

# **SOCIAL JUSTICE COMMITTEE**

Wednesday 4 December 2002  
(*Morning*)

Session 1

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## SOCIAL JUSTICE COMMITTEE

### 22<sup>nd</sup> Meeting 2002, Session 1

#### CONVENER

\*Johann Lamont (Glasgow Pollok) (Lab)

#### DEPUTY CONVENER

\*Mr Kenneth Gibson (Glasgow) (SNP)

#### COMMITTEE MEMBERS

\*Robert Brown (Glasgow) (LD)

\*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)

\*Linda Fabiani (Central Scotland) (SNP)

\*Mrs Lyndsay McIntosh (Central Scotland) (Con)

\*Karen Whitefield (Airdrie and Shotts) (Lab)

#### COMMITTEE SUBSTITUTES

Sarah Boyack (Edinburgh Central) (Lab)

Ms Sandra White (Glasgow) (SNP)

\*attended

#### WITNESSES

Des McNulty (Deputy Minister for Social Justice)

Lindsay Manson (Scottish Executive Development Department)

#### CLERK TO THE COMMITTEE

Jim Johnston

#### SENIOR ASSISTANT CLERK

Mary Dinsdale

#### ASSISTANT CLERK

Craig Harper

#### LOCATION

Committee Room 1



## Scottish Parliament

### Social Justice Committee

*Wednesday 4 December 2002*

*(Morning)*

[THE CONVENER *opened the meeting at 10:00*]

### Item in Private

**The Convener (Johann Lamont):** Welcome to this meeting of the Social Justice Committee.

Do members agree to take in private item 3, which is consideration of the committee's draft stage 1 report on the Homelessness etc (Scotland) Bill, and to discuss the draft report in private at future meetings?

**Members** *indicated agreement.*

## Homelessness etc (Scotland)

### Bill: Stage 1

**The Convener:** Agenda item 2 is stage 1 of the Homelessness etc (Scotland) Bill. I welcome Des McNulty, who is the new Deputy Minister for Social Justice. I congratulate him on his promotion and look forward to a positive working relationship with him, as the committee has important work to do. I am happy to see him before the committee for his first appearance here as a minister.

Members will note that the minister has been invited to respond to issues arising from the Finance Committee's report, which his predecessor had not had sight of before the meeting on 20 November, so we were unable to ask for the Executive's response then. We considered it appropriate to invite the minister to discuss the issues before taking a view on the general principles of the bill.

I remind members to restrict their questioning to the Finance Committee's report, as the previous Deputy Minister for Social Justice has responded to questioning on other aspects of the bill. I shall try to police that fairly firmly. We will open with a statement from the minister and then move to questions.

**The Deputy Minister for Social Justice (Des McNulty):** I thank you for your kind welcome, convener. I am pleased to appear before the committee and, like you, I hope that we have a constructive working relationship.

I want to make some brief points. I recognise that the committee probably has a detailed familiarity with the bill, whereas I am wrestling with the information and trying to get things in order in my head.

First, I re-emphasise that the bill's proposals come directly from the recommendations of the homelessness task force. The task force's approach was to be as open and representative as possible and to ensure that its proposals have a sound evidence base. Over two years, a substantial programme of research was undertaken and a summary of that research was published with the final report. That evidence-based approach is critical if we are to ensure that the bill's implementation is based on objective evidence relating to homelessness numbers, resource requirements and availability, and the ability of local authorities to meet the demands of the bill.

We are here to focus on resources and the financial memorandum, which was prepared and submitted before the outcomes of the 2002 spending review were published. As a result of the

spending review outcomes, we can now point to identified resources that have a bearing on the bill.

Over the period 2003-04 to 2005-06, an average of £350 million per year will be spent through the Communities Scotland development programme and on supporting councils to transfer their houses to the not-for-profit social rented sector. That is a significant amount of money to improve the supply and quality of mainstream social housing and to enable the Executive to address priorities of improving and replacing existing stock while meeting the needs of homeless people and others in housing need.

In addition, as a complement, £127 million is being made available over the same period specifically to prevent and tackle homelessness. That includes money to continue the work of the rough sleepers initiative, to assist the decommissioning of large, outdated hostels in Glasgow and to support the wider recommendations of the homelessness task force, including the legislative recommendations that the bill implements and the range of proposals that are intended to prevent homelessness from occurring in the first place.

I emphasise that the bill principally provides an enabling framework, which gives powers for the phased implementation of particular recommendations. Implementation will be monitored carefully, and must be based on clear evidence of deliverability.

On the expansion of priority need and the suspension of local connection, the bill requires ministers to prepare and publish a statement setting out the measures that have been and are to be taken to ensure that local authorities can reasonably be expected to meet the new duties. That statement must be consulted on and must take account of the detailed information that will be made available in homelessness strategies, which are in preparation, and in local housing strategies.

Therefore, safeguards are built into the bill. I hope that they will reassure those who have concerns that progress on implementation will be evidence based and that there will be full consultation on the rate of progress.

It is vital that we make progress in partnership with key stakeholders so that, in implementing the bill, we correctly address the problem of homelessness and do not inadvertently create a new set of problems. There is a balance to be struck. A robust evidence base will be critical. The local homelessness strategies and the new electronic data capture system for statistics will provide us with vital information, which, to be honest, we have never had before.

