

## The homelessness monitor: Scotland 2015

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December 2015



### **The homelessness monitor**

The homelessness monitor is a longitudinal study that provides an independent analysis of the impact on homelessness of recent economic and policy developments across the UK. The key areas of interest are the homelessness consequences of the post-2007 economic recession, and the subsequent recovery, as well as welfare reform and cuts. Separate reports are produced for each UK nation.

This year's Scotland report monitors the impact on homelessness of the slow pace of economic recovery and the effects of welfare and housing reform and analyses key trends from the baseline account of homelessness established in 2012 up until 2015. It also highlights emerging trends and forecasts some of the likely changes, identifying the developments likely to have the most significant impacts on homelessness in Scotland.

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University of New South Wales

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## About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

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## Acknowledgements

This report was commissioned by Crisis, and funded by Crisis and the Joseph Rowntree Foundation (JRF), and our thanks go to Lígia Teixeira, Matthew Downie, Chris Hancock and Beth Reid at Crisis, and Brian Robson and Jim McCormick at JRF, for all of their support with this work. We would also like to record our thanks to colleagues at the Scottish Government for their generous assistance with various aspects of the report. In addition, we are extremely grateful to all of the key informants from homelessness service providers and local authorities and other organisations across Scotland who found time in their busy schedules to help us with this study.

**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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© Crisis 2015  
ISBN 978-1-78519-022-3

Crisis UK (trading as Crisis). Registered Charity Numbers:  
E&W1082947, SC040094. Company Number: 4024938

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## Acronyms

AHSP	Affordable Housing Supply Programme
ALACHO	Association of Local Authority Chief Housing Officers
BTL	Buy to Let
CCG	Community Care Grant
CELCIS	Centre for Excellence for Looked After Children in Scotland
CIH	Chartered Institute of Housing
CML	Council of Mortgage Lenders
COSLA	Convention of Scottish Local Authorities
CPI	Consumer Price Index
DCLG	Department for Communities and Local Government
DHP	Discretionary Housing Payments
DWP	Department for Work and Pensions
EOC	Equal Opportunities Committee
ESA	Employment and Support Allowance
GB	Great Britain
GIRFEC	Getting It Right For Every Child
HB	Housing Benefit
HL1	Statutory homelessness data
HPSG	Homelessness Prevention and Strategy Group
HSCI	Health and Social Care Integration
ILO	International Labour Organisation
JRF	Joseph Rowntree Foundation
JSA	Jobseekers' Allowance
LA	Local authority
LHA	Local Housing Allowance
MEH	Multiple Exclusion Homelessness
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
PREVENT1	Homelessness prevention and Housing Options data
PRS	Private Rented Sector
RSL	Registered Social Landlord
RTB	Right to Buy
SAR	Shared Accommodation Rate
SCORE	Scottish Continuous Recording system
SNP	Scottish National Party
SFHA	Scottish Federation of Housing Associations
SHR	Scottish Housing Regulator
SHS	Scottish Household Survey
SOLACE	Society of Local Authority Chief Executives
SWF	Scottish Welfare Fund
TA	Temporary accommodation
UC	Universal Credit

## Foreword

Since we published the first Homelessness Monitor Scotland in 2012, Scotland has introduced the most ambitious homelessness legislation in the UK. Abolishing the 'priority need' test for homeless people means that every person who is homeless through no fault of their own now has the right to a settled home.

Homelessness in Scotland remains a challenge, despite this groundbreaking commitment. This research shows that the number of people coming to their council for homelessness assistance has changed very little over recent years – 54,000 people ask their local authority for help with homelessness every year, and 10,000 people are in temporary accommodation at any one time.

The introduction of the Housing Options approach created a major opportunity to intervene at an earlier stage and tackle homelessness before people get into crisis. But the approach has not been without controversy – there are concerns that some local authorities are 'gate-keeping' services, meaning people can't access their statutory rights. At the same time, evidence suggests that the use of Housing Options is relatively 'light touch', often limited to giving information and signposting to other services.

The report raises various warning signs for homelessness in Scotland. It reveals how homeless people are being forced to spend more and more time in temporary housing, due to pressure on affordable housing, rising demand and cuts to benefits. In the last year there has been a marked rise in local authority evictions, as growing numbers of households struggle to pay their rent in the face of harsh cuts to social security.

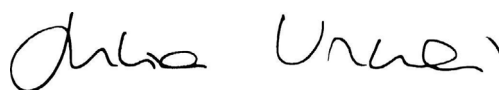
While progress has been made in Scotland, more needs to be done to support young homeless people, who are particularly affected by changes in the labour market and welfare system, while the proportion of people who are homeless and have complex needs, such as mental health problems and substance dependency, appears to be growing.

Scotland has blazed a trail in its commitment to tackling homelessness, but there's no room for complacency.

In the run-up to the Scottish Parliamentary elections in 2016, all political parties must continue to prioritise homelessness so that Scotland realises its ambitions and so that every person has a home of their own.



**Jon Sparkes**  
Chief Executive, Crisis



**Julia Unwin**  
Chief Executive, Joseph Rowntree Foundation



## Executive Summary

### Key points

The Homelessness Monitor series is a five-year study that provides an independent analysis of the homelessness impacts of recent economic and policy developments in Scotland and elsewhere in the UK.<sup>1</sup> This update report provides an account of how homelessness stands in Scotland in 2015, or as close to 2015 as data availability allows, and how things have changed since the 'baseline' Homelessness Monitor Scotland report was published in 2012.<sup>2</sup>

Key points to emerge from this 2015 update report for Scotland are as follows:

- The overall scale of statutory homelessness peaked in Scotland in 2005/06, and has been on a marked downward path for the past five years. In 2014/15 Scottish local authorities logged 35,764 statutory homelessness applications, of which 28,615 were assessed as homeless. The total number of applications has fallen by 37% since 2009/10. In the most recent year, total applications fell by 4% while 'assessed as homeless' cases dropped by 5%.
- This downward trend is wholly the result of the introduction of the 'Housing Options' model of homelessness prevention from 2010 onwards. Taking into account 'homelessness-type' approaches to Housing Options services, in combination with formal homelessness applications, we can see that the overall annual level of homelessness presentations to Scottish local authorities has remained relatively steady in recent years (at around 54,000).
- While the principles of Housing Options have been widely endorsed in Scotland, there has been considerable controversy over the practical implementation of this approach to homelessness prevention, especially with regard to its interaction with the statutory homelessness framework. After a critical report by the Scottish Housing Regulator, national (non-statutory) guidance is expected to be issued on Housing Options, together with a new training toolkit.
- After a steady and substantial increase in the years to 2010/11, Scotland's temporary accommodation placements have subsequently remained fairly steady in the range 10-11,000 households at any one time. Most temporary accommodation placements in Scotland are in ordinary social housing stock, though single person households are more likely than families to experience non-self contained temporary accommodation, such as hostels and Bed & Breakfast hotels. Local authorities across Scotland have reported substantially lengthening periods of time spent in temporary accommodation, and from April 2016 there will be mandatory data collection on this. There is currently substantial anxiety in Scotland with regard to the implications of welfare reform for meeting the costs of temporary accommodation.
- There was a marked upturn in local authority evictions in 2014/15, and a smaller upturn in housing association evictions, predominantly for rent arrears cases attributable at least in part to welfare reform. However, mortgage and rent arrears continue to account for only a very small proportion of statutory

<sup>1</sup> Parallel Homelessness Monitors are being published for England, Wales and Northern Ireland. All of the UK Homelessness Monitor reports are available from <http://www.crisis.org.uk/policy-and-research.php>

<sup>2</sup> Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.

homelessness cases in Scotland, and there is little evidence of a strongly rising trend with respect to the ending of private tenancies as a cause of homelessness (as seen in England).

- Scotland has generally followed UK-wide trends in the prevalence of concealed potential households, including a sharp upward movement in 2010-12. Younger adults are rather more likely to form separate households in Scotland than in the wider UK, but all areas of the country saw a sharp drop after 2010. Overcrowding has increased in Scotland, to a level more similar to the rest of the UK, and seems to be strongly related to poverty.
- Housing supply fell to historically low levels during the recession, and annual additions to the housing stock now need to rise by some 30% from 2013/14 levels just to keep pace with household growth. The gradual long-term decline in social sector lettings has been contained, for now, by the new lettings developed through the Affordable Housing Supply Programme.
- While the private rented sector doubled in size over the decade to 2013, and now accounts for 15% of all housing stock, it still provides less than two thirds of the number of rented dwellings available in the social rented sector in Scotland. Private tenants are set to benefit from a substantial improvement in their rights to security of tenure under proposed new Scottish legislation which would see the ending of 'no fault' evictions.
- This is a time of continuing policy development on homelessness in Scotland, with youth homelessness and 'multiple exclusion homelessness' specific foci of activity. Of particular relevance to the latter, there have been recent positive developments with regard to renewed engagement of the health sector in addressing homelessness in Scotland, and important opportunities, as well as challenges, are presented by the health and social care integration process. However, the practical impact of the new statutory 'housing support duty' appears to have been limited.
- A further round of major welfare reforms and cuts were announced in the 2015 Summer Budget, which will have particular implications for young single people under 22 years old and for larger families, and more generally for the ability of low income households to access the private rented sector. However the Scottish Government, as part of the post referendum constitutional settlement, is to be provided with some limited new powers on the operation of welfare policies in Scotland. They have stated that these will be used for the effective 'abolition' of the 'social sector Housing Benefit size criteria' (commonly known as the 'Bedroom Tax') in Scotland, and the continuation of direct payments to social landlords of Universal Credit elements related to rental costs.
- The Shared Accommodation Rate continues to cause major problems across Scotland in limiting the access of younger single people to the private rented sector, and is viewed as undermining the ability of Housing Options teams to use the private rented sector as a means to prevent or resolve homelessness. However, cultural antipathy towards the private rented sector, and sharing in particular, also plays a role in some local authority areas.
- Benefit sanctions are now a core concern within the homelessness sector in Scotland, with implications both for people's capacity to avoid or move on from homelessness, and for the financial viability of some accommodation projects which struggle to recover service charges from sanctioned residents.

- The Scottish Welfare Fund appears, on the whole, to be positively viewed by both service providers and service users.
- According to the Scottish Household Survey, about 50,000 adults (1.1% of the adult population) experience homelessness each year. Rough sleeping is experienced by around 5,000 adults in Scotland each year, with about 660 sleeping rough on a typical night, the overwhelming majority of them men. This national survey data confirms the key role of household-level poverty in the generation of homelessness, exacerbated to some degree by local housing and labour market conditions.

### Defining homelessness

A wide definition of homelessness is adopted in this Homelessness Monitor series to enable a comprehensive analysis taking account of: people sleeping rough; single homeless people living in hostels, shelters and temporary supported accommodation; statutorily homeless households; and those aspects of ‘hidden homelessness’ amenable to statistical analysis using large-scale surveys, namely ‘concealed’,<sup>3</sup> ‘sharing’<sup>4</sup> and ‘overcrowded’<sup>5</sup> households. Three main methods are employed in the study: reviews of relevant literature, legal and policy documents; interviews with a sample of key informants from the statutory and voluntary sectors across Scotland (22 such key informants were consulted in 2014/15); and detailed analysis of published

and unpublished statistics, drawn from both administrative and survey-based sources.

### The economic and policy context for homelessness in Scotland

#### Homelessness policy

This is a time of continuing policy debate and development on homelessness in Scotland. The most important innovation over recent years has been the promotion of the ‘Housing Options’ approach to homelessness prevention in Scotland, with the Scottish Government providing (relatively modest) financial support for the establishment of five regional ‘Housing Options Hubs’ in 2010. The principles of Housing Options have been widely endorsed in Scotland,<sup>6</sup> and the development and contribution of the Hubs positively evaluated,<sup>7</sup> but there has been considerable controversy over the practical implementation of this model of homelessness prevention, especially in light of the very large falls in statutory homelessness acceptances that have occurred in some parts of Scotland (see below), raising concerns about potential ‘gatekeeping’.

After a critical report by the Scottish Housing Regulator,<sup>8</sup> which noted that the ‘diversion’ of people from a homelessness assessment to Housing Options was not always appropriate, national (non-statutory) guidance is expected to be issued on Housing Options by the Scottish Government, alongside a new training toolkit for use by staff and elected members. Mandatory data collection under

3 ‘Concealed households’ are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity.

4 ‘Sharing households’ are those households who live together in the same dwelling but who do not share either a living room or regular meals together. This is the standard Government and ONS definition of sharing households which is applied in the Census and in household surveys. In practice, the distinction between ‘sharing’ households and ‘concealed’ households is a very fluid one.

5 ‘Overcrowding’ is defined in this report according to the most widely used official standard – the ‘bedroom standard’. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members. However, we also draw on a more ‘generous’ definition of overcrowding in the discussion below.

6 Shelter Scotland (2011) *A Shelter Scotland Report: Housing Options in Scotland*. Edinburgh: Shelter Scotland; see also Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

7 Ipsos MORI & Mandy Littlewood Social Research and Consulting (2012) *Evaluation of the Local Authority Housing Hubs Approach*. Edinburgh: Scottish Government.

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

‘PREVENT1’ on homelessness prevention and Housing Options, underway since April 2014, will generate an exceptionally important resource for monitoring the outcomes of these policy developments over time. Linkage with the statutory homelessness data collection (HL1) is a particularly helpful feature of PREVENT1, enabling estimation of the global ‘homelessness caseload’ of Scottish local authorities (see below), and also the tracking of households moving through both systems to their final ‘housing outcome’.<sup>9</sup>

There are, however, aspects of PREVENT1 that limit the ability to ‘drill down’ into the specific activities undertaken by local authorities in pursuit of homelessness prevention, with only quite aggregated information provided on the ‘level’ of assistance provided. Nonetheless, the data available thus far is indicative of relatively ‘light touch’ Housing Options interventions in many cases, limited to active information and signposting, and very often culminating in a statutory homelessness application.<sup>10</sup>

Notably, there appears to be far less use of the private rented sector to prevent or resolve homelessness in Scotland than in England. In part this will reflect the tenure’s smaller size in Scotland, and the traditional dominance of social housing in meeting housing need, as well as underdeveloped relationships between local authorities and private landlords in some parts of the country. It is also likely to be linked to welfare reform restrictions (particularly the Shared Accommodation Rate) that limit local authorities’ ability to use the private rented sector to rehouse single people under 35, who make up a much larger proportion of the

statutory homelessness caseload in Scotland than elsewhere in the UK, especially since the abolition of priority need. In addition, there appears to be a cultural antipathy on the part of some Scottish local authorities to both the use of the private sector in general, and to shared accommodation in particular, while many homelessness applicants are understandably reluctant to contemplate the latter in a context where they are entitled to settled housing via a homelessness system that almost always leads to a self-contained social let.<sup>11</sup>

In sharp contrast to the great impact that the introduction of Housing Options has had in Scotland, and the controversy it has aroused, the practical effect of the new statutory ‘housing support duty’,<sup>12</sup> which came into effect in June 2013, appears to have been rather muted. While few expected this new duty to have a very major impact, at the time of the 2012 Monitor there were some concerns that it may draw resources away from preventative interventions, and possibly generate unsustainable new demands for support services. Equally, there were hopes in some quarters that it would help to protect vulnerable housing support resources in a climate of severe budget cutbacks in local authorities. In practice its import, both positive and negative, seems to have been very modest, with many local authorities reporting that they were already doing what the duty required, albeit that in some cases it has provided a prompt to formalise existing processes.<sup>13</sup>

Youth homelessness has been an important area of focus over a run of years in Scotland, with the Scottish Parliament<sup>14</sup> as well as the Scottish Government and the cross-sector

<sup>9</sup> p. 4 in Scottish Government (2015) *Housing Options (PREVENT1) Statistics in Scotland 2014/15*. Edinburgh: Scottish Government.

<sup>10</sup> Ibid.

<sup>11</sup> Sanders, B. & Dobie, S. (2015) *Sharing in Scotland: Supporting young people who are homeless on the Shared Accommodation Rate*. London: Crisis.

<sup>12</sup> The Housing Support Services (Homelessness) (Scotland) Regulations 2012 (SI 2012/331)

<sup>13</sup> Shelter Scotland (2014) *Supporting Homeless People: Have New Legal Duties Made a Difference?* Edinburgh: Shelter Scotland.

<sup>14</sup> Scottish Parliament (2012) *Having and Keeping a Home: Steps to Preventing Homelessness Among Young People*. Edinburgh: Scottish Parliament.

'Homelessness Prevention and Strategy Group', taking an interest in this area. There has been an expansion in mediation and other young person specific interventions in the context of the broader homelessness prevention agenda. Also highly relevant here is the provision made for improved support for care leavers under the Children and Young People (Scotland) Act 2014.<sup>15</sup> While there has been a decline in statutory youth homelessness in both absolute and relative terms over the past few years, this reduction has been more gradual than that seen in England, which may be viewed as something of a disappointment in light of these focused policy efforts. But over the same timeline young people have fared particularly badly under UK welfare reforms,<sup>16</sup> with both the Shared Accommodation Rate extension to single claimants under 35 (see above) and the intensifying sanctions regime (see below) disproportionately affecting younger age groups.

A more recent area of policy interest in Scotland pertains to 'multiple exclusion homelessness',<sup>17</sup> denoting situations where homelessness intersects with other complex support needs, such as those associated with alcohol or drug dependency or mental health problems. This new policy focus seems to have been prompted in part by widespread reports from local authorities that the proportion of people in the statutory

homelessness system with complex needs is increasing. Particularly encouraging are recent positive developments with regard to a renewed engagement of health stakeholders in addressing homelessness in Scotland, following an influential report published earlier this year by the Scottish Public Health Network.<sup>18</sup> Moreover, important opportunities, as well as challenges, are presented by the health and social care integration process, particularly with respect to the commissioning of services for homeless people with complex needs. Notably, the Scottish Government has made reference in this context to the 'Housing First' model of intensive support in mainstream tenancies for homeless people with complex needs.<sup>19</sup>

'Multiple exclusion homelessness' is a particularly acute concern in Glasgow, where there are an unusually large number of rough sleepers with complex needs,<sup>20</sup> and the City Council has struggled and often failed to meet its statutory homelessness duty,<sup>21</sup> in part because of an acute shortage of temporary accommodation for single men since the closure of most of the city's large-scale, poor quality male hostels.<sup>22</sup> Pressure has also been placed on the city's temporary accommodation system by long-standing difficulties in ensuring sufficient access to long-term social tenancies for homeless households.<sup>23</sup> Glasgow City Council has

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- 15 CELCIS (2014) *The Children and Young People (Scotland) Act 2014: Parts 10 and 11 (Aftercare and Continuing Care)*: [http://www.celcis.org/media/resources/publications/Inform\\_Children\\_Young\\_People\\_Act\\_Part\\_10-11.pdf](http://www.celcis.org/media/resources/publications/Inform_Children_Young_People_Act_Part_10-11.pdf)
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- 17 Fitzpatrick, S., Bramley, G. & Johnsen, S. (2013) 'Pathways into multiple exclusion homelessness in seven UK cities', *Urban Studies*, 50(1): 148-168.
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- 22 Fitzpatrick, S., Bretherton, J., Jones, A., Pleace, N. & Quilgars, D. (2010) *The Glasgow Hostel Closure and Re-provisioning Programme: Final Report on the Findings from a Longitudinal Evaluation*: <https://www.york.ac.uk/media/chp/documents/2009/The%20Glasgow%20Hostel%20Closure.pdf>
- 23 Anna Evans Housing Consultancy, with Davidson, E. Mandy Littlewood Social Research and Consulting Ltd & Solomon, S. (2014) *Homelessness and Complex Needs in Glasgow*: <http://www.ghn.org.uk/sites/default/files/FINAL-SUMMARY-ON-AEHC-WEB-30.1.15.pdf>



publicly acknowledged these difficulties<sup>24</sup> and at the time of writing had undertaken an internal service review, and was developing its strategy to try to resolve the issue in partnership with RSLs and other local stakeholders. It was also working with the Scottish Housing Regulator on a 'voluntary' basis to try to improve its performance in this area.

### Housing policy

Housing supply remains a major structural challenge with respect to addressing homelessness in Scotland. Housing supply in Scotland fell to historically low levels during the recession, and annual additions to the housing stock now need to rise by some 30% from 2013/14 levels just to keep pace with household growth. The gradual long-term decline in social sector lettings has, for now, been contained by the new social lettings developed through the Affordable Housing Supply Programme, and it is noteworthy that public policy in Scotland continues to support substantial new investment in social rent, in sharp contrast to England where investment in 'affordable' rent (up to 80% of market rents) – for all low income households – has now almost totally replaced investment in new social rented stock.<sup>25</sup> Despite the difficult financial climate, especially post the Summer 2015 Budget, the SNP has made a commitment to provide some 50,000 new affordable homes over the five years of the next Scottish Parliament.<sup>26</sup>

The Scottish Government has also now legislated to abolish the Right to Buy from August 2016. Once introduced, this measure will prevent further losses to the social rented sector stock, but it should be borne in mind

that the impact on the availability of social lettings will be limited given the relatively low level of contemporary Right to Buy sales. Much more significant will be the continuing impact from historical sales in the form of lost relets for many years to come.<sup>27</sup>

As in the rest of the UK, the private rented sector has grown rapidly in Scotland in recent years, and now accounts for some 15% of the total housing stock, though it still provides less than two thirds of the number of rented dwellings available in the social rented sector. Private tenants are set to benefit from a substantial improvement in their security of tenure under proposed new Scottish legislation, with the abolition of the 'no fault' ground for eviction of private tenants;<sup>28</sup> a policy development which is all the more notable given moves in the opposite direction elsewhere in the UK.<sup>29</sup> While there is, interestingly, less evidence in Scotland than anywhere else in the UK of a rising incidence of people becoming homeless as a result of private tenancy terminations (see below), these proposed additional protections will nonetheless be helpful in stemming any nascent trend in that direction (assuming of course no negative impact on the supply of private rented dwellings as a result of these changes in tenure arrangements).

### Welfare policy

Threatening to overwhelm efforts to prevent and address homelessness in Scotland is the ongoing impact of UK welfare reform. A raft of further major welfare cuts were announced in the 2015 Summer Budget, with particular implications for young single people under 22 years old and larger families, and more

24 McArdle, H. (2013) 'Charities: no room for the homeless', Herald Scotland, 1st December: [http://www.heraldsotland.com/news/13134261.Charities\\_\\_no\\_room\\_for\\_the\\_homeless/](http://www.heraldsotland.com/news/13134261.Charities__no_room_for_the_homeless/)

25 Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

26 Stone, J. (2015) 'Nicola Sturgeon pledges 50,000 Affordable Homes for Scotland'. 15th October: <http://www.independent.co.uk/news/uk/politics/nicola-sturgeon-pledges-to-build-50000-affordable-homes-in-next-parliament-a6695101.html>

27 Wilcox, S. (2006) 'A financial evaluation of the right to buy' in Wilcox, S. (ed.) *UK Housing Review 2006/2007*. Coventry: CIH & CML.

28 Scottish Government (2015) *Private Housing (Tenancies) Scotland Bill*. Edinburgh: Scottish Government.

29 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Wales 2015*. London: Crisis. Subsequent to our publishing of this year's Welsh Monitor the Welsh Government has decided to reverse its proposal to remove the six month moratorium on 'no fault' evictions of private tenants.

generally for the ability of low income households to access the private rented sector. While the Scottish Government, as part of the post referendum constitutional settlement, is to be provided with some new powers in respect of the operation of welfare policies in Scotland, these are limited and pertain to only 15% of welfare spend. However, and crucially from a homelessness perspective, the Scotland Bill does allow for the continuation of direct payments to social landlords of Universal Credit elements related to rental costs. It also permits the effective ‘abolition’ of the ‘Bedroom Tax’ in Scotland. While the ‘Bedroom Tax’ has been heavily mitigated by Discretionary Housing Payments by Scottish local authorities, it has nonetheless reportedly had the deleterious effect of making it more difficult to rehouse single homeless people (two thirds of the Scottish local authority homeless caseload) in social housing, given significant shortfalls in one bedroom properties in many parts of the country. The impact of this high spend on the ‘Bedroom Tax’ has also been to restrict local authorities’ ability to deploy Discretionary Housing Payments to support private rented sector access.

There is substantial anxiety in the homelessness sector in Scotland at present with regard to the implications of ongoing welfare reform for meeting the costs of temporary accommodation.<sup>30</sup> Under the Universal Credit regime the lower Local Housing Allowance rates, including the Shared Accommodation Rate for single under 35s, (with a limited additional management allowance) will also apply to local authorities seeking to secure accommodation for homeless households in the social rented sector. It has been estimated that the

application of the Local Housing Allowance rates and caps to local authority temporary accommodation will cost Scottish councils some £26.5 million a year.<sup>31</sup> In addition, eligible rents for households in temporary accommodation are subject to the overall benefit cap (see below), and for those in local authority temporary accommodation also the ‘Bedroom Tax’. Key informants emphasised that any shortfall in temporary accommodation funding will have to be offset by budget cuts in other areas of support to homeless people in their area.

One positive ‘welfare story’ to emerge from this year’s Scottish Monitor is that the Scottish Welfare Fund, controlled by the Scottish Government rather than the UK Government, appears on the whole to be positively viewed by both service providers and users.<sup>32</sup> However, one of the most striking changes since the 2012 Homelessness Monitor in Scotland is the extent to which the fallout from benefit sanctions has come to dominate the day-to-day lives of many homelessness service users and providers in Scotland. There are major concerns associated with the organisational as well as personal impacts of sanctioned residents being unable to pay service charges in temporary and supported accommodation. Sanctions are reported to be so sudden in their impact that they are much more difficult for support agencies to manage than, say, the ‘Bedroom Tax’, and sanctioned clients are now routinely referred to food banks by homelessness agencies.

Until now, the number of households affected by the overall benefit cap in Scotland has been quite modest, reflecting the lower levels of social and private rents compared

<sup>30</sup> Arrangements are different and more generous for ‘supported’ and other ‘specified’ accommodation.

<sup>31</sup> COSLA (2014) *Housing and Welfare Reform, CWEG Item 3.3*: <http://www.cosla.gov.uk/system/files/private/cw140318item3-3.pdf>. An additional unpublished piece of work, undertaken by LAs for a Scottish Government chaired group on TA/supported accommodation, used a different methodology and arrived at a very similar estimate for the deficit arising from the implementation of the LHA rates plus management fee alone (i.e. without taking into account the impact of the caps).

<sup>32</sup> Sosenko, F., Littlewood, M., Strathie, A., & Fitzpatrick, S. (2014) *Review of the Scottish Welfare Fund Interim Scheme*. Edinburgh: Scottish Government.

to other parts of Great Britain, and London in particular. But the planned lowering of the cap to £13,400 a year for single people and £20,000 for all other households will significantly extend its impact in Scotland – the Department for Work and Pensions Impact Assessment suggests that for Great Britain as a whole the numbers affected by the cap will quadruple to 126,000.<sup>33</sup>

The disproportionate impact of welfare reform to date on young people has already been noted above. Going forward, the planned removal of Housing Benefit entitlement from 18–21s, other than for those deemed ‘vulnerable’, is obviously a matter of great concern;<sup>34</sup> Universal Credit recipients in this age group will also be subject to an intensified support and conditionality regime. Young people under 25, for whom rates of Job Seekers Allowance are already paid at a below ‘destitution’ level,<sup>35</sup> will be affected, along with other age groups, by the four year freeze in working-age benefits. Disproportionate cuts in youth services as a result of pressure on local authority budgets has also been argued to contribute to risks of homelessness for young people.<sup>36</sup> This all points to the particular difficulties that might be faced in maintaining the ‘gains’ on youth homelessness seen in Scotland in recent years.

### Trends in homelessness

#### Rough sleeping

In contrast with official practice in England, the Scottish Government maintains no regular rough sleeper ‘headcount’. Instead, the scale of rough sleeping can be gauged

indirectly through the local authority homelessness recording system. According to local authority HL1 returns, some 1,409 people applying as homeless in 2014/15 (4% of all applicants) reported having slept rough the night preceding their application.<sup>37</sup> Over the past few years the number and proportion of applicants recorded as having slept rough immediately prior to a statutory homelessness application has fallen steadily, with the 2014/15 national total having almost halved since 2009/10 (down by 49%).<sup>38</sup>

However, this official pattern of declining rough sleeping is at odds with the steady, or even slightly upward trend, as suggested by self-reported data on past experience of homelessness captured by the Scottish Household Survey until 2012 (see further below). This national survey data indicates that just under 5,000 adults sleep rough over a year in Scotland, with an average of 660 sleeping rough on a typical night.<sup>39</sup>

Review work undertaken by Homeless Action Scotland confirms that rough sleeping is still primarily an urban problem in Scotland, and that the predominant characteristics of rough sleepers are that they are white, male, Scottish and aged between mid-twenties to mid-forties.<sup>40</sup> However, in certain parts of the country it is evident that a substantial proportion of rough sleepers are not UK nationals. For example, in Aberdeen nearly half of rough sleepers enumerated by homelessness services in 2013/14 were of Central or Eastern European origin, while in Edinburgh this was true for over a third of the

33 DWP (2015) *Welfare Reform and Work Bill: Impact Assessment for the benefit cap*. London: DWP.

34 HM Treasury (2015) *Summer Budget 2015*. London: HM Treasury.

35 Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G., Sosenko, F. & Watts, B. (2015) *Destitution in the UK: An Interim Report*. York: JRF.

36 Watts, B., Johnsen, S. & Sosenko, F. (2015) *Youth Homelessness in the UK*. Edinburgh: Heriot-Watt University.

37 Steps are now being taken to embark on a programme of work to share anonymised data between local authorities and voluntary sectors providers in order to identify the extent to which these statutory homelessness statistics are fully capturing levels of rough sleeping in Scotland, see <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/meetings/paper2>

38 p.23 in Scottish Government (2015) *Operation of the Homeless Persons Legislation in Scotland: 2014-15*. Edinburgh: Scottish Government.

39 SHS asks for what time period the respondent slept rough, stayed with friends or relatives, or stayed in hostels etc., in terms of broad bands; we make assumptions about the average number of days/nights in each band to arrive at these figures.

40 See also Fitzpatrick, S., Bramley, G. & Johnsen, S. (2013) ‘Pathways into multiple exclusion homelessness in seven UK cities’, *Urban Studies*, 50(1): 148–168.



city's much larger total.<sup>41</sup> This suggests that the substantial representation of so-called 'A10' country nationals among the rough sleeper population in London<sup>42</sup> is far from uniquely a London phenomenon.

### Statutory homelessness

Trends in statutory homelessness in Scotland have tended to reflect major policy and administrative changes. Thus, the overall scale of statutory homelessness peaked in 2005/06, reflecting the early stages of the expansion of priority need, and has been on a marked downward path since 2010/11, since the introduction of Housing Options. In 2014/15 Scottish local authorities logged 35,764 statutory homelessness assessments, of which 28,615 resulted in a judgement that the household concerned was 'legally homeless'. The number of total assessed applications was 41% lower than in the peak year (2005/06) and 37% lower than in 2009/10 (before the sharp downward trajectory associated with Housing Options commenced). In the most recent year, total assessed applications fell by 4%, while 'assessed as homeless' cases dropped by 5%.

That the marked downward trend in the overall scale of statutory homelessness is wholly the result of the introduction of Housing Options is confirmed by the linkage between 'PREVENT1' and the official homelessness statistics (HL1). This allows us to see that, if we combine 'homelessness-type' approaches to Housing Options services, with formal homelessness assessments, the overall number of homelessness presentations to Scottish local authorities has remained relatively steady in recent years (around 54,000 per annum).

After a sustained and significant increase in the years to 2010/11, driven by the expansion of priority need in tandem with a declining supply of social housing lettings in Scotland, temporary accommodation placements have subsequently remained fairly steady in the range of 10-11,000 households at any one time, as the overall numbers accepted as statutorily homeless have declined. Most such placements are in ordinary social housing stock in Scotland, though single people are far more likely than families to be temporarily accommodated in non-self contained temporary accommodation, such as hostels and Bed & Breakfast hotels.<sup>43</sup>

Local authorities across Scotland have reported substantially lengthening periods of time spent by households in temporary accommodation, and from April 2016 there will be mandatory data collection on this via the HL3. Prolonged stays in temporary accommodation have been attributed to a combination of the increased demand associated with the duty to accommodate single people, pressure on the supply of permanent social tenancies, and the challenges to move on presented by welfare reform measures (especially the 'Bedroom Tax'). Standards in temporary accommodation have been a key focus of Shelter Scotland campaigning in recent years, and there has been a recent strengthening of the 'Unsuitable Accommodation Order' – which restricts the use of certain types of accommodation, particularly Bed & Breakfast for families with children – to include provisions with regard to being wind and water tight.<sup>44</sup> However, concerns about the impact of welfare reform on the financial viability of temporary accommodation seem to have taken precedence over the 'standards debate' for now (see above).<sup>45</sup>

<sup>41</sup> Harleigh Bell, N. (2015) *An Overview of Rough Sleeping in Scotland; Paper to Homelessness Prevention Strategy Group*. Edinburgh: Homeless Action Scotland.

