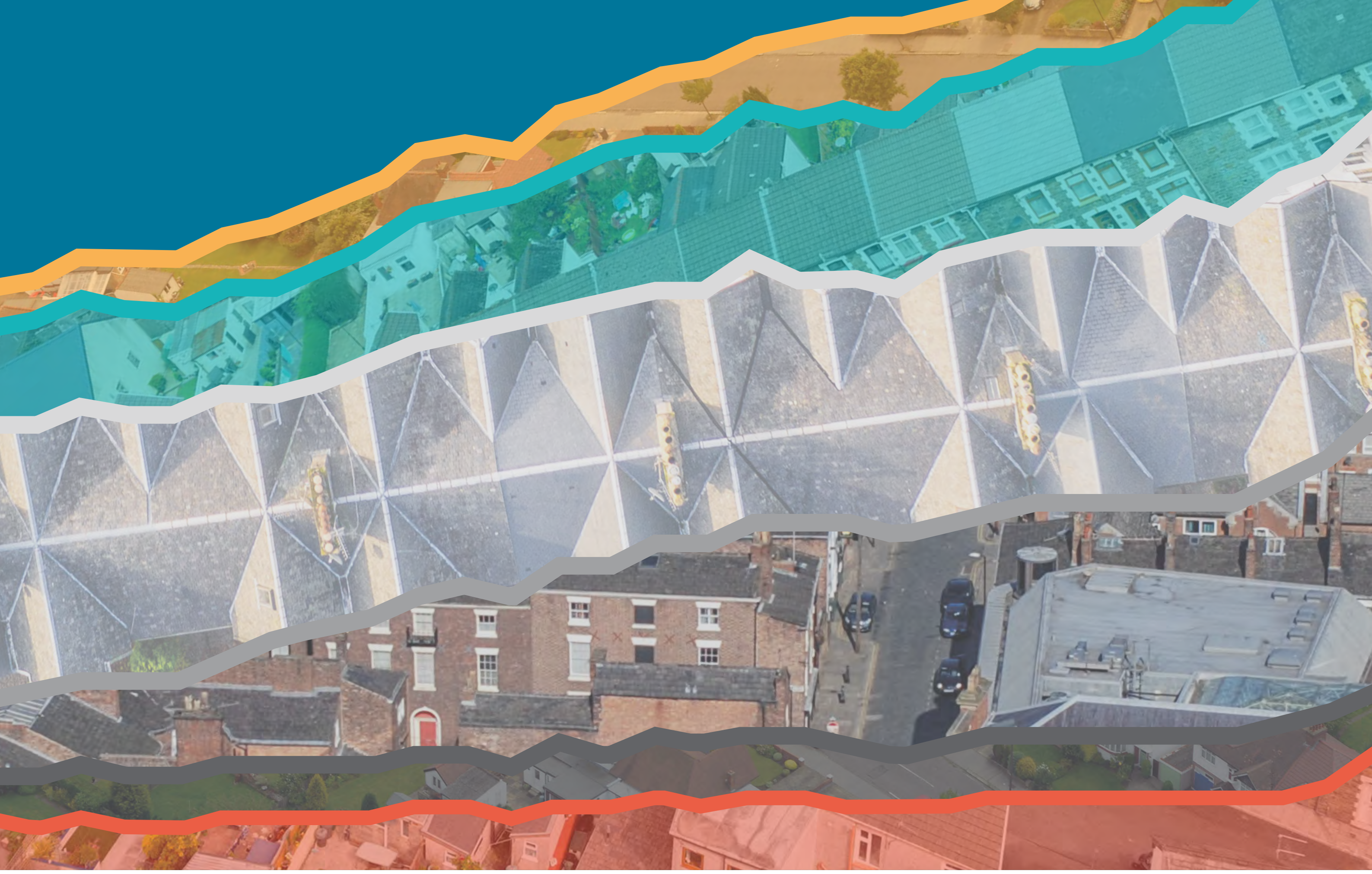
Together we will end homelessness

The homelessness monitor: Scotland 2024

Beth Watts-Cobbe, Glen Bramley, Lynne McMordie, Hal Pawson, Gillian Young & Suzanne Fitzpatrick. Institute for Social Policy, Housing and Equalities Research (I-SPHERE), Heriot-Watt University; City Futures Research Centre, University of New South Wales; Newhaven Research Ltd.

January 2024



The homelessness monitor

The homelessness monitor is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments across the UK. Separate reports are produced for England, Scotland and Wales, with the most recent Great Britain synthesis report published in 2022.

This year's Scotland Monitor is an account of how homelessness stands in Scotland in 2023, or as close to 2023 as data availability allows. It also highlights emerging trends and forecasts some of the likely future changes, identifying the developments likely to have the most significant impacts on homelessness.

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About Crisis

Crisis is the national charity for homeless people. We help people directly out of homelessness, and campaign for the social changes needed to solve it altogether. We know that together we can end homelessness.

About the authors

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Dedication

The authors would like to dedicate this report to the memory of Marion Gibbs, homelessness expert at Scottish Government before her untimely passing in 2022. Marion was at the very centre of Scotland's housing sector and for over 30 years championed improvements in responses to homelessness and pioneered homelessness prevention. She was a long-standing supporter of the Homelessness Monitors and the research team feel her absence keenly, as do her many friends and colleagues right across the sector.

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Acronyms

AHC	After housing costs
AHSP	Affordable Housing Supply Programme
CIH	Chartered Institute of Housing
CPI	Consumer Price Index
DWP	Department for Works and Pensions
GDP	Gross Domestic Product
HB	Housing Benefit
LA	Local authority
LHA	Local Housing Allowance
NRPF	No Recourse to Public Funds
ONS	Office for National Statistics
PRG	Prevention Review Group
PRS	Private Rented Sector
RRTP	Rapid Rehousing Transition Plans
RSL	Registered Social Landlord
SCP	Scottish Child Payment
SFC	Scottish Fiscal Commission
SHS	Scottish Household Survey
SMD	Severe and Multiple Disadvantage
SWF	Scottish Welfare Fund
TA	Temporary accommodation
TGF	Tenant Grant Fund
UAO	Unsuitable Accommodation Order
UC	Universal Credit
UKHLS	UK Household Longitudinal Study
UTA	Unsuitable Temporary Accommodation

Foreword

As shown in this year's Scotland Homelessness Monitor, Scotland has made huge progress in its journey towards ending homelessness in recent years.

The creation of the Homelessness and Rough Sleeping Action Group, followed by the publication of the Ending Homelessness Together Plan, laid out a blueprint for making homelessness in Scotland a thing of the past. The work of these groups was ground-breaking and set out Scotland as the first nation in Britain to have a plan to end homelessness.

From there, the Prevention Review Group published its final report in February 2021, outlining recommendations for transforming how we respond to homelessness in Scotland by putting prevention at the heart of the system. With the headline recommendation, the development of new homelessness prevention duties for public bodies, being taken forward in the Scottish Government's upcoming Housing Bill, Scotland has the opportunity to further enhance its reputation as an international leader.

But there can be no escaping the fact that, right now, the picture for homelessness in Scotland is a bleak one. The homelessness system in Scotland is creaking under the strain, with more and more households being pushed into housing insecurity and homelessness. People who were getting by are now struggling, and those who were struggling are finding themselves at risk of losing their home. As this new study makes clear, households across the country are finding it ever-more difficult to maintain housing security and to keep their heads above water, at the same time as local authorities are finding it ever-more difficult to respond to the overwhelming demand for their services.

There are now more households living in temporary accommodation than at any time since records began, including almost 10,000 children. This study estimates that 18,400 households experienced core homelessness on a typical day in 2022, with the overall scale of core homelessness having risen by 11% since 2020. It also finds that, without additional policy intervention, core homelessness is predicted to increase by 33% by 2026. These figures should be deeply concerning for all of us concerned with making Scotland a more just nation.

What is driving these stark figures is clear; a cost-of-living crisis that is squeezing incomes to breaking point, a lack of social homes combined with a private rented sector that is inaccessible to people on low incomes, a UK social security system that drives people into – rather than protects them from – poverty, an asylum system that often seems designed to lock people into destitution, and public bodies that are too often ill-equipped or not empowered to take steps to prevent homelessness.

But what this study also makes clear is the range of policy action that can be taken to stem the rising tide of homelessness that we are seeing across Scotland. Whether through ensuring the new homelessness prevention duties are adequately resourced and implemented, through bolstering social security support for low-income households, or through re-doubling efforts to build more much-needed social homes, we can take the action needed to bring us further toward our shared vision of ending homelessness in Scotland.
Crisis will continue to play our part in that journey.

Matt Downie
Chief Executive, Crisis

Executive summary

The Homelessness Monitor series is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in Scotland and elsewhere in the UK.[1] This fifth Scotland-focused Monitor report provides an account of how homelessness stands in 2023 (or as close to 2023 as data availability allows), and focuses in particular on ongoing implementation of the Scottish Government's Ending Homelessness Together Action Plan, as well as the homelessness impacts of the current cost of living crisis. The report also includes updated modelling estimates and forward projections of extreme forms of 'core' homelessness.

Key points to emerge from this latest analysis are as follows:

