Together we will end homelessness

The homelessness monitor: Scotland 2019

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

February 2019
Executive summary

The homelessness monitor

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

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

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About Crisis

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

About the authors

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978-1-78519-059-9

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

Acknowledgements

This report was commissioned by Crisis, and funded by Crisis and the Joseph Rowntree Foundation (JRF), and our thanks go to Sophie Boobis, Matthew Downie and Dr Francesca Albanese at Crisis, and Dr Jim McCormick and Chris Goulden at JRF, for all of their support with this work. We are extremely grateful to all of the key informants from homelessness service providers and other organisations across Scotland who found time in their busy schedules to help us with this study, and to all 29 local authorities who completed the questionnaire. This Monitor has benefited greatly from the expert input of a Project Advisory Group, including Peter Allen at Dundee City Council, Margaret-Ann Brunjes at Glasgow Homelessness Network, Marion Gibbs at Scottish Government, Neil Hamlet at NHS Public Health, Julie Hunter at North Lanarkshire Council, Peter Kelly at the Poverty Alliance, Fiona King at Shelter Scotland, Lorraine McGrath at Simon Community Scotland and Lorna Wilson at Scottish Federation of Housing Associations. Our thanks also to Katie Colliver for her invaluable assistance with editing and formatting.

Foreword

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

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

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

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

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

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

Jon Sparkes
Chief Executive, Crisis

Campbell Robb
Chief Executive, Joseph Rowntree Foundation

Executive summary

Key points

The Homelessness Monitor series is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in Scotland and elsewhere in the UK.[1] This update report provides an account of how homelessness stands in Scotland in 2019, or as close to 2019 as data availability allows, and how things have changed since the last Homelessness Monitor Scotland report was published in 2015.[2]

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

- Rough sleeping appears to have been relatively stable over the last three years at national level, while displaying considerable variation in trends between different localities. Estimates based on the two key data sources currently available[3] suggest that the annual number of rough sleepers in 2017 was around 5,300, with a nightly snapshot estimate of just over 700.

- In 2017/18 Scottish local authorities logged 34,950 statutory homelessness assessments, of which 28,792 (82%) resulted in a judgement that the household concerned was 'legally homeless'. The fall in statutory homelessness assessments between 2009 and 2014 has subsequently plateaued, while in the more recent period the recorded number of Housing Options approaches has fallen by 30%. Combining the statistics on statutory homelessness assessments with Housing Options approaches triggered by 'homelessness reasons' (rather than 'prevention reasons') suggests that overall 'expressed homelessness demand' may have fallen by about 20% since 2014/15. Change in the most recent year is, however, estimated by the Scottish Government as a 3% reduction. Again, this could possibly indicate a

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

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

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

near stabilising of overall demand after a period of marked decline.

- However, dramatic variations both between local authorities and over time cast doubt on the reliability of the Housing Options official data in particular as a means of gauging underlying homelessness pressures, as is widely acknowledged by local authorities and other stakeholders. Most respondents to the 2018 local authority survey reported that overall homelessness 'footfall' had remained unchanged or had slightly increased in their area since 2017.

- One finding that may seem, on face of it, very surprising is that – as officially recorded – a high pressure area like Edinburgh has seen a sharp fall in both Housing Options approaches and formal homelessness acceptances over the past three years. One key informant interpreted this as arising from the disincentive effects associated with what potential applicants may interpret as a 'poor' offer from Edinburgh, given the pressure on its temporary and permanent housing stock.

- After a very marked increase in homelessness temporary accommodation placements until 2010, overall numbers have subsequently remained fairly steady – albeit up by 4% over the past two years. As of 31 March 2018, there were 10,933 households in temporary accommodation in Scotland. Most temporary accommodation placements are in ordinary social housing stock, with only a minority involving non-self-contained accommodation. Nevertheless, the three years to 2018 saw a 12% increase in bed and breakfast placements. Temporary accommodation placements involving family households increased by 25% over the same period, presumably reflecting 'blockages' in moving these families on to settled housing. The vast bulk of this increase in family placements has involved social sector and 'other' accommodation.

- An alternative to focussing exclusively on the official statistics on homelessness is to triangulate a variety of existing data sources to assess trends in 'core homelessness', people literally homeless 'now' (e.g. rough sleeping, sofa surfing, staying in hostels, refuges or unsuitable forms of temporary accommodation). The overall level of core homelessness in Scotland (number homeless on a typical night) has been running at between 11,600 and 13,250 over the period since 2010, with a distinct fall in 2013, and a slight rise in 2017. The fall in 2013 was seen in hostels, unsuitable temporary accommodation and sofa surfing. The rise in 2017 has been primarily in unsuitable temporary accommodation.

