SOUTH LANARKSHIRE COUNCIL

Report

Report to:	**Housing and Technical Resources Committee**
Date of Meeting:	**7 February 2024**
Report by:	**Executive Director (Housing and Technical Resources)**

Subject:	**Homelessness Pressures - Impact and Proposals**

1. Purpose of Report

1.1. The purpose of the report is to:-

♦ update the Housing and Technical Resources Committee on the challenges resulting from unprecedented demand for statutory homeless services including temporary accommodation and
♦ highlight actions being progressed and proposed in mitigation

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

(1) that the scale and nature of the increase in demand for homelessness assistance both nationally and locally, be noted
(2) that the pressure and impact within South Lanarkshire, stemming from the increase, which is above those being experienced nationally, be noted
(3) that the mitigation measures in place, be noted; and
(4) that the proposed further actions detailed at section 5 of this report, be noted

3. Background

3.1. Local authorities have a range of legal duties in responding to homelessness which includes securing settled housing.

3.2. Locally, the Council and its partners have a strong track record of effective delivery of homeless services. The commitment to preventing and alleviating homelessness has been a continuing strategic focus for over 20 years, clearly set out within the Local Housing Strategy and Community Plan along with other key Council and partner strategies.

3.3. In October 2017, the Scottish Government established the Homelessness and Rough Sleeping Action Group (HARSAG) to develop solutions to end homelessness. Final recommendations included a requirement for local authorities to develop a 5-year Rapid Re-housing Transition Plan (RRTP), setting out the local context and detailing actions which partners would take to achieve a step change in reducing homelessness.

3.4. The amount of funding provided (£2.66 million) by the Scottish Government to support delivery of the South Lanarkshire RRTP was significantly less than the amount (circa £14 million) which the plan had estimated was required.

3.5.   Notwithstanding the significant shortfall in funding, tangible success was achieved in the early years of the plan (years 1 to 3) through a combination of:-

♦   effective use of additional funding directed towards increased prevention activity
♦   additional support to meet complex needs
♦   flipping temporary accommodation to permanent housing to meet individual need
♦   a renewed focus on a partnership approach; and
♦   success of wider existing plans delivering additional housing stock

3.6.   The fourth year of RRTP 2022/2023, however, proved extremely challenging both locally and nationally, with national statistics reflecting homelessness at the highest level since current statistics began in 2002. Moreover, the increase was significantly more pronounced within South Lanarkshire (19% v 9%) than Scotland as a whole. This increase has resulted in a wholescale reversal on the previously reducing trend in relation to the level of homelessness and has also placed extreme strain on local services and budgets. Indeed, the scale of the demand experienced in 2022/2023 resulted in an overspend in the homelessness budget.

3.7.   The overall caseload for duty to offer secure accommodation increased by 46% from a record low point below 860 during 2021, to 966 by the end of March 2022 to 1,407 by March 2023.

3.8.   The timescale to resolve homelessness, reduced through the first 3 years of the RRTP to 210 days in March 2022, increased to 238 days by November 2023. In essence, the positive progress made in reducing homelessness over the first 3 years of the RRTP was completely undone in 2022/2023.

3.9.   The annual RRTP review, approved by Housing and Technical Resources Committee on 30 August 2023, noted the scale and impact of the reversal experienced in the year and reconsidered ambitious 5-year targets to significantly reduce homelessness and caseload backlog to a new target to reduce or maintain current levels within 2023/2024.

3.10.   The end of the fourth year of RRTP coincided with significant debate at a national level regarding the extreme pressures on the housing and homelessness system, this included the following:-

♦   publication of a thematic review of homeless services by the Scottish Housing Regulator (SHR) in February 2023. This emphasised the efforts being made by local authorities in incredibly challenging circumstances, highlighting that some local authorities were at point of systemic failure. The report noted 3 major strategic challenges:-

♦   dealing with the significant numbers of people in temporary accommodation
♦   maintaining a sufficient supply of appropriate temporary accommodation
♦   ensuring access to the required number of permanent homes

