Introduction

East Lothian Council welcomes the opportunity to respond to the Infrastructure and Capital Investment Committee request for views on the progress made towards meeting the 2012 homelessness commitment and action that could be taken to assist local authorities in meeting the target. This written submission is provided in addition to the meeting held with senior management on 6 January 2012.

The Committee is seeking views which will assist in meeting the following objectives:
- to identify the impact of the commitment on homeless people, local authorities and registered social landlords;
- to identify any persistent barriers to implementation;
- to highlight best practice and opportunities for sharing best practice;
- to determine effective homelessness prevention activity;
- to identify action that could be taken to assist local authorities in meeting the target.

Background

Homelessness applications made to East Lothian Council have stabilised in recent years. The 1,196 applications recorded during 2009/10 represent the largest number of applications ever dealt with by East Lothian Council, a total of 1,193 applications were received in 2010/11.

As at September 2010, Scottish Government statistics on progress towards the 2012 target show that East Lothian’s outturn figures on priority assessment are amongst the lowest in Scotland. Nationally, priority assessments were 87%, compared to 61% for East Lothian.

Challenges and Pressures

East Lothian Council faces significant challenges and pressures in relation to delivering the requirement to abolish the priority need target by 2012 and beyond. The most significant factor is the need to increase the supply of affordable rented housing within East Lothian.

The key issues for the Council are as follows:
- East Lothian has one of Scotland’s most pressured housing areas.
- The key issue is the chronic lack of affordable rented housing supply.
- There is a lack of land available for new build affordable housing.
- The Council faces difficulty in bringing forward large strategic sites in the area.
- Average house prices in East Lothian are high, making it one of the most expensive areas in Scotland, putting home ownership out of the reach of many households on modest incomes.
- The Council’s housing stock has declined from a base of 16,000 in the early 1980’s to 8,223 (as at 30/09/11) as a result of right to buy sales. With right to buy sales slowing and supply increasing through new builds and acquisitions the stock has stabilised recently. However, the basic problem remains that the current housing supply is insufficient to generate sufficient vacancies to meet existing homelessness obligations, and will not be able to meet the additional requirements of 2012.
- Until recently, the Council’s turnover has remained at around 5% per annum with RSL’s in East Lothian turning over around 4% of stock. These turnover rates are significantly lower than the national average and of benchmarking authorities. In 2010/11 turnover was at 7.5% and this is set to continue for 2011/12 as a result of more new supply properties coming forward and increased transfer activity.
- The private rented sector in East Lothian has an important but limited role to play in meeting housing need due to the fact it is relatively small in size, and affordability is a significant issue for many households. Furthermore, the structure of the sector is such that the stock is generally family sized housing, whilst the unmet demand from homeless households relates mostly to single people.
- East Lothian has witnessed a steady increase in the numbers of households presenting as homeless over recent years with just under 1,200 applicants in 2010/11 and consistently
tracking above the Scottish average per population size. In terms of those households found to be homeless or threatened with homelessness, East Lothian has seen a rise of around 49% in the period from 2003 to 2009 as opposed to a national reduction of 2% in relation to such assessments.

- In 2008/09 to meet statutory responsibilities, the Council would have had to allocate over 90% of available public sector stock to this client group. Had the requirements of 2012 been in force the Council would have had to increase supply in the public sector by around 30%. It is impossible for the Council to commit this level of allocation to one housing group given the statutory obligation to deal with other forms of housing need, such as those with severe medical needs, overcrowding and living in unsatisfactory housing conditions.

- There is no evidence that demand from homeless households is likely to lessen in the immediate future and the Council at best projects a stabilisation of demand at current levels. Allied to this is a significant level of housing need generally with around 4500 households on the Council’s housing register and similarly high numbers on housing association housing lists.

- The Council commissioned an independent Homelessness Needs Assessment to inform the development of its current Homelessness Strategy (2009–14). The main conclusion is that ‘causes of homelessness in East Lothian are predominantly structural with the main problem being the shortage of affordable rented homes. As a direct result, the Council is facing increasing difficulties in meeting its duties to homeless applicants’ (July 2008). The Council shares this view and does not consider that there is sufficient affordable housing stock available to meet the housing needs of all homeless people. Graph 1, page 10 of the Council’s Homelessness Strategy sets out increasing numbers of homeless households against decreasing lets. It is anticipated this gap will increase in future years, best illustrated at graph 6, page 35 of the Council’s Homelessness Strategy. This sets out the projected number of households to be treated as priority need as at 2012 and tracks alongside the projected number of social rented sector lets available (high and low levels). An electronic copy of the Homelessness Strategy can be downloaded at [http://www.eastlothian.gov.uk/site/scripts/documents_info.php?documentID=303](http://www.eastlothian.gov.uk/site/scripts/documents_info.php?documentID=303)

- The Council’s Homelessness Manager has undertaken an assessment of housing supply and demand and estimates that delivering the 2012 target will require the Council to assess an additional 300 households as homeless on an ongoing basis each year with a corresponding duty to accommodate around 700 applicants from a core housing supply of 400 Council and 80 housing association properties.