- Statutory homelessness presentations and acceptances fell during the COVID-19 pandemic, but have subsequently risen, continuing the pre-pandemic upward trend. Acceptances now stand 2% higher than pre pandemic (2019/20) and 10% higher than in 2021/22. More than half of local authority survey respondents (16 of 30) reported that service user footfall had 'significantly increased' in 2022/23 compared with the previous year, and a further quarter (8) that it had increased slightly.
- After a decade of stability prior to the pandemic, temporary accommodation placements have escalated sharply, standing at an historic high of 15,060 at 31 March 2023, up 29% since March 2020. The number of children in temporary accommodation rose 10% in the last year alone, to 9,595, the highest level on record. While the bulk of placements continue to be in self-contained accommodation, use of bed and breakfast hotels grew from by 124% in the three years to March 2023 (from 789 to 1,765) and lengths of stay in temporary accommodation are also rising. Reflecting these pressures, the Scottish Housing Regulator has recently warned that there is "an emerging risk of systemic failure" in homelessness services.[2]
- Integrating these official administratively-generated statistics on homelessness with various other data sources offers a means to assess trends in 'core homelessness'. This refers to people in the most severe and immediate forms of homelessness (e.g., rough sleeping, sofa surfing, staying in hostels, refuges or unsuitable forms of temporary accommodation), some of whom are not captured in statutory data. In 2022, core homelessness in Scotland is estimated to have stood at 18,400 households on an average night, having risen by 11% (1,800) since 2020. Rates of core homelessness, however, remain substantially lower in Scotland (0.74% of households) than in England (1.04).
- Estimates triangulating statutory and survey-based data suggest a nightly snapshot estimate of 720 people sleeping rough in Scotland in 2022, an increase on the post-pandemic low of 600 in 2021, but around a 20% reduction on levels seen pre-pandemic. Statutory data show a similar trend, with the proportion of people reporting having experienced rough sleeping prior to presentation up 14-15% year on year but remaining 10-16% below pre-pandemic levels. These reductions are attributed to more effective multi-agency frontline responses and increased use of emergency accommodation, but going into winter 2023/24 there are acute concerns about rising rough sleeping.
- By far the largest element of core homelessness in 2022 was its least visible manifestation, sofa surfing, accounting for more than half of core homeless individuals or households (11,630). The next most prevalent form was hostels and similar accommodation (3,210), followed by unsuitable temporary accommodation like bed and breakfast (1,930). The least numerous groups are those staying in unconventional accommodation including in cars or tents (910) and those sleeping rough (720).
- Without additional policy intervention, core homelessness is predicted to increase by 33% by 2026, but to then fall back, with this short-run increase driven by housing market pressures, a cost-of-living crisis, fixed Local Housing Allowance rates, high levels of migration, low levels of social rented lettings and weak economic performance. A comprehensive programme of measures could reduce core homelessness by 56% in four years' time (2026) and 50% against projected levels in the long term (2041).
- A range of measures are modelled as capable of preventing the projected rise – and in fact reducing – core homelessness. Substantial reductions on short and longer-term time horizons are associated with raising the level of the Local Housing Allowance to the median rent and properly indexing it; increased prevention; and increased working age benefit levels allied to more specific measures to reduce destitution.
- Other measures are modelled to have substantial impacts on reducing core homelessness in the short to medium term, but with effects reducing over time, including increasing social housing allocation to core homeless households and further scaling up Housing First. On the other hand, some measures are projected to have impacts that build up over time, mainly because they take time to implement, including the effective

1 Parallel Homelessness Monitors are published for England and Wales. All of the Homelessness Monitor reports are available from https://www.crisis.org.uk/ending-homelessness/?

2 Scottish Housing Regulator (2023) *Homelessness services in Scotland A thematic review.* Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/national-reports/thematic-work/homelessness-services-in-scotland-a-thematic-review-february-2023

elimination of most unsuitable temporary accommodation and increasing new housing supply targeting specific geographical areas and linked to hostel reduction.

- Homelessness has been a major area of policy focus for the Scottish Government since 2017 and the appointment of a cross-sector Action Group to make recommendations on the eradication of rough sleeping and transformation in the use of use of temporary accommodation. The resulting Ending Homelessness Together Action Plan, which received cross party support and has been followed by four progress updates, continues to drive the direction of national and local responses.

- Since their introduction in 2018, local authority Rapid Rehousing Transition Plans have been a key delivery mechanism for the Action Plan. Key informants and local authorities report an increased focus on prevention and improved interagency working as a result of these plans, with partnership working especially strong with the social housing and criminal justice sectors. Effective partnership arrangements with health and social care partners are now widespread and have improved dramatically since 2018. Two thirds of local authorities now report that social housing allocations policy has changed as a result of their Plan, primarily increasing the proportion of allocations to homeless households. These increases have not been sufficient to prevent temporary accommodation use rising to an historic high, and recent progress implementing Rapid Rehousing Transition Plans has been slow in some areas, and in others has stalled completely.

- Almost all local authorities report partnerships with the social housing and criminal justice sectors that improve their ability to prevent and/or alleviate homelessness. Partnership arrangements with health and social care partners bearing on homelessness are also widespread and have improved dramatically since 2018, though a handful of authorities report that such arrangements make little difference to homelessness responses or remain weak/absent.

- Recent legal changes have sought to strengthen the legal safety net for homeless households. The suspension of local connection rules means that households now have a choice about where to apply for assistance. National data suggest that the change has, as yet, triggered no surge in applications from households without a local connection to the receiving area, but local authorities remain concerned about practical challenges including effective information sharing between areas.

- The extension of the Unsuitable Accommodation Order to all household types (from only those including children) has changed the profile of the temporary accommodation in use in a majority of local authorities, but high breach numbers have been reported since its implementation and most local authority survey respondents (22 of 30) report difficulties ending the use of unsuitable accommodation.

- Proposals for legal changes to enhance and strengthen homelessness prevention developed by the independent Prevention Review Group are expected to be taken forward in the forthcoming Housing Bill and extend further than earlier reforms in England and Wales. The proposals have strong support from key stakeholders and local authorities are particularly positive about plans to introduce new referral provisions for private landlords, new duties on social landlords to prevent homelessness and to extend local authorities' duty to prevent homelessness to six months before it occurs. There is acute concern that any changes are appropriately resourced given the unparalleled pressures facing local authorities, and that effective implementation avoids them receiving increased referrals from other public bodies and landlords without meaningful contribution to prevention efforts.

- The Housing First pathfinder programme achieved positive outcomes in terms of tenancy sustainment and overall well-being for individuals experiencing multiple and complex needs. Subsequent scale-up means that the vast majority of local authority areas now have Housing First provision in place, but challenges to its scalability, sustainability and fidelity to the model's core principles persist due to insufficient access to appropriate accommodation and funding constraints.

- Following their closure during the COVID-19 pandemic, night shelters have remained closed in Scotland. In their place, Welcome Centres in Glasgow and Edinburgh provide rapid access to self-contained accommodation during the winter. Key informants reported that that capacity had generally been sufficient to meet demand during winter 2022/23, but there are intensifying concerns about increased demand going into winter 2023/24, especially among non-UK nationals.

- The Fair Way Scotland programme seeks to prevent homelessness and destitution among those with No Recourse to Public Funds (or facing other restrictions on their eligibility for assistance), and supported 1,200 people across three cities in its first of year of operation (2022/23). Funding challenges and difficulties accessing suitable housing continue to constrain its ability to mitigate the risks of homelessness and destitution generated by UK immigration law for this group.

- The Scottish and UK Governments initiated a range of supports to mitigate the impacts of the cost-of-living crisis. Scottish Government measures to prevent evictions and stabilise rents for existing private tenants were seen to have been most effective in preventing or minimising homelessness. Most local authority survey respondents (22 of 30) believed that the cost-of-living crisis had nevertheless led to an increase in homelessness in their area, with an even higher number (26 of 30) expecting the crisis to drive further increases during 2023/24. The refreezing of Local Housing Allowance was identified as the most significant challenge inhibiting local authority efforts to prevent or relieve homelessness in 2022/23.

- In 2021/22 the flow of new social lettings bounced back somewhat from a pandemic year low, but have subsequently resumed their long-term downward trajectory in 2022/23. In this context, there has been an increase in the proportion of allocations to homeless households, from 46% in 2018/19 to 54% in 2022/23. Local authorities continue to allocate substantially higher proportions of new lettings to statutory homeless households than Registered Social Landlords, but Registered Social Landlord lets to this group have increased the most rapidly. Two thirds of local authority survey respondents think that allocations to homeless households in their area are not high enough.

- The annual flow of private rented vacancies has begun to fall back in recent years. Almost all (25 of 30) local authority survey respondents identified a decline in in the availability of private rented accommodation for those experiencing homelessness in the last year and the proportion of homelessness cases rehoused into the private rented sector has fallen from 5% in 2018/19 to just

3% in 2022/23. The vast majority of local authority survey respondents (25 of 30) nevertheless think that more use should be made of private tenancies in preventing/alleviating homelessness.

Trends in homelessness

Rough Sleeping

Estimates triangulating statutory and survey-based data suggest a nightly snapshot estimate of 720 people sleeping rough in Scotland in 2022. This represents a significant (c. 20%) reduction on the broadly stable levels of around 900 people sleeping rough nightly in the years 2016-19, but an increase of 20% on the nadir of 600 seen post-pandemic in 2021. Statutory data indicate that nationally the proportion of people reporting experience of rough sleeping prior to presentation rose by 14-15% year on year but remain down on pre-pandemic (2019/20) levels by 10-16%. Key informants attributed these reductions in rough sleeping levels post-pandemic to the establishment of an effective multi-agency frontline response (initiated before but catalysed by the public health emergency) and greater use of emergency accommodation, including bed and breakfast hotels. Going into winter 2023/24, there are acute concerns about rising rough sleeping, especially in Scotland's major cities and for non-UK nationals with No Recourse to Public Funds or limited eligibility for statutory support.

Statutory homelessness

Homelessness presentations and acceptances fell during the COVID-19 pandemic, in large part as a result of restrictions placed on evictions during the period. Over the last two years by contrast, levels of statutory homelessness have increased, with acceptances in 2022/23 standing 2% higher than pre pandemic (2019/20) and 10% up on 2021/22 levels. More than half of local authority survey respondents (16 of 30) reported that service user footfall had 'significantly increased' in 2022/23 compared with the previous year (a further 8 that it had increased slightly).

While homeless applications and assessments fell during the pandemic, the number of 'open applications' where local authority duties are yet to be discharged and temporary accommodation placements rose dramatically. By 2022/23, compared with 2019/20, the number of open applications at financial year end had increased by 30%, with temporary accommodation placements up by 27%.

Applications resulting from 'rental tenancy termination' rose by 34% in 2022/23, reflecting the partial resumption of evictions activity after the pandemic, but also, according to key informants and local authorities, increasing private landlord disinvestment linked to mortgage interest rate rises and changes to the regulatory environment. The most common factors precipitating homelessness applications continue to be being asked to leave, non-violent disputes within the household and domestic abuse. Combined, these factors accounted for two-thirds of applications in 2022/23 (26%, 21% and 12% respectively).

Households headed by those aged between 25 and 49 continue to make up the bulk of applications, at 63% in 2022/23. The proportion of applications from older age groups has increased since 2018/19 from 13% to 16% of applications, while applications from 18-24 year olds have remained broadly stable (around 19-22%). The much smaller cohort of applicants aged 16-17 has seen a continued decline both numerically and proportionately, but young people (especially 18–24-year-olds) remain over-represented among those facing homelessness compared to other age groups. In terms of household type, single males continued to account for almost half of all applicants (46% in 2022/23), with the next biggest groups being single females (21%) and female single parents (15%).

After a decade of stability prior to the pandemic, temporary accommodation placements have escalated sharply, standing at an historic high of 15,060 at 31 March 2023, up 29% since March 2020. The number of children in temporary accommodation rose 10% in the last year alone, to 9,595, the highest level on record. While the bulk of placements continue to be in self-contained accommodation, use of bed and breakfast hotels grew by 124% in the three years to March 2023 (from 789 to 1,765). Average lengths of stay in temporary accommodation have also increased, up 22% to 223 days since 2019/20. Stays in bed and breakfast hotels tend to be much shorter (43 days on average), though durations were substantially higher in Edinburgh (97 days) and the Highlands (427 days).

