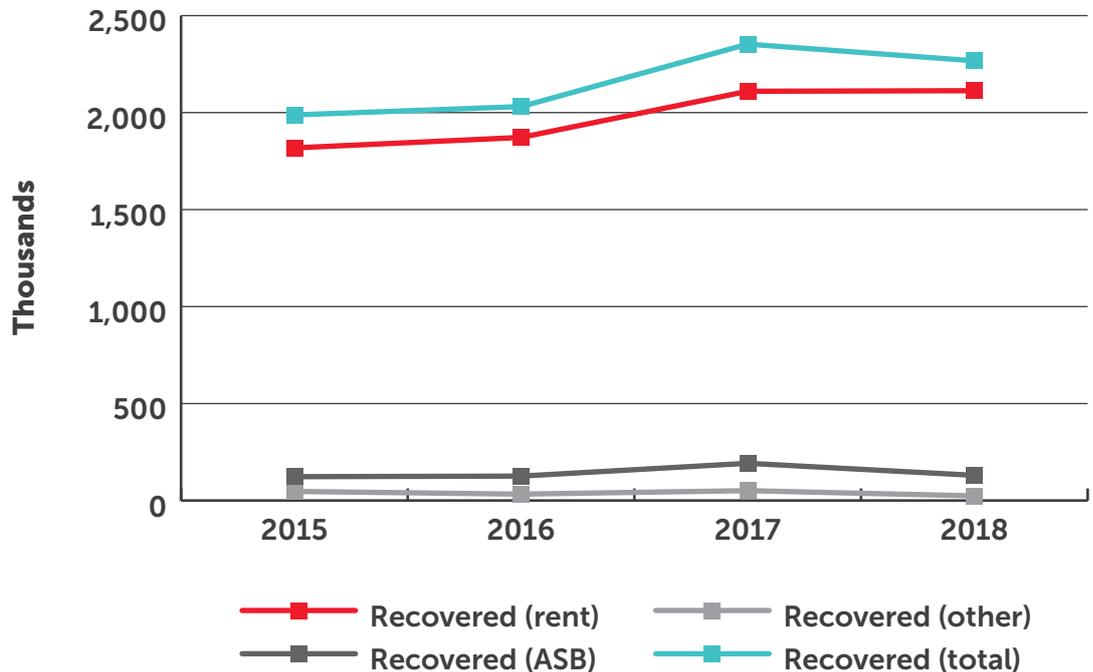
(LA respondent, Pressured Area, 2018)

One national level key informant provided a useful insight into what may explain these apparently growing concerns about requirements for rent in advance blocking homeless people’s access to housing association tenancies:

“...in the past...there would be a technical arrear, but there was confidence that that would get paid quite quickly, whereas, with Universal Credit, all bets are off. [Housing associations] don’t know if they’ll get paid, when they’ll get paid...rent in advance is a normal practice, it’s not something harsh that we’ve just thought up. Every landlord, whether you’re a social landlord, or a private landlord, would ask for rent in advance. It’s just about the level of flexibility that you would have to come to an arrangement...”

(Independent sector key informant, 2018)

It should be noted here that existing Scottish Minister’s Guidance does not encourage this practice of ‘rent in advance’, and is clear that a person’s inability to pay rent in advance does not constitute a good reason for a housing association to refuse a

Figure 2.11 Evictions of tenants by social landlords FYE 2015-2018

Source: Scottish Housing Regulator (authors' calculations)

'Section 5' referral of a statutorily homeless household by a LA.⁵⁸

The importance of good joint working and 'partnering agreements' on homelessness between LAs and housing associations was a point made by a wide range of key informants, and several also noted that the 'Section 5' model protocol was currently being updated by the Convention of Scottish Local Authorities (COSLA) and the Scottish Federation of Housing Associations.⁵⁹ However, from the LA side, the view was clearly expressed that housing associations (Registered Social Landlords (RSLs)) were not doing enough as yet to help address homelessness:

"You've...got...sporadic examples of where RSLs are really working effectively to reduce homelessness for their customers. What we need more generally is RSLs to really say, 'We're going to actually house more homeless people'... the Minister has said that RSLs need to play a fuller part and he will consider legislation if there isn't that voluntary movement and to increase or enhance the access to housing for homeless people to housing association properties."
(Statutory sector key informant, 2018)

58 Scottish Housing Regulator (2018) *Housing People Who are Homeless in Glasgow*. Online: Scottish Housing Regulator. https://www.scottishhousingregulator.gov.uk/sites/default/files/publications/Housing%20people%20who%20are%20homeless%20in%20Glasgow%20-%202029%20March%202018%20-%20FINAL_0.pdf

59 Scottish Federation of Housing Associations (2018) *SFHA and COSLA to review Section 5 protocol*. Online: SFHA. <https://www.sfha.co.uk/news/news-category/sfha-news/news-article/sfha-and-cosla-to-review-section-5-protocol>

We also asked in the LA survey about access to shared accommodation in the social rented sector as a means of preventing or alleviating homelessness. This was generally considered either 'very difficult' or 'not applicable' in most areas, with very little or no relevant provision reported, and it seemed popular with neither tenants nor landlords.

Social sector evictions

The trend in evictions of social tenants is shown in Figure 2.11. These rose from 2,000 in 2014/15 to 2,352 in 2016/17 before falling back slightly to 2,267 in 2017/18. Rent arrears account for at least nine in ten evictions, and these rose from 1,818 to 2,113 over the period.

While the majority of LAs in Scotland reported that social tenancy evictions as a trigger for homelessness was either stable (17 LAs) or declining (two LAs) in their area, eight respondents reported an increase in this as a cause of homelessness. Few offered comments on why there had been an increase, though some explained that it was a small increase from a low base. As discussed in Chapter 4, there has also been a recent increase in homelessness applications from former social tenants.

2.6 Access to private rented housing

As in the rest of the UK, the private rented sector (PRS) has grown since rents were deregulated and security of tenure was removed under the (often six month) Short Assured Tenancies (SATs). As the sector had grown and housed a wider cross-section of society, its policy salience has increased.

The PRS now houses 15% of households compared to just 5% in 1999.⁶⁰ The proportion of all age groups living in privately rented housing, other than the over 75s, has

increased since 1999. The largest increase is in the 25-34 age group, which has risen from 9% in 1999 to 34% in 2017. The sector maintains an age profile, whereby the proportions decline by age group. So 60% of 16-24 year olds (who live independently) are private tenants, 34% of 25-34 year olds, and 19% of 35-44 year olds. Whilst there have been large increases in single and childless couples living in private accommodation, lone parents are now almost as likely to live in the PRS as single adults (24% against 25%), and more likely than childless working age couples (20%). Couples with one or two children are also now more likely to live in the PRS than in 1999: up from 3% to 14%. Almost one-quarter of households in the private rented sector have children, and 15% of children now live in the PRS. On the other hand, the proportion of retired households in the sector has declined from 10% to 6% since 1999.

Given this changed size and profile it is unsurprising that the sector has been the subject of reform. The most significant policy development since the last Homelessness Monitor Scotland has been the Private Housing (Tenancies) (Scotland) Act 2016, which has introduced a new tenancy regime, involving greatly increased security of tenure, and a framework for rent regulation, and regulation of lettings agencies. From 1 December 2017, all new tenancies are Private Residential Tenancies, replacing the SATs and Assured Tenancies. These tenancies are open-ended, and increase tenure security by greatly reducing the scope for 'no fault' evictions.

Another important innovation is that the Act removes private renting cases from the Sheriff Court system, and transfers them to the First-tier Tribunal for Scotland (Housing and Property Chamber). Landlords must now go to this body if they believe that they have

60 All statistics in this paragraph are from Scottish Government (2018) *Scottish Household Survey 2017: annual report*

a ground for eviction. Former tenants may also use it if they believe that their tenancy has been ended unlawfully. Part of the logic behind this is to remove landlords' frequently expressed concern that the court system is too slow, expensive and with uncertain outcomes – the reason why many landlords liked the security of the blanket “no fault” evictions in SATs. It is also intended to provide a less formal means of dispute resolution. That said, the findings from the first annual report indicate higher than expected numbers in the first year of operation and consequent delays.⁶¹

Security of tenure is generally accompanied by some kind of mechanism to prevent landlords from raising rents excessively in order to price the tenant out of the property. In the Scottish case, a tenant who thinks that they have experienced an excessively large rent increase may refer it to a Rent Officer for determination. If either party is dissatisfied then they can go to the First-tier Tribunal.

The Act also introduces the possibility for LAs to introduce caps on rent increases for tenants on existing Private Residential Tenancies in Rent Pressure Zones (RPZs). The Guidance (Scottish Government, 2017) suggests that the aim is to protect tenants, without deterring investment or the upkeep of properties. A minimum increase (Consumer Price Index (CPI) + 1%) is included in the legislation to provide landlords with comfort, and it is made clear that rents on new contract will continue to be market-led.

LAs must apply to Ministers for all or part of a LA area to be made a RPZ for a period of up to 5 years, and

may do so providing three grounds apply: rapidly rising rents, hardship to tenants and impact on the broader housing system. The Guidance⁶² for LAs wishing to make a case for a RPZ is detailed and onerous. Further, research by Robertson and Young⁶³ identifies the lack of reliable rent data in Scotland to enable Rent Officers and First-tier Tribunals to make judgements about ‘excessive’ rent rises, and for LAs to make a case for a RPZ.

Voluntary sector key informants felt that good progress had been made on the PRS with these policy changes but there was more to do:

“I think we’ve done really well in Scotland to look at making sure that the Private Rented Sector is fit for purpose...but we’ve still got some problems there...there’s a lot of great landlords out there and there’s some landlords who are dreadful. It’s how do you get everybody up to the same standard? I think we’ve still got some work to do...it’s about affordability, it’s about security of tenure, and it’s about quality.”

(Voluntary sector key informant, 2018)

LA and stakeholder views on access to private rented housing to prevent/resolve homelessness

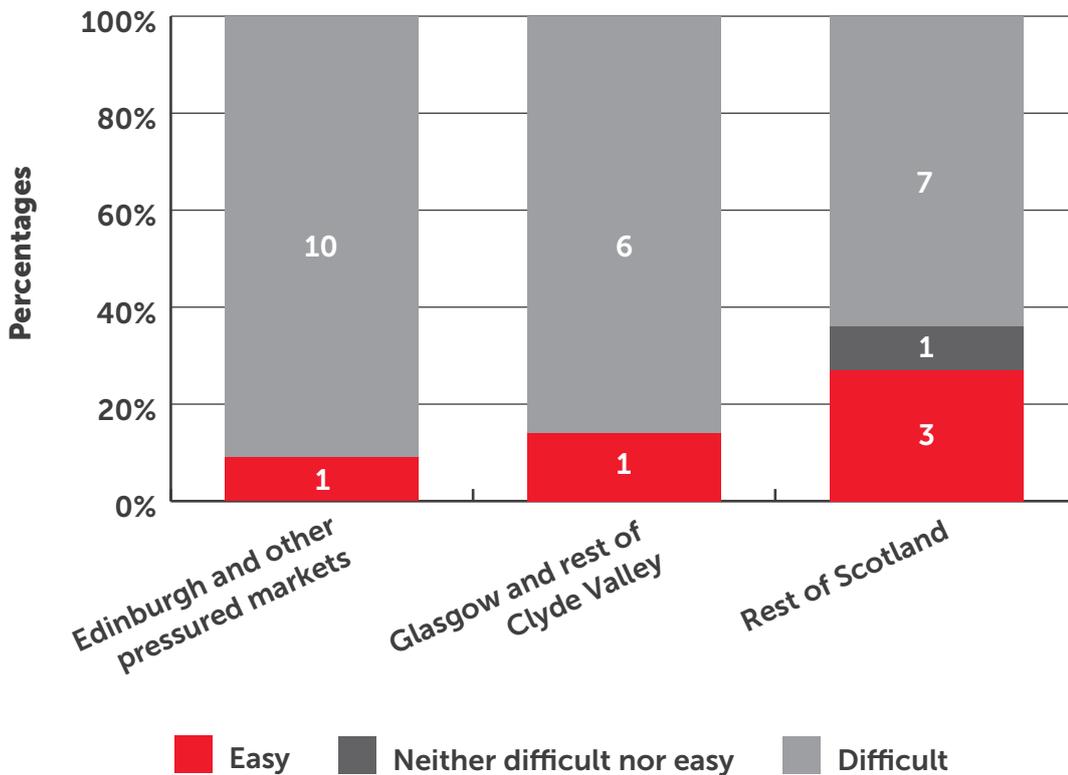
As shown in Figure 2.12, in only five LA areas in Scotland was it considered ‘easy’ to access a private rented property for homelessness prevention or resolution purposes,⁶⁴ whereas in 23

61 President of Scottish Tribunals (2018) *The Scottish Tribunals: Annual Report*. Edinburgh: The Judicial Office for Scotland. <https://www.housingandpropertychamber.scot/sites/default/files/documents/Annual%20Report%202018.pdf>

62 Scottish Government (2017) *Private Housing (Tenancies) (Scotland) Act 2016 Rent Pressure Zones: Application Requirements*. Edinburgh: Scottish Government.

63 Robertson, D. & Young, G. (2018) *An Evaluation of Rent Regulation Measures within Scotland’s Private Rented Sector*. Edinburgh: Shelter Scotland.

64 ‘Very easy’ and ‘fairly easy’ aggregated. Same for ‘somewhat difficult’ and ‘very difficult’

Figure 2.12 Ease of accessing private tenancies to prevent/resolve homelessness

Source: LA Survey 2018. N=29

it was reported as 'difficult' (in 14 of these 'very difficult').

In elaborating the view that private tenancies were difficult to access, many respondents believed that welfare reform measures (especially Local Housing Allowance (LHA) restrictions and the roll out of Universal Credit (UC)) had compounded established prejudice against benefit-recipient applicants (see also Chapter 3):

"The LHA caps have made landlords feel they can get more money renting to people who are working and who do not come through our door... Universal Credit and the delays have affected landlord's willingness to accept clients

with housing costs."
(LA respondent, Pressured Area, 2018)

The LHA in [name of authority] is far too low in comparison to the cost of private lets so they are unaffordable.
(LA respondent, Rest of Scotland, 2018)

For some, specificities of the geography or the nature of the local PRS made it difficult to use to help homeless people:

"Being a rural authority the rental amounts vary quite significantly throughout our region making the private sector inaccessible to people

receiving benefits or on low incomes in many areas of the authority. However given the vast geographical nature of the authority it is understandable households wish to remain in areas where they have established formal and informal support networks..."
(LA respondent, Rest of Scotland, 2018)

For others, the competition with working adults and/or students was a concern:

"We compete here with university students and young professionals in accessing this type of accommodation."
(LA respondent, Pressured Area, 2018)

Finally, a few respondents referred to tenant reservations about taking up private tenancies given their 'inferior' status by comparison with social housing:

"There is a resistance from people who approach our services to consider the PRS as it is perceived to be insecure, of poor standard and too expensive. The new tenancy regime should improve the security aspects but issues around affordability and standards remain..."
(LA respondent, Clyde Valley, 2018)

We asked specifically about access to shared accommodation in the PRS as a means of preventing or alleviating homelessness. This a critical issue for single homeless under 35, given

restrictions in the LHA available to meet private sector rents. However, most respondents reported that this was problematic – with 18 of the 29 responding LAs finding it 'very difficult' to access shared housing in the private rented sector. Some of the reasons related to general issues of affordability in the PRS for benefit-reliant households (see Chapter 3), but this was also commonly reported to be an unpopular model with homeless clients.

While almost half of responding authorities make some use of private tenancies to discharge the main homelessness duty, in only one authority did this happen 'somewhat commonly'. In all of the others it was an approach used 'quite rarely' or 'very rarely', with the reasons given for this relatively low usage generally focussing on affordability issues and the unpopularity of private tenancies with homeless clients. One national-level key informant explained the position thus:

"I think the legislation is there to allow you to discharge your duty but it's much more complex to do that in a PRS tenancy then it is of a social rented tenancy. So if you take the line of least resistance and what people want, those people coming through the homeless process want a social rented secure tenancy. So I don't think it's because local authorities don't want to do it, it's more difficult and it's not really what the customer's looking for."
(Statutory sector key informant, 2018)

However, almost all responding authorities made some use of private tenancies in preventing homelessness, and in 11 authorities, this was a common occurrence. Around half of LAs (15 in total) anticipated their use of the PRS to prevent or resolve homelessness changing with the Private Residential Tenancies legislation. Two authorities commented that their recent policy change in favour of PRS discharge of full duty as a possible option had been enabled by this legislation – presumably a reference to the much more limited scope for ‘no fault evictions’ – while several others seemed to be considering a move in the same direction.

Asking about other ‘policy or legal developments’ that may affect authorities’ use of private tenancies to prevent or resolve homelessness prompted a mixed bag of suggestions, focussed mainly on welfare reform and/or increased regulation of standards in the sector:

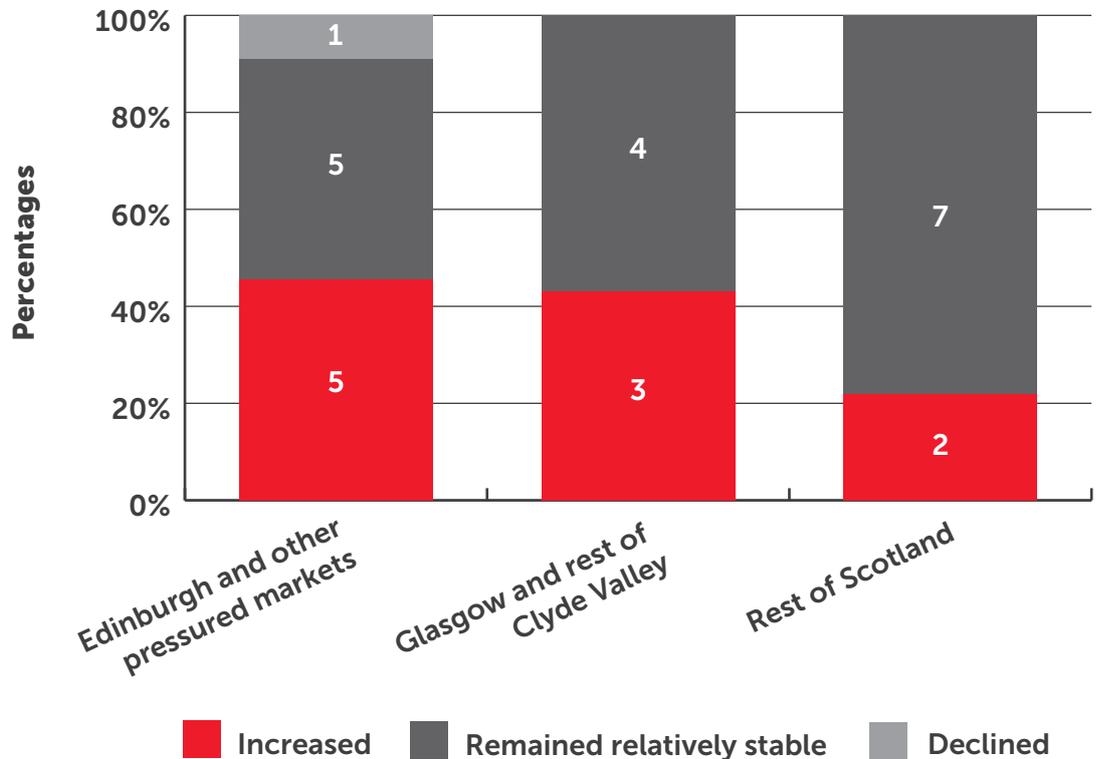
“Any policy/legal development that renders the PRS more affordable, further enhances security of tenure and penalises poor practices in relation to illegal eviction, repairs, house condition and so on would help us use the PRS more extensively.”

(LA respondent, Clyde Valley, 2018)

While most LAs (17) reported that private tenancy terminations had remained stable or even declined as a cause of homelessness in their area, ten authorities (37% of respondents) reported that these had assumed greater significance as a cause of homelessness in recent years – see Figure 2.13. By and large, this was seen to be a result of an increased incidence in serious rent arrears caused, in turn, by welfare benefits changes (especially the introduction of UC, see Chapter 3). In one rural authority with a significant tourism industry it was speculated that the potentially higher returns available through AirBnB-type short duration lettings may be luring some landlords to alter their business model. As discussed in Chapter 4, the official statistics do not indicate a general rise in PRS tenancy terminations as a cause of homelessness in Scotland.

Looking to the future, most respondents did not envisage the residential tenancy reforms impacting on levels of homelessness in their area. However, six responding LAs thought the increased security of tenure would help to ease the problem of homelessness arising from private tenancy terminations. Conversely, two LAs anticipated that it would exacerbate homelessness in their area by prompting landlords to exit the sector.

Figure 2.13 Changing significance of private tenancy terminations as cause of homelessness, past three years



Source: LA Survey 2018. N=27

2.7 Key points

- The Scottish economy has maintained low levels of economic growth, and these have lagged behind those of the UK as a whole in recent years. Partly as a result of inflation, real earnings remain below their 2007 level.
- Whilst modest growth is forecast to continue, Brexit is creating much uncertainty. Almost all assessments suggest that growth will be lower as a result of Brexit, with the Bank of England suggesting that a 'no deal' exit could cause a severe downturn. The rise in government debt and cuts in interest rates since 2008 leave the Government and Bank of England with less room for manoeuvre than before the Global Financial Crisis.
- The performance of the Scottish economy will become increasingly important now that earned income tax (with the exception of the personal allowance) has been devolved, and half of VAT will be assigned, to the Scottish Government. If growth lags behind the rest of the UK then it is likely that the resources available to the Scottish Government to spend on services such as housing will be less than under the block grant.
- Although cash house prices have returned to their 2007 levels, they are still 25% below the pre-crisis peak in real terms. There has been a revival in the numbers of first-time buyers which have now returned to the 2007 levels. However, affordability had already deteriorated by 2007 so access to the sector is still restricted. Concessions on Land and Building Transaction Tax for first-time buyers are not well targeted and are unlikely to be inefficient as they will result in sellers being able to charge higher prices. Around one in ten first-time buyers are assisted through Scottish Government shared equity schemes.

- Levels of repossessions have declined and this is likely to continue so long as the favourable interest rate environment continues and economic shock are avoided. Mortgage and rent arrears, in combination, account for only around 5% of all statutory homelessness acceptances in Scotland; a proportion that has remained steady in recent years.
- The number of new lets in the social rented sector overall declined 2013/14 – 2017/18, but increased in 2017/18 compared to 2016/17. The number of lets to homeless applicants has risen as a result of a higher proportion of lets being made to this group. A higher proportion of new council lets (55%) than new housing association lets (31%) are made to homeless people.
- In the longer-term the end to RTB will help to preserve the overall numbers of lets that can be made, although there will be little short-term impact.
- The Scottish Government's affordable housing programme is generally welcomed by stakeholders although some suggest that there is a need to take a longer view than the five years of the programme. The signs are that the target of 50,000 units, 35,000 of which are to be social rented, will be met by 2021. The Scottish Government has now opened a 'Housing Beyond 2021' consultation and published a discussion paper.
- The private rented sector has grown enormously over the past 20 years. All age groups under 75 are now more likely to live in the sector than was the case 20 years ago. The biggest proportionate increase in private tenants has been among 25-34 year olds. Almost one-quarter of lone parents are private tenants and 15% of children live in the tenure.
- Tenancy reform in response to these changes aims to greatly increase security of tenure by greatly reducing the scope for "no fault" evictions. The shift of tenancy disputes from sheriff courts to the tribunal system is intended to make the system easier and cheaper to use for both tenants and landlords. The reforms also make provision for controls over excessive rent rises in individual cases, and for the introduction of Rent Pressure Zones. However, there are many barriers to LAs wishing to introduce RPZs.
- In half of the relevant authorities in Scotland (12 of the 24 that had retained LA housing), it was reported as difficult to assist applicants in preventing or resolving homelessness via a council tenancy, generally due to restricted supply of new lettings.
- LAs were even more likely to report difficulties in accessing housing association properties to relieve or prevent homelessness, often as a result of what were perceived as restrictive housing association policies on 'tenant readiness' or 'rent in advance'.
- Three-quarters of LAs reported that accessing the PRS to relieve or prevent homelessness is difficult or very difficult in their area, largely as a result of welfare reform restrictions.
- The number of homelessness cases resulting from the termination of a PRS tenancy was described as increasing in one third of LA areas, and almost a third of LAs made a similar comment about growing numbers made homeless as the result of the ending of social tenancies. However, while the official homelessness statistics do indicate that the number of former social tenants applying as homeless has grown recently, there is less evidence of this with regard to private tenants.

Government policies

3. UK and Scottish Government policies potentially impacting on homelessness

3.1 Introduction

Chapter 2 considered the homelessness implications of the economic and housing market context for homelessness. This chapter now turns to review policy developments that might be expected to affect homeless groups and those vulnerable to homelessness. It covers both areas of policy devolved to the Scottish Government (homelessness and some aspects of social security) and areas of policy reserved to Westminster and therefore the responsibility of the UK Government (most aspects of welfare). In Chapter 4 we consider whether the potential policy impacts considered in this chapter are evident in the statistical trends.

3.2 Homelessness policies Recent history of homelessness policy in Scotland

As detailed in previous Monitors,⁶⁵ homelessness policy and law has diverged significantly from that in

the rest of the UK since devolution in 1999. Most notably, the Homelessness etc. (Scotland) Act 2003 included provision to abolish the 'priority need' test that has, since 1977, been the main 'rationing device' limiting rehousing rights under the homelessness legislation. From 31st December 2012, all unintentionally homeless households in Scotland have been entitled to settled accommodation, following on from the gradual expansion of priority need groups since the 2003 legislation came into force. While this '2012 commitment' commanded a broad-based consensus in Scotland, there were a number of significant challenges to its delivery. The additional demand pressures generated by the widening of the statutory safety net, coupled with a reduction in the number of social lets available, led to an almost trebling in the number of households living in temporary accommodation (TA) in Scotland between 2001 and

65 Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.; Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015). *The Homelessness Monitor: Scotland 2015*. London: Crisis.

2011 and it has been sustained at historically high levels subsequently.⁶⁶ In parallel, the proportion of Scottish social landlord lettings absorbed by statutorily homeless households almost doubled over roughly the same time period, from around one quarter in 2001/02, to 45% by 2011/12, with the latest figures only slightly lower (see Chapter 2).⁶⁷

In response, from 2010 onwards, the Scottish Government promoted prevention measures along the lines of the English 'Housing Options' advice model in an effort to reduce 'statutory demand' and meet the 2012 commitment to abolish priority need. There was a consequent sharp drop in statutory homelessness acceptances and, as in England, this prompted concerns about unlawful 'gatekeeping', with a very critical report published by the Scottish Housing Regulator.⁶⁸ 'Non statutory' Housing Options guidance was subsequently published in March 2016.⁶⁹ The Scottish Government has also supported the development of five broadly regional 'Housing Options Hubs', in which all 32 Scottish local authorities (LA) participate. The Hubs, set up in 2010, are intended to provide practitioners with a forum to benchmark and to share good practice, joint training, commissioned research, development tools, and so on. A Housing Options 'Training Toolkit' has been developed by the Hubs, the first modules of which are now expected to be delivered in April 2019.⁷⁰ The available statistics indicate

that it is a pretty 'light touch' form of Housing Options that generally operates in Scotland, focussed mainly on signposting or informing clients of their legal entitlements, and often culminating in a statutory homelessness application rather than 'diversion' into the private rented sector.⁷¹

Homelessness and Rough Sleeping Action Group and the Scottish Government's 'Ending Homelessness Together Action Plan'

The post-devolution Scottish model on homelessness has thus survived several changes in government (Labour-Liberal Democrat coalition followed by Scottish National Party (SNP) administrations) and continues to enjoy broad, cross-party support. Moreover, in the most recent period, homelessness has become a key policy priority for the current SNP administration. In September 2017, the Scottish Government announced "a clear national objective to eradicate rough sleeping in Scotland and transform the use of TA".⁷² A short-life Homelessness and Rough Sleeping Action Group (HARSAG) was appointed by the First Minister,⁷³ and chaired by Jon Sparkes from Crisis, alongside the announcement of £50 million additional expenditure on homelessness over the next five years (the 'Ending Homelessness Together Fund'). The HARSAG priorities were also informed by a major national consultation exercise involving over 400 people across Scotland with first-

66 Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland: Final Report*. Edinburgh: The Scottish Government.

