Local Government and Communities Committee

Homelessness

Submission from Highland Council

The Highland Council welcomes this inquiry and the opportunity to respond to its questions. We have focused on a number of questions and also endorse the responses of ALACHO, COSLA and North Lanarkshire Council.

**How do you feel housing options and homelessness prevention is working in practice? Are there examples of good practice?**

**What needs to happen to improve the delivery of housing options and homelessness prevention services and the outcomes achieved for service users?**

- Housing options can work well in practice where there are a range of options available and where those delivering housing options have adequate resources enabling them to put the necessary time and effort into prevention activities. There are examples of good practice (e.g. time spent discussing options with households applying to Highland Housing Register who are not in a crisis; personal housing plans etc.) and these are most evident where the service has fewer challenging cases and a wider range of options. With our integrated options service, Housing Options Officers juggle managing approaches from households in homeless / roofless crisis; case managing their client’s application / housing options journey; managing their temporary accommodation issues (e.g. paying rent / claiming benefits, dealing with their complaints; disputes and enquiries); managing any wider issues they may have underlying their homelessness; working with mainstream housing options clients (e.g. assisting housing applicants to maximise their choices) as well as working with their clients to prevent them becoming homeless. In Inverness, each Housing Options Officer is case-managing on average 75 households who have applied as homeless and a further number of households who are non-homeless (‘pure’) housing options cases.

- Unfortunately in many parts of Highland there are also very few options. For example in economically buoyant places like Inverness, Aviemore and Portree there is a high demand for a limited supply of social rented housing alongside a private rented housing market which appears to be shrinking, whilst becoming more expensive (as demand is increasing). Moreover, in part due to Universal Credit, private landlords are more reluctant than ever to let to people who are or may be reliant on benefits.
• Many households continue to perceive a homeless application as the only route to good quality affordable housing. It can be very challenging to widen people's perception of options once their homeless application has been opened.

• It is also difficult to provide person centred choice once someone is in the homeless system. Given the log-jams in our temporary accommodation (caused by the lack of affordable housing) we are increasingly considering options which enable us to discharge our duty sooner e.g. by offering housing in communities where it is available, and at some distance to the household’s chosen areas.

• As a result, options teams are struggling to make a ‘prevention first’ approach work effectively. This is made more challenging by the focus on homelessness processes, rather than outcomes for households at risk of homelessness, resulting from the tension between the legislation, the spirit of the Housing Options Guidance and the intention of this approach - and homeless duties falling on the Housing Authority only. Outcomes could improve if this was reviewed and resolved.

• It is would be useful to assess the impact of housing options guidance on homelessness. However it is challenging to assess this using current statistics. It is notable that Scotland’s statistical return on homelessness (HL1) provides limited opportunity to gather information on prevention activities.

• There is also a need to support a culture change in the public arena which encourages households to approach before they are in crisis.

How effective is the relationship between all the relevant agencies, including the health sector, and charities working on homelessness prevention?

• There is a need for commitment in practice from health and social care partners to prevent homelessness and help households to successfully move beyond it. Whilst there appears to be understanding, recognition and new opportunities, there appear to be few practical examples of good joint working which can be adapted and adopted. It is notable that arising from a shared statutory duty, corporate parenting appears to be providing examples of shared responsibility and co-ordinated activity.

• We have a concern that the changing financial context which RSLs are operating in is resulting in some becoming more business minded and less ‘socially minded’ which is impacting on their tenants, homeless households and low income households.
What role should private sector housing providers play in preventing and responding to homelessness?

- Although recent legislative changes have improved security of tenure within the PRS we doubt whether these will make it easier for most homeless households to access housing in the sector.

- Welfare reform, and specifically Universal Credit housing costs elements and Local Housing Allowance rates are having an negative impact on the willingness of more PRS landlords to house lower income households.

- Although it is a shrinking and increasingly expensive market, there are opportunities arising from the anticipated introduction of the new tenancy later this year. There is a need for a better understanding and awareness of models which would encourage the PRS sector to work with us. Housing support would assist but we currently do not have the resources to provide this.

- Informed customer choice is important, however we feel that there is a need to review to ensure the Sector 32a of the Housing (Scotland) Act 1987 guidance to ensure that it is fit for purpose in the new environment.

What evidence is there of pressure on temporary accommodation in your area? Has this increased in recent years?