The vast majority of those accepted as homeless in Scotland are ultimately rehoused in a social tenancy (77% in 2022/3). By contrast, rehousing into the private rented sector has become even more rare in the recent period, down from 5% of the total in 2018/19 to just 3% by 2022/23 (perhaps linked to the refreezing of Local Housing Allowance rates). This is especially noteworthy given that the vast majority of local authority survey respondents (25 of 30) think more use should be made of private tenancies in preventing/alleviating homelessness.

Core Homelessness

This report details quantitative analysis of 'core homelessness', which captures some of the most severe and immediate forms of homelessness. The categories captured include people sleeping rough, staying in places not intended as residential accommodation (e.g., cars, tents, boats, sheds, etc.), living in homeless hostels, refuges and shelters, placed in unsuitable temporary accommodation (e.g., bed and breakfast hotels, Out of Area Placements, etc.), and sofa surfing (i.e., staying with non-family, on a short-term basis, in overcrowded conditions).

We estimate that 18,400 households experienced core homelessness on a typical day in 2022, with the overall scale of core homelessness having risen by 11% (1,800) from 2020, after a period of relative stability before that. Rates of core homelessness in Scotland (0.74 per 100 households) are lower than rates in England (1.04), by around 28%. Within Scotland rates are generally higher and have tended to increase in the main city regions of the central belt, while rates are lower and tend to have fallen in other sub-regions including the more rural and north-easterly parts of the country.

This recent upward trend in core homelessness mostly reflects increases in sofa surfing, core homelessness' largest but least visible manifestation, which accounts for more than half of core homeless individuals or households (11,630). Next in numerical importance was the hostels and similar accommodation category (3,210), which has been on a downward trajectory since 2019, followed by unsuitable temporary accommodation (1,930) and those staying in unconventional accommodation including in cars or tents (910). In a change from previous estimates, the least numerous group is those sleeping rough, with numbers here lower than prior to the pandemic (720). These estimates do not include households displaced from Ukraine since early 2022, some of whom have been accommodated in forms of unsuitable temporary accommodation that would render them 'core homeless' by our definition.

Our predictive models indicate that, without additional policy intervention, core homelessness would be likely to increase by 24% (4,300 extra households) by 2024 and 33% (6,100) by 2026 with the continuance of expected economic conditions and current policies, but then fall back and stabilise at or around 2020-22 levels. Factors driving this short-run increase include housing market pressures, a cost-of-living crisis, fixed Local Housing Allowance rates, high levels of migration, low levels of social rented lettings and weak economic performance. Against these projected trends, we systematically tested the impact of ten different policy changes on forecast core homelessness levels over the short-term (to 2024 and 2026) and longer-term (to 2041).

Raising the level of the Local Housing Allowance to the median level and indexing it to rents stands out as having the biggest impact in the medium to long term and the second biggest in the short term. Increased prevention also performs strongly, having the biggest short-term impact and second biggest in the medium and longer term. This is the case despite the scenario modelled falling short (for methodological reasons) of the ambitious proposed legal reforms intended to strengthen homelessness prevention in Scotland. Effective elimination of most unsuitable temporary accommodation ranks as the next most effective scenario, but would take several years to be implemented. A large increase in working age welfare benefit levels allied to more specific measures to reduce destitution would have a sizeable impact in both the short and long term.

Increasing social housing allocations to core homeless households stands out as having a large impact in the shorter term but fading to a lower impact later, as more areas hit the suggested ceiling of 65% of social lettings to core and/or statutory homeless households. Further scaling up Housing First provision over the rest of this decade would bring further reductions in core homelessness within this time frame. Increasing new social housing supply by 50% and targeting specific geographical areas linked to hostel reduction, would have a relatively smaller early impact but would build up to a substantial impact later.

A comprehensive and appropriately sequenced programme of measures is forecast to reduce core homelessness by 56% in four years' time (2026), 46% in the medium term (2031) and 50% in the long term (2041). There are potentially even larger impacts on some aspects of core homelessness over the longer-term horizon (to 2041): unsuitable temporary accommodation would be down by 96%, rough sleeping would be reduced by 51%, hostels etc. down by 59% and sofa surfing down by 39%.

Many, though not all, of the changes identified as impactful in reducing core homelessness are within the power of the Scottish Government, and moreover, largely consistent with the Ending Homelessness Together Action Plan. This applies to the Unsuitable Accommodation Order extension, the pursuit of improved homelessness prevention, the continued scaling-up of Housing First, more strongly prioritising homeless households in social housing allocations and increasing (and appropriately targeting) new social housing supply. Pursuing these measures in the short term will require the committed prioritisation of homelessness reduction as a policy aim given the fiscal constraints and other challenges facing Scotland.

Economic context

Like the rest of the UK, Scotland's economy is struggling to return to pre-pandemic Gross Domestic Product growth levels since the economic shocks of the pandemic and then the war in Ukraine, which led to the biggest jump in inflation for four decades, far outpacing household income growth.[3] A rapid succession of interest rate rises have seen inflation start to subside, but they have pushed up mortgage costs and private rents,[4] further driving down living standards. By the end of 2023/24, the Scottish Fiscal Commission expects households in Scotland to be over 4% worse off compared with 2021/22.[5] Higher inflation is also eroding public spending power. Without a change in funding and/or spending priorities, the Scottish Government could face a shortfall in its spending commitments of £1.9 billion in 2027/28.[6]

Severe poverty rates have increased from 10% to 16% in Scotland in the decade to 2021/22, leaving half a million adults (18%) living on incomes below 50% of the median, over half of whom were in work.[7] These increases have been driven by the growth of insecure work and welfare reforms that have reduced the real value of, and restricted access to, benefits and tax credits.[8] Deepening poverty and inadequate social security provision have also contributed to a growing use of food banks,[9] with the numbers of food parcels distributed by the Trussell Trust network increasing by 30% year on year in 2022/23 in Scotland (compared to 37% across the UK).[10]

Scottish and UK Governments have put in place a range of supports to mitigate the impacts of the cost-of-living crisis, and in particular rising energy costs, with Great Britain-wide 'cost of living payments' directed to those on lower incomes and other vulnerable groups. Expenditure on such payments has been broadly progressive,[11] but has not made allowance for the diverse needs of households of differing size and composition.[12] Even with these mitigations in place, estimates suggest that 37% of all households and 34% of those with children were fuel poor in Spring 2023.[13] Most local authority survey respondents (22 of 30) were of the view that the cost-of-living crisis had led to an increase in homelessness in their area despite these mitigation measures, and an even higher number (26 of 30) were of the view that the ongoing crisis would increase homelessness during 2023/24.

The cost-of-living crisis hit in the context of social security payments for those of working age failing to keep

3 Office for National Statistics (2023) *Consumer Price Inflation, UK*: June 2023. Online: ONS. https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/june2023

4 Office for National Statistics 92023) *How Increases In Housing Costs Impact Households*. London: ONS. https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/howincreasesinhousingcostsimpacthouseholds/2023-01-09

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6 Scottish Government (2023) *The Scottish Government's Medium-Term Financial Strategy*. Edinburgh: Scottish Government. https://www.gov.scot/publications/scottish-governments-medium-term-financial-strategy-2/

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8 Cebula, C. & Birt, C. (2023) *Deepening Poverty in Scotland*. York: Joseph Rowntree Foundation. https://www.jrf.org.uk/report/deepening-poverty-scotland-no-one-left-behind

9 Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Wood, J., Sosenko, F., Littlewood, M., Johnsen, S., Watts, B., Treanor, M. & McIntyre, J. (2020) *Destitution in the UK 2020*. York: JRF. www.jrf.org.uk; Bramley, G., Sosenko, F. & Fitzpatrick, S. (2018) *Destitution in the UK 2018*. York: JRF.

10 The Trussell Foundation (2023) *Emergency Food Parcel Distribution in Scotland: April 2022 – March 2023*. London: Trussell Foundation. https://www.trusselltrust.org/wp-content/uploads/sites/2/2023/04/EYS-Scotland-Factsheet-2022-23.pdf

11 Scottish Government (2022) *The Cost of Living Crisis in Scotland: An Analytical Report*. Edinburgh: Scottish Government. https://www.gov.scot/publications/cost-living-crisis-scotland-analytical-report/documents/

12 Treasury Committee (2022) *Autumn Statement 2022 – Cost of living payments*. London: House of Commons. https://publications.parliament.uk/pa/cm5803/cmselect/cmtreasy/740/report.html#heading-1; Resolution Foundation (2022) *Back-on-target: Analysis of The Government's Additional Cost of Living Support*. London: RF. https://www.resolutionfoundation.org/publications/back-on-target/

13 Scottish Government (2023) *Tackling Child Poverty Delivery Plan: Progress Report 2022-23 - Annex A Measurement Framework*. Edinburgh: Scottish Government. https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-progress-report-2022-23-annex-measurement-framework/pages/3/

pace with inflation over the shorter and longer term. Since the withdrawal of a pandemic-prompted uplift in the Universal Credit standard allowance in Autumn 2021, the real value of benefits has declined as inflation has risen sharply, only partially mitigated by the 10% uplift in benefit rates in April 2023.[14] Over the longer term, the decade to 2023/24 saw the Universal Credit basic allowance increased by just 7%, compared to earnings and price increases of 26-37%. As a result, the value of income-related benefits now sits below the cash thresholds for destitution for those of working age.[15] Meanwhile, benefit sanctions and debt-related deductions push the levels of benefit received by some households still lower.

After delays, some new social security benefits have now been established in Scotland under powers devolved in 2016. Most significant has been the launch of the Scottish Child Payment, introduced in 2021 with increases to its generosity and eligibility introduced in 2022. Initial evidence indicates that the payment is reducing child poverty and food bank use,[16] and our own modelling indicates that the payment could reduce poverty by 24% and core homelessness by around 15%.

Discretionary funds administered by local authorities also play an important role in easing poverty in Scotland, with local authorities clear that Discretionary Housing Payments and the Scottish Welfare Fund are important and effective tools in preventing homelessness. The Tenant Grant Fund, initially introduced to prevent arrears-related evictions during the pandemic but widened to cover cost-of-living crisis related arrears was seen by two thirds of local authority survey respondents to have mitigated the impact of the crisis on homelessness, despite implementation challenges.

Housing context

The Scottish Government target to deliver 50,000 affordable homes in the 5 years to March 2021 was not achieved until March 2022, largely due to the impact of the pandemic. What's more, the number of new homes funded through the Affordable Housing Supply Programme in 2022/23 was almost 18% lower than in 2021/22.[17] Achieving the current target of delivering 110,000 affordable homes by 2032, including 77,000 for social rent, will require addressing a range of barriers relating to funding and subsidy levels, construction costs, access to land and wider financial constraints and pressures upon social landlords.