67 Stephens, M. et al. (2018) *Autumn Briefing Paper, 2018 UK Housing Review*. Online: Chartered Institute of Housing, Heriot Watt University. <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/UK%20Housing%20Review%202018%20Autumn%20briefing%20paper%20final.pdf>

68 Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

69 Scottish Government (2016) *Housing Options guidance*. Online: Scottish Government. <https://www.gov.scot/publications/housing-options-guidance>

70 Scottish Government (2018) *Ending Homelessness Together*. Edinburgh: Scottish Government.

71 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Scotland 2015*. London: Crisis, Scottish Government (2018) *Housing Options (PREVENT1) Statistics in Scotland: 2017/18*. Online: Scottish Government. <https://www2.gov.scot/Resource/0053/00536986.pdf>

72 Scottish Government (2018) *A Nation With Ambition: the Government's Programme for Scotland 2017-2018*. Online: Scottish Government. <https://www.gov.scot/publications/nation-ambition-governments-programme-scotland-2017-18/>

73 Scottish Government (2018) *Homelessness and Rough Sleeping Action Group*. Online: Scottish Government. <https://www.gov.scot/groups/homelessness-and-rough-sleeping-action-group>

hand experience of homelessness.⁷⁴ A cross-party Local Government & Communities Committee's year-long inquiry into homelessness, which reported in February 2018, was also important in contributing to this changing policy landscape.⁷⁵

It is notable that this commitment was made in a context where there is no evidence of a generally rising trend in homelessness or rough sleeping in Scotland (see Chapter 4), in sharp contrast to the deteriorating position in England since 2010.⁷⁶ That said, persistently high levels of TA use are an ongoing concern across Scotland, and homelessness pressures vary across the country, with some indications of an upward trend in Edinburgh in particular in recent years (though see Chapter 4 for some contrary indications in the official statistics).⁷⁷ At the same time, Glasgow City Council's failure to meet its statutory duty to offer TA to all those entitled to it,⁷⁸ and a host of "inefficiencies, bottlenecks and failure points"⁷⁹ in the rehousing of homeless people in the city, is a matter of public record and long-standing concern.⁸⁰

More recently, figures provided by LAs across Scotland under freedom of information legislation show that, nationally, at least 12,455 requests for TA were refused between April

2016 and October 2018. In Glasgow alone, the city council was unable to provide TA on 9,052 occasions over the 30-month period, while Fife Council did not provide TA on 1,418 occasions, and Edinburgh on 1,101.⁸¹

In-depth research on TA in six case study areas in Scotland, conducted under the auspices of HARSAG, has also revealed the myriad ways in which much of Scotland's current TA system is "not fit for purpose". The authors comment that:

"At its best temporary accommodation offers a short term, high quality, suitable stop gap en route to settled housing. At worst, it forces people into a negative and damaging environment for an extended period that profoundly restricts their autonomy, undermines their wellbeing and damages their future life chances."

Drawing on the perspectives of both service providers and service users, the study confirmed the prevailing consensus that temporary furnished flats are generally the best, and B&Bs the worst, forms of TA currently

- 74 Glasgow Homelessness Network (2018) *Can We Fix Homelessness in Scotland? Aye We Can! Final Report*. http://www.ghn.org.uk/shien/wp-content/uploads/sites/5/2017/11/Aye_We_Can_Final_Report_2018-1.pdf
- 75 Scottish Parliament (2018) *Local Government and Communities Committee: Report on Homelessness*. Online: Scottish Parliament. <https://digitalpublications.parliament.scot/Committees/Report/LGC/2018/2/12/Report-on-Homelessness>
- 76 Crisis (n.d.) *About the Homelessness Monitor*. Online: Crisis. <http://www.crisis.org.uk/pages/homelessnessmonitor.html>
- 77 Littlewood, M, Bramley, G, Fitzpatrick, S & Wood, J 2017, *Eradicating 'Core Homelessness' in Scotland's Four Largest Cities: Providing an Evidence Base and Guiding a Funding Framework: A Report to Social Bite*. Edinburgh: Social Bite.
- 78 Scottish Government (2018) *Homelessness in Scotland 2017-2018*. Online: Scottish Government. <https://www.gov.scot/publications/homelessness-scotland-2017-18/p30>.
- 79 Scottish Housing Regulator (2018) *Housing people who are homeless in Glasgow*. Online: Scottish Housing Regulator. <https://www.scottishhousingregulator.gov.uk/publications/housing-people-who-are-homeless-glasgow/p8>.
- 80 Shelter Scotland (2017) *Evidence of Gatekeeping in Glasgow City Council*. Online: Shelter Scotland. https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/evidence_of_gatekeeping_in_glasgow_city_council
- 81 Taylor, M. (2018) *World-class housing laws risk being 'rendered useless' by repeated breaches*. Online: The Herald. https://www.heraldsotland.com/business_hq/17361039.world-class-housing-laws-risk-being-rendered-useless-by-repeated-breaches

available in Scotland. The authors also find that hostel accommodation shares many of the same intrinsic drawbacks as B&B provision, arising from its 'congregate' nature, notwithstanding the highly variable nature and quality of this provision across the country. They caution against any notion that 'quick fixes' focused on addressing issues in one form of TA, particularly B&B, will achieve the changes necessary to ensure that "TA always acts as a positive stop gap, not a negative and damaging 'trap.'" ⁸²

HARSAG published four reports over the course of 9 months, containing 70 recommendations, all of which were accepted in principle by the Scottish Government. HARSAG's first set of recommendations, published in November 2017, aimed to "reduce rough sleeping during winter 2017/18", and were designed for immediate implementation.⁸³ Its two subsequent reports focussed on "how to eradicate rough sleeping",⁸⁴ and on "ways to transform TA",⁸⁵ published in March and May 2018 respectively.

The Group's final report, published in June 2018, offered recommendations on "how to bring about an end to homelessness in Scotland."⁸⁶ It placed an emphasis on 'rapid rehousing' into settled mainstream accommodation as quickly as possible for all homeless people, including the adoption of 'Housing First' approaches for those with complex needs. It also highlighted links between homelessness

prevention and other policies (such as continuing the social housing building programme after the current five-year plan has been completed), reforming social security, early intervention with high risk groups such as care leavers and those leaving prison and other institutions, and the role of Health and Social Care Partnerships. A series of legal changes were recommended, including commencing the relevant sections of the 2003 Act on intentionality and local connection, so as to reduce or remove the role these criteria play as 'barriers' to homeless people being able to access their legal rights, and also introducing a new prevention duty, along the lines of revised legislation already introduced in England and Wales, to "bring 'Housing Options' into the heart of the statutory homelessness framework", and to extend more robust preventative duties to other public authorities.

When the final HARSAG report was published, the Scottish Government simultaneously announced the allocation of the first £21 million of the £50 million total additional expenditure on homelessness to support the implementation of its recommendations on rapid rehousing and Housing First.⁸⁷ The Scottish Government has committed up to £6.5million over the next three years to support the Housing First Scotland pathfinder programme in five cities in partnership with Social Bite, Glasgow Homelessness Network and Corra

82 Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland: Final Report*. Edinburgh: The Scottish Government.

83 Scottish Government (2018) *Homelessness and Rough Sleeping Action Group interim report: winter initiative 2017-2018*. Online: Scottish Government. <https://www.gov.scot/publications/harsag-interim-report-winter-initiative-2017-2018>

84 Scottish Government (2018) *Homelessness and Rough Sleeping Action Group: interim report*. Online: Scottish Government. <https://www.gov.scot/publications/ending-rough-sleeping-in-scotland-interim-report>

85 Ibid.

86 Scottish Government (2018) *Homelessness and Rough Sleeping Action Group: final recommendations report*. Online: Scottish Government. <https://www.gov.scot/publications/homelessness-and-rough-sleeping-action-group-final-report>

87 Scottish Parliament (2018) *Local Government and Communities Committee: Report on Homelessness*. Online: Scottish Parliament. <https://digitalpublications.parliament.scot/Committees/Report/LGC/2018/2/12/Report-on-Homelessness>

Foundation, and £15 million to support Rapid Rehousing Transition Plans.

The Scottish Government's 'Ending Homelessness Together Action Plan' was subsequently published on 27th November 2018, received cross-party support in the Scottish Parliament, and was set in the context of the new National Performance Framework.⁸⁸ The Plan is organised around six themes: embedding a person-centred approach across public services; prevention; prioritising settled housing for all; quick and effective responses; joining up planning and resources; and other actions to support the work. The specified actions are intended to capture all 70 HARSAG recommendations, though there is not a direct read across, and not all actions have a specific timetable attached. Amongst the most notable commitments are:

- An updated Code of Guidance and Code of Practice addendum, incorporating a personal housing plan model.
- The development of a 'national model for outreach' as part of strategy of empowering frontline workers.
- The introduction of a new wide-ranging homelessness prevention duty that will apply across LAs, wider public bodies and delivery partners (a timetable will be set out in 2019).
- To embed a 'no wrong door' approach to homelessness prevention across public services, and making homelessness assessments more 'flexible' in the sense of available in a wider range of locations (while keeping the assessment duty with LAs).
- To devise 'preventative pathways' for groups at highest risk, with particular mention made of prisoners, women and children fleeing domestic abuse, care leavers, and young homeless people.
- To continue to invest in affordable and social housing supply in the Housing Beyond 2021 strategy.
- To embed a 'housing-led' approach to resolving homelessness, with a national shift towards rapid rehousing 'by default', the scaling up of Housing First for those with complex needs, and more specialist residential support options for those who need it.
- To bring about a 'transformation' in the TA landscape by 2023, affecting fewer people and spending shorter times in TA, and a new funding framework by November 2021. New TA standards to be enforced by 2023.
- To support the development of a wider range of both 'settled' and 'emergency' housing options, including facilitating access into the PRS, the 'flipping' of TA tenancies to settled housing in appropriate circumstances, and 'community hosting' models, such as Nightstop, Supported Lodgings,⁸⁹ and 'Shared Lives' placements.⁹⁰
- Revised arrangements on local connection and intentionality, including commencing the relevant provisions of the Homelessness Etc. (Scotland) Act 2003, following consultation with stakeholders, and revising data collections to measure the impact of the changes. In addition, options will be developed for narrowing the focus of the

88 Scottish Government (2018) *Ending Homelessness Together*. Online: Scottish Government. <https://www.gov.scot/publications/ending-homelessness-together-high-level-action-plan/>; Scottish Government (n.d.) *National Performance Framework*. Online: Scottish Government. <http://nationalperformance.gov.scot/>

89 Watts, B. & Blenkinsopp, J. (2018) *Supported Lodgings: Exploring the feasibility of long-term community hosting as a response to youth homelessness in Scotland*. Online: Shelter Scotland. https://scotland.shelter.org.uk/_data/assets/pdf_file/0009/1561878/Supported_Lodgings_Feasibility_Study.pdf

90 Shared Lives Plus (n.d.) Online: <https://sharedlivesplus.org.uk/>

intentionality provisions to 'deliberate manipulation' of the homelessness system.

- To extend the existing Unsuited Accommodation Order⁹¹ (which restricts time spent in B&B and similar to seven days for pregnant women and families with children) to all people experiencing homelessness (with consultation on the implementation timetable in 2019).
- To conduct Equality Impact (including a socio-economic impact) and a Child Rights and Wellbeing Impact assessments on the Action Plan measures.
- An annual report to Parliament on progress towards delivering actions and outcomes.

These recommendations will be overseen by a 'refreshed' Homelessness Prevention and Strategy Group. A key looming deadline at the time of writing with regard to the implementation of the HARSAG recommendations, was the delivery of a 5-year 'Rapid Rehousing Transition Plan' (RRTP) by LAs to the Scottish Government by end December 2018 (our understanding is that these were delivered to schedule by 31 out of 32 LAs).⁹² Thereafter all 32 RRTPs will be reviewed by April 2019, with confirmation of the distribution of the £15million being made available to support the implementation process.

Our key informants were interviewed, and the Scottish LAs were surveyed, after the HARSAG final report had been published, but before the publication of the Scottish Government's Ending Homelessness Together Action Plan. This means that the commentary below is limited to reactions to the

former. We begin by considering reactions to HARSAG's overall recommendations, before focussing in more detail on views on the key recommendations on rapid rehousing; Housing First, and alongside this the role of Health and Social Care Partnerships; and prevention.

National stakeholder and LA overall perspectives on HARSAG recommendations

While there was much that was welcomed in the HARSAG recommendations across both key informants and the LAs surveyed, there were also a range of challenges or perceived weaknesses raised.

Those key informants who were most supportive of the HARSAG recommendations laid particular emphasis on the systems' change associated with its Housing First and rapid rehousing recommendations, now incorporated into the Scottish Government's 'Ending Homelessness Together Action Plan' and on the sense of a one-off opportunity to make a step-change improvement in the homelessness system:

"[most] important...was the rewiring of local systems so that Housing First and rapid re-housing became the default options..."

(Voluntary sector key informant, 2018)

"I feel optimistic that we've got enough key people in key places, and I mean that support for the thrust of these recommendations...senior people within local authorities across different areas, across

91 Scottish Government (2017) *Homeless Persons (Unsuited Accommodation Order) (Scotland) Amendment Order 2017*. Edinburgh: Scottish Government.

92 Evans, A. et al.(2018) *Scotland's transition to rapid rehousing: Market area analysis, legislative and culture review*. Online: Glasgow Homelessness Network. http://www.ghn.org.uk/wp-content/uploads/2018/06/Rapid_Rehousing_FINAL.pdf

the third sector, academics and others. It feels as though we're almost in a unique position that if we don't actually pull this together and make it happen, then what are we doing?"

(Voluntary sector key informant, 2018)

Those who were more critical tended to focus on two, sometimes interrelated, themes: what they viewed as HARSAG's excessive focus on rough sleeping and/or complex needs; and the perceived lack of attention given to prevention. While the HARSAG final report in particular contained a range of broader, preventative recommendations,⁹³ nonetheless some key informants took the view that:

"...[it]...focused much more on alleviation than it did on prevention and it tended to focus most on alleviation as it relates to people who've got the more complex needs... That's what's capturing the headlines, that's what is getting all the political attention and prevention just doesn't seem to be featuring in that at all."

(Voluntary sector key informant, 2018)

A specific issue picked up by a few key informants was the perceived relative lack of emphasis on survivors of violence and abuse:

"...while I recognise there's a recommendation in there about women who are

suffering domestic abuse, it's not upfront...This is the main concern about the HARSAG, is that a lot of the political attention is on rough sleeping, and I'm not diminishing that at all...but there is a lot of hidden homelessness that's almost getting, a little bit, maybe, put to one side."

(Independent sector key informant, 2018)

Likewise, there was a mixed picture amongst LAs in terms of their perception of HARSAG recommendations.⁹⁴ Thus, two thirds of responding LAs (18) believed that there were aspects of the HARSAG recommendations that would 'work particularly well' in their area, while only five LAs (generally in high pressure areas) reported that there were no positive HARSAG recommendations from their point of view (the remaining four, generally more rural LAs 'didn't know'). Conversely, almost all responding LAs identified that there were at least some HARSAG recommendations that were likely to be challenging to implement in their area.

Most commonly mentioned by those LAs who were positive about the HARSAG recommendations were the RRTPs and Housing First, with some feeling that central government backing for these approaches would be helpful in strengthening the hand of officers looking to introduce such 'modernising practices':

"We have been looking to re-evaluate our use of temporary accommodation

⁹³ Scottish Government (2018) *Homelessness and Rough Sleeping Action Group: final recommendations report*. Online: Scottish Government. <https://www.gov.scot/publications/homelessness-and-rough-sleeping-action-group-final-report>

⁹⁴ See also Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland: Final Report*. Edinburgh: The Scottish Government.

for a number of years and feel the opportunity to transform the use of temporary accommodation will present a great opportunity for this.”
(LA respondent, Rest of Scotland, 2018)

“Pilots for Housing First were already underway in our area however HARSAG has given us the political support to ensure that stakeholders and partners fully engage and support the process...We are confident that we will be able to address issues surrounding repeat homelessness with this approach.”
(LA respondent, Rest of Scotland, 2018)

“Through joint-working with Health & Social Care colleagues and the appropriate acquisition of units (either in the PRS or RSL), Housing First and rapid rehousing should work well in X. Rapid rehousing for the cohort of individuals who do not have complex needs, but find themselves priced out of the housing market...would work particularly well-provided the supply of affordable housing continues at its current rate.”
(LA respondent, Pressured Area, 2018)

“There is a real opportunity to gain significant benefits from rapid rehousing given the level of potential housing supply and general willingness of the

HA sector to engage.”
(LA respondent, Clyde Valley, 2018)

Many stressed that the success of HARSAG-recommended reforms would be dependent on additional resources from the Scottish Government and/or the contribution of other public bodies and housing associations:

“Housing First will work well in X as long as we are able to overcome the barriers of funding. There is evidence of good partnership working and working relationships with partners which will aid the Housing First approach.”
(LA respondent, Clyde Valley, 2018)

The more severe criticisms of HARSAG tended to come from either high housing pressure and/or rural areas:

“HARSAG recommendations appear to work well in urban areas. In rural areas however it is much more challenging to find suitable accommodation quickly in areas where the applicant wants to stay.”
(LA respondent, Pressured Area, 2018)

“HARSAG is set up to deal with rough sleeping. People with complex needs will also benefit. However, rapid rehousing may be detrimental to people without support needs as resources will be directed at those who require support under Housing First.”
(LA respondent, Pressured Area, 2018)

Rapid rehousing

As noted above, many LAs were positive about rapid rehousing. However, for some there were significant concerns, very often related to social housing supply:

“Reducing use of temporary accommodation will be challenging because we have such low turnover of stock to be able to provide permanent accommodation quickly.”
(LA respondent, Pressured Area, 2018)

The variability in housing pressures across the country was widely commented on by key stakeholders:

“the...market area analysis to support the rapid rehousing programme,⁹⁵ which was showing that there were some areas, Edinburgh being one, like I say, where we could give all social housing to homeless households and you still wouldn't have enough. So it's 100 and something per cent of social housing would be needed to accommodate all homeless people in Edinburgh, including a backlog. So there's a real need in parts of Scotland, but I know, speaking to housing officers, there's also oversupply in some areas. So I don't think the housing pressure in Scotland is in crisis...[but] It definitely is in some parts.. particularly, Edinburgh.”
(Voluntary sector key informant, 2018)

Speed of implementation was another issue identified by LAs, and was a point also picked up by national-level key informants, especially in relation to more rural LAs:

“I think the urban authorities are making good progress... challenges are going to be for the rural authorities...there are these challenges within the timeline...there will not be a perfect set of rapid rehousing plans by the end of December. I think if we acknowledge that this is the first cut and there will be further developments of the plans over the next year.”
(Statutory sector key informant, 2018)

Other national-level key informants focussed more on 'political' challenges associated with the impact of rapid rehousing on social housing allocations policies:

“...if you do raise the number of lets to homeless people, you, by definition, reduce the number of lets to other people, so, that is a message that you have to give to your board members, your staff as well, but, also, the communities that you serve, and your applicants. I don't think it is, necessarily, a bad idea, but it's how you deal with those other people as well? How do you manage that without increasing the number of homelessness presentations as well?...you could potentially create a situation where people

95 Evans, A. et al. (2018) *Scotland's transition to rapid rehousing: Market area analysis, legislative and culture review*. Online: Glasgow Homelessness Network. http://www.ghn.org.uk/wp-content/uploads/2018/06/Rapid_Rehousing_FINAL.pdf

think that the best chance of them getting a house is by presenting as homeless..."
(Independent key informant, 2018)

For homeless people themselves, there was also said to be a trade-off between speed and choice, again particularly in rural areas:

"The rapid rehousing ethos, there's been a little bit of pushback, saying, 'Well, we can't just put somebody in any house for the sake of it, to give them a house, because, if it's not the right house, then their tenancy will fail.'...you've got to find somewhere in the middle, because there's no perfect houses out there, or there's very few perfect houses out there, so, it's about what you're willing to accept...what's the best bad situation that they're willing to live with?!... and that'll be different for different people."
(Independent key informant, 2018)

Housing First and Health & Social Care Partnerships

None of the key informants interviewed, or LAs surveyed, disputed the principles of the Housing First model, but some were keen to emphasise that it wasn't a complete solution:

"I think my major concern was that the assumption was that Housing First is the only solution...People need to understand that if you're going to have a person-

centred approach, and that's fundamental to HARSAG, you need to have a variety of options."
(Voluntary sector key informant, 2018)

Other key informants recognised significant challenges in moving to 'Housing First by default' but were confident that the tide was moving in the right direction:

"I think people are concerned about Housing First because the model of allocating straight into secure tenancy for people with complex needs is a difficult concept but more and more, people are learning about it and they see it as a way forward...so I can see the target of 800 for Scotland being met, I don't have any concerns about that."
(Statutory sector key informant, 2018)

However, in a context where RSLs (and some LAs) were said to be increasingly concerned about 'tenant readiness' (see Chapter 2), Housing First was sometimes said to be cutting against the grain:

"The present culture is very much 'tenancy readiness' and...it will be...challenging to change this culture...Also, if a tenant is evicted for rent arrears, can the RSL really be expected to immediately offer them another tenancy either under the rapid rehousing or Housing First model?"
(LA respondent, Rest of Scotland, 2018)

Another 'pushback' against Housing First was suggested as having its origins in defensiveness on the part of providers of more traditional models of supported accommodation:

"...if you are scaling up one type of model, effectively, what you're also then doing with the other hand is scaling down other types of [supported] accommodation...That kind of subtle resistance then is, of course, from providers with those types of units...an element of self-interest and self-protection along with the rest of it...We can't just ignore the fact that we need to scale down [other provision]...we need to bring providers in on that discussion and work it through at local and national level."
(Voluntary sector key informant, 2018)

Anxieties surrounding Housing First raised by LAs were very often associated with access to support services controlled by health and social care partners:

"Housing First models may only be deliverable in some areas - due to availability of support services."
(LA respondent, Pressured Area, 2018)

"There are also concerns that there are enough support services available, again more particularly in rural areas, to provide an adequate Housing First model."
(LA respondent, Rest of Scotland, 2018)

Highly relevant here, then, is the survey finding that only eight LAs reported that their local Health and Social Care Partnerships (HCSPs) had helpfully contributed to homelessness prevention efforts to date (see Figure 3.1). Rather strikingly, however, this was the norm within the Glasgow and Clyde Valley area whereas it was unusual elsewhere.

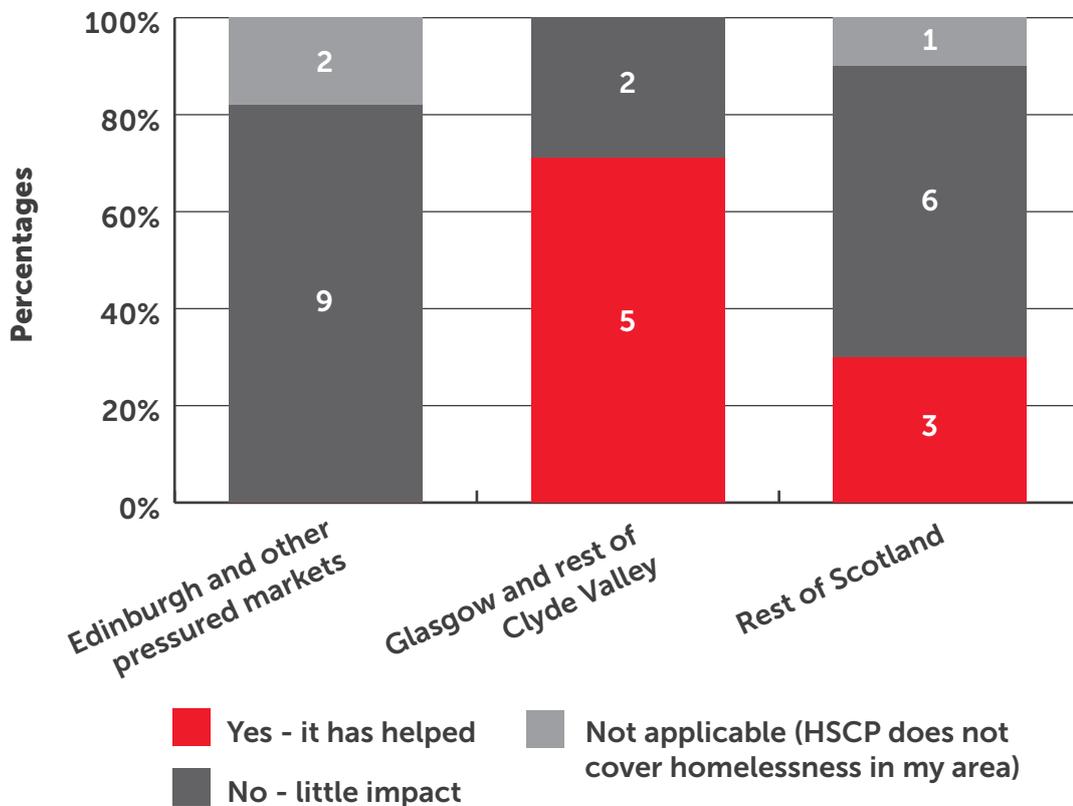
One key informant supplied a possible explanation for this pattern being the decision to include homelessness as an explicit priority within the Glasgow HSCP:

"The recognition at least that homelessness has to sit within that health and social care dynamic has been a positive one, but it's actually only one of a handful, if that, maybe two or three, local authorities that have chosen to situate homelessness as one of the priorities, one of the strategic planning areas."
(Voluntary sector key informant, 2018)

In other areas of the Clyde Valley, the explanation offered was different:

"...our ability to co-produce and plan with our local HSCP stems...from the prior relationships and joint work done over a number of years to understand the health and homelessness needs of the local population of X LA. We did our own local research and developed a joint plan 3-4 years ago and the results assisted us in developing plans prior to the RRTP process."
(Statutory sector key informant, 2018)

Figure 3.1 Perceived impact of local health and social care partnerships on local authority homelessness prevention



Source: LA Survey 2018. N=28

Several other national-level key informants confirmed that elsewhere in the country there was more work to do but also that the RRTP were providing a useful spur to action:

"...the RRTP process is an opportunity to...get better engagement with health and social care. To make them step up to the plate in terms of social care, health and community psychiatry services for example. So we've got a job to do but most local authorities are now using RRTP to really start to engage meaningfully on homelessness with health and social care."

(Statutory sector key informant, 2018)

This sense that the RRTP process provided a framework for more constructive engagement was also reflected in several LA comments:

"Engagement has been minimal, however, that said it is still early days for the HSCP. RRTPs will allow us to focus and increase engagement."

(LA respondent, Rest of Scotland, 2018)

"We are at the very early stages of HSCP engagement on Homelessness, it is currently not one of their priority areas, however there has been the beginnings of good work albeit at a slow rate of progress".

(LA respondent, Rest of Scotland, 2018)

A number of key informants highlighted the relative power imbalance between health and LA partners in Integrated Joint Boards for HSCPs as a means of explaining why homelessness had had little priority to date in many parts of the country:

"...councillors...[are] from different political parties and... sometimes they just don't like each other. So when you've got a situation where you've got a decision that needs to be taken strategically on what is right for a Health and Social Care Partnership, which way to go, right? The health board are always going to have the upper hand because politically they're whipped to go in one direction. Whereas from the council side, there is going to be less unanimity of thought." (Voluntary sector key informant, 2018)

In this context, reference was also made to the strong association between poor health and homelessness revealed by the findings of a recent administrative data linkage study published by the Scottish Government.⁹⁶ This found that people accepted as homeless in Scotland between 2001-2014 had a roughly five times higher chance of dying than people of the same age and gender living in the least deprived fifth of areas in Scotland, with death rates amongst the homeless cohort also double that of their non-homeless peers living in the most deprived fifth of areas. Yet, one key informant commented:

"The feeling that we get is that the connection between health and homelessness

is still to be made...there is that group of people who are homeless because of trauma that they've experienced, and the lifestyles that they then lead as a result of that... It's things that the people in housing, and particularly the homeless service, have known, intuitively, for so long, but now there's the [data linkage] evidence there, that being in homelessness, and having repeat cycles of homelessness, it's not a housing issue, it's a health issue. It's a public health issue, and it's probably an adult protection issue."