- There is significant and increasing pressure on our temporary accommodation. The average length of stay has increased and this is due to factors including the lack of permanent options of the right size, which are affordable, in the communities where they are needed. And, in part, to an increase of households ‘in the homeless system’ who have multiple needs and complex disadvantage – many of whom are unable to access the health and social care services they need to live independently successfully.

How can homeless people’s experiences of temporary accommodation be improved? For example, how can the use of unsuitable accommodation be reduced or the length of time spent in temporary accommodation reduced?

- The Highland Council is looking to provide the majority of its temporary accommodation as individual units dispersed through its own stock and through social rented stock leased affordably from RSLs. This will enable us to provide more affordable self-contained temporary housing to a higher standard and move away from housing large numbers of people with a variety
of issues and vulnerabilities in close proximity in a single building. However without a corresponding increase in social rented stock in the communities where is needed, this will impact on peoples permanent outcomes and will exacerbate log jams and lengths of stay.

- RSLs could assist by leasing more of their stock, at a reasonable cost, to local authorities to be used as temporary accommodation. As well as providing units and this would ensure that homeless households are not concentrated in council 'estates'. There appears to be little incentive for RSLs, particularly those developing new housing, to assist however.

- At a strategic and operational level, there is a need to ensure that new affordable housing supply provided by local authorities and RSLs helps to prevent and tackle homeless by ensuring that its targeted at those most in need, provided in the areas where is it needed, affordable and accessible to homeless households. Strategic targets linking supply and homelessness outcomes would assist.

- As we move away from use of large scale HMOs to more self-contained accommodation dispersed throughout the housing stock, we are conscious that our management and housing support costs will increase.

- There is a need for a wider range of options for single people (particularly younger single people). For example ‘flexible’ housing which can expand and change with them as their household changes – and which is more attractive for social housing developers to provide. Our inability to use 2 bed housing for use by households with a “1 bed need” without significant impact on rent affordability as a result of Welfare Reform, adds an extra challenge in meeting the needs of homeless households.

- We are currently working to develop shared tenancy solutions, although this brings new challenges which need to be resolved.

- Without solutions, single person households will be stuck for longer in temporary housing. The average length of stay in our contracted temporary accommodation is around a year, with many staying there for 2 or even 3 years. It is generally accepted that the longer someone stays in this type of accommodation they are more at risk of issues (or exacerbating issues) which will make it more difficult for them to sustain housing in the future.

- Evidence indicates that the Housing First model works. The model has very high management, support, staffing and training costs. In Highland, many households who would benefit from this housing are not currently in supported
accommodation and so it is unlikely there would be savings to the housing budgets if it were introduced. This model is likely to be unviable without ongoing support from wider partners such as health and social care.

**Do you have concerns about the funding of temporary accommodation? If yes, how should temporary accommodation be funded?**

Yes. Welfare Reform and Universal Credit (UC) in particular is having a significant impact on people, incomes and services.

- Changes to the DWP’s processes for direct payments in Full Service UC means that it is becoming increasingly difficult to monitor payments and manage arrears without extensive manual intervention. Moreover delays are inherent. A change in practice means that the minimum time to pay a landlord is 38 days after the claim was made and the maximum is 72 days (10 weeks). Moreover delays mean that the we are not guaranteed a direct payment, particularly in cases where the tenant moves out or has a change of circumstances during the UC Assessment Period.

- Currently 205 tenants residing in temporary accommodation are in receipt of Full Service Universal Credit, of these 200 (97%) are in arrears. With an average rent arrear of £1707 per household. The cumulative rent arrears for all of these cases currently equates to £339,710.

- The introduction of Local Housing Allowance rates is resulting in most of our temporary accommodation being unaffordable. Most tenants are experiencing an average shortfall of £100-£110 per week in their rent and are moving on with significant rent arrears.

- It is anticipated that if the trends relating to Universal Credit arrears are replicated across all housing tenures, the number of cases of homelessness could increase, particularly for those tenants residing in the private rented sector.

- The use of flexibilities introduced under the Scotland Act 2016 will help to mitigate some of the uncertainties. However they will not resolve the delays associated with the first payment of Universal Credit.

- We are currently considering restructuring our temporary accommodation rental charges so that it is more affordable to households in work and on benefits (particularly those subject to the Local Housing Allowance Rate). We are already facing a significant funding gap which is impacting on the Council’s General Fund.
Moreover we have a concern that there is no clarity as yet with regard to the long term funding which may be available to Local Authorities to cover the increased cost of managing temporary housing and that there may be competing priorities for this funding.