Having bounced back somewhat from its pandemic year low in 2021/22, the flow of new social lettings resumed its long-term downward trajectory in 2022/23.[18] In this context, there has been an increase in the proportion of allocations to homeless households, from 46% in 2018/19 to 54% in 2022/23.[19] Local authorities continued to allocate substantially higher proportions of new lettings to statutory homeless households than Registered Social Landlords, but Registered Social Landlord lets to this group have increased more rapidly in recent years.[20] Increasing the proportion of social lets to homeless households remains a key policy aim, and two thirds of local authority survey respondents think that allocations to homeless households in their area are not high enough. At the same time, half of respondents are concerned that the level of allocations to homeless households is making it difficult to house others in housing need in their area, and local government leaders have recently warned of a "critical lack of capacity" in the sector.[21] The forthcoming and wide-ranging Housing Bill is expected to strengthen the role of social landlords around homelessness prevention and domestic abuse and improve regulation of the housing workforce.

The flow of advertised private rentals has declined in recent years,[22] with almost all (25 of 30) local authority survey respondents identifying a decline in the availability of private rented accommodation for those experiencing homelessness in the last year. Those on low incomes that can access the sector face intensifying affordability challenges given rising rents for new tenancies[23] and the refreezing of Local Housing Allowance rates. Three quarters (23 of 30) of local authorities see the Local Housing Allowance levels as a challenge to their efforts to prevent or alleviate homelessness. Two emergency 'cost of living' measures were introduced by the Scottish Government to stabilise rents and reduce the risk of eviction into homelessness for existing private tenants and are intended to remain in place until March 2024 and local authority survey respondents were of the view that both measures had mitigated the impact of the cost-of-living crisis on homelessness. Proposals for further radical reforms[24] will need to balance ambitions to improve standards and security with ensuring landlords have sufficient incentive to continue providing private rentals.

Homelessness policy developments and impacts

Homelessness has been a major area of policy focus for the Scottish Government since 2017 and the appointment of a cross-sector Action Group to make recommendations on how to end rough sleeping and transform the use of temporary accommodation. The resulting Ending Homelessness Together Action Plan[25] received cross party support and continues to drive national and local responses to homelessness.

Local authority Rapid Rehousing Transition Plans are a key implementation mechanism of the Plan and were intended to chart a five-year course to reduced temporary accommodation use, improved partnership working and prevention, and swift access to settled housing for homeless households. Key informants and local authorities report an increased focus on early

14 Institute of Fiscal Studies (2023) *The Cost of Living Crisis: A Pre-Budget Briefing*. London: IFS. https://ifs.org.uk/publications/cost-living-crisis-pre-budget-briefing
15 Bramley, G. (2023) *Destitution in the UK: income thresholds for October 2022*. York: JRF. https://www.jrf.org.uk/report/destitution-uk-income-thresholds-october-2022
16 Scottish Government & IPSOS MORI (2022) *Interim Evaluation of Scottish Child Payment*. Edinburgh: Scottish Government. https://www.gov.scot/publications/interim-evaluation-scottish-child-payment/
17 Scottish Government (2023) *Affordable Housing Supply Programme: Out-Turn Report 2021-2022*. Edinburgh: Scottish Government, https://www.gov.scot/policies/more-homes/affordable-housing-supply/
18 See UK Housing Review 2023 Compendium https://www.ukhousingreview.org.uk/ukhr23/compendium.html#lettings
19 Scottish Government (2022) *Ending Homelessness Together: Annual Report 2022*. Online: Scottish Government. https://www.gov.scot/publications/ending-homelessness-together-annual-report-2022/
20 Scottish Housing Regulator (2023) *Charter Data: All Social Landlords Dataset*. Glasgow: SHR. https://www.housingregulator.gov.scot/landlord-performance/statistical-information
21 Solace Scotland (2023) *Housing in Scotland: Current Context and Preparing for the Future*. South Lanarkshire: SOLACE. https://solace.org.uk/housing-in-scotland/
22 Indigo House (2022) *Rent Better-Wave 2, Final Report*. Edinburgh: Nationwide Foundation. https://rentbetter.indigohousegroup.com/findings/
23 Hometrack (2023) *UK Rental Market Index – March 2023*. Online: Hometrack. https://www.hometrack.com/wp-content/uploads/2023/03/UK-rental-market-report-Final-March-2023-HT.pdf; Citylets (2023) *Rental Reports: Q1 2023*. Edinburgh: Citylets. https://www.citylets.co.uk/research/reports/; Homelet (2023) *HomeLet Rental Index Report*. Lincoln: DataLoft., https://homelet.co.uk/-/media/project/barbon/homelet/homelet-documents/homelet-rental-index/homelet-rental-index-pdf-current-month.pdf
24 Scottish Government (2021) *A New Deal for Tenants - Draft Strategy: Consultation*. Edinburgh: Scottish Government. https://www.gov.scot/publications/new-deal-tenants-draft-strategy-consultation-paper/
25 Scottish Government (2018) *Ending Homelessness Together: Action Plan*. Online: Scottish Government. https://www.gov.scot/publications/ending-homelessnesstogether-high-level-action-plan/

intervention and prevention and improved interagency working, with partnership working especially strong with the social housing and criminal justice sectors. Effective partnership arrangements with health and social care partners are also widespread and have improved dramatically since 2018. Two thirds of local authorities now report that social housing allocations policy has changed as a result of their Plan, primarily increasing the proportion of allocations to homeless household.

Recent progress implementing Rapid Rehousing Transition Plans has been slow in some areas, and in others has stalled completely. Relevant factors include recent increases in homeless applications compounding already high levels of temporary accommodation use during and subsequent to the COVID-19 pandemic, reduced access to private rentals, slower social housing turnover, and a shortage of new supply, alongside challenges associated with the rising cost of living, and refreezing of Local Housing Allowance rates. Insufficient funding and a lack of clear monitoring and evaluation of progress against Plans were also highlighted as barriers to progress, and particular concerns were raised regarding the lack of clarity about funding after 2024.

Also relevant to these pressures has been the high numbers displaced by the war in Ukraine since early 2022. Key informants supported Scotland's uniquely generous "super sponsor" scheme on humanitarian grounds though expressed frustration over the lack of preparation for the unprecedented housing demand it has created and the lack of capacity to manage these extra pressures in already overburdened homelessness services. While two passenger liners commissioned to accommodate Ukrainian refugees have now been disembarked, many Ukrainians remain in hotel accommodation awaiting move on.[26]

Alongside the focus on reducing reliance on temporary accommodation, there have also been efforts to improve its quality, including the extension of the Unsuitable Accommodation Order to all homeless households.[27] Key informants were highly supportive of this move and a third of local authority survey respondents (10 of 30) reported that is has significantly impacted on the kinds of accommodation they use. High breach numbers[28] have been recorded since the extension was brought into force, however, especially in Edinburgh. Most local authority survey respondents (22 of 30) report difficulties ending the use of unsuitable accommodation, including some who had previously been compliant. Draft advisory standards for all temporary accommodation have also been developed.[29] While some stakeholders support the enforcement of these standards as mandatory, others see this as problematic in the current challenging context facing local authorities.

Reflecting these pressures, temporary accommodation use has come under renewed recent scrutiny. In 2023, the Temporary Accommodation Task and Finish Group formed to address growing levels of usage concluded that Scotland's homelessness system is reaching *"breaking point"*,[30] echoing the Scottish Housing Regulator's warning that there is "an emerging risk of systemic failure" in homelessness services.[31] In response, the Scottish Government announced a National Acquisition Plan directing £60 million of funding to assist local authorities and housing associations acquire new social homes. Commitments were also made to pursue increased social housing allocations to homeless households and to develop tailored solutions for areas facing the most significant challenges.[32] In September 2023, the First Minister Humza Yousaf underlined reducing temporary accommodation use as a key focus in his Programme for Government.[33]

Scaling up of Housing First accommodation and support for people with multiple and complex needs is a priority in the Ending Homelessness Together Action Plan. The £5.8 million Pathfinder programme ended in 2022, having accommodated 579 people, short of the 800 tenancies target, in part due to the impacts of the COVID-19 pandemic. Outcomes for those accommodated were very positive, with tenancy sustainment rates of 80% at 24 months and no recorded evictions. The programme evaluation tracked positive effects on housing satisfaction, health, substance use, and criminal activity, alongside a wider shift towards less conditional, trauma-informed homelessness service provision.[34]

A monitoring framework linked to a national plan[35] to mainstream Housing First nationally shows that around 1,333 tenancies were started across Scotland between April 2021 to June 2022[36] and, according to our survey, 26 areas now have Housing First provision, though around half report levels insufficient to meet demand. The main barriers to scalability and sustainability include limited access to appropriate accommodation and funding constraints. Concerns about the fidelity of provision to the core principles of the model were also raised, and reflect challenges recruiting and retaining staff, pressures to increase caseloads and difficulties securing contributions from the housing, health and criminal justice sectors.

An important legacy of the COVID-19 public health emergency has been the rapid implementation of a prior commitment to end the use of night

26 Scottish Government (2023) *Ukraine Sponsorship Scheme in Scotland: statistics – May 2023*. Online: Scottish Government. https://www.gov.scot/publications/ukraine-sponsorship-scheme-in-scotland-statistics-may-2023/pages/total-numbers-of-visa-applications-issued-visas-and-arrivals/

27 See https://www.gov.scot/publications/guidance-homeless-persons-unsuitable-accommodation-scotland-order/

28 The Scottish Government has sounded a note of caution around these figures, noting inconsistencies in reporting and recording of breaches, with written clarification and guidance issued to LAs in January 2022.

29 See here: https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fhomelessnetwork.scot%2Fwp-content%2Fuploads%2F2022%2F06%2FTemporary-Accommodation-Standards-Framework-DRAFT-standards-Wider-stakeholders.docx&wdOrigin=BROWSELINK

30 Scottish Government (2023) *TA Task and Finish Group: Final Report and Recommendations*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2023/03/temporary-accommodation-task-finish-group-final-report-recommendations/documents/temporary-accommodation-task-finish-group-final-report-recommendations/temporary-accommodation-task-finish-group-final-report-recommendations/govscot%3Adocument/temporary-accommodation-task-finish-group-final-report-recommendations.pdf p. 8

31 Scottish Housing Regulator (2023) *Homelessness services in Scotland: A thematic review*. Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/national-reports/thematic-work/homelessness-services-in-scotland-a-thematic-review-february-2023

32 Scottish Government (2023) *Reducing the use of TA: actions we are taking to achieve this*. Online: Scottish Government. https://www.gov.scot/publications/temporary-accommodation-action-to-reduce-its-use/pages/conclusion/

33 Scottish Government (2023) *Programme for Government 2023 to 2024: First Minister's speech*. Online: Scottish Government. https://www.gov.scot/publications/programme-government-2023-2024-first-ministers-speech/#:~:text=We%20will%20continue%20to%20work,110%2C000%20affordable%20homes%20by%202032.