The homelessness monitoring group's role will also be important, as it will not only advise the

Executive on implementation of the bill but will oversee the progress of the task force's other recommendations. I envisage that we will build on the task force's open and inclusive approach so that progress can be real and sustainable.

It is important to stress that the bill is about homelessness. It is about changing the existing bureaucratic legislative framework so that some of the obstacles—the existence of which everybody acknowledges—can be removed and solutions can be found for those who are homeless.

The bill is not a vehicle for arguing for a general increase in housing supply. The issues must be separated. Clearly, housing supply is an issue. That is why we have ensured the availability of funding to improve the supply and quality of housing generally. However, the bill is intended to find solutions that work first time round and which are geared towards the preventive approach that is in the homelessness strategy. The approach is one of better matching supply to demand, ensuring a full understanding of the extent and nature of the problem of homelessness and having effective strategies to deal with it locally.

Local authorities will continue to be able to take decisions about the appropriate allocation of houses. They will continue to have responsibilities for all local authority tenants, but in a framework that recognises the rights of vulnerable people and their right to expect to be housed.

When we consider the interaction of the bill's different elements and its interaction with other aspects of housing policy, we must keep our focus on the primary purpose of the bill. I emphasise that all those with a close interest in homelessness provision or who are involved in it, including the local authorities and other housing providers, have broadly welcomed that purpose.

**The Convener:** We recognise the difficulties in calculating the financial implications of the Homelessness etc (Scotland) Bill, given the phased introduction of its provisions over time. As you are aware, the committee has received evidence that suggests that more detailed financial costs could be developed beyond those presented in the financial memorandum. In that respect, the Finance Committee's report is critical. Such information might include details of the estimated costs that are associated with the bill, a statement of expected start-up costs and continuing costs, and the margin of error that is associated with the general assumptions used. Does the Executive have any plans to produce more detailed financial information on the costs of the bill prior to stage 2? That might address some of the problems that are highlighted in the Finance Committee's report.

**Des McNulty:** As I said in my opening statement, we have more information about the

finances that are available to implement the bill following the spending review. Over the three-year spending review period, £127 million will be invested in tackling homelessness. That is a very substantial amount of money.

I think that the available resources pretty much deal with the estimated initial start-up costs. However, there are issues around the margins for error. We are still in the process of improving the data systems for the level of homelessness. In making changes in priority arrangements, there will need to be a focus on resources. The bill clearly indicates that we will move beyond the initial phase only once the evidence—including that on the number of homeless people and on the resources required to include other vulnerable groups—is there. We will keep members informed on that.

Our approach is prudent. We know that the resources required to deliver the first phase of the strategy are in place, and we know what is intended for the period from now to 2006. We will be taking further detailed evidence, and detailed research will be done. There will be a generalised assessment, which will involve the Convention of Scottish Local Authorities and the other housing providers, in 2005-06. We will move to the next phase only on the basis that that is doable and achievable, and can be resourced properly.

**The Convener:** There is a difference between something being doable—that is, there being enough resources—and it being appropriate to do it. Is there a mechanism in place to reflect on whether the proposals have an impact on, or skew, other budgets in such a way that it becomes necessary to revisit not so much whether things are doable, but whether they should be done.

**Des McNulty:** We will have to continue a discussion about that with COSLA and other housing providers. I indicated in my opening remarks that our whole approach has to be partnership driven. It will not simply be a case of the Executive deciding to ratchet up the process, as it were, and put additional people into the priority need category without a dialogue between us and the stakeholder partners. I am anxious that we manage the proposals properly. It is in no one's interest for us to create other problems by tackling the problem of homelessness. As I said, a balanced discussion needs to take place among the Executive, COSLA and the other housing providers about how we develop measures and how they fit in with other objectives and priorities.

**The Convener:** That takes me to my next question. The Finance Committee's report recommends:

"In the light of the inadequacies in the Financial Memorandum, we strongly recommend that the Social Justice Committee carefully considers the practicalities of

implementing the legislation and the impact that its introduction would have on housing allocation mechanisms, the availability of good quality houses for tenants who are not homeless, and other Executive policy intentions."

That seems to be a call to reflect on whether it is appropriate to pursue the issue at all at this stage, because of the bill's potential impact.

How would you respond to those concerns and assure the committee that people on housing waiting lists and others outwith the priority need category will not be disadvantaged by the provisions? Are we supporting a bill that creates a perverse incentive for people to declare themselves as homeless as the only means of having their housing wishes met? If so, will the impact be so serious that we need to reflect on whether the practicalities are as concerning as has been suggested?

**Des McNulty:** People who are assessed as being homeless are in acute housing need. The bill does not change the definition of homeless and does not create more homeless people. If we abolish priority need and recognise that every homeless person needs a permanent solution to their homelessness, that will prevent false distinctions from being made between deserving and undeserving cases. That does not mean that homeless people will be able to jump the queue. It is a matter of ensuring that housing authorities have effective systems for allocating their houses.

I suppose that I am saying that the bill's proposals should not create perverse incentives, provided that authorities' housing allocation policies are properly constructed. I ask the committee to remember that, at least in the first phase, the bill will simply write into legislation the existing good practice that has been adopted by councils, which we have lifted. The information that we have received from councils suggests that adopting that will cause them no problems, as they would do it anyway. They will now simply be under a legislative requirement to do it.