♦   in July 2023 Solace, in collaboration with the Association of Local Authority Chief Housing Officers (ALACHO), produced a report 'Housing in Scotland: current context and preparing for the future' which set out a wide range of concerns including a chronic shortage in supply of affordable housing, increasing demand trend projected to continue and risk to delivery of new build at scale required culminating in a housing emergency in Scotland

♦ Argyle and Bute, City of Edinburgh and Glasgow City Councils declared housing emergencies within their respective authorities in 2023

♦ in November 2023, the SHR published a further update highlighting the risk that a systematic failure has now been realised with wider significant failure to meet statutory duty and ongoing risk nationally

♦ the increase in demand noted above has continued into 2023/2024. This has further exacerbated the acute pressure on resources and increased the likelihood that the Council will be unable to meet statutory duties. Moreover, it is clear in the current operating context that a significant downturn in performance and increase in service costs is now anticipated

3.11. As local authorities and partners increasingly raised concerns over pressure in the homeless system, the Scottish Government established a short life Housing Review Group in June 2023. The focus being to consider the recommendations of Solace, explore opportunities to increase affordable housing supply and maximise existing supply to meet demand.

3.12. Despite widespread consensus on the key drivers behind increased demand pressure and the scale of the concern reflected in national statistics, there is ongoing uncertainty regarding the national response including resources to ensure local authorities meet statutory duties.

3.13. Core funding of homeless services reduced during 2022/2023 despite the increased demand and associated costs to manage services.

4.　　**Local Issues and Actions**
4.1. The continuing scale of increased demand is illustrated through the following statistics which compare the position at the end of November 2023 with the corresponding period in the previous year:-

♦ homeless presentations have increased by a further 15% (1,786 v 1,547)
♦ there has been a further 14% increase in duty to accommodate (1,461 v 1,287)
♦ the number of households homeless has increased by 47% (1,542 v 1,047)

4.2. This has created a significant pressure on resources, increasing the likelihood the Council will struggle to meet statutory duties and maintain performance and costs in relation to key aspects of the homeless service.

4.3. There is no standout reason for increased homeless presentations, the most common reason for homelessness continues to relate to people who have been 'asked to leave parental home' accounting for 18% of all homeless presentations, closely followed by relationship breakdown at 17% of all presentations.

4.4. Whilst proportionate increases can be seen across reasons for homelessness in the current year, over the last 3 years there are notable differences within the private sector with an increase in the levels of private rented loss of accommodation across subcategories, eg, landlord leaving the sector, a 150% increase over 3 years from 1 in 25 households to 1 in 10 since 2020/2021.

4.5.   In the year to date (2023/2024), 196 homeless presentations resulted due to the loss of a private sector tenancy, this accounts for 11% of all homeless presentations. At the same time, challenges accessing the private rented sector is contributing to additional demand, with limited supply against high demand for available properties further limiting housing options.

4.6.   Among the other factors contributing to the increase in homelessness are:-

♦   the removal of consideration of local connection within Scotland in November 2019 leading to out of area presentations (c100 in current year to date); and
♦   significant housing need arising from humanitarian programmes which has been considerably above the expected local commitment

4.7.   Whilst the Council and other local authorities have an ongoing commitment to assist humanitarian need and recognised success in its strong partnership approach to resettlement, the increasing and various streams of demand through refugee and asylum programmes is concerning and projected to continue and grow.

4.8.   This includes housing need related to the mandated National Transfer Scheme for young unaccompanied asylum seekers and adult asylum dispersal, for which the authority has 1 hotel accommodating c100 asylum seekers. This is in addition to community placements and the ongoing expectation of a 6% contribution to meeting the needs of Scotland's refugee resettlement need. In 2021, estimated refugee resettlement was approximately 30 households annually although this significantly increased in the last 18 months with 83 Ukrainian refugee households resettled in social housing.

4.9.   Pressure in the system was further impacted by severe winter weather and unusually high decant requirements resulted in significant pressure in the void property management system increasing demand for temporary accommodation.

