

Housing Emergency, GWSF submission to the Parliament's Local Government, Housing and Planning Committee, July 2024

1 Why are housing emergencies being declared across Scotland?

Our understanding is that the main factor behind the declaring of housing emergencies by several local authorities is their wish to signal that the level of homelessness demand is such that they cannot meet their statutory duties.

We believe this relates most pressingly to their inability to provide temporary accommodation whilst a household's circumstances are being assessed, but in many cases may also relate to shortfalls in the supply of permanent housing for those accepted as homeless.

We regard the Scottish Government's own declaring of a housing emergency as simply a political response to pressure to do that. It has so far brought no tangible action, other than to restore 20% of the calamitous £200m cut made to the 2024-25 Affordable Housing Supply Programme: a response we consider to have been, at best, feeble.

2 Factors influencing increased demand

Each local authority responding to the Committee will highlight its own particular pressures, but from a broader perspective we would focus on the following:

Scotland's homelessness legislation

Scotland often boasts that its homelessness legislation is among the most progressive in Europe, and certainly more so than elsewhere in the UK. The most obvious manifestation of this has been the removal of what was effectively a crude rationing system based on whether a homeless household was in 'priority need'. Perhaps understandably, there was little or no opposition to this significant legislative change at the time.

The Scottish Government's recent dropping of the 'local connection' provisions, which now means someone can go to any other area in Scotland and have the right to be assessed as homeless, is another example of a change that could in one sense be regarded as progressive and/or generous, but which inevitably has implications for those areas gaining more applicants than are leaving the area.

The imposition of new duties shows little sign of abating. We do not agree with the claim, in the Explanatory Note to the Housing (Scotland) Bill, that the proposed 'Ask

and Act' homelessness prevention duties will have little impact on local authority resources, believing instead that the duties could send even more households in the direction of homelessness services.

Taken as a whole, the continuing introduction of legislation giving greater rights to homeless people and more onerous duties to local authorities was always going to have a serious downside if resources fell short (or shorter still) of what was needed to continue meeting these very challenging obligations. Any future legislative change must be considered in the context of the consequential impact on demand for both temporary and permanent housing and the associated capital and revenue resource implications.

Refugee pressures

The challenges of responding to successive global events resulting in myriad pressures to house refugees – whether under formal UK resettlement schemes or the more chaotic circumstances of the Ukrainian issue, have affected a number of local authorities, and inevitably some more than others.

In Glasgow in particular, we continue to see the additional, acute pressures resulting from the Home Office assessing asylum applications at a much faster rate than previously seen, and with the majority of applications being successful, placing immense pressure on an already over-burdened social housing sector. And in these situations, there is no 'homelessness prevention' that can be done.

Cost of living crisis

Whilst it is difficult to precisely quantify the impact of the cost of living crisis on social housing demand, it seems almost certain that in many areas, poorer households who were just about 'hanging on' as private renters or owners have had to apply for social housing, through the homelessness route, housing list route or both, as inflationary pressure on housing costs, food and fuel have rocketed in recent years.

Lower turnover in social housing

Tenancy turnover – i.e. the number of relets – in social housing has reduced markedly in recent years. SHR reported on 26 July 2024 that lets in 2023/24 (at around 51,000) compared with around 56,000 in 2018-19.

For housing associations this means that even where (as is commonly the case) they have increased the proportion of their overall lets which go to homeless households, it is a larger percentage of a smaller number of relets.

The default route to accessing social housing?

Whilst this is a complex picture, we fear that in some areas, the lesser likelihood of accessing housing through a social landlord's housing list is perpetuating and accentuating the perception that the only realistic way of getting a home is through the homelessness route.

There is of course an irony here, in that whatever the legislation says should happen – both in terms of the right to be housing pending assessment and then to be permanently housed if genuinely homeless – it will increasingly be the case that someone applying through this route gets nothing at all, at least initially.

3 Potential solutions

Reviewing existing legislation

We know that the Committee will look closely at the views of local authorities responding to this enquiry. Overall, since the inception of the Scottish Parliament and Scottish Government, it does seem that the voices of homelessness campaign bodies have been given priority over those of the local authorities tasked with implementing our homelessness system. That imbalance needs to be addressed.