<sup>42</sup> Fitzpatrick, S., Pawson, H., Bramley, G. Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

<sup>43</sup> Mackie, P. & Thomas, I. (2015) *Single Homelessness in Scotland*. London: Crisis.

<sup>44</sup> See <http://www.legislation.gov.uk/en/ssi/2014/243/article/4/made>

<sup>45</sup> HPSG (2013) *Temporary Accommodation in Scotland*: <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/meetings/October-temporary-accommodation>

Despite the significant contraction in the numbers of formal homelessness assessments over the past few years, the profile of assessed applicants has remained fairly stable both in terms of applicant households' former living circumstances and the factors triggering loss of previous accommodation. While there was a marked upturn in local authority evictions in 2014/15, reflecting the rise in rent arrears attributable at least in part to welfare reform, mortgage and rent arrears continue to account for only a very small proportion of statutory homelessness cases in Scotland. Moreover, as noted above, there is little obvious tendency toward rising numbers of people losing their homes due to private tenancy terminations as recently seen in England.<sup>46</sup> 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. Proposals by the Scottish Government to end 'no-fault' evictions in the private rented sector may similarly be expected to play a restraining role going forward (see above).<sup>47</sup>

### Hidden homelessness

One of the most important forms of potential hidden homelessness is when individuals, groups or families are not able to form separate households and are obliged to live with others. We refer to these as 'concealed households'. Allowing for the estimated proportions of these groups who want or expect to move and live separately,<sup>48</sup> we find that about 9.3% of households in Scotland contain concealed households, including 6.7% nondependent children, 2.3% unrelated single adults, and 0.6% concealed families.<sup>49</sup> The number of households affected totals 223,000, including 56,200 consisting of

unrelated single adults and 14,460 involving concealed families. Scottish trends have largely paralleled those in the wider UK, although with a tendency for the shares of concealed potential households to fall slightly in Scotland, relative to UK. 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 2010-2012, perhaps reflecting the financial and economic crisis. This affected Scotland in a similar way to the general pattern across the UK.

Another way of looking at the issue of concealed households involves analysing 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, although there was a dip for the 25-29 age group between 2000 and 2008.<sup>50</sup> One could also say that the chances were greater in Scotland 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, the economic crisis has likely been a factor here, but perhaps also the initial impacts of reforms to welfare, particularly the Local Housing Allowance.

Shared accommodation is another way in which people's inability to access affordable and adequate housing may manifest. It is similar to concealed households, with the distinction turning (officially) on whether people share a living room (which may be a larger kitchen) or eat meals together. Scotland

<sup>46</sup> Fitzpatrick, S., Pawson, H., Bramley, G. Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

<sup>47</sup> Scottish Government (2015) *Private Housing (Tenancies) Scotland Bill*. Edinburgh: Scottish Government.

<sup>48</sup> Based on questions in the English Housing Survey and UK-wide Understanding Society Survey

<sup>49</sup> Authors' analysis of Labour Force Surveys

<sup>50</sup> Authors' analysis of Labour Force Surveys

appears to have rather higher sharing than the rest of the UK, but this may also reflect differences in housing type mix or the way in which multiple occupation is regulated.

A further indicator of acute housing pressure and unmet need can be overcrowding. Data from the Understanding Society Survey suggests that while, until 2010, Scotland had lower levels of overcrowding than elsewhere in the UK, in the period 2011/12 this increased to a level similar to that in UK as a whole. Data from the 2011 Census, although using a somewhat different definition, shows that the hotspots for overcrowding in Scotland were Glasgow and the other major cities, followed by the poorest urban areas such as Inverclyde and West Dunbartonshire. Thus it appears to be quite strongly related to poverty.

### Overall distribution of past experience of homelessness

Survey-based evidence of people's past experience of homelessness<sup>51</sup> is available via the Scottish Household Survey, an annual cross-sectional survey of a representative sample of around 10,000 private households. The Scottish Household Survey asks a range of questions of a randomly chosen (adult) household respondent including 'Have you ever been homeless, that is, lost your home with no alternative accommodation to go to?' Those who answer in the affirmative are also asked whether they have had this experience in the past two years. The Survey further asks all randomly chosen adults whether they have experienced a number of 'objective' housing problems, including applying to the local

authority as homeless, staying in temporary accommodation, staying with friends and relatives because they have nowhere else to live and, as noted above, rough sleeping.<sup>52</sup>

The Scottish Household Survey indicates that 5.3% of adults living in Scotland in 2012 (the latest year for which relevant data is available) said that they had ever been homeless, with 1.9% saying that this has happened to them in the previous two years. These data imply that about 50,000 adults experience homelessness each year.<sup>53</sup> Since 2001, the former proportion had risen from 3.2%, with the two-year rate rising from 1.5% to 1.9%.

This large-scale household survey data confirms the overriding importance of poverty in the generation of homelessness in Scotland and its concentration in the urban areas of the central belt, and particularly in Glasgow. It also indicates that, aside from rough sleeping, which is overwhelmingly experienced by men,<sup>54</sup> all other forms of homelessness have equal prevalence among men and women in Scotland. This may come as a surprise in some quarters, where it has long been assumed that 'hidden homelessness' is more prevalent amongst women.<sup>55</sup> In Scotland we also find no significant relationship with non-white ethnic minority status and experience of homelessness. However, confirming previous study evidence, it is clear that both young people<sup>56</sup> and lone parents<sup>57</sup> are at heightened risk of homelessness in Scotland as a result of their disproportionate exposure to poverty.<sup>58</sup>

<sup>51</sup> Utilising large-scale household surveys like the SHS is a method best suited to investigating past rather than current experience of homelessness because these surveys do not generally capture people living in temporary or crisis accommodation or those sleeping rough.

<sup>52</sup> Note that, in order to boost sample sizes, six years' of the SHS which included the homelessness questions have been used in most of this analysis, the years 2003 – 2007 and 2012 (years with relevant questions currently accessible on UK Data Service).

<sup>53</sup> This conservative estimate makes some allowance, based on questions about length of time, for people being homeless in both of the last two years; it also allows for those currently in temporary accommodation or sleeping rough, who would not be included in the SHS sample.

<sup>54</sup> Fitzpatrick, S., Bramley, G. & Johnsen, S. (2013) 'Pathways into multiple exclusion homelessness in seven UK cities', *Urban Studies*, 50(1): 148-168.

<sup>55</sup> Fitzpatrick, S., Kemp, P. A. & Klinker, S. (2000) *Single Homelessness: An Overview of Research in Britain*. Bristol: Policy Press.

<sup>56</sup> Quilgars, D., Johnsen, S. & Pleace, N. (2008) *Youth Homelessness in the UK: a Decade of Progress?* York: JRF.

<sup>57</sup> Burrows, R. (1997) 'The social distribution of the experience of homelessness' in Burrows, R. & N. Pleace (Eds.), *Homelessness and Social Policy* (pp. 50-68). London: Routledge.

<sup>58</sup> Bramley, G. & Fitzpatrick, S. (unpublished) *The Social Distribution of Homelessness: Impacts of Labour Markets, Housing Markets and Poverty in the UK*.

It is worth noting that the evidence from this wholly independent, self-reported source is broadly consistent with the patterns emerging from official statistics on homelessness trends and the use of temporary accommodation, as reviewed above.

### **Conclusion**

Even as the UK and Scottish economies strengthen, policy-led factors continue to have a direct bearing on levels of homelessness across the country, as well as on the effectiveness of responses. Certainly, if the welfare reform agenda driven by the UK Government further increases poverty in Scotland, as is widely anticipated, then we would expect a concomitant, if lagged, rise in homelessness. With Scottish elections in 2016, the prospect of a referendum on European Union membership, and the possibility of another Scottish referendum on independence, there are major political developments in the pipeline that may change the context for homelessness in Scotland in quite fundamental ways. The evidence provided by the Homelessness Monitor over the coming years will provide a powerful platform for assessing the impact of political, economic and policy change on some of the most vulnerable people in Scotland.

# 1. Introduction

## 1.1 Introduction

This study aims to provide an independent analysis of the homelessness impacts of recent economic and policy developments in Scotland. It considers both the consequences of the post 2007 economic and housing market recession, and the subsequent recovery, and also the impact of the welfare reforms implemented by the UK Government, as well as the effect of relevant Scottish Government policies. The implications of developments post the independence referendum and the new Scotland Bill will be highlighted.

This ‘update’ report provides an account of how homelessness stands in Scotland in 2015 (or as close to 2015 as data availability allows), and analyses key trends in the period running up to 2015. It focuses in particular on what has changed since we published the ‘baseline’ Homelessness Monitor for Scotland in 2012. Readers who would like a fuller account of the recent history of homelessness in Scotland should consult with this previous report.<sup>59</sup> Parallel Homelessness Monitors have been published for other parts of the UK.<sup>60</sup>

## 1.2 Definition of homelessness

A wide definition of homelessness is adopted in this study, and we consider the impacts of relevant policy and economic changes on all of the following homeless groups:

- People sleeping rough.
- Single homeless people living in hostels, shelters and temporary supported accommodation.
- Statutorily homeless households – that is, households who seek housing assistance from local authorities on grounds of being currently or imminently without accommodation.
- ‘Hidden homeless’ households – that is, people who may be considered homeless but whose situation is not ‘visible’ either on the streets or in official statistics. Classic examples would include households living in severely overcrowded conditions, squatters, people ‘sofa-surfing’ around friends’ or relatives’ houses, those involuntarily sharing with other households on a long-term basis, and people sleeping rough in hidden locations. By its very nature, it is difficult to assess the scale and trends in hidden homelessness, but some particular elements of potential hidden homelessness are amenable to statistical analysis and it is these elements that are focused upon in this study. This includes ‘overcrowded’ households, and also ‘concealed’ households and ‘sharing’ households.

## 1.3 Research methods

Three main methods are employed in this longitudinal study.

First, relevant literature, research and policy documents are reviewed.

Second, we undertake in-depth interviews and consultations with a sample of key informants from across the statutory and voluntary sectors in Scotland, including those working directly with homeless families, single people and young people. Twenty two key informants were consulted in 2014/15.

<sup>59</sup> Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.

<sup>60</sup> See <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

Third, and finally, we undertake statistical analysis on a) relevant economic and social trends in Scotland; and b) the scale, nature and trends in homelessness amongst the four subgroups noted above.

### 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.<sup>61</sup>

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 – and in particular welfare reform – 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. Chapter 3 shifts focus to the impacts of policy change under the post-2010 UK Governments, especially with regard to welfare reform, and the relevant policy and political developments in Scotland, especially as they pertain to housing and homelessness. 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 four subgroups noted above. All of these chapters are informed by the insights derived from our qualitative interviews with key informants conducted in 2014/15. In Chapter 5 we summarise the main findings of this 2015 update report.

<sup>61</sup> 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.



## 2. Economic Factors Potentially Impacting on Homelessness

### 2.1 Introduction

This chapter reviews recent economic developments in Scotland, and analyses their potential impact on homelessness. In Chapter 4 we assess whether the anticipated economic impacts identified in this chapter, and the potential policy impacts highlighted in the next chapter, are borne out in homelessness trends in Scotland.

### 2.2 The post 2007 economic and housing market downturns

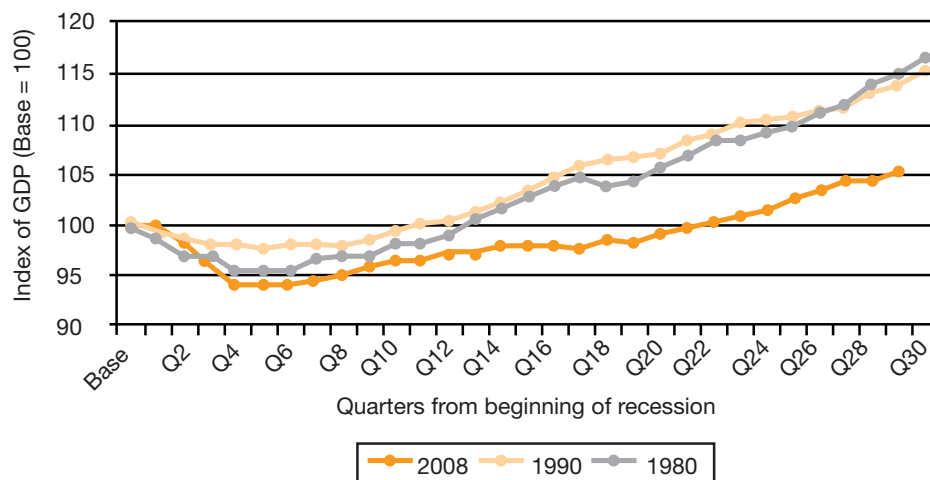
A slow economic recovery in the UK is now underway, but only after the longest economic downturn for over a century. There remain considerable international uncertainties, especially in respect of the continuing fragility of the Greek economy and its wider unresolved ramifications for the Euro area as a whole, as well as concerns about the reduced level of growth in the Chinese economy. Domestically there are also

concerns about the potential destabilising impact of the planned UK referendum on European Union membership.

Although the depth of the post 2007 recession was much shallower in Scotland than across the rest of the UK, recovery has been more gradual, and now lags slightly behind the rest of the UK, as can be seen in Figure 2.2. While these figures are for the whole economy, including output from mineral oil and gas extraction, even if that sector is excluded the overall pattern remains very similar. Looking forward, the Scottish economy is expected to grow at a marginally slower rate than UK as a whole in 2015, but at the same rate in 2016.<sup>62</sup>

The latest forecast by the Office for Budget Responsibility (OBR) is for modest growth of just 2.4% in 2015, and from 2.2% to 2.4% over the next four years.<sup>63</sup> The OBR forecast also suggests that claimant unemployment

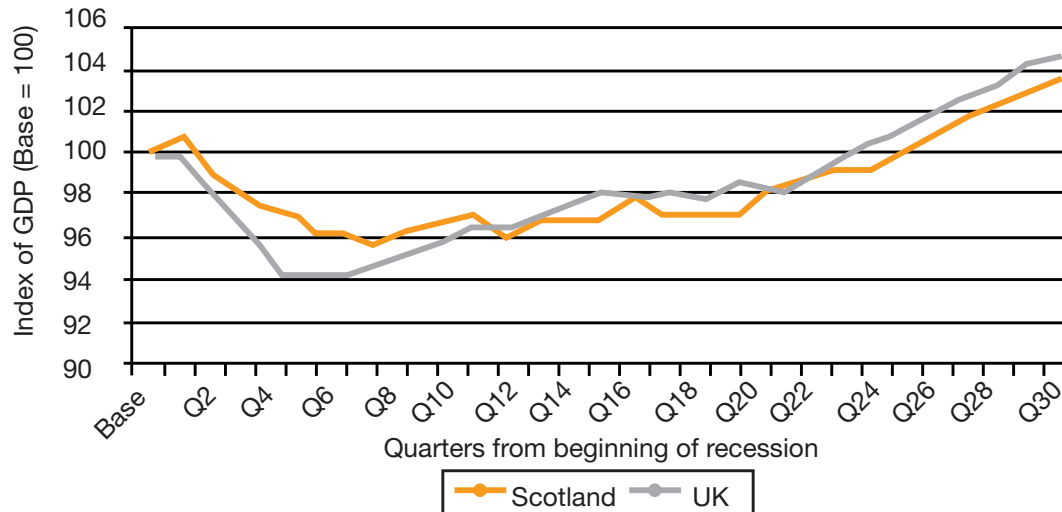
Figure 2.1 Established but slow recovery of UK economy



Source: Computed from ONS Quarterly GDP data (ABMI)

<sup>62</sup> Office of the Chief Economic Advisor (2015) *State of the Economy, August 2015*. Edinburgh: Scottish Government.

<sup>63</sup> OBR (2015) *Economic and Fiscal Outlook, March 2015*. London: The Stationary Office.

**Figure 2.2 Recession in Scotland less severe than UK, but with slower recovery**

Source: Computed from GDP data in Gross Domestic Product for Q1 2015, Scottish Government

will fall well below 1.0 million in 2015; when it will return to levels below those of the pre credit crunch years.

By the second quarter of 2015 the claimant count rate for the UK had already fallen back to 2.3%, from a peak of 4.9% in the post 2007 recession, while in Scotland it had fallen back to 2.8% from a peak of 5.2%. The fall in claimant count rates will also have been impacted by welfare reforms, such as the sanctions regime (see Chapter 3). There has, however, also been an appreciable – if less marked – decline in the wider ILO (International Labour Organisation) unemployment rate figures for both Scotland and the UK, to 5.6% in the second quarter of 2015, from a peak of 8.4% in the post 2007 recession.<sup>64</sup>

There have also been continuing signs of housing market recovery in 2015, although for both Scotland, and the whole of the UK, fully mix adjusted house prices in the second quarter of 2015 remained a little below 2007 levels,<sup>65</sup> despite the subsequent fall in interest

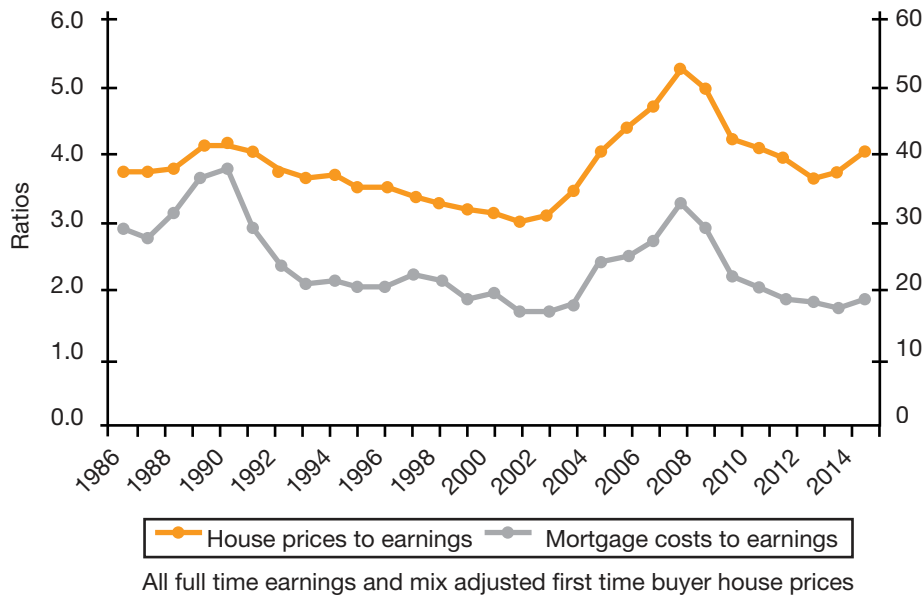
rates, and modest levels of earnings growth over the last eight years. Mortgage costs as a percentage of average earnings were in 2014 at the similarly low levels that prevailed through the late 1990s, and early 2000s, down by over 40% against 2007 levels.

It should be noted that the individual full time earnings data, and the Halifax mix adjusted house price data used for Figure 2.3, have been selected because their characteristics permit a sound long-term view of relative changes in housing market affordability over time. However the data also tends to overstate the affordability issues for would be first time buyers at any point in time. Firstly a high proportion of first time buyers are couples with two incomes rather than one. Secondly first time buyers are more likely to buy at the lower end of the market, while existing owners are more likely to buy at the higher end of the market. Against that the figures also assume an average 18% deposit throughout the period, based on the long-term average for first time buyers.

<sup>64</sup> ONS (2015) *Regional Labour market, August 2015*. London: ONS.

<sup>65</sup> Lloyds Banking Group (2015) *Halifax House Price Index August 2015*, and related data series. [www.Lloydsbankinggroup.com](http://www.Lloydsbankinggroup.com).



**Figure 2.3 Housing market affordability in Scotland**

With house prices beginning to rise in 2013, 2014 and into 2015 there has been much concern expressed about the Help to Buy measures announced in the 2013 Budget, and the potential for those measures to create a 'house price bubble', particularly in London and the south of England. In Scotland, the main Help to Buy (Scotland) scheme closed to new applicants in May 2015, but a scheme specifically focused on support for the purchase of newly built dwellings continues. However, those measures will still leave the supply of mortgage finance for households with only a limited deposit more constrained than at any time over the last three decades, despite mortgages currently being relatively affordable. More recently, concerns have been focused instead on the inflationary impact of buy to let (BTL) investment, which has recovered far more strongly than first time buyer purchases. It remains to be seen how far the restrictions on mortgage interest tax relief for BTL investors introduced in the Summer 2015<sup>66</sup> Budget will check the trend

towards increased private renting, given the continuing competitive advantage for investors afforded by their access to interest only BTL mortgages.<sup>67</sup>

A related concern is about the requirement for levels of new house building to at least match levels of household formation, both to assist with meeting housing needs, and to ease potential upwards pressures on house prices. In numerical terms there was a small increase in the crude balance of dwellings over households in Scotland as a whole between 2002 and 2014, however in proportional terms the balance fell slightly from 5.3% to 5.0%.<sup>68</sup>

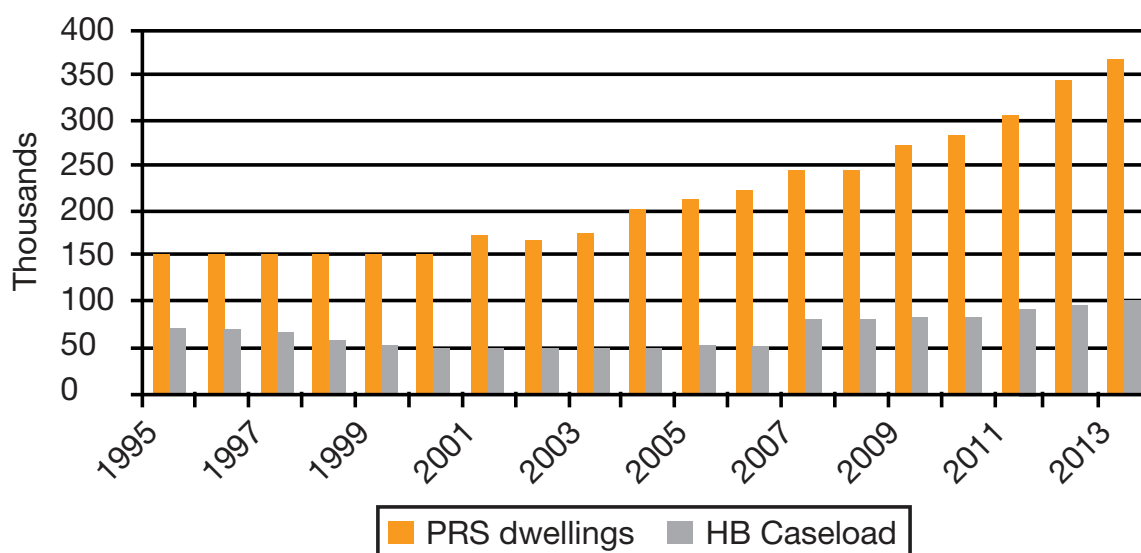
The numbers of additional dwellings in Scotland increased by only 13,300 a year between 2008 and 2014 following the credit crunch, from an average increase of 20,400 in the years from 2002 and 2008. However following the credit crunch there was also a sharp fall in the levels of household growth, and this averaged only just over 13,650 in the six years to 2014.

<sup>66</sup> HM Treasury (2015) *Summer Budget 2015*. London: HM Treasury.

<sup>67</sup> Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

<sup>68</sup> National Records of Scotland (2015) *Estimates of Households and Dwellings in Scotland, 2014*. Edinburgh: National Records of Scotland.

Figure 2.4 Private rented sector doubles in a decade



Scottish Government stock data; DWP housing benefit data

The latest household projections for Scotland suggest that household numbers will grow at an average rate of just over 15,800 a year over the twenty five years to 2037; but at a slightly higher average rate of just over 17,800 over the decade to 2022.<sup>69</sup> It should be noted, however, that this is the central projection, and is subject to quite a margin of uncertainty particularly over the longer term. Future levels of net migration are inevitably uncertain, and there is also a measure of uncertainty over the rate at which average household size will continue to fall.

Nonetheless, after taking account of demolitions, and taking the central projection for household projections, the rate of annual additions to the housing stock would need to rise by almost 4,000 (c.30%) from 2013/14 levels just to keep pace with household growth. While challenging, this does only require the housing stock growth to return to levels achieved over the decade prior to the credit crunch.

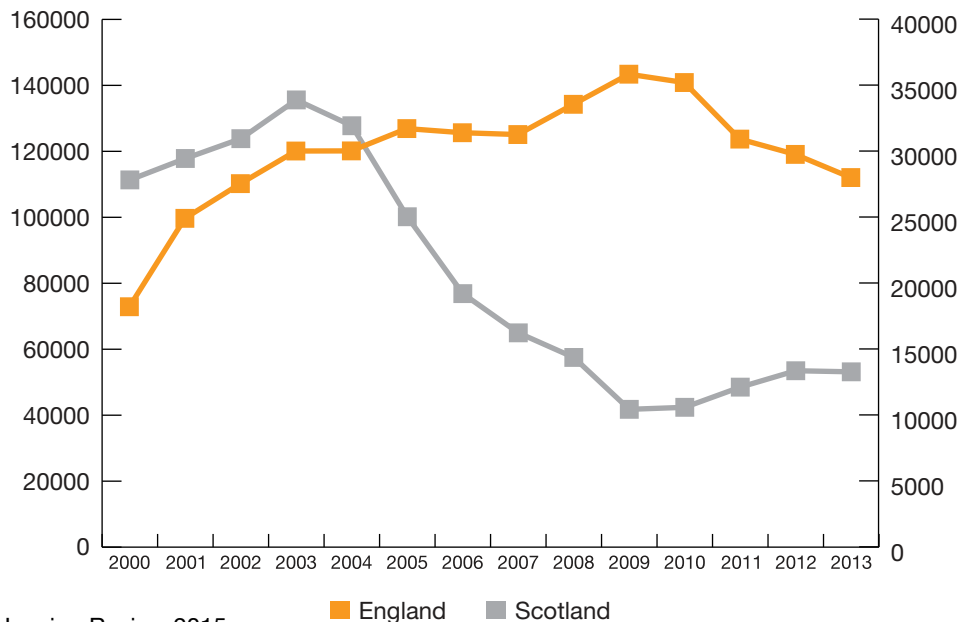
Initially, this objective will be assisted by the increased 2015/16 Scottish Government budget (of £463 million) to support the provision of new social or 'affordable' homes.<sup>70</sup> Given that the Affordable Housing Supply Programme (AHSP) supported the provision of just over 7,000 additional social or affordable homes in 2014/15, of which some 5,400 were new build, with a budget of just £341 million, the prospects for a higher level of output in 2015/16 is encouraging. However, the prospects for subsequent years may be more problematic given the overall reductions in UK government spending announced in the Summer 2015 Budget. Nonetheless, despite that difficult financial context, the SNP has now made a commitment to provide some 50,000 new affordable homes over the five years of the next Scottish Parliament.<sup>71</sup>

Within the private housing market the private rented sector (PRS) is expected to continue

<sup>69</sup> National Records of Scotland (2015) *Household Projections for Scotland 2012-based*. Edinburgh: National Records of Scotland.

<sup>70</sup> Scottish Government (2015) *Affordable Housing Supply Programme (AHSP), Budget and subsequent additions 2012 – 2016*, Edinburgh: Scottish Government.

<sup>71</sup> Stone, J. (2015) 'Nicola Sturgeon pledges 50,000 Affordable Homes for Scotland'. 15th October: <http://www.independent.co.uk/news/uk/politics/nicola-sturgeon-pledges-to-build-50000-affordable-homes-in-next-parliament-a6695101.html>

**Figure 2.5 Homeless acceptances in Scotland follow very different profile to those in England**

Source: UK Housing Review 2015

to grow, having doubled in size over the decade to 2013 (see Figure 2.4), but it is difficult to predict the rate of growth going forward given the restrictions to mortgage interest tax relief imposed by the Summer 2015 Budget. However, in Scotland the PRS still provides less than two thirds of the number of rented dwellings available in the social rented sector, while in England it has been bigger than the social rented sector since 2010.

It should also be noted that most of the growth in the PRS is from the purchase of existing dwellings that were previously owner occupied. Very little of the sector growth is based on the purchase of new build dwellings – less than 10% according to a Department for Communities and Local Government (DCLG) survey for England.<sup>72</sup>

Within that wider picture the potential role of the growing PRS in providing for lower

income households remains in question as the welfare reforms affecting private tenants take effect. Those reforms are discussed in Chapter 3 below.

### 2.3 The homelessness implications of the economic and housing market context

Housing market conditions tend to have a more direct impact on homelessness than labour market conditions<sup>73</sup> and the last major housing market recession, in the early 1990s, actually reduced statutory homelessness because of the consequent easing in housing affordability. By the mid-1990s statutory homelessness had fallen back somewhat from the peak values of a few years earlier, although the scale of this reduction was much more modest in Scotland than in England.<sup>74</sup>

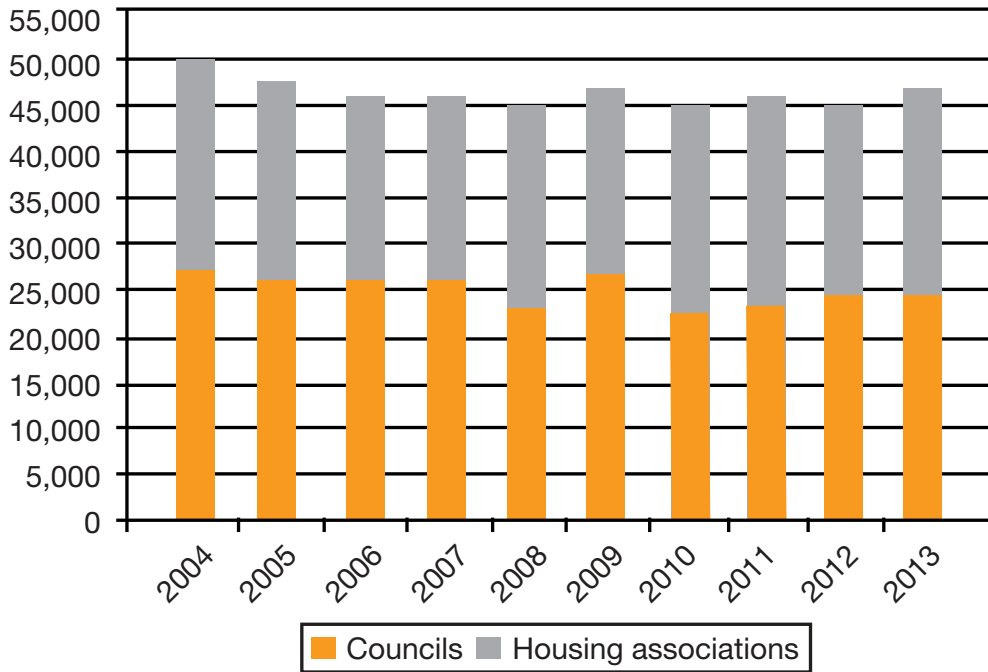
However, homelessness trends since then have tended to reflect policy interventions

<sup>72</sup> DCLG (2011) *Private Landlords Survey 2010*. London: DCLG.

<sup>73</sup> Stephens, M., Fitzpatrick, S., Elsinga, M., Steen, G.V. & Chzhen, Y. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission.