4.10.   During 2022/2023, the greatest increase in temporary accommodation was B&B placements which increased by 89.8% (not including decant placements) compared to the previous year, albeit starting from a very low level of only 30 placements during 2022/2023.

4.11.   Alongside increased demand for temporary accommodation, demographics are expanding. Notably, more households approaching the Council for homeless assistance are in work and in receipt of no or only partial housing cost assistance impacting on their ability to cover temporary accommodation costs, again risking homeless business plan outturn against projections.

4.12.   Pressure can be seen in performance outcomes including waiting times for homeless appointments, albeit same day appointments are maintained for urgent need cases. The authority has also breached the unsuitable accommodation order on 8 occasions year-to-date in 2023/2024, from a long-standing position of full compliance.

4.13.   It is worth noting that South Lanarkshire remains a top performing local authority. Whilst areas of performance have certainly deteriorated, this is from a strong starting position and the Council continues to compare well against peers, albeit this is nationally a deteriorating position.

4.14. The continuing increasing demand trend and pressure on resources including staff managing significantly higher caseloads with no additional resource and budgetary pressure, are a significant concern for future service delivery and ability to meet statutory duties.

4.15. Based on 2022/2023 trends, temporary accommodation modelling suggests a requirement to let 92% of available lets to Urgent Homeless Households to significantly reduce the homelessness backlog over the next 5 years. This is not an appropriate approach long term, taking account of the increasing level of lets directed to resolve homelessness over recent years, currently approximately 70% of all lets due to the level of demand. Meanwhile, the backlog is increasing and wider need is not met. Another consequence is limited turnover of housing stock lets to the transfer list would generate and risk of encouraging homelessness as the only route to access secure housing.

4.16. Consistent with SHR's thematic review, the key issues fall into 3 main categories:-

Dealing with the significant numbers of people currently in temporary accommodation
♦ prevention is proving increasingly difficult as the private sector market is proving to be less accessible or sustainable for customers
♦ reasons underpinning increased demand are linked to the ongoing cost of living crisis, decline of the private rented sector and out of area demand
♦ the service continues to assist through direct financial and practical support to sustain tenancies, early housing options advice, prevention for vulnerable groups via housing pathway planning and working in partnership with neighbouring authorities to minimise and effectively plan for out of area presentations
♦ reduced stock turnover from 7.59% of properties becoming available for let in 2021/2022 to 7.12% in 2022/2023 further limits the availability of properties to meet the growing urgent homeless waiting list (a reduction of 108 lets)
♦ permanent lets to meet demand from humanitarian programmes is further exacerbating overall housing demand, the shortfall in lets to meet domestic homelessness now resulting in increasing amounts of time spent in temporary accommodation

Maintaining a sufficient supply of appropriate temporary accommodation
♦ demand has grown significantly beyond previous trends or projections in short space of time, therefore, supply has increased as far as possible at speed
♦ this limits opportunities to flip or meet wider need and ambitions, eg, prevention via pathway plans or Housing First, as demand for temporary drives planning
♦ incurring breaches of unsuitable accommodation order, albeit low level year-to-date is a change from the Council's long standing position of full compliance
♦ significant increase in costs associated with provision of temporary accommodation and concern for homeless business plan, related to volume but also increased costs overall
♦ recently introduced emergency furnished properties to reset culture and end unintended consequences of reliance on hotel accommodation, early indications are this approach is proving successful in meeting emergency need as well as cultural shift

Ensuring access to the number of permanent homes
♦ lets to the urgent homeless list have been maximised at almost 70% of all lets excluding amenity and sheltered amounts to almost all available lets

- increased Registered Social Landlords (RSL) contribution at 44% of all lets, the highest individual organisation at 55.90%
- continuing new build will be key to meeting overall housing need in the medium to long term
- affordable Housing Supply Buy Back target was doubled during 2023/2024 delivering short term increase in stock, targeting East Kilbride as the most pressured housing area. This approach will continue in the early years of the Strategic Housing Investment Plan (SHIP) 2023 to 2027
- continuing the Council's approach to balancing consideration of housing need against community cohesion through Local Letting Plan approach
- in the coming year, considering the ongoing high and increasing demand for homelessness, increasing backlog and inability to reduce or clear backlog with current rate of lets, exploring opportunity to generate turnover and meet wider housing need through increase of transfer lets directing secondary let to homeless list