34 Johnsen, S., Blenkinsopp, J. & Rayment, M. (2022) *Scotland's Housing First Pathfinder Evaluation: Final Report - Executive Summary*. Online: Heriot-Watt University. https://doi.org/10.17861/jg8s-2v04 p.7

35 Homeless Network Scotland (2023) *A National Framework to start-up and scale-up Housing First in Scotland: 2021-2031*. Online: HNS. https://homelessnetwork.scot/wp-content/uploads/2020/11/National-Framework-For-Housing-First-CONSULTATION-NOV-DEC-2020.pdf;

36 Homeless Network Scotland (2023) *Housing First Scotland: Annual Check Up 2022*. Online: HNS. https://homelessnetwork.scot/wp-content/uploads/2022/12/Housing-First-Scotland-2022_web1-2.pdf;

shelters in Scotland, supported by the introduction of 24-hour winter welcome centres in Edinburgh and Glasgow that provide rapid access to single-room emergency accommodation.[37] Key informants praised the case work and partnership working embedded within the new approach and reported that on the whole capacity had met demand during winter 2022/23. There was less confidence that this position could be maintained going forward given anticipated increases in demand.

There has also been a strong emphasis on maintaining gains made during the pandemic in preventing homelessness among those with no or restricted eligibility for housing assistance and benefits due to their immigration status. Outwith the pandemic context, local authorities have duties to accommodate some destitute migrants on safeguarding grounds, and referrals leading to such support increased by 40% during 2021/22.[38] Since summer 2022, a cross sector partnership, Fair Way Scotland, has been providing advice, support, accommodation and financial help to those that fall through this statutory safety net in three Scottish cities, as well as seeking policy and practice change. The partnership supported 1,200 people in its first year, including ongoing case work support to over 700. Six people were accommodated by the partnership because they were excluded from all forms of public support, but significant challenges have been faced scaling the accommodation offer due to difficulties accessing housing and securing independent funding for rent.[39]

More than half of local authorities (16 of 30) expect an increase in demand for homelessness assistance amongst people with no or restricted eligibility for support over the coming year and key informants expressed acute frustration and concern about the UK-level drivers of destitution and homelessness for this group. Relevant factors include the expansion of asylum dispersal from Glasgow to all of Scotland, and the ongoing impacts of Brexit. Moreover, Home Office efforts to rapidly clear the backlog of asylum decisions is expected to lead to a surge in demand for statutory homelessness support, as well as to risk rough sleeping among those receiving 'negative cessations' and not entitled to statutory support, with particular concerns about the scale and budgetary impacts in Glasgow.[40] This challenging context is anticipated to deteriorate further as the impacts of the Illegal Migration Act 2023 begin to be felt. This legislation aims to deter illegal entry to the UK,[41] but critics fear it will instead lead to a surge in homelessness and destitution.[42]

37 Everyone Home Collective (2020) *Route-Map 1: Ending the need for night shelter & hotel room provision*. Online: HNS. https://homelessnetwork.scot/wp-content/uploads/2020/10/4.-Everyone-Home-Collective-Route-Map-1-Night-Shelters.pdf;

38 COSLA (2022) *COSLA Survey of LA NRPF Support*. Online: Migration Scotland. https://migrationscotland.org.uk/policyarea/cosla-survey-of-local-authority-nrpf-support/#

39 Watts-Cobbe, B., McMordie, L., Bramley, G., Young, G., & Rayment, M. (2023) *Fair Way Scotland Evaluation Progress Report (Year 1)*. Online: Heriot-Watt. https://researchportal.hw.ac.uk/en/publications/fair-way-scotland-evaluation-progress-report-year-1

40 Williams, M. (2023) 'Glasgow faces refugee homes crisis with £70.1m budget black hole.' *The Herald*. 12 October. Online: The Herald. https://www.heraldscotland.com/news/23850992.glasgow-faces-refugee-homes-crisis-70-1m-budget-black-hole/; O'Donnell, A. & Millar, S. (2023) *Impact of Home Office Decisions via the Streamlined Asylum Process*. Online: Glasgow City Council. https://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDNZ3UT81DNDN

41 Jenrick, R . (2023) *Statement of Changes in Immigration Rules*. Statement UIN HCWS954. Online: UK Parliament. https://questions-statements.parliament.uk/written-statements/detail/2023-07-17/hcws954

42 NACCOM (2023) *Joint briefing | Risks of homelessness and destitution posed by the Illegal Migration Bill*. Online: NACCOM. https://naccom.org.uk/joint-briefing-risks-of-homelessness-and-destitution-posed-by-the-illegal-migration-bill/; Refugee Council (2023) *Illegal Migration Bill - Assessment of impact of inadmissibility, removals, detention, accommodation and safe routes*. Online: Refugee Council www.refugeecouncil.org.uk/wp-content/uploads/2023/03/Refugee-Council-Asylum-Bill-impact-assessement.pdf

The Ending Homelessness Together Action Plan proposed a range of reforms to homelessness law in Scotland, including the suspension of local connection rules which came into force in November 2022. Key informants were positive about this step to give homeless households choice in where they seek assistance. Official statistics show that only 705 (2%) of homeless households had no local connection in 2022/23, the year in which these changes came into force, slightly lower than in 2021/22.[43] While most local authority survey respondents reported an increase in applications from such applicants, they have no means of assessing the net impact of these rule changes including any outflow of applicants from their area. The change has led to practical issues including the potential for multiple uncoordinated applications and difficulties effectively sharing safeguarding information between areas, which local authorities are eager to resolve.

Further reforms to strengthen homelessness prevention and place it on a legal footing are expected to be introduced in the forthcoming Housing Bill based on recommendations from the Prevention Review Group.[44] The proposals received cross-party support[45] as well as widespread endorsement via a public consultation.[46] Key informants saw the plans as likely to reduce homelessness in the longer term, and proposals to introduce new referral provisions for private landlords, new duties on social landlords to prevent homelessness and extending local authorities' duty to prevent homelessness to six months before it occurs received especially strong support from local authorities in our survey. Despite receiving support from most local authorities and people with direct experience of homelessness,[47] key informants suggested that proposals to enable the discharge of homelessness duties into a broader range of "suitable and stable" housing options may not be taken forward, likely reflecting concerns from a minority of consultation respondents that doing so risks weakening people's rights.[48]

Key informants and local authorities were clear that effective implementation will depend upon public bodies and landlords actively contributing to homelessness prevention efforts. In the absence of such buy-in, local authorities risk facing increased referrals without

43 Although such applications would be unaffected by the new legislation, 2022/23 did see a small increase in the number of those involving persons lacking a local connection to any LA. These increased from 720 (2.5% of all applications) in 2021/22 to 935 (2.9%) in 2022/23.

44 Crisis (2021) *Preventing Homelessness in Scotland: Recommendations for legal duties to prevent homelessness: A report from the Prevention Review Group*. Online: Crisis. https://www.crisis.org.uk/media/244558/preventing-homelessness-in-scotland.pdf

45 See: https://www.scottishparliament.tv/meeting/scottish-government-debate-prevention-of-homelessness-duties-february-2-2022

46 Scottish Government & COSLA (2022) *Ending Homelessness Together Annual report to the Scottish Parliament*. Online: Scottish Government https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/10/ending-homelessness-together-annual-report-2022/documents/ending-homelessness-together-annual-report-scottish-parliament-october-2022/ending-homelessness-together-annual-report-scottish-parliament-october-2022/govscot%3Adocument/ending-homelessness-together-annual-report-scottish-parliament-october-2022.pdf

47 Sims, R., Reid, B., Cowan, N. & Allard, M. (2023) *Home is the Foundation: Perspectives on prevention from people with experience of homelessness*. London: Crisis. https://www.crisis.org.uk/media/249096/crisis_home-is-the-foundation-report.pdf p.4

48 Scottish Government & COSLA (2022) *Prevention of Homelessness Duties: A Joint Scottish Government and COSLA Consultation: Analysis of Consultation Responses: Final Report*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-analysis/2022/09/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/documents/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/govscot%3Adocument/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report.pdf p. 44

meaningful cooperation and practical assistance from relevant public services and landlords, placing further strain on homelessness services. Stakeholders also heavily underlined the need for investment and resources to accompany any changes given the acute homelessness and housing-related challenges currently facing local authorities.

Conclusion

Three main themes emerge in this edition of the Homelessness Monitor. First, the COVID-19 pandemic has had a lasting and, in many ways, positive legacy on homelessness responses in Scotland. Night shelters have not re-opened since their closure during the public health emergency; partnership working on homelessness has improved significantly; and there are concerted and ambitious efforts to prevent homelessness and destitution among those with no or limited access to statutory support as a result of their immigration status. Second, homelessness continues to be an area of policy focus and legal reform, with Scotland pursuing an ambitious path in both UK and global terms via the implementation of a rapid rehousing by default model, including the scaling up of Housing First, and continued legal changes that strengthen and deepen the duties owed to those facing homelessness.

Third and finally, however, this policy and legal ambition is now being pursued in an extraordinarily challenging socio-economic context. Statutory homelessness is increasing, the number of households in temporary accommodation is at an historic high, and levels of core homelessness are anticipated to increase rapidly over the next few years. Moreover, it is increasingly clear that that neither the Scottish Government nor local authorities can continue funding public services in their current form. Our projections analysis makes clear that projected rises in homelessness are not inevitable and can be reversed by a concerted programme of policy and legal reform, much of which lies in the competence of devolved Scottish powers. The next Scotland Monitor will provide an opportunity to assess how these tensions between Scotland's ambitious policy and legal agenda on homelessness and a highly challenging context for implementation are playing out.

Introduction

1. Introduction

1.1 Introduction

This longitudinal Homelessness Monitor study, which started in 2011, provides an independent analysis of the homelessness impacts of economic and policy developments in Scotland. It considers the consequences of economic and housing market trends for homelessness, with recent iterations capturing the homelessness-related effects of the COVID-19 pandemic. A central focus is the impacts of homelessness-relevant policy changes implemented by UK governments since 2010, as well as the effect of relevant Scottish Government policies on housing, homelessness and welfare.