- Despite these mixed or ambiguous recent statistical trends, homelessness has recently become a key policy priority for the current Scottish Government, with a short-life Homelessness and Rough Sleeping Action Group appointed by the First Minister in September 2017, alongside the announcement of £50 million additional expenditure on homelessness over the next five years. A Scottish Government 'Ending Homelessness Together Action Plan', published in November 2018 seeks to address all 70 Homelessness and Rough Sleeping Action Group recommendations, including key ones on 'rapid rehousing', Housing First, having a stronger focus on the frontline, expanding emergency and settled housing options, a new prevention duty on all public authorities, and legal changes on intentionality and local connection rules.

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

- Local authority respondents in the Glasgow and Clyde Valley area were far more positive than those elsewhere in Scotland about the contribution made thus far by Health and Social Care Partnerships to the prevention and alleviation of homelessness. Several local authorities and stakeholders in these other parts of Scotland commented that the 'Rapid Rehousing Transition Plans' ushered in under the auspices of Homelessness and Rough Sleeping Action Group had provided a useful framework for more constructive engagement with Health and Social Care Partnerships on homelessness.

- The number of new lets in the social rented sector overall had been on a declining trajectory since 2013/14, but increased in 2017/18 compared to 2016/17. The number of lets to homeless applicants has risen as a result of a higher proportion of lets being made to this group. A higher proportion of new council lets (55%) than new housing association lets (31%) are made to homeless people. Nonetheless, many local authorities reported difficulties in accessing council tenancies to assist their homeless clients, and even greater difficulties accessing housing association tenancies, often as a result of what they viewed as restrictive association policies on 'tenancy readiness' or 'rent in advance'.

- In the longer-term the end to Right to Buy will help to preserve the overall numbers of lets that can be made, although there will be little short-term impact. As with the abolition of the Right to Buy, the Scottish Government's affordable housing programme was generally welcomed by stakeholders although some suggest that there is a need to take a longer view than the five years of the programme. The signs are that the target of 50,000 units, 35,000 of which are to be social rented, will be met by 2021. The Scottish Government has now opened a 'Housing Beyond 2021' consultation and published a discussion paper.[4]

- The private rented sector has grown enormously over the past 20 years, and all age groups under 75 are now more likely to live in the sector than was the case 20 years ago. Almost one-quarter of lone parents are private tenants and 15% of children live in the tenure. Tenancy reform in response to these changes aims to greatly increase security of tenure by greatly reducing the scope for 'no fault' evictions. The reforms also make provision for controls over excessive rent rises in individual cases, and for the introduction of Rent Pressure Zones.

- Local authorities generally believed that post-2010 welfare reform has exacerbated homelessness in their area, although almost all acknowledged that its impacts had been mitigated by the Scottish Government, particularly via Discretionary Housing Payments. The Scottish Welfare Fund was also said to play an important role, but some

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

local authorities noted that it has become less generous.

- The Scottish Government has used its powers to fully mitigate the 'Bedroom Tax' through Discretionary Housing Payments. The Bedroom Tax would have affected one in five social tenants and now costs nearly £48 million to mitigate. Mitigation of the Bedroom Tax accounts for 81% of Discretionary Housing Payment expenditure in Scotland, and it is likely that this has been prioritised over people suffering hardship from other cuts to Housing Benefit.

- The roll out of Universal Credit has repeatedly been delayed, and is now not expected to be completed until the end of 2023. Its visibility is growing in Scotland as full service roll out reached Glasgow and Edinburgh at the end of 2018. The Scottish Government has used its limited powers to allow claimants to receive Universal Credit payments more frequently and to have housing assistance paid directly to landlords. Early indications suggest that around 45% of new claimants in full service areas choose to exercise some choice in these matters.[5]

- The Benefit Cap threshold, introduced in 2013, was reduced in 2016 and this has almost trebled the number of claimant households in Scotland affected to more than 3,000, two-thirds of whom are lone parent households.

- Three-quarters of Scottish local authorities anticipate that the full rollout of Universal Credit will exacerbate homelessness in their area over the next two years. The consensus of concern is almost as strong with respect to the lowering of the Benefit Cap.