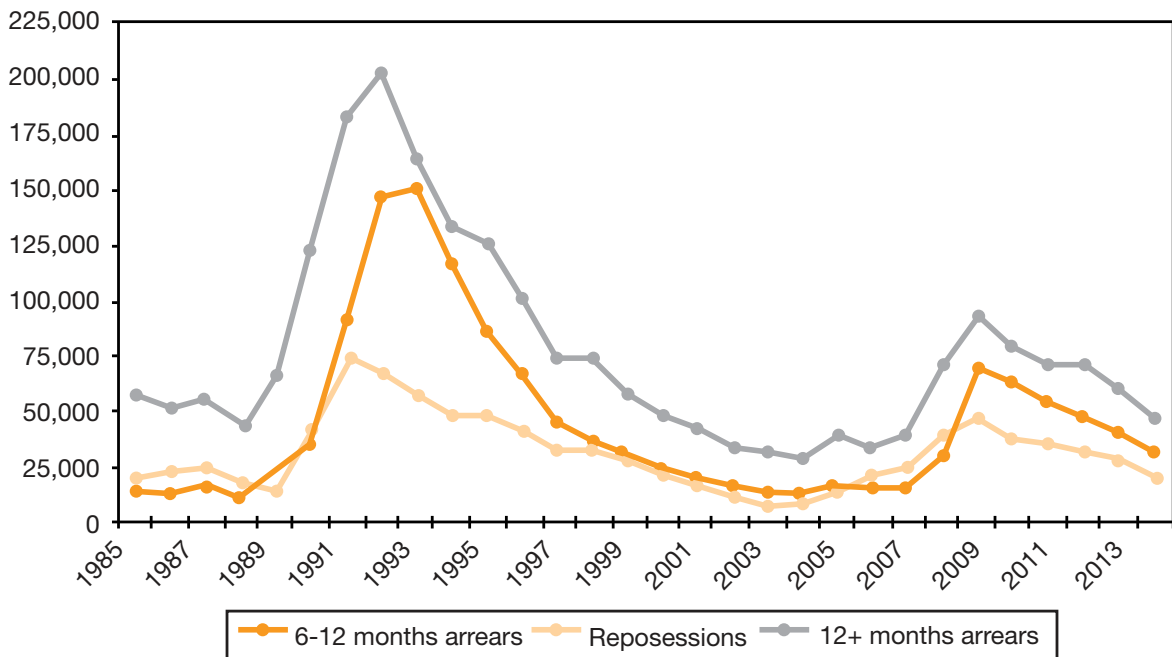
<sup>74</sup> See the last Homelessness Monitor for Scotland and the various Homelessness Monitors for England. <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

Figure 2.6 Social Housing Lettings 2004/05 to 2013/14

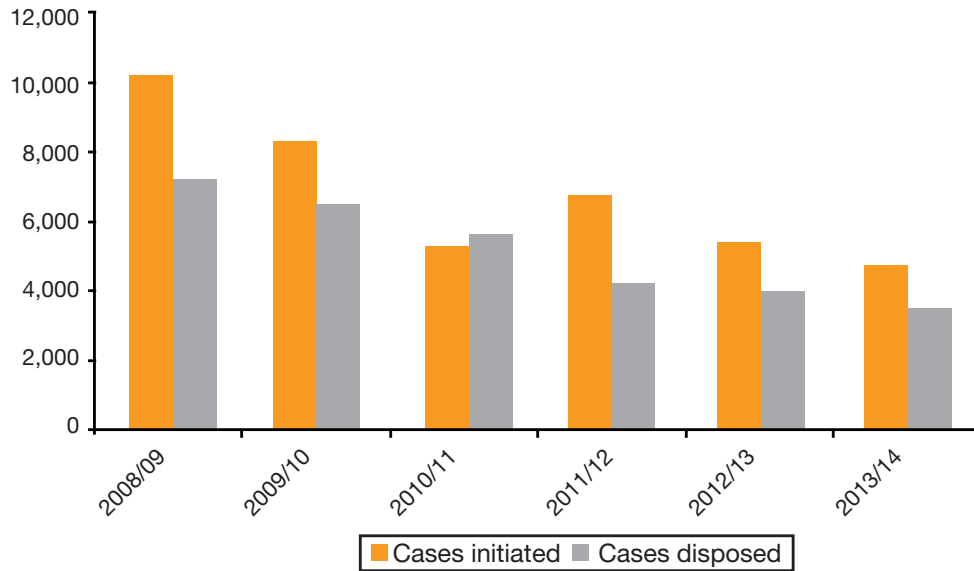


Sources: Scottish Government, Scottish Housing Regulation

Figure 2.7 Mortgage Arrears and Repossessions: UK



Source: DCLG Live Table 1300

**Figure 2.8 Repossession actions in Scotland, 2008/9 to 2013/14**

Sources: Civil Justice Statistics, Scottish Government

more than housing market conditions, with the post 2000 rise in priority homelessness in Scotland primarily the result of the expansion in the statutory entitlements of single homeless people discussed in Chapter 3. Equally, the substantial falls in statutory homelessness seen in the most recent period are a direct result of the introduction of the Housing Options approach to homelessness prevention, that was introduced a decade earlier in England, and accounts for the sharp downward trend from 2003 onwards south of the border (see Figure 2.5).

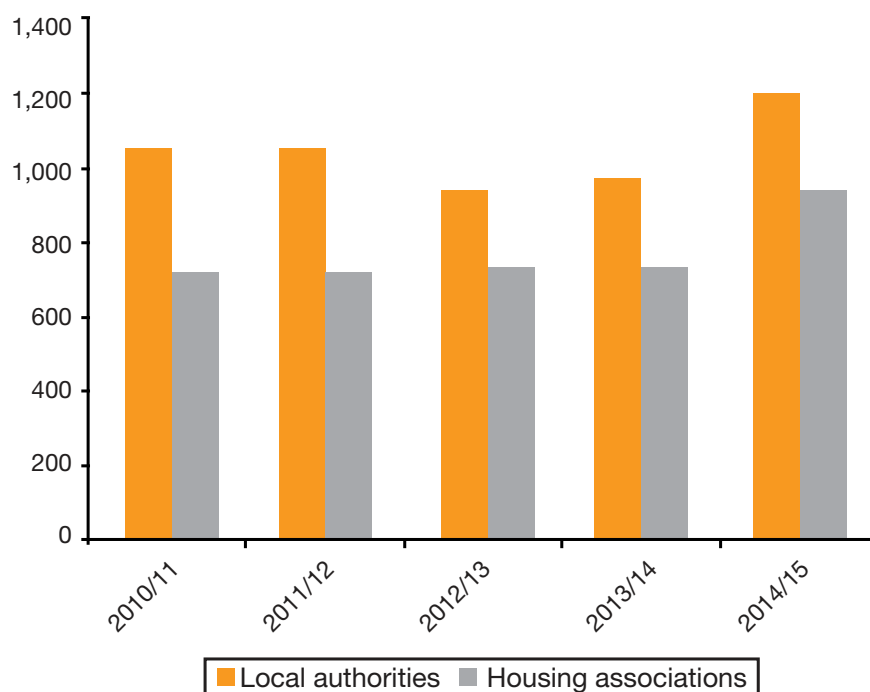
In any case, as noted in the previous Scottish Monitor, we anticipated no particularly benign impact of the housing market downturn in the recent recession, given the lower level of lettings available in the social rented sector (due to the long-term impact of the Right to Buy (RTB) and continued low levels of new supply) and the continuing constraints on mortgage availability that are placing increasing pressure on the rented sectors.

The long-term gradual decline in new lettings is likely to continue (see Figure 2.6), but in

the short term the decline has been limited by the contributions from the AHSP. While the overall programme includes affordable rent and home ownership schemes, over the seven years to 2014/15 new social rented outputs from the AHSP have averaged 4,950 a year, compared to an average of 4,150 for the eight years to 2007/08.

Going forward the Scottish Government has legislated to abolish the RTB from August 2016. While this will prevent further losses to the social sector housing stock, the impact of past sales on future relet levels will continue to be felt for many years. Even after taking account of the RTB discounts, its abolition will also remove a substantial source of funding for new investment by social landlords.

In practice, the combined impact of low interest rates and lender forbearance has thus far held down the proportion of mortgage arrears cases resulting in repossession in the UK since the 2007 downturn (see Figure 2.7). There has also been a downward trend in repossession court

**Figure 2.9 Social landlord evictions in Scotland, 2010/11 to 2014/15**

Sources: Scottish Housing Regulator, Scottish Government

cases in Scotland since 2008/09 (see Figure 2.8). The 2011/12 upturn in numbers of cases initiated was in large measure a result of a change in legal procedures introduced at the end of September 2010, and a subsequent UK Supreme Court judgement which directed that all active mortgage related cases be withdrawn from the courts and resubmitted as summary applications following a two month waiting period.<sup>75</sup>

However, it remains possible that mortgage repossession could increase if and when higher interest rates begin to bear down on marginal homeowners and/or when higher house prices provide more of an incentive for lender repossession in high arrears cases.

Unlike mortgage arrears, rent arrears levels and associated evictions do not appear closely tied to general economic or housing

market conditions, though arrears in the social rented sector are now rising, in part as a result of Housing Benefit (HB) and other welfare reforms (see Chapter 3).<sup>76</sup> As shown in Figure 2.9, there was a downward trend in social landlord evictions established in the years following the credit crunch although this appears to have bottomed out in the Registered Social Landlord (RSL) sector in 2010/11. However, the subsequent data shows a marked upturn in local authority (LA) evictions in 2014/15 (where over 95% of the evictions were based on rent arrears), and a smaller increase in Housing Association evictions (where 88% of the evictions were based on rent arrears). It remains to be seen whether this marks the start of an upward trend of evictions triggered by rent arrears due to welfare cuts. At the same time it should be recognised that LA evictions remain well below the levels that prevailed

<sup>75</sup> Scottish Government (2012) *Statistical Bulletin: Civil Law Statistics in Scotland 2011-12*. Edinburgh: Scottish Government.

<sup>76</sup> Scottish Housing Regulator (2014) *Impact of Welfare Reform on Rent Arrears*. Glasgow: SHR.

in the decade to 2008/09. And while there was a small increase in housing association evictions based on rent arrears, overall rent arrears in the housing association sector have not increased since April 2013.<sup>77</sup>

As discussed in Chapter 4, mortgage and rent arrears, in combination, still account for only around 5% of all statutory homelessness acceptances in Scotland; a proportion that has remained steady in recent years. Moreover, unlike in England and Wales, there does not appear to have been a sharp escalation in statutory homelessness cases attributable to the loss of private tenancies (see Chapter 4), despite recent rapid growth of the PRS (see above). Our key informants confirmed for the most part that they had not seen an increase in home owners becoming homeless as a result of mortgage arrears,<sup>78</sup> but homelessness arising from the ending of fixed-term private tenancies was reported as a growing problem in Edinburgh.

## 2.4 Key points

- The UK and Scottish economies have now (albeit slowly) recovered from the recession, but policy factors – particularly ongoing welfare benefit cuts – are likely to have a more direct bearing on levels of homelessness than the wider economic context.
- Housing supply fell to historically low levels during the recession, and annual additions to the housing stock now need to rise by some 30% from 2013/14 levels just to keep pace with household growth.
- The gradual long-term decline in social sector lettings has been contained by the new lettings developed through the AHSP.
- There was a marked upturn in local authority evictions in 2014/15, and a smaller upturn in housing association

evictions, predominantly for rent arrears reflecting the rise in rent arrears attributable at least in part to welfare reform.

- While the PRS doubled in size over the decade to 2013, and continued growth is expected, it still provides less than two thirds of the number of rented dwellings available in the social rented sector in Scotland.
- For now, mortgage and rent arrears continue to account for only a very small proportion of statutory homelessness cases in Scotland. However, arrears are beginning to rise in the social rented sector as a result of welfare reform, and there remains the possibility that mortgage repossessions could increase if and when higher interest rates begin to bear down on marginal homeowners and/or when higher house prices provide more of an incentive for lender repossession in high arrears cases.

<sup>77</sup> Authors' analysis of Scottish Housing Regulator Charter datasets.

<sup>78</sup> Very similar comments were made by LAs in both England and Wales, see <http://www.crisis.org.uk/pages/homelessnessmonitor.html>



## 3. UK and Scottish Government Policies Potentially Impacting on Homelessness

### 3.1 Introduction

Chapter 2 considered the homelessness implications of the post 2007 economic downturn and subsequent recovery. 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, housing<sup>79</sup> and some aspects of welfare) and areas of policy reserved to Westminster and therefore the responsibility of the UK Government (most aspects of welfare). The welfare implications of the new Scotland Bill will be highlighted.

### 3.2 Homelessness policies Statutory homelessness and 'Housing Options'

As detailed in the last Scottish Homelessness Monitor,<sup>80</sup> 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 a gradual expansion of priority need groups following the coming into force of the 2003 legislation. 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 2011. In parallel, the proportion of new social landlord lettings absorbed by statutorily homeless households rose steadily, from around one quarter in 2001/02 to a peak of 43% by 2010/11 (this proportion has since fallen, with the latest figures, for 2014/15, showing 48% of new LA lettings,<sup>81</sup> and 23% of RSL lettings,<sup>82</sup> being made to statutorily homeless households).

To help achieve the 2012 target, the Scottish Government and Convention of Scottish Local Authorities (COSLA) set up a joint Steering Group in 2009, including the Scottish Federation of Housing Associations (SFHA), the Association of Local Authority Chief Housing Officers (ALACHO) and the Society of Local Authority Chief Executives (SOLACE). Following the abolition of the priority need test at the end of 2012, the 2012 Steering Group was reformed as the Homelessness Prevention and Strategy Group (HPSG) with a remit to "assess, inform, influence and further embed homelessness prevention activity in Scotland".<sup>83</sup> The Joint 2012 Steering Group/HPSG took a keen interest in the preventative model known as 'Housing Options' that had been in operation in England and Wales since the Homelessness Act 2002, and led to marked reductions in homelessness acceptances in the years following its introduction.<sup>84</sup> Housing Options has been described by the Scottish Government as:

<sup>79</sup> Relevant to both the housing and homelessness devolved responsibilities of the Scottish Government is the recently published 'Joint Housing Delivery Plan', which identifies priority actions agreed by representatives from across the housing sector in an explicitly 'co-production' process. See: <http://www.gov.scot/Resource/0047/00477306.pdf>

<sup>80</sup> Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.

<sup>81</sup> Source: Lettings returns by local authorities to the Scottish Government, Communities Analytical Services (Housing Statistics)

<sup>82</sup> See <http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/SCORE/SCOREresults/SCORE1213report/SCORE1314Rep/SCOREResults1415>

<sup>83</sup> See <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/homelessness-prevention-and-strategy-group>

<sup>84</sup> Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.



*“a process which starts with housing advice when someone approaches a local authority with a housing problem... This means looking at an individual’s options and choices in the widest sense. This approach features early intervention and explores all possible tenure options, including council housing, RSLs and the private rented sector. The advice can also cover personal circumstances which may not necessarily be housing related, such as debt advice, mediation and mental health issues.”<sup>85</sup>*

The Housing Options approach was argued to be of value in Scotland because:

*“By focussing efforts on prevention, fewer people would actually reach the point of homelessness. This had the potential to improve outcomes for households, relieve pressure on temporary accommodation and reduce demand for social sector tenancies.”<sup>86</sup>*

The Scottish Government has provided a relatively modest amount of enabling funding (£950,000 over a five year period) to support the development of the Housing Options approach in Scotland, channelling these resources via five broadly regional ‘Housing Options Hubs’, in which all 32 Scottish local authorities 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. The development and contribution of the Hubs has been positively evaluated,<sup>87</sup> and they have had some perhaps unanticipated benefits, such as providing a conduit to disseminate ideas and funds for welfare reform mitigation measures.

The introduction of Housing Options seems to have been welcomed by local authorities in Scotland, not least because of concerns regarding the ‘sustainability’ of the levels of housing allocations to homeless applicants that prevailed by 2010.<sup>88</sup> Other stakeholders, including homelessness charities, such as Shelter Scotland, also welcomed Housing Options, as having the potential to foster a more outcome-focused, person-centred homelessness system:

*“The best approaches [in delivering a housing options approach] successfully combine legal entitlements with genuine options and informed advice and support.... All information about options must be transparent and easy for clients to understand and aim to empower people to make the right choices for their own situation. This means investment in officers’ training, good processes and strong partnerships with local organisations and service providers to ensure that housing solutions are sustainable”.<sup>89</sup>*

As was the case in England and Wales,<sup>90</sup> the introduction of Housing Options in Scotland has led to a dramatic fall in homelessness applications and acceptances (see Chapter 4 for details). And again in keeping with developments south of the border, this has prompted concerns about ‘gatekeeping’, particularly in light of the very large reductions reported in some specific local authorities.<sup>91</sup> In May 2014, the Scottish Housing Regulator (SHR) published the results of a major ‘thematic inquiry’, which sought to provide the first national picture of Housing Options in Scotland, and its effectiveness in preventing and alleviating

<sup>85</sup> p.4 in Scottish Government (2015) *Housing Options (PREVENT1) Statistics in Scotland 2014/15*. Edinburgh: Scottish Government.

<sup>86</sup> Ibid.

<sup>87</sup> Ipsos MORI & Mandy Littlewood *Social Research and Consulting (2012) Evaluation of the Local Authority Housing Hubs Approach*. Edinburgh: Scottish Government.

<sup>88</sup> Audit Scotland (2014) *Housing in Scotland*. Edinburgh: Audit Scotland.

<sup>89</sup> p. 23 in Shelter Scotland (2011) *A Shelter Scotland Report: Housing Options in Scotland*. Edinburgh: Shelter Scotland; see also Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

<sup>90</sup> See <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

<sup>91</sup> Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis

homelessness.<sup>92</sup> The principles of Housing Options were endorsed by the Regulator:

*“The focus on prevention of homelessness and the promotion of a solutions-based, person-centred approach that provides people with genuine options is clearly an appropriate policy response.”<sup>93</sup>*

While it was acknowledged that Housing Options services were still relatively new and under-developed in some of the case study local authorities that participated in their Review, there was nonetheless pointed criticism made of some aspects of practice:

*“We saw that some people achieved good outcomes through Housing Options. We also saw that some had less favourable outcomes and that the outcomes for others were not known.... We found that Housing Options has contributed to the reduction in the number of people having a homelessness assessment. We also found that the diversion of people from a homelessness assessment to Housing Options was not always appropriate. It is likely that in such cases this has resulted in an under-recording of homelessness as a number of people with clear evidence of homelessness or potential homelessness do not go on to have a homeless assessment.”<sup>94</sup>*

The Regulator made three key recommendations to the Scottish Government, all of which have been, or are being, acted upon:

1. to provide enhanced guidance for local authorities on the delivery of Housing Options
2. to ensure that guidance provides clarity

3. to use the recently introduced mandatory data collection for local authorities to evaluate the success of policy on Housing Options.

We now elaborate on each of these recommendations briefly.

First, the Regulator noted that a number of the local authorities they surveyed expressed a desire for national guidance on Housing Options, and also that Shelter Scotland had asserted that “a gap [is] developing in some areas between strategic policy and frontline practice”<sup>95</sup> in the absence of such guidance.<sup>96</sup> At the time of writing, draft national guidance on Housing Options had been consulted upon by the Scottish Government, but its publication has been subject to delay and it may not now appear until next year. Alongside this guidance, which will have a ‘non-statutory’ status, a new training toolkit is also being developed for use by staff and elected members.

Second, the Regulator focused a great deal of attention on the lack of ‘fit’ between the relatively informal and flexible approach to tackling people’s housing difficulties envisaged under the Housing Options model, and the existing statutory duty to undertake a formal homelessness assessment whenever a LA has ‘reason to believe’ that an household may be homeless. They commented:

*“... [some] local authorities asked for greater clarity on how to operate effective Housing Options in the context of legislation on homelessness. This, in part, reflects the concern expressed*

<sup>92</sup> Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

<sup>93</sup> p.5 in Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

<sup>94</sup> Ibid.

<sup>95</sup> p.3 in Shelter Scotland (2013) *What are my options? Delivering a person centred housing and homelessness advice service in Scotland*. Edinburgh: Shelter Scotland.

<sup>96</sup> See also Mackie, P. & Thomas, I. (2015) *Single Homelessness in Scotland*. London: Crisis.

*to us through this inquiry and wider discussions with local authorities and other stakeholders that there is a tension between the application of Housing Options and the requirements of the current legislation on homelessness.”<sup>97</sup>*

This was also linked to a particular concern that staff in some areas were working to targets for the reduction of homelessness applications as performance measure for Housing Options, and that this can “introduce the risk of organisational behaviours that act against the achievement of good outcomes for people in need”.<sup>98</sup> The forthcoming guidance is expected to make clear the relationship between Housing Options and homelessness applications.

Third, the Regulator took the view that: “The lack of a clear and consistently-applied recording of outcomes in Housing Options has been a major barrier to evaluating the success of the approach both locally and nationally”.<sup>99</sup> They therefore welcomed the introduction by the Scottish Government of mandatory data collection on homelessness prevention and Housing Options, which had been finalised shortly before the Regulator’s report was published.

Statistical monitoring of LA actions under Housing Options was recommended, in March 2012, by the Scottish Parliament’s Infrastructure and Capital Investment Committee.<sup>100</sup> Consultation had earlier begun with the Homelessness Statistics User Group on the development of the return (known as PREVENT1), with mandatory data capture commencing in April 2014 (see Chapter 4 for our review of the first set of annual statistics generated by PREVENT1).

With only one year of data available, it is too early to track trends emerging from the PREVENT1 data (which still has ‘experimental’ status), especially as recording practices will still be ‘bedding in’ in many areas. However, the profile of those using Housing Options services already appears slightly different to that of homeless applicants: the former are less likely to contain children, more likely to comprise a single female, and more likely to present with predominantly financial difficulties. This may mean that, at least in some areas, Housing Options is attracting a wider clientele than traditional homelessness services. Consistent with this, it was reported that, while two-thirds (66%) of Housing Options approaches were due to mainly ‘homelessness type’ reasons, the remaining one third (34%) involved a requirement for general Housing Options advice but not an immediate crisis.<sup>101</sup> Nonetheless, as we might expect, Housing Options approaches are highly concentrated amongst households living in the most deprived areas of Scotland.<sup>102</sup>

There is also a picture emerging of relatively ‘light touch’ Housing Options interventions in many cases, with 56% of all approaches resulting in activities on the part of the LA that did not exceed active information, signposting and explanation (mostly general housing advice), with ‘casework’ of some kind being carried out in 44% of approaches (most commonly informing clients of their rights under the homelessness legislation). In keeping with this picture, the Regulator also noted that in the context of their Thematic Inquiry:

*“We ... found that in most of the cases we reviewed local authorities did not actively work to achieve an outcome for a person*

<sup>97</sup> p.5 in Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

<sup>98</sup> p.15 in *ibid.*

<sup>99</sup> p.13 in *ibid.*

<sup>100</sup> Infrastructure and Capital Investment Committee (2012) *Homelessness in Scotland: the 2012 Commitment*. Edinburgh: Scottish Parliament.

<sup>101</sup> These proportions are quite similar to what the Scottish Housing Regulator found in their detailed review of cases in the six case study LAs, see Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

<sup>102</sup> See also Bramley, G. & Fitzpatrick, S. (unpublished) *The Social Distribution of Homelessness: Impacts of Labour Markets, Housing Markets and Poverty in the UK*.

*seeking their assistance and relied on signposting and the individual achieving the outcome for themselves.*"<sup>103</sup>

While the aggregated nature of the Scottish statistics makes direct comparisons difficult, this does seem to strike a different chord from the more 'activist' approach that the available data indicates pertains in England,<sup>104</sup> particularly with respect to facilitating access to the PRS. Probably relevant here is a remark made by one of our statutory sector key informants that: "...we've not grown the PRS in the same way as other local authorities, particularly down south, have done as part of the housing options gig." It should be noted that Crisis has received some modest funding to support local authorities to improve access to the PRS for homeless and potentially homeless people in Scotland.<sup>105</sup> However, welfare reform, and in particular the Shared Accommodation Rate (SAR), is perceived as a major hurdle in this regard (see further below). At the same time, there is evidence of cultural antipathy towards both shared accommodation and the PRS more broadly on the part of some local authorities in Scotland, and a shortage of assistance aimed specifically at helping young people needing to share.<sup>106</sup>

The most frequent Housing Options outcome recorded was the making of a homelessness application (36% of all approaches), with 21% of approaches recorded as resulting in the client remaining in their current accommodation, and 13% obtaining alternative accommodation. This pattern again appears very different to the outcomes of Housing Options activity in England,<sup>107</sup> and

to some extent is to be expected, given that the far narrower statutory safety net south of the border would make homelessness applications a viable option in far fewer cases. Nonetheless, as one of our key informants remarked:

*"...In a large chunk of the Housing Options outcomes, the outcome is 'made a homeless application'. That's not an outcome, that's just the next step on the journey. The outcome is then what happens to them post the application. So we're mostly interested in what finally happens..."* (Voluntary sector key informant)

The linkage between PREVENT1 and HL1 does allow one to 'follow' Housing Options cases who go on to make a statutory homelessness application to their ultimate housing outcome,<sup>108</sup> and this will require careful monitoring in the years ahead. It would also be worth investigating the extent to which applicants 'staying in their current accommodation' is a positive outcome; of course it will be in some cases, but given that the unsatisfactory nature of that accommodation will be the reason for some people approaching Housing Options services, this cannot be assumed. Contact was lost in 9% of Housing Options cases in this first full year of data capture, and in 4% of cases the outcome was unknown (17% of cases were still open). Concerns were raised by the Regulator about the relatively high proportion of lost contact cases they encountered in their case study authorities, which they argued could result from the sometimes lengthy wait that households

<sup>103</sup> p.16 in Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR.

<sup>104</sup> See Figure 4.9 in Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

<sup>105</sup> Crisis (2014) *Improving access to the private rented sector: Scotland Report 2013/14*: [http://www.crisis.org.uk/data/files/Private\\_Rented\\_Sector/Scotland/Improving\\_access\\_to\\_PRS\\_Scotland.pdf](http://www.crisis.org.uk/data/files/Private_Rented_Sector/Scotland/Improving_access_to_PRS_Scotland.pdf)

<sup>106</sup> Sanders, B. & Dobie, S. (2015) *Sharing in Scotland: Supporting young people who are homeless on the Shared Accommodation Rate*. London: Crisis.

<sup>107</sup> See Figure 4.9 in Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

<sup>108</sup> Scottish Government (2015) *Housing Options (PREVENT1) Statistics in Scotland: 2014-15*. Edinburgh: Scottish Government.

faced before an initial Housing Options interview.<sup>109</sup>

### Housing support duty

The Housing (Scotland) Act 2010 established a new statutory duty requiring local authorities to conduct a housing support assessment for unintentionally homeless applicants who they have ‘reason to believe’ need ‘housing support services’. In these cases, a housing support assessment must also be carried out for other members of their household. The duty (contained in Section 32B of the Housing (Scotland) Act 1987, as amended) further requires local authorities to ensure that the following housing support services, prescribed in accompanying regulations,<sup>110</sup> are provided to those assessed as being in need of them:

- advising or assisting a person with personal budgeting, debt counseling or in dealing with welfare benefit claims;
- assisting a person to engage with individuals, professionals or other bodies with an interest in that person’s welfare;
- advising or assisting a person in understanding and managing their tenancy rights and responsibilities, including assisting a person in disputes about those rights and responsibilities; and
- advising or assisting a person in settling into a new tenancy.

The housing support duty commenced on 1st June 2013, and guidance has been issued to assist local authorities with implementing the duty. This guidance, which has a non-statutory status, was developed by the cross-sector Housing Support Guidance Working Group, which included the Scottish Government but was chaired by ALACHO. The guidance was first issued in June 2013,<sup>111</sup> with a reviewed version published in September 2014.<sup>112</sup> Shelter Scotland were instrumental in lobbying for the housing support duty, and have published research on key issues in its implementation.<sup>113</sup>

This housing support duty had not as yet come into force at the time of the last Scottish Monitor, and the prospect of its introduction received a mixed reception amongst our interviews in 2012. One manager in a LA homelessness service commented that “*We are pinning all our hopes on the new housing support duty*” to protect at least some housing support services for homeless people, in a context where all ‘non-statutory’ funding was being severely pared back.<sup>114</sup> However, other interviewees felt that there was a risk that the new duty would draw resources towards the point of crisis, and away from more upstream forms of homelessness prevention. A similar range of views were apparent in the written evidence to the Scottish Parliament Inquiry into the 2012 commitment.<sup>115</sup>

The guidance picks up on these concerns, emphasising that the housing support duty and the Housing Options approach

<sup>109</sup> Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR; see also Mackie, P. & Thomas, I. (2015) *Single Homelessness in Scotland*. London: Crisis.

<sup>110</sup> The Housing Support Services (Homelessness) (Scotland) Regulations 2012 (SI 2012/331)

<sup>111</sup> Scottish Government (2013) *Guidance for Local Authorities Published June 2013: Housing Support Duty to Those Found to be Homeless or Threatened With Homelessness – Amendment to Housing (Scotland) Act 1987 (inserted by Housing (Scotland) Act 2010)*: <http://www.gov.scot/Resource/0042/00423606.pdf>

<sup>112</sup> Scottish Government (2014) *Guidance for Local Authorities: Housing Support Duty to Those Found to be Homeless or Threatened With Homelessness – Amendment to Housing (Scotland) Act 1987 (inserted by Housing (Scotland) Act 2010)*: <http://www.gov.scot/Resource/0045/00459685.pdf>

<sup>113</sup> Rosengard, A. & Jackson, A. A. (2012) *Supporting Homeless People: Implementing the Housing Support Duty. Report to Shelter Scotland*. Edinburgh: Shelter Scotland.

<sup>114</sup> Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.

<sup>115</sup> See <http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/44465.aspx>



to homelessness prevention “*should complement each other and that housing support resources should be allocated flexibly across these key objectives whilst adhering to the relevant legislation.*”<sup>116</sup> Effectively, Housing Options interventions are intended to achieve the ‘primary’ prevention of homelessness, whereas the housing support duty is intended to help prevent ‘repeat’ homelessness.

Other key points made in the housing support duty guidance are that the form and duration of this support should vary depending on individual and household circumstances, and that relevant housing support may be provided, where necessary, in both settled and temporary accommodation. The housing support duty is a ‘corporate’ duty for LAs, and it is emphasised that a range of LA departments (including housing, social work and education) as well as other local partners, such as mental health services, alcohol and drug partnerships, and third sector organisations, will need to be involved in its successful delivery.

Few had expected the new duty to have a very major impact, and a preliminary assessment carried out by Shelter Scotland on the first six months of its operation concluded that its effect was minimal in many local authorities, as they said that they were already providing the services covered, while in others it was said to have formalised existing processes.<sup>117</sup> There was limited evidence of the duty stimulating new models of support, but equally fears in some quarters that it would generate an unmanageable level of demand seem not to have been realised.

The new duty was said to have helped protect resources for housing support in some areas but elsewhere was viewed as an additional burden not matched by the funds to meet it.

### **Rough sleeping, multiple exclusion and complex needs**

The Scottish Government has recently prioritised policy and practice development on ‘multiple exclusion homelessness’ (MEH), by which they mean situations where homelessness intersects with other complex support needs, such as those associated with alcohol or drug dependency or mental health problems.<sup>118</sup> A range of research indicates that these complex needs are found predominantly in the single homeless population.<sup>119</sup> The context for this new policy focus was said by the Scottish Government to arise from:

*“...a general agreement amongst stakeholders in Scotland that, in the wake of strengthened homelessness legislation and a focus on person centred prevention activity in recent years, the time was right to consider what steps could be taken at a national policy level to address the needs of those with more complex needs who may not have benefited and for whom the provision of accommodation without high levels of support was unlikely to lead to successful outcomes.”<sup>120</sup>*

This focus on MEH appears to have garnered much enthusiasm across the statutory and voluntary sectors in Scotland, where a consensus has emerged that Housing Options and homelessness services could

<sup>116</sup> p.3 in Scottish Government (2013) *Guidance for Local Authorities Published June 2013: Housing Support Duty to Those Found to be Homeless or Threatened With Homelessness – Amendment to Housing (Scotland) Act 1987 (inserted by Housing (Scotland) Act 2010)*: <http://www.gov.scot/Resource/0042/00423606.pdf>

<sup>117</sup> Shelter Scotland (2014) *Supporting Homeless People: Have New Legal Duties Made a Difference?* Edinburgh: Shelter Scotland.

<sup>118</sup> Fitzpatrick, S., Bramley, G. & Johnsen, S. (2013) ‘Pathways into multiple exclusion homelessness in seven UK cities’, *Urban Studies*, 50(1): 148-168.

<sup>119</sup> For example, Mackie (2014) *Nations Apart? Experiences of Single Homeless People across Great Britain*, London: Crisis; Fitzpatrick, S., Bramley, G. & Johnsen, S. (2013) ‘Pathways into multiple exclusion homelessness in seven UK cities’, *Urban Studies*, 50(1): 148-168.