This fifth Scotland focused update report provides an account of how homelessness stands in Scotland in 2023 (or as close to 2023 as data availability allows), and analyses key trends in the period running up to 2023. It focuses in particular on what has changed since we published the last Homelessness Monitor for Scotland in 2021, including the homelessness impacts of the current cost-of-living crisis and the ongoing implementation of the 2018 Ending Homelessness Together Action Plan. We also, for the second time, provide an analysis which projects homelessness trends in Scotland into the future, holding the current context steady and also under a range of policy scenarios. Four previous reports provide a fuller account of the recent history of homelessness and related policy in Scotland.[49] Parallel Homelessness Monitors have been published for other parts of the UK.[50]

1.2 Scope of report

While in the public imagination homelessness is often equated with rough sleeping,[51] legal and expert understandings tend to count a much broader range of living situations as homelessness on the basis that they reflect people's lack of access to

49 Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis. https://www.crisis.org.uk/media/237059/the_homelessness_monitor_scotland_2012.pdf; Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Scotland 2015*. London: Crisis. https://www.crisis.org.uk/media/236831/the_homelessness_monitor_scotland_2015.pdf; Fitzpatrick, S., Pawson, H., Bramley, G., Watts, B., Wood, J., Stephens, M. & Blenkinsopp, J. (2019) *The Homelessness Monitor: Scotland 2019*. London: Crisis. https://www.crisis.org.uk/media/240002/the_homelessness_monitor_scotland_2019.pdf; Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H. & Young, G. (2021) *The Homelessness Monitor: Scotland 2021*. London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2021/

50 See http://www.crisis.org.uk/pages/homelessnessmonitor.html

51 O'Neil, M., Pineau, M.G., Kendall-Taylor, N., Volmert, A. & Stevens, A. (2017) *Finding a Better Frame: How to Create More Effective Messages on Homelessness in the United Kingdom*. Online: FrameWorks. https://www.frameworksinstitute.org/publication/finding-a-better-frame-how-to-create-more-effective-messages-on-homelessness-in-the-united-kingdom/

minimally adequate housing.[52] In order for this report to be as comprehensive and inclusive as possible, we adopt a range of definitions or 'perspectives' on homelessness, considering the impacts of relevant policy and economic changes on the following (partially overlapping) groups:

- People sleeping rough.
- Statutorily homeless households: that is, households who seek or receive housing assistance from local authorities (LAs) on grounds of being currently or imminently without accommodation.
- People experiencing 'core homelessness':[53] this refers to households who are currently experiencing the most acute forms of homelessness or living in short-term or unsuitable accommodation. It includes people in the following situations: rough sleeping; sleeping in cars, tents and public transport, or occupation of non-residential buildings; staying in hostels, refuges and shelters; living in 'unsuitable' temporary accommodation (TA) (e.g., Bed and Breakfasts (B&Bs)); sofa-surfing (i.e. staying with non-family, on a short-term basis, in overcrowded conditions).

1.3 Research methods

Five methods have been employed in this longitudinal study.

- First, relevant literature, research and policy documents have been reviewed.
- Second, we have undertaken in-depth interviews with a sample of key informants from across the statutory and voluntary sectors in Scotland. The sample of 16 interviewees included representatives of homelessness service providers, as well as other key stakeholders with a national overview of relevant areas of policy and practice in Scotland (see Appendix 1 for the basic topic guide used, though note that this was tailored for each interviewee). These interviews were conducted May-July 2023.
- Third, we have undertaken statistical analysis on a) relevant economic and social trends in Scotland; and b) the scale, nature and trends in homelessness for the categories of people experiencing it noted above.
- Fourth, for the third time in Scotland, we have conducted a bespoke online survey of Scotland's LAs (in May/June 2023), with a view to gaining their perspective on local homelessness trends and also on the impacts of a range of relevant policy developments. We laid particular emphasis this year on the impacts of the current cost-of-living crisis on homelessness and the ongoing implementation of the Scottish Government's Ending Homelessness Together Action Plan.[54] In all, 30 Scottish LAs responded (a response rate of 94%). The only non-respondents were Clackmannanshire and Orkney. In analysing the returns, responding authorities were classed according to a typology presented in Table 1, which combines geography and housing market conditions.

52 Busch-Geertsema, V., Culhane, D., & Fitzpatrick, S. (2016) 'Developing a global framework for conceptualising and measuring homelessness', *Habitat International*, 55, 124–132.
53 Bramley, G. (2017) *Homelessness Projections: Core homelessness in Great Britain, Summary Report*. Online: Crisis. https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf
54 Scottish Government (2018) *Ending Homelessness Together: Action Plan*. Online: Scottish Government. https://www.gov.scot/publications/ending-homelessness-together-high-level-action-plan/

Table 1.1: Scottish local authority typology

Edinburgh and other pressured markets	Aberdeen City, Aberdeenshire, East Lothian, Edinburgh, Highland, Midlothian, Moray, Orkney Islands (non-respondent), Perth & Kinross, Shetland, Stirling, West Lothian
Glasgow and rest of Clyde Valley	East Dunbartonshire, East Renfrewshire, Glasgow, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire, West Dunbartonshire
Rest of Scotland	Angus, Argyll & Bute, Clackmannanshire (non-respondent), Dumfries and Galloway, Dundee, East Ayrshire, Eilean Siar, Falkirk, Fife, North Ayrshire, Scottish Borders, South Ayrshire

- Fifth, we incorporate a statistical modelling exercise which both estimates 'core' forms of homelessness, and projects trends in these forms of homelessness into the future.

1.4 Causation and homelessness

All of the Homelessness Monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.[55]

Theoretical, historical and international perspectives indicate that the causation of homelessness is complex, with no single 'trigger' that is either 'necessary' or 'sufficient' for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, across countries, and between demographic groups.

With respect to the main structural factors, international comparative research, and the experience of previous UK recessions, these suggest that housing market trends and policies have the most direct impact on levels of homelessness, with the influence of labour market change more likely to be lagged and diffuse, and strongly mediated by welfare arrangements and other contextual factors. The central role that poverty plays in shaping homelessness risks in the UK is also now well established.[56] The individual vulnerabilities, support needs and 'risk taking' behaviours implicated in some people's homelessness are themselves often, though not always, rooted in the pressures associated with poverty and other forms of structural disadvantage. At the same time, the 'anchor' social relationships which can act as a primary 'buffer' to homelessness, can be put under considerable strain by stressful financial circumstances. Thus, deteriorating economic conditions in Scotland, such as those associated with the current cost of living crisis, could also be expected to generate more 'individual' and 'interpersonal' vulnerabilities to homelessness over time, with any improvement in such conditions tending to have the reverse effect.

1.5 Structure of report

Chapter 2 reviews the wider context for homelessness, including economic, poverty and labour market trends, housing market developments, and welfare policy changes, including

55 For a more detailed account of this conceptual framework please consult with Chapter 2 in the first Homelessness Monitor for Scotland: Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012*. London: Crisis.
56 Bramley, B. & Fitzpatrick, S. (2018) 'Homelessness in the UK: who is most at risk?', *Housing Studies*, 33(1), 96-116.

response to the current cost-of-living crisis. Chapter 3 shifts focus to homelessness-specific policies and practices at national and local level, including the implementation of Rapid Rehousing Transition Plans, and other elements of the Scottish Government's Action Plan on homelessness. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of and recent trends in statutory homelessness in Scotland, focusing on the unpicking post COVID-19 pandemic trends and their drivers. Chapter 5 provides estimates of the current scale of core homelessness in Scotland, and projects trends in these forms of homelessness into the future. All of these chapters are informed by the insights derived from our in-depth interviews with key informants conducted in 2023, and from the statistical and qualitative information gleaned from this year's online survey of LAs. In Chapter 6 we summarise the main findings of this report.

The context

2. The wider context

Key findings

Like the rest of the UK, Scotland's economy is struggling to return to pre-pandemic Gross Domestic Product (GDP) levels since the economic shocks of the pandemic and then the war in Ukraine, which led to the biggest jump in inflation for four decades, far outpacing household income growth. A rapid succession of interest rates has seen inflation start to subside, but they have pushed up mortgage costs and private rents, further driving down living standards. By the end of 2023/24, the Scottish Fiscal Commission (SCF) expects households to be over 4% worse off compared with 2021/22.

Higher inflation has also eroded public spending power. Without a change in funding and/or spending priorities, the Scottish Government could face a shortfall in its spending commitments of £1.9 billion in 2027/28. At the time of writing, it remained to be seen what steps the Scottish Government will take to simultaneously boost economic growth, fight poverty and resolve this funding gap.

Those on low incomes of working age have been most exposed to the cost-of-living crisis, partly because most of their budget is spent on food, energy, and other necessities and partly because social security benefits have fallen below the level required to avoid material hardship, despite the 10% increase in April 2023. This has contributed to rising levels of poverty, problem debt, destitution, and food bank use.

The Scottish Government has put in place a range of strategic actions and financial support to tackle poverty and destitution. Most significant has been the launch of the Scottish Child Payment (SCP) for households with children under 16 in receipt of qualifying benefits. While this package of measures may be reducing child poverty, severe poverty is a growing problem, especially for single person households of working age.

The harsh economic and fiscal environment has already begun to impact on the numbers of first-time buyers and the construction of new housing, with the number of new homes funded through the Affordable Housing Supply Programme in 2022/23 almost 18% lower than in 2021/22. The annual flow of social and private vacancies has also fallen back, making it even more difficult for households to secure suitable housing. This is particularly the case for low-income households that rely on the private rental market, where most advertised rents now exceed local housing allowance (LHA) levels. While the Scottish Government has taken steps to temporary limit rent increases and delay evictions, hard evidence on their impact is scant.

The forthcoming Housing Bill presents an opportunity to tackle deep-rooted problems in relation to homelessness as well as the provision, quality and management of rented housing. The Bill will build on proposals set out in A New Deal for Tenants issued at the end of 2021. There has been a lot of work and dialogue on proposals to strengthen homelessness prevention, strengthen the role of social landlords around domestic abuse, and improve regulation of the housing workforce. Similar efforts will be required if rent controls and other private rental measures set out in 2021 are to avoid unintended and unwelcome consequences.

2.1 Introduction

This chapter places homelessness within the wider social, economic and housing policy context in which it occurs. Section 2.2 outlines economic developments, including recent poverty trends and the fall in living standards. Section 2.3 examines measures to help households whose incomes have been strained by the rising cost of living. Section 2.4 explores how inflationary and policy developments, including the upcoming Housing Bill, are affecting housing development and access to homes that are affordable in the private and social sectors.