(Independent key informant, 2018)

Prevention

As noted above, some key informants felt that HARSAG was relatively weak on preventative recommendations, notwithstanding the space given to relevant issues in HARSAG's final report (see above). Others disagreed, pointing amongst other things to the recommendation on introducing a new prevention duty on all public bodies, drawing on the lessons from recent legislative change in England and Wales. As noted, this has now been incorporated into the Scottish Government's 'Ending Homelessness Together Action Plan', as discussed earlier. However, key informants had mixed views on the efficacy of such an expanded prevention duty:

"I think the Welsh model is something that HARSAG looked at and listened to. I think the Scottish Government should move to establishing prevention of homeless

96 Waugh, A. et al. (2018) *Health and homelessness in Scotland*. Online: Scottish Government. <https://www.gov.scot/publications/health-homelessness-scotland>

duties for the corporate local authority's health and social care partnerships, housing associations and prisons and health boards. I don't think it's something we should shy away from."

(Statutory sector key informant, 2018)

"Part of the difficulty is if you look at our current legislative duties in Scotland, local authorities already have a duty to prevent homelessness...I think the other quite practical problem...there wasn't room in the parliamentary timetable for it to be put through...

Now what we would argue is quicker, easier and probably more effective is to give specific action points to health and social care partnerships, to health, whatever it is, create accountability in other words." (Voluntary sector key informant, 2018)

Another theme raised by key informants was the need for 'prevention pathways' for high risk groups, particularly those leaving institutions such as prison (again picked up in both the HARSAG final report⁹⁷ and the Scottish Government's 'Ending Homelessness Together Action Plan':

"I think there's a big piece of work, which is still to come in Scotland, which is about

pathways for people at risk, in the way that the prison service has the SHORE Standards, there was a recommendation from HARSAG that you have the same for the care system. You have the same for the mental health system. You have the same for a pathway in relation to domestic abuse. All of those areas where it's very clear that people are at greater risk of becoming homeless than the average person on the street, then pathway approaches, joint, local partnerships which set up those pathways are going to be a really important part of this."

(Voluntary sector key informant, 2018)

We specifically asked about the effectiveness of the implementation of the SHORE standards (Sustainable Housing on Release for Everyone)⁹⁸ for people leaving prison in the key informant interviews, and the consensus seemed to be that these were positive principles but there was a long way to go on implementation:

"I think there is an ambition for SHORE to be rolled out to all local authority areas and all prison areas. So I think we're at the early stages of that but I don't think anyone's disagreeing with the direction of travel and you'll see commitments being made through the RRTPs to truly

97 Scottish Government (2018) *Homelessness and Rough Sleeping Action Group: final recommendations report*. Online: Scottish Government. <https://www.gov.scot/publications/homelessness-and-rough-sleeping-action-group-final-report>

98 Scottish Prison Service (2017) *Scottish Quality Standards: Housing Advice, Information and Support for People In and Leaving Prison*. Online: Scottish Prison Service. <http://www.sps.gov.uk/Corporate/Publications/Publication-5363.aspx>

endorse and place SHORE as part of the prevention homelessness approach.”

(Statutory sector key informant, 2018)

A consistent theme was the failure of other health and other public services to assist homeless people with complex needs at a suitably ‘upstream point’ (see also above):

“...it’s a failure of services, whether health or social work, to pick up the harm that’s been done to that person at the time...and there’s so many different opportunities to pick that up, until the person hits the homeless service. At that point in time, what they do need is somewhere to stay, but what’s brought them there has been a series of trauma, and other incidents, that’s had a detrimental effect on their mental health and wellbeing...”
(Independent key informant, 2018)

This is consistent with comments made by LAs in the 2018 LA survey, who identified sub-optimal joint working with other local stakeholders, alongside a lack of rehousing options, as the main barriers to homelessness prevention in their area. Other barriers noted included the impact of LA budget cuts, and applicants seeking help too late to make prevention a feasible possibility.

Asked about ‘the main enablers of effective homelessness prevention in your area’, most respondents referred to the benefits derived from a knowledgeable and committed

Housing Options team and/or the joint working with other stakeholders where this was effective:

“Tenancy Sustainment Officers. Prevention Team who work with individuals 6-12 weeks before homelessness is likely to occur. Third Sector partners such as [name of project] for young people.”

(LA respondent, Pressured Area, 2018)

“Close work with colleagues in health and social care to ensure the needs of specific groups (e.g. young and care leavers) are supported into positive housing outcomes rather than facing crisis.”

(LA respondent, Clyde Valley, 2018)

3.3 Welfare policies

Given that social security systems, and especially housing allowances, are what usually ‘break the link’ between losing a job or persistent low income and homelessness (see Chapter 1), welfare reforms are highly relevant to homelessness trends. The Coalition and Conservative governments have introduced a raft of welfare reforms over the last eight years, many of which have direct implications for lower income households and their capacity to secure or retain accommodation in all sectors of the housing market. These have been comprehensively reviewed in previous editions of the Monitor.⁹⁹ The Scottish Government and other devolved administrations have engaged in a range of ‘mitigation’ measures to offset their impacts. Here we focus on a selection of welfare policies likely

99 See Crisis (n.d.) *About the Homelessness Monitor*. Online: Crisis. <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

to have particular implications for homelessness, namely:

- Local Housing Allowance (LHA) reforms (including the Shared Accommodation Rate (SAR))
- Universal Credit (UC)
- Benefit caps
- Benefit sanctions
- Discretionary Housing Payments (DHPs)
- Scottish Welfare Fund (SWF)

Before we consider each of these specific areas of welfare policy in turn, it is important to set the scene with the recent important changes in the overall social security context in Scotland, with the devolution of eleven benefits to Scotland in the Scotland Act 2016, alongside powers to introduce new benefits and to top up continuing reserved benefits. The Scottish Parliament passed the Social Security (Scotland) Bill in April 2018 which received Royal Assent in June. This seeks to establish the guiding principles of a Scottish social security system and to introduce them into law. These principles are intended to signal a different approach to social security compared to that pursued by the UK Government. So social security is described as being “an investment in the people of Scotland” and the system should have “dignity for individuals at its heart”, with “social security is itself a human right and essential to the realisation of other human rights”.¹⁰⁰ This approach was welcomed by our key informants:

“...it’s about dignity, and fairness, and valuing the

person, and that social security payments are an investment in people’s lives, so that they can go on to reach their potential, which is all things that I think are absolutely right...like the Westminster welfare side of things, it’s like you’re a scrounger, and you can get penalised, and you’ve got comply with this, and comply with that, and it’s really demeaning. You’re made to beg for everything...”
(Independent sector key informant)

As well as establishing the principles that should underpin a new Scottish social security system, the Act addresses the administration of the eleven new benefits that are being devolved. In this regard the Act establishes the eligibility criteria for the benefits that are being devolved and provides an enabling framework for Scottish Ministers to make regulations. The administration of benefits will be transferred over a number of years – up to April 2020.¹⁰¹ The devolved benefits (with the exception of DHPs) will be administered by a new executive agency (Social Security Scotland), and the process is being overseen by a Social Security Programme Board.

It is important to bear in mind that only a minority of social security expenditure is to be devolved. Around £3.0 billion (15.9% of the total of £18.6 billion spent on individuals in Scotland) is being devolved (2017/18 expenditure figures).¹⁰² To this we can add: Scottish Welfare Fund (£33 million) and

100 Scottish Government (2017) *Social Security (Scotland) Bill: Policy Memorandum*. Online: Scottish Parliament. <https://www.parliament.scot/parliamentarybusiness/Bills/105267.aspx> para. 46

101 Ibid. para.65

102 Scottish Government (2018) *Social Security for Scotland* (updated September 2018). Online: Scottish Government. <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland/SSFSSep2018>

Discretionary Housing Payments (£59 million in 2017/18).

Disability Living Allowance is the largest of the devolved benefits in terms of expenditure (33%). Personal Independence Payment and Attendance Allowance account for a further 31% per cent of expenditure. Together, these three benefits account for almost two-thirds of devolved social security expenditure.¹⁰³

Local Housing Allowance and Shared Accommodation Rate

Changes to the LHA regime for private tenants led the way in the welfare reform agenda. These changes have been applicable to all new claimants since April 2011, and subsequently to all existing claimants. The key initial changes were to set LHA rates based on 30th percentile market levels, rather than market medians, and to set maximum caps that mainly affected inner London. While in 2013/14 those LHA rates were uprated by the lower of either inflation (CPI) or changes in market rents, subsequently in 2014/15 and 2015/16 they were uprated by just 1%. Following a decision in the Summer 2015 Budget the LHA rates have now been frozen for four years from 2016/17.

Under these rules, there has been a growing gap between actual rents and the amount of rent that is covered by LHA. Analysis across Great Britain by the Chartered Institute of Housing (CIH)¹⁰⁴ found that even with the Targeted Affordability Fund (see below) less than 10% of LHA rates cover the rents of the cheapest 30th per cent of private rented sector (PRS) properties.

CIH describe a gap of £5 per week or over as 'substantial' yet some areas experience a gap of £10 per week gap or more between market rent and LHA in the local housing market. Both Edinburgh and Glasgow fall into this category. Earlier analysis by the CIH¹⁰⁵ found that in 38 of the 90 LHA rates across the 18 broad rental market areas (BRMAs) in Scotland,¹⁰⁶ LHA rates had fallen below the 25th percentile and 25 were below the 20th percentile. Their analysis concluded that over 70% of LHA rates within Scotland's 18 BRMAs would be less than actual rents.¹⁰⁷

The Scottish Government reported that the Department for Work and Pensions (DWP) data shows that in November 2016 just over 73,000 PRS households in Scotland were in receipt of LHA.¹⁰⁸ As of February 2018, DWP data shows that this number had reduced to 64,952 with 3,985 of this number being for shared accommodation.¹⁰⁹ DWP commissioned research¹¹⁰ found that 94% of claimants across Great Britain made up the difference between rent and LHA from their own resources. However, this research was conducted prior to the 'benefits freeze' which applies to other working-age benefits. It seems likely that LHA claimants are now even more likely to make up the shortfall between actual rents and LHA rates out of benefit income whose real value is being eroded by inflation.

Another key change was the extension of the SAR to single people aged 25 to 34 years old in 2012. The SAR limits the amount of assistance that a single private tenant aged under 35 can receive from Housing Benefit

¹⁰³ Ibid.

¹⁰⁴ Chartered Institute of Housing (2018) *Missing the Target*. Coventry: CIH

¹⁰⁵ Chartered Institute of Housing (2016). Coventry: CIH

¹⁰⁶ There are 5 rates (shared, 1 bed, 2 bed, 3 bed 4+ bed) in each of Scotland's 18 MRMAs, giving a total of 90 rates.

¹⁰⁷ Chartered Institute of Housing (2016) *Mind the Gap*. Coventry: CIH

¹⁰⁸ Scottish Government (2017) *Welfare Reform (Further Provision) (Scotland) Act 2012: Annual Report 2017*. Online: Scottish Government. <https://www.gov.scot/publications/welfare-reform-further-provision-scotland-act-2012-annual-report-2017>

¹⁰⁹ DWP StatXplore

¹¹⁰ Beatty, C. et al. (2014) *The impact of recent reforms to Local Housing Allowances: Summary of key findings*. London: DWP.

(HB) (or UC) to the LHA rate for shared accommodation. Although our understanding of the impacts of SAR in Scotland are patchy, we do know that there were 3,948 SAR claimants in Scotland in March 2018.¹¹¹ Of these, 857 were resident in Glasgow and 489 in Edinburgh, with the next greatest number living in North Lanarkshire.¹¹² Edinburgh was the only Scottish area included in the Social Security Advisory Committee's snapshot analysis of SAR.¹¹³ It found no rented properties available at the April 2018 SAR rate in the Lothian BRMA. Therefore, all of the 489 SAR claimants in the city would almost certainly be making up a shortfall in their HB. Our own analysis shows that there are significant shortfalls between LHA SAR rates and average (mean) rents for shared properties across Scotland (see Table 3.1 below)

The impact of such shortfalls is greater when the claimant is aged under 25 and is also receiving income replacement benefits. This is because under 25s do not receive the householder rate in their benefit (part of the 1988 reform).¹¹⁴

The proposed extension of LHA rates to new social tenants and existing tenants was subsequently withdrawn. Had it been enacted the measure would have affected some 12,000 single adults aged under 35 living in social housing as the Shared Accommodation Rate would have applied to them. Losses were estimated to be in the range £6.60 to £12.44 per week.¹¹⁵

Targeted Affordability Fund

In the 2017 Autumn Budget the Chancellor announced an increase in the Targeted Affordability Fund (TAF) of £125 million, which increases LHA rates in areas most affected by the freeze. Savings made through the freeze on LHA are used to increase some of the existing rates across Great Britain by up to 3% where they are most adrift from market rents in the BRMA.¹¹⁶ In Scotland, Aberdeen and Edinburgh have received support from the TAF for all property types apart from shared accommodation. However, as stated above, even with some limited TAF payments in Scotland they have only gone a small way in filling the increasing gaps between market rent and LHA rates since 2013. CIH analysis suggests that the rates which currently attract TAF cover only 5% of the market rents.¹¹⁷

Temporary Accommodation

Temporary Accommodation (TA) in Scotland as elsewhere in Great Britain is currently covered by HB legislation. As UC was rolled out, TA was initially covered by UC housing costs. Consequently, assistance was capped by LHA rates used elsewhere in the private rented sector.¹¹⁸ However, the short-term nature of TA along with its higher costs meant that arrears were inevitable and unsustainable for both provider and tenant. The UK Government subsequently announced (in November 2017) that it would bring TA back under HB legislation with the transition to UC Housing Payment, which extends the end date of HB when a claimant migrates to UC. This

111 DWP StatXplore

112 DWP StatXplore

113 Social Security Advisory Committee (2018) *Young People Living Independently, Occasional Paper No. 20 May 2018*. London: Social Security Advisory Committee. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/709732/ssac-occasional-paper-20-young-people-living-independently.pdf

114 Blenkinsopp, J. (2018) *The Impact of Social Security Reforms on Younger Adults' Housing Choices in Edinburgh, PhD thesis*. Edinburgh: Heriot Watt University.

115 Indigo House (2017) *The introduction of the LHA cap to the social rented sector: impact on young people in Scotland*. Online: Scottish Government, *CIH Scotland*. http://www.cih.org/resources/PDF/Scotland%20Policy%20Pdfs/LHA/LHA%20Scotland_research%20publication%20WEB.pdf

116 Chartered Institute of Housing (2018) *Missing the Target*. Coventry: CIH. p9

117 Chartered Institute of Housing (2018) *Missing the Target*. Coventry: CIH. p2

118 Wilson, W. (2017) *Housing Cost in Universal Credit*. London: House of Commons Library. pp. 14-15

Table 3.1 Shortfalls in LHA (SAR) rates across Scotland (£)

BRMA	Gap between average (mean) rents for shared one-bedroom properties and LHA (SAR) rate (monthly)
Lothian	129.17
Highland and Islands	115.16
Fife	112.22
Scottish Borders	110.18
Forth Valley	100.7
Greater Glasgow	90.12
West Lothian	87.87
Ayrshires	87.35
Dundee and Angus	82.01
North Lanarkshire	73.43
Perth and Kinross	62.01
South Lanarkshire	62.01
Argyll and Bute	54.11
East Dunbartonshire	50.52
Renfrewshire/Inverclyde	49.00
West Dunbartonshire	37.75
Dumfries and Galloway	37.43
Aberdeen and Shire	26.27

Authors own calculation based on data from Local Housing Allowance rates 2018-2019. [www.gov.scot](https://www.gov.scot/publications/local-housing-allowance-rates-2018-2019/) accessed from: <https://www.gov.scot/publications/local-housing-allowance-rates-2018-2019/> and page 18, TABLE 5: 1 Bedroom Shared Properties - Average (mean) Monthly Rents for 2018, by BRMA. SG statistics published 27 Nov 2018 <https://www.gov.scot/publications/private-sector-rent-statistics-2010-2018/pages/15/>

came into force on 11 April 2018.¹¹⁹ However, the longer-term future of TA is at present unknown.¹²⁰

Universal Credit

Universal Credit aims to radically simplify the social security system by combining six existing working-age benefits into a single payment. A full account of the structural reforms is set out in earlier editions of the Homeless Monitor.¹²¹

In this section we outline developments across Great Britain

and then deal with variations that the Scottish Government is seeking to apply in Scotland, under the limited powers devolved in 2016 mainly to enable it to 'abolish' the bedroom tax.

The new regime was initially operational only for single person claimants, but is now being rolled out for couples and family households. The overall timetable for rolling out the new regime has been substantially – and repeatedly – deferred from original plans, not least due to difficulties in developing the IT system

119 Department for Work and Pensions (2018) *Housing Benefit Circular HB A2/2018*. London: DWP. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690867/a2-2018.pdf

120 UK Parliament (2017) *House of Commons Hansard 23 November 2017, Volume 631*. London: House of Commons. <https://hansard.parliament.uk/commons/2017-11-23/debates/36ef5fee-7fb1-4841-a242-7625ed73fca0/universalcredit>

121 See Crisis (n.d.) *About the Homelessness Monitor*. Online: Crisis. <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

for a still complex scheme, where the detailed regulations and operational requirements for the scheme were not finalised until very late in the day. Poor management and lack of cost controls in the development of the new regime have been severely criticised in a succession of reports from the National Audit Office.¹²²

Roll out

The introduction of UC has been delayed repeatedly. Nonetheless, the numbers on the benefit continue to grow. In September 2017 there were 57,396 claimants of UC but by August 2018 this number had almost doubled to 102,139.¹²³ Currently 'full service' UC (able to take new claims for all types of claimant apart from those with more than two children) is operated across 562 areas¹²⁴ of Great Britain, including Scotland. Other areas operate a 'live service' (since the 1 January 2018 no new claims for UC can be made in these service areas at present but will eventually move to 'full service' areas). Managed migration from legacy benefits to UC is not expected to be complete until December 2023 and those transferred are invited to make a fresh UC claim and if eligible for UC will be offered transitional protection to ensure they are no worse off than under their legacy benefit. Those making a fresh claim outside this process will get no such transitional protection.

Problems

The roll-out of UC has encountered many problems and has been criticised widely for long waiting periods necessitating the increasing use of food banks,¹²⁵ and it has been linked to a rise in destitution.¹²⁶ The main cause of severe hardship appears to be the waiting period before receiving payment as it is a monthly payment, paid in arrears. Evidence from a longitudinal research study conducted in England and Scotland suggests, that the waiting period along with other administrative delays meant some respondents reported waiting up to 10 weeks for payments.¹²⁷ This research was carried out prior to some of the most recent concessions affecting waiting periods.

Increases in rent arrears (besides those already discussed in relation to TA above) and the subsequent rise in court actions against those unable to sustain their rental payments because of problems with UC have reinforced the importance of the pre-action protocol¹²⁸ which Sheriffs must be cognisant of prior to award of decree particularly where rent arrears are connected to delays in UC.¹²⁹

Deductions from benefits to repay certain debts owed by tenants to third parties are known as Third Party Deductions (TPD). These can be higher under UC than under legacy benefits.

122 National Audit Office (2013) *Universal Credit: Early Progress*. <http://www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf>; National Audit Office (2014) *Universal Credit: Progress Update*. <http://www.nao.org.uk/wp-content/uploads/2014/11/Universal-Credit-progress-update.pdf>; National Audit Office (2018) *Rolling Out Universal Credit*. <https://www.nao.org.uk/report/rolling-out-universal-credit/>

123 DWP StatXplore

124 Count from DWP own list found here: <https://www.gov.uk/guidance/jobcentres-where-you-can-claim-universal-credit#history>

125 Loopstra, R. & Lalor, D. (2017) *Financial insecurity, food insecurity, and disability: The profile of people receiving emergency food assistance from The Trussell Trust Foodbank Network in Britain*. Salisbury: The Trussell Trust.

126 Butler, P. (2017) *Destitution is back. And we can't just ignore it*. Online: The Guardian. <https://www.theguardian.com/society/2017/jul/03/destitution-ignore-welfare-cuts>

127 Dwyer, P. & Wright, S. (2017) *Written evidence from the Welfare Conditionality: Sanctions, Support and Behaviour Change Project: Submission to Work and Pensions Select Committee inquiry: Universal Credit rollout*. <http://www.welfareconditionality.ac.uk/wp-content/uploads/2017/10/WP-UCinq-WelCond-submn-Oct17.pdf>

128 Scottish Government (2012) *Guidance for Social Landlords on Pre-Action Requirements and Seeking Repossession of Social Housing*. Edinburgh: Scottish Government.

129 Wilson, W. (2017) *Housing Cost in Universal Credit*. London: House of Commons Library. p 31

They also affect a greater number of claimants not least because those under the age of 25 years are now subject to third party deductions. Third party deductions to repay 'priority debts' and fines, for example, can equal 40% of the standard allowance (and even more if the DWP believe this to be in the claimant's interest). A third party deduction for rent arrears alone can take 10-20% of the standard allowance. With three TPDs allowed to be taken plus other deductions for overpayments and repayments of the UC advance (an interest free loan in lieu of benefit) a claimant could be left with just one penny of their UC. These debt recovery practices have been described as uncoordinated and have been cited as one route into destitution.¹³⁰

Perhaps the most high profile and strongly worded criticism of UC was made by Professor Philip Alston in his capacity as the UN Rapporteur on extreme poverty and human rights following his visit to the United Kingdom. He stated:

"No single program embodies the combination of the benefits reforms and the promotion of austerity programs more than Universal Credit. Although in its initial conception it represented a potentially major improvement in the system, it is fast falling into Universal Discredit."¹³¹

The DWP stated that it "completely disagreed"¹³² with the report, while the Secretary of State objected to its "extraordinary political nature."¹³³

Concessions

Nonetheless, the UK Government is clearly alert to the problems associated with UC, and has introduced a number of concessions in order to address them.

As part of the 'test and learn' strategy,¹³⁴ the DWP have put in place a number of concessions where problems have occurred. The UC advance benefit payment increased from 50% of estimated entitlement to 100% in January 2018, with claimants able to receive advance payments within 5 days of applying for benefit. Recovery periods for the advance (as it is paid as a loan) have been increased from 6 to 12 months and, from October 2021, this recovery period will be extended to 16 months. From October 2019, there will be a reduction of TPD to maximum of 30% of the standard allowance of UC (unless it is in the claimant's interests to apply a higher amount).

The Work Allowance had previously been cut in the Summer Budget 2015, but the UK Government has announced that from April 2019 there will be an increase in Work Allowance with UC by £1,000 each year. However, only for those claimants with children or those (or their partner) with limited capability for work.

Other concessions relate to the delays to the payments of UC. The seven days waiting period ended in February

130 Fitzpatrick, S., Bramley, G., Sosenko, F., Blenkinsopp, J., Wood, J., Johnsen, S., Littlewood, M. & Watts, B. (2018) *Destitution in the UK: Final Report*. York: JRF. <https://www.jrf.org.uk/report/destitution-uk-2018>

131 Alston, P. (2018) *Statement on Visit to the United Kingdom, by Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights, p4*. Online: United Nations. https://www.ohchr.org/Documents/Issues/Poverty/EOM_GB_16Nov2018.pdf

132 BBC (2018) *Poverty causing 'misery' in UK, and ministers are in denial, says UN official*. Online: BBC. <https://www.bbc.co.uk/news/uk-46236642>

133 Walker, P. (2018) *Amber Rudd condemns UN poverty report in combative return to frontline politics*. Online: The Guardian. <https://www.theguardian.com/politics/2018/nov/19/amber-rudd-un-poverty-report-return-frontline-politics>

134 Department for Work and Pensions (2012) *Universal Credit Evaluation Framework*. London: DWP. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/180879/universal-credit-evaluation-framework.pdf

2018, so claims start from the date of application (intended to be a five week wait for first payment). The DWP state that a five-week wait is likely as this includes a one month assessment period and up to seven days for the benefit to reach a bank account.¹³⁵ From April 2018 a two-week run on of HB has been in place for those transferring from HB to UC (which is not repayable). The Government also proposes to make it easier to have the housing cost element of UC paid to the landlord (direct payments) from the end of December 2018 for all new claims. Further, private tenants can now also opt for direct payments when they transfer to UC. Additionally, a non-repayable, two-week run-on of means-tested legacy income replacement benefits have also been announced but will not take effect until July 2020, unless part of the managed migration testing process later in 2019.¹³⁶

From April 2017 the UC taper was reduced from 65% to 63% meaning claimants are able to keep 37 pence for every £1 earned above the work allowance, rather than 35 pence.

Scotland

The roll out of UC is progressing in Scotland as elsewhere in Great Britain. Its visibility has now increased greatly with the roll out reaching Edinburgh (in November 2018) and Glasgow (in December 2018). However, Amber Rudd, the current Secretary of State for Work and Pensions, scrapped plans for Parliament to authorise the transfer of three million claimants to UC starting early in 2019. Instead, she plans to seek approval to transfer 10,000 people

from existing benefits to UC as part of a pilot project to test the adequacy of the process. Even so, the government still expects full roll-out to be achieved by 2023. Two further and significant changes have been signalled by Amber Rudd: the first is an intention to make UC payments to the household's main (usually female) carer;¹³⁷ and the second, a suggestion that that the freeze on working-age benefits may not be renewed when it comes to an end next year (2020).¹³⁸

The Scottish Government intends to use its powers to 'abolish' the Bedroom Tax in Scotland, rather than continue to rely on its mitigation through DHPs. In addition, it is already using its powers to allow tenants to opt for the housing cost element to be paid directly to the landlord, and for UC to be paid more frequently: twice a month, rather than monthly. These applied to new 'full service' claimants from October 2017, and to all UC claimants from January 2018. By December 2017, more than 45% of the 5,800 UC claimants in Scotland had exercised some choice: 1,600 for more frequent payments, 500 for direct payments to their landlord, and 500 for both.¹³⁹

Benefit caps

The overall cap on welfare benefits was introduced in four LAs in April 2013, and was rolled out on a phased basis, so that since the end of September 2013 it has been operated across the whole of Great Britain. The cap – initially set at £350 per week for single people, and £500 for all other households – has been applied to out-of-work households below pensionable

135 Online: Gov.UK. <https://www.gov.uk/universal-credit/how-youre-paid>

136 House of Commons Work and Pensions Committee (2018) *Universal credit: managed migration*. Online: www.parliament.uk <https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/1762/176205.htm>

137 Rudd, A. (2019) *Speech: Universal Credit: personal welfare*. Online: Gov.uk. <https://www.gov.uk/government/speeches/universal-credit-personal-welfare>

138 ITV report (2019) *Rudd floats benefit freeze end as she rows back from Universal Credit child cap*. 11 January 2019 Online: ITV.com. <https://www.itv.com/news/2019-01-11/rudd-floats-benefit-freeze-end-as-she-rows-back-from-universal-credit-child-cap/>

139 Scottish Government (2018) *Social Security for Scotland (updated September 2018)*. Online: Scottish Government. <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland/SSFSSep2018>

Table 3.2 Original and revised benefit caps

	Single		Family	
	£ per annum	£ per week	£ per annum	£ per week
Previous Cap (from September 2013)				
Great Britain	18,200	350	26,000	500
New Lower Cap (from November 2016)				
London	15,410	300	23,000	440
Rest of Great Britain	13,400	260	20,000	380

Source: Kennedy, S et al, (2017) *The Benefit Cap: Briefing Paper Number 06294*, London: House of Commons Library

age, with a number of exemptions for households with disabilities.

However, since November 2016 the benefit cap for out of work claimants has been lowered to £13,400 a year for single people and £20,000 for all other households, except in London where it has been lowered to £15,410 and £23,000 respectively (see Table 3.2).