- Capacity modelling carried out by the Scottish Government’s Communities Analytical Service, to assist councils assess their ability to meet the 2012 target and assist Ministers in their statutory duty to assess the capacity of each council to meet the 2012 commitment, identifies East Lothian Council as one of a small number of councils consistently evidencing a lack of capacity to meet the immediate requirements of 2012 and beyond. Further work is currently being undertaken by the Council to ensure that the data informing the model is accurate and provides a robust assessment of the likely capacity of the Council to meet the 2012 target.

- The impact of Housing Benefit (HB) changes may result in more HB recipients presenting as homeless, although predicting how the number of presentations may rise is difficult because much will depend on how households and landlords react to the changes. The key issues are likely to be:
  
  - The changes to the treatment of those between 25 and 35 attempting to secure assistance for housing costs via LHA. The impact of these changes in East Lothian are that 80 people who presently receive LHA will only receive the shared room rate allowance from the next anniversary of their application, sometime during 2012. The Council’s Prevention Team is already dealing with those who will be affected first and will deal with all of these clients during next year.
  - In addition, it is estimated that this change will affect around 100 ‘new’ applicants per year who will no longer be able to access individual private sector tenancies as a means of addressing their homelessness, further increasing the demands placed on the Council’s limited housing supply.
  - As the Council also faces a high level of demand on the basis of applicants being “asked to leave” existing accommodation, often with family, the impact of the various changes to non dependent deductions is, whilst difficult to quantify precisely, a likely source of increased demand for the Council’s homelessness services.
Increasing Housing Supply

East Lothian Council has a significant new build development programme and is actively working to increase the supply of affordable housing. Some of the key achievements to increase capacity to date are:

- Increasing the supply of new build affordable housing. Delivery of new affordable homes has increased significantly within the past 2 years as a result of increased funding from the Scottish Government and outputs from the Council's own new build housing programme. In 2010/11 there were 256 affordable housing completions. The Council’s Strategic Housing Investment Plan 2011/12 – 2015/16 identifies tender approvals for 825 units could be achieved over the period.

- Successfully securing funding for the Council’s affordable house building programme of £100 million for the period 2009/10 to 2013/14 through prudential borrowing and Scottish Government Kick Starting Council House Building funding (£4.2 million secured in 2009).

- Successfully securing £4.32 million in 2011/12 through the Scottish Government’s Innovation and Investment Fund to deliver 181 new build Council homes. An additional £929,258 was secured by Dunedin Canmore Housing Association to deliver 31 units through the RSL stream.

- Pro-actively working with housing associations and private house developers to promote and support the development of new affordable housing, including identifying opportunities to increase the supply of affordable housing and the provision of loan financing to East Lothian Housing Association.

- Participating in the Scottish Futures Trust National Housing Initiative (NHT). Unfortunately no tenders were received at the 'Invitation to Tender' stage for Phase 1 or Phase 2.

- Assisting households access a range of low cost home ownership options through LIFT, open market and shared equity schemes.

- Improving the range of temporary accommodation options and the procurement of additional temporary accommodation, including operating a private sector leasing scheme operated by Orchard & Shipman on behalf of the Council. There are currently 94 properties included in the scheme.

- In March 2011, the Council successfully applied to have parts of East Lothian designated as ‘Pressured Areas’, suspending the modernised Right to Buy for certain tenants for 5 years from 21 March 2011 to 20 March 2016.

- The Council and Scottish Government are engaged in discussions with NHS Lothian regarding the feasibility of releasing land held in East Lothian for affordable housing.

- In October 2011, the Council approved an Open Market Acquisition Initiative to increase the number of Council properties by purchasing houses for sale on the open market. To date this has resulted in an additional 55 properties that will be used to address a range of housing demands, including additional homeless temporary accommodation.

- During early 2012, the Council will work in partnership with Orchard & Shipman to set-up and deliver an initiative that will source and market private rented lets to homeless service users through the Council’s local housing office network.