This means that if local authority bodies ask for some existing legislation to be reviewed, this needs to be taken seriously. Granting rights that cannot be respected in practice is helpful to no-one.

Increasing the proportion of homelessness lets made by social landlords

GWSF's view on this issue is that there may well be scope for further progress in many areas, but that it remains crucial for this to be done in a balanced, proportionate and sustainable manner.

In Glasgow, for example, the proportion of housing association homelessness lets has risen markedly in recent years, with early signs that this continues to be the case in 2024/25, with the request from GCC/GHSCP being for 67% of lets. This is an incredibly challenging target, and realistically is unlikely to be reached by all associations, despite the significant increases seen in 2023/24 in particular.

But however acute the need is to maximise the proportion of homelessness lets, perspective must be retained. Housing associations in the GWSF area and across Scotland did not regenerate and revitalise their communities by giving most of their lets to single, homeless men (who still make up the majority of homelessness cases). Balance and community cohesion come from responding to a broad range of housing needs from a wide range of household types in a way that is sustainable for both individuals and the local community.

It will be critical for all parties to be mindful of this need for balance and proportionality going forward, not least as the extent of homelessness demand theoretically means we could give up to 100% of lets to homeless households and still not see councils meeting all relevant duties. Without over-egging the point, this would be a certain road to ruin for the social housing sector in Scotland.

Arresting the decline in the supply of new social housing

We would not be seeing the housing crisis we're currently facing if the Scottish Government's new build programme had not been allowed to wither on the vine in recent years:

- New build completions by housing associations in 2023/24 – at 1,941 – were at 32% of the level they reached in 2019/20 – at 6,076
- New build approvals for housing associations in 2023/24 – at 1,928 – were at 40% of the level they reached in 2018/19 – at 4,658
- Overall social sector starts have reduced every year since 2019/20, from 7,361 that year to 3,500 in 2023/24: this is roughly half the level they need to be if 7,700 socially rented homes are to be provided each year as part of the ten-year target of 110,000 social and affordable homes

Some of the factors leading to the decimated programme were UK-wide or indeed global, but what has been remarkable is the abject failure of anyone at official or Ministerial level to even acknowledge that the programme is failing badly. Instead, both officials and ministers continue to refer to the 110,000 homes target still being in place despite it being patently obvious that it could fall short by as much as 50% at current rates of approvals and starts.

Hence the programme was already in freefall before the unexpected, and disastrous, £200m budget cut (announced in December 2023) to the 2024/25 AHSP. This reduced the overall 24/25 programme to £556m, since augmented by what officials and ministers have, somewhat incredulously, referred to as an 'additional' £40m in 24/25 and 25/26, primarily for acquisitions. GWSF and other housing bodies have called for – as a minimum – the restoration of the 24/25 AHSP budget to its original level of around £800m, as without this, most councils say they are not in a position to approve any further projects as all their money is committed.

We recognise, of course, that restoring and then increasing the budget further will not have a quick impact on increasing supply in the coming months, although acquisitions can and do boost supply speedily, and it is a matter of real concern that acquisitions programmes could reduce or even cease altogether in some areas as a result of the budget cut. But given that current homelessness pressures seem certain to continue for the foreseeable future, the impact of maximising the budget now will be hugely beneficial in 18-24 months' time and beyond.

In the context of the budget cut, the Housing Minister continues to refer – in almost every speech he gives – to the scope for bringing additional institutional finance into the provision of new social housing. This is a fantasy. Housing associations have no trouble obtaining private finance to go alongside the grant needed to fund social housing (and mid market rent). What remains critical is that the share of the cost funded by private finance – and therefore by tenants' rent – does not exceed the Scottish Government's own rent benchmarks.

We would also note that some of the funding models currently being explored – for example by the Scottish Futures Trust – are highly speculative and risk-laden, often involving housing associations leasing property to a special purpose vehicle for up to 50 years. Such models are entirely unsuitable for anything other than market rent provision, and it is no surprise that in England, the Regulator has warned against their use by housing associations.