These lower limits have significantly increased the numbers of households impacted by the cap in Scotland as elsewhere. The DWP impact assessment estimated that 88,000 households containing 244,000 children would be affected across Great Britain.¹⁴⁰ This is 64,000 more households and 161,000 more children than the earlier cap.¹⁴¹ The original cap mostly affected those in higher rental areas and those with larger families. The effect of the lower cap is to further reduce benefits payable to those households already affected and extended it to people living in areas with lower rents and to people with fewer children. For example, 1,000 households in Glasgow with an average reduction in benefit of £60 per

week were expected to be affected.¹⁴² The Institute for Fiscal Studies warned that the cap will cause extreme problems for these families as the effect of the cap will be experienced immediately.¹⁴³ The cap is effected in the first instance by reducing HB. Although this might be mitigated through DHPs, the scale of the losses are such that that the scope for mitigation is limited. The Child Poverty Action Group (CPAG) have stated that the cap has a disproportionate impact on lone parents and their children with 67% of all those capped (across Great Britain) being lone parents and because of caring responsibilities, least able to avoid the caps by moving into work or increasing hours to avoid the cap.¹⁴⁴

The DWP's own figures show that in August 2018, claimants in all LAs in Scotland were affected by the benefit cap, except for the three island authorities: Eilean Siar, Orkney Islands and the Shetland Islands.¹⁴⁵ In total 3,137 households were affected by the new benefit cap with the vast majority, 2,069 of this number lone parents (i.e. single persons with dependent

140 Department for Work and Pensions (2016) *Welfare Reform and Work Act: Impact Assessment for the benefit cap*. Online: DWP. <https://www.gov.uk/government/publications/welfare-reform-and-work-act-impact-assessment-for-the-benefit-cap>

141 Ibid.

142 Kennedy, S. et al. (2017) *The Benefit Cap, Briefing Paper Number 06294*. London: House of Commons Library.

143 Hood, A. & Joyce, R. (2016) *A tighter benefit cap, IFS Observations, 6 November 2016*. Online: Institute for Fiscal Studies. <https://www.ifs.org.uk/publications/8717>

144 Child Poverty Action Group (2018) *Revised Benefit Cap*. Online: CPAG. <http://www.cpag.org.uk/content/revised-benefit-cap-cpag-ds-and-others-v-secretary-state-work-and-pensions>

145 DWP StatXplore

Table 3.3 Benefit cap in Scotland, 2015 and 2018, Scotland and local authorities with greatest numbers affected

Scottish LA	Total no capped Aug 2015	of whom single with dependent children	% of total	Total no capped Aug 2018	of whom single with dependent children	% of total
City of Edinburgh	166	107	64%	501	259	52%
Glasgow City	145	67	42%	571	369	65%
Fife	59	24	41%	221	149	67%
Aberdeen City	55	14	25%	120	73	61%
North Lanarkshire	44	29	66%	207	137	66%
Scotland	840	440	52%	3,137	2,069	66%

Note: Benefit cap by the five more greatly affected (numbers) of Scottish local authority at 2015 and 2018 and by claimant type. Total numbers in both years are highlighted pink and those connected with lone parents, in purple, including % increase in their numbers. Source: calculated from DWP StatXplore

children). In Table 3.3 we took August 2015 and August 2018 as a relevant census points as both represent two years following the implementation of the original and revised caps respectively.

Table 3.3 shows that Glasgow had the greatest number of lone parents affected by 2018 (369). These lone parents had their benefit capped between £25 per month to £150.01-200 per month in 2018.¹⁴⁶ Although the numbers of lone parents in Edinburgh were lower at 259, the sum that were capped by were greater, from £25 per month through to £400 or more per month where six lone parents could be found.¹⁴⁷

Two-child limit

The two-child limit, which covers both UC and Child Tax Credit came into force in April 2017, is yet another controversial policy which was estimated to affect one in six children in Great Britain.¹⁴⁸ Originally

announced in the 2015 Budget, the measure limited the per child element in Child Tax Credit and UC to two children and for new claims (of UC) for births from 6 April 2017.¹⁴⁹ The measure was to have applied to households regardless of when their children were born when new claims for UC was opened up to families with three or more children from 1 February 2019. However, the Secretary of State, Amber Rudd, announced in January 2019, that she considered it unfair to apply the limit "retrospectively", and would not be applied to new Universal Credit claimants if their third child was born before 6 April 2017.¹⁵⁰ This concession is expected to affect 15,000 families.¹⁵¹

A number of exemptions apply to the two-child limit. These include cases where the child has been adopted or where Guardians Allowance is received. Some other exemptions are highly contentious, or even notorious in the case of the 'rape clause' (with

146 Additional calculations from DWP StatXplore not reported in table

147 Summary of Benefit Cap by region August 2018 StatXplore 'point in time caseload' table with filters Family Type by Amount of Benefit Capped (in bands) by Month and Country - Region - Local Authority

148 Child Poverty Action Group (2018) *71,000 Families Hit by the Two-Child Limit Policy in its First Year*. Online: CPAG. <http://www.cpag.org.uk/content/71000-families-hit-two-child-limit-policy-its-first-year>

149 House of Commons Library Briefing (2018) *Two child limit in Universal Credit and child tax credits*, 23 November <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CDP-2018-0263>

150 Amber Rudd (2019) Universal Credit: Personal Welfare, Speech, 11 January <https://www.gov.uk/government/speeches/universal-credit-personal-welfare>

151 Ibid.

190 claimants exempted because of this clause). Across Great Britain during 2017-2018, 71,000 low income families (with 200,000 children)¹⁵² lost up to £2,800 each last year.¹⁵³ Most of those households affected (59%) were in work.¹⁵⁴ Separate figures for Scotland are not available on DWP's StatXplore database. The Institute for Fiscal Studies argue that although the retrospective element of this policy has been scrapped, the long-run impact of the policy is expected to remain the same.¹⁵⁵

In Scotland 3,780 households were affected by the two-child limit in April 2018, and a further 200 would have been affected had they not been granted an exemption.¹⁵⁶ The total value of benefit lost from the two-child policy in Scotland by 2020/21 was estimated to be £98 million (although the estimate predates the concession regarding its retrospective application).¹⁵⁷ This implies that the cost to the Scottish Government of fully mitigating the two-child policy would be twice as much as the cost of mitigating the Bedroom Tax (see below). CPAG's Early Warning System¹⁵⁸ has found examples of households affected by the cap include: people who could 'afford' to have another baby when it was conceived, but whose circumstances subsequently changed; people who unaware of the cap; and people whose children were conceived without consent, but who do not qualify under the current exemption.¹⁵⁸

Discretionary Housing Payments and the 'Bedroom Tax'

Discretionary Housing Payments (DHPs), established by the UK Government as a vehicle to provide temporary assistance to people requiring extra support with their housing costs. After 2010 DHPs because the principal vehicle through which HB cuts could be mitigated. The Scottish Government was permitted to supplement the DWP's funding allocation in order to mitigate the 'Bedroom Tax'. In 2013/14 this supplement amounted to £20 million but rose to £35 million in 2016/17.¹⁵⁹ Of the £58.5 million of DHP expenditure estimated for 2017/18, £47.6 million of it (81% of the total) is expected to be used to mitigate the Bedroom Tax.¹⁶⁰ (This leaves £10.9 million for assisting other tenants.)

The Bedroom Tax is expensive to mitigate because it affects around one in five social tenants in receipt of HB, representing some 71,000 households. The mitigation of the Bedroom Tax therefore dominates DHP expenditure in Scotland and will continue to do so until the Scottish Government's new powers to vary the housing cost element in UC become fully operational (and all working age households have migrated to UC). Although beneficiaries of Bedroom Tax mitigation are undoubtedly living on low incomes and are frequently vulnerable (for example, 80% of households affected have someone with a disability living in the house), it seems inevitable that other people

152 HM Revenue and Customs & Department for Work and Pensions (2018) *Child Tax Credit and Universal Credit claimants: Statistics related to the policy to provide support for a maximum of two children*. London: An Official Statistics Publication

153 Child Poverty Action Group (2017) *Broken promises: What has happened to support for low income working families under universal credit?* London: CPAG.

154 Ibid.

155 Waters, T. (2019) *Reform to the two-child limit addresses retrospection, but does not change long-run cut down for families*. Online: IFS. <https://www.ifs.org.uk/publications/13804>

156 Child Poverty Action Group (2018) *A report on the two-child limit*. Online: CPAG. <http://www.cpag.org.uk/sites/default/files/uploads/CPAG-Scot-EWS-two%20child%20limit-Jul2018.pdf>

157 Ibid.

158 Ibid.

159 Stephens, M. with Fitzpatrick, S. (2018) *Country Level Devolution: Scotland, SPDO Research Paper 1, LSE/Nuffield Foundation*.

160 Scottish Government (2018) *Discretionary Housing Payments in Scotland: 1 April 2017 to 31 March 2018*. Online: Scottish Government. <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/dhp>

affected by HB cuts have received less priority.

Benefit conditionality and sanctions

Although the modern sanctions regime was introduced in 2013, it is subject to some changes as claimants migrate onto UC.

Webster¹⁶¹ notes that sanctions under UC are more severe than under legacy benefits for reasons which include their being run consecutively (rather than concurrently), the repayment of hardship payments effectively extending the period of the sanction by 2.5 times their nominal length, and the abolition of the 80% hardship rate for 'vulnerable' claimants. Further, the effect of merging benefits that were previously not subject to sanctions into UC means that these elements can be reduced in order to exact the full amount of the sanction. Webster notes that this has the effect of "making children suffer and creating the risk of eviction."¹⁶²

While there has been a substantial fall in levels of benefit sanctioning of Jobseeker's Allowance (JSA) claimants since the historic peak in 2013¹⁶³ UC will see a further tightening of conditionality in several respects, prompting concerns that another spike in sanctions may occur.¹⁶⁴ Early evidence using official statistics shows UC sanctions being applied at a much higher rate than JSA sanctions, across all age groups, and the total number rising so rapidly that, by 2017, they already outnumbered total

JSA sanctions.¹⁶⁵ Webster notes that whereas sanctions before challenge figures for JSA and Employment and Support Allowance were about 20% and 40% higher than after challenge rates, the difference for UC is only 5%.¹⁶⁶ It is not yet clear why sanctioning appears to be higher in UC.

In Scotland, UC sanction rates jumped at the end of 2016 and early 2017 from around 4% to about 9% before falling back to under 8% by early 2018.¹⁶⁷ In contrast, the sanction rate among all other groups remained at under 2% throughout 2017/ early 2018. The Scottish Government notes that people in the 'searching for work' conditionality group are especially likely to be sanctioned.¹⁶⁸ In February 2018, 2,900 people in this group were sanctioned compared to 200 in all other groups.¹⁶⁹ Men and younger people are also more likely to be sanctioned than women or older people.

Scottish Welfare Fund

The SWF was established as a result of the UK Government's decision to abolish the discretionary Social Fund from April 2013, as part of its 'localisation' agenda. (The regulated fund which includes maternity, funeral and winter fuel payments continues, and is now devolved through Scotland Act). The SWF was established by the Welfare Funds (Scotland) Act 2015. It is a national scheme delivered by LAs. It was preceded by an interim scheme which operated for the first two years. This was subject to an evaluation,

161 Webster, D. (2018) *Briefing: Benefit Sanction Statistics, November 2018*. Online: CPAG. <http://www.cpag.org.uk/david-webster>

162 Webster, D. (2018) *Briefing: Benefit Sanction Statistics, November 2018*. Online: CPAG. <http://www.cpag.org.uk/david-webster> p. 4

163 National Audit Office (2016) *Benefit Sanctions: A Report by the Comptroller and Auditor General*. London: National Audit Office.

164 Webster, D. (2017) *Briefing: benefit sanctions statistics: JSA, ESA, Universal Credit and Income Support for lone parents, August 2017*. Glasgow: University of Glasgow.

165 Bramley, G., Sosenko, F., & Fitzpatrick, S. (2018) *Destitution in the UK 2018 – technical report*. Edinburgh: Heriot-Watt University.

166 Webster, D. (2018) *Briefing: Benefit Sanction Statistics, November 2018*. Online: CPAG. <http://www.cpag.org.uk/david-webster>

167 Scottish Government (2018) *2018 Annual report on Welfare Reform*. Online: Scottish Government. <https://www.gov.scot/publications/2018-annual-report-welfare-reform/>

168 Ibid.

169 Ibid.

which examined the detailed operational aspects of the scheme.¹⁷⁰

The SWF has two components: Crisis Grants (CGs) (provided when an individual is facing a disaster or emergency and where there is an immediate threat to the health or safety of their family); and Community Care Grants (CCGs) (which are intended mainly to help vulnerable people to establish or maintain a settled home). The Scottish Government allocates funds to LAs through a formula. This has been modified over a number of years in order to target the fund geographically on 'the most vulnerable communities'. This has been implemented by increasingly relating the grant to the Income Domain of the Scottish Index of Multiple Deprivation. This transition has been completed in 2018/19 with the allocation based purely on the Income Domain.¹⁷¹

Since the scheme began in 2013, more than 300,000 households have received support from the SWF.¹⁷² Of these, 54% were single parent households and 11% other households with children.¹⁷³ The numbers of applications have risen since the scheme was introduced, but whilst the rise in applications for CCGs flattened out from 2014, applications for CGs continued to rise.¹⁷⁴ In the quarter April – June 2018, there were 16,175 applications and 9,415 awards for CCGs, and 45,290 applications for CGs and 29,645 awards.¹⁷⁵ In 2017/18 some £33 million was awarded through the SWF.¹⁷⁶ In the quarter April – June 2018 the average CCG award was

£621 and the average CG award was £78.¹⁷⁷ CCGs were most commonly awarded for floor coverings, beds and beddings and kitchen appliances, and CGs were awarded most commonly for food, heating and other household expenses.¹⁷⁸

The Scottish Government intended to use CCGs to mitigate the planned restrictions on HB for 18-21 year olds. However, the UK Government has abandoned this policy.

Stakeholder and LA views on the homelessness impacts of welfare reform to date

Amongst key stakeholders, there was widespread concern about the impacts of welfare reform on homelessness, most especially UC, but also acknowledgment of the recent concession by the Westminster Government:

"...we're making very little progress on the big-picture issues there. Certainly, there seems to be no progress on benefit cap, LHA and so on, but certainly there's a lot of movement at the moment in the way in which Universal Credit is meant to be implemented. You can see that's being slowed down and that the timetable for people being without benefit is being reduced. They're talking about the benefits of having

170 Sosenko, F. et al. (2014) *Review of the Scottish Welfare Fund Interim Scheme*. Edinburgh: Scottish Government.

171 Scottish Government (n.d.) *Social Security: Scottish Welfare Fund*. Online: Scottish Government. <https://beta.gov.scot/policies/social-security/income-related-benefits/>

172 Scottish Government (2018) *Social Security for Scotland (updated September 2018)*. Online: Scottish Government. <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/SocialSecurityforScotland/SSFSSep2018>

173 Ibid.

174 Ibid.

175 Ibid.

176 Ibid.

177 Ibid.

178 Ibid.

homelessness and housing expertise in Jobcentres... There are things being done but the big picture is fairly bleak."

(Voluntary sector key informant, 2018)

While six disagreed, 17 LAs thought that specific benefit system changes had exacerbated the problem in their area (none took the view that welfare reform had alleviated homelessness in their area). Most frequently mentioned as problematic was UC (by nine respondents) (see also Chapter 2):

"Private Rented Sector has been increasingly becoming unwilling to accept those on Universal Credit and this has had a knock-on effect to those looking to the council to provide services."

(LA respondent, Pressured Area, 2018)

"Universal Credit has caused many households to find accommodation unaffordable, especially larger families."

(LA respondent, Pressured Area, 2018)

The Benefit Cap was mentioned as problematic by almost as many respondents (eight in total), with references also made to benefit sanctions and LHA/SAR restrictions:

"We are finding an increase in families presenting as homeless from the Private Rented Sector, this is largely thought to be due to the Benefit Cap but other welfare reforms associated with the

sanctions regime are also thought to be contributing."

(LA respondent, Rest of Scotland, 2018)

"Impacts of welfare reforms on our tenants and residents have been significant, particularly around the impact of the Local Housing Allowance rates, on younger people in particular, and now the full service Universal Credit...[which from] early evidence...[results in] a significant jump in rent arrears."

(LA respondent, Clyde Valley, 2018)

"The Benefit Cap has produced a tendency to push precarious larger households out of the PRS and into homelessness. With the introduction of UC the general situation is likely to deteriorate further."

(LA respondent, Pressured Market, 2018)

Almost all LA respondents acknowledged that the Scottish Government had helped to mitigate the impacts of welfare reform in exacerbating homelessness. One ventured:

"To date welfare reform has not resulted in an increase in homelessness in [name of LA], albeit largely as a result of the mitigations the Scottish Government has introduced. The roll out of UC in X has seen increases in rent arrears which may result in an increase of evictions and homeless

applications, particularly in the PRS."

Unprompted, most participants cited DHP funding as the most significant form of mitigation assistance. Over and above the assistance provided through DHP resources, a couple of respondents volunteered that a significant contribution had been made through the SWF, while one participant referring to the funding of new social housing supply.

Asked explicitly to rate the contributions of both DHPs and the SWF to the alleviation of homelessness, the former were more widely considered to have been important, although both were considered at least 'somewhat significant' by at least half of respondents (see Figure 3.2).

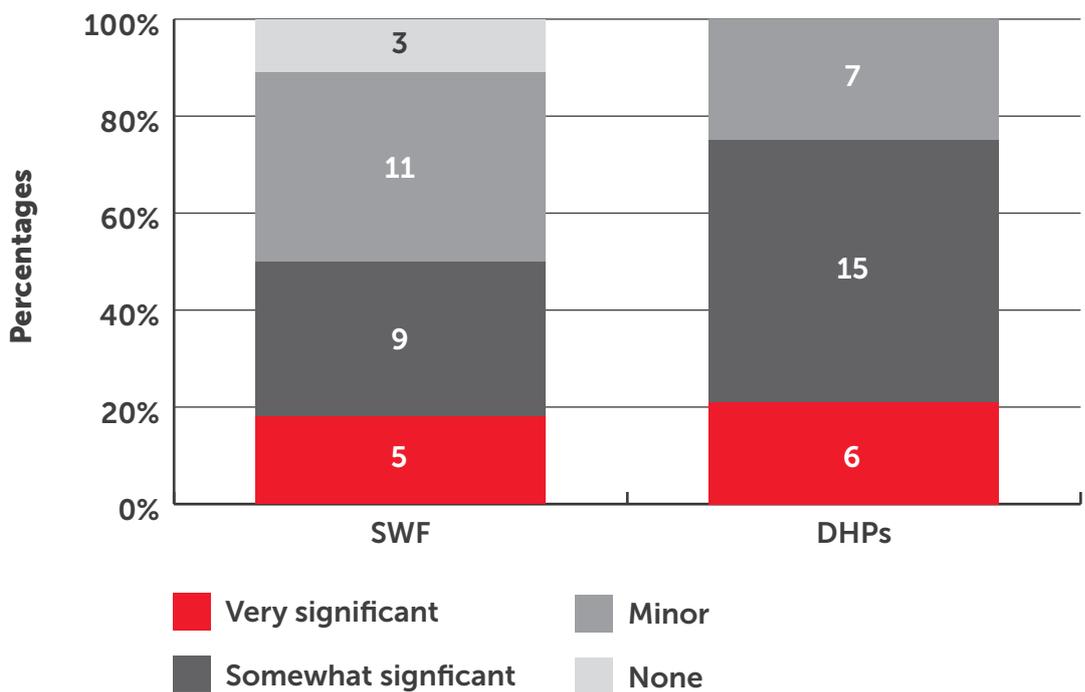
Many comments on the positive contribution of DHPs referred to their role in insulating tenants from the effects of the Bedroom Tax and, in

some cases, from the Benefit Cap. Specific positive comments included the following:

"This has mainly been used to mitigate against the impact of the "bedroom tax". Without this we would have seen many more evictions. The availability of this mitigation has also allowed us to allocate 2-bedroom properties to single person households - where otherwise it would be impossible to achieve permanent housing."
(LA respondent, Pressured Area, 2018)

"To date, there is no evidence that welfare reform has either alleviated or exacerbated homelessness in [name of

Figure 3.2 Role of Discretionary Housing Payments and Scottish Welfare Fund in alleviating homelessness



Source: LA Survey 2018. N=28

authority] as the effects have largely been mitigated by DHP.”
(LA respondent, Rest of Scotland, 2018)

Specific comments about the positive contribution of the SWF included:

“The assistance they provide for people to move and get set up in new homes is very helpful. They also divert a lot of crisis management away from the homeless services.”
(LA respondent, Pressured Area, 2018)

“It sets people up in tenancies by provision of furniture which promotes tenancy sustainment.”
(LA respondent, Rest of Scotland, 2018)

However, a number of reservations were also expressed about the SWF such as the following:

“...[funding] was more generous in the past but [now] very curtailed.”
(LA respondent, Pressured Area, 2018)

“Timescales...are lengthy and often result in households spending longer periods of time in temporary accommodation.”
(LA respondent, Rest of Scotland, 2018)

Stakeholder and LA views on the likely future homelessness impacts of welfare reform

There were widespread expectations amongst Scottish LAs that

homelessness will be exacerbated by a range of welfare reform measures due for implementation over the next two years. As shown in Figure 3.3, concerns are most widely held in relation to the full rollout of UC. Twenty four of the 27 authorities which responded on this point anticipate that this will drive up homelessness in their area – half of these LAs expect that homelessness will increase ‘significantly’ as a result of the full rollout of UC. The consensus of concern is almost as strong with respect to the lowering of the Benefit Cap. Meantime, the freezing of working age benefits was anticipated to ‘slightly’ increase homelessness by a preponderance of LAs, with the freeze on LHA rates provoking a more even split in responses across the spectrum from ‘significant’ to ‘little’ impact.

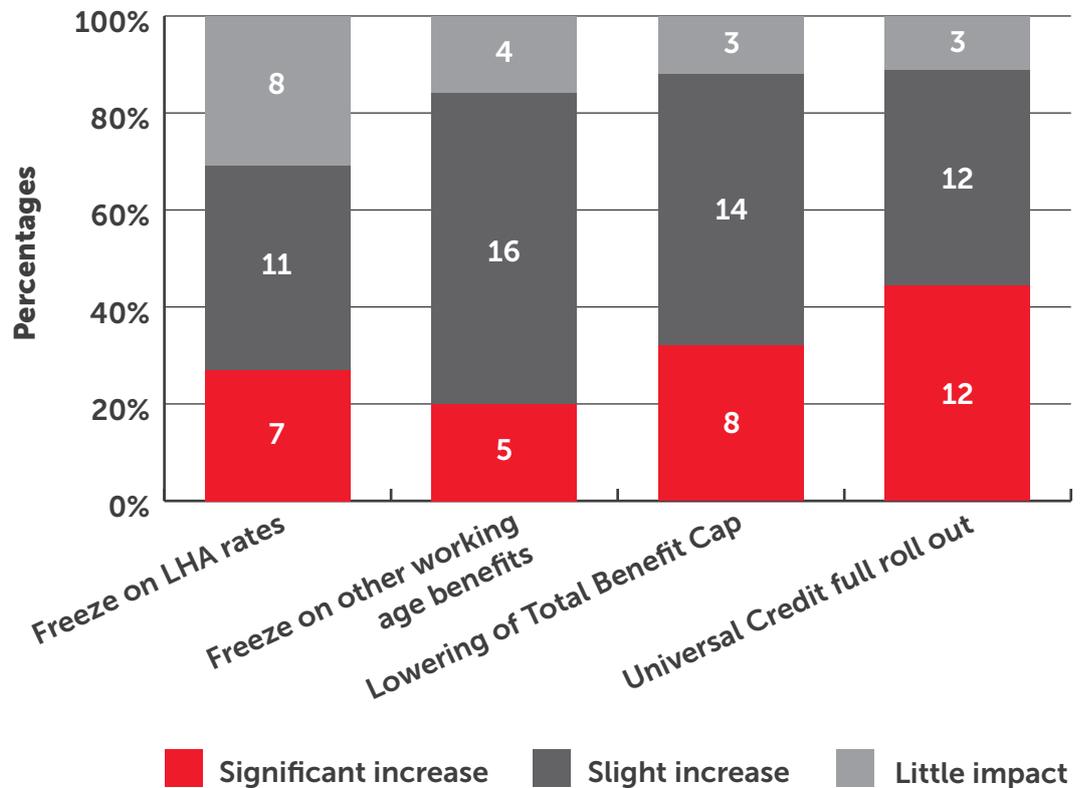
Comments that substantiated the widely felt anxieties highlighted in Figure 3.3 included:

“We already have full roll out of UC. This has increased arrears over 2 years from £40K to £200-£250K. Freezing LHA rates will make private rents even more unaffordable. Lowering caps will make larger households poorer and rents unaffordable for larger households.”
(LA respondent, Pressured Area, 2018)

“All [of the planned changes listed in Figure 3.3] are putting financial pressure on households who have little money in the first place.”
(LA respondent, Pressured Area, 2018)

“Generally the biggest impact is the roll-out of full service

Figure 3.3 Expected impacts of welfare reforms due for implementation by 2020



Source: LA Survey 2018. N=27

UC. The delays associated with UC and the complex payment arrangements increases the chances of a household defaulting on rent payments, which can be a contributory factor in homelessness.”
(LA respondent, Clyde Valley, 2018)

These concerns were echoed by key informants:

“...we’re not that far off Universal Credit going live in Glasgow and I just dread to think how that’s going to pan out. I’ve spoken to people in Stirling council who’ve had

full-service rollout and it’s... They’ve really struggled, and Stirling is a small place compared with Glasgow.”
(Voluntary sector key informant, 2018)

“...the Benefit Cap on families particularly, that has led to increased family homelessness and children coming into temporary accommodation which has to be resolved. I don’t think that’s an outcome that is intended from this welfare reform but that is having a significant impact... I would pinpoint benefit cap for families and also Universal

Credit implementation being the main issue.”

(Statutory sector key informant, 2018)

Other LA respondents, however, reported more mixed or nuanced expectations:

“Currently our rents are stable or dropping so a freeze in LHA rates will have little effect. Lower working age benefits will make people’s lives more difficult but not necessarily have a direct effect on homelessness locally. The Benefit Cap has had a significant effect on a relatively small number of households in the city so any further reduction would increase this group. Universal Credit appears to pose a significant threat to increased homelessness but it is impossible...to determine how big an effect it will have in reality. The part roll out in the city so far has not had as much effect as first feared.”

(LA respondent, Pressured Area, 2018)

Asked whether there were any other aspects of welfare reform expected to impact on homelessness in the next three years, a few respondents expressed concerns about temporary accommodation funding and the status of temporary accommodation rents in relation to Universal Credit. As one participant stated, for example: ‘At

the moment temporary accommodation is not within UC but if this changes this would have a big impact’.
(LA respondent, Pressured Area, 2018)

3.4 Key points

- Homelessness is a key policy priority for the current Scottish Government, with a short-life Homelessness and Rough Sleeping Action Group (HARSAG) convened by the First Minister in September 2017, alongside the announcement of £50 million additional expenditure on homelessness over the next five years.
- A Scottish Government ‘Ending Homelessness Together Action Plan’ published in November 2018 seeks to address all 70 HARSAG recommendations, including key ones on ‘rapid rehousing’, Housing First, expanding emergency and settled housing options, a new prevention duty to apply across all public authorities, and legal changes on intentionality and local connection.
- Some key stakeholders welcomed HARSAG recommendations as providing key opportunity for fundamental systems improvements in Scotland, but others criticised what they perceived to be an excessive focus on rough sleeping and those with complex needs within the work of the Group, and a relative lack of attention to prevention.
- HARSAG recommendations on rapid rehousing and Housing First in particular were welcomed by many LAs, but those in more pressured/ rural areas tended to be more critical. Concerns about rapid rehousing often focused on the implications for local social housing allocation policies, whereas on Housing First anxieties fixed more on whether the required support from local health

and social care partners would be forthcoming. Some resistance to Housing First policies was also said to arise from the 'tenant readiness' culture that prevails in certain social landlords, and from some providers of more traditional forms of provision.