2.2 The broader economic context

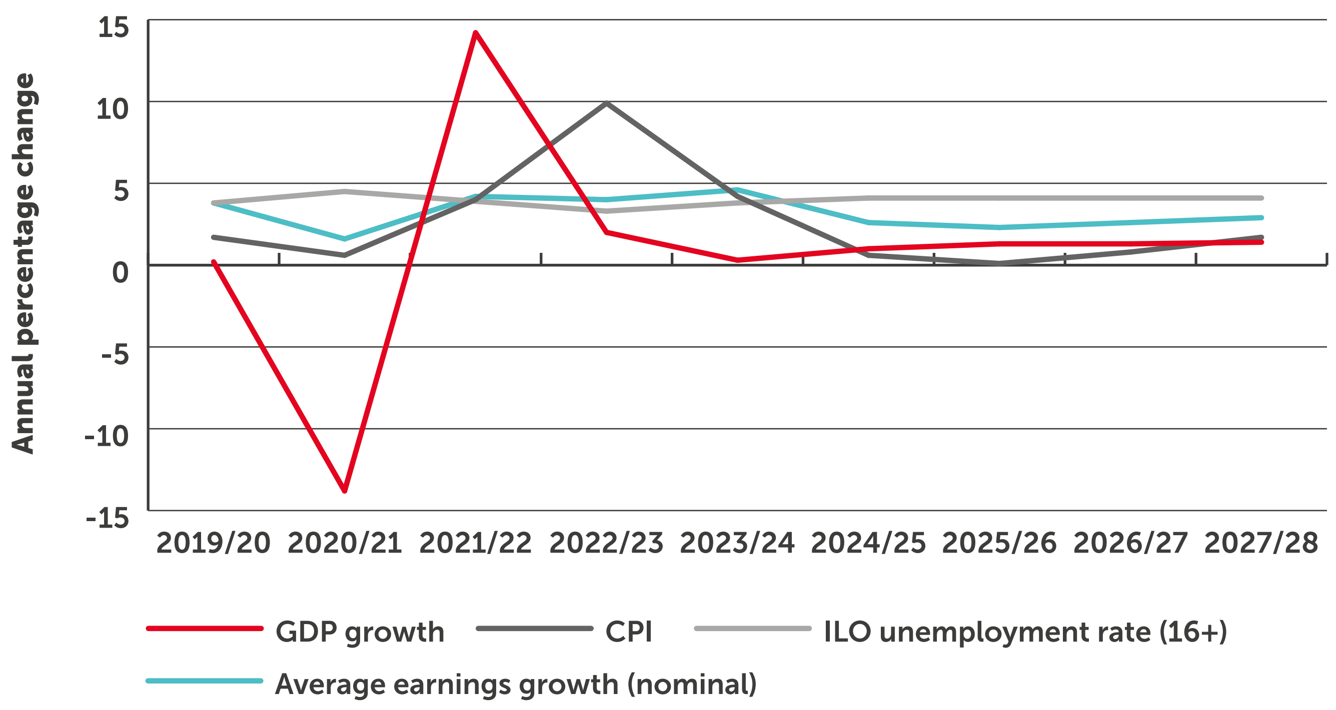
After a decade of muted economic growth, Scotland and the rest of UK entered a prolonged period of economic turmoil in March 2020, starting with the pandemic-induced recession (see figure 2.1). While GDP growth bounced back in 2021/22, it flatlined in 2022/23, such that total GDP grew by just 0.3% in the 37 months to March 2023.[57] Inflation, as measured by the Consumer Price Index (CPI), also spiralled, peaking at 11.1% in the year to October 2022, squeezing household incomes.

Although inflation has eased since then, CPI inflation in the year to June was 7.9%, well above the Bank of England's inflation target of 2%, while core inflation (which represents the underlying rate of inflation by excluding energy, food and other items subject to volatile price movements) stood at 6.4%,[58] indicating higher prices were becoming embedded across the economy. In response, the Bank of England increased interest rates to 5.25% at the start of August 2023, the 14th successive rise since December 2021, when core inflation was 4%.

Inflationary pressures have been affected by the post-pandemic upsurge in demand for, and the price of, oil, gas and other goods, further exacerbated by the war in Ukraine.[59] However, Brexit aftershocks[60] and other domestic matters have left the UK economy in a more perilous state than other advanced economies.[61] In particular, political turmoil, which saw two Prime Ministers resign in 2022, culminated in the seven week "Trussonomics" experiment that added £30 billion to net public borrowing.[62] Industrial action has also escalated as the real value of wages has continued to fall.

57 Office for National Statistics (2023) *Gross Domestic Product: Chained Volume Measures: Seasonally Adjusted £m – Quarterly figures*. Online: ONS. https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/abmi/pn2
58 Office for National Statistics (2023) *Consumer price inflation, UK: June 2023*. Online: ONS. https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/june2023
59 Organisation for Economic Co-operation and Development (2023) *OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery*. Paris: OECD. https://www.oecd-ilibrary.org/sites/d14d49eb-en/index.html?itemId=/content/publication/d14d49eb-en
60 Office for Budget Responsibility (2023) *Brexit Analysis. April 2023*. London: OBR. https://obr.uk/forecasts-in-depth/the-economy-forecast/brexit-analysis/#future
61 International Monetary Fund (2023) *World Economic Outlook: A Rocky Recovery April 2023*. USA: IMF. https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023
62 Resolution Foundation (2023) *Mind the (credibility) gap – slides*. Online: Resolution Foundation. https://www.resolutionfoundation.org/publications/mind-the-credibility-gap/

Figure 2.1: Key economic indicators for Scotland



Source: Scottish Fiscal Commission Economic and Fiscal Forecasts – May 2023

In the context of these UK-wide economic challenges, Scotland's New First Minister and his Cabinet are pursuing a 10-year economic strategy[63] which aims to create a fairer and more equal society by securing higher levels of innovation and inward investment,[64] reducing inequalities between and within regions,[65] and delivering a just transition to a net zero economy.[66] The Scottish Government also wants to broaden the Scottish tax base to address growing pressure on public spending linked to demographic changes,[67] including slowing population growth, population aging and a decline in healthy life expectancy since 2011.[68]

Despite negligible economic growth, the Scottish labour market has been resilient. Unemployment has remained at near record low levels. In the three months to April 2023, 3.1% of adults

63 Scottish Government (2022) *Scotland's National Strategy for Economic Transformation*. Edinburgh: Scottish Government. https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/documents/
64 Scottish Government (2022) *Shaping Scotland's Economy: Inward Investment Plan*. Edinburgh: Scottish Government. https://www.gov.scot/publications/shaping-scotlands-economy-scotlands-inward-investment-plan/pages/2/
65 Regional Economic Policy Advisory Group (2022) *Regional Economic Policy Review: Paper 1 – The National Perspective*. Edinburgh: Scottish Government. https://www.gov.scot/publications/regional-economic-policy-review-paper-1-national-perspective/documents/
66 Scottish Government (2023) *Energy system and Just Transition: Independent Analysis*. Edinburgh: Scottish Government. https://www.gov.scot/publications/energy-system-transition-independent-analysis/documents/
67 Scottish Fiscal Commission (2023) *Fiscal Sustainability Report – March 2023*. Edinburgh: SFC. https://www.fiscalcommission.scot/publications/fiscal-sustainability-report-march-2023/
68 Miall N., Fergie, G. & Pearce A. (2022) *Independent Review on Health Inequalities in Scotland*. Glasgow: University of Glasgow. https://www.gla.ac.uk/media/Media_892338_smxx.pdf

in Scotland (86,000) were seeking work compared with 3.8% for the UK as a whole. By 2022, only 9% of employees aged 18 or above earned less than the Real Living Wage of £9.90 per hour (£10.90 from September 2022), compared to 19.4% in 2018.[69] Moreover many workers in Scotland earning less than the Real Living Wage benefited from the rise in UK statutory minimum wage rates rats in April 2023.[70]

On the other hand, under-employment, under-payment, insecure work and fluctuating wages remain a significant problem,[71] especially for those under 25 years or with few qualifications.[72] Some 105,000 people in Scotland were on zero hour contracts in Q1 2023, compared to 70,000 in Q1 2020.[73] There are concerns that hidden unemployment, in the shape of people leaving the workforce and becoming economically inactive, is contributing to stalling economic growth,[74] with rates higher in Scotland than in England (22.6% of the working age population compared to 20.4 % in June 2023) and this gap growing.[75]

The Centre for Cities measure of involuntary inactivity[76] is based on all those that are economically inactive minus students, retirees and people with caring responsibilities. Applying this approach suggests that almost half of those who were economically inactive in early 2023 were involuntarily so. Combined with the official unemployment count, this suggests that up to 438,000 people in Scotland were without a job and that the 'real' rate of unemployment is around 12% albeit that this is double alternative estimates that use a different approach.[77]

Economic and fiscal outlook
The UK economy may avoid recession, but the outlook remains one of slow and fragile growth, with the Scottish Fiscal Commission (SFC) forecasting just 0.3% growth in 2023/24 and 1% in 2024/25.[78] Reliance on interest rates to reduce inflation has come under the spotlight,[79] but even assuming the Bank of England's tight monetary policy brings inflation down to 2% by early 2025,[80] living standards are expected to keep falling for some time. Prior to the interest rate rises this summer, the SFC expected real

69 Scottish Government (2022) *Annual Survey of Hours and Earnings: 2022*. Edinburgh: Scottish Government. https://www.gov.scot/publications/annual-survey-of-hours-and-earnings-2022/
70 Low Pay Commission (2022) *National Minimum Wage Low Pay Commission Report*. London: LPC. https://www.gov.uk/government/publications/low-pay-commission-report-2022
71 Ibid
72 Fraser of Allander Institute (2022) *Health Inequalities in Scotland: Trends in the Socio-economic Determinants of Health in Scotland*. Glasgow: FoA. https://fraserofallander.org/wp-content/uploads/2022/11/FAI-Health-Foundation-Final-Report-2.pdf
73 Office for National Statistics (2023) *People in Employment on Zero Hours Contracts*. Online: ONS. https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts
74 Scottish Fiscal Commission (2023) *Scotland's Economic and Fiscal Forecasts May 2023* (Revised June). Edinburgh: SFC. https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-may-2023/
75 Office for National Statistics (2023) *Labour Force Survey, January- March 2023*. Accessed via NOMIS. https://www.nomisweb.co.uk/reports/lmp/gor/2013265931/report.aspx?town=scotland
76 Centre for Cities (2023) *Cities Outlook 2023*. Online: Centre for Cities. https://www.centreforcities.org/wp-content/uploads/ 2023/01/2023-01-31-Cities-Outlook-2023.pdf
77 Beatty, C., Fothergill, S., Gore, T. & Leather, D. (2022) *The Real Level of Unemployment 2022: The Myth of Full Employment Across Britain*. Sheffield: Centre for Regional Economic and Social Research. https://shura.shu.ac.uk/30252/1/real-level-of-unemployment-2022.pdf
78 Scottish Fiscal Commission (2023) *Scotland's Economic and Fiscal Forecasts – May 2023*. Edinburgh: SFC. https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-may-2023/
79 Institute for Public Policy Research (2023) *Interest Rate Rise Risks Doing More Harm Than Good, Says IPPR*. Online: IPPR. https://www.ippr.org/news-and-media/press-releases/interest-rate-rise-risks-doing-more-harm-than-good
80 Bank of England (2023) *When Will Inflation in The UK Come Down?* London: BoE. https://www.bankofengland.co.uk/explainers/will-inflation-in-the-uk-keep-rising

disposable income per person to fall by 4.1% in the two years to March 2024,[81] while the Office for Budget Responsibility predicted that UK living standards would remain 0.4% below their pre-pandemic levels in 2027-28.[82]

To repair public finances, the UK Government has increased tax revenues and intends to reduce spending by 2027/28, but higher than the Office for Budget Responsibility-anticipated interest and inflation rates have driven up the cost of servicing government debt and slowed economic growth. This is making it even harder to reduce total debt (public sector net debt), which stood at over £2,596 billion by June 2022 and topped 100% of annual GDP.[83] This is highly likely to impact public spending, including the Scottish Block Grant, after the next general election,[84] as will any extra funding found to resolve ongoing public pay disputes or to support the UK Government's commitment to increase defence spending to 2.5% of GDP at some unspecified point in the future.[85]

SCF forecasts[86] suggest that in the absence of UK Government policy changes that could impact on the Block Grant or tax revenues, capital funding from all sources could decline by 8% by 2028-29.[87] The Scottish Government also reports that initial spending commitments could outstrip resource funding by £1 billion in 2024/25, and by £1.9 billion in 2027/28,[88] even if resource funding was to rise by 13% over the same period. Various factors account for this growing gap, but two stand out.