Changing the approach to Home Office asylum seeker contracts

Despite asylum/refugee powers being retained by Westminster, it is crucial that the Scottish Government seeks significant change to the UK approach by working towards a position where more local authorities are sharing the placing of contracts to provide temporary accommodation for asylum seekers.

From a historical perspective, it is generally acknowledged that Glasgow's keenness to take on the large-scale contract originally stemmed from a genuine desire to welcome asylum seekers and also the seizing of an opportunity to manage its approach to harder to let council housing as it was then.

Much has changed since the first contract commenced, with widespread regeneration and improvement of stock by the City's housing associations, and the demand for accommodation beyond the stock leased to Home Office contractors (currently Mears) is substantial. It is arguably the case that when the original contract was taken on by Glasgow, even then the long term consequences of thousands of positive decisions were not properly thought through.

Impact of provision of purpose built student accommodation (PBSA)

It will not have escaped the Committee's attention that some of the local authorities declaring housing emergencies continue to grant permission for multiple new developments of PBSA.

Whilst GWSF would not claim to be appraised of all the issues associated with decisions over PBSA provision, there does seem to be a pretty obvious contradiction between using prime sites to address the acute need for social housing and using those sites to house (predominantly) well-off overseas students. If nothing else,

councils should be doing a better job explaining why PBSA is such a pressing priority for them.

Reducing refusals of offers

In Glasgow, significant efforts have been made over recent years to reduce the proportion of offers of permanent housing which are refused by homeless households. Despite this, however, currently around one in seven offers are refused. This means the individual/household is choosing to remain in their current living circumstances rather than accept an offer of rehousing, even though that offer will normally have been from within or very near to the household's preferred geographic area.

One prominent factor in the reduction of refusals has been the gradual rollout of 'matching', where instead of waiting for referrals from the homelessness service, housing associations let the service know when they have a void, and the casework team then identify a suitable applicant from its list. The fact that a specific property is being offered increases the chances of finding a household who will be happy with it, hence reducing refusals. This process is not rocket science and is likely to be in use in many other parts of Scotland.

Long-term void or unlettable property

The Committee has specifically asked about this issue. Its question focused mainly on the quality of available data on empty or unlettable property, but we assume it is also interested in the scope for boosting supply by bringing such property back into use.

The main social sector data we are aware of on this is:

<https://www.housingregulator.gov.scot/media/1987/stock-data-all-social-landlords-complete-dataset-20230831.xlsx>

The data confirms that there is very little 'unlettable' property owned by community based housing associations. We contacted those 10 or so member associations which were listed as having more than 10 such properties, and in all cases the properties in question have since been brought back into use, or there are clear plans for doing so. Our member associations do not tend to be simply sitting on property they cannot let nor have plans to address.

By way of obvious example, two of the member associations listed as having over 100 unlettable properties have since received funding to refurbish the homes through the £50m fund set aside for social landlords to bring long term void property back into use to house Ukrainian refugees.

Our understanding of the wider housing association movement is that in some cases there may be specific issues affecting particular property types or locations. One example is where an association may still own bedsit properties which it would like to convert to one-bedroom or larger homes. A barrier in such cases can be the rigid requirement to repay the Scottish Government grant used for the original construction.

COSLA and ALACHO will comment on the extent of unlettable property in the local authority sector. But as a general observation we would note the danger of perpetuating the myth that empty homes are primarily a social sector issue when in reality the great majority are in the private sector. We know that local authorities invest significant resources in trying to identify and communicate with owners and, wherever possible, take action to bring homes back into use (for example through purchasing them) in what is usually a complex and time consuming process.

In relation to routine voids processing, we would want to note to the Committee that severe delays because of the energy companies' abject failure to deal with meter issues continue to lengthen void periods. In some cases it is taking companies such as SSE and Scottish Power several months to carry out the works to properties which cannot be allocated to new tenants until the work – which may take a matter of minutes – has been done.

GWSF would be happy to engage further with the Committee on any aspect of our submission.