- LA respondents in the Glasgow and Clyde Valley area were far more positive than those elsewhere in Scotland about the contribution made thus far by Health and Social Care Partnerships to the prevention and alleviation of homelessness. Several LAs and stakeholders in these other parts of Scotland commented that the RRTP had provided a useful framework for more constructive engagement with HSCPs on homelessness.
- The limitation on the eligible rent for private tenants seeking assistance under the Local Housing Allowance or UC and the freeze in its uprating is creating a growing gap which tenants must make up from their own resources if they are not to risk eviction.
- The restrictions in eligible rent are most severe for private tenants who are aged under 25 and those aged between 25-34 subject to the Shared Accommodation Rate.
- Although the roll out of UC has repeatedly been delayed, and is now not expected to be completed until the end of 2023, increasing numbers of claimants now rely on it. Its visibility is growing in Scotland as roll out reached Glasgow and Edinburgh at the end of 2018.
- In response to hardship caused by the waiting period before receiving payment, the UK Government has introduced a number of concessions including increasing advance payments to 100% of estimated entitlement and lengthening the repayment period.
- The Scottish Government has used its limited powers to allow claimants to receive UC payments more frequently and to have housing assistance paid directly to landlords. Early indications suggest that around 45% of claimants choose to exercise some choice.
- The Benefit Cap, introduced in 2013, was reduced in 2016 and has increased the number of claimant households whose benefits are capped by 2.7 times to more than 3,000, two-thirds of whom are lone parent households.
- Some 3,780 households in Scotland are affected by the two-child policy, introduced in 2017. The measure limits allowances within UC and Child Tax Credit normally to two children.
- The Scottish Government has used its powers to mitigate the 'Bedroom Tax' through DHPs. The 'tax' would have affected one in five social tenants and now costs nearly £48 million annually to mitigate.
- Mitigation of the Bedroom Tax accounts for 81% of DHP expenditure in Scotland, and it is likely that this has been prioritised over people suffering hardship from other cuts to HB.
- The proportions of claimants subjected to benefits sanctions has fallen since a surge in late 2016/early 2017. However, sanctions rates appear to be much higher under UC and the penalties are also more severe compared to legacy benefits.
- The Scottish Government identifies claimants in the 'searching for work' conditionality group as being particularly vulnerable to sanctions.
- Around 14,000 awards were made under the Scottish Welfare Fund in 2017. Crisis Grants (10,000 of the total) were awarded most commonly

for food, heating and other household expenses. Community Care Grants (around 4,000 of the total) were most commonly awarded for floor coverings, beds and beddings and kitchen appliances.

- LAs generally believed that welfare reform contributed to homelessness, although to an extent its impacts had been mitigated by the Scottish Government, particularly via DHPs.
- Whilst the mitigation of the Bedroom Tax was welcomed, some LAs and stakeholders hoped that its abolition under the Scottish Government's UC powers would free up DHPs for the mitigation of other hardships.
- The Scottish Welfare Fund plays an important role, but some LAs noted that it has become less generous.

Homelessness trends

4. Homelessness trends in Scotland

4.1 Introduction

This chapter analyses recent trends in homelessness 'demand' under the four headings of rough sleeping, statutory homelessness, 'core homelessness' and wider forms of hidden homelessness. The analysis focuses in particular on trends over the past three years since the last edition of the Homelessness Monitor Scotland.

The analysis is based, in substantial part, on published statistics issued by the Scottish Government, and also on further analysis of surveys, particularly the Scottish Household Survey, the Labour Force Survey and Understanding Society. In interpreting these figures we also draw on key informant interviews carried out by the research team in 2018 and on our LA survey also undertaken as part of the present project.

4.2 Rough sleeping

In contrast with official practice in England, the Scottish Government maintains no regular rough sleeper 'headcount'.¹⁷⁹ The scale of rough sleeping can, however, be gauged (arguably rather better) from the LA

homelessness recording system (HL1) or from Scottish Household Survey (SHS) data. These sources are analysed in turn below.

According to LA statistical returns, some 1,537 people applying as homeless in 2017/18 (4.4% of all applicants) reported having slept rough the night preceding their application. Since it can be reasonably assumed that not all rough sleepers seek LA assistance, this could be treated as an inherent understatement of the problem.

As well as logging whether an applicant slept rough the preceding night, the Scottish Government's statutory homelessness monitoring system also, more usefully, records rough sleeping over the past three months (which is likely to capture a higher proportion of rough sleepers), as well as cases where persons were 'long term roofless' prior to their application. Long term rooflessness was reported by only 185 applicants in 2017/18. This is highly consistent with data for previous years. Over and above the 1,537 2017/18 applicants

¹⁷⁹ Note that the Centre for Homelessness Impact is conducting an options appraisal for a national data and monitoring system for street homelessness.

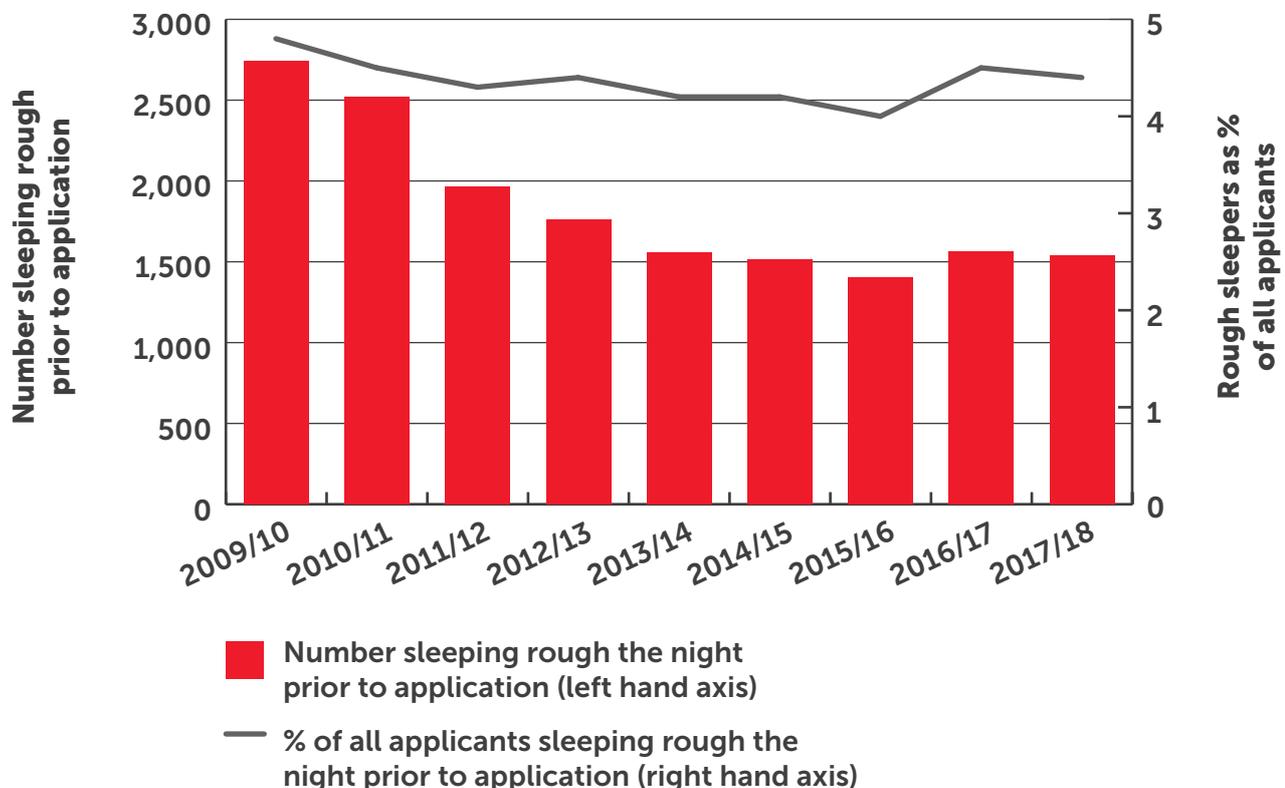
who had slept rough the previous night, another 1,145 applicant households contained a member who had slept rough in the previous three months. In all, therefore, 2,682 households (7.7% of applicants) had been part of the rough sleeper population on this wider measure.

While these figures cannot be directly treated as comprehensive measures of rough sleeping, they may provide an indication of change over time in terms of scale and geography. As shown in Figure 4.1, rough sleeping has – on this basis – plateaued across Scotland over the past four years. However, there is also major trend variability in recorded rough sleeping across the country. For example, as shown in Figure 4.2, the councils recording the largest 'slept rough immediately

preceding application' numbers in 2014/15 (100 or more) have logged numbers suggesting contrasting subsequent patterns. Thus, while the rate of pre-application rough sleeping remains highest in Glasgow (460 – or 8.8% – of 5,204 2017/18 applicants recorded as such), the city's annual flow has recently remained relatively unchanged. Meanwhile in Edinburgh, while rates of pre-application rough sleeping are significantly lower (5.8% in 2017/18), numbers have risen substantially over the past two years.

The patterns suggested by the officially logged statistics for Aberdeen, Edinburgh and Glasgow (see Figure 4.2) are in line with qualitative feedback from practitioners in these cities in recent research conducted for Social Bite.¹⁸⁰

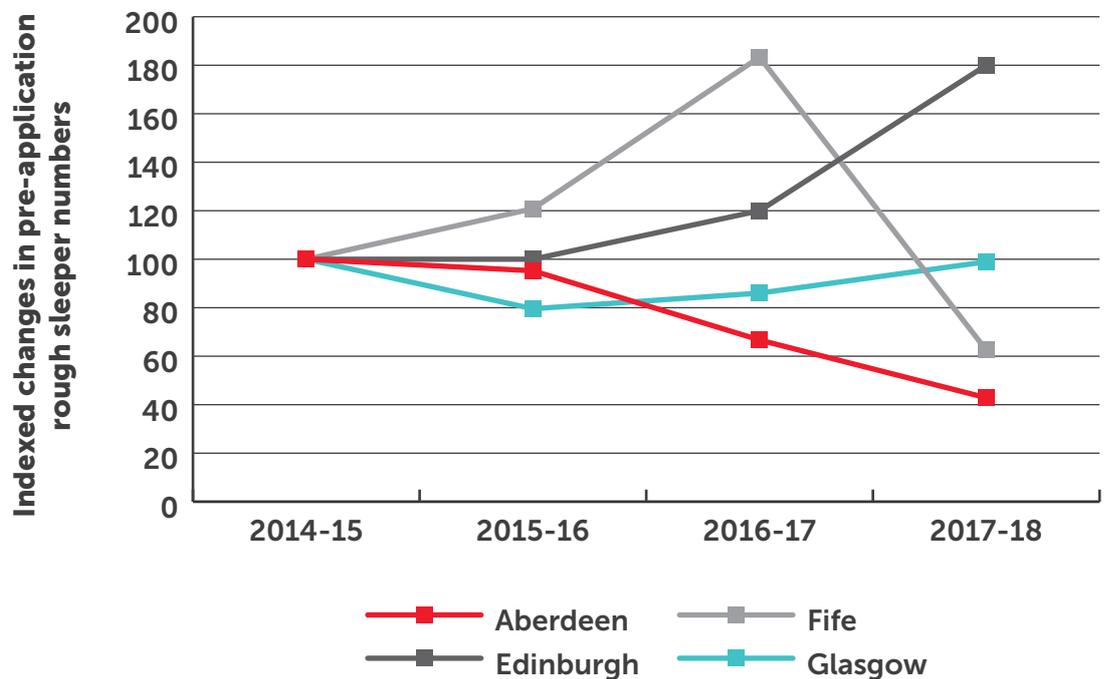
Figure 4.1 Incidence of rough sleeping



Source: Scottish Government

180 Littlewood, M., Bramley, G., Fitzpatrick, S., & Wood, J. (2017) *Eradicating 'Core Homelessness' in Scotland's Four Largest Cities: Providing an Evidence Base and Guiding a Funding Framework: A Report to Social Bite*. Edinburgh: Social Bite.

Figure 4.2 Changing incidence of pre-application rough sleeping, 2014/15-2017/18 – selected authorities*



Source: Scottish Government *LAs recording at least 100 applicants having slept rough on the night preceding application in 2014/15

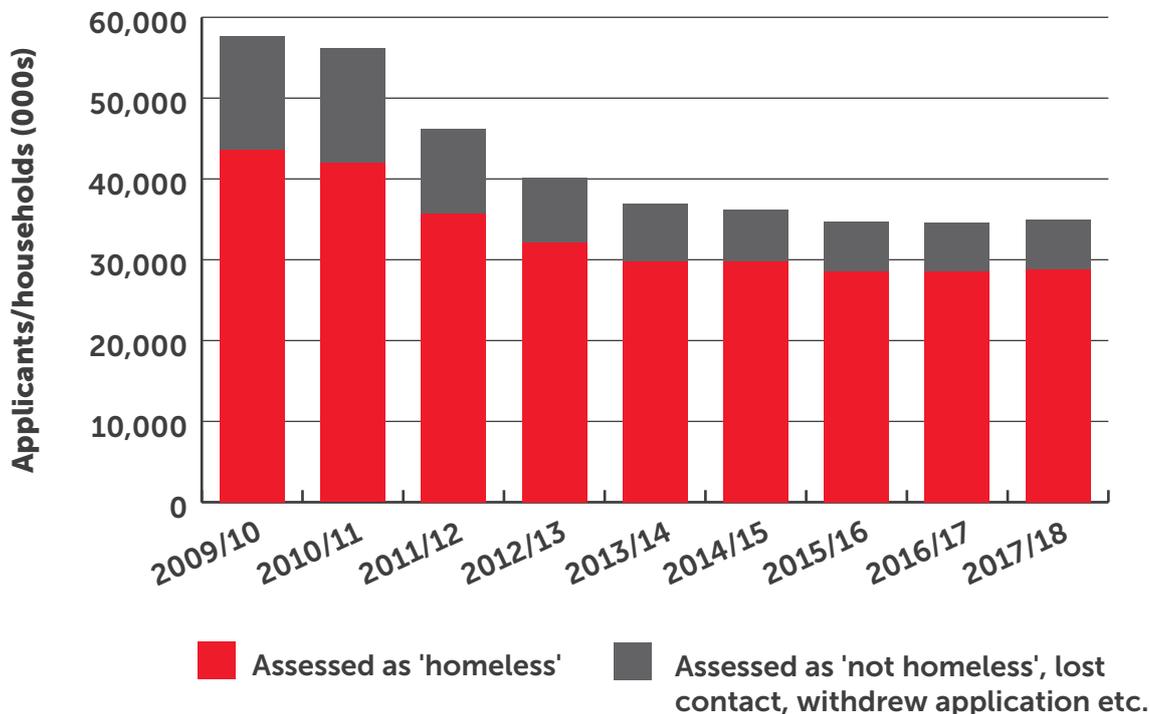
More than two thirds of LAs surveyed in 2018 – 21 of 29 – believed that local rough sleeping levels has remained unchanged over the previous year. Even in the four authorities where rough sleeping was perceived as having increased, respondents commented that it was a mainly episodic problem for people on the ‘sofa surfing’ circuit who were much larger in number than chronic rough sleepers.

The divergent trends in Figure 4.2 do give pause for thought, both about the robustness or consistency of the data and about what may be driving apparent trends.

It is possible to estimate total annual and nightly rough sleeping numbers, from the administrative data, by making assumptions about (a) the relative proportions experiencing rough sleeping between 3 and twelve months prior to application, (b) the average number of nights slept rough per year, and (c) the proportion of

rough sleepers who apply to LAs as homeless. Assumptions (b) and (c) are based upon analysis of the Scottish Household Survey (SHS) retrospective homelessness questions. The SHS (in most years up to 2015) asked retrospective questions about experiences of homelessness, with more detail on experiences in the preceding two years, including whether slept rough, used a hostel or similar TA, stayed with friends/relatives, the durations of the experience, and also whether the respondent applied to a LA for assistance. The latter question shows that generally 70% of homeless people in Scotland apply to a LA, and are therefore recorded on HL1 returns. The average duration for rough sleepers appears to be 41 nights (making a conservative interpretation of the banded data). We can also use these SHS data to make an independent estimates of rough sleeper numbers, allowing for the fact that some recent rough sleepers will be omitted because they are currently not in a private household.

Figure 4.3 Local authority statutory homelessness applications and assessment outcomes, 2009/10-2017/18



Source: Scottish Government

We thus have two partially independent bases for estimating the annual and nightly number of rough sleepers in Scotland. In recent years (since 2011) these two estimates have been relatively similar in magnitude, although in the preceding period they followed different trajectories. We estimate that the annual number of rough sleepers in 2017 was around 5,300, with a nightly snapshot estimate of just over 700. These numbers have fluctuated to only a moderate degree since 2011, in the range 650-800.¹⁸¹

4.3 Statutory homelessness and Housing Options

As used in this report, the term statutory homelessness refers to LA assessments of applicants seeking help with housing on the grounds of being currently or imminently without

accommodation. This section also covers data on households seeking assistance via LA 'Housing Options' services. The analysis in this section is sourced from Scottish Government homelessness statistics.¹⁸²

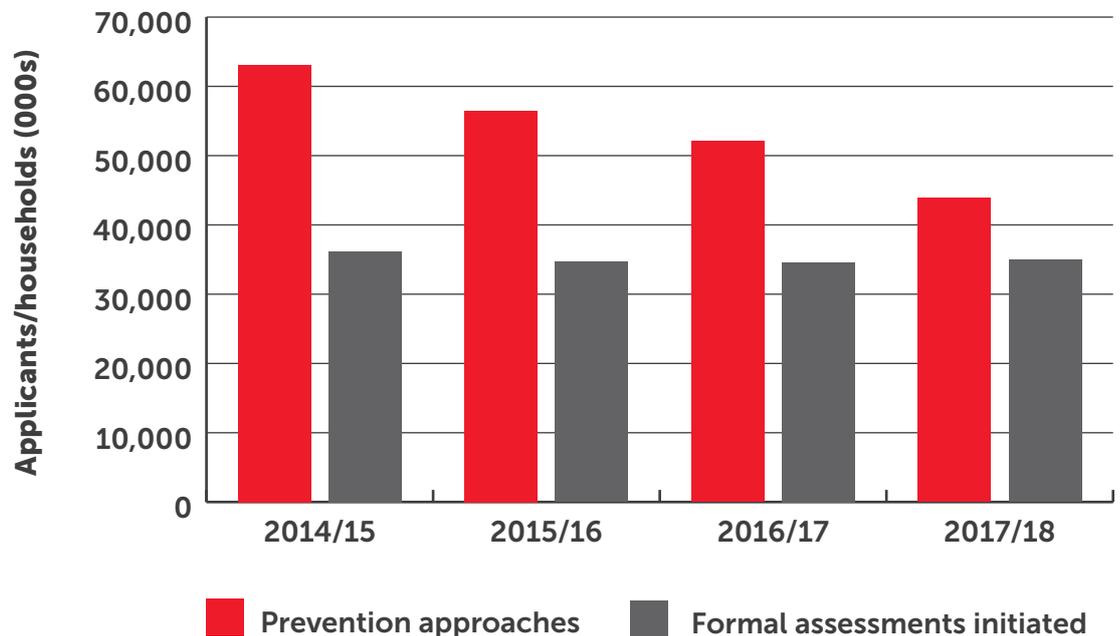
Overall trends and the impact of homelessness prevention

In 2017/18 Scottish LAs logged 34,950 statutory homelessness assessments, of which 28,792 (82%) resulted in a judgement that the household concerned was 'legally homeless' (see Figure 4.3). In terms of recorded applications, the overall scale of statutory homelessness has been virtually flat for the past five years, having seen a sharp reduction between 2010 and 2014.

¹⁸¹ This estimate of 700 is somewhat higher than the estimate presented in the 2015 Homeless Monitor Scotland. This reflects additional evidence and revised assumptions based on this evidence. It does not indicate that rough sleeping is rising in Scotland, just that the scale appears to be slightly greater than previously suggested.

¹⁸² Online: Scottish Government. <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/RefTables>

Figure 4.4 Relating trends in 'Housing Options approaches' and formal homelessness assessments, 2014/15-2017/18



Source: Scottish Government

However, as an indication of trends in the underlying incidence of homelessness, the statistics graphed in Figure 4.3 – and especially the apparently sharp reduction from around 2010 – must be interpreted within the context of the administrative changes in LAs' management of homelessness ongoing at that time. The new ways of working coming onstream at this time reflected a new prevention-focused 'Housing Options approach' being strongly promoted by the Scottish Government from the late 2000s (see Chapter 3). The Scottish Government dates the start of this transition as 2009.¹⁸³ However, the very small increase in households subject to formal assessments recorded in 2017/18 (1%) is interpreted by Shelter Scotland as indicating that 'the impact

of Housing Options in reducing homeless applications has stagnated'¹⁸⁴

In recognition of the new stress on a prevention-focused approach, the Scottish Government in 2014 introduced a complementary monitoring system to calibrate such activity. Drawing on this (PREVENT1) system, Figure 4.4 demonstrates the marked downward trend in Housing Options cases (or 'prevention approaches') subsequently logged – a reduction of 30% in the three years to 2017/18.¹⁸⁵ Moreover, differentiating 'homelessness type' approaches from 'prevention type' approaches (using Scottish Government conventions) the former have fallen by 35% since 2014/15 whereas the latter have declined by only 21%.

¹⁸³ Scottish Government (2018) *Housing Options (PREVENT1) Statistics in Scotland: 2017/18*. Online: Scottish Government. <https://www2.gov.scot/Resource/0053/00536986.pdf>

¹⁸⁴ Shelter Scotland (2018) *Getting behind the homelessness statistics: Update for 2017-18*. Online: Shelter Scotland. https://scotland.shelter.org.uk/___data/assets/pdf_file/0011/1612298/Behind_the_Stats_2018_FINAL.pdf

¹⁸⁵ Including both those seeking assistance for 'homelessness type' reasons and those whose approach was prompted by 'prevention type' reasons (as classified by the Scottish Government). In 2017/18 the overall total number of logged HO approaches split 61% vs 39% on this basis.

At first sight the drop in recorded Housing Options approaches might be interpreted as implying a substantial contraction in 'homelessness expressed demand' during this period. However, it needs to be borne in mind that this is a new system in which recording practices will have been only gradually bedding down during the first three years of operation. More importantly, it must be recognised that Housing Options interviews and formal homelessness assessments are two partially overlapping, but also semi-autonomous processes. Both sets of associated statistics log components of 'homelessness expressed demand' but there is some overlap between the two cohorts – overlap whose extent varies dramatically from authority to authority.¹⁸⁶ This suggests marked variations in local authority homelessness assessment procedures and/or recording practices, which raises question marks over the extent to which the PREVENT1 data can be relied upon to measure underlying trends and pressures at the national level, or variations in the incidence of homelessness between areas, at least for now until it is properly bedded in.

Moreover, the degree of overlap between the 'Housing Options' and 'formal assessment' cohorts can also change from year to year. In 2017/18, the 'formal assessments' cohort saw a significant increase in 'direct applications' – households with no corresponding Housing Options interview record. Thus, 46% of households logged as subject to 'formal assessment' were 'direct applicants' – up from only 41% in the previous year. Therefore, while the Housing Options cohort dropped by 16% compared with 2016/17, this was substantially offset by a greater number

of formally assessed households who were uncounted as Housing Options contacts. Indeed, the Scottish Government reports that, as a result of this reduced degree of overlap, the overall number of households recorded as making a homelessness application and/or a Housing Options approach in 2017/18 (60,840) was a reduction of only 3% on the corresponding figure for 2016/17 (despite the much larger drop in the Housing Options caseload).¹⁸⁷ One possible explanation for both the drop in recorded Housing Options approaches, and reduced overlap with formal assessments, may be changed practices on the part of LAs in the light of the critical Scottish Housing Regulator report noted in Chapter 3.¹⁸⁸ Another key factor is likely to be the publication of the Housing Options Guidance clarifying when a homelessness application must be made which will have led to a reduction in cases being recorded in PREVENT1 as they are homelessness cases.¹⁸⁹

Nevertheless, while slightly smaller in 2017/18 than in the previous year, there was still a substantial overlap between the national Housing Options caseload and the formal assessment caseload. As calibrated in Figure 4.5, around 19,000 applicants initially assisted via Housing Options in 2017/18 (equating to some 70% of those seeking Housing Options assistance for 'homelessness reasons') subsequently made a formal homelessness application. However, another large body of applications (16,000) were recorded from households unrecorded as Housing Options service users (see Figure 4.5).

The inter-relationships illustrated in Figure 4.5 suggest that the overall volume of homelessness approaches or presentations in 2017/18 in fact

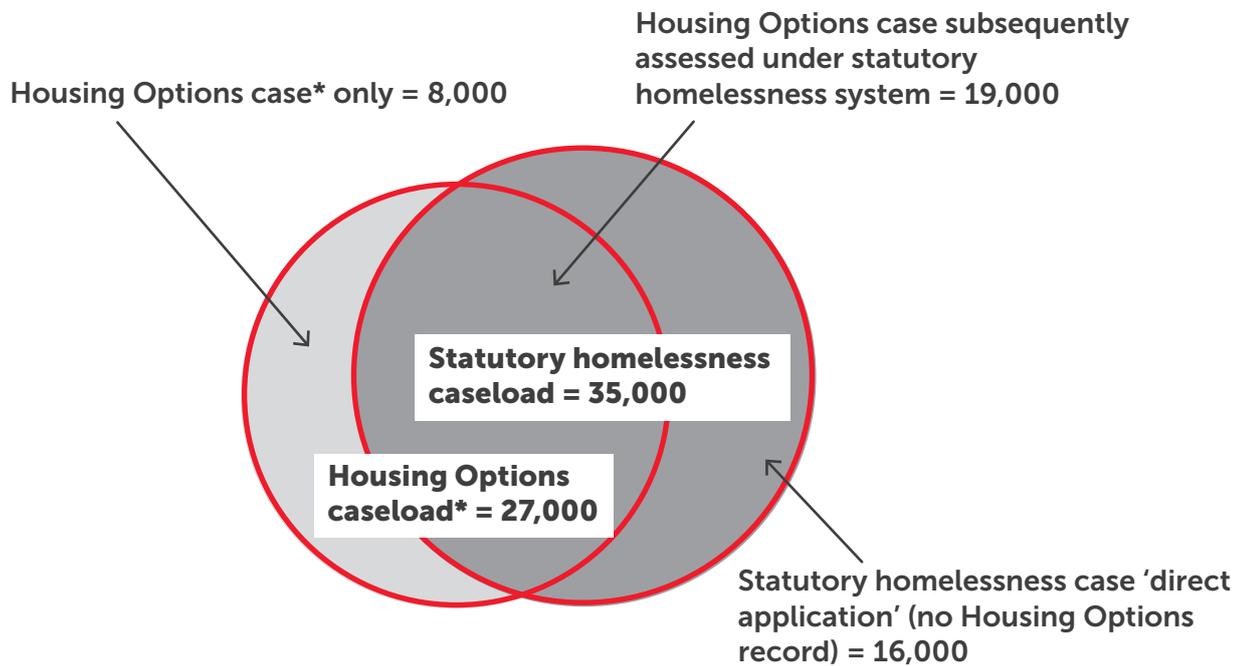
186 In 2017/18 there were eight authorities where more than 90% of households subject to formal assessments were recorded as having had a preceding housing options interview. At the other end of the spectrum there were eleven councils where this was true for less than 10%.

187 Scottish Government (2018) *Housing Options (PREVENT1) Statistics in Scotland: 2017/18*. Online: Scottish Government. <https://www2.gov.scot/Resource/0053/00536986.pdf>

188 Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

189 Scottish Government (2016) *Housing Options guidance*. Online: Scottish Government. <https://www.gov.scot/publications/housing-options-guidance/>

Figure 4.5 Local authority homelessness prevention and formal assessment caseloads 2017/18



Source: Scottish Government. *'Homelessness type' reasons for seeking assistance only.

Note: statutory homelessness cases involving 'direct applications' derived by subtracting Housing Options applicants subsequently making formal applications (PREVENT1) from statutory homelessness total

totalled around 43,000. A comparison with our analysis of 2014/15 Housing Options and statutory homelessness statistics¹⁹⁰ implies a substantial reduction in homelessness approaches or presentations over the past three years – a drop from some 54,000 to some 43,000 (20%).