<sup>120</sup> See <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/meetings> (Multiple Exclusion Homelessness, HPSG Update - September 2015)

do more to help those households with multiple support needs. There also appears to be strong endorsement of the decision to focus not on ‘rough sleepers’ as narrowly understood, but rather on these wider exclusionary processes, in recognition of the fact that rough sleeping is rarely a self-contained issue, with periods of rough sleeping usually interspersed with ‘problematic sofa surfing’, stays in B&Bs and other forms of TA.<sup>121</sup>

The HPSG has included MEH as a key item in its workplan for 2015/16, and the national homelessness event hosted by the Scottish Government will this year have MEH as its ‘theme’. Areas for policy development identified as part of this agenda include the potential role of peer support/ advocacy, training in ‘psychologically informed environments’, and the potential for ‘preventative spend’ and savings across budgets at a national level, e.g. criminal justice. Notably, the Scottish Government has also made reference in this context to the ‘Housing First’ model of intensive support in mainstream tenancies for homeless people with complex needs,<sup>122</sup> the success of which has been demonstrated in evaluations in Glasgow,<sup>123</sup> across England,<sup>124</sup> and in a number of European countries,<sup>125</sup> as well as in the US where the model originated.<sup>126</sup>

There has been a strong focus on the engagement of health services in this agenda, and a number of positive recent developments. Particularly significant has

been the publication of a report by the Scottish Public Health Network, *Restoring the Public Health Response to Homelessness in Scotland*, which set out to explore the role that the NHS could play in the prevention of homelessness and in improving the health of homeless people.<sup>127</sup> Following on from this work, there is now a NHS Health Scotland representative on the HPSG. A Director of Public Health has now been appointed with responsibility for this area, as well as a renewed cross-sector National Health and Homelessness Steering Group facilitated by NHS Health Scotland with a LA housing Chair. Approval has also recently been granted for a national-level data linkage project to investigate the health care needs, access and outcomes of statutorily homeless households.<sup>128</sup>

With the passage of the Public Bodies (Joint Working) (Scotland) Act 2014, it is also acknowledged that health and social care integration (HSCI) offers important opportunities to address MEH,<sup>129</sup> alongside some significant challenges. While there had been concerns that housing was somewhat sidelined in the early stages of this HSCI process in Scotland, housing stakeholders engaged with the parliamentary process leading up to the Act through a cross sector group – the Housing Co-ordination Group. In terms of the 2014 Act, homelessness and housing support functions are amongst those that ‘may’ be delegated to one of the new Integration Authorities, or ‘Partnerships’, meaning that there will be

<sup>121</sup> Harleigh Bell, N. (2015) *An Overview of Rough Sleeping in Scotland; Paper to Homelessness Prevention Strategy Group*. Edinburgh: Homeless Action Scotland.

<sup>122</sup> HPSG (2015) *Homelessness In Scotland: Rough Sleeping, Multiple exclusion and complex needs*: <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/meetings/paper1>

<sup>123</sup> Johnsen, S. (2013) *Turning Point Scotland's Housing First Project Evaluation: Final Report*. Edinburgh: Institute for Housing, Urban and Real Estate Research, Heriot-Watt University.

<sup>124</sup> Bretherton, J. & Pleace, N. (2015) *Housing First in England: An Evaluation of Nine Services*. York: Centre for Housing Policy, University of York.

<sup>125</sup> Busch-Geertsema, V. (2013) *Housing First Europe: Final Report*: <http://www.servicestyrelsen.dk/housingfirsteurope>

<sup>126</sup> Tsemberis, S. (2010) *Housing First. The Pathways Model to End Homelessness for People with Mental Illness and Addiction*. Center City, Minnesota: Hazelden.

<sup>127</sup> Hetherington, K. & Hamlet, N. (2015) *Restoring the Public Health Response to Homelessness in Scotland*. Edinburgh: Scottish Public Health Network.

<sup>128</sup> See <http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/RefTables/HealthHomelessnessDataLinkage>

<sup>129</sup> Hetherington, K. & Hamlet, N. (2015) *Restoring the Public Health Response to Homelessness in Scotland*. Edinburgh: Scottish Public Health Network.

varying arrangements for housing support and homelessness in different parts of Scotland. This will have implications for the commissioning of services addressing MEH, but holds out the possibility of better access to health and social care services, particularly mental health services, for this group. A number of key informants commented on the potential for “big wins” for those with the most complex needs if the opportunities presented by HSCI are appropriately grasped.

### Glasgow

National-level developments on MEH have been prompted in part by concerns about the particular struggles faced by Glasgow City Council in responding to the scale of rough sleeping and complex needs in Scotland’s largest city. It has become apparent in recent years that, following the closure of several large-scale and poor quality hostels in the city between 2000 and 2008, there is now an acute shortage of TA for single men in Glasgow.<sup>130</sup> Data provided by a selection of key voluntary sector homelessness agencies in the city indicates that two thirds of their service users obtained an outcome of ‘no accommodation available’ on at least one occasion when they approached City Council for homelessness assistance in 2013/14, with 334 people reporting that they had slept rough directly after being refused accommodation.<sup>131</sup>

The difficulties Glasgow faces meeting its statutory homelessness duty are locally well

known and publicly acknowledged by the City Council,<sup>132</sup> which has been working on a ‘voluntary’ basis with the Scottish Housing Regulator to improve its performance in this area.<sup>133</sup> The City Council has also embarked on a Strategic Service Review of its homelessness service. Four new supported accommodation projects have been commissioned to be completed within the next year or so, expected to provide around 120 further temporary places. However, there is little expectation that this new provision will resolve the city’s difficulties in fulfilling its statutory duty to provide emergency accommodation to all of the single homeless households who approach it each year (comprising approximately three-quarters of its total caseload).

The underlying issues in Glasgow appear two-fold. First, as has been recognised for many years,<sup>134</sup> there are an unusually large number of people sleeping rough in Glasgow city centre who have multiple needs and also sometimes challenging behaviours. While there are street outreach and other emergency services provided in the city, no satisfactory long-term solution has yet been found to meet the needs of this group (though as noted above, there has been a recent positive experience with a small-scale ‘Housing First’ pilot in the city<sup>135</sup>). There is particular concern for the highly vulnerable men, most of whom have severe addiction problems and other major health difficulties, who live in a poor quality, privately

130 Fitzpatrick, S., Bretherton, J., Jones, A., Pleace, N. & Quilgars, D. (2010) *The Glasgow Hostel Closure and Re-provisioning Programme: Final Report on the Findings from a Longitudinal Evaluation*: <https://www.york.ac.uk/media/chp/documents/2009/The%20Glasgow%20Hostel%20Closure.pdf>

131 Glasgow Homelessness Network (2014) *ODM Annual Homelessness Monitoring Report: April 2013 – March 2014*: <http://www.ghn.org.uk/node/173>; A similar picture emerges from analysis of the experiences of users of Glasgow’s Winter Night Shelter, see Glasgow Homelessness Network (2015) *Glasgow Winter Night Shelter 2014–15. Monitoring Report – March 2015*: <http://www.glasgowcitymission.com/admin/resources/gwns-2014-2015-report-mar15.pdf>

132 McArdle, H. (2013) ‘Charities: no room for the homeless’, *Herald Scotland*, 1st December: [http://www.heraldsotland.com/news/13134261.Charities\\_\\_no\\_room\\_for\\_the\\_homeless/](http://www.heraldsotland.com/news/13134261.Charities__no_room_for_the_homeless/)

133 The Regulator is also carrying out an inquiry into the homelessness services of two other Scottish LAs – Dumfries and Galloway Council and Scottish Borders Council – and monitoring the homelessness performance of 12 other LAs. See: [https://www.scottishhousingregulator.gov.uk/sites/default/files/publications/Risk%20Assessment%20Summary%20Outcome%20-%20Local%20Authority%20-%2010%20June%202015\\_2.pdf](https://www.scottishhousingregulator.gov.uk/sites/default/files/publications/Risk%20Assessment%20Summary%20Outcome%20-%20Local%20Authority%20-%2010%20June%202015_2.pdf)

134 Fitzpatrick, S., Pleace, N. & Bevan, M. (2005) *Final Evaluation of the Rough Sleepers Initiative*. Edinburgh: Scottish Executive.

135 Johnsen, S. (2013) *Turning Point Scotland’s Housing First Project Evaluation: Final Report*. Edinburgh: Institute for Housing, Urban and Real Estate Research, Heriot-Watt University.



run large-scale hostel in the city.<sup>136</sup> At the time of writing, this was an area of intense policy activity, building on the ‘complex needs’ strand of the Strategic Service Review. Stakeholders were positive about the ‘space’ the review opened up for new approaches, but concerns remained about the implications of declining resources to implement change. This policy development process has been informed by a detailed study of *Homelessness and Complex Needs in Glasgow*, commissioned by Glasgow Homelessness Network, and published in early 2015.<sup>137</sup> The study concluded that outcomes for homeless people with complex needs in Glasgow were being undermined by the lack of integrated services and individual pathway plans, and a series of practical recommendations were made including for a more coordinated city-centre approach, the use of pro-active and ‘sticky’ case management models, and greater consideration of the need for ‘psychologically informed environments’.<sup>138</sup>

Second, and more broadly, there are long-standing difficulties in ensuring sufficient access to long-term tenancies for homeless households in Glasgow, which has created serious blockages in the TA system in the city. Particularly since whole stock transfer to the Glasgow Housing Association in 2003, and subsequent second stage transfers to smaller community associations, Glasgow has had an unusually complex housing system, with 68 RSLs operating in the city. The number of lets provided by RSLs to homeless households has reduced over recent years, putting additional pressure on the stock of TA as ‘outflow’ declines. As there is broadly believed to be enough social housing in the city, with sufficient turnover, to accommodate

all homeless households, views differ as to where responsibility for these difficulties lies. By some key informant accounts:

*“[this] represents our collective inability to achieve a full and successful transition from the old hostel/council housing system and to re-establish a balanced, proportionate and reasonably crisis free, functional homelessness system”.* (LA representative)

There has in the recent past been said to be an ‘impasse’ between the City Council and the RSL sector on this matter,<sup>139</sup> but some positive proposals are now being discussed, including the idea of geographically-focused ‘local letting communities’, comprising clusters of RSLs working with the City Council to foster a more strategic and collective approach to rehousing homeless households.

It should also be noted that to date there has been only limited engagement with the PRS within the city as a potential option for some homeless households,<sup>140</sup> and resistance in some quarters to any move in this direction, though some relevant research has been commissioned by the City Council.

### Young people

Improving responses to youth homelessness has been a focus of activity in Scotland in recent years, and is a standing item of the agenda of the HPSG. It was also the subject of an Inquiry by the Scottish Parliament’s Equal Opportunities Committee’s (EOC), *Having and Keeping a Home: Steps to Preventing Homelessness Among Young People*, which began in 2011. Recommendations from the Committee’s first

<sup>136</sup> McKenna, K. (2014) ‘Glasgow’s homeless hostel scandal trumps the Scottish independence debate’, Guardian, 1st March: <http://www.theguardian.com/commentisfree/2014/mar/01/scotland-poverty-homeless-bellgrove-glasgow>

<sup>137</sup> Anna Evans Housing Consultancy, with Davidson, E. Mandy Littlewood Social Research and Consulting Ltd & Solomon, S. (2014) *Homelessness and Complex Needs in Glasgow*: <http://www.ghn.org.uk/sites/default/files/FINAL-SUMMARY-ON-AEHC-WEB-30.1.15.pdf>

<sup>138</sup> Ibid.

<sup>139</sup> Ibid.

<sup>140</sup> Ibid.

report<sup>141</sup> focused on the need for improved mediation, respite and life skills interventions, and the Committee followed up the Inquiry with calls for evidence on progress in this area in 2014, and maintained dialogue with key ministers on this matter into 2015.<sup>142</sup>

Also relevant here are measures introduced in the Children and Young People (Scotland) Act 2014, which introduced an entitlement for care leavers to remain in care up until their 22nd birthday and receive ‘aftercare’ support until their 26th birthday. These provisions – described by Barnardo’s as the “biggest improvement in support for care leavers for a generation”<sup>143</sup> – aim to offer a smoother transition out of care and to enable positive relationships between young people and their carers to be maintained into adulthood.<sup>144</sup> If effectively implemented, these provisions should help to ensure that young people leaving care do not have to rely on the statutory homelessness system to find accommodation.<sup>145</sup>

The 2014 Act also puts elements of the Getting It Right For Every Child (GIRFEC) approach<sup>146</sup> on a legislative footing. Key to this approach is the requirement for all children and young people (up to and in some cases beyond the age of 18) to have a ‘Named Person’ – that is a single point of contact in the health or education system who can ensure the provision of adequate support where needed and act as a point of contact for other professionals concerned with the wellbeing of a child or young person.<sup>147</sup> Some in the sector hope that this

structure will help facilitate better and earlier responses to young people’s housing needs.<sup>148</sup>

### Summary

This is clearly a time of significant continuing policy development on homelessness in Scotland. While there has been considerable controversy over the introduction of Housing Options, and particularly its interaction with the statutory homelessness framework, there seems nonetheless to remain a generally optimistic outlook with respect to the overall direction of policy travel:

*“We’ve got the legal framework now – I don’t believe that will change, that won’t be diluted or dismantled. I think our responses to homelessness over the last 5 or ten years... have improved considerably. We know more, we’re better at it, there’ve been all sorts of innovations around Housing First and personalisation, so I think our responses will continue to improve, but unless we manage to nail the fundamental housing issue of homelessness, and that really is about availability of stock, we’re not going to nail the problem.”* (Voluntary sector representative)

This quotation picks up the central ongoing concern about housing supply, as discussed in Chapter 2. Likewise the potential for welfare reform to undermine the gains made on homelessness in Scotland was a theme picked up by almost all key informants. The remainder of this chapter therefore focuses

<sup>141</sup> Scottish Parliament (2012) *Having and Keeping a Home: Steps to Preventing Homelessness Among Young People*. Edinburgh: Scottish Parliament.

<sup>142</sup> See <http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/74872.aspx>

<sup>143</sup> p.22 in Equal Opportunities Committee (2014) *Having and Keeping a Home – 2014 Follow Up. Summary of Evidence*: [http://www.scottish.parliament.uk/S4\\_EqualOpportunitiesCommittee/Inquiries/Having\\_and\\_Keeping\\_a\\_home\\_-\\_2014\\_follow-up\\_summary\\_paper.pdf](http://www.scottish.parliament.uk/S4_EqualOpportunitiesCommittee/Inquiries/Having_and_Keeping_a_home_-_2014_follow-up_summary_paper.pdf)

<sup>144</sup> CELCIS (2014) *The Children and Young People (Scotland) Act 2014: Parts 10 and 11 (Aftercare and Continuing Care)*: [http://www.celcis.org/media/resources/publications/Inform\\_Children\\_Young\\_People\\_Act\\_Part\\_10-11.pdf](http://www.celcis.org/media/resources/publications/Inform_Children_Young_People_Act_Part_10-11.pdf)

<sup>145</sup> Equal Opportunities Committee (2014) *Having and Keeping a Home – 2014 Follow Up. Summary of Evidence*: [http://www.scottish.parliament.uk/S4\\_EqualOpportunitiesCommittee/Inquiries/Having\\_and\\_Keeping\\_a\\_home\\_-\\_2014\\_follow-up\\_summary\\_paper.pdf](http://www.scottish.parliament.uk/S4_EqualOpportunitiesCommittee/Inquiries/Having_and_Keeping_a_home_-_2014_follow-up_summary_paper.pdf)

<sup>146</sup> See <http://www.gov.scot/Topics/People/Young-People/gettingitright/background>

<sup>147</sup> Scottish Government (2014) *Getting it right for children and families: Proposal for the development of guidance to support the GIRFEC provisions in the Children and Young People (Scotland) Act 2014*. Edinburgh: Scottish Government.

<sup>148</sup> Equal Opportunities Committee (2014) *Having and Keeping a Home – 2014 Follow Up. Summary of Evidence*: [http://www.scottish.parliament.uk/S4\\_EqualOpportunitiesCommittee/Inquiries/Having\\_and\\_Keeping\\_a\\_home\\_-\\_2014\\_follow-up\\_summary\\_paper.pdf](http://www.scottish.parliament.uk/S4_EqualOpportunitiesCommittee/Inquiries/Having_and_Keeping_a_home_-_2014_follow-up_summary_paper.pdf)

on the implications of welfare and housing policies for homelessness in Scotland.

### 3.3 Welfare reforms introduced by the Coalition Government (2010-2015)

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.

We now have a body of evidence on the unfolding impacts of the welfare reforms introduced under the Coalition Government (2010-2015), and the extent to which they were mitigated by interventions by the Scottish Government. This is discussed later in this section.

Going forward, the new UK Government has proposed a further round of welfare reforms, while with newly devolved additional powers the Scottish Government has made it clear that it will introduce further measures to mitigate and modify the reforms introduced by the UK government. These are discussed in Section 3.4 below.

The most important Coalition Government reforms relate to:

- Work Programme and increased conditionality
- Scottish Welfare Fund (SWF) (introduced by the Scottish Government in response to the Coalition Government’s abolition of the UK-wide Social Fund)

The context and details of these reforms were outlined in detail in the 2012 Scottish Monitor.<sup>149</sup> Here we focus on the main impacts of the reforms since their introduction.

#### Housing Benefit and LHA reforms

As seen in Figure 2.4 above the numbers of HB claimants able to secure accommodation in the PRS has grown over a long run of years, both under the LHA regime introduced by the previous Labour Government, and the revised LHA regime (with lower 30th percentile based LHA rates) introduced by the Coalition Government from May 2011.

In the year to March 2011 the number of HB cases in the PRS in Scotland grew from 83,380 to 90,290. In the following 21 months, under the new LHA regime, the numbers continued to rise to 96,200 in December 2012. So at most it might be claimed that the new LHA regime initially slowed the rate of growth of claimants able to secure accommodation in the PRS.

These figures cannot, however, give a full indication of the impact that the new LHA regime has had on the ability of low-income households to gain access to the PRS. Other factors need to be taken into account in a more detailed evaluation, including the continuing growth of the PRS sector as a whole, the continuing restrictions on access to the social rented sector, and a sharp rise in the numbers of in work households claiming HB.<sup>150</sup> In the two years to May 2013 the increase in the numbers of working (and

non passported) HB claimants rose by over 180,000 (23%) in Great Britain as a whole, and this represented 95% of the overall increase in HB claimant numbers in that period. Just over a half of that increase involved claimants in the PRS. In Scotland numbers rose by some 10,000 (20%) over the same period, but with only just over two fifths of the increase involving claimants in the PRS.

While a detailed evaluation is required to provide a full understanding of the causes of that change, there are a number of likely contributory factors. Slow earnings growth in the post credit crunch years, and increased levels of part time employment are two factors to take in account, as are above inflation rises in both social sector and private rents.

However, following a further change in policy in May 2013, the numbers of HB claimants in the PRS then began to fall. Since that date LHA rates have been increased only by annual CPI inflation, except in any areas where the rise in levels of market rents was below the CPI figure. Between December 2013 and May 2015 numbers fell by some 2,000 (2%), to 94,800. But at the same time overall unemployed claimant numbers in Scotland also fell, from 142,000 in May 2011, down to just 78,000 in May 2015. While the numbers of working HB claimants in Scotland continued to rise after May 2013, it did so at a much slower rate compared to the previous four years.

The changing employment context over time makes it difficult to simply attribute the recent fall in HB claimants in the PRS to the inflation only adjustments to LHA rates. Initially this will have only a modest impact in most areas, as average private rents in Scotland rose

by 2.2% – 3.9% between 2013 and 2014, compared with a 1.5% increase in CPI over the year. However the impact will be greater in Aberdeen and Aberdeenshire where private rents have risen much more rapidly in recent years, and will have a greater cumulative impact over time. The impact will be greater still from April 2016, after which LHA rates are set to be frozen for four years (see below).

While the changes in the supply of PRS lettings to low income households have been limited to date, and clearly other factors are involved alongside the more restrictive LHA regime, there have been sundry reports highlighting the concerns of private landlords, with the suggestion that a number of them have withdrawn from letting to HB claimants, while others are considering such a withdrawal in the future.<sup>151</sup>

Finally, there is one further dimension to the changes in the LHA regime that needs to be appreciated. The LHA rates (and caps) are the basis not just for the levels of payments for tenant claimants directly accessing the PRS, but also for the rents for households placed in TA by LAs under their homelessness duties. Under the UC regime the lower LHA rates, including the SAR for young single people, (with a limited additional management allowance) will also apply to LAs seeking to secure TA for homeless households. It has been estimated that the application of the LHA rates and caps to LA temporary accommodation in Scotland will cost Scottish councils some £26.5 million a year.<sup>152</sup> In addition eligible rents for households in TA are subject to the benefit cap, and for those in local authority TA also the 'Bedroom Tax' (see further below).<sup>153</sup>

<sup>150</sup> Pattison, B. (2012) *The growth of in-work housing benefit claimants: Evidence and policy implications*. Coalville: British Social Housing Foundation.

<sup>151</sup> Communities Analytical Services Division (2014) *The impact of welfare reform on housing supply, quality and support services*. Edinburgh: Scottish Government.

<sup>152</sup> COSLA (2014) *Housing and Welfare Reform, CWEG Item 3.3*: <http://www.cosla.gov.uk/system/files/private/cw140318item3-3.pdf> An additional unpublished piece of work, undertaken by LAs for a Scottish Government chaired group on TA/supported accommodation, used a different methodology and arrived at a very similar estimate for the deficit arising from the implementation of the LHA rates plus management fee alone (i.e. without taking into account the impact of the caps).

<sup>153</sup> Arrangements are different and more generous for 'supported' and other 'specified' accommodation, as opposed to 'temporary' accommodation.

Key informants emphasised that these changes will impact on the rest of the homelessness service in many areas, as the shortfall in TA funding will have to be made up for by budget cuts in other areas of support to homeless people, especially given that high rent levels in TA have effectively been used to cross-subsidise other services in some LA areas:

*“Temporary accommodation is funded and underwritten by direct payments of Housing Benefit and substantial amounts of Housing Benefit...The whole of the British housing system is underpinned by that safety net of social housing and Housing Benefit but homelessness services are fundamentally about temporary accommodation particularly in Scotland and Housing Benefit that pays for it. As soon as you start to break the link between the direct payment of Housing Benefit to the local authority in large amounts then we start to be thoroughly destabilised, particularly in a period of austerity when other budgets are under pressure...”* (Statutory sector representative)

### **The Shared Accommodation Rate (SAR)**

Since the late 1990s single childless people aged 25 and under claiming HB have been subject to the Single Room Rent restriction, based on the expectation that young people share accommodation rather than occupy a 1-bedroom flat. Hence, for such claimants HB has been limited according to local rates for shared rather than self-contained accommodation. As from January 2012 this regime, now termed the SAR (SAR), has been extended to encompass single childless people aged under 35.

University of York research highlighted a range of implications of the SAR changes for homelessness,<sup>154</sup> including generating

significant additional demand for the shared segment of the PRS, in a context of existing shortages of shared accommodation in many areas. There is also a greater risk of unstable or failed tenancies, particularly given the increased potential for friction arising from a wider mix of ages sharing and the unsuitability of some ‘stranger’ shared settings for vulnerable tenants with support needs. The administrative data suggests that the SAR changes have led to reductions across England, Scotland and Wales in the numbers of young single people able to access accommodation in the PRS since their inception, including the period when overall PRS HB cases were rising. In Scotland the numbers of those under 25 in the PRS supported by HB fell from 3,981 in December 2011 to just 3,027 in May 2015, while the numbers of those aged between 25 and 34 fell from 8,593 to 6,466 over the same period.

In theory, the LHA rates for two bed and larger dwellings would permit, in most parts of Scotland, landlords to increase their rental income by converting to letting to sharing single people. However, against that it must be recognised that there are additional costs associated with multi occupancy lettings, as well as other factors that mitigate against their growth.

Key informants in this year’s Monitor emphasised that, while the SAR might now be considered ‘old news’, it continues to cause major problems across Scotland with respect to the access of younger single people to the PRS. There are also specific implications with respect to statutory homelessness policy because, unlike elsewhere in the UK, single people under 35 (most of them single men) are the main statutory homeless client group in Scotland. The SAR is not so much an issue with respect to discharge of the main homelessness

<sup>154</sup> Centre for Housing Policy, University of York (2011) *Unfair Shares: A Report on the Impact of Extending the Shared Accommodation Rate of Housing Benefit*. London: Crisis.



duty where, as elsewhere in the UK, the PRS is rarely used,<sup>155</sup> but it is perceived to be a major obstacle for Housing Options teams seeking to use the PRS as a means to prevent or resolve homelessness (see Section 3.2 above).

LAs across Scotland were said to be experimenting with 'flatshare' schemes in response to the SAR and, while details differ, one statutory sector key informant referred to these as the 'big thing' of the moment, with LAs "finding their feet" and trying to learn from the Crisis flatshare projects in England. However, cultural antipathy towards the PRS in general, and shared accommodation in particular, has been found amongst some Scottish LAs in recent Crisis research, as well as a shortage of assistance aimed specifically at helping young people needing to share.<sup>156</sup> There was also scepticism expressed by some of the LAs we interviewed who had tried flatshare schemes in their social housing:

*"...we tend to discourage sharing [on the basis of experience] it just doesn't work. Absolute nightmare. It wasn't just young people, it was all ages, it just doesn't work with two households that have never known each other and have to share a bathroom and kitchen – arguments about visitors and who puts money in the meter, one leaves the tenancy and the others left. It's not about ASB, it's just the relationship. It was a nightmare for estate management"* (Manager, LA homelessness service)

*"... in the last year we've done probably three or four of them [flatshares], but honestly you have no idea of angst and anticipation and work to get them together. In fairness the ones that we've chosen so far have been people who know each other*

*and they usually have come through care where you've got Social Services saying you know what, there's two different sets of skills coming together here that will complement and it makes sense."* (Manager, LA homelessness service)

### 'Bedroom Tax'

In Scotland, it was estimated that about 13% of all social tenants, and a third of those in receipt of HB, will be affected by the 'Bedroom Tax' (see also Chapter 5), with the HB losses for these households averaging £12 per week.<sup>157</sup>

The incidence of under occupation, and perspectives on the issue, clearly vary across the country. There are higher levels of under occupation in the social sector in areas where housing markets are less pressured, and as a result allocation policies are more relaxed. In part this is also a response by landlords to the imbalance between the stock of dwellings they hold, and the levels of demand from different household groups (in particular many social landlords have limited supplies of one bedroom accommodation, other than in sheltered housing schemes). In broad terms, therefore, the 'Bedroom Tax' has aroused more concern in Scotland (and the North and Midlands of England and in Wales) than it has in London and the South of England.

In practice, the numbers of tenants affected by the 'Bedroom Tax' have been somewhat lower than anticipated by the Department for Work and Pensions (DWP), but the numbers impacted have only declined slowly since the measure was introduced in April 2013. In Great Britain as a whole numbers fell by 18.3%, from just under 560,000 in May 2013 to just under 460,000 in May 2015.

There has been a much smaller (10.1%)

<sup>155</sup> This is in part a product of the very strict legislative conditions imposed on discharge of duty into 'non-permanent' accommodation. See: <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/access/Section32ARegulations>

<sup>156</sup> Sanders, B. & Dobie, S. (2015) *Sharing in Scotland: Supporting young people who are homeless on the Shared Accommodation Rate*. London: Crisis.

<sup>157</sup> DWP (2012) *Housing Benefit: Under occupation of social housing – impact assessment (Updated)*: <http://www.dwp.gov.uk/docs/social-sector-housing-under-occupation-wr2011-ia.pdf>

reduction in the numbers impacted in Scotland – from just over 80,000 in May 2013 to just over 72,000 in May 2015. Indeed the numbers impacted in Scotland have been relatively constant since November 2013, with the whole of the fall in numbers occurring during the first few months of the policy's operation. This slower rate of reduction is in large measure a result of the very substantial support provided by the Scottish Government to increase the budget available to local authorities to provide Discretionary Housing Payments (DHPs) to households impacted by the 'Bedroom Tax' (as well as other welfare reform measures). DHPs are discussed later in this section.

Despite the high level of support provided in Scotland by DHPs the initial reduction in the numbers of households subject to the 'Bedroom Tax' can be explained in part by tenants transferring to smaller dwellings. In 2013/14, social landlord new lettings to existing tenants rose by over 2,700 (28%), before easing back down in 2014/15.<sup>158</sup>

The 'Bedroom Tax' has been a controversial measure, particularly in Scotland, and has been the subject of a number of critical reports. These have variously highlighted the limitations of the bedroom standard applied to determine whether or not households are deemed to have 'spare' rooms, and in particular the failure to make adequate provision for households with disability and other health issues, and the assumption that all bedrooms are capable of being shared regardless of their size.<sup>159</sup> Further criticisms have highlighted the limited availability of smaller dwellings in the social sector stock available to meet the demand for 'downsizing' transfers by households seeking to avoid the financial costs of the 'Bedroom Tax', and the financial impacts and resulting

hardships for those households impacted by the measure (but not supported by DHPs).

Given that the 'Bedroom Tax' has been heavily mitigated by DHPs for those already living in 'too large' properties in Scotland, its main ongoing homelessness impact was said to be to restrict access to new social tenancies for single people who are currently homeless:

*"People staying longer in system, such a big shortage of one bedroom houses, much more difficult to move people on than used to be..."* (Manager, voluntary sector homelessness service)

### Universal Credit

The Coalition Government programme for a UC and a cap on maximum total household benefits represented the most significant changes to the welfare benefits regime for forty years. The Welfare Reform Act (which was passed in March 2012) included the outline provisions for the new UC regime to replace Working Tax Credits, Child Tax Credits, HB, Income Support, and the income-related Jobseeker's Allowance and Employment and Support Allowance (ESA), with the UC. It does not, at present, cover Council Tax Benefit.

The Government intended to introduce UC for new claimants from October 2013 and to 'migrate' existing claimants onto the scheme over a subsequent four-year period. In practice, however, this timetable has been subject to serious delays, associated with the complex IT system required to support this centrally administered online regime. These changes were advocated not only as administrative simplification, but also to improve work incentives and make the potential gains to households entering

<sup>158</sup> Authors' analysis of Social Housing Regulator Charter datasets, plus earlier data from Scottish Government and Scottish Housing Regulator statistical tables.

<sup>159</sup> Scottish Parliament (2013) *The 'Bedroom Tax' in Scotland, Welfare Reform Committee 5th Report, 2013 (Session 4)*. Edinburgh: Scottish parliament; SFHA (2014) *The real cost of the bedroom tax*: [http://www.sfha.co.uk/index.php?option=com\\_docman&task=doc\\_download&gid=3617&Itemid=75](http://www.sfha.co.uk/index.php?option=com_docman&task=doc_download&gid=3617&Itemid=75); Wilcox, S. (2014) *Housing benefit size criteria: Impacts for social sector tenants and options for reform*. York: JRF.

low-paid work more transparent. Central to this is that, with a single unified benefit structure, there will be a single ‘taper rate’ through which help is withdrawn as earned incomes rise. Under UC it is envisaged that benefit recipients will be subject to marginal deductions from additional earnings at a maximum rate of 76% – much lower than their maximum level under the current system.<sup>160</sup>

While the UC as a whole was not in itself an initial cost saving measure, it is being introduced in a context where the Coalition Government had already set in train a series of significant cut backs in the levels of available benefits, including the HB reforms discussed above, and the levels of support available for child care costs within the child tax credit regime. In total the various cut backs by 2014/15 were expected to provide the government with annual savings totaling some £19 billion, of which £1.7 billion related to Scotland.<sup>161</sup> Ministers also expressed the hope that the more effective and transparent incentives offered by the UC scheme would lead to more households entering the labour market, thus leading to longer term expenditure savings.

There have been many issues involved in the design of UC, in particular the logistical challenge of integrating the tax and benefit IT systems. The objective of a single integrated and simplified benefit system has also been diluted by the decision not to include Council Tax Benefit within UCs.

In policy terms, the greatest concerns about UC have focused on its wholly centralized online operation (particularly for households with learning, literacy or language issues)<sup>162</sup>, and the arrangements for UC payments to be made only monthly, with the provision for

rental costs within UC being paid to tenants, rather than to landlords. The demonstration projects set up to develop best practice in the landlord and support arrangements required to minimize the impacts on rent arrears, and the operation of the provisions to enable payments to be made direct to landlords when arrears nonetheless occur, found that over an 18 month period the participating landlords experienced, on average, a 5.5 percentage point reduction in the proportion of rents they received from claimants.<sup>163</sup>

However, due to the delays in the roll out of the UC regime there is still very little practical experience of its operation. By July 2015, just 89,357 people were on the UC caseload, of which 6,656 were in Scotland.<sup>164</sup> The character of the UC regime will also change in the future as a result of various changes to the regime announced in the Summer 2015 Budget. These are discussed in Section 3.4 below.