The first relates to the difference between forecast versus actual income tax revenues for 2021/22, and the resulting reconciliation process, which will impact negatively on the Block Grant for 2024/25 and increase Scottish Government borrowing costs.[89] The second relates to social security spending, which could increase from £5.3 billion in 20023/24 to £7.4 billion in 2027/28. This could exceed funding from the UK Government by £1.3 billion in 2027/28[90] partly due to the SCP and other new payments (£0.6 billion) and partly due to extra spending on devolved payments (£0.7 billion) including disability benefits and, to a lesser extent, Discretionary Housing Payments.

The Scottish Government is required to set a balanced budget and is prevented from borrowing to fund public services.[91] Hard choices will therefore

81 Scottish Fiscal Commission (2023) *Scotland's Economic and Fiscal Forecasts – May 2023*. Edinburgh: SFC. https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-may-2023/
82 Office for Budget Responsibility (2023) *Economic and Fiscal Outlook – March 2023*. London: OBR. https://obr.uk/efo/economic-and-fiscal-outlook-march-2023/
83 Office for National Statistics (2023) *Public Sector Finances, UK: July 2023*. London: ONS https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/june2023
84 The next UK general election must be held before 28 January 2025.
85 Institute for Fiscal Studies (2023) *The Fiscal Backdrop To Spring Budget 2023*. Online: IFS. https://ifs.org.uk/articles/fiscal-backdrop-spring-budget-2023
86 Scottish Fiscal Commission (2023) *Scotland's Economic and Fiscal Forecasts – May 2023*. Edinburgh: SFC. https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-may-2023/
87 SCF capital funding forecasts assumes around £100 million capital for City Deals per annum and up to a further £450 million of assumed capital funding from other sources, including borrowing.
88 Scottish Government (2023) *The Scottish Government's Medium-Term Financial Strategy*. Edinburgh: Scottish Government. https://www.gov.scot/publications/scottish-governments-medium-term-financial-strategy-2/
89 Hm Treasury (2023) *Scottish Income Tax Outturn Reconciliation For 2021-22*. London: HMRC. https://www.gov.uk/government/publications/scottish-income-tax-outturn-reconciliation-for-2021-22
90 Scottish Fiscal Commission (2023) *Scotland's Economic and Fiscal Forecasts – May 2023*. Edinburgh: SFC. https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-may-2023/
91 Scottish Government (2022) *Fiscal framework technical note: May 2022*. Edinburgh: Scottish

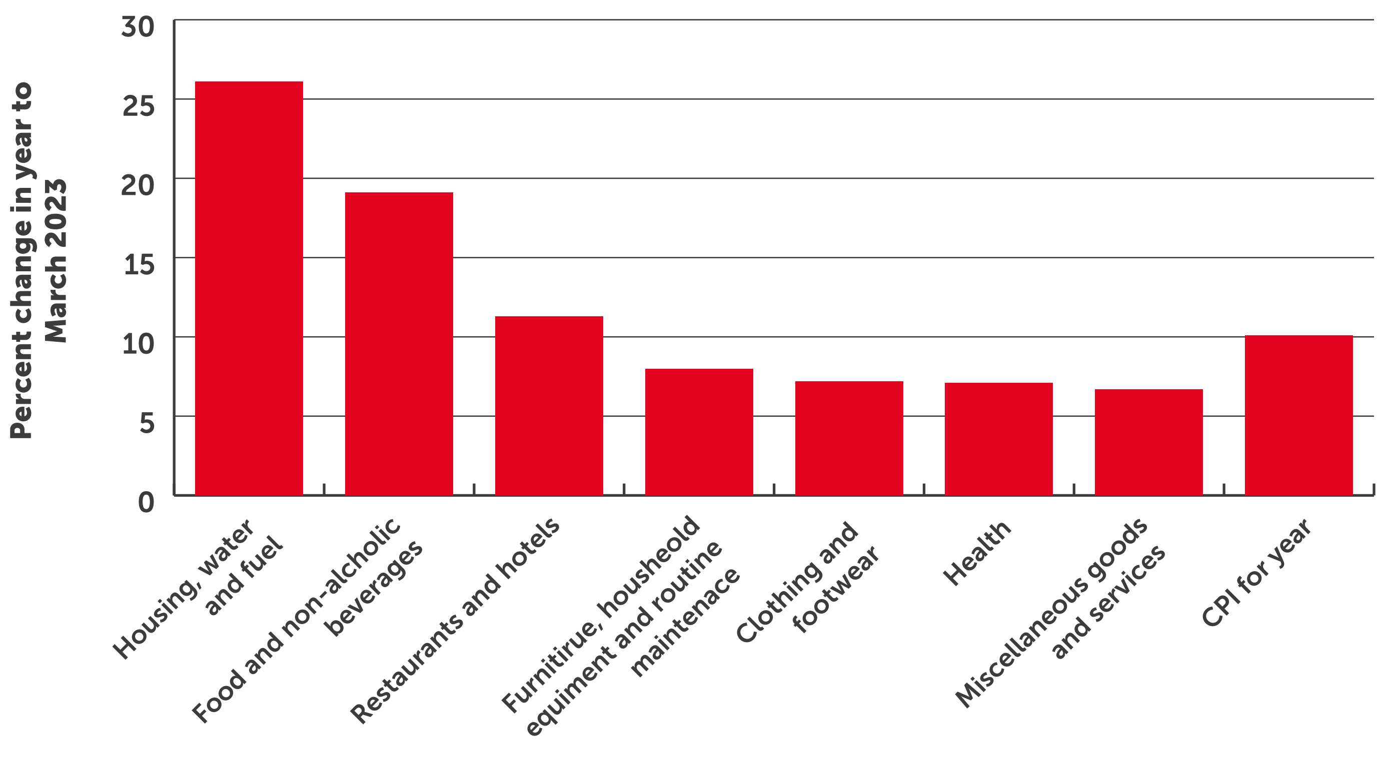
have to be made on spending priorities and taxation to balance the Scottish budget from 2024/25 onwards, a situation made more challenging by the First Minster's promises in October 2023 to freeze Council Tax in 2024/25 and to spend an extra £100 million to reduce NHS waiting lists in each of the next three years.[92] Although the Scottish Government has said it will compensate Local Government for the Council Tax freeze, which could cost up to £417 million depending on what counter-factual assumptions are applied,[93] there are concerns that this funding may fall short of what local authorities were budgeting for, further squeezing already strained LA funding.[94]

Scottish Government revenue support for local government (excluding COVID-19 related funding) increased in real terms in 2021/22, the first time since 2015/16.[95] However, as revenue from council tax and other income sources remained largely unchanged in real terms over this seven year period, local government funding in 2021/22 was lower in real terms than in 2015/16, despite the expansion of their responsibilities over this period.[96] One consequence of this funding squeeze has been a growing concentration of LA spending on education and social care and a reduction on spending on other services, including planning and development and non-HRA housing.[97] Another consequence has been that most Scottish local authorities are now using their reserves to bridge the gap between expenditure and revenue, which Audit Scotland has pointed out is not sustainable in the medium to long term.[98]

It is not yet clear where the additional NHS and Council Tax funding for 2024/25 will come from, though the Fraser of Allander Institute suggests it could come from the re-allocation of funding from other areas of government spending.[99] The eventual funding decision will have consequences for future spending on housing and other services that set the context for homelessness for some years to come. Looking further ahead, raising income taxes is likely to offer only a partial solution to closing the resource funding gap that SFC documented.[100] The Scottish Government Advisory Group on Tax Strategy[101] may therefore revisit the potential to replace the Council Tax with a system that more progressively taxes property wealth to secure the funding required to deliver more effective and sustainable public services.[102]

Government. https://www.gov.scot/publications/fiscal-framework-technical-note/
92 BBC (2023) *Yousaf Announces Council Tax Freeze And £300m For NHS Wait times*. https://www.bbc.co.uk/news/live/uk-scotland-67122291
93 Fraser of Allander (2023) *Policy Announcements at SNP Conference: What Do They Mean for Scotland?* Glasgow: FoA. https://fraserofallander.org/policy-announcements-at-snp-conference-what-do-they-mean-for-scotland/
94 Audit Scotland (2023) *Local Government in Scotland - Overview 2023*. Edinburgh: Audit Scotland. https://www.audit-scotland.gov.uk/uploads/docs/report/2023/nr_230517_local_government_overview.pdf
95 Ibid
96 IFS (2023) *Council and School Funding*. London: IFS. https://ifs.org.uk/sites/default/files/2023-02/Council-and-school-funding-Institute-for-Fiscal-Studies.pdf
97 Ibid
98 Audit Scotland (2023) *Local Government in Scotland - Overview 2023*. Edinburgh: Audit Scotland. https://www.audit-scotland.gov.uk/uploads/docs/report/2023/nr_230517_local_government_overview.pdf
99 Fraser of Allander (2023) *Policy Announcements at SNP Conference: What Do They Mean for Scotland?* Glasgow: FoA. https://fraserofallander.org/policy-announcements-at-snp-conference-what-do-they-mean-for-scotland/
100 Institute for Fiscal Studies (2023) *Scottish Budget 2023–24: Further Analysis*. London: IFS. https://ifs.org.uk/publications/ scottish-budget-2023-24-further-analysis;
101 Scottish Government (2023) *Advisory group on tax strategy- 29 June*. Online: Scottish Government. https://www.gov.scot/news/advisory-group-on-tax-strategy/
102 Leishman, C., Bramley, G., Stephens, M., Watkins, D. & Young, G. (2014), *After the Council Tax: Impacts of Property Tax Reform on People, Places and House Prices*. Online: Joseph Rowntree Foundation Report. https://www.jrf.org.uk/report/after-council-tax-impacts-property-tax-reform-people-places-

Figure 2.2: Annual consumer price inflation rates to March 2023 by selected category



Source: Scottish Government (2023) Monthly economic brief: April 2023, derived from Consumer price inflation from the Office for National Statistics, March 2023