I do not believe that the bill's initial intention will provide a perverse incentive. Anything that the bill introduces that goes beyond that first phase will need to be implemented in partnership with, and following discussions with, housing authorities. Part of that discussion should perhaps include overall housing allocation strategies and the impact of the approach to homelessness on other requests for housing allocation. However, that is not an argument against the bill as such.

10:15

**The Convener:** But the argument was sufficient for the Finance Committee to say that the practicalities of implementing the bill could have an impact on other issues. That committee

considered the argument sufficiently serious for it to highlight the fact that the bill could skew housing policy.

**Des McNulty:** As Deputy Minister for Social Justice, I hope that I am now in a position to address those issues. I certainly want to interrogate the processes carefully to ensure that, if there is a suggestion that people could use the mechanisms to play the system to the disadvantage of others, that matter is addressed. However, that is an issue that affects not the principles of the bill but how we ensure that the bill is implemented in a balanced way.

**Mr Kenneth Gibson (Glasgow) (SNP):** I congratulate the minister on his appointment. Given his involvement in the Finance Committee report that we are now analysing, Des McNulty is today poacher turned gamekeeper. Although he is not quite on the other side, when I examine the report I realise that—frankly—he is not far off it.

The minister mentioned £127 million over three years. How much of that will be new moneys, as opposed to moneys that are already being spent?

**Des McNulty:** Lindsay Manson will perhaps be able to provide that information.

**Lindsay Manson (Scottish Executive Development Department):** The £127 million breaks down as—

**Mr Gibson:** No. How much of the money is additional to what is already being spent on homelessness?

**Lindsay Manson:** The money is new in that nothing had been allocated to homelessness beyond the current period.

**Mr Gibson:** However, money had already been allocated for the rough sleepers initiative and so on.

**Lindsay Manson:** The money includes the rough sleepers initiative funding and confirms the continuation of funding that was made available when the homelessness task force report was announced. An initial amount of money was made available at that time, the continuation of which was confirmed after the Housing (Scotland) Act 2001 was passed. There is additional new money over and above the funding that was made available for reprovisioning in Glasgow.

**Mr Gibson:** So how much is that over the three years?

**Lindsay Manson:** I am sorry, but I would need to check the figures.

**Mr Gibson:** The implication was that there is an extra £127 million, but it appears that much of it has already been spent.

**Des McNulty:** If the reality is different, I will get back to Kenny Gibson, but my understanding is that, following the Housing (Scotland) Act 2001, £31 million was made available for 2002-03. That £31 million was made up of £11.5 million for the rough sleepers initiative and capital projects, £15 million for the initial recommendations of the homelessness task force, and £4 million for the reprovisioning of Glasgow hostels. Therefore, a total of £31 million of additional money came through for homelessness in this financial year. That money was not there before the current financial year.

For the next three years, that money rises to £37 million for 2003-04 and then to £45 million for each of the two subsequent financial years. The figure of £127 million is the moneys for the next three financial years and does not take into account the £31 million that has been provided for the current financial year.

**Mr Gibson:** I will follow on from what the convener said. I am interested in paragraph 26 of the Finance Committee report, which focuses on housing demand. It says:

"the Executive stressed that it did not anticipate an increased demand for housing as a result of this Bill ...we strongly suspect that the Executive's expectations in this regard are wrong since its view does not match those of practitioners on the ground."

You have already said in response to a question from the convener that you do not expect there to be an increase in the number of people who declare themselves as homeless. However, in evidence to the committee, we picked up on the fact that many people are what are called the hidden homeless. They do not declare themselves as homeless because they do not consider the facilities to be adequate and do not like the local hostels—they would rather sleep on friends' floors or whatever.

If the bill is to be as effective as everyone around the table wants it to be, are not the Executive's expectations somewhat unrealistic? It may be difficult to quantify, but will there not be an increase in people declaring themselves as homeless? Should not the Executive be flexible enough to cope with the additional resource demands that may accrue from the bill?

**Des McNulty:** I will make three points in response to your question. The first is that the homelessness task force's emphasis was very much on a preventive strategy, which has a number of dimensions including the rough sleepers initiative. If we can tackle effectively the issues that result in people becoming rough sleepers, we should reduce the number of people who are in the worst category—the statutory homeless. If we can also assist people by having better housing strategies for people coming out of



prison, we could end up with fewer people presenting as homeless to local authorities.

The second point relates to our ability to give people better security of accommodation than the temporary accommodation that is currently available under the present homelessness legislation, as that incentive might help to prevent repeat homelessness. Everyone's individual circumstances are different, which makes it difficult to generalise from individual cases, but our expectation is that the range of measures that are being undertaken to tackle homelessness will have an impact on reducing the number of people who appear out of nowhere, as it were, presenting as homeless. The measures will mean that people can engage with different agencies before that happens. People will have rights that they do not presently enjoy and that might act as a disincentive to presenting as homeless.

The third point is that conferring additional rights on homeless people does not increase the number of homeless. As the number of people in our society who are roofless is relatively small there is not a reservoir of unmet demand. The issue is how we treat homeless people and deal with the categories of demand at present. That is the thrust of the bill.

**Mr Gibson:** Paragraph 27 of the Finance Committee's report states:

"The Committee notes ... that the Financial Memorandum fails to throw sufficient light on the financial implications of the Bill. The information currently available does not allow for a proper quantification of the costs of implementing the Bill and how those costs will be met."