### Benefit caps

A further critical related reform has been the maximum cap on total benefits for out of work households below retirement age, which came into effect in April 2013. The cap is based around the national average wage, but with a lower limit set for single people. These caps – which have initially stood at £350 for single person households and £500 for couples and lone parents – are at a flat rate across the whole UK, with no variations to take account of housing costs.

As a consequence the cap is particularly hard-hitting for larger families in areas of high housing costs, because it will severely constrain the maximum amount of HB such households can access, limiting their ability to meet ‘affordable’ or even social rents in some cases. For very large families the impact is also felt in areas with relatively low rents.

<sup>160</sup> Institute for Fiscal Studies (2011) *Universal Credit – A Preliminary Analysis*. London: IFS.

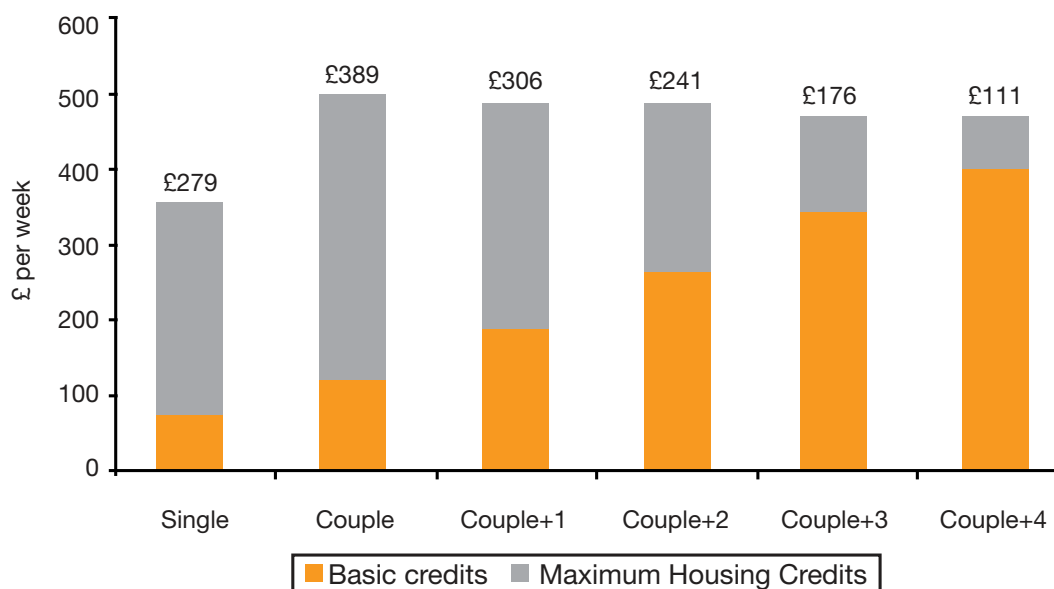
<sup>161</sup> Beatty, C. & Fothergill, S. (2013) *Hitting the poorest places hardest*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

<sup>162</sup> Wright, S. & Haux, T. (2011) *Welfare reform on the receiving end: user and adviser perspectives*. London: CPAG.

<sup>163</sup> DWP (2014) *Direct Payment Demonstration Projects: Key findings of the programme evaluation*. London: DWP.

<sup>164</sup> DWP (2015) *Universal Credit – monthly experimental official statistics to 30th July 2015*. London: DWP.



**Figure 3.1 Impact of the maximum benefit cap**

Source : UK Housing Review 2012 Briefing Paper

An indication of the level of funding available for housing costs under the caps, without requiring households to reduce their expenditures on essential living costs below the levels provided for in basic benefit allowances, can be seen in Figure 3.1.

The DWP impact assessment estimated that the benefit cap would impact on some 2,500 households in Scotland (with some 7,000 children). Across Great Britain as a whole it also estimated that more of the households affected would be in the PRS, and that more lone parent families would be affected than couples.<sup>165</sup> Provisions relating to households in supported and other forms of 'specified accommodation' were amended in 2014.<sup>166</sup> Those households are exempt from the benefit cap, unless the accommodation is provided by a LA. The only exception to that rule is in the case of LA hostels that do not provide self-contained accommodation. Prior to April 2014 only 'exempt' accommodation

qualified to avoid the application of the benefit cap. In a related change since November 2014 all households in specified accommodation have been treated as HB cases, and do not come under the UC scheme. This has facilitated the continuation of direct HB payments to the specified accommodation landlords.

Across Great Britain as a whole, by May 2015 over 60,000 households had been subject to the cap, and 22,600 were capped at May 2015. In Scotland, 2,944 were capped over that period, with 769 capped as at May 2015. Of those, 600 cases involved families with three or more children, and 362 cases involved losses to the households of over £50 per week. The relatively low numbers of households in Scotland so far impacted by the benefit cap reflects the lower levels of social and private rents in Scotland compared to other parts of Great Britain, and London in particular.

<sup>165</sup> DWP (2012) *Benefit Cap (Housing Benefit regulations 2012): Impact assessment for the benefit cap*. London: DWP.

<sup>166</sup> Sitra & Homeless Link (2014) *Changes to Supported Accommodation contained in the "The Housing Benefit and Universal Credit (Supported Accommodation)(Amendment) Regulations 2014"*. London: Sitra & Homeless Link.

### Discretionary Housing Payments

As noted above, local authorities have been provided with an increase in their budgets for DHPs in order to ameliorate the impact of the various Coalition Government welfare reforms, at least for some cases. DHPs are top-up HB payments to close or eliminate the gap between a household's benefit entitlement and the rent being demanded by their landlord.

Across Great Britain as a whole DWP made provision of an additional £40 million a year over the three years to 2014/15 for the LHA reforms, £115 million over the two years 2013/14 and 2014/15 for the 'Bedroom Tax', and up to £110 million over those two years for the introduction of the national benefit caps.<sup>167</sup> This was in addition to the 'core' DHP funding of £20 million a year for all purposes. However, while the DWP allocations are notionally based on budgets for these individual policy elements, in practice local authorities are, subject to guidance, free to make awards as they see fit within their overall DHP budget.

Total DWP allocations for Scottish local authorities were £18.1 million in 2013/14, and £15.2 million in 2014/15. In Scotland however, that budget was significantly enhanced by the Scottish Government, that was particularly concerned about the impact of the 'Bedroom Tax'. The Scottish Government added £20 million to the DHP budget in 2013/14, and £32 million in 2014/15. Of that, £12 million was only added in the second half of 2014/15 after the Scottish Government had persuaded DWP to lift restrictions on the extent to which they could enhance the DWP budget provision.

In practice Scottish authorities spent £29.3 million on DHPs in 2013/14,<sup>168</sup> and £50.5

million in 2014/15.<sup>169</sup> Of that expenditure, around four fifths of all DHP awards related to the 'Bedroom Tax' – some £40 million in 2014/15. In contrast just £2.6 million of DHP payments related to the LHA reforms, and £1.2 million related to the Benefit Cap.

Clearly, the allocation of DHPs was a challenging task for local authorities, particularly with the substantial broadening of the schemes scope and associated hike in budgets in 2013, 14 and 15. Nonetheless, by 2014/15 Scottish authorities, as a whole, made full use of their DWP & Scottish Government DHP allocations, and in many cases contributed additional funding from their own resources. Indeed, 18 Scottish councils contributed an additional £4.5 million in DHP spend in 2014/15, while 14 councils underspent their budget allocations by £1.2 million.

As seen above, the support provided by DHPs significantly eased the impact of the 'Bedroom Tax' on social sector tenants, and their landlords, in Scotland, and without the additional funds provided by the Scottish Government the impact on rent arrears, and eventually evictions, would clearly have been far greater.

For 2015/16 DWP has reduced its Great Britain budget for DHPs from £165 million to £125 million. The impact on DHP expenditure in Scotland will, however, be limited as the Scottish Government has increased its provision for DHPs to £35 million. Nonetheless, the heavy reliance on discretionary arrangements to play such a major role in supplementing the underlying national welfare system must be seen as inherently challenging, and problematic. There are issues around not just local authorities' different priorities, and the extent to which they make use of the

<sup>167</sup> DWP (2015) *Use of Discretionary Housing Payments GB – Analysis of end of year returns from local authorities April 2014 – March 2015*. London: DWP.

<sup>168</sup> Scottish Government (2014) *Use of Discretionary Housing Payments in Scotland April 2013 – March 2014*. Edinburgh: Scottish Government.

<sup>169</sup> Scottish Government (2015) *Use of Discretionary Housing Payments in Scotland April 2014 – March 2015*. Edinburgh: Scottish Government.

budget provisions, but about the effective co-ordination of policies and administration between the benefit and homelessness divisions within each authority.

### Benefit conditionality and sanctions

The intensification of the benefit sanctions regime over the past few years has been highlighted as an acute area of concern across the UK in this Homelessness Monitor series, with the most dramatic trends seen following the introduction of the new sanctions regime in 2012.<sup>170</sup> The majority of Jobseekers' Allowance (JSA) claimants sanctioned under the new regime have been subject to a four week suspension of their benefits, leading to a loss on average of around £280, though for some claimants the level of lost income will be much higher.<sup>171</sup> JSA sanctioning rates in Scotland appear to be slightly lower than in other parts of the country, though it has been noted that these rates vary substantially between Scottish LAs, in ways which are not readily explicable by reference to systematic differences in claimant populations.<sup>172</sup> Sanctioning of ESA (Work Related Activity Group) claimants has also increased over the past year, in Scotland as elsewhere in the UK.<sup>173</sup>

A growing body of research indicates that already disadvantaged or vulnerable groups are at particular risk of being sanctioned, including those who lack work experience, have health issues/or a disability, and lone parents.<sup>174</sup> Freedom of Information requests have revealed that ESA sanctions across

Great Britain overwhelmingly affect those with mental and behavioural disorders.<sup>175</sup> Young people are at particularly high risk of being sanctioned,<sup>176</sup> with Scottish Government analysis indicating that 16-24 year olds accounted for more than 40% of all sanctions in 2014, although they comprised only 23% of all JSA claimants.<sup>177</sup> While some key informants interpreted this as resulting from young people's lack of compliance with conditions (e.g. because they 'won't get up in the morning'), others emphasised that the administration of benefits is 'not young person friendly' and that sanctions represents a 'very severe punishment'. It was also suggested that young people are:

*"...easier to sanction because they won't stand on their rights the way that maybe women who have children or whatever would maybe seek help to challenge a decision in a way that young people are less likely to."* (Manager, LA homelessness service)

Homeless people have been consistently identified as at high risk of sanctioning.<sup>178</sup> In a report scoping the links between benefit sanctions and homelessness, it was suggested that this is most likely due to both homeless people sharing characteristics with groups most likely to be sanctioned (i.e. they are more likely to be male and young) as well as the support needs and chaotic circumstances associated with homelessness that can make compliance with benefit conditionality more challenging.<sup>179</sup> The final

<sup>170</sup> Watts, B., Fitzpatrick, S., Bramley, G., & Watkins, D. (2014) *Welfare Conditionality and Sanctions in the UK*. York: JRF.

<sup>171</sup> Scottish Government (2015) *JSA Sanctions in Scotland – July 2015*: <http://www.gov.scot/Topics/People/fairerscotland/analysis/jsasanctionsinscotland>

<sup>172</sup> Kenway, P., Bushe, S., Tinson, A. and Born, B. (2015) *Monitoring Poverty and Social Exclusion in Scotland 2015*. York: JRF/NPI.

<sup>173</sup> Scottish Government (2015) *ESA Sanctions in Scotland – July 2015*: <http://www.gov.scot/Topics/People/fairerscotland/analysis/esasanctionsinscotland>

<sup>174</sup> Watts, B., Fitzpatrick, S., Bramley, G., & Watkins, D. (2014). *Welfare Conditionality and Sanctions in the UK*. York: JRF; Scottish Government (2013) *The Potential Impacts of Benefit Sanctions on Individuals and Households*. Edinburgh: Scottish Government.

<sup>175</sup> Church Action on Poverty. (2015) *Time to Rethink Benefit Sanctions*: <http://www.church-poverty.org.uk/rethinksanctions/report/reportpdf>

<sup>176</sup> Watts, B., Fitzpatrick, S., Bramley, G., & Watkins, D. (2014) *Welfare Conditionality and Sanctions in the UK*. York: JRF.

<sup>177</sup> Scottish Government (2015) *JSA Sanctions in Scotland – July 2015*: <http://www.gov.scot/Topics/People/fairerscotland/analysis/jsasanctionsinscotland>

<sup>178</sup> Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. London: Homeless Link; Crisis, St Mungo's, & Homeless Link (2012) *The programme's not working: Experiences of homeless people on the Work Programme*. London: Crisis, St Mungo's & Homeless Link; Beatty, C., Foden, M., McCarthy, L., & Reeve, K. (2015) *Benefit sanctions and homelessness: a scoping report*. London: Crisis.

report from this study, due to be published in Autumn 2015, should shed more light on the precise nature of the link.

Key informants for this year's Monitor confirmed that sanctions are now a major concern within the homelessness sector – “..we are always talking about sanctions now...becoming part of the fabric” (statutory sector key informant) – with serious implications for people's capacity to avoid homelessness:

*“...they're pretty strict with the sanctions. People get sanctioned all the time, on and off, on and off, it's a month, then two months, then up to [3] years which is a long time for someone to live in crisis all the time...”* (Manager, LA homelessness service)

A major concern surrounds the inability of those living in temporary or supported accommodation to pay service charges when they are sanctioned. Rent arrears can then build up, which can jeopardise their chances of being rehoused, and can also over time challenge the financial viability of accommodation projects. Particular anxiety was voiced by those providers working with homeless people with the most complex needs:

*“...at worst it [sanctions] increases their chaos, their crisis, it increases their vulnerability. It leads, in our minds, to increases in reliance on street begging. Vulnerabilities increase with regards to addiction... So it makes the routes off the street tougher, and the longer somebody's*

*on the street... the more complex their needs will become as a result of that. So more sanctions mean for the individuals we already work with, it increases their need for support...more intensive packages of support are needed.”* (Manager, voluntary sector service provider)

One of the most high profile and controversial claims made about the impact of the intensifying sanctions regime is that it is driving an increase in the demand for food aid provision.<sup>180</sup> Trussell Trust data indicates that in 2014/15, around 117,700 people (36,000 of them children)<sup>181</sup> were recipients of assistance from food banks in Scotland, an eight-fold increased over a two year period. Though the UK Government has denied a causal link between the growth of food banks and benefit sanctions, it is now widely believed that such a link exists, including by the Scottish Parliament.<sup>182</sup> Key informants for this year's Monitor reported directing service users to food banks as a matter of routine:

*“We are continually sending people to food banks. This is people outside the ‘culture’ of homelessness, it used to be just people who were used to using the missions, food banks, shelters, who'd spent their whole lives in that world. That's changed now in my opinion... It's almost automatic that we send clients to food banks now...Almost everyone who comes in.”* (Manager, LA homelessness service)

### Scottish Welfare Fund

The SWF was established in 2013, following the abolition of the centrally administered Social Fund in 2013 and the transfer of

<sup>179</sup> Beatty, C., Foden, M., McCarthy, L., & Reeve, K. (2015) *Benefit sanctions and homelessness: a scoping report*. London: Crisis.

<sup>180</sup> MacLeod, M (2015) *Making the Connections: A study of emergency food aid in Scotland*. Glasgow: The Poverty Alliance; Scottish Parliament (2014) *Welfare Reform Committee 2nd Report, 2013 (Session 4): Food Banks and Welfare Reform*. Edinburgh: Scottish Parliament; Sosenko, F., Livingstone, N. and Fitzpatrick, S. (2013) *Overview of food aid provision in Scotland*. Edinburgh: Scottish Government Social Research.

<sup>181</sup> Trussell Trust record the number of people receiving food aid, not the number of households receiving assistance. These may not represent unique users. See <http://www.trusselltrust.org/stats>

<sup>182</sup> Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G., Sosenko, S. and Watts, B. (2015) *Destitution in the UK: An interim report*. York: JRF; MacLeod, M (2015) *Making the Connections: A study of emergency food aid in Scotland*. Glasgow: The Poverty Alliance; Scottish Parliament (2014) *Welfare Reform Committee 2nd Report, 2013 (Session 4): Food Banks and Welfare Reform*. Edinburgh: Scottish Parliament; Sosenko, F., Livingstone, N. and Fitzpatrick, S. (2013) *Overview of food aid provision in Scotland*. Edinburgh: Scottish Government Social Research.

responsibility and funding to the Scottish Government. This budget-limited Scotland-wide scheme aims to (a) provide a safety net in an emergency (through Crisis Grants) and (b) enable people to (continue to) live independently, avoiding institutional care (through Community Care Grants). The SWF budget is 'ring-fenced' and its administration supported by guidance developed by Scottish Ministers in partnership with local government and other stakeholders.<sup>183</sup> The Scheme was initially introduced on an interim basis, and following a review<sup>184</sup> and consultation process, the Welfare Funds (Scotland) Bill was introduced to set out the scheme in law.<sup>185</sup> The resulting legislation will come into force in April 2016, establishing a duty on LAs to deliver allocated funds in line with Scottish Government regulations and guidance. This focus on Scotland-wide consistency represents a clear divergence with the current and previous Westminster Government's emphasis on local discretion in the provision and design of Local Welfare Assistance in England.<sup>186</sup>

Since SWF began in 2013, 151,000 households have received at least one award from the Fund, over half of which were single person households.<sup>187</sup> Overall, a third of recipients have a recorded vulnerability,<sup>188</sup> with 15% being homeless or living an unsettled way of life.<sup>189</sup> Between 2013/14 and 2014/15, applications to the fund increased by 25%, though this is understood in large part to reflect greater awareness of the scheme following slow initial uptake.<sup>190</sup> During

2014/15, £37.3 million was made available via the SWF, of which 96% was spent. In total, 47,000 Community Care Grants were awarded (65% of applications were successful) with an average value of £598, most commonly to fund furniture and white goods (e.g. floor coverings, cookers, washing machines). In addition, 103,000 Crisis Grants were awarded (72% of applications were successful), with an average value of £72, most often to cover food and other living expenses and heating costs.<sup>191</sup>

The Scottish Government funded evaluation of the interim SWF scheme concluded that "applicants were overall satisfied" with its operation (p.66),<sup>192</sup> notwithstanding a number of recommendations that were made for improved practice. Key informants in this year's Monitor were likewise relatively positive about the SWF, largely taking the view that initial problems had been addressed:

*"...people didn't know about it and it wasn't well utilised, and the reissued guidance... seems to have helped... We've done a bit of research asking service providers who've accessed the fund on behalf of users and how they're finding it and actually, everything's been pretty positive, so we're going to feed that back. There were a lot of fears, but people are saying that it actually is quite a fair system."* (Voluntary sector manager)

The use of food banks instead of the SWF has been actively discouraged by

<sup>183</sup> Scottish Government (2015) *Scottish Welfare Fund Guidance – April 2015*. <http://www.gov.scot/Topics/People/fairerscotland/scottishwelfarefund/scottishwelfarefundguidance>

<sup>184</sup> Sosenko, F., Littlewood, M., Strathie, A., & Fitzpatrick, S. (2014) *Review of the Scottish Welfare Fund Interim Scheme*. Edinburgh: Scottish Government.

<sup>185</sup> See <http://www.gov.scot/Topics/People/fairerscotland/scottishwelfarefund/welfarefundsbill>

<sup>186</sup> Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

<sup>187</sup> Note that individuals can apply for CCG and Crisis Grants simultaneously. Scottish Government (2015) *Scottish Welfare Fund Statistics: 2014/15*: <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/swf/SWF31Mar2015>

<sup>188</sup> Ibid.

<sup>189</sup> Table 48a Scottish Welfare Assistance Statistics 2014/15: <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/swf/SWF31Mar2015>

<sup>190</sup> Scottish Government (2015) *Scottish Welfare Fund Statistics: 2014/15*: <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/swf/SWF31Mar2015>

<sup>191</sup> Ibid.

<sup>192</sup> Sosenko, F., Littlewood, M., Strathie, A., & Fitzpatrick, S. (2014) *Review of the Scottish Welfare Fund Interim Scheme*. Edinburgh: Scottish Government.



the Scottish Parliament's Welfare Reform Committee, which argued that "...financial support rather than simply food aid during an individual's time of crisis can ensure the individual retains a greater freedom of choice and feeling of control".<sup>193</sup> This reasoning underpinned the provision of financial rather than in-kind support via the SWF. But some homelessness service providers participating in this study reported directing their clients in crisis to food banks because the "SWF takes time" and sanctions impact very swiftly.

There had been initial concerns when the SWF was set up that sanctioned benefit claimants would not be eligible for help, but the most recent guidance explicitly states that:

*"Applicants subject to a suspension, disallowance or a sanction by DWP can apply for help from the Scottish Welfare Fund... in the same way as any other applicant... Local Authorities should consider eligibility and prioritisation in the normal way... The reason for the sanction or the way it has been applied should not be taken in to consideration in assessing the application."*<sup>194</sup>

### 3.4 Welfare reforms introduced by the new UK Government, and the new welfare policy powers for the Scottish Government

A further round of detailed welfare reforms and cuts were announced in the 2015 Summer Budget,<sup>195</sup> and will take effect in the coming years, adding to the impacts on low income households from the continuation of the welfare cuts and reforms discussed above. These are major reforms that have particular implications for young

single people and larger families, and more generally for the ability of low income households to access the PRS. The main elements of these further cuts and reforms are outlined below:

- Young single out of work people (aged 18-21) will cease to be eligible for housing support in new claims for Universal Credit from April 2017, unless deemed to be 'vulnerable'. This is estimated to impact on just over 2,000 single people in Scotland.<sup>196</sup> Universal Credit recipients in this age group will also be subject to an intensified regime of support and conditionality under the Youth Obligation and will after 6 months be expected to apply for an apprenticeship, traineeship, gain work experiences or my placed on a mandatory work placement;
- Universal Credit allowances will be limited to support for two children for new claims after April 2017, and the 'family element' will also be removed from tax credit and Universal Credit allowances for all new families after that date. There are currently some 50,000 households in Scotland with three or more children in receipt of tax credits;<sup>197</sup>
- The benefit cap for out of work claimants will be lowered to £13,400 a year for single people and £20,000 for all other households. This will significantly extend the impact of the benefit cap on households in Scotland. The DWP Impact Assessment suggests that for Great Britain as a whole the numbers impacted by the cap will quadruple to 126,000;<sup>198</sup>
- Benefit rates (including LHA rates) will be

<sup>193</sup> p. 21 in Scottish Parliament (2014) Welfare Reform Committee 2nd Report, 2013 (Session 4): *Food Banks and Welfare Reform*. Edinburgh: Scottish Parliament.

<sup>194</sup> p.13 in Scottish Government (2015) *Scottish Welfare Fund Guidance – April 2015*: <http://www.gov.scot/Topics/People/fairerscotland/scottishwelfarefund/scottishwelfarefundguidance>; and see Scottish Parliament (2014) Welfare Reform Committee 2nd Report, 2013 (Session 4): *Food Banks and Welfare Reform*. Edinburgh: Scottish Parliament.

<sup>195</sup> HM Treasury (2015) *Summer Budget 2015*. London: HM Treasury.

<sup>196</sup> Scottish Government (2015) *Initial Assessment of Budget and Benefit Reforms, July 2015*. Edinburgh: Scottish Government.

<sup>197</sup> Ibid.

frozen for four years from 2016/17;

- The taper rate in tax credits will be increased from 41 pence in the pound to 48 pence in the pound from April 2016, and will be applied from a much lower income threshold (£321 per month rather than £535 per month). The income thresholds (above which entitlements are progressively reduced) for UC will also be reduced by cuts to the levels of the 'work allowance', to zero for childless households with housing costs (except for disabled claimants) and to £192 per month for families with children. These measures will impact on some 200,000 to 250,000 households in Scotland;<sup>199</sup>
- Against all these changes, the Great Britain budget provision for DHPs will rise from £125 million this year to an average of £160 million over each of the next five years.

The Scottish Government, as part of the post referendum constitutional settlement, is to be provided with some limited new powers in respect of the operation of welfare policies in Scotland. The legislation to provide these new powers has yet to complete its course through the UK Parliament, so there is still some uncertainty about the precise details of the powers to be devolved. However, it is expected to broadly follow the recommendations of the Smith Commission and to give the Scottish Government powers over:

- Attendance Allowances
- Carer's Allowances
- Disability Living Allowances

- Personal Independence Payments
- Industrial Injuries Disablement Benefit
- Severe Disablement Allowance
- Elements of the Regulated Social Fund
- DHPs.<sup>200</sup>

While the new powers are circumscribed they will permit the Scottish Government to, amongst other things, revise the administrative arrangements for the operation of UC, both by varying the periods of payment, and making general provision for direct payments to social landlords of UC elements related to rental costs. The Scottish Government will also have powers to vary the housing cost elements of UC, including powers to vary the 'Bedroom Tax' (effectively enabling its abolition in Scotland). There are also powers to provide discretionary payments to top up DWP 'reserved' benefits.

There are continuing concerns about the limited nature of these new powers, which relate to only some 15% of total welfare benefits expenditure in Scotland.<sup>201</sup> They will consequently only provide the Scottish Government with limited opportunities to ameliorate the impact of the new UK Government welfare reforms outlined above.

### 3.5 Scottish Government Housing Policy

Housing policy has been fully devolved to Scotland since 1999, and in many important respects differed to policy in England and Wales long before then. That devolution does not, however, include regulation of the financial and mortgage markets for the private housing sector.

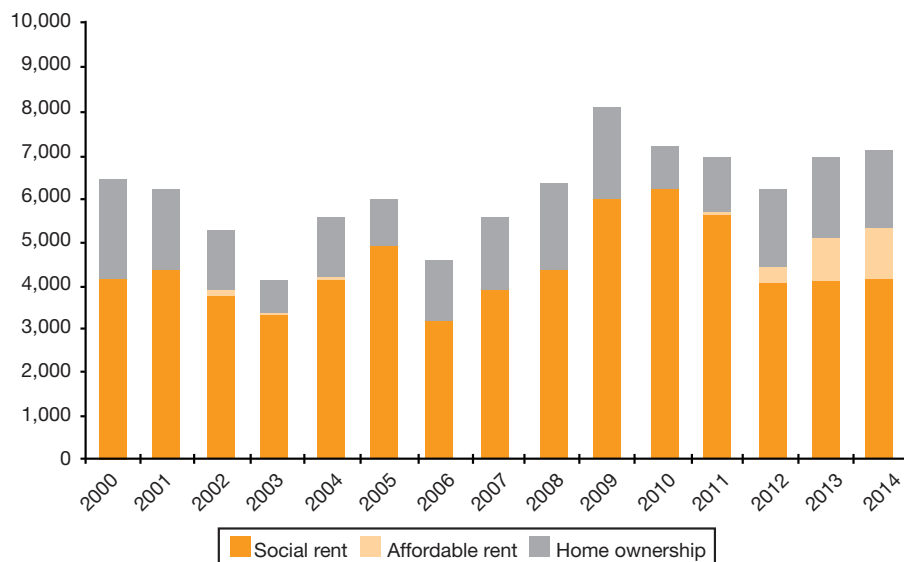
<sup>198</sup> DWP (2015) *Welfare Reform and Work Bill: Impact Assessment for the benefit cap*. London: DWP.

<sup>199</sup> Scottish Government (2015) *Initial Assessment of Budget and Benefit Reforms, July 2015*. Edinburgh: Scottish Government.

<sup>200</sup> Scottish Government (2015) *Social Security for Scotland: Benefits being devolved to the Scottish Parliament, March 2015*. Edinburgh: Scottish Government.

<sup>201</sup> Scottish Government (2015) *A Stronger and Fairer Scotland*. Edinburgh: Scottish Government.



**Figure 3.2 New supply of affordable housing – Completions 2001/02 to 2014/15**

Source: Affordable Housing supply Programme Statistics

A number of features of Scottish housing policy have already been referred to in relevant parts of Section 2. This section provides a fuller account of three important aspects of Scottish housing policy – the Affordable Housing Supply Programme (AHSP), the Right to Buy (RTB) and policy towards the PRS.

### The Affordable Housing Supply Programme

The AHSP has continued to make a substantial contribution to overall new housing supply in the post credit crunch years, as well to the more specific supply of social rent and other forms of affordable housing (see Figure 3.2). Given the boost to the AHSP budget for 2015/15 (up from £341.3 million in the previous year to £463 million), the prospects are also good for the coming year. Indeed the Scottish Government is well on course to meet its own target of providing 30,000 new affordable dwellings over the five years to 2015/16. Beyond that, however, the Scottish Government's funding

will be constrained by the consequential adjustments that will arise from the new UK governments' austerity programme for the next four years. Nonetheless, as indicated above, the SNP has committed itself to providing 50,000 new affordable homes over the five years of the next Scottish Parliament.

It is also notable that Scotland has continued to support substantial new investment in social rent, with the growth in affordable rent limited to targeted provision for moderate income households. This is in sharp contrast to England where investment in affordable rent – for all low income households – has now almost totally replaced investment in new social rented stock.<sup>202</sup>

A new report has just been released by Shelter arguing the case for a programme to provide some 12,000 new affordable dwellings a year in Scotland. While the research on which it is based has been

meticulously conducted, and is closely linked to the housing market model developed by the Scottish Government Centre for Housing Market Analysis, its key argument rests on an ambitious target to deal with the backlog on unmet housing need over a five year period.<sup>203</sup>

### Right to buy

The Scottish Government has now legislated to abolish the RTB from August 2016. This will apply both to the original RTB, and the ‘modernised’ version of the RTB (with lower discounts) that was introduced for new tenants of eligible landlords from 2002.

This will only have a limited impact as over the last five years sales in Scotland under both versions of the RTB have been running at only a little over 1,500 a year. There is, however, likely to be an upturn in sales during the remaining period before the abolition takes force.

Nonetheless, once introduced it will prevent further losses to the social rented sector stock, although there will be a continuing impact from previous sales in the form of lost relets for many years to come. Research has suggested that on average households exercising the RTB continue to live in the purchased dwelling for fifteen years, and that the impact of sales on relets is gradual and spread over several decades.<sup>204</sup> Social landlords will also incur a small loss in RTB receipts – of just over £6 million a year based on latest values and average levels of sales over the last five years.

### Private rented sector

As in the rest of the UK the PRS has grown rapidly in Scotland in recent years, and now accounts for some 15% of the total housing stock in Scotland, compared to just 7% in the year 2000.

There has been a Landlord Registration scheme in operation in Scotland since 2006, and stronger powers to reinforce the scheme were provided by The Private Rented Housing Act (2011). Three Tenancy Deposit Schemes approved by the Scottish Government were also opened in 2012.<sup>205</sup>

Going forward, the Scottish Government now proposes to introduce significant improvements to private tenants’ security of tenure. The ‘no-fault’ ground for possession will be abolished, so that landlords would only be able to secure possession under specified grounds. However, as well as rent arrears and antisocial behaviour grounds, landlords are also proposed to be able to secure possession if they wish to refurbish or sell the property.<sup>206</sup> But even with those additional grounds this change will be a very considerable improvement on the virtual absence of security that currently applies to private tenants under the short assured tenancy regime.

### 3.6 Key points

- This is a time of continuing policy development on homelessness in Scotland, with youth homelessness garnering significant attention in recent years and ‘multiple exclusion homelessness’ a key focus of expected future activity.
- Of particular relevance to the latter, there have been recent positive developments with regard to renewed engagement of the health sector in addressing homelessness in Scotland, and important opportunities, as well as challenges, are presented by the health and social care integration process.
- While the principles of Housing Options have been widely endorsed in Scotland, there has been considerable controversy

<sup>203</sup> Powell, R., Dunning, R., Ferrari, E. & McKee, K. (2015) *Affordable Housing Need in Scotland*. Edinburgh: Shelter Scotland.

<sup>204</sup> Wilcox, S. (2006) ‘A financial evaluation of the right to buy’ in Wilcox, S. (ed.) *UK Housing Review 2006/2007*. Coventry: CIH & CML.

<sup>205</sup> Scottish Government (2013) *A place to stay, a place to call home – A Strategy for the Private Rented Sector in Scotland*. Edinburgh: Scottish Government.

<sup>206</sup> Scottish Government (2015) *A Second Consultation on a New Tenancy for the Private Sector*. Edinburgh: Scottish Government.

over the practical implementation of this model of homelessness prevention, especially with respect to its interaction with the statutory homelessness framework. After a critical report by the Scottish Housing Regulator, national (non-statutory) guidance is expected to be issued on Housing Options, alongside a new training toolkit for use by staff and elected members. Mandatory data collection under 'PREVENT1' on homelessness prevention and Housing Options, and its helpful linkage with statutory homelessness data collection, will generate an important resource in tracking these developments over time.