Positive Action to Prevent and Respond to Homelessness

East Lothian Council has taken a range of positive steps to develop further opportunities to prevent homelessness and deliver effective services to homeless households. These include:

- Establishing a Council Working Group in September 2006 to oversee the changes in homelessness legislation up to 2012. This is chaired by the Cabinet Member for Housing. Regular progress reports are made to the Council’s Cabinet to ensure that they are fully aware of the duties of the Council in relation to homelessness and the implications of these duties.


- The East Lothian consultative draft Local Housing Strategy (2012-17) proposes a range of actions to achieve the following outcomes:
  - Increased supply of housing
  - Fewer people become homeless
  - Homeless households receive effective crisis response
A Temporary Accommodation Strategy (2010-16) was approved in June 2010 which sets out how the Council aims to address the temporary accommodation needs of homeless households in East Lothian.

The Council is currently developing a Housing Information and Advice Strategy (2012-17) to ensure that there is a planned, joined-up approach to good quality, consistent housing information and advice.


The Council has consistently been one of the top performing councils in terms of the percentage of allocations made to homeless households in 'priority need'. For example in 2010/11 the 68% of new lets were allocated to homeless households, well in excess of the Scottish average of 55%. The number of homeless households housed by the Council has also increased year on year for the past 3 years. In addition 50% of general needs housing association lets are made to homeless families, one of the highest homeless nomination / section 5 levels in Scotland.

Promoting and improving joint working between key partners and Council departments to ensure a corporate approach to address homelessness.

During April 2011, the Council's Homelessness Service introduced a housing options approach, which complements the previous prevention approach delivered since 2006. The approach seeks to address the housing needs of clients before any crisis intervention is required. The initial impact has been that homeless assessment activity has declined by 38%, compared to the same period 6 month in 2010. Overall activity within the Homeless Units (options, prevention and assessments) has remained constant. In terms of outcomes for those assisted via the housing options approach some of the key outcomes are as follows:

- a. Homelessness was unavoidable in around 25% of cases and the client were then dealt with using the 'traditional' homeless assessment approach
- b. In 18% of cases the Homeless Unit was able to assist the client to secure accommodation without the need for a homeless assessment
- c. In 22% of cases the Homeless Unit was able to assist the client to avoid homelessness.

The Council are active partners in the Edinburgh, Lothians & Borders Housing Option Hub; the Scottish Government’s principal forum for disseminating and developing good practice examples in housing options. A homelessness prevention promotional campaign was launched in June 2011 utilising Hub funding.

During 2010/11, the uptake of the Rent Deposit Scheme increased by 46% and this continues to be an effective tool in preventing homelessness (providing 89 households access to private rented housing). However, the likely impact of Housing Benefit reforms, particularly the increase in age limit for a single room rate, may reduce future take-up of the Scheme and present difficulties in re-housing homeless applicants not in employment with a consequent pressure on the social rented sector.

In addition to the existing homelessness mediation services available, the Council is funding a Mediation Service targeted at 16-20 year olds who have been asked to leave their current accommodation and are threatened with homelessness. This service commenced in October 2011 and provides increased opportunities to divert homeless applications from this key group.

Short Life Working Group

A Short-life Working Group comprising the Council’s 2012 Working Group and Scottish Government officials was formed at the behest of the Housing and Communities Minister in September 2010 to discuss policies and initiatives that could assist the Council achieve the 2012 target. The Working Group reported its findings to the Housing and Communities Minister and East Lothian’s Cabinet Member for Housing and Community Safety in December 2010.

The Report recognises that the Council faces a significant challenge in meeting the 2012 target and that lack of affordable housing supply alongside anticipated increasing levels of homeless presentations remain key concerns. The Report emphasises that effective prevention activity and continued new social supply will both be necessary to ensure the Council has the capacity to achieve 2012.
Meeting the 2012 Target

East Lothian Council faces significant difficulties in being able to meet the requirements of the legislative changes in 2012. This is largely as a result of the limited supply of affordable housing within the county despite the range of measures the Council has introduced in the recent past to promote supply via Council and RSL new build activity, combined with the development of the Council’s homeless prevention services from 2006 onwards.

Notwithstanding the above, and despite the best efforts of the Council to date, it remains highly unlikely that the Council will be in a position to meet the legislative requirements of 2012 and beyond.

The Council considers that the following actions could assist in meeting the 2012 homelessness commitment:

- Assistance to accelerate the Council’s strategic sites, this could include working with developers and financial institutions;
- An examination of the infrastructure issues that have affected development of key strategic sites in the area;
- An examination of the banks’ repossession policies to establish whether anything can be done to help people stay in their homes;
- Further analysis of any initiatives which could encourage private sector landlords to make properties available to homeless households; and
- Consideration of a public sector assets protocol in relation to the acquisition of land.