The financial memorandum suggests that savings will result from the changes that are to be made in a number of areas, including the power to investigate intentionality, and that efficiency savings will result from a reduction in repeat homelessness. A number of witnesses, including COSLA and the Scottish Federation of Housing Associations, raised concerns about the likelihood of any great savings being generated, particularly in the short term. Has the Executive conducted a realistic assessment of the savings that it considers the bill will generate or is that suggestion an expression of wishful thinking?

**Des McNulty:** There are real savings to be made, for example by removing the duty to investigate intentionality and simply giving local authorities a power to do so. Rather than having to establish intentionality in every case, authorities will have discretion to establish intentionality in cases for which they feel it is appropriate to do so. That is a bureaucratic hoop that they will not have to go through.

A logical consequence of creating a better framework for the treatment of homeless people is

the impact on repeat homelessness. As I said, we expect the rough sleepers initiative and the work that will be done with people coming out of prison and out of care to have an impact on the number of people in the most acute homeless category. The expectations are realistic, but quantifying the impact is quite difficult.

As we make progress on priority, I hope that we will have much more evidence, so that we can move to the second stage that is identified in the bill and in the memorandum. The better data that we collect on the Housing (Scotland) Act 2001, the early phases of implementation of the Homelessness etc (Scotland) Bill, and how the legislation operates on the ground will give us greater certainty. We can say with a degree of certainty that identifiable savings can be made now, but they are relatively small. We will need to wait until we have a better evidence base before we can establish the size of the bigger savings that might arise from the abolition of repeat homelessness. I do not want to exaggerate the savings that we think can be achieved in the short term.

**Mr Gibson:** I realise that you cannot quantify them, but do you have a ball-park figure, for example an estimate for one year? Is it between £1 million and £5 million? Is it between £2 million and £10 million?

**Des McNulty:** I do not think that we can establish that. To be honest, one of the problems in the start-up phase is that the capacity for savings is probably relatively limited, because new arrangements have to be set up to replace the arrangements that are being taken away. There is limited evidence of concrete savings that we can put down on paper at this point, but we have no reason to suppose that substantially increased costs will arise from the bureaucratic arrangements. In fact, we think that some of the things that we are doing will lead to savings.

**Mr Gibson:** If there are increased costs and not the savings that you anticipate, will the Executive plug the gap?

**Des McNulty:** If there are gaps, I hope that we will interrogate them closely to ensure that they are closed. I can give an assurance that the financial aspects will be tightly monitored and reviewed by the Executive, COSLA and the housing providers. Under the bill, there are also mechanisms for parliamentary scrutiny of the process.

**Linda Fabiani (Central Scotland) (SNP):** I am concerned about the long-term effects of the bill. Paragraph 26 of the Finance Committee's report refers to the Executive's assertion that the bill will not increase demand for housing. I find that naive. I wonder where the evidence is for that assertion,

because the evidence from providers on the ground and the research that was commissioned by the homelessness task force clearly show the number of people who get turned away from council homeless departments all the time, and they are generally people without families. If we add to that figure the number of people who do not bother their shirts even turning up and registering as homeless because they know that there is absolutely no point in doing so, it shows that there is a huge untapped demand. The Executive is being naive in saying that such demand does not exist.

The Executive states that the bill is based on the good practice of councils, but in my experience of working in housing, the good practice that everybody keeps talking about does not exist in all local authorities in Scotland. The Executive would see that the reality is different if it spoke to folk who work at the coalface and to people who turn up to be declared homeless but who keep being told that there is no point in their doing so.

My view is that the bill will mean that people will back up on the housing waiting lists. That will have a huge knock-on effect on those who are waiting for housing transfers and on those who live in overcrowded conditions. According to the criteria, those who live in extreme overcrowded conditions should be deemed to be homeless anyway.

Has the Executive thought through the bill's long-term effects on the number of houses that will need to be provided if the social rented market is to cope with demand? Has any research been done on how much it will cost in the long term—perhaps in 10 years, when one might expect the programme to have been rolled out—to implement the good intentions in the bill?

10:30

**Des McNulty:** At the outset, I was careful to separate the demand for additional new houses from the bill's requirements.

In 2001, the Scottish Executive carried out systematic research that identified the number of new dwellings that would be required. The £350 million that is being made available in the spending review is geared precisely towards meeting existing demand. I think that a demand for 34,500 houses was identified in 2001 and, in the period of the spending review, finance is being made available to make possible the provision of something like 34,000 houses. Therefore, the issue of housing demand is being addressed systematically.

I do not think that homelessness necessarily generates demand for an increased number of houses. The bill will incrementally provide people with enhanced rights beyond the right to

temporary accommodation—

**Linda Fabiani:** Excuse me for interrupting, but some homeless people have no rights at all.

**Des McNulty:** That is the precise situation that we are improving.

Under the Housing (Scotland) Act 2001, people were given the right to temporary accommodation. The bill will provide people with a position on the escalator—if I may use that term—to a permanent secure tenancy. We are going beyond saying that people have a right to be housed and are moving towards a position in which people will have a right to an opportunity to move towards a permanent tenancy. The mechanism that will be administered by the housing authorities will allow people to achieve that. In that sense, I believe that the bill is progressive legislation, as it will confer additional rights on, and opportunities for, people who have been deprived of those rights in the past.