- The practical impact of the new statutory 'housing support duty' appears to have been limited.
- Glasgow faces exceptional challenges in meeting its statutory homelessness duty, associated in part with a shortage of temporary accommodation for single men since the closure of most of the city's large-scale, poor quality male hostels. Pressure is also placed on the city's temporary accommodation system by long-standing difficulties in ensuring sufficient access to long-term social tenancies for homeless households. Engagement with the PRS has been minimal to date.
- The impact of the 'Bedroom Tax' has been heavily mitigated by Discretionary Housing Payments in Scotland, with its main ongoing homelessness implication being the restriction of access to social housing for single homeless people because of the shortage of one bedroom properties in many areas.
- Benefit sanctions are now a core concern within the homelessness sector in Scotland, with serious implications both for people's capacity to avoid or move on from homelessness, and for the financial

viability of some accommodation projects which struggle to recover service charges from sanctioned residents.

- The SAR continues to cause major problems across Scotland with respect to the access of younger single people to the private rented sector. Given that this group form a very large proportion of all households that approach local authorities for help with homelessness in Scotland, the SAR is viewed as seriously undermining the ability of Housing Options teams to use the PRS as a means to prevent or resolve homelessness, albeit that cultural antipathy towards both the sector in general and sharing in particular also appears to play a role.
- A further round of major welfare reforms and cuts were announced in the 2015 Summer Budget, which will have particular implications for young single people under 22 years old and larger families, and more generally for the ability of low income households to access the private rented sector. They will also reduce work incentives.
- However, the Scottish Government, as part of the post referendum constitutional settlement, is to be provided with some limited new powers in respect of the operation of welfare policies in Scotland. These will permit the effective 'abolition' of the 'Bedroom Tax' in Scotland, and the continuation of direct payments to social landlords of Universal Credit elements related to rental costs.
- Private tenants are set to benefit from a substantial improvement in their rights to security of tenure under proposed new Scottish legislation.

## 4. Homelessness Trends

### 4.1 Introduction

The chapter analyses recent trends in homelessness ‘demand’ under the following three headings: rough sleeping, statutory homelessness and hidden homelessness.<sup>207</sup> The analysis focuses in particular on trends over the years since the start of the economic downturn in 2008. It covers data up to and including 2014/15. The analysis is based, in the main, on published statistics. However, in interpreting these figures we also draw on key informant interviews undertaken by the research team in 2014 and 2015.

### 4.2 Rough sleeping

#### Gauging the scale and nature of rough sleeping

In contrast with official practice in England, the Scottish Government maintains no regular rough sleeper ‘headcount’. Instead, the scale of rough sleeping can be gauged indirectly through the LA homelessness recording system. As shown in Figure 4.1, according to LA HL1 returns, some 1,409 people applying as homeless in 2014/15 (4% of all applicants) reported having slept rough the night preceding their application. Measured on this basis, however, figures were considerably above average in some LA areas – notably in Glasgow and Aberdeen, both of which recorded 7%.

A potentially useful sidelight on the comprehensiveness of LA homelessness applications in recording the quantum of rough sleeping comes from Glasgow. Here, recently collected statistics suggest that most of Glasgow’s rough sleepers

do, in fact, engage with the City Council’s homelessness service. Of the 560 individuals enumerated as having slept rough in Glasgow during 2013/14, and in touch with services that participate in the city’s ‘Online Data Management’ system, 74% were found to have made a LA homelessness application.<sup>208</sup> This suggests that – at least for Glasgow – statistics derived from the statutory homelessness assessment system may understate ‘real’ levels of rough sleeping to a lesser extent than might be expected, albeit that such applicants won’t necessarily have slept rough the night before they approach a LA for help or be recorded as having done so.

Evidence from elsewhere, however, suggests that the extent to which the statutory figures understate the incidence of rough sleeping over any given time period is rather greater. In particular, records maintained by Edinburgh’s homelessness Crisis Centre showed that in 2013/14 1,275 individuals making use of the Centre reported having slept rough at least once during the previous year.<sup>209</sup> This compares with only 438 statutory homelessness applicants recorded by City of Edinburgh Council as having slept rough the night before their application.

In the light of this uncertainty about the extent to which HL1 fully captures levels of rough sleeping in Scotland, there has been recent discussion about voluntary sector providers sharing anonymised data with the Scottish Government to identify the extent to which the latter’s service users are engaging with statutory homelessness services.<sup>210</sup>

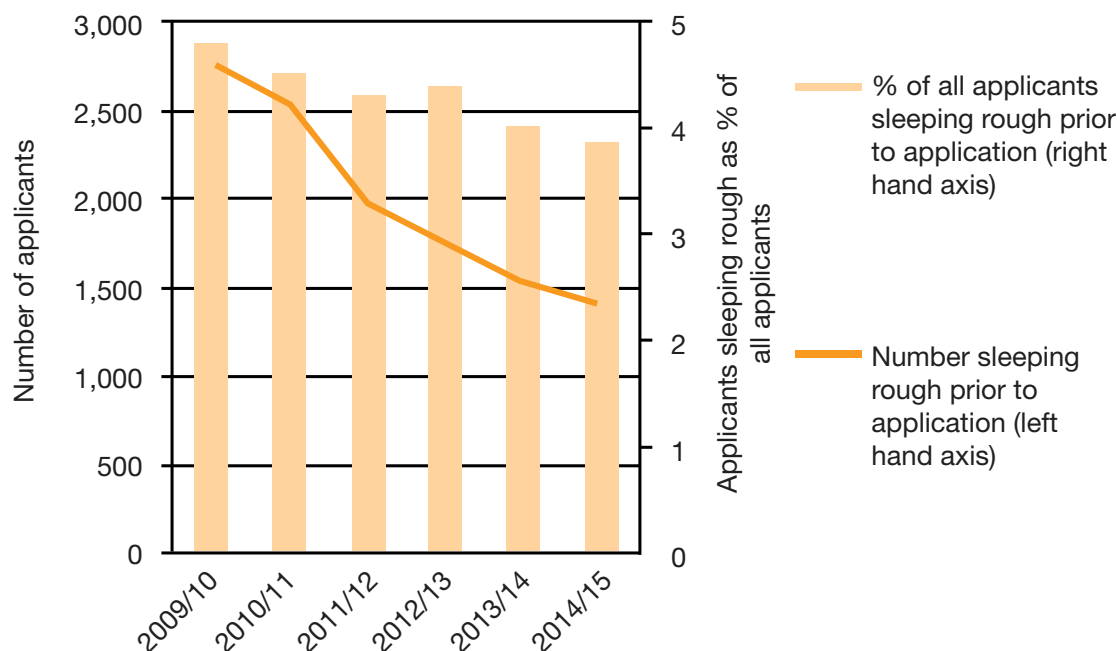
<sup>207</sup> In the other Homelessness Monitors, we consider ‘single homelessness’ as a separate, fourth category. However, with the ‘2012 reforms’ to the homelessness legislation now fully implemented, ‘single homelessness’ has become a less distinctly separate issue from statutory homelessness in Scotland.

<sup>208</sup> Glasgow Homelessness Network (2014) *ODM Annual Homelessness Monitoring Report: April 2013 – March 2014*: <http://www.ghn.org.uk/node/173>

<sup>209</sup> Harleigh Bell, N. (2015) *An Overview of Rough Sleeping in Scotland: Paper to Homelessness Prevention Strategy Group*. Edinburgh: Homeless Action Scotland.

<sup>210</sup> HPSG (2015) *Statistics Update*: <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/meetings/paper2>

Figure 4.1 Incidence of rough sleeping



Source: Scottish Government

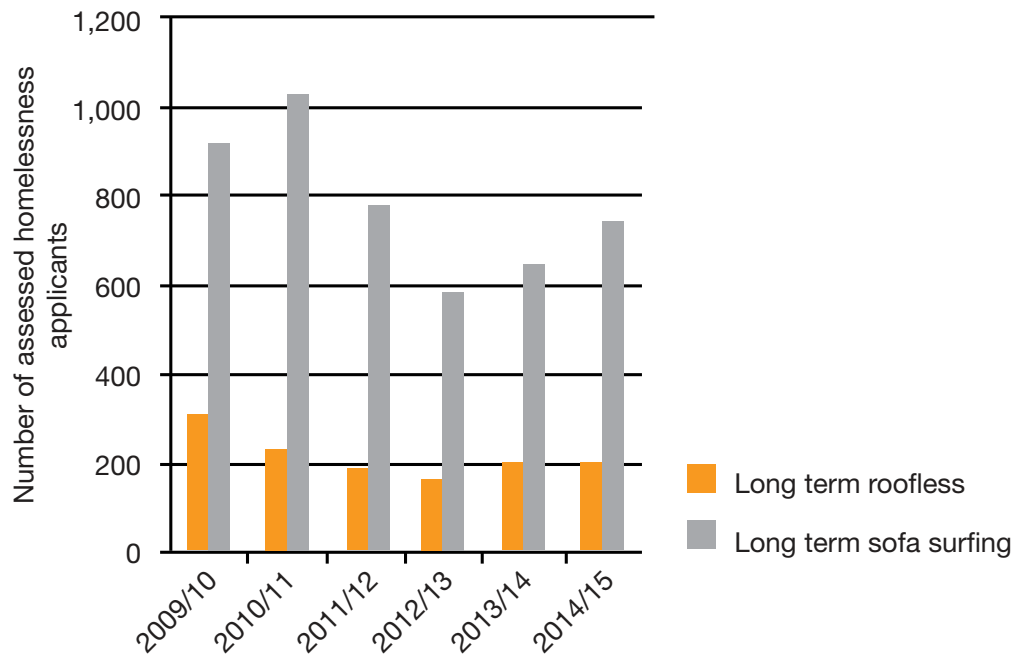
An alternative approach to gauging the incidence of rough sleeping involves analysis of national survey data. As explained more fully in Section 4.5, such estimates can be derived from The Scottish Household Survey (SHS). These indicate that just under 5,000 adults sleep rough over a year in Scotland, with an average of 660 sleeping rough on a typical night.<sup>211</sup> In the last *Homelessness Monitor* for England we made a number of estimates of the equivalent nightly figures for England using a variety of sources, methods and assumptions, coming up with a range between 4,000 and 8,000 per night. These benchmarks suggest that the figure we are estimating for Scotland is of a realistic order. An *‘Overview of Rough Sleeping in Scotland’* prepared by Homeless Action Scotland for

the HPSG is also useful in providing some indication of rough sleeper characteristics and distribution. It confirms that rough sleeping is still primarily an urban problem, and that the predominant characteristics of rough sleepers in Scotland are that they are white, male, Scottish and aged between mid-twenties to mid-forties.<sup>212</sup> However, it also suggests that at least in certain parts of the country, a substantial proportion of rough sleepers are not UK nationals. In particular, in Aberdeen nearly half of rough sleepers enumerated by homelessness services in 2013/14 were of Central or Eastern European origin, while in Edinburgh this was true for over a third of the city’s much larger total. In Perth and Kinross, while overall numbers were relatively small, rough sleeping was

<sup>211</sup> SHS asks for what time period the respondent slept rough, stayed with friends or relatives, or stayed in hostels etc., in terms of broad bands; we make assumptions about the average number of days/nights in each band to arrive at these figures.

<sup>212</sup> See also Fitzpatrick, S., Bramley, G. & Johnsen, S. (2013) ‘Pathways into multiple exclusion homelessness in seven UK cities’, *Urban Studies*, 50(1): 148-168.

<sup>213</sup> Harleigh Bell, N. (2015) *An Overview of Rough Sleeping in Scotland: Paper to Homelessness Prevention Strategy Group*. Edinburgh: Homeless Action Scotland.

**Figure 4.2 Incidence of long-term rooflessness and 'sofa surfing'**

Source: Scottish Government

'almost entirely' a problem affecting Eastern European nationals.<sup>213</sup> All of this suggests that the substantial representation of so-called 'A10' country nationals among the rough sleeper population in London<sup>214</sup> is far from uniquely a London phenomenon.

### Gauging the trend of rough sleeping

Over the past few years, the number of applicants recorded as having slept rough immediately prior to a statutory homelessness application has been steadily downward, with the 2014/15 national total having almost halved since 2009/10 (down by 49%) – see Figure 4.1. This measure of rough sleeping has also fallen in most individual LA areas; most notably in East Lothian and Edinburgh where the proportions of 2009/10 homeless applicants having slept rough prior to application were 9% and 10% respectively. For each of these authorities the comparable

2014/15 figure was 2%. However, in the case of Edinburgh at least, this decline appears primarily associated with changes in recording practices.<sup>215</sup>

On the face of it, Figure 4.1 suggests that the incidence of rough sleeping in Scotland has fallen sharply in recent years. It seems possible that the administrative changes in the statutory homelessness system discussed in Chapter 3 may have somewhat exaggerated any 'real reduction' in rough sleeper numbers over recent years as suggested by the numerical count shown in Figure 4.1, given the downward pressure on statutory homelessness applications that the move towards Housing Options has exerted. However, because 'recent rough sleeper' numbers have also fallen as a proportion of all recorded applications (see Figure 4.1), it seems likely that some 'real' downward trend

<sup>214</sup> Fitzpatrick, S., Pawson, H., Bramley, G. Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

<sup>215</sup> p. 23 in Scottish Government (2015) *Operation of the Homeless Persons Legislation in Scotland: 2014-15*. Edinburgh: Scottish Government.



in rough sleeping has indeed been ongoing since 2009/10. This is particularly notable given that – albeit measured in an entirely different way – rough sleeper numbers in England have risen sharply over the same period.<sup>216</sup> That said, a different story, of steady or even slightly rising levels of rough sleeping, emerges from analysis of the SHS (see Section 4.5 below).

**‘Sofa surfing’ and long-term rooflessness**  
As well as logging whether an applicant slept rough the preceding night, the Scottish Government’s statutory homelessness monitoring system also records cases where people were ‘long-term roofless’ prior to their application. As shown in Figure 4.2, this was true for 197 applicants in 2014/15. Although this was well down on the 296 long-term roofless cases recorded in 2009/10, the most recent figure represented a two-year increase of 21%. Moreover, recent trends in ‘long-term sofa surfer’ applicants were similar, with an increase of 24% recorded since 2012/13 (see Figure 4.2) (see Chapter 3 for a discussion of the new policy focus on ‘multiple exclusion homelessness’ in Scotland, and on rough sleeping within this).

### 4.3 Statutory homelessness

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. The analysis in this section is sourced from Scottish Government homelessness statistics.<sup>217</sup>

#### Overall trends and the impact of homelessness prevention

In 2014/15 Scottish local authorities logged 35,764 statutory homelessness assessments, of which 28,615 resulted in a judgement

that the household concerned was ‘legally homeless’ (see Figure 4.3). However, as also shown in Figure 4.3 the overall scale of statutory homelessness peaked in 2005/06 and has been on a marked downward path since 2010/11. By 2014/15, total assessed applications were 41% lower than in the peak year and 37% lower than in 2009/10. In the most recent year, total assessed applications fell by 4% while ‘assessed as homeless’ cases dropped by 5%.

However, as an indication of trends in the underlying incidence of homelessness, the statistics graphed in Figure 4.3 must be interpreted within the context of the administrative changes in local authorities’ management of homelessness discussed in Chapter 3. Research evidence confirms that a significant shift from an essentially responsive mode to a more pro-active ‘Housing Options’ stance was already well under way by 2012/13, although this remained at that stage a ‘work in progress’ rather than a completed transition.<sup>218</sup> In view of this switch to a prevention-focused approach gradually phased in over recent years, the Scottish Government considers it very unlikely that the downward trend in formal homelessness assessments shown in Figure 4.3 reflects “*changes in the social and economic factors which cause households to approach councils with an acute or urgent housing need*”.<sup>219</sup> Indeed, as also acknowledged in the official commentary “... *all other things being equal, we might have expected homeless applications to increase in the current economic environment and also as a consequence of Welfare Reforms*”.<sup>220</sup>

As confirmed by the initial statistical release from the Scottish Government’s new homelessness prevention monitoring system – ‘PREVENT1’ – the statutory homelessness

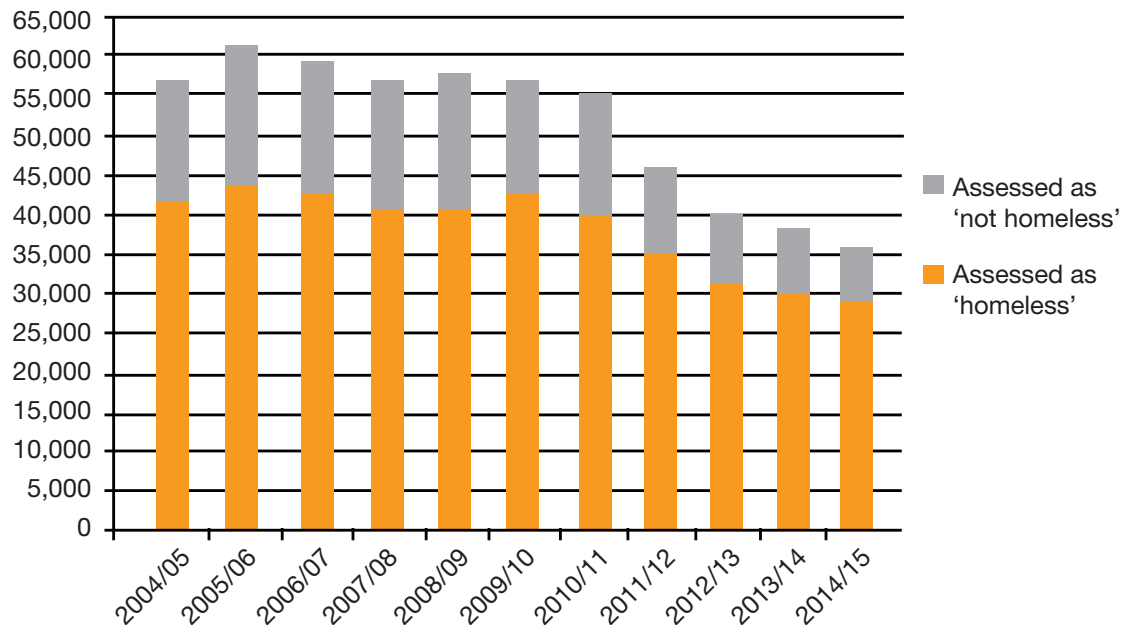
<sup>216</sup> Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

<sup>217</sup> See <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/RefTables>

<sup>218</sup> Ipsos MORI & Mandy Littlewood Social Research and Consulting (2012) *Evaluation of the Local Authority Housing Hubs Approach*. Edinburgh: Scottish Government.

<sup>219</sup> p. 10 in Scottish Government (2015) *Operation of the Homeless Persons Legislation in Scotland: 2014-15*. Edinburgh: Scottish Government.

<sup>220</sup> Ibid.

**Figure 4.3 Local authority statutory homelessness applications and assessment outcomes, 2004/05-2014/15**

Source: Scottish Government

statistics now substantially understate the overall scale of LA homelessness management activity and the volume of associated demand. While statutory assessments totalled only some 36,000 in 2014/15, local authorities logged some 59,000 approaches from 52,000 households seeking help on actual or impending homelessness during the year.<sup>221</sup>

In order to integrate these statistics to generate a national homelessness estimate, a number of other factors need to be taken into account:

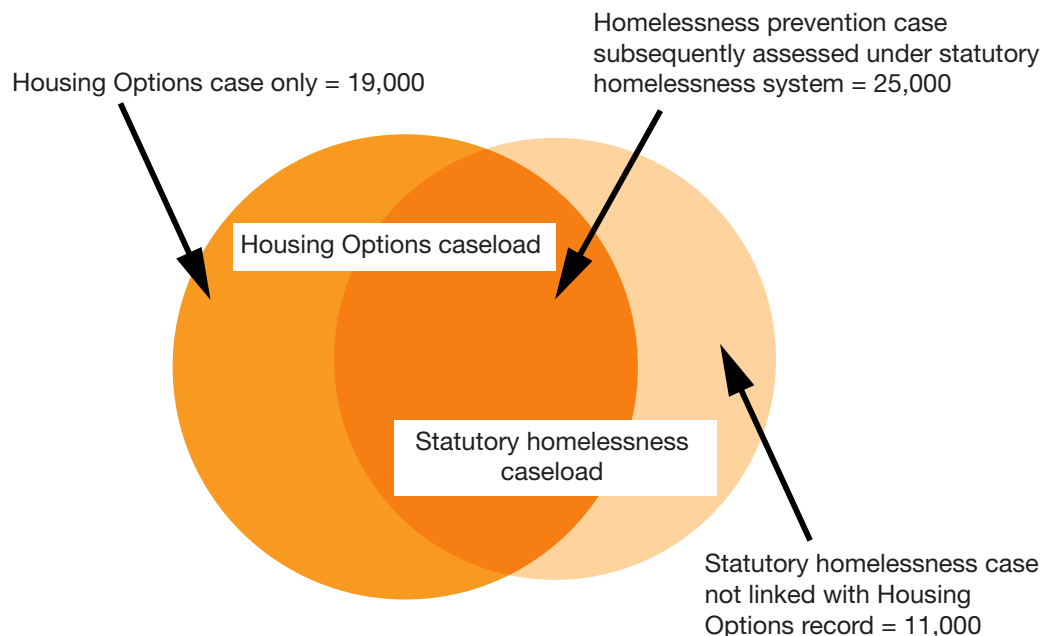
- Within the Housing Options caseload, 34% of cases involved people recorded as making approaches for 'non-homelessness type' reasons (see Chapter 3)

- 20% of the above group (initially recorded as non-homeless) do in fact go on to make a homelessness application
- Within the Housing Options caseload some 25,000 cases involve applicants also recorded as making a statutory homelessness application

The inter-relationships between these two sets of data are illustrated in Figure 4.4. This suggests that the overall volume of homelessness approaches or presentations in 2014/15 was in fact around 54,000.<sup>222</sup> This figure is very close to the total number of statutory homelessness applications just before Housing Options began to be phased in, as remarked upon by this voluntary sector key informant:

<sup>221</sup> Scottish Government (2015) *Housing Options (PREVENT1) Statistics in Scotland 2014/15*. Edinburgh: Scottish Government.

<sup>222</sup> It is possible that some of the statutory homelessness cases without a linked record in the prevention caseload might have been instances where reference numbers were incorrect or missing. To this extent, the inference that there were 11,000 statutory homelessness cases additional to the prevention caseload could be an overestimate. Details of Scottish Government calculations vary slightly from those in Figure 4.4 but confirm the overall conclusion as correct.

**Figure 4.4 Local authority homelessness caseload 2014/15**

Sources: Collated from Scottish Government HL1 statistics and PREVENT1 statistics. Note: Housing Options cases recorded as not homeless are discounted from the 'Housing Options' cohort – see text

*“...what’s helpful about putting together PREVENT1 and HL1 data is that it shows us that...the total number... isn’t all that different from... the number of homeless applications in 2009/10 so... rather than homelessness decreasing over the period, it really is the Housing Options approach that’s made the difference, but that the underlying need hasn’t diminished ... The question remains whether the prevention that’s happening is positive prevention or gatekeeping and there’s no way to tell that from the statistics...”*

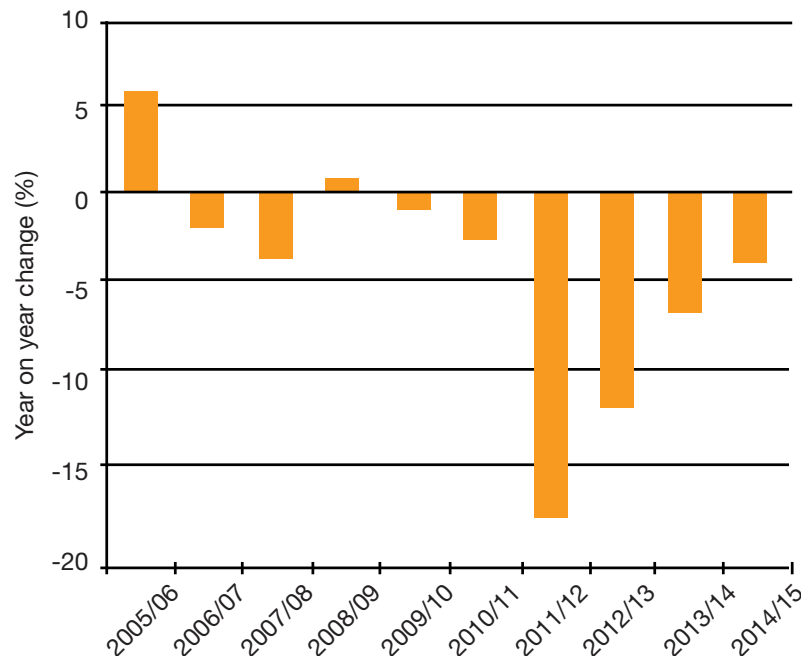
Evidently from the published statistics, however, administrative approaches and/or recording practices vary very substantially across the country. In five local authorities, prevention approaches leading to a formal application accounted for over 50% of such approaches, whereas in five others the comparable figure was less than 20%.<sup>223</sup>

This unevenness in homelessness practice and/or recording across Scottish local authorities was also a key finding of research on single homelessness in Scotland published by Crisis earlier this year.<sup>224</sup>

Arguably, however, recent trends in statutory homelessness assessment figures suggest that additional prevention activities may be subject to diminishing returns. This is one possible interpretation of the pattern shown in Figure 4.5, whereby the rate of reduction in total assessed applications has fallen back steadily since the ‘mould breaking year’ of 2011/12. It is also possible that ongoing increases in underlying rates of housing stress (as hypothesized by the Scottish Government – see above) will be such that further ramped up prevention activities may soon be overwhelmed. Certainly, if the welfare reform agenda driven by the current UK Government further increases

<sup>223</sup> Scottish Government (2015) *Housing Options (PREVENT1) Statistics in Scotland 2014/15*. Edinburgh: Scottish Government.

<sup>224</sup> Mackie, P. & Thomas, I. (2015) *Single Homelessness in Scotland*. London: Crisis.

**Figure 4.5 Total assessed applications: year on year change**

Source: Scottish Government

poverty in Scotland, as is widely anticipated (see Chapter 3), then we might expect a concomitant, if lagged, rise in homelessness (see below on statistical links between homelessness and poverty in Scotland and the wider UK).<sup>225</sup>

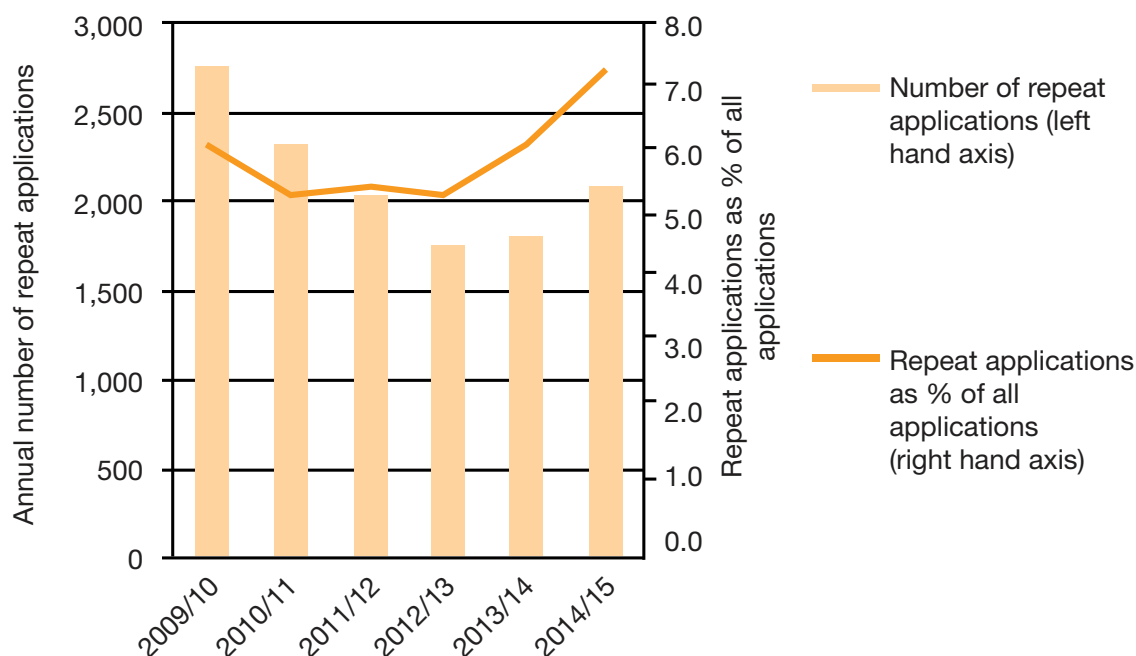
Before moving on to discuss the profile of assessed homelessness cohort, we also note that the past two years have seen a rising trend in the incidence of repeat homelessness applications. That is, households logged as subject to a formal homelessness assessment within 12 months of a previous logged assessment. As shown in Figure 4.6, repeat applications equated to 7% of total applications in 2014/15. Taking this into account, therefore, the number of unique households subject to formal assessment during the year was in fact some 34,000 rather than some 36,000.

Repeat homelessness might be seen as one indicator of the extent to which (any) LA action to remedy a person's housing problems proves to be 'sustainable'. While some repeat homelessness presenters may be individuals or families previously deemed 'homeless' and assisted to find secure housing, the cohort is also likely to include people whose last application resulted in an 'intentionally homeless' judgement, or with whom the LA lost contact. Indeed, Scottish Government analysis finds that "Only around one in four [2014/15] cases of repeat homelessness had secured settled accommodation as their previous outcome so this issue goes further than one of tenancy sustainment".<sup>226</sup> Any continuation in the recent trend shown in Figure 4.6 might give cause for more detailed research into the contributory factors and impacts. By way of comparison, 10% of all households

<sup>225</sup> See also Johnsen, S. & Watts, B. (2014) *Homelessness and Poverty: Reviewing the Links*. Edinburgh: Heriot-Watt University.

<sup>226</sup> p. 6 in Scottish Government (2015) *Operation of the Homeless Persons Legislation in Scotland: 2014-15*. Edinburgh: Scottish Government.

Figure 4.6 Repeat homelessness applications



Source: Scottish Government

approaching housing options services in 2014/15 made 'repeat approaches' during this period (90% of these households made two approaches).<sup>227</sup>

**Statutory homelessness trajectories**  
Despite the potentially 'distorting' effect of changing practices and recording conventions (see above), the statutory homelessness statistics retain some value in terms of understanding recent trends in statutory homelessness. It is worth noting at the outset of this section that, in sharp contrast to the rest of the UK, a clear majority of all homelessness applicants in Scotland are single person households (66%, and as high as 85% in some areas). This is of course in part related to the expansion of priority need post 2003, though Scotland has historically had a higher proportion of single people amongst both its homelessness applicants and acceptances than elsewhere in the UK.<sup>228</sup>

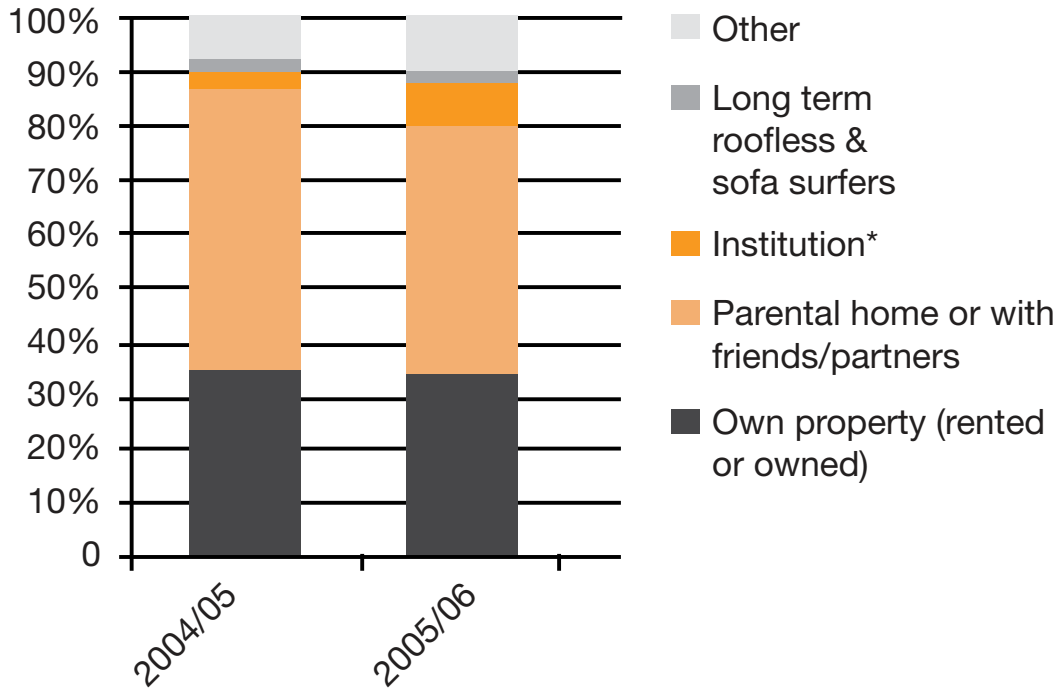
Figure 4.7 relates to the six year period to 2014/15, during which the overall number of formally assessed applicants fell by 37%. As can be seen, however, the profile of assessed applicants remained fairly stable in terms of applicant households' former living circumstances, although there was a slight increase in the proportion of those leaving institutions (which will mainly be prison) and a slight decrease in the proportion coming from the parental home or who had been living with friends or partners.