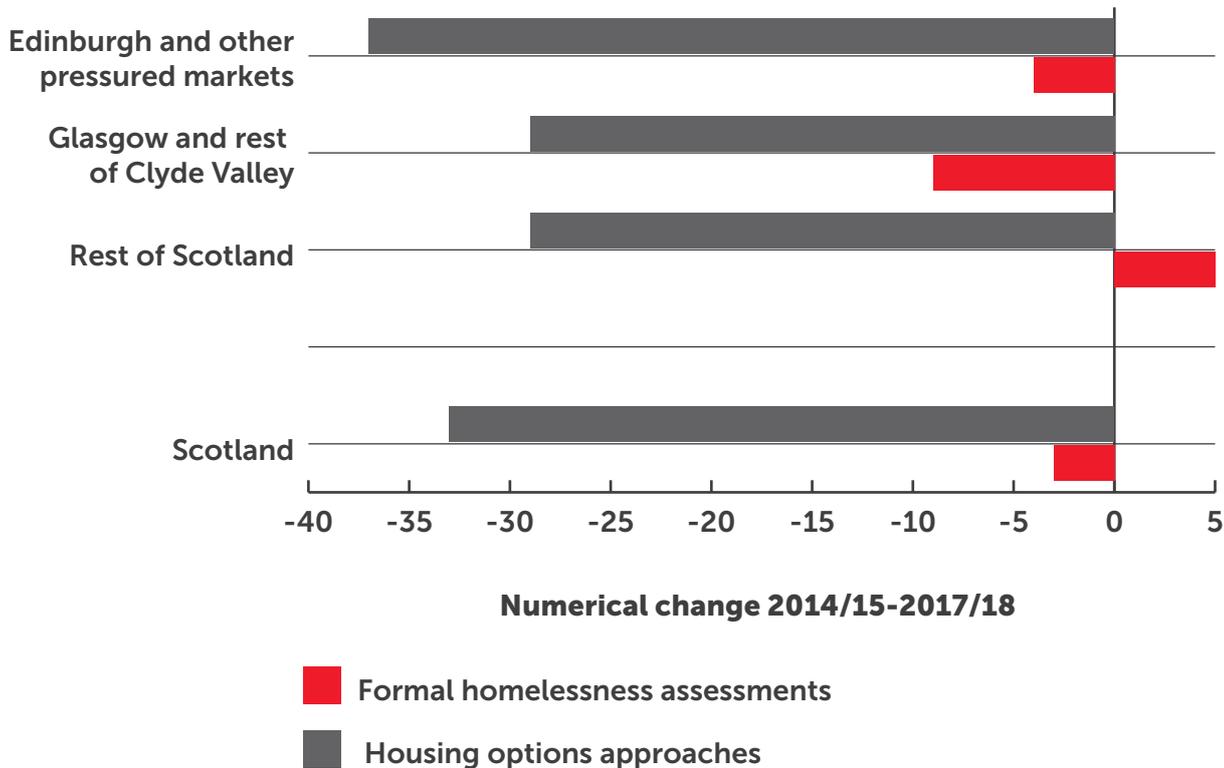
Recent years have also seen somewhat contrasting trends in 'homelessness expressed demand' – whatever proxy metric is used. Focusing on the period since 2014/15, Figure 4.6 however shows no clear pattern of changing homelessness demand that conforms to our chosen geographical/housing market typology. Whereas, rather surprisingly, Housing Options approaches fell back most dramatically in Edinburgh and other pressured markets, formal homelessness

assessments dropped most in Glasgow and Clyde Valley.

At the level of individual LAs, recent years have seen a degree of variation in expressed homelessness demand trends. Focusing specifically on households formally deemed homeless, the largest percentage increases recorded over the three years to 2017/18 related to a group of mainly rural authorities (albeit it should be noted that the absolute numbers involved were generally very small):

- Orkney +48%
- Dumfries & Galloway +38%
- Argyll & Bute +27%
- Clackmannanshire +25%

190 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Scotland 2015*. London: Crisis.

Figure 4.6 Expressed homelessness demand: change over time

Source: Scottish Government

At the other end of the scale, the largest reductions were seen in a mixed group of authorities which, at least on the face of it, seem to have little in common:

- Edinburgh -23%
- Eilean Siar -27%
- Inverclyde -28%
- East Dunbartonshire -29%

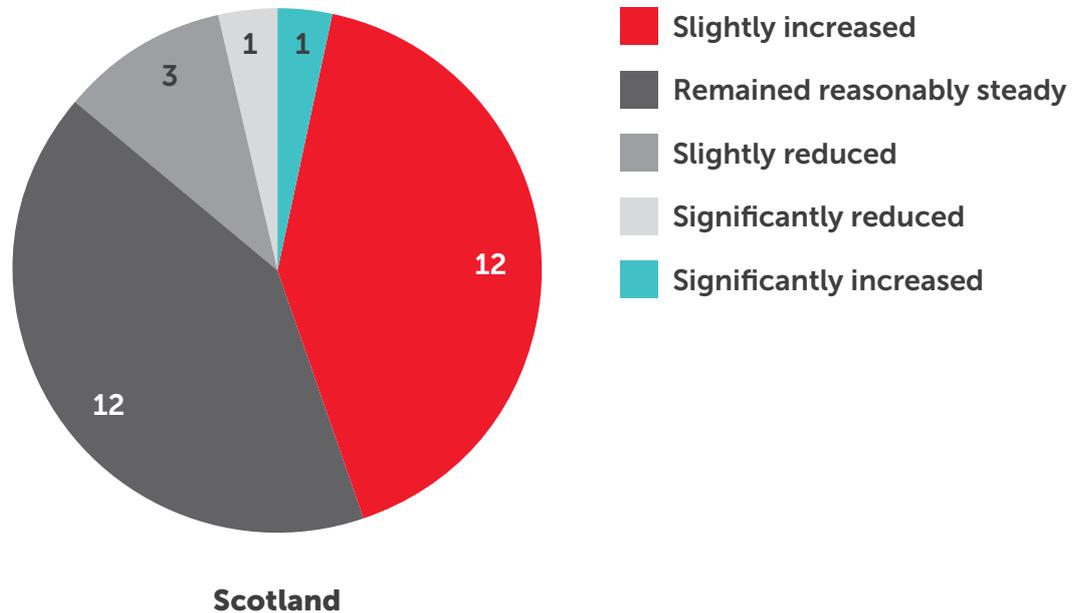
It is especially surprising that, in the face of other evidence of acute housing and homelessness pressures,¹⁹¹ Edinburgh should record a sharp contraction in both Housing Options approaches (34%) and formal homelessness acceptances

(23%) over the past three years. One key informant interpreted this as arising from the disincentive effects associated with what potential applicants may interpret as a 'poor' offer from Edinburgh, given the pressure on its temporary and permanent housing stock.

Most local authority respondents to the 2018 survey perceived that overall homelessness 'footfall' had remained unchanged or had slightly increased since 2017. As shown in Figure 4.7, only five of the 29 participants took a different view on this. These findings need to be viewed in the light of the Scottish Government's advice that the number of households recorded as making a homelessness application and/or a prevention approach

¹⁹¹ Littlewood, M., Bramley, G., Fitzpatrick, S., & Wood, J. (2017) *Eradicating 'Core Homelessness' in Scotland's Four Largest Cities: Providing an Evidence Base and Guiding a Funding Framework: A Report to Social Bite*, Edinburgh: Social Bite.; Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland: Final Report*. Edinburgh: Social Bite.

Figure 4.7 Perceived change in 'overall flow of people seeking assistance from Housing Options/homelessness services' over past 12 months



Source: LA Survey 2018. N=29

in 2017/18 was down 3% on the corresponding figure for 2016/17.

Some of those reporting increased numbers explained this with reference to welfare reform drivers (see Chapter 3) and/or the contracting supply of suitable and affordable housing, especially more difficult to place households with complex needs:

"Welfare reform has had some impact, but the more significant issue is the lack of settled accommodation options for those with support needs, including mental health issues, and drug and alcohol issues."

(LA respondent, Rest of Scotland, 2018)

"Welfare Reform changes – i.e. Benefit Cap, LHA Cap and roll out of Universal Credit has resulted in NTQ [Notice to

Quit] and/or reduced number of private lets available to households looking for a home in our area."

(LA respondent, Clyde Valley, 2018)

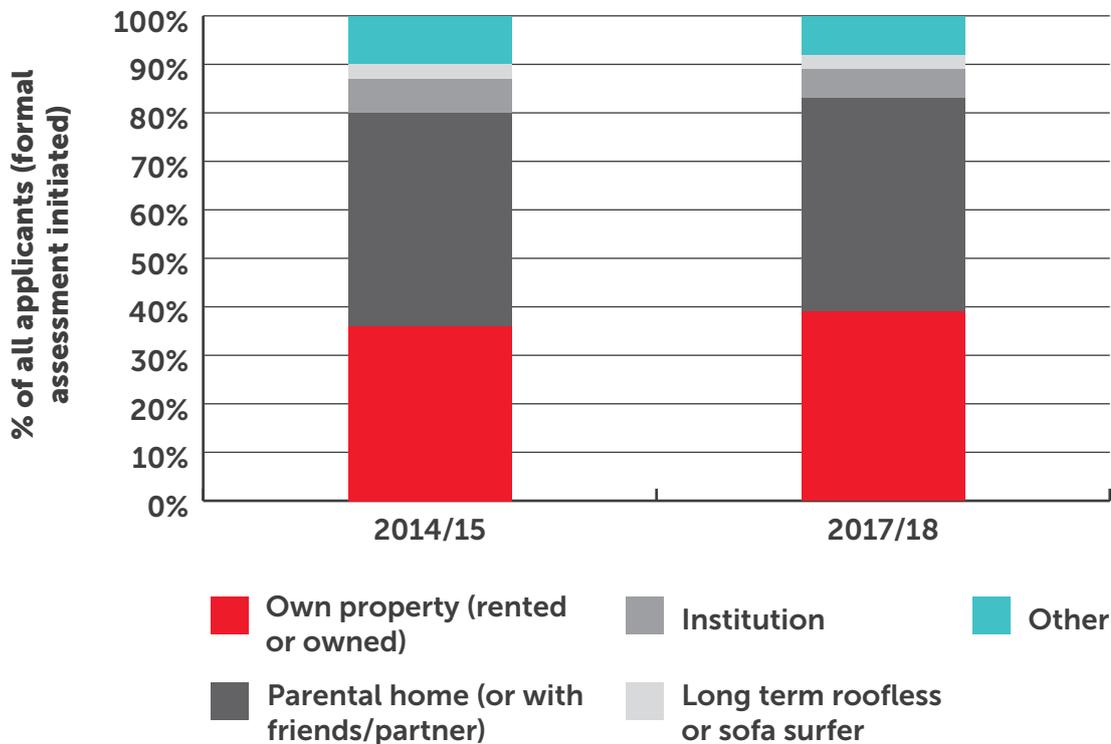
"General housing pressure and lack of other housing options in some housing market areas, particularly in [name of city]".

(LA respondent, Pressured Area, 2018)

"Impact of Welfare reform and UC, relationship breakdown and service is more accessible through increased sign-posting".

(LA respondent, Rest of Scotland, 2018)

**Figure 4.8(a) Households subject to formal homelessness assessment:
% breakdown by previous housing circumstances**



Source: Scottish Government. Note: 'institution' includes prison, hospital, children's residential accommodation

Others placed greater emphasis on prevention service changes or other administrative factors:

"Since we merged some of our job roles and removed prevention officers we have seen a slight increase in approaches."

(LA respondent, Pressured Area, 2018)

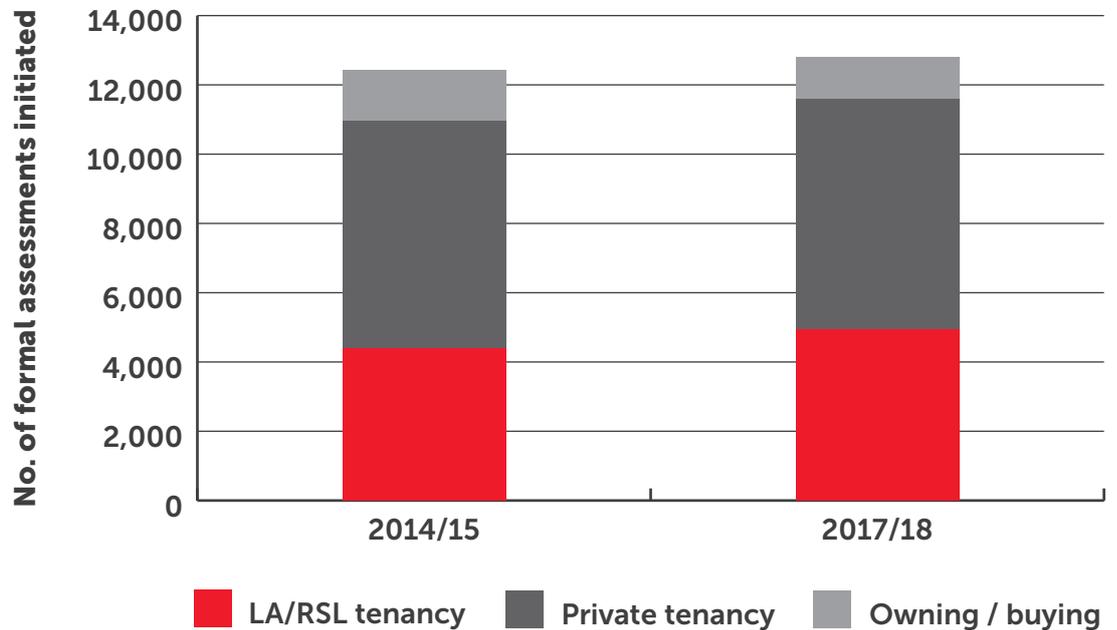
"...greater than expected drop in applications in 2016/17 due to...expansion of a dedicated early-intervention service for young people...level of applications...now returning to previous levels due to the scope of the project changing again."

(LA respondent, Rest of Scotland, 2018).

Statutory homelessness profiles

Over the past three years the profile of assessed applicants has remained generally stable in terms of applicant households' former living circumstances – see Figure 4.8(a). Perhaps significantly, however, a finer breakdown of 'previous housing circumstances' reveals that the number of former social renters increased by 12% (see Figure 4.8(b)). Eight LAs of 27 responding in our online survey (30%) perceived that social tenancy terminations had become a more significant contributor to homelessness over this period, whereas only two believed that this scenario had declined in importance (see also Chapter 2).

Figure 4.8(b) 'Own property' category (see Figure 4.8(a)) – broken down by tenure



Source: Scottish Government.

At the same time, however, while the Scottish Government statistics for the three years to 2017/18 show no significant change in the number of homelessness applications by former private tenants (up by only 2%), private tenancy termination was perceived by ten of 27 online survey respondents (37%) as an increasingly significant contributor to the problem (see Chapter 2). Only one survey participant took the opposite view. It is possible that survey respondent answers here were influenced by the changing profile of the Housing Options service caseload which involves a group only partly overlapping with the cohort of formally assessed cases analysed in Figures 4.8(a) and 4.8(b).

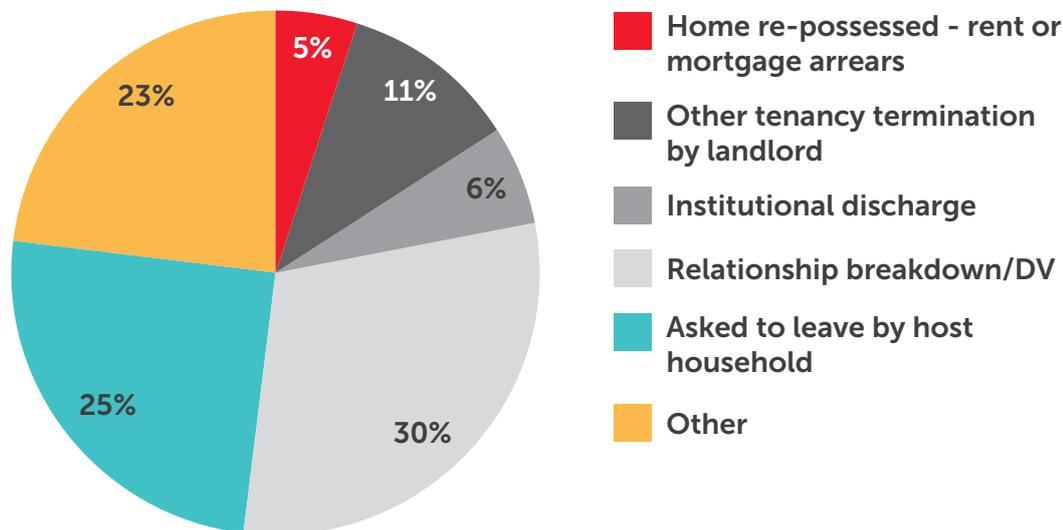
As well as logging the 'previous housing circumstances' of formally assessed households, the Scottish Government also collects data on the closely related issue of 'main reason for application'. As shown in Figure 4.9, relationship breakdown is the largest single category here. Together with those asked to leave by the host

household (many of whom will be parents), these two groups account for more than half of all assessed applicants. Again, the caseload profile has remained very stable in these terms over the past three years.

Because the Scottish Government's classification of 'application reasons' differs from that used in England's official homelessness statistics direct comparisons cannot be made. In particular, the Scottish classification does not specifically identify homelessness resulting from loss of a private tenancy. The best approximations are:

- 'Termination of tenancy to rent arrears: Private rented tenancy' (859 cases in 2014/15, reduced to 787 in 2017/18)
- 'Other action by landlord resulting in the termination of the tenancy' (3,473 cases in 2014/15, increased to 3,690 in 2017/18)

Figure 4.9 Households subject to formal homelessness assessment: main reason for application 2017/18 (aggregated categories)



Source: Scottish Government *From prison, hospital or children's residential accommodation

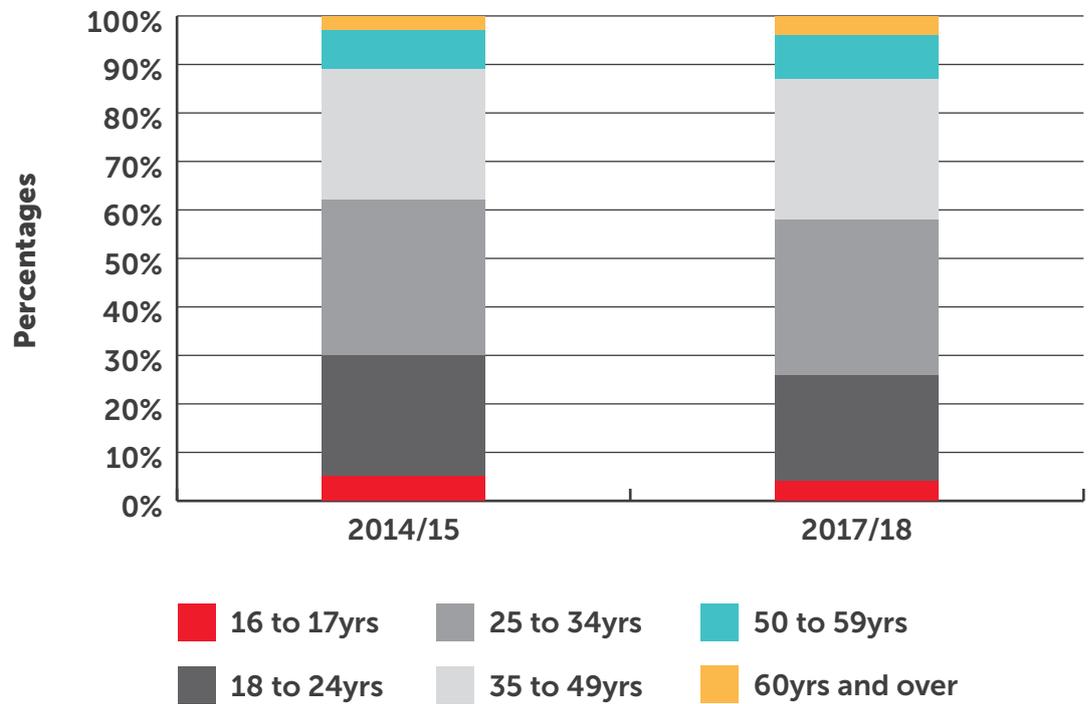
Thus, despite the fact that Scotland has been subject to UK-wide welfare reform measures (including LHA restrictions, Single Room Rate changes, see Chapter 3) the above figures show little obvious tendency toward rising numbers of people losing their homes due to private tenancy terminations as recently seen in England.¹⁹² This might reflect the fact that Scotland's housing market has been generally less pressurised than that of London and the South of England where such trends have been particularly evident.

There have been few if any significant changes in the composition of statutory homeless applicants over the past few years. For example, the period since 2014/15 has seen the gender breakdown of main applicants

remaining stable at 55% males, 45% females. However, as shown in Figure 4.10, there has been a slight reduction in the representation of young people – with the proportion aged under 25 falling from 30% to 25% within this timeframe. In terms of household type, the applicant cohort remains overwhelmingly dominated by single adults (see Figure 4.11).

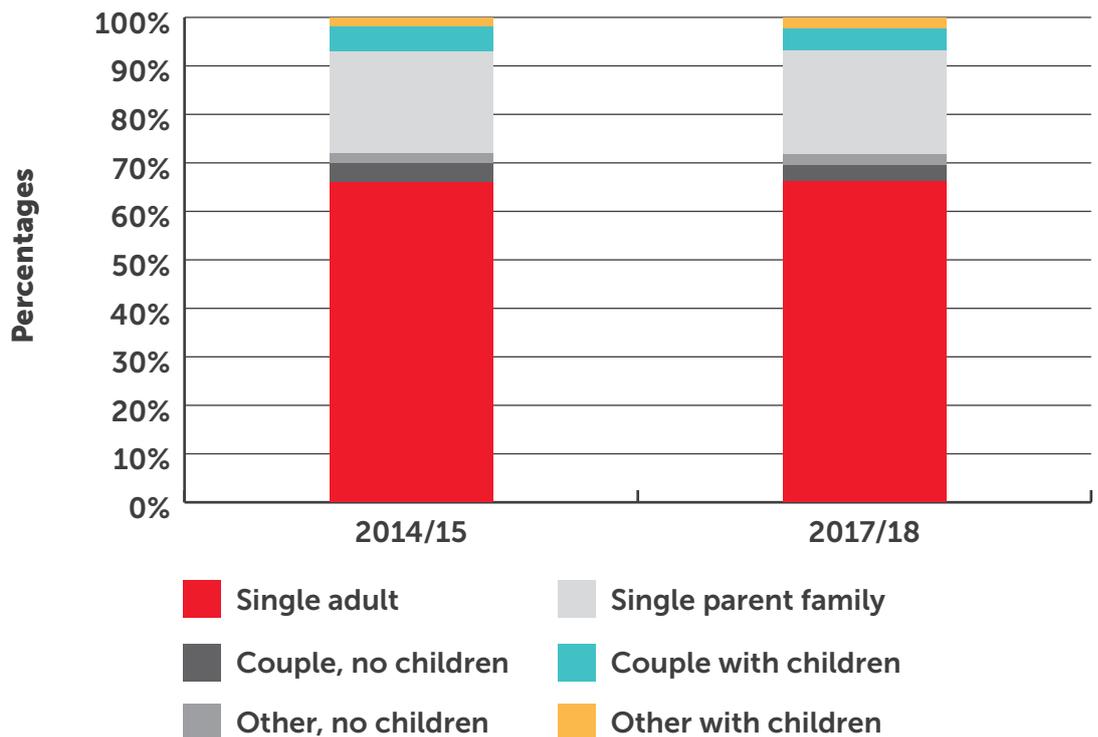
¹⁹² Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., Watts, B. & Wood, J. (2018); *The Homelessness Monitor, England 2018*. London: Crisis.

Figure 4.10 Statutory homelessness applications 2014/15 and 2017/18: age group of main applicant



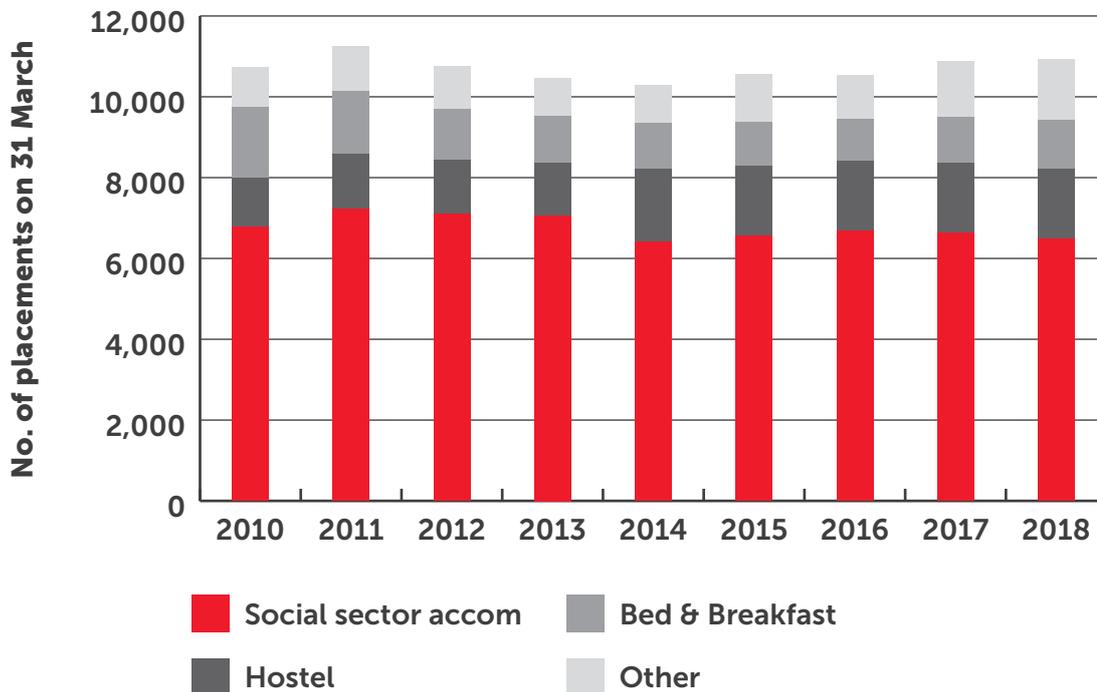
Source: Scottish Government

Figure 4.11 Statutory homelessness applications 2014/15 and 2017/18: household type breakdown



Source: Scottish Government

Figure 4.12(a) Homeless households in temporary accommodation – Snapshot total at financial year end



Homelessness temporary accommodation placements

After a very marked increase in homelessness TA placements in the 2000s (up from 4,100 in 2002 to 10,700 in 2010), overall numbers have subsequently remained fairly steady (see Figure 4.12(a)) – albeit up by 4% over the past two years. As of 31 March 2018, there were 10,933 households in TA in Scotland. On average, households spent just under six months in TA in Scotland in 2017/18, but for 13% of statutorily homeless households the period spent in TA was over a year. In general, families spend longer periods in TA than single person households.¹⁹³ Average length of stay in TA also varies markedly between LAs, ranging from several months in lower pressure authorities (like East

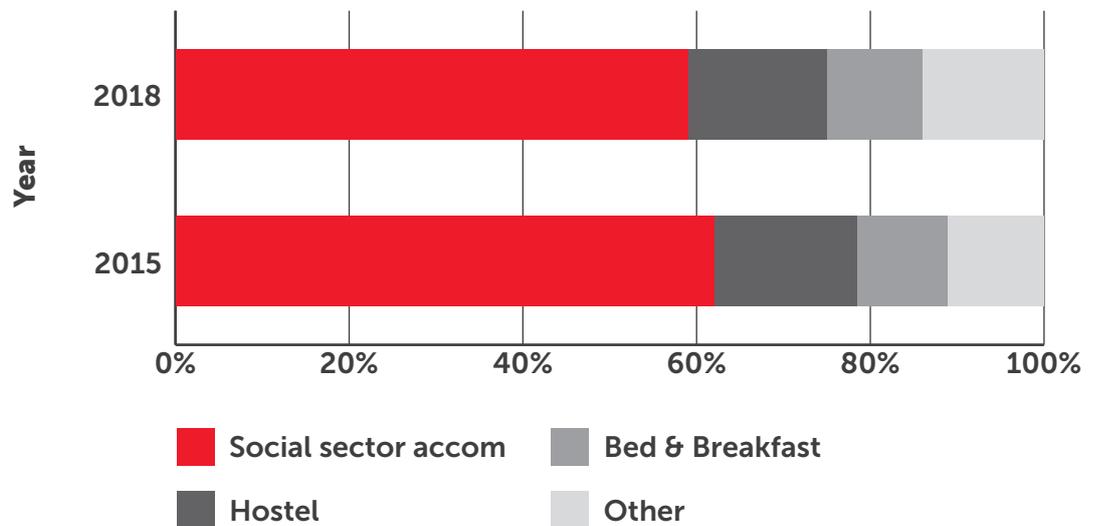
Ayrshire) to up to almost a year in high pressure areas (like East Lothian).¹⁹⁴

As shown here (see Figure 4.12(b)), most TA placements are in ordinary social housing stock (59% in 2018, slightly down from 62% in 2015), and only a minority of placements (27% in March 2018) involved non-self-contained accommodation within the 'hostel' or B&B categories, which is generally considered less satisfactory, especially for family households but increasingly for single and couple households too (see Chapter 3). Nevertheless, the three years to 2018 saw a 12% increase in B&B placements – generally considered a particularly unsatisfactory form of housing for this purpose.¹⁹⁵ Nationally, the average time spend in B&B placements is just

193 Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland: Final Report*. Edinburgh: Social Bite. Key findings are summarised in Chapter 3. See also Shelter Scotland (2018) *Time in temporary accommodation 2018*. Edinburgh: Shelter Scotland.