The issue is not about the overall number of houses that we need to build but about the management of homelessness and the rights of the homeless in the housing allocation strategy.

**Linda Fabiani:** I agree that the bill is progressive, but I have huge concerns that it might fall at the first, second or third fence because the rights for homeless people for which it provides will not be backed up. All I can say is that I hope that the minister is right, but I am concerned that not enough work has been done on the issues surrounding the implementation of the bill.

**Des McNulty:** A general problem in dealing with social strategy issues and in identifying the problems and needs of vulnerable groups is that society is so complex and changeable that any attempt to make detailed projections for four or five years ahead is incredibly difficult anyway. Even if it were possible to produce exact spending figures for five years down the road, it is doubtful that they could easily be matched with the pattern of need that might exist at that time.

The bill is geared towards dealing with some of the identified problems and blockages in the treatment of homeless people. The aim is to move towards a more balanced framework, in particular by giving people a position on the escalator that leads towards a permanent secure tenancy. That is the ideal that we are aiming at for as many homeless people as possible.

We will work closely with the key housing providers, COSLA, the voluntary agencies and everyone who has an interest in the issue to ensure that the bill is implemented fairly and systematically. That is the promise that we can give at this stage of the process. It might be spurious to be more precise.

**Cathie Craigie (Cumbernauld and Kilsyth)**

**(Lab):** Members' line of questioning shows that they are concerned about the impact of abolishing priority need and the resources that might be needed to do that. The Executive's position is that it will not proceed to abolish priority need unless resources are in place and that that will be a phased process. Is the Executive confident that resources will be in place by the time we reach the target that has been set?

**Des McNulty:** We are confident that the resources are in place to implement the phases of the bill about which we can be firm at the moment. The bill will not create more homeless people; there is no reason why it should. The bill provides additional rights for different categories of vulnerable people. We need to find the best means of addressing the symptoms of homelessness and its causes. I have said repeatedly that a preventive approach lies behind the bill. We want to prevent people from falling into the worst categories of homelessness as effectively as we can.

We think that we have put sufficient resources in the bill to allow us to implement good practice in relation to priority need. We will re-examine the categorisation process to assess how much further we need to go—and how much further we can go in the context of resource constraints. That work will be based on the review that will take place in 2005-06. We will progress in partnership with COSLA and the housing providers. That is the only sensible position for us to adopt at this stage.

We know what we want to do, but we need to know what effect the Housing (Scotland) Act 2001 and the implementation of the first phase of the bill will have. Once we have gathered evidence on that, we will be able to identify the further steps that need to be taken and what it will be feasible for us to do in partnership with housing providers.

**Cathie Craigie:** I accept that the bill will not create more homelessness. We used to use the old-fashioned terms statutory homeless and non-statutory homeless: the non-statutory homeless were those on waiting lists. I am worried that we will create an expectation among such people that they will be able to rent but that we will not be able to meet the huge demand that will be generated. As you will have gathered, other members have similar worries. What research has the Executive done—what figures have shaped the bill?

**Des McNulty:** Are you referring to the number of people who come forward?

**Cathie Craigie:** Yes.

**Lindsay Manson:** One area in which we are improving information is the collection of data on the number of people who are homeless, the reasons why they are homeless and the extent to

which they repeatedly present as homeless. The information that we have received in the past from local authorities' statistical collection has been fairly sparse in its usefulness. The improved data collection and better information will provide us with a better characterisation of people who present as homeless. In particular, it will give us more information about the extent to which the solutions with which people are presented on their first presentation as homeless do not work. The improved information will also enable us to find out why first solutions do not work and what must be done to ensure that those solutions work better and do not lead to repeat homelessness.

**Cathie Craigie:** When will that improved information be available?

**Lindsay Manson:** It is beginning to come on stream, although it takes time to bed in a new electronic data system. Local authorities have been gathering information for six to eight months and the information that has come on stream already is beginning to provide information about repeat homelessness and the housing of people with families in temporary accommodation. As we gather more information, we will find out more about trends, which are important because first-time data do not tell us much about what happened before or what will happen after the data are collected.

**Cathie Craigie:** Do the early indications give you comfort or a cause for concern about the bill's principles?

**Lindsay Manson:** The early information has not given us any indication that there are surprises. We undertook research on repeat homelessness when the homelessness task force considered the prevention of homelessness. The statistics that are coming through bear out the expectation from that piece of research that the high level of repeat homelessness is a consequence of failed solutions. That has been the focus of the task force's prevention strategy and that is what we expect to develop as the bill progresses.

The bill will catch people who become homeless, but the strong focus is to prevent people from becoming homeless in the first place. It is important that, through a prevention strategy, we help people before they present as homeless. The provision of advice and assistance—the Housing (Scotland) Act 2001 also increased homeless people's rights to advice and assistance—is intended to prevent homelessness rather than to treat it as a crisis when it occurs, which is a more expensive way of tackling the problem.

**Cathie Craigie:** The committee is being asked to have faith in things to come. We know that more information will be available when new data are

gathered and the local authorities prepare and present their homelessness strategy documents. However, the minister will understand that, ideally, the committee would have liked to have had that information before stage 1 and certainly before stage 2. Given the difficulties in assessing the costs and resources that are required, will the Executive commit to ensuring that the Parliament has an oversight role in relation to the resourcing and phased implementation of the bill?