Figure 4.8 illustrates more graphically some contrasts in the scale of numerical reductions for certain selected groups. Notably, the number of ex-prisoners fell back by only 12%<sup>229</sup> whereas former owner occupiers dropped by 61%. However, both of these are relatively small categories; former prisoners accounted for 4% of assessed applicants in 2009/10 and 6% in 2014/15, while the

<sup>227</sup> Scottish Government (2015) *Housing Options (PREVENT) Statistics in Scotland 2014/15*. Edinburgh: Scottish Government.

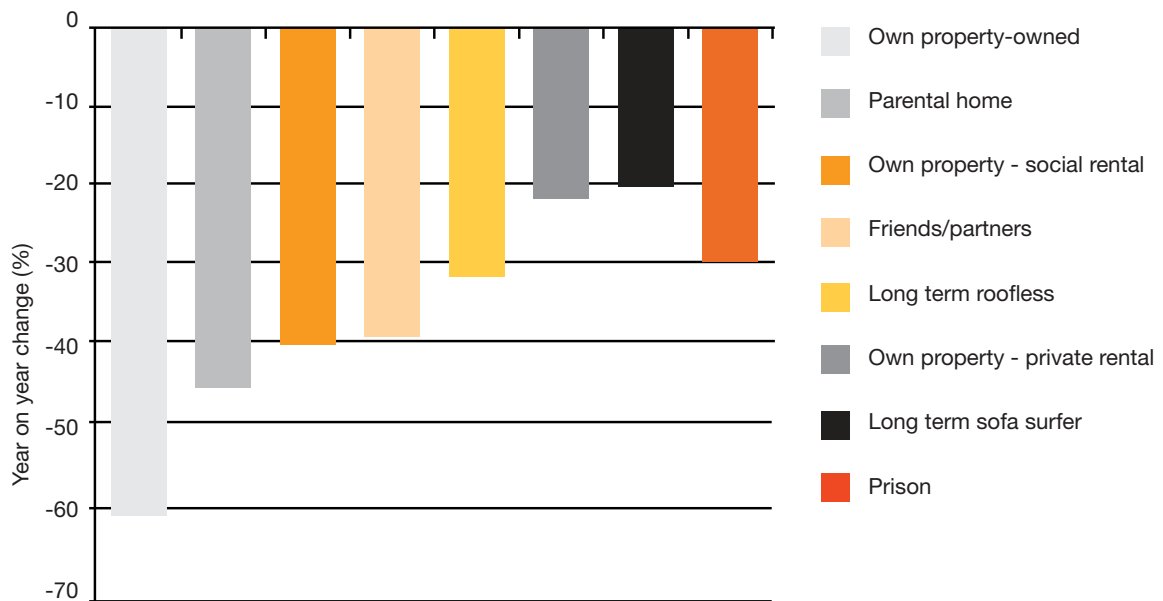
<sup>228</sup> Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.

**Figure 4.7 Households subject to formal homelessness assessment: % breakdown by previous housing circumstances – broad categories**



Source: Scottish Government \*prison, hospital or children’s residential accommodation

**Figure 4.8 Households subject to formal homelessness assessment: breakdown by previous housing circumstances (selected categories) – percentage reduction 2009/10-2014/15**



Source: Scottish Government



comparable figures for former home owners were 7% and 4%, respectively.

As in relation to the above analysis of applicants' former housing situation, the six years to 2014/15 saw relatively little change in the profile of applicants as regards factors triggering loss of accommodation (see Figure 4.9). In the most recent year, as at the start of the period, the majority of cases involved people made homeless due to relationship breakdown or domestic violence (32% in 2014/15) or 'family/friend evictions' (having been asked to leave by host household) (25%).

There is little obvious tendency in Scotland toward rising numbers of people losing their homes due to private tenancy terminations as recently seen in England.<sup>230</sup> In 2014/15, only 8% of all homelessness applications were said to arise from 'action' by a private landlord, with a mere 2% attributed to private sector rent arrears.<sup>231</sup> This might reflect the fact that Scotland's housing market has been generally less pressurized than that of London and the South of England where such trends have been particularly evident.

Proposals by the Scottish Government to end 'no-fault' evictions in the PRS may similarly be expected to play an important restraining role going forward, albeit that there remains an open question about whether changes to tenure security arrangements in the PRS may affect overall supply in the longer-term (see Chapter 3).<sup>232</sup>

### Young people

As noted in Chapter 3, there has been a

particular policy focus in recent years on addressing youth homelessness. Statutory youth homelessness was relatively stable in Scotland between 2008/09 and 2010/11, before falling by 43% between 2010/11 and 2014/15. Young people comprised 29% of statutory homeless households in 2014/15, as compared to 36% in 2008/9.<sup>233</sup> Unpublished data provided by the Scottish Government also indicates declining levels of rough sleeping amongst under 25s, at least insofar as this is recorded by LAs. While these trends reflect the increasing emphasis on homelessness prevention seen since 2011, and the particular focus within that on young people, the decline in statutory youth homelessness has been more gradual than that seen in England.<sup>234</sup> The proportion of homelessness accounted for by 16-24 year olds has stayed relatively stable at around 30% over the past couple of years, which is perhaps somewhat disappointing in light of these particular policy efforts:<sup>235</sup>

*"[Young people] are still making up the same proportion in our stats. Through the Housing Options work that we're doing there's quite a focus on young people... there's been quite a lot of effort being put into a whole variety of mediation services. So you might have expected that to have more of an impact than it probably has just now" (Statutory sector key informant)*

### Homelessness temporary accommodation placements

After a steady and substantial increase in the years to 2010/11, Scotland's TA placements have subsequently remained fairly steady in

<sup>229</sup> Ex-prisoners remain heavily over-represented in the homeless population, and an analysis of relevant data and policy can be found in <http://www.iriss.org.uk/resources/prison-leavers-and-homelessness>

<sup>230</sup> Fitzpatrick, S., Pawson, H., Bramley, G. Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

<sup>231</sup> Table 5a in Scottish Government (2015) *Operation of the Homeless Persons Legislation in Scotland: 2014-15*. Edinburgh: Scottish Government.

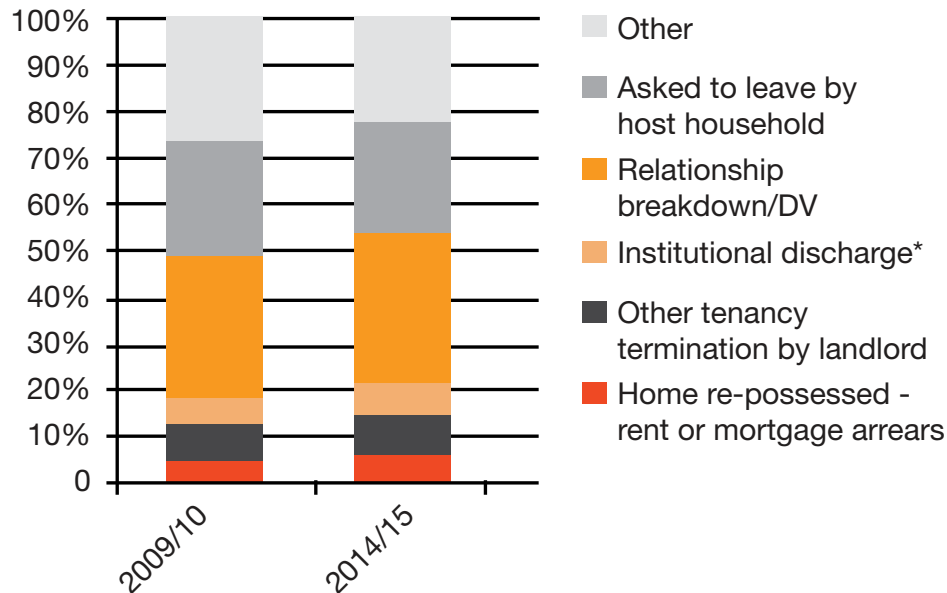
<sup>232</sup> Scottish Government (2015) *A Second Consultation on a New Tenancy for the Private Sector*. Edinburgh: Scottish Government.

<sup>233</sup> Calculated from Scottish Government (2015) *Youth Homelessness ad hoc analysis*: <http://www.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/RefTables/adhoc-analysis/youthhomeless201415>.

<sup>234</sup> The number of young statutory homeless acceptances in England has fallen by a third since 2008/09, a faster fall than overall acceptances and one that has continued despite overall acceptances increasing in recent years. See Watts, B., Johnsen, S. & Sosenko, F. (2015) *Youth homelessness in the UK*. Edinburgh: Heriot Watt University.

<sup>235</sup> As quoted in, Watts, B., Johnsen, S. & Sosenko, F. (2015) *Youth homelessness in the UK*. Edinburgh: Heriot Watt University.

**Figure 4.9 Households subject to formal homelessness assessment: % breakdown according to reason for homelessness – broad categories**



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

the range 10-11,000 households at any one time (see Figure 4.10). And, as shown here, most such placements are in ordinary social housing stock, with only a minority involving non-self contained accommodation, such as hostels or Bed & Breakfast hotels. Single people are far more likely than families to be temporarily accommodated in such non-self contained TA.<sup>236</sup>

LAs across Scotland have reported substantially lengthening periods of time spent in TA, and from April 2016 there will be mandatory data collection on this via the HL3. Prolonged stays in TA have been attributed to a combination of the increased demand associated with the duty to accommodate single people, pressure on the supply of permanent social tenancies, and the challenges to move on presented

by welfare reform measures (especially the 'Bedroom Tax'). Standards in TA have been a key focus of Shelter Scotland campaigning in recent years, and there has been a recent strengthening of the 'Unsuitable Accommodation Order', which restricts the use of certain types of accommodation, particularly Bed & Breakfast, for families with children, to include provisions with regard to being wind and water tight.<sup>237</sup> However, concerns about the impact of welfare reform on the financial viability of TA seem to have taken precedence over the 'standards debate' for now (see Chapter 3).<sup>238</sup>

#### 4.4 Hidden homelessness

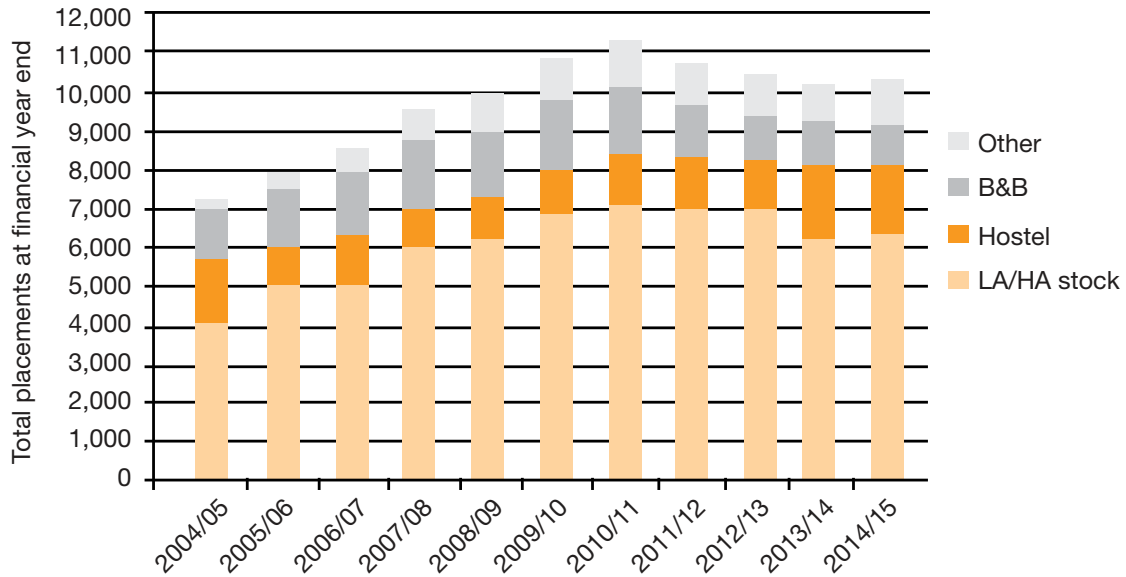
One of the most important forms of hidden homelessness is when individuals, groups or families are not able to form separate households and are obliged to live with

<sup>236</sup> Mackie, P. & Thomas, I. (2015) *Single Homelessness in Scotland*. London: Crisis.

<sup>237</sup> See <http://www.legislation.gov.uk/en/ssi/2014/243/article/4/made>

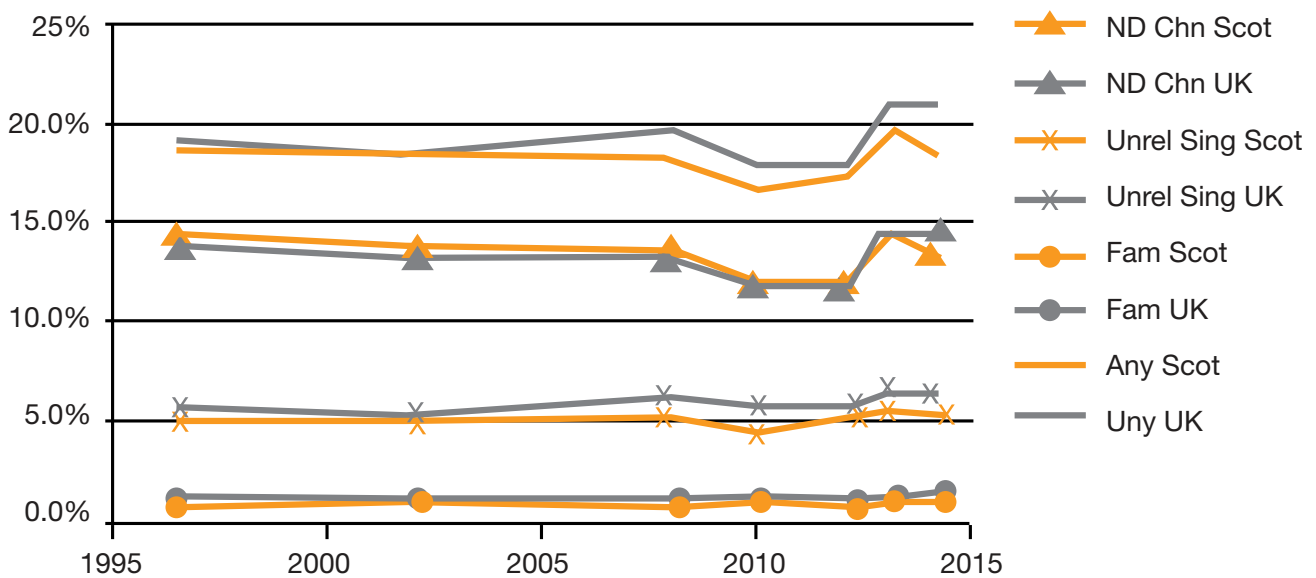
<sup>238</sup> HPSG (2013) *Temporary Accommodation in Scotland*: <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/meetings/October-temporary-accommodation>

Figure 4.10 Homeless households in temporary accommodation – snapshot total at financial year end



Source: Scottish Government

Figure 4.11 Proportion of households containing concealed potential households by category, comparing Scotland and UK, 1997-2014 (percent)



Source: authors' analysis of Labour Force Surveys.

others. We refer to these as concealed potential households and regularly update our picture of their prevalence across the UK, using the Labour Force Survey and other surveys. 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 we are able to make estimates of the proportion or who prefer and/or expect to live separately (typically around a half), based on questions in the English Housing Survey and the UK-wide 'Understanding Society' survey.

Figure 4.11 looks at the trends in the broader measure, 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 slightly in Scotland, relative to UK. 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. This affected Scotland in a similar way to the general pattern across the UK.

Allowing for the estimated proportions of these groups who want or expect to move and live separately, we find that about 9.3% of households in Scotland contain concealed households, including 6.7% nondependent children, 2.3% unrelated single adults, and 0.6% concealed families. The numbers of households affected total 223,000, including 56,200 with unrelated single adults and 14,460 with concealed families. Another way of looking at this is to look at the extent to which different age groups are able to form separate households, as measured by the 'household representative rate'. Figure 4.12 looks at trends in this for three

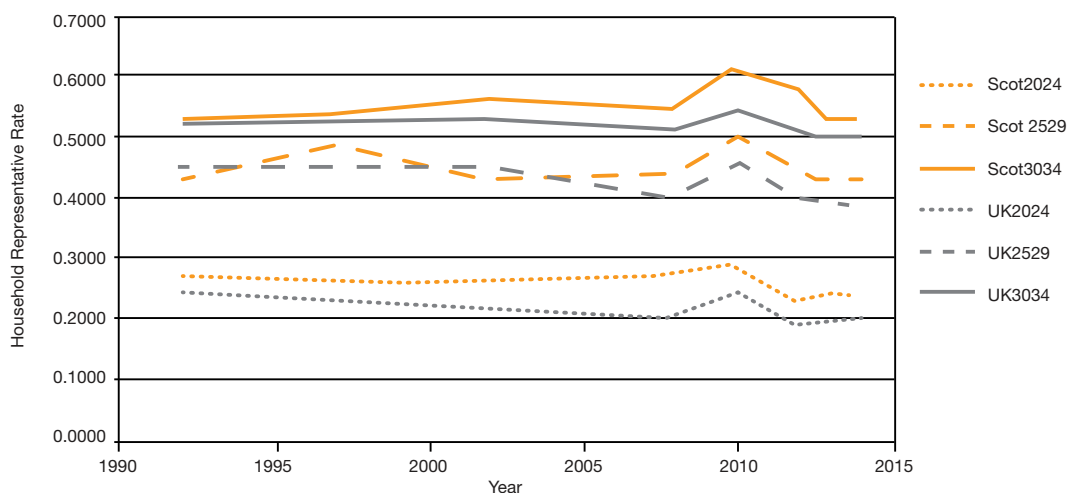
key younger age groups, again comparing Scotland and UK. In general, at least up until 2010, one could say that the chances of a younger adult forming a separate household were increasing in Scotland, although there was a dip for the 25-29 age group between 2000 and 2008. One could also say that the chances were greater in Scotland 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.

We also consider household sharing of accommodation as a potential indicator of hidden homelessness. Informal or temporary sharing with friends or relatives ('problematic sofa-surfing') can be a significant manifestation of homelessness. Ongoing shared accommodation is another way in which people's inability to access affordable and adequate housing. It is rather similar to concealed households, with the distinction turning (officially) on whether people share a living room (which may be a larger kitchen) or eat meals together. There are some puzzling anomalies in official survey data on sharing, which may reflect detailed survey protocols. Scotland appears to have rather higher sharing than the rest of the UK, but this may also reflect differences in housing type mix or the way in which multiple occupation is regulated.

A further indicator of housing pressure and unmet need can be overcrowding. Figure 4.13 presents recent survey data comparing Scotland and UK. This suggests that while, until 2010, Scotland had lower levels of overcrowding, in the period 2011-12 this increased to a level similar to that in UK as a whole.

Data from the 2011 Census, although using

**Figure 4.12 Proportion of key age groups heading separate households, comparing Scotland and UK, 1992-2014 (proportion)**



Source: authors' analysis of Labour Force Surveys.

a somewhat different definition, shows that the hotspots for overcrowding in Scotland were Glasgow and the other major cities, followed by the poorest urban areas such as Inverclyde and West Dunbartonshire. Thus it appears to be quite strongly related to poverty.

#### 4.5 Overall prevalence and distribution of homelessness in Scotland

Survey-based evidence of people's past experience of homelessness<sup>239</sup> is available via questions included in the Scottish Household Survey (SHS), an annual cross-sectional survey of a representative sample of around 10,000 private households. The SHS asks a range of questions of a randomly chosen (adult) household respondent including 'Have you ever been homeless, that is, lost your home with no alternative accommodation to go to?' For those who answer in the

affirmative, the SHS also asks whether they have had this experience in the past two years. Within the same section, the SHS asks all randomly chosen adults whether they have experienced a number of 'objective' housing problems associated, to varying degrees, with homelessness.<sup>240</sup>

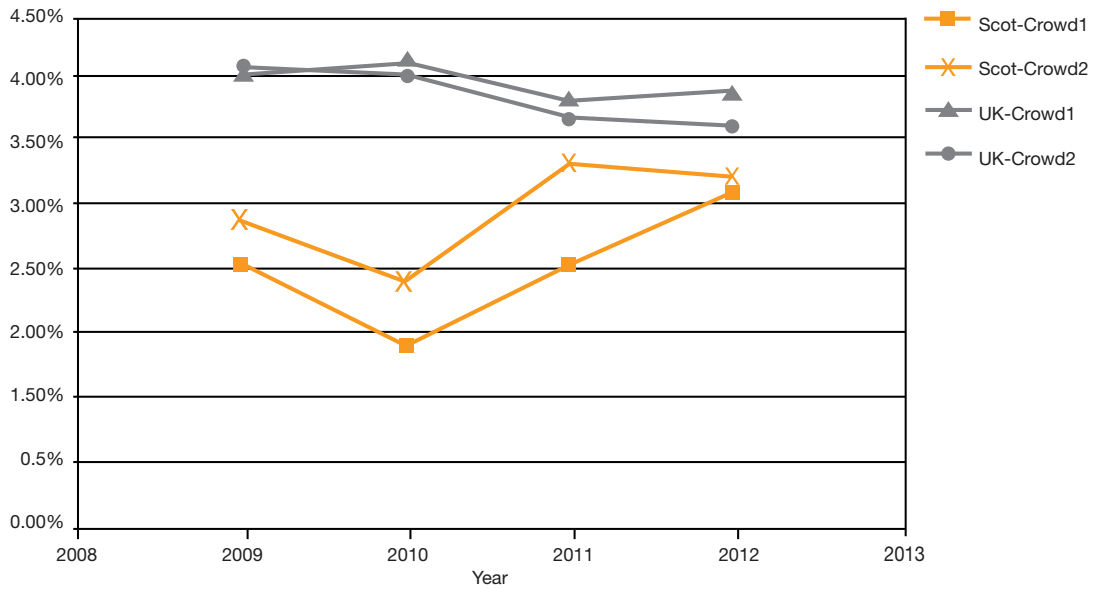
As Figure 4.14 shows, 5.3% of adults living in Scotland in 2012 (the latest year for which relevant data is available) said that they had ever been homeless, with 1.9% saying that this has happened to them in the previous two years. These data imply that about 50,000 adults experience homelessness each year.<sup>241</sup> Since 2001, the former proportion had risen from 3.2%, with the two-year rate rising from 1.5% to 1.9%.

Figure 4.15 shows how the mix of homeless experiences has changed in Scotland since 2003. The overall volume of homelessness,

<sup>239</sup> Utilising large-scale household surveys like the SHS is a method best suited to investigating past rather than current experience of homelessness because these surveys do not generally capture people living in temporary or crisis accommodation or those sleeping rough. On the other hand, there are some very considerable benefits of this methodology, not least the opportunity to generate robust, nationally representative results and to link homelessness experiences with individual, household and area characteristics. See Busch-Geertsema, V., Culhane, D. & Fitzpatrick, S. (2015) *A Global Framework for Conceptualising and Measuring Homelessness*. Chicago: Institute of Global Homelessness.

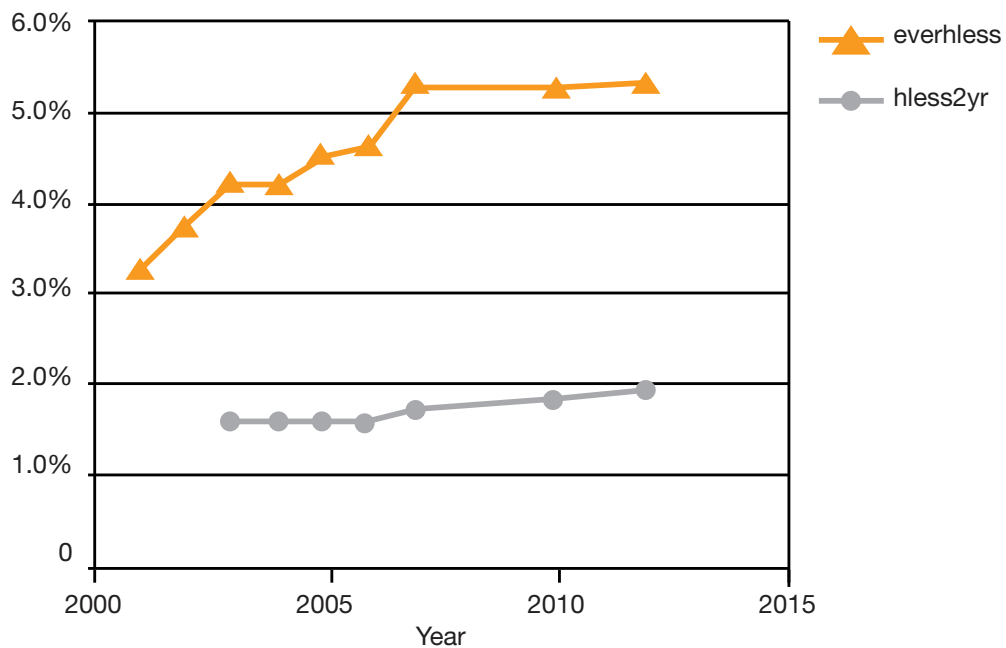
<sup>240</sup> Note that, in order to boost sample sizes, six years' of the SHS which included the homelessness questions have been used in most of this analysis, the years 2003 – 2007 and 2012 (years with relevant questions currently accessible on UK Data Service).

**Figure 4.13 Proportion of households 'overcrowded, comparing Scotland and UK, 2009-2012 (percent)**



Source: Understanding Society Survey, Waves 1-4. Note: 'Crowd1' is households with more than 1 person per room; 'Crowd2' is approximation to households below the 'bedroom standard' (see Footnote 5).

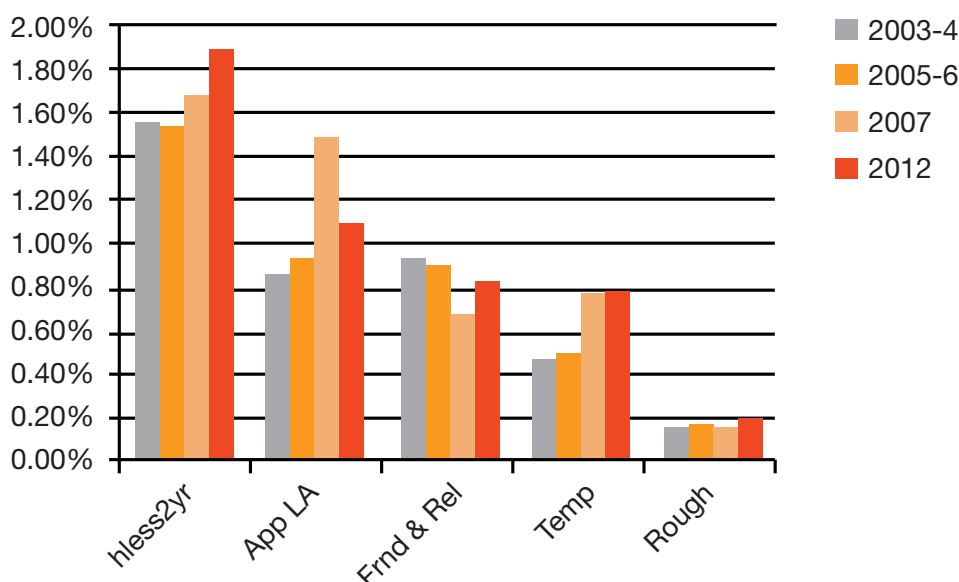
**Figure 4.14 Proportion of adults reporting 'ever homeless' or 'homeless in last two years', Scotland 2003-2012**



Source: Scottish Household Survey



**Figure 4.15 Proportion of adults reporting homelessness in last two years, and four specific aspects of homelessness experience, by time period (Scotland)**



Source: Scottish Household Survey

as experienced in the preceding two years, has increased over time, and there was also an increase in applications to local authorities, although this peaked in 2007 and had reduced somewhat by 2012 (as we would expect, given the pattern in the official homelessness statistics in Figure 4.3 above, linked to the expansion in LA responsibilities over this period). Reliance on friends and relatives dropped, at least until 2007, although it appeared to rise somewhat again in 2012 (it may be worth noting that this is in keeping with the trend in 'long-term sofa surfing' in the statutory statistics reviewed in Section 4.2 above). Use of TA, such as hostels, refuges or 'Bed and Breakfast' hotels, increased noticeably, particularly in 2007, before levelling out (again this broadly matches what we would expect, given the expansion in use of TA under the statutory homelessness system over this time period, see Figure 4.10 above). On the other hand, while statutory homelessness data indicates

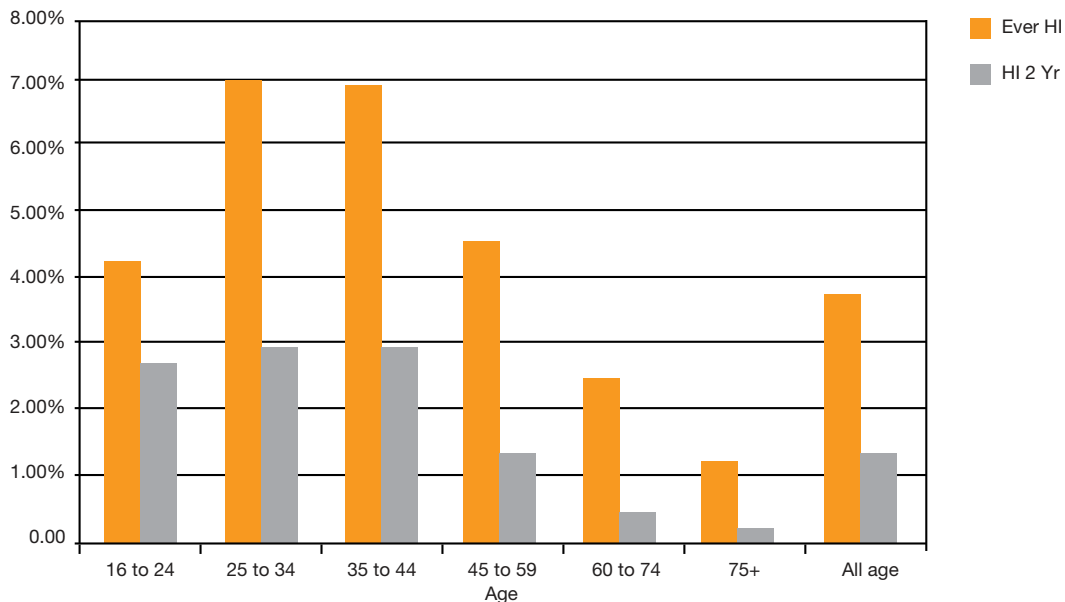
a sharp downward trend in rough sleeping in Scotland over the past few years (see above), the SHS suggests stability or even an upward trend until 2012.

The SHS data indicates that the overall prevalence of homelessness experiences is almost exactly the same for men and women in Scotland. Moreover, most specific forms of homelessness are experienced by both genders at similar rates, other than sleeping rough, which is overwhelmingly reported by men.<sup>242</sup> Note that these findings challenge longstanding assumptions in the UK and elsewhere that women are more likely than men to experience 'hidden' forms of homelessness, such as staying with friends and relatives.<sup>243</sup> In Scotland we also find no significant relationship with non-white ethnic minority status and experience of homelessness.

There is, however, a clear relationship between

<sup>241</sup> This conservative estimate makes some allowance, based on questions about length of time, for people being homeless in both of the last two years; it also allows for those currently in temporary accommodation or sleeping rough, who would not be included in the SHS sample.

<sup>242</sup> Fitzpatrick, S., Bramley, G. & Johnsen, S. (2013) 'Pathways into multiple exclusion homelessness in seven UK cities', *Urban Studies*, 50(1): 148-168.