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

Trends in homelessness

Rough sleeping

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

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

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

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

The Scottish Household Survey (in most years up to 2015) asked retrospective questions about experiences of homelessness, including whether the respondent applied to a local authority for assistance. The latter question shows that generally 70% of homeless people in Scotland apply to a local authority, and are therefore recorded on HL1 returns. Combining this Scottish Housing Survey data with HL1 figures, and applying a set of evidence-based assumptions, suggests the annual number of rough sleepers in 2017 was around 5,300, with a nightly snapshot estimate of just over 700. These numbers have fluctuated to only a moderate degree since 2011, in the range 650-800.[6]

This analysis also indicates that levels of rough sleeping in Scotland may have fallen until around 2013 and remained relatively stable since then. We would speculate that the gradual implementation of fuller homelessness services for single homeless people in the period up to 2012 meant that more of those who experienced transitory rough sleeping managed to get help more directly through the statutory system, so reducing this type of rough sleeping.[7] However, the 'harder-to-help' groups have benefited less from this, and may even have increased in number. Certainly, the share of homeless applicants with support needs, particularly in relation to mental health but also in relation to addictions, has increased, while total numbers have come down.[8]

Statutory homelessness and Housing Options

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

In recognition of the new stress on a prevention-focused approach, the Scottish Government in 2014 introduced a complementary monitoring system to calibrate such 'Housing Options' activity (PREVENT1). There has been a marked downward trend in Housing Options cases subsequently logged – a reduction of 30% in the three years to 2017/18.[9] Moreover, differentiating 'homelessness type' approaches from 'prevention type' approaches (using Scottish Government conventions) the former have fallen by 35% since 2014/15 whereas the latter have declined by only 21%.

A comparison with our analysis of 2014/15 Housing Options and statutory homelessness statistics[10] implies a substantial reduction in homelessness approaches or presentations over the past three years – a drop from some 54,000 to some 43,000 (20%) in 'expressed homelessness demand'.

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

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

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

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

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

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

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

More broadly, the downward trajectory in these official statistics is also at odds with what local authorities are reporting with regard to homelessness 'footfall' in their area, with most respondents to the 2018 local authority survey perceiving that overall homelessness demands had remained unchanged or had slightly increased in their area since 2017. Some of those reporting increased footfall referred to welfare reform drivers and/or housing supply and access pressures, especially with regard to more difficult to place households with complex needs whereas others emphasised local administrative or service changes.

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

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

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

11 Scottish Housing Regulator (2014) *Housing Options in Scotland: A Thematic Inquiry.* Edinburgh: SHR.
12 Scottish Government (2016) *Housing Options guidance.* Online: Scottish Government. https://www.gov.scot/publications/housing-options-guidance

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

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

Core homelessness

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

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

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

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

Wider forms of hidden homelessness

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

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

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

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

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

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

Another way of looking at this issue is to examine the extent to which different age groups are able to form separate households, as measured by the 'household representative rate'. In general, at least up until 2010, one could say that the chances of a younger adult forming a separate household were increasing in Scotland, and were greater in Scotland than in the UK as a whole. However, since 2010 there has been a sharp fall for all of these age groups, which Scotland has experienced in parallel with the UK. The effect of the drop in the proportion of younger adults (20-34) in Scotland heading separate households since 2010 is that 67,650 households have been prevented from forming. These figures understate the true denial of opportunities to form households, because, on the basis of previous decades of experience, these rates should have been expected to rise significantly, not fall.

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

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

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

Economic and policy impacts on homelessness

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

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

The number of new lets in the social rented sector overall has declined 2013/14 – 2017/18, but increased in 2017/18 compared to 2016/17. The number of lets to homeless applicants has risen as a result of a higher proportion of lets being made to this group. A higher proportion of new council lets (55%) than new housing association lets (31%) are made to homeless people. Nonetheless, many local authorities report difficulties in accessing council and, especially, housing association tenancies to prevent or relieve homelessness. In the latter case particularly, this was said to be related to restrictive allocation policies concerning 'tenancy readiness' and 'rent in advance', as well as supply pressures.

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

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

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

introduction of Rent Pressure Zones. However, there are many barriers to local authorities wishing to introduce Rent Pressure Zones.

While Scottish local authorities generally reported that welfare reform has exacerbated homelessness in their area, it is clear that welfare reform has not, at least as yet, had the devastating homelessness impacts that have been all too evident in England. In particular, the official statistics on statutory homelessness show little obvious tendency toward rising numbers of people applying as homeless as a result of the loss of a private tenancy. This contrasts sharply with the position in England, where there has been a dramatic increase in the number of such cases over the post-2010.[18]

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

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

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

18 Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., Watts, B. & Wood, J. (2018); *The Homelessness Monitor, England 2018,* London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2018

19 Scottish Government (2018) *A nation with ambition: the Government's Programme for Scotland 2017-2018.* Online: Scottish Government. https://www.gov.scot/publications/nation-ambition-governments-programme-scotland-2017-18

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

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

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

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

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

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

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

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

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

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

Conclusion

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

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

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978-1-78519-059-9

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

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