**Des McNulty:** The bill contains checks and balances and a mechanism for what you suggest. We must produce a statement on the action that will be taken to ensure that local authorities manage the planned abolition of the priority need system and we must come back to Parliament with any changes. We are committed to moving at a pace with which the local authorities can cope. We have given that undertaking to local authorities and I am happy to repeat it to the committee. We must work on a partnership basis. We cannot use legislation to drive the process at a rate with which local authorities cannot cope.

**Karen Whitefield (Airdrie and Shotts) (Lab):** I accept that the Executive has done a considerable amount of modelling on what goes wrong when people are homeless, on why tenancies fail and on what kind of support people need. However, many of the people involved are ordinary people like us whose lives have gone wrong for whatever reason. As a result, many people will not declare themselves as homeless. Following discussions with representatives of North Lanarkshire Council, I know that the number of its homeless applications has increased by 25 per cent over the past five weeks due to the implementation of the 2001 act. What modelling or investigation has the Executive undertaken to assess those homeless and roofless people who do not come under the obvious criteria, and who would not necessarily think of themselves as homeless and roofless and have therefore never presented themselves to their local authority? How are we to ensure that the resources are in place? How can we be aware of the level of demand that might arise from giving those people rights? Those are rights that they deserve.

10:45

**Des McNulty:** I agree that they are rights that those people deserve. Karen Whitefield has put her finger on exactly the process that we will have to go through. The first phase deals with putting existing good practice into legislative effect, and there are indeed also consequences arising from the 2001 act that will impact on the present situation.

Before we move to subsequent phases, which involve developing the rights of people in various

categories of vulnerability into those of priority need, we will have to consider the balance between the people in the priority need category and the people who remain outside it. There is a lively debate to be had about that. How far can we expand such a category without disadvantaging people outside it? What are the implications of expanding it? That issue keeps coming up in the context of targeted resources. Does that mean targeted allocations? How do we get the targeting right, and what are its boundaries?

With the additional information that we are receiving and with the data that have been gathered from local authorities, I hope that we will build up a much better picture of the situation over the next two or three years. A review will take place in 2005, when we will be able to assess the impact of the 2001 act and the first phase of the bill. Before we expand the categories beyond the existing good practice, we will be able to judge how far we should go and what the implications of moving the boundary are for other tenants. It is important that that is done before any subsequent phase of the bill is implemented.

**Karen Whitefield:** You will be aware that the committee has taken extensive evidence on the implications of the recommendations concerning intentionality. Most people have welcomed those recommendations, but concerns have been expressed about the cost intensity of meeting homeless people's support needs, particularly with regard to the continuous provision of accommodation. How confident are you that there will be resources to provide such accommodation and the required support?

**Des McNulty:** It is not so much the accommodation that is cost intensive; the support is the real issue. There are two or three points that I could make in response to Karen Whitefield's question. The very vulnerable people whom we are discussing require, and currently get, support from social work departments or from educational specialist provision. It depends on the circumstances, but a considerable amount of support may be required.

Stabilising people's housing circumstances could assist with delivering the support more cost-effectively. Solving housing problems need not be associated with increased support costs for other services. It can offer a way to target better and to increase the individual's stability with regard to their problems and the symptoms of those problems. In some circumstances, the level of support required by an individual might be reduced, and in others it might be increased.

However, stabilising someone in a house would remove the need for some of the more expensive forms of support that might be required for that category of vulnerable people. Putting people in

hostels or specialised care tends to be more expensive than providing people with support to solve their housing problems. That is one of the things that underlie the work that has been done on rough sleepers. If problems that relate to their chaotic lifestyles can be solved and they can be provided with housing stability, it might be possible to give them better and more cost-effective support.

The supporting people initiative is the key route by which support will be provided for those people and an appropriate funding package has been provided for that. Work is still under way on that with the Department for Work and Pensions and the Treasury but the initial funding levels for 2003-04 are expected to be based on transitional housing benefit spend and we hope that there will be a seamless transfer to new arrangements. There is a possibility that, using the supporting people initiative, we will be able to provide more focused support for people than has been possible in the past. Dealing with housing problems is an anchor around which we can build a structure for that better targeted support. We hope that local authorities, in providing a solution for housing problems, will be drawn into a more holistic support package for the other needs of the vulnerable person. Discussions that we have had with the local authorities suggest that they see the sense and logic of that.

**Karen Whitefield:** I think that we would all want people to take an holistic approach towards that provision of the support that people need to maintain a roof over their heads. However, the committee is trying to get an assurance that money is available to allow those intentions to be delivered.

I appreciate what you said about the provision of the properties not being such a big issue but, throughout the committee's consideration of intentionality, I have been struck by the fact that we have no real idea of what we mean by "accommodation of last resort". What kind of accommodation needs to be provided? The Dundee families project is often cited as an example of good practice, but that is only one project and I would not have thought that that was the solution for everyone's problems. We need to provide accommodation, particularly accommodation of last resort. As we have no model at the moment, how can we be sure that there will be money to allow us to provide whichever model or models we come up with by 2005?

Although the supporting people initiative is to be welcomed, it will not necessarily cover all the costs of the support that will be required by homeless people to allow them to address the issues that are caused by their complex and chaotic lifestyles.

Where will the money come from to pick up the costs of the additional support services that might be required?

**Des McNulty:** You are right to say that, although the Dundee families project is an excellent model, it is only one of a range of models that could be used and that, perhaps, we would need to have a variety of models.