**Figure 4.16 Past homelessness experience by age group (Scotland 2003-2012)**

Source: Scottish Household Survey

younger age groups and the likelihood of having *recently* experienced homelessness (Figure 4.16), consistent with widespread evidence from the UK and elsewhere that homeless people tend to be young.<sup>244</sup> If rates of homelessness had been constant over time, the percentage of people who had ever experienced homelessness should logically have increased with age, but this happens only up to age 34. These findings may reflect a long-term rise in homelessness risk, but may also arise because recollection may be weaker for the older age groups, and/or that notions of what constitutes homelessness may have changed.

There is a strong interaction between gender, age and household type in the experience of homelessness. While it should be borne in mind that the household characteristics referred to in Figure 4.17 below relate to the household type at the time of survey, and

not necessarily the household composition at the time homelessness was experienced, these results are in keeping with the well-established vulnerability to homelessness of lone parent households (the great majority of them headed by women), and to a lesser extent single person households (particularly male single person households).<sup>245</sup>

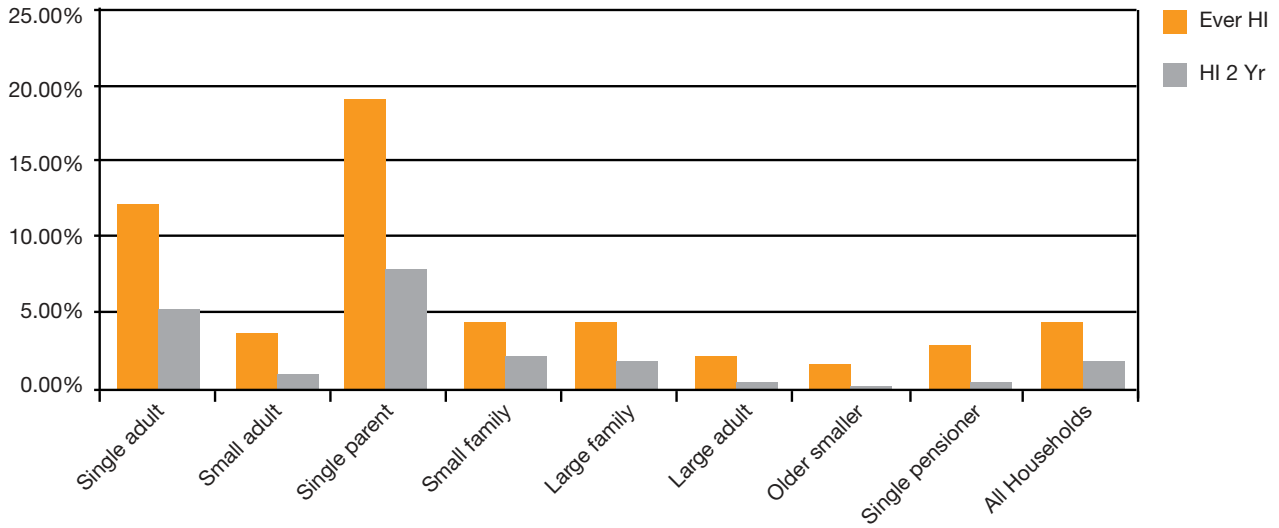
As indicated in Figure 4.18, there is a strong relationship between current net household income and past experience of homelessness, with significantly higher than average rates for those on incomes below £10,000, and much lower rates for those with incomes over £20,000. The lowest income groups are nearly 8 times more likely to report homelessness than the highest income group. There is a similar risk ratio between the poorest fifth of small neighbourhoods on the Scottish Index of Multiple Deprivation and the most affluent fifth. The relationship is

<sup>243</sup> Fitzpatrick, S., Kemp, P. A. & Klinker, S. (2000) *Single Homelessness: An Overview of Research in Britain*. Bristol: Policy Press.

<sup>244</sup> Quilgars, D., Johnsen, S. & Pleace, N. (2008) *Youth Homelessness in the UK: a Decade of Progress?* York: JRF.

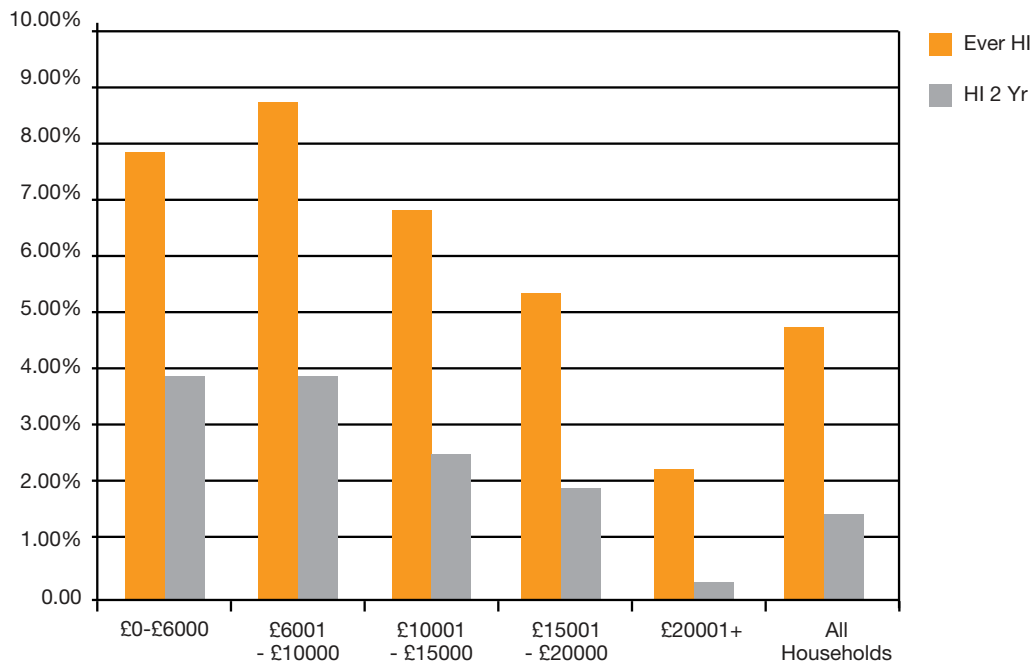
<sup>245</sup> Burrows, R. (1997) 'The social distribution of the experience of homelessness' in Burrows, R. & N. Pleace (Eds.), *Homelessness and Social Policy* (pp. 50-68). London: Routledge.

**Figure 4.17 Past homelessness experience by household type (Scotland 2003-2012)**

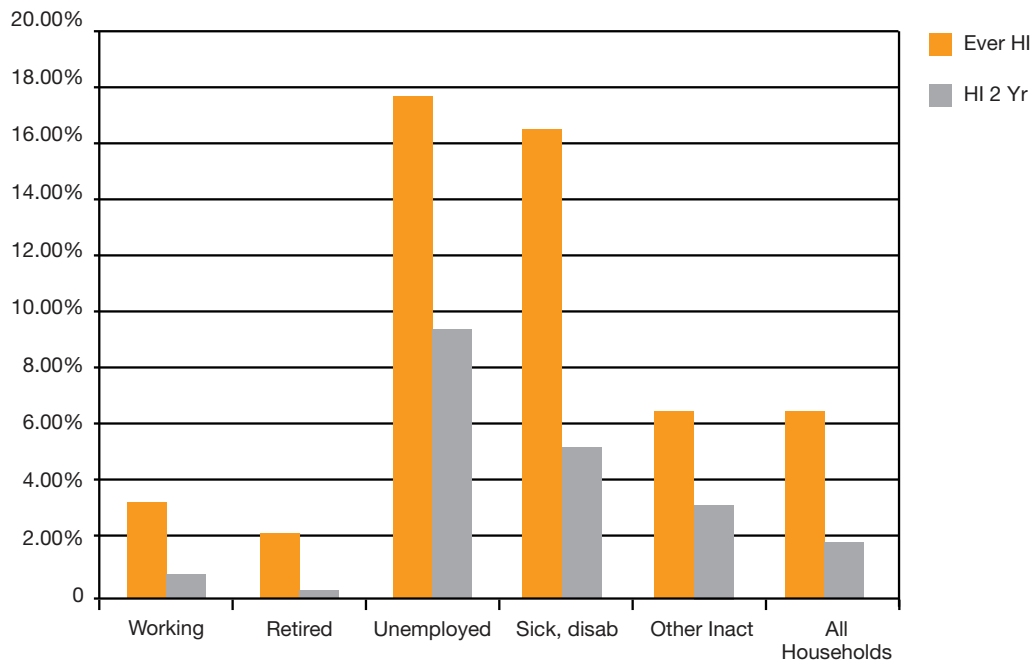


Source: Scottish Household Survey

**Figure 4.18 Past experience of homelessness by current household income level (net annual income band) (Scotland 2003-12)**



Source: Scottish Household Survey

**Figure 4.19 Past homelessness experience by current economic activity status (Scotland 2003-12)**

Source: Scottish Household Survey

even stronger with living in households that don't manage very well financially, have some financial difficulties or are in deep financial trouble – the risk of homelessness experience for this group is 56 times higher than for other households.

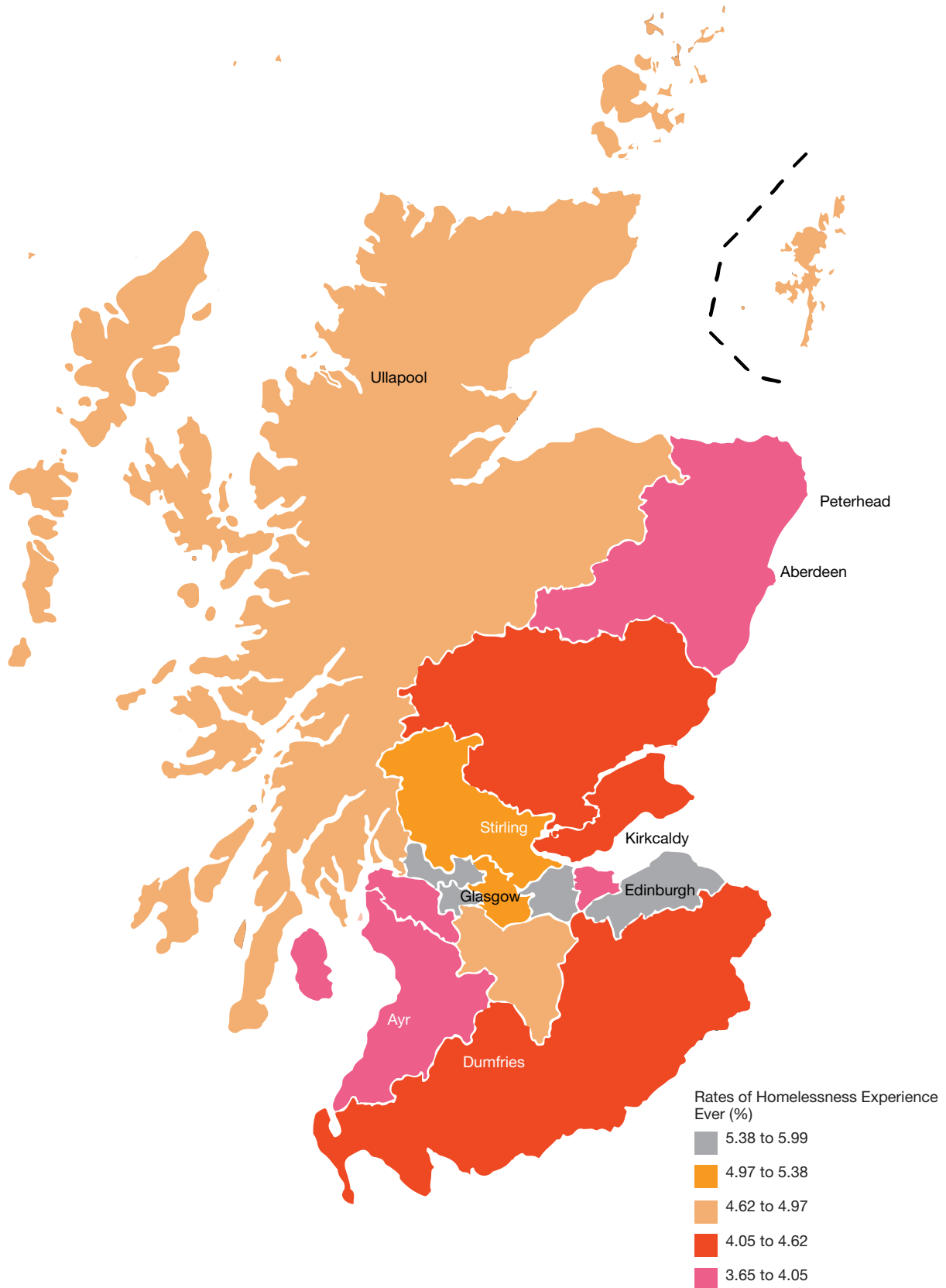
main points emerging are that Glasgow and some other central belt authorities stand out with higher homelessness, while in general rural types of area have lower homelessness reported than urban (see Map 1 below).<sup>246</sup>

Figure 4.19 above presents past experiences of homelessness by current economic status of the adult who reported these experiences. Working age adults who are unemployed, sick or disabled are much more likely to report past homelessness, and this is true to some extent of 'other inactive' working age groups as well. Those who are retired are substantially under-represented, as are those in work.

We have also examined the relationship of homelessness with certain geographical regions and types of locality in Scotland. The

<sup>246</sup> Please note that the areas used in Map 1 are groupings of LAs used for presenting data from SHS, in circumstances where figures for individual LAs might be less reliable. This variable is on the standard version of the SHS data released through the archive. This means that small and medium sized LAs are grouped together, while the largest cities are shown separately.

Map 1 Rates of homelessness experience ever



While the relatively low rate shown for Edinburgh on Map 1 may appear surprising, it is line with logistic regression analysis on both the SHS and the UK-wide Poverty and Social Exclusion Survey (2012) which indicates that, other things being equal, the strongest single predictor of past experience of homelessness is current household-level poverty, though (pressurised) local housing markets and (weak) local labour markets also have independent effects which raise the odds of homelessness.<sup>247</sup> These relationships hold even when controlling for health and other adverse life events (such as having a criminal record) which are also independently related to homelessness. As household poverty levels are considerably higher in Glasgow than in Edinburgh, the distinction in relative homelessness rates between Scotland's two largest cities is as we would expect.

It is also particularly interesting to note that the very strong 'descriptive' association between homelessness and being young and/or a lone parent reported above is severely reduced or eliminated once poverty is more fully taken into account in these statistical regression models. This implies that it is not lone parenthood or youth, per se, that leads to a higher likelihood of homelessness, but rather the disproportionate experience of poverty experienced by these groups.<sup>248</sup>

#### 4.6 Key points

- According to the Scottish Household Survey, about 50,000 adults (1.1% of the adult population) experience homelessness each year. Rough sleeping is experienced by around 5000 adults in Scotland each year, with about 660 sleeping rough on a typical night.
- Statutory homelessness data indicates a sharp downward trend in rough sleeping in Scotland over the past few years, whereas analysis of Scottish Household Survey data till 2012 suggests stability or even a slightly upward trend. In some parts of the country, a substantial proportion of rough sleepers are migrants from Central and Eastern Europe, most of whom will not be captured by the statutory statistics.
- The overall scale of statutory homelessness peaked in Scotland in 2005/06, and has been on a marked downward path for the past five years. In 2014/15 Scottish local authorities logged 35,764 statutory homelessness applications, of which 28,615 were assessed as homeless. The total number of applications has fallen by 37% since 2009/10. In the most recent year, total applications fell by 4% while 'assessed as homeless' cases dropped by 5%.
- This downward trend is wholly the result of policy and administrative measures, namely the introduction of the 'Housing Options' model of homelessness prevention from 2010. Taking into account 'homelessness-type' approaches to Housing Options services, in combination with the number of formal homelessness applications, we can see that the overall level of homelessness presentations to Scottish LAs has remained relatively steady in recent years.
- After a steady and substantial increase in the years to 2010/11, Scotland's temporary accommodation placements have subsequently remained fairly steady in the range 10-11,000 households at any one time. Most such placements are in ordinary social housing stock, though single person households are more likely than families to experience non-self contained temporary accommodation,

<sup>247</sup> Bramley, G. & Fitzpatrick, S. (unpublished) *The Social Distribution of Homelessness: Impacts of Labour Markets, Housing Markets and Poverty in the UK*.

<sup>248</sup> Ibid.



such as hostels and Bed and Breakfast. Local authorities across Scotland have reported substantially lengthening periods of time spent in temporary accommodation, and from April 2016 there will be mandatory data collection on this via the HL3.

- Scotland has generally followed UK-wide trends in the prevalence of concealed potential households, including a sharp upward movement in 2010-12. Younger adults are rather more likely to form separate households in Scotland than in the wider UK, but all areas of the country saw a sharp drop after 2010. Overcrowding has increased in Scotland, to a level more similar to the rest of the UK.
- Statistical modelling of Scottish Household Survey data confirms the key role of poverty in the generation of homelessness, exacerbated to some degree by local housing and labour market conditions, and also shows that poverty remains critical even when allowing for particular individual behavioural factors, like having a criminal record.
- Aside from rough sleeping, which is overwhelmingly experienced by men, all other forms of homelessness have equal prevalence among men and women. While younger adults and lone parent families report more experience of homelessness, statistical modelling suggests that this is mainly accounted for by their disproportionate exposure to poverty

## 5. Conclusions

Given the efforts and political capital expended on meeting the ‘2012 target’ to abolish priority need, it is perhaps surprising to find that the past few years has seen significant continued debate and development on homelessness policy in Scotland.

The most important recent innovation has been the promotion of the ‘Housing Options’ approach to homelessness prevention in Scotland, with the Scottish Government providing (relatively modest) financial support for the establishment of five regional ‘Housing Options Hubs’. The principles of Housing Options have been widely endorsed in Scotland, and the development and contribution of the Hubs positively evaluated,<sup>249</sup> but there has been considerable controversy over the practical implementation of this model. In particular, concerns have been expressed about the interaction of the informal and flexible style of intervention associated with the Housing Options model and the formal legal duty on local authorities to undertake a statutory homelessness assessment whenever they have ‘reason to believe’ that an applicant may be homeless.

After a critical report by the Scottish Housing Regulator,<sup>250</sup> national (non-statutory) guidance is expected to be issued on Housing Options by the Scottish Government, alongside a new training toolkit for use by frontline staff. Mandatory data collection under ‘PREVENT1’ on homelessness prevention and Housing Options will generate an exceptionally important resource in monitoring the outcome of these policy developments over time, and its linkage with statutory homelessness data collection is a particularly helpful feature, enabling one to track those moving through both systems to their final ‘housing

outcome’. That said, there are aspects of PREVENT1 that limit the ability to ‘drill down’ into the specific activities undertaken by local authorities in pursuit of homelessness prevention, with only quite aggregated information provided on the ‘level’ of assistance provided. The data available thus far is indicative of a relatively ‘light touch’ Housing Options interventions in many cases, limited to active information and signposting, and very often culminating in a statutory homelessness application.

Notably, there appears to be far less use of the private rented sector to prevent or resolve homelessness in Scotland than in England. In part this will reflect the tenure’s smaller size in Scotland, and underdeveloped relationships between local authorities and private landlords in some parts of the country. However, it is also likely to be linked to welfare reform restrictions (particularly the Shared Accommodation Rate) that limit local authorities’ ability to use the private rented sector to rehouse single people under 35, who make up a much larger proportion of the homelessness caseload in Scotland than south of the border, especially since the abolition of priority need. In addition, there appears to be a cultural antipathy on the part of some local authorities to the use of both the private rented sector in general, and shared accommodation in particular.<sup>251</sup>

In sharp contrast to the major impact that the introduction of Housing Options has had in Scotland, and the controversy it has aroused, the practical effect of the new statutory ‘housing support duty’, which came into effect in June 2013, appears to have been rather muted. At the time of the 2012 Monitor, there were some concerns that the new duty

<sup>249</sup> Ipsos MORI & Mandy Littlewood Social Research and Consulting (2012) *Evaluation of the Local Authority Housing Hubs Approach*. Edinburgh: Scottish Government.

<sup>250</sup> Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry*. Edinburgh: SHR

<sup>251</sup> Sanders, B. & Dobie, S. (2015) *Sharing in Scotland: Supporting young people who are homeless on the Shared Accommodation Rate*. London: Crisis.

may draw resources away from preventative interventions, and possibly generate unsustainable new demands for support services, as well as hopes that it would help to protect vulnerable housing support resources in a climate of severe budget cutbacks in local authorities. In practice, its import – both positive and negative – seems to have been very modest, with many local authorities reporting that they were already doing what the duty required, albeit that in some cases it has provided a prompt to formalise existing processes.<sup>252</sup>

Youth homelessness has garnered significant attention in Scotland over a run of years, with the Scottish Parliament as well as the Scottish Government taking an interest in this area. While there has been a decline in statutory youth homelessness in both absolute and relative terms over the past few years, this reduction has been more gradual than that seen in England, which may be viewed as something of a disappointment in light of these focused policy efforts. But over the same timeline young people have fared particularly badly under UK welfare reforms,<sup>253</sup> with both the SAR extension to single claimants under 35 and the intensifying sanctions regime disproportionately affecting younger age groups (see further below). A more recent focus for policy development pertains to ‘multiple exclusion homelessness’, which seems to have arisen from a cross-sector recognition that this group would benefit from a greater focus within the Housing Options and preventative models of intervention, especially as they come to comprise a larger proportion of those moving through the statutory homelessness system.<sup>254</sup> Particularly encouraging in this regard is the renewed engagement of health

stakeholders in addressing homelessness in Scotland, and important opportunities, as well as challenges, are presented by the health and social care integration process with respect to the commissioning of services for homeless people with complex needs. It is notable that the Scottish Government has made reference in this context to the ‘Housing First’ model of intensive support in mainstream tenancies for homeless people with complex needs.<sup>255</sup>

Trends in statutory homelessness in Scotland have tended to reflect major policy changes: first the expansion of priority need to encompass a wider pool of single homeless people, over the course of the decade until 2012, and then more recently the introduction of the Housing Options model. Thus the marked downward trend in the overall scale of statutory homelessness seen since 2009/10 – the total number of applications had fallen by 37% by 2014/15 – is wholly the result of this latter policy change. This is confirmed by the linkage between ‘PREVENT1’ and the official homelessness statistics (HL1) which allows us to see that, if we combine ‘homelessness-type’ approaches to Housing Options services, with formal homelessness assessments, the overall number of homelessness presentations to Scottish local authorities has remained relatively steady in recent years (around 54,000 per annum).

Likewise, after a significant increase in the years to 2010/11, driven by the expansion of priority need in tandem with a declining supply of social housing lettings in Scotland, temporary accommodation placements have subsequently remained fairly steady in the range 10–11,000 households at any one

<sup>252</sup> Shelter Scotland (2014) *Supporting Homeless People: Have New Legal Duties Made a Difference?* Edinburgh: Shelter Scotland.

<sup>253</sup> Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., & Watts, B. (2013) *The Homelessness Monitor: England 2013*. London: Crisis; Johnsen, S., & Watts, B. (2014) *Homelessness and poverty: reviewing the links*. Edinburgh: Heriot-Watt University; Homeless Link (2014) *Young and Homeless 2014*. London: Homeless Link; Smith, N. (2015) *Feeling the pinch: the impact of benefit changes on families and young people*. London: Barnardo's.

<sup>254</sup> See <http://www.gov.scot/Topics/Built-Environment/Housing/homeless/activity/homelessness-prevention-and-strategy-group/meetings>; Harleigh Bell, N. (2015) *An Overview of Rough Sleeping in Scotland: Paper to Homelessness Prevention Strategy Group*. Edinburgh: Homeless Action Scotland.

<sup>255</sup> Busch-Geertsema, V. (2013) *Housing First Europe: Final Report*: <http://www.servicestyrelsen.dk/housingfirsteurope>;

time, as the overall numbers accepted as statutory homeless have declined. However, local authorities across Scotland are reporting substantially lengthening periods of time spent by households in temporary accommodation, and from April 2016 there will be mandatory data collection on this via the HL3.

These official statistics on homelessness trends and the use of temporary accommodation in Scotland are broadly consistent with evidence from a wholly independent source, the Scottish Household Survey, which is based on self-reporting of homelessness experience by adults in a representative sample of private households in Scotland. However, the pattern of declining rough sleeping indicated by the statutory homelessness data is at odds with the steady, or even slightly upward trend, as suggested by Scottish Household Survey data till 2012. According to the Scottish Household Survey, about 50,000 adults (1.1% of the adult population) experience homelessness each year, and rough sleeping is experienced by around 5,000 per annum, with about 660 sleeping rough on a typical night. This national survey data confirms the overriding importance of poverty in the generation of homelessness in Scotland and its concentration in the urban areas of the central belt, and in particular in Glasgow. It also indicates that, aside from rough sleeping, overwhelmingly experienced by men, all other forms of homelessness have equal prevalence among men and women in Scotland. Confirming other longstanding evidence, it is clear that both young people and lone parents are at heightened risk of homelessness in Scotland, with this additional risk almost entirely accounted for by their disproportionate exposure to poverty.

Housing supply and welfare reform remain the biggest structural challenges with respect to addressing homelessness in Scotland. Housing supply in Scotland fell to historically low levels during the recession, and annual additions to the housing stock now need to rise by some 30% from 2013/14 levels just to keep pace with household growth. The gradual long-term decline in social sector lettings has, for now, been contained by the new social lettings developed through the Affordable Housing Supply Programme. Despite the difficult financial climate, especially post the Summer 2015 Budget, the SNP has made a commitment to provide some 50,000 new affordable homes over the five years of the next Scottish Parliament.<sup>256</sup> The Scottish Government has also now legislated to abolish the RTB from August 2016. Once introduced this measure will prevent further losses to the social rented sector stock, but it should be borne in mind that the impact on the availability of social lettings will be limited given the relatively low level of contemporary RTB sales. Much more significant is the continuing impact from historical sales in the form of lost relets for many years to come.<sup>257</sup>

As in the rest of the UK, the private rented sector has grown rapidly in Scotland in recent years, and now accounts for some 15% of the total housing stock, though it still provides less than two thirds of the number of rented dwellings available in the social rented sector. Private tenants are set to benefit from a substantial improvement in their security of tenure under proposed new Scottish legislation, with the abolition of the 'no fault' ground for eviction of private tenants;<sup>258</sup> a policy development which is all the more notable given moves in the opposite direction elsewhere in the UK.<sup>259</sup> While there is, interestingly, less evidence in Scotland

<sup>256</sup> Stone, J. (2015) 'Nicola Sturgeon pledges 50,000 Affordable Homes for Scotland'. 15th October: <http://www.independent.co.uk/news/uk/politics/nicola-sturgeon-pledges-to-build-50000-affordable-homes-in-next-parliament-a6695101.html>

<sup>257</sup> Wilcox, S. (2006) 'A financial evaluation of the right to buy' in Wilcox, S. (ed.) *UK Housing Review 2006/2007*. Coventry: CIH & CML.

<sup>258</sup> Scottish Government (2015) *A Second Consultation on a New Tenancy for the Private Sector*. Edinburgh: Scottish Government.

<sup>259</sup> Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Wales 2015*. London: Crisis.

than anywhere else in the UK of a rising incidence of people becoming homeless as a result of private tenancy terminations, these proposed additional protections will nonetheless be helpful in stemming any nascent trend in that direction (assuming of course no negative impact on the supply of private rented dwellings as a result of these changes in tenure arrangements).

Threatening to overwhelm efforts to prevent and address homelessness in Scotland is the ongoing impact of UK welfare reform. A raft of further major welfare cuts were announced in the 2015 Summer Budget, with particular implications for young single people under 22 years old and larger families, and more generally for the ability of low income households to access the private rented sector. While the Scottish Government, as part of the post referendum constitutional settlement, is to be provided with some new powers in respect of the operation of welfare policies in Scotland, these are limited and pertain to only 15% of welfare spend. However, and crucially from a homelessness perspective, the Scotland Bill does allow for the continuation of direct payments to social landlords of Universal Credit elements related to rental costs. It also enables the effective 'abolition' of the 'Bedroom Tax' in Scotland. Though the 'Bedroom Tax' has been heavily mitigated by Discretionary Housing Payments, for those already living in 'too large' social rented properties, it has nonetheless reportedly had the deleterious effect of making it more difficult to rehouse single homeless people (two thirds of the Scottish LA homeless caseload) in social housing, given significant shortfalls in one bedroom properties in many parts of the country.

There is substantial anxiety in the homelessness sector in Scotland at present with regard to the implications of welfare

reform for meeting the costs of temporary accommodation (arrangements are different and more generous for 'supported' and other 'specified' accommodation). Under the Universal Credit regime the lower Local Housing Allowance rates, including the Shared Accommodation Rate for single people under 35, with a limited additional management allowance, will also apply to local authorities seeking to secure accommodation for homeless households in the private rented sector. It has been estimated that the application of the Local Housing Allowance rates and caps to LA temporary accommodation in Scotland will cost Scottish councils some £26.5 million a year.<sup>260</sup> In addition, eligible rents for households in temporary accommodation are subject to the overall benefit cap (see below), and for those in LA temporary accommodation also the 'Bedroom Tax'. Key informants emphasised that the shortfall in temporary accommodation funding will have to be offset by budget cuts in other areas of support to homeless people in their area.

One of the most striking changes since the 2012 Homelessness Monitor in Scotland is the extent to which benefit sanctions have come to dominate the day-to-day lives of many homelessness service users and providers in Scotland. There are major concerns associated with the organisational as well as personal impacts of sanctioned residents being unable to pay service charges in temporary and supported accommodation. Sanctions are reported to be so sudden in their impact that they are much more difficult for support agencies to manage than, for example, the 'Bedroom Tax', with sanctioned clients routinely referred to food banks by homelessness agencies.

Until now, the number of households affected by the benefit caps has been quite modest in Scotland, reflecting the lower levels of social

<sup>260</sup> COSLA (2014) *Housing and Welfare Reform, CWEG Item 3.3*: <http://www.cosla.gov.uk/system/files/private/cw140318item3-3.pdf>; there are also estimates available that the implementation of the LHA rates alone (without the caps) will result in a deficit of this order.

and private rents in Scotland compared to other parts of Great Britain, and London in particular. But the planned lowering of the caps to £13,400 a year for single people and £20,000 for all other households will significantly extend its impact in Scotland – the DWP Impact Assessment suggests that for Great Britain as a whole the numbers affected by the cap will quadruple to 126,000.<sup>261</sup>

The disproportionate impact of welfare reform to date on young people has already been noted above. Going forward, the planned removal of Housing Benefit entitlement from 18-21s, other than for those deemed ‘vulnerable’, is obviously a matter of great concern,<sup>262</sup> and Universal Credit recipients in this age group will be subject to an intensified support and conditionality regime. Young people under 25, for whom rates of Jobseekers’ Allowance are already paid at a below ‘destitution’ level,<sup>263</sup> will be affected, along with other age groups, by the four year freeze in working-age benefits. Disproportionate cuts in youth services as a result of pressure on local authority budgets has also been argued to contribute to risks of homelessness for young people.<sup>264</sup> This all points to the particular difficulties that might be faced in maintaining the ‘gains’ on youth homelessness seen in Scotland in recent years.

Thus, even as the UK and Scottish economy strengthens, these policy-led factors continue to have a direct bearing on levels of homelessness across the country, as well as on the effectiveness of responses. Certainly, if the welfare reform agenda driven by the current UK Government further increases poverty in Scotland, as is widely anticipated, then we would expect a concomitant, if lagged, rise in homelessness. With

Scottish elections in 2016, the prospect of a referendum on European Union membership, and the possibility of another Scottish referendum on independence, there are major political developments in the pipeline that may change the context for homelessness in Scotland in some quite fundamental ways. The evidence provided by the Homelessness Monitor over the coming years will provide a powerful platform for assessing the impact of political, economic and policy change on some of the most vulnerable people in Scotland.

<sup>261</sup> DWP (2015) *Welfare Reform and Work Bill: Impact Assessment for the benefit cap*. London: DWP.

<sup>262</sup> HM Treasury (2015) *Summer Budget 2015*. London: HM Treasury.

<sup>263</sup> Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G., Sosenko, F. & Watts, B. (2015) *Destitution in the UK: An Interim Report*. York: JRF.

<sup>264</sup> Watts, B., Johnsen, S. and Sosenko, F. (2015) *Youth homelessness in the UK*. Edinburgh: Heriot Watt University.



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## About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

## Get in touch

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ISBN 978-1-78519-022-3

Crisis UK (trading as Crisis). Registered Charity Numbers:  
E&W1082947, SC040094. Company Number: 4024938

## Homelessness ends here