194 Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland: Final Report*. Edinburgh: Social Bite.

195 See the following for a detailed analysis of the current position and trends in TA across Scotland: Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland*. Edinburgh: Heriot-Watt University. Key findings are summarised in Chapter 3.

Figure 4.12(b) Recent change in composition of total placements

Source: Scottish Government

over a month (36 days), but with longer average durations in high pressure areas like Edinburgh (44 days) and East Lothian (70 days).¹⁹⁶ Single people tend to spend much longer periods in B&B accommodation than families.¹⁹⁷

TA placements involving family households (pregnant women and/or children) have been on the increase – up 25% to 3,349 in the three years to 31 March 2018. The most concerning component of this involves B&B and hostel placements where there is typically very limited private space or private facilities.¹⁹⁸ However, while there has recently been a slight increase in families in these non-self-contained forms of provision, it is instructive to note that – despite the overall increase in TA placements since the early 2000s (see above) – LAs have contained the use of such establishments for families with

children to relatively low levels (see Figure 4.13). Thus, the vast bulk of the recent increase in family placements (see above) has involved social sector and 'other' accommodation (which includes women's refuges).

The existing 'unsuitable accommodation' order limits use of B&B and other unsuitable forms of TA to seven days for families with children and pregnant women (a reduction from 14 days),¹⁹⁹ and the Scottish Government has accepted a HARSAG recommendation to extend this order to all homeless households and has now begun a consultation process on how this will be implemented. On 31 March 2018, there were 20 breaches (mostly in Edinburgh) of this order. Information issued in response to a freedom of information request showed that Edinburgh had breached

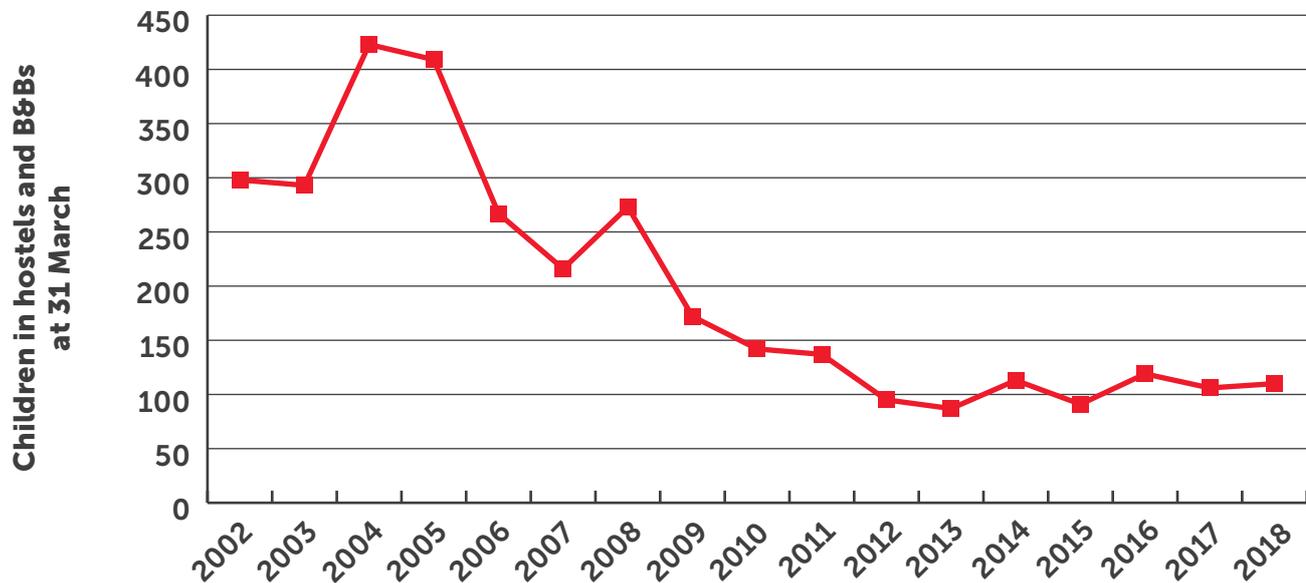
196 Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland*. Edinburgh: Heriot-Watt University.

197 Littlewood, L., Watts, B., Blenkinsopp, J. (2018) *Temporary accommodation in Scotland: Interim Report*. Edinburgh: Social Bite; Crisis (2017) *A Life in Limbo: the use of prolonged unsuitable accommodation for homeless people in Scotland*. London: Crisis.

198 See again: Watts, B., Littlewood, M., Blenkinsopp, J. & Jackson, F. (2018) *Temporary Accommodation in Scotland: Final Report*. Edinburgh: Social Bite

199 Scottish Government (2017) *Homeless Persons (Unsuitable Accommodation Order) (Scotland) Amendment Order 2017*. Edinburgh: Scottish Government.

Figure 4.13 Temporary accommodation placements 2002-2018: children in B&B hotels and hostels



Source: Scottish Government

the order 466 times between September 2017 and September 2018.²⁰⁰

Respondents to this year's LA survey were asked whether any specific groups tended to pose a particular problem in terms of accessing TA. The most commonly mentioned groups – in each case cited by 11 authorities – were large families (defined as those with 3 or more children), and applicants with multiple or complex needs. The next most frequently cited 'problematic group' was single people. Ex-offenders in general, or sex offenders in particular, were found especially problematic in non-urban areas where there was a greater likelihood of an individual or family being saddled with a problematic and well-known reputation:

“There is no specific temp accommodation for prison leavers, but one recent problem has been the accommodating of sex offenders leaving prison where local groups have discovered where they are staying and they have been targeted. This is a common challenge in a small authority area.”
(LA respondent, Pressured Area, 2018)

4.4 Core homelessness

In a parallel research project for Crisis, Heriot-Watt has developed the concept of 'Core Homelessness', which focuses on people who are 'homeless now' in the following situations:²⁰¹

200 Scottish Housing News (2018) *Report uncovers Edinburgh's 466 breaches of homeless B&B law*, Online: Scottish Housing News. <https://www.scottishhousingnews.com/article/report-uncovers-edinburghs-466-breaches-of-homeless-bb-law>

201 Bramley, G. (2017) *Homelessness Projections: Core homelessness in Great Britain. Summary Report*. London: Crisis https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf

1. rough sleeping;
2. sleeping in cars, tents, public transport ('quasi rough sleeping');
3. occupation of non-residential buildings;
4. staying in hostels, refuges and shelters;
5. unsuitable TA (e.g. Bed & Breakfast, non self-contained, out of area placement); and
6. 'sofa-surfing', i.e. staying with non-family, on a short-term basis, in overcrowded conditions.

While we regard this set of categories, which together constitute core homelessness, as a coherent and defensible way of defining the concept,²⁰² there are significant limitations in the data sources available and methods used to routinely record some of these elements of homelessness. Therefore, to overcome these the research has had to draw on and 'triangulate' a range of different sources (including retrospective and service-user surveys) to produce estimates, which may rely in part on assumptions as well as hard data. We can draw on a recent update of the original core homelessness estimates to show the position in Scotland (Figure 4.14).

The overall level of core homelessness in Scotland (number homeless on a typical night) has been running at between 11,600 and 13,250 over the period since 2010, with a distinct fall in 2013, and a slight rise in 2017. The fall in 2013 was seen in hostels, unsuitable temporary accommodation and sofa surfing. The rise in 2017 has been primarily in unsuitable TA.

The relatively flat trend in core homelessness in Scotland differs from that in statutory homelessness assessments, which showed a marked fall from 2010 to 2014 (Figure 4.3), and also from the trend over the same period in England, which showed an increase of 28%.

We have also made estimates of core homelessness for selected city regions across Great Britain, including the two largest in Scotland. Glasgow & Clyde Valley showed a fall from 2011 to 2015, but a rise again from 2015 to 2017, although this was more evident in Glasgow City and less in the Rest of the Clyde Valley. For Edinburgh, Lothians and Fife the rise from 2015 to 2017 was shared by both the City and surrounding area and took core homelessness levels to above those of 2011.

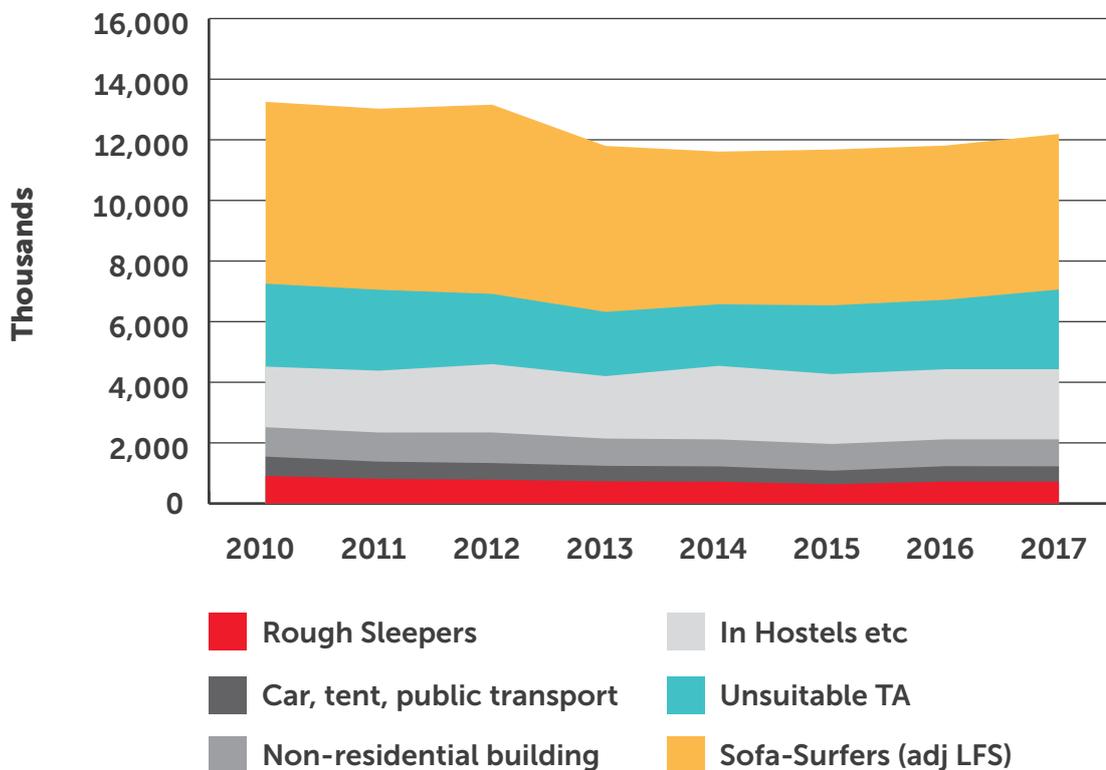
Statutory homelessness in Scotland is skewed towards single adult households (see above), and this is even more true of core homelessness. Using a range of sources²⁰³ we can say that around 45% of adults experiencing core homelessness are female, but this proportion is much less for those experiencing rough sleeping (between 9% and 22%), and somewhat less for those using hostels. Just over a fifth of core homeless are aged under 25 (15% of rough sleepers and hostel dwellers, but 25% of sofa surfers). The dominant age groups are from 25 to 44, with 17% in the 45-64 bracket and no more than 5% over 65.

4.5 Wider forms of hidden homelessness

In this section we go on to consider a range of housing situations which may, for some people, constitute a form of 'hidden homelessness', while for others it may constitute a situation of risk which may lead to homelessness at a

²⁰² This definition is consistent with wider international approaches (Bursch-Geertsema et al. 2016). It also has practical advantages in avoiding double-counting and conceptual problems in mixing stock and flow measures.

²⁰³ Scottish Household Survey, *Poverty and Social Exclusion Survey (UK)*, *Destitution in the UK*, and the HL1 statistics

Figure 4.14 Core homelessness by category in Scotland, 2010-17

Note on sources: 'rough sleepers' based on SHS retrospective data, trended forward from 2015 based on HL1; 'Car, tent, p t' is a simple markup on rough sleeping (based on some discounted English estimates); 'non-res bldg' is a composite markup on rough sleepers, hostels and sofa surfers; 'hostels' is as recorded in statutory homeless statistics; 'unsuitable TA' includes B&B and 'other'; 'sofa surfers' is based on SHS retrospective data, trended forward from 2015 based on core homeless forecasting model.

future date, or an ongoing situation of unmet housing need. Most of the core homeless groups (with the exception of sofa surfers) are not located in conventional household settings and therefore will not be directly measured by household surveys. By contrast, household surveys are our main source of evidence on wider and hidden homeless groups. The main groups considered are concealed households, households which have not formed, sharing households and overcrowded households.

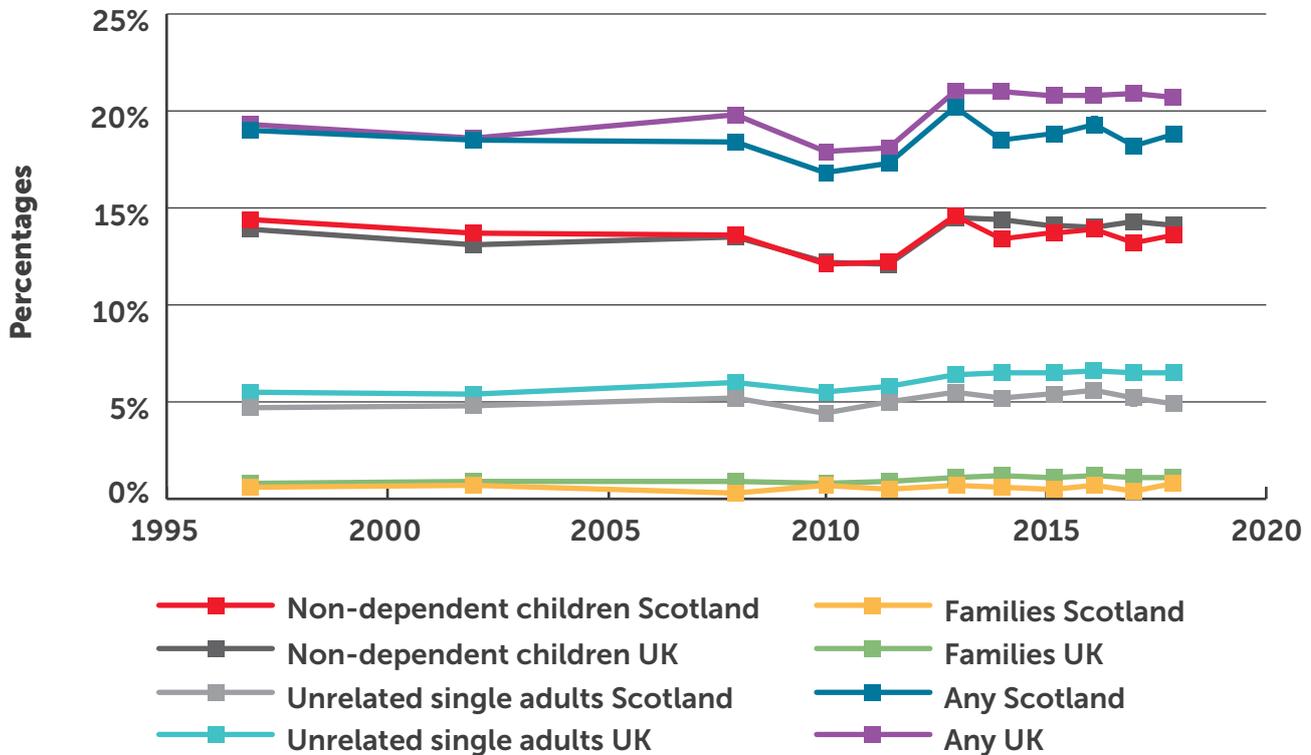
Concealed potential households

This group are adults living with other households, whether as non-dependent children, other unrelated single adults, or family groups (couples or lone parents). We assume that all family groups (couples or lone parent families) would ideally prefer their own

accommodation, whereas for single people living with their parents or with others (e.g. flat-sharers) we are able to make estimates of the proportion or who prefer and/or expect to live separately (typically up to around a half), based on questions in the English Housing Survey and the UK-wide 'Understanding Society' survey.

Figure 4.15 looks at the trends in the broader measure of potential households, distinguishing the three groups of families (couples or lone parents), unrelated single adults, and non-dependent children living with parents, the latter being the largest and the former the smallest of these groups. It can be seen that Scottish trends have largely paralleled those in the wider UK, although with a tendency for the shares of concealed potential households to fall somewhat

Figure 4.15 Proportion of households containing concealed potential households by category, comparing Scotland and UK, 1997-2018 (percent)



Source: Labour Force Survey

in Scotland, relative to UK, particularly after 2011.

The bigger picture is that the UK has made no progress over more than two decades in reducing these proportions, and indeed there was a sharp upward movement between 2010-12, perhaps reflecting the financial and economic crisis and the onset of welfare reform (e.g. Local Housing Allowance restrictions). This affected Scotland in a similar way to the general pattern across the UK, at that time, but over the longer run concealed households have either fallen or ended up level in Scotland, whereas they have generally risen in England.

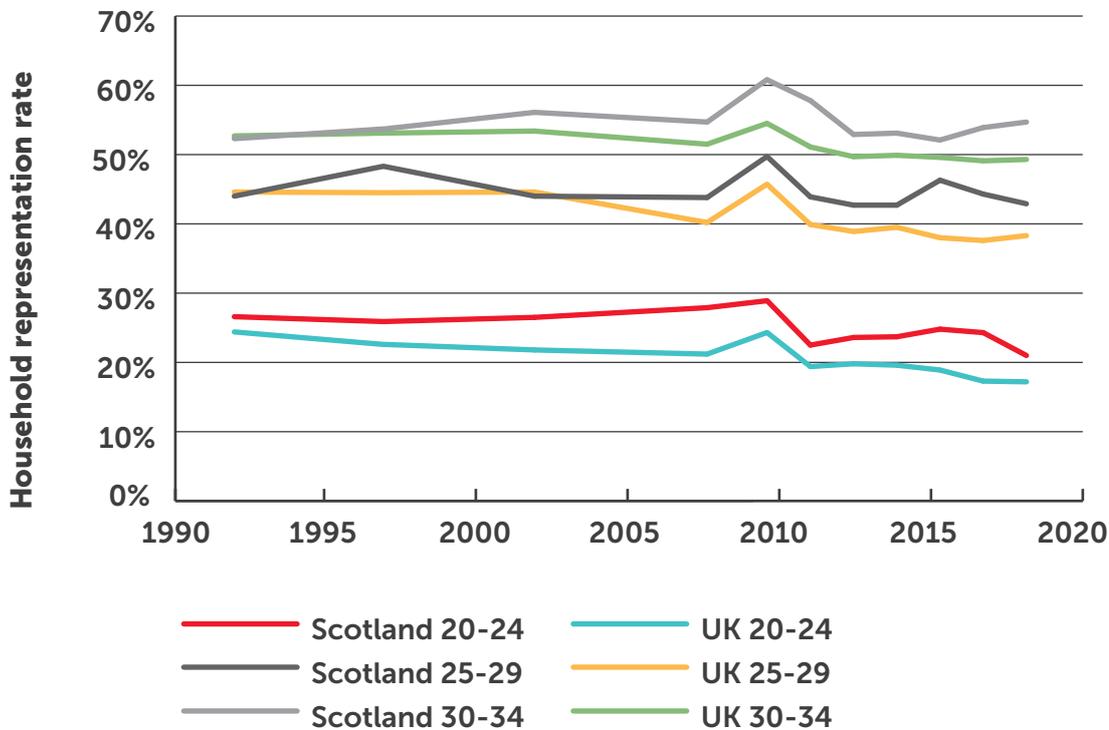
Allowing for the estimated proportions of these groups who want or expect to move and live separately, we find that about 9.7% of households in Scotland contain concealed households, including 6.8% nondependent children,

2.2% unrelated single adults, and 0.8% concealed families. The numbers of households affected total 236,000, including 53,500 with unrelated single adults and 18,200 with concealed families involving a total of 266,000 adults and about 20,000 children.

Ability of younger adults to form households

Another way of looking at this is to examine the extent to which different age groups are able to form separate households, as measured by the 'household representative rate'. Figure 4.16 looks at trends in this for three key younger age groups, again comparing Scotland and UK. In general, at least up until 2010, one could say that the chances of a younger adult forming a separate household were increasing in Scotland, although there was a dip for the 25-29 age group between 2000 and 2008. One could also say that the chances were greater in Scotland

Figure 4.16 Proportion of key age groups heading separate households, comparing Scotland and UK, 1992-2018 (percent)



Source: Labour Force Survey

than in the UK as a whole, where there was a more pronounced tendency for rates to fall, especially in London and the South. However, since 2010 there has been a sharp fall for all of these age groups, which Scotland has experienced in parallel with the UK. Again, we would argue that the economic crisis has been a factor here, but perhaps also the initial impacts of reforms to welfare, particularly the Local Housing Allowance.

The effect of the drop in the proportion of younger adults (20-34) in Scotland heading separate households since 2010 is that 67,650 households have been prevented from forming. The effect of the drop in these proportions since 1992 is equivalent

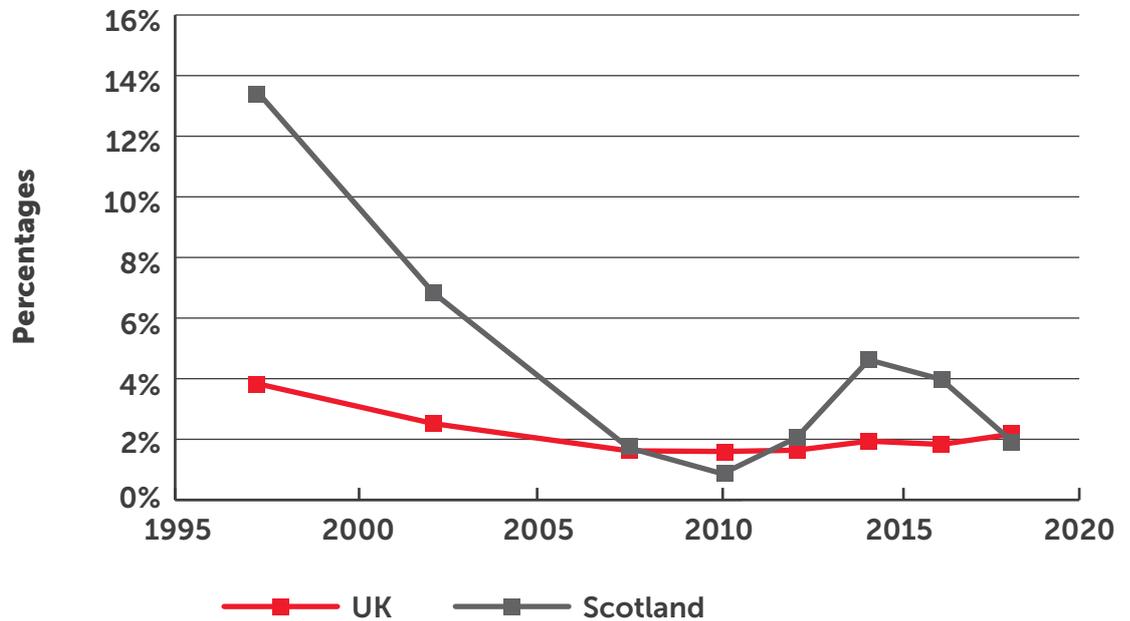
to 736,200 households across the UK. But these figures understate the true denial of opportunities to form households, because, on the basis of previous decades of experience, these rates should have been expected to rise significantly, not fall. The total 'suppressed household formation' associated with the inadequate supply and affordability of housing across UK is of the order of double the figures just quoted.

Sharing households

Sharing households are separate households who live at the same address and typically share some facilities or common spaces but do not share both cooking facilities and a living/sitting/dining room/area.²⁰⁴ This

²⁰⁴ The definition of a household is "one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area." Office for National Statistics (2018) *Methodology used to produce household projections for England: 2016-based*, p37, Online: ONS. <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/methodologyusedtoproducehouseholdprojectionsforengland2016based>

Figure 4.17 Sharing households in Scotland and UK, 1997-2018 (percent of households)



Source: Labour Force Survey

distinguishes them from concealed households, who would share both of the above elements. Sharing used to be common, especially in Scotland, but has seen a long-term decline until around 2010, since when there has been some increase, as shown in Figure 4.17. While traditional sharing mainly took the form of multiple occupation in tenements or larger older properties, the recent rise may reflect some newer forms of congregate accommodation, possibly including some student accommodation as well as some forms of TA for homeless people. While some caution is in order, it seems likely that the recent rise in Scotland, as in England, does reflect pressures in the housing market in some areas.

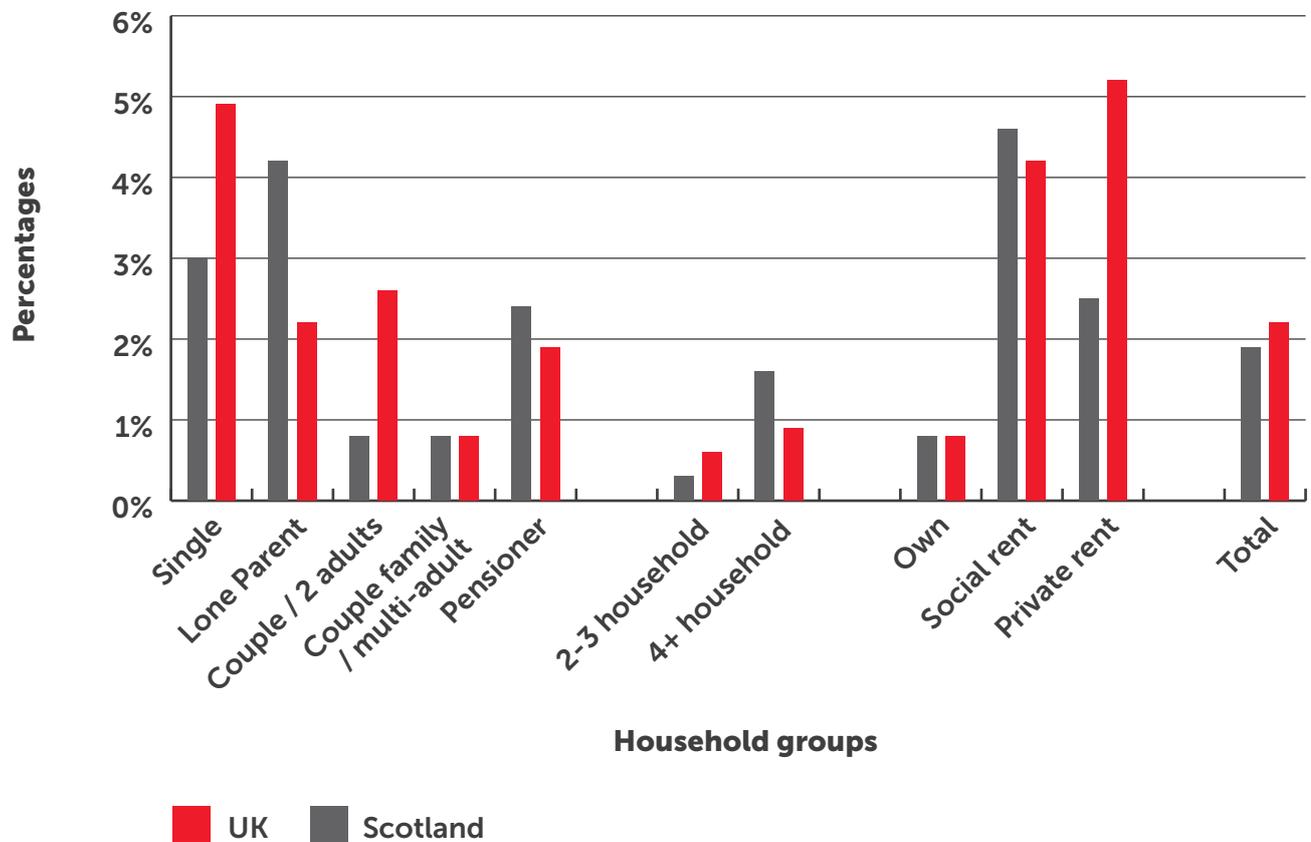
Figure 4.18 shows a summary profile of sharing households in Scotland and across UK as a whole for comparison. In Scotland, sharers are less likely to be single person households and more likely to be lone parents. Contemporary sharing in Scotland seems to be associated with larger

numbers of households sharing at a particular address. In Scotland, there is a surprisingly high prevalence in social renting and a relatively low prevalence on private renting.