I will return to the point that I keep making: the reason why people are homeless is often to do with a range of problems that they have. They often have another connection with support services. My argument is that the individual needs to be considered not necessarily as a homeless person, but as a person with a range of needs, many of which will probably be addressed by other support services. Those services can include social work or, in the case of people leaving prison, support services for offenders. Services can also depend on the individual circumstances of the person or the family. The supporting people initiative provides a framework around which we can provide a package of support that is tailored to the needs of that individual. However, the resources that that individual receives will come from mainstream provision as well as from the supporting people initiative pot.

By itself, the bill does not make a fundamental difference to that. There are statutory obligations on local authorities to address a variety of needs. The bill specifically deals with housing needs and confers additional rights. We need to make progress on the intentionality aspect of the bill. If the bill comes into effect, a variety of models will be needed to reach the range of needs. We will discuss with COSLA and other people how that is taken forward. It is an incremental process that is not narrowly confined to homelessness—it is about how we tackle the needs of particularly vulnerable people in society and support them.

The bill establishes a framework where one set of needs can be addressed in a more sympathetic and systematic way. Through it, we are providing people with a route to normality. In housing terms, that is a route towards a conventional, permanent, secure tenancy, which is monitored and subject to review of tenancy conditions and so on. I hope that it will be a mechanism through which we can link in different services that people receive, but we require a basis to take that forward. The supporting people initiative and the framework for homelessness through this bill is a step forward in that context.

I cannot address the very broad issue of the total volume of resources needed to support vulnerable people across the board because I do not have a full brief on that. However, we are confident that we can deal with the bill and the phases through the additional £127 million

homelessness allocation and what we expect to get from the supporting people initiative.

**Karen Whitefield:** As a result of this legislation, local authorities will be under a duty always to house someone. For some individuals, that will mean accommodation of last resort. I want an assurance that there will be sufficient funds for the many local authorities that currently do not have accommodation of last resort to either build it or create it from existing housing stock.

**Des McNulty:** That is a fair question. I will check the information on that. In Glasgow, for example, existing hostels, which were the accommodation of last resort for many vulnerable people, are being decommissioned. There is an explicit commitment to deal with that issue in that context. We can examine how the pattern unfolds across Scotland.

**Robert Brown (Glasgow) (LD):** I add my very personal congratulations to Des McNulty on his appointment and also on his grasp of the issues, as evidenced by his answers so far.

I want to go back to the numbers issue. You said that the bill does not create more homeless people, and I think that everyone accepts that in the context. However, research suggests that around of a third of those who are unintentionally homeless and in priority need leak from the system—in other words, they are not housed by the system. That suggests that, if the category of priority need is done away with, there will be an immediate boost in the number of people who are homeless and who require to be housed within the system. Is such a boost an initial problem that the Executive must face?

11:00

**Des McNulty:** Perhaps Lindsay Manson can say how things are taking shape.

**Lindsay Manson:** It is difficult to determine an absolute total, as we must assess matters against the success of intervention policies. That is why I stressed that it is important that we do not lose sight of the absolute focus of the task force's report, which is to prevent people from becoming homeless in the first place. That is the focus of the guidance that has been given to local authorities in developing their homelessness strategies.

We need to understand why people are leaking from the system, what is happening to them, whether they are the same people who will present next week or next month and the extent to which the total number of people who present in a local authority is a smaller number of individuals or households than the large number of applications, which is what we have counted until recently. When we have improved statistical collection and

have better analysis to sit alongside local authorities' strategic analyses of what is happening in their areas, we will be able to see whether there has been an absolute increase in homelessness, which initial research on repeat homelessness suggests is less likely. We have never really had focused local authority homelessness strategies before. It is more likely that particular households have repeated cycles of homelessness, which should and can be addressed. It is important that such cycles are addressed before households disappear out of local authorities' control.

**Robert Brown:** My suspicion is that there is an element of double counting and that you are right to some extent. On the other hand, some repeat homelessness already comes through in the statistics. Therefore, if there is anything like the number that I mentioned to be added to the numbers that we are discussing, there will be a significant distortion of the basis on which you are proceeding.

I entirely accept that there is a considerable dearth of statistical information and qualitative research for the Parliament and the Executive, although that should not necessarily stop us proceeding. However, you have set out a policy with a target date for the abolition of priority need: seven years from 2005 will be 2012. Why was that target date identified? Is there a reason for that length of time? How does it fit with what you think the numbers and resources are?

**Des McNulty:** Lindsay Manson was involved in the homelessness task force and might be better equipped to answer those questions.

**Lindsay Manson:** The target date reflects the period within which the task force thought that the target could be achieved and was based on the research that the task force commissioned. It was recognised that movement towards the target would need to be taken at a pace that could be handled and would need to be assessed in the light of improved information systems. The target was thought to be reasonable in the light of the research that was available to us at the time. However, more research, evidence and monitoring will be needed as we move towards the target in order to decide the pace at which we should approach it.

**Robert Brown:** Perhaps it is fair to say that the target is somewhat tentative and aspirational.

I would like to deal with the other side of provision—the support services and how they are measured. I find it difficult to get a handle on what is currently in place, its success, what is being planned and how things are being measured.