5. Next Steps

5.1. Having considered all available statistical information, actions across wider authorities and the detail of national discussions, the following actions to address the emergency homeless situation in South Lanarkshire have been identified:-

- review and revise the Council's approach in response to homelessness ensuring clarity of offer (advice and suitable accommodation to resolve homelessness) to manage expectations from first contact
- end repeat offers of temporary accommodation related to challenging behaviour in favour of revised enhanced Promoting Positive Behaviour approach
- work with customers to ensure that they are queuing for a range of areas which will enable them to be housed within a reasonable period. This would involve individuals being asked to select whole housing locality areas and not selective letting areas (by exception ability to negate streets)
- remove opportunity to select house/heating types (by exception ability to negate based on criteria)
- applicants with minority access to children are queued for multistorey properties
- continue pilot of use of furnished properties as emergency accommodation
- continue work to increase core temporary accommodation options (first stop for East Kilbride and supported project)
- consider reduced lets to urgent homeless applicants in favour of transfer list lets to generate turnover and improve ability to meet wider housing need
- convene meeting of Head of Housing and Chief Executive of RSLs to further discuss national and local issues and requirements
- continue active participation in national discussion and working groups
- continue engagement with the Scottish Government

5.2. A consideration of opportunities to minimise the impact of homelessness on the most vulnerable has taken account of the trauma homelessness can have on a child. In this context, the service will ensure that a particular focus is now placed on the needs of a child in the allocation of housing as work continues to tackle the backlog of homelessness.

5.3. As noted earlier, the increased demand trend has continued through the first half of 2023/2024 with no reduction in sight, taking account of the key drivers being the ongoing cost of living crisis and private sector housing market conditions, which is impacting on the cost-of-service delivery.

5.4. The emerging gap between core homelessness funding and actual delivery costs to meet significant increased demand is a concern for the homeless business planning process and future service delivery. This includes delivering on plans to ensure long term adequate supply of compliant temporary accommodation and minimising wasteful spend, such as unsuitable hotel accommodation.

5.5. It is proposed that a communications strategy will be developed to accompany a review of personal housing plans for existing homelessness households in a planned programme and all new households at initial contact stage. Progress will be monitored via the range of partnership groups including Local Housing and Homeless Strategy groups. Engagement in national discussion with also continue via Solace, ALACHO and the range of homelessness and humanitarian groups.

6. Employee Implications
6.1. There are no employee implications arising from the content of this report.

7. Financial Implications
7.1. The current out-turn in the homelessness budget projects that the service will deliver on budget, therefore, maintaining current reserves level at £1.5 million (ring fenced for development of accommodation) following management actions to reduce costs. However, this is a fragile position, any surge in demand will increase costs and the service is operating at increased cost with reduced funding and uncertainty over longer term funding, a risk to business planning and the quality of service moving forward.

8. Climate Change, Sustainability and Environmental Implications
8.1. There are no direct climate change, sustainability and natural environment implications arising from this report.

9. Other Implications
9.1. There are no other implications arising from the content of this report.

10. Equality Impact Assessment and Consultation Arrangements
10.1. There is no requirement to equality impact assess the content of this briefing paper or perform consultation.

Stephen Gibson
Executive Director (Housing and Technical Resources)

5 January 2024

Link(s) to Council Values/Priorities/Outcomes
♦ Focused on people and their needs
♦ Good quality, suitable and sustainable places to live

Previous References
♦ None

List of Background Papers
♦ 2022/2023 Annual Rapid Rehousing Transition Plan
♦ 2022 to 2027 Local Housing Strategy

Contact for Further Information
If you would like to inspect the background papers or want further information, please contact:-
Jacqueline Fernie, Homelessness and Housing Support Manager
Jacqueline.fernie@southlanarkshire.gov.uk