Overcrowding

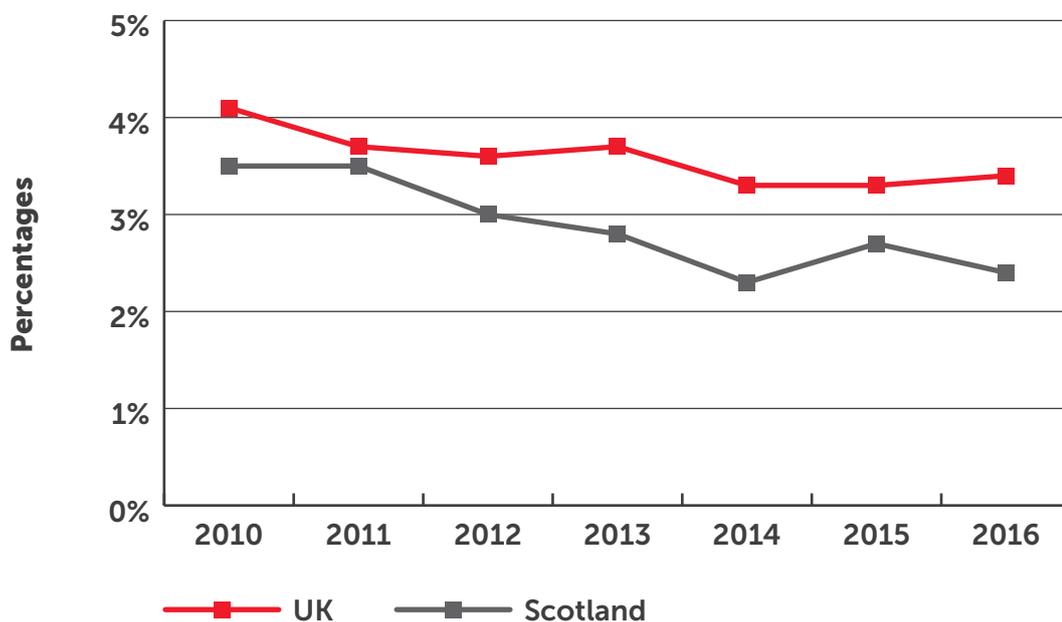
Overcrowding is another indicator of housing pressure and of housing need which is not being fully met. Households at risk of homelessness may be staying in overcrowded conditions with family or friends but could be asked to leave at any time, and part of the definition of 'sofa surfing' within the core homelessness definition involves being overcrowded. The most widely used definition of overcrowding is having less bedrooms for the number, age and relationships of household members, as per traditional social housing allocation norms, and this is known as 'the bedroom standard'.

Figure 4.18 Incidence of sharing by household types, number of sharers and tenure, Scotland and UK, 2017-18



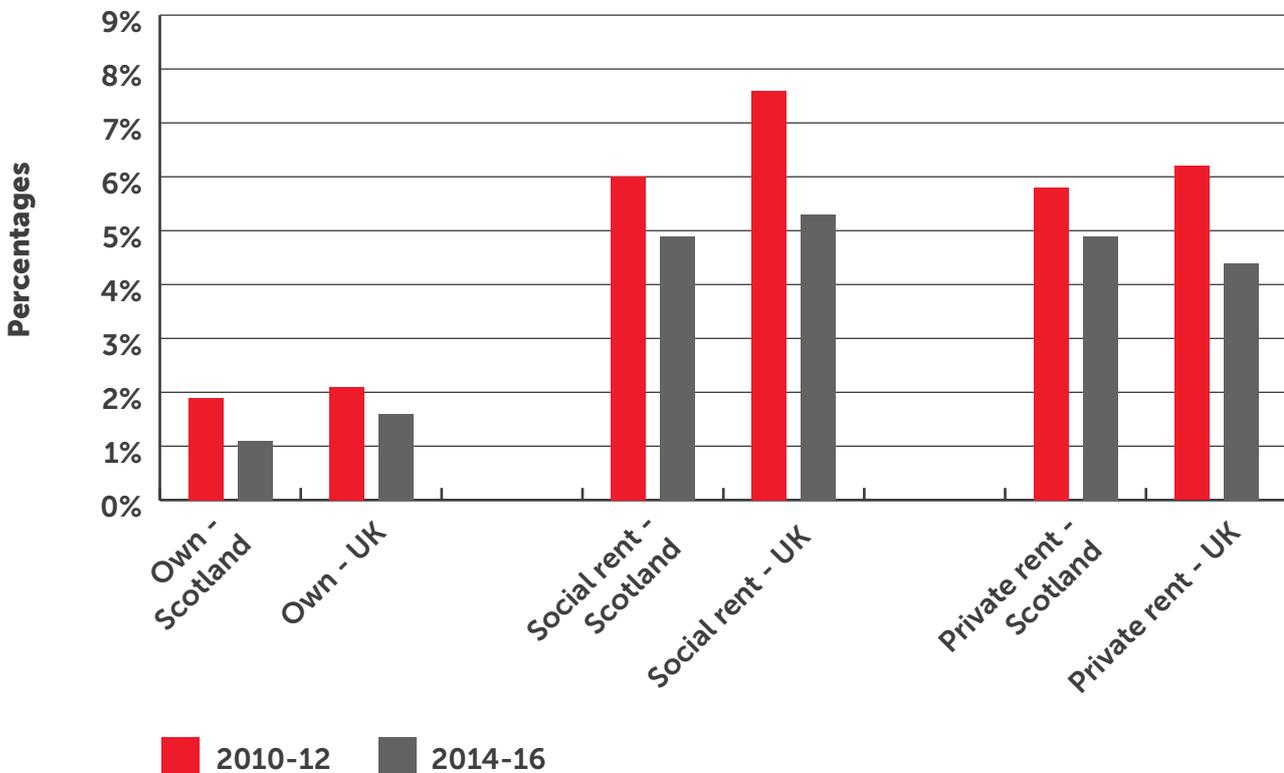
Source: Labour Force Survey 2018 (Q2) (combined with 2017 Q2 for Scotland)

Figure 4.19 Overcrowding in Scotland and UK, 2010-2016 (percent of households below bedroom standard)



Source: Understanding Society (IUKHLS), Waves 2-8.

Figure 4.20 Overcrowding by tenure and period, Scotland and UK (percent of households below bedroom standard)



Source: Understanding Society (IUKHLS), Waves 2-8.

Overcrowding as measured by this standard is generally somewhat lower in Scotland than in the UK as a whole, for example in 2016 when the Scottish rate of 2.4% compares with the UK level of 3.4%. This is of a piece with other measures considered in this section, which indicate a somewhat lower level of pressure on housing in Scotland than in other parts of the UK. The rate also appears to have fallen since 2011, although with a slight uptick in 2015, with the extent of the fall slightly greater than that seen in the UK as a whole.

Figure 4.20 breaks the comparative analysis of overcrowding down by tenure, while grouping years together into two three-year periods. In general, crowding is most common in social renting, followed by private renting, with much lower rates in owner

occupation. The fall in crowding since 2010-12 has been seen in all cases, but with rather less fall for owners UK-wide and for private renters in Scotland. Whereas in 2010-12 crowding was less in Scotland in both rental tenures, by 2014-16 crowding in private renting in Scotland was above that in UK as a whole, and level-pegging with social renting in Scotland.

4.6 Key points

- Rough sleeping appears to have been relatively stable over the last three years at national level, while displaying considerable variation in trends between different localities.
- Applying reasonable assumptions to the two major data sources suggests that the annual number of rough sleepers in 2017 was around 5,300, with a nightly snapshot estimate of

just over 700. These numbers have fluctuated to only a moderate degree since 2011, in the range 650-800.

- In 2017/18 Scottish LAs logged 34,950 statutory homelessness assessments, of which 28,792 (82%) resulted in a judgement that the household concerned was 'legally homeless'.
- The fall in statutory homelessness assessments between 2009 and 2014 has levelled off, while in the more recent period the recorded number of Housing Options approaches has fallen by 30%. In fact, summing statutory homelessness assessments and Housing Options approaches triggered by 'homelessness reasons' (rather than 'prevention reasons') suggests that overall 'expressed homelessness demand' may have fallen by about 20% since 2014/15.
- However, it is important to bear in mind that the Housing Options (PREVENT 1) statistics are still bedding down, retain their 'experimental' status, and may not as yet be a reliable means to track homelessness pressures. Moreover, one possible explanation for both the drop in recorded Housing Options approaches, and a reported reduced overlap with formal assessments, may be changed practices on the part of LAs in the light of a critical Scottish Housing Regulator report and the Housing Options Guidance.
- Nonetheless, it is worth noting that there is no clear geographical pattern in recent increases and reductions seen in statutory homeless applications as well as Housing Options approaches across Scotland.
- Moreover, and despite the falling official total for combined Housing Options approaches and homelessness applications over the past year, most respondents to the 2018 LA survey perceived that overall homelessness 'footfall' had remained unchanged or had slightly increased since 2017 in their area. Some of those reporting increased footfall referred to welfare reform drivers and/or housing supply and access pressures, whereas others emphasised local administrative or service changes.
- There has been an increase of 12% in the number of former social renters applying as homeless over the past three years in Scotland.
- While homeless staff in one third of LAs perceive private tenancy terminations as an increasing contributor to potential homelessness, this is not manifest in the official data.
- After a very marked increase in homelessness TA placements until 2010, overall numbers have subsequently remained fairly steady – albeit up by 4% over the past two years. As of 31 March 2018, there were 10,933 households in TA in Scotland.
- Most TA placements are in ordinary social housing stock, with only a minority involving non-self-contained accommodation. Nevertheless, the three years to 2018 saw a 12% increase in B&B placements.
- TA placements involving family households increased by 25% to 3,349 in the three years to 31 March 2018. The vast bulk of this increase in family placements has involved social sector and 'other' accommodation.
- Another way of looking at this issue is to focus on core homelessness, people literally homeless 'now' (e.g. rough sleeping, sofa surfing, staying in hostels, refuges or unsuitable forms of TA). We estimate that the overall level of core homelessness in Scotland (number homeless on

a typical night) has been running at between 11,600 and 13,250 over the period since 2010, with a distinct fall in 2013, and a slight rise in 2017. The fall in 2013 was seen in hostels, unsuitable temporary accommodation and sofa surfing. The rise in 2017 has been primarily in unsuitable TA.

- Nearly 10% of households (236,000) in Scotland contain concealed households, who would prefer or expect to live separately. The proportion of such households is somewhat lower in Scotland than in UK and has not increased to the same extent as in other parts of UK.
- Although more younger adults can form households in Scotland than in UK overall, this proportion dropped sharply after 2010.
- Households sharing a dwelling increased after 2010, following a long-term decline, and tends to be higher in Scotland than in UK overall.
- Overcrowding in Scotland is lower than in UK as a whole and has fallen more since 2010, but with less reduction within private renting.

Conclusions

5. Conclusions

This year's Homelessness Monitor was written at a pivotal moment of for policy and practice in Scotland. A radical set of plans to 'rewire' the Scottish homelessness system have just been published by the Scottish Government, in partnership with the Convention of Scottish Local Authorities, to give effect to the recommendations of the short-life 'Homelessness and Rough Sleeping Action Group', appointed by the First Minister in September 2017.

These plans include a national shift towards rapid rehousing 'by default' across the whole spectrum of homelessness, the upscaling of Housing First provision for those with the most complex needs, as well as a new prevention duty to apply across all public authorities and housing associations. After 15 years sitting on the statute books uncommenced, there is also a commitment to bring into force the 2003 Act provisions on intentionality and local connection, alongside an undertaking to consider options for narrowing the definition of intentionality to 'deliberate manipulation' of the homelessness system. A transformation in temporary accommodation in Scotland is also envisaged, with a smaller number of people, spending far less time in such accommodation, which will be subject to new regulatory standards. Scope is also to be made for a more diverse range of 'settled' and 'emergency' housing options for homeless people and those at risk, including 'community

hosting' models, such as Nightstop and Supported Lodgings. A 'national outreach model' is intended to empower frontline workers, and in the context of a transformed system where there is to be 'no wrong door' for homeless people, a more 'flexible' approach will be taken to where statutory assessments are conducted (albeit with the local authority retaining the statutory duty). There is an 'integrationist' principle running through the Homelessness and Rough Sleeping Action Group recommendations, with the direction of travel clearly toward ordinary settings and mainstream services rather than 'homeless' ones.

These are challenging and far-reaching proposals that, perhaps unsurprisingly, have divided opinion in the Scottish homelessness sector. Many stakeholders and local authorities have welcomed the rapid rehousing and Housing First proposals in particular, as bolstering their efforts to shift local policies and practices in a progressive direction. For others, however, there are seen to be clear obstacles and concerns that must be overcome. It certainly seems to be the case that local authorities in the more pressured housing markets, and in rural areas, have greatest anxieties about the Homelessness and Rough Sleeping Action Group led policy agenda.

One pronounced theme is the challenge to local social housing allocations policies presented by the

rapid rehousing policies, with absolute shortages in social housing supply cited as a barrier in some places, while anticipated resistance by elected members and housing association boards was raised elsewhere. Alongside the planned scaling up of Housing First for homelessness people with complex needs, there inevitably comes the implied scaling down of other, more traditional forms of congregate provision, which may present challenges to some existing providers. A culture of 'tenancy readiness' on the part of some housing associations and local authorities was said to mitigate against the implementation of Housing First models, while rent-in-advance was said to provide a particular barrier to accessing housing association tenancies.

A major and often repeated concern, particularly relevant to the Housing First roll-out plans, is the perceived failure of health and social care partners to provide the support needed by homeless people with complex needs. Interestingly, though, the establishment of Health and Social Care Partnerships were generally reported as having brought distinct advantages in this regard in the Glasgow and Clyde Valley area of Scotland, while elsewhere Rapid Rehousing Transition Plans were said by some stakeholders and local authorities to provide a useful framework for moving this agenda forward. It remains to be seen whether the Action Plan commitment to legislate for a new public sector prevention duty will allay these fears of local authorities that required health and social care partners may not be forthcoming. Powerful evidence on the strong links between homelessness and elevated increased mortality and morbidity that emerged from recent data linkage research published by the Scottish Government has reinforced the need for strong connections between homelessness and health services in particular.

There are also more general anxieties about whether the Scottish Government's £50 million 'Ending Homelessness Together Fund' will provide sufficient funding for the radical changes in policy and practices sought within the Action Plan, and whether the current upward swing in social and affordable housing supply will be sustained beyond 2021. Criticism has also been levelled at the Homelessness and Rough Sleeping Action Group recommendations and Action Plan commitments for prioritising the needs of rough sleepers and homeless people with complex need at the expense of other vulnerable groups, such as women fleeing violence, and more upstream and wider homelessness interventions. Some feel that certain recommendations, such as on revised temporary accommodation standards, are couched in too long a timeframe, while it has also been noted that some of the actions lack a clear set of targets or deadlines for their achievement.

However, against this background of debate and some degree of controversy over the Scottish Government's plans, it might be noted that it is rather remarkable that homelessness has attained this high a level of political salience in a context where there is little if any evidence of upward pressures in terms of the numbers affected.

On the contrary, rough sleeping appears to have been relatively stable over the last three years at national level in Scotland, albeit displaying considerable variation in trends between different localities, and with evidence of a growing problem in Edinburgh in particular. While the fall in statutory homelessness assessments between 2009 and 2014 has now levelled off, in the more recent period the recorded number of Housing Options approaches has dropped by 30%. In fact, combining the statistics for formal statutory homelessness assessments with those for Housing

Options approaches triggered by 'homelessness reasons' (rather than 'prevention reasons') suggests that overall 'expressed homelessness demand' may have fallen by about 20% since 2014/15.

However, there are a number of grounds to be cautious about the reliability of the Housing Options data (PREVENT 1) in particular as a means of assessing underlying homelessness pressures and demands. For one thing, it is still bedding in, and retains its 'experimental' status. And the wide variations in degree of overlap between Housing Options cases and formal homelessness assessments, both between local authority areas and over time, gives pause for thought. One possible explanation for both the drop in recorded Housing Options approaches, and the reportedly reduced overlap with formal assessments over the past year, may be changed practices on the part of local authorities in the light of the critical Scottish Housing Regulator report, and the publication of the Scottish Government Housing Options Guidance clarifying when a statutory homelessness application must be taken.

Nonetheless, the apparently dramatic reduction in homelessness applications as well as Housing Options approaches in Edinburgh over the past three years is especially perplexing, when all other indications are that this is a local authority in Scotland under particular housing and homelessness pressures. More broadly, the downward trajectory in these official statistics are also at odds with what local authorities are reporting with regard to homelessness 'footfall' in their area, with most respondents to the 2018 local authority survey perceiving that overall homelessness demands had remained unchanged or had slightly increased in their area since 2017.

An alternative to an exclusive focus on the official statistics on homelessness is to triangulate a variety of existing data sources to assess trends in 'core homelessness', people literally homeless 'now' (e.g. rough sleeping, sofa surfing, staying in hostels, refuges or unsuitable forms of temporary accommodation). As viewed via this method, core homelessness has exhibited a relatively flat recent trend, albeit with a slight rise in 2017 following a fall in 2013. Both Glasgow and Edinburgh city regions saw a fall in core homelessness from 2011-2015, with a subsequent rise to 2017 which was stronger in the Edinburgh region. The overall message, though, is one of general stability in levels of homelessness across Scotland.

One area where official statistics are likely to be reliable is with regards to the number of households in temporary accommodation, and it is clear that these remain at historically high levels, with increases in both bed and breakfast placements and families in temporary accommodation in the last three years. Concern about the need to 'transform' the temporary accommodation landscape in Scotland was a key driver for the establishment of Homelessness and Rough Sleeping Action Group, and a recent in-depth study of temporary accommodation across Scotland has demonstrated that much of this provision, particularly bed and breakfast and hostels, is not 'fit for purpose'.

Scottish Government policies on social housing supply and the abolition of the Right to Buy were warmly welcomed by stakeholders, and some also acknowledged that, notwithstanding hotspots like Edinburgh, housing pressures are nowhere near as bad in Scotland as a whole as compared to many parts of England. Our analysis on wider forms of hidden homelessness also demonstrates that Scotland's overall housing circumstances are favourable compared to those in England. That said, social housing

lettings in Scotland have been on a downward path until this past year, when they rose only slightly, and many local authorities report difficulties in accessing council and, especially, housing association tenancies to prevent or relieve homelessness. In the latter case particularly, this was said to be related to restrictive allocation policies as noted above, as well as supply pressures.

While Scottish local authorities generally reported that post-2010 welfare reform has exacerbated homelessness in their area, it is clear that welfare reform has not, at least as yet, had the devastating homelessness impacts that have been all too evident in England. In particular, there is no statistical evidence of the dramatic upswing in loss of a private tenancy as a cause of homelessness that has been witnessed in England, although one third of local authorities did perceive this to be a growing problem in their area. Concerningly, though, there has been a recent increase in the number of former social tenants applying as homeless (up by 12% over past three years), though the factors that lie behind this trend are not entirely clear.

This relatively milder homelessness impact of welfare reform in Scotland to date can be attributed in large part to the relatively lower overall housing pressures in Scotland. However, credit should also be given to the Scottish Government's mitigation efforts, especially via the Discretionary Housing Payments. These have fully mitigated the Bedroom Tax in Scotland, but likely at the expense of less protection being offered to private sector tenants affected by the Local Housing Allowance and Shared Accommodation Rate, albeit that this does not as yet seem to have fed through into increased statutory homelessness amongst those affected. The Scottish Welfare Fund was also said by local authorities to be helpful in preventing homelessness, though

some noted that it appears to have become less generous.

As is well known, the roll out of Universal Credit has repeatedly been delayed, and is now not expected to be completed until the end of 2023. Its visibility is growing in Scotland as full roll out for new claimants reached Glasgow and Edinburgh at the end of 2018. The Scottish Government has used its limited powers to allow claimants to receive Universal Credit payments more frequently and to have housing assistance paid directly to landlords. Early indications suggest that around 45% of claimants choose to exercise some choice. The Benefit Cap, introduced in 2013, was reduced in 2016 and this has almost trebled the number of claimant households in Scotland affected to more than 3,000, two-thirds of whom are lone parent households. Looking forward, three-quarters of Scottish local authorities anticipate that the full rollout of Universal Credit will exacerbate homelessness in their area over the next two years, and the consensus of concern was almost as strong with respect to the lowering of the Benefit Cap.

While overall Scotland is a relatively prosperous part of the UK, the Scottish economy has maintained low levels of economic growth, and these have lagged behind those of the UK as a whole in recent years. The performance of the Scottish economy will become increasingly important now with key elements of taxation devolved, and if growth lags behind the rest of the UK then it is likely that the resources available to the Scottish Government to spend on services such as housing and homelessness will be less than under the block grant. Brexit is of course creating much uncertainty, and in the background there also remains the possibility of a second independence referendum.

The next Homelessness Monitor Scotland update in 2021 will enable us to track the practical impact of the Scottish Government's Ending Homelessness Together Action Plan, and more broadly whether the current expansion in social housing supply will be sustained, and whether the feared homelessness impacts of Universal Credit roll out and Benefit Cap come to pass. The post-Brexit position of Scotland may also be somewhat clearer. Whatever the ramifications of these major political upheavals, the Monitor will retain its focus on the implications for people facing homelessness, poverty and associated issues in Scotland.

Appendix 1 Local authority survey

Online surveys of local authority housing options/homelessness managers have been a component of the Homelessness Monitor methodology since the first such questionnaire was incorporated in the 2014 England fieldwork. Subsequently, an online survey has been included within data collection for every English Monitor and, for the first time in 2017, the Welsh Monitor. The current survey is, however, the first to be undertaken as part of the Homelessness Monitor Scotland series.

Invitations to participate in the survey were sent to the local authority housing options/homelessness manager in each of Scotland's 32 local authorities in August 2018. The online questionnaire included some questions similar to those previously asked of English and Welsh authorities, but also a number specific to the Scottish policy context.

In the event, 29 of the 32 councils (91%) participated in the survey. The only non-respondents being Clackmannanshire, West Dunbartonshire and West Lothian.

In analysing the returns, responding authorities were classed according to a typology combining housing market conditions and geographical location:

Edinburgh and other pressured markets	Aberdeen City, Aberdeenshire, East Lothian, Edinburgh, Highland, Midlothian, Moray, Orkney Islands, Perth & Kinross, Shetland Islands, Stirling, West Lothian (non-respondent)
Glasgow and rest of Clyde Valley	East Dunbartonshire, East Renfrewshire, Glasgow, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire
Rest of Scotland	Angus, Argyll & Bute, Clackmannanshire (non-respondent), Dumfries and Galloway, Dundee, East Ayrshire, Eilean Siar, Falkirk, Fife, North Ayrshire, Scottish Borders, South Ayrshire, West Dunbartonshire (non-respondent)

This appendix summarises in tabular form the key quantitative survey results. All survey findings, including the qualitative data generated by the extensive use of open text responses within the survey, are contained in the main body of the report.

Table 1 Perceived change in 'overall flow of people seeking assistance' over past 12 months

	Significantly increased	Slightly increased	Remained reasonably steady	Slightly reduced	Significantly reduced	Total	N=
	% of responding local authorities						
Scotland	3	41	41	10	3	100	29

Table 2 Ease of accessing local authority tenancies

	Very easy	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities						
Edinburgh and other pressured markets	9	9	27	36	18	100	11
Glasgow and rest of Clyde Valley	0	17	33	17	33	100	6
Rest of Scotland	29	14	14	43	0	100	7
Scotland	13	13	25	33	17	100	24

Table 3 Ease of accessing housing association tenancies

	Very easy	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Don't Know	Total	N=
	% of responding local authorities							
Edinburgh and other pressured markets	0	9	27	36	18	9	100	11
Glasgow and rest of Clyde Valley	0	29	0	43	29	0	100	7
Rest of Scotland	9	27	18	27	18	0	100	11
Scotland	3	21	17	34	21	3	100	29

Table 4 Ease of accessing private tenancies

	Very easy	Fairly easy	Neither difficult nor easy	Somewhat difficult	Very difficult	Total	N=
	% of responding local authorities						
Edinburgh and other pressured markets	0	9	0	27	64	100	11
Glasgow and rest of Clyde Valley	0	14	0	43	43	100	7
Rest of Scotland	0	27	9	27	36	100	11
Scotland	0	17	3	31	48	100	29

Table 5 Role of Discretionary Housing Payments and Scottish Welfare Fund in alleviating homelessness

	Very significant	Somewhat significant	Minor	None	Total	N=
	% of responding local authorities					
SWF	18	32	39	11	100	28
DHPs	21	54	25	0	100	28

Table 6 Expected impacts of welfare reforms due for implementation by 2020

	Significant increase	Slight increase	Little impact	Total	N=
	% of responding local authorities				
Freeze on LHA rates	27	42	31	100	26
Freeze on other working age benefits	20	64	16	100	25
Lowering of Total Benefit Cap	32	56	12	100	25
Universal Credit full roll out	44	44	11	100	27

Table 7 Changing significance of private tenancy terminations as cause of homelessness, past three years

	Increased	Remained relatively stable	Declined	Don't know	Total	N=
	% of responding local authorities					
Edinburgh and other pressured markets	45	45	9	0	100	11
Glasgow and rest of Clyde Valley	43	57	0	0	100	7
Rest of Scotland	20	70	0	10	100	10
Scotland	36	57	4	4	100	28

Table 8 Changing significance of social tenancy terminations as cause of homelessness, past three years

	Increased	Remained relatively stable	Declined	Don't know	Total	N=
	% of responding local authorities					
Edinburgh and other pressured markets	36	45	9	9	100	11
Glasgow and rest of Clyde Valley	29	71	0	0	100	7
Rest of Scotland	20	70	10	0	100	10
Scotland	29	61	7	4	100	28

Table 9 Perceived impact of local health and social care partnerships on local authority homelessness prevention

	Yes - it has helped	No - little impact	Not applicable (HSCP does not cover homelessness in my area)	Total	N=
	% of responding local authorities				
Edinburgh and other pressured markets	0	82	18	100	11
Glasgow and rest of Clyde Valley	71	29	0	100	7
Rest of Scotland	30	60	10	100	10
Scotland	29	61	11	100	28

Table 10 Use of private tenancies to discharge main homelessness duty

	Yes	No	Total	N=
	% of responding local authorities			
Edinburgh and other pressured markets	55	45	100	11
Glasgow and rest of Clyde Valley	43	57	100	7
Rest of Scotland	40	60	100	10
Scotland	46	54	100	28

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