Does the Executive have any plans to assess the impact of support service provision and needs,

to get an idea of how effective the service and different sorts of projects have been at meeting need and successfully lodging people in secure accommodation permanently?

**Des McNulty:** That is an important dimension of the dialogue that we intend to have with COSLA as part of the review of the exercise. We have focused on the review in 2005-06 in the context of expanding the category of priority need and it is equally important that we consider how the intentionality provisions operate through the supporting people initiative.

It is appropriate to explore the issue that I raised in my response to Karen Whitefield—what are the best models that we can put in place? We have some excellent practice and some practice that is not as good. Our aim is to push excellence as best we can throughout Scotland. Putting such provisions in statute pushes local authorities and other providers towards raising their game, but we need to do that in a way that is realistic, well thought through and evidence based. The review process is intended to achieve that.

Robert Brown made a valid point about the eventual target. The 2012 target date has an aspirational dimension. I will be much more confident about the date by which we can achieve the final target after we have conducted the review. We might need to consider the target that we are aiming for in the light of the review, when we have better information, understand what has happened in the earlier phase of implementation and can establish clear milestones that allow us in a reasoned, reasonable and businesslike way to move towards the goal that we have set ourselves. We need to acknowledge that the date is aspirational and will have to be reconsidered in the light of the improved information that we confidently expect to have in 2005-06.

**Robert Brown:** I did not say that totally as a criticism. It is right to have an aspirational target.

A side issue is that the Executive will conduct some research and it would help the committee to be let in on the details of your research programme, if there is such a thing.

**Des McNulty:** We would be happy to keep the committee informed of the research that we intend to do and the findings that are produced. I want our policy to be evidence driven and realistic, first and foremost. Research can contribute to that.

**Robert Brown:** I have a final, discrete, question. You are right to say that you must sort out the administrative arrangements and housing demand. There is some overlap, but in rural areas only a few houses might be available in the local social rented sector, which might be many miles away from other houses in the rented sector. Highland Council's evidence dealt with that. Do

you require to examine a bit more closely the absolute number of houses that are available in areas such as parts of Highland and to consider that in the context of homelessness as well as the measures that have been announced to deal with right-to-buy problems?

**Des McNulty:** We need to factor the issue of homelessness and how we deal with that into general consideration of housing demand. We need to consider the matter in a Scottish context—the situation will vary between different parts of Scotland. We must be concerned not only with absolute housing demand, but with ensuring that we raise the standard of housing in urban areas. Although rural and urban housing requirements are quite different, we must strike a proper balance between them.

**Mrs Lyndsay McIntosh (Central Scotland) (Con):** I reiterate the welcome that I gave to the minister on Thursday—I am pleased to see him in his post.

It is ironic that today's meeting is the result of a report by the Finance Committee, which the minister used to convene. Curiously, that report has prompted many of the questions that we have asked today. I do not want the minister to leave with the impression that we are opposed to the Homelessness etc (Scotland) Bill. We are keen for such legislation to be introduced, but we want to ensure that it is good.

We have received evidence from stakeholders that suggests that the demand for housing will increase as a result of the bill, although people may disagree with that suggestion. Given the time lag that will be required for housing to be ready when the legislation comes on stream, what plans does the Executive have to meet stakeholders to address their concerns?

**Des McNulty:** Earlier, I indicated that in the order of 23,500 new houses will be built in the next spending review period.

**Mr Gibson:** The figure is 18,000.

**Des McNulty:** There will be 18,000 new or improved homes. Another 5,000 new or improved homes will be provided by the new housing partnership projects. The total figure is 23,500. Research suggests that an additional 34,000 dwelling-houses are required over the period 2001 to 2006. We believe that, because of the investment that has been made, we are on track to meet the requirement for new dwellings.

It is hard to quantify precisely the extent to which the Homelessness etc (Scotland) Bill will increase demand for new homes. We have just discussed regional variations. The different phases of implementation of the bill may create different demands that we cannot address at the moment,

because they relate to a subsequent spending review period. However, in our discussions and deliberations with COSLA and other providers, we will bear in mind the relationship between the consequences of the homelessness legislation and overall demand. However, homelessness is only one of many factors that affect demand. We must take all the factors into account when considering investment strategies for new and improved houses.

**Mrs McIntosh:** The Finance Committee and Social Justice Committee talked to the same people. In paragraph 18 of its report, the Finance Committee cites evidence from the Scottish Federation of Housing Associations, which stated:

"We cannot get away from the fact that, if we are to meet the bill's demands, there needs to be an enhancement of investment in new-build affordable rented housing."—  
[*Official Report, Finance Committee*, 5 November 2002; c 2305.]

You have a big job ahead of you.

**Des McNulty:** Some of the information that we now have was not available when the financial memorandum was written. The number of new or improved dwellings that are being created is in line with projections of demand, as revealed by research.

**Mrs McIntosh:** I wish the minister well.

**The Convener:** We have reached the end of questioning. I thank the minister for attending and for answering questions in such detail. In a moment we will begin consideration of our draft report, which we will finalise next week. If the minister would like to provide further information to the committee, it would be helpful if he could do so as soon as possible.

**Des McNulty:** I will provide the committee immediately with information about the spending review outcomes to which I have referred this morning.

**The Convener:** Thank you.

Item 3 on the agenda is consideration of our draft stage 1 report on the Homelessness etc (Scotland) Bill.

11:14

*Meeting continued in private until 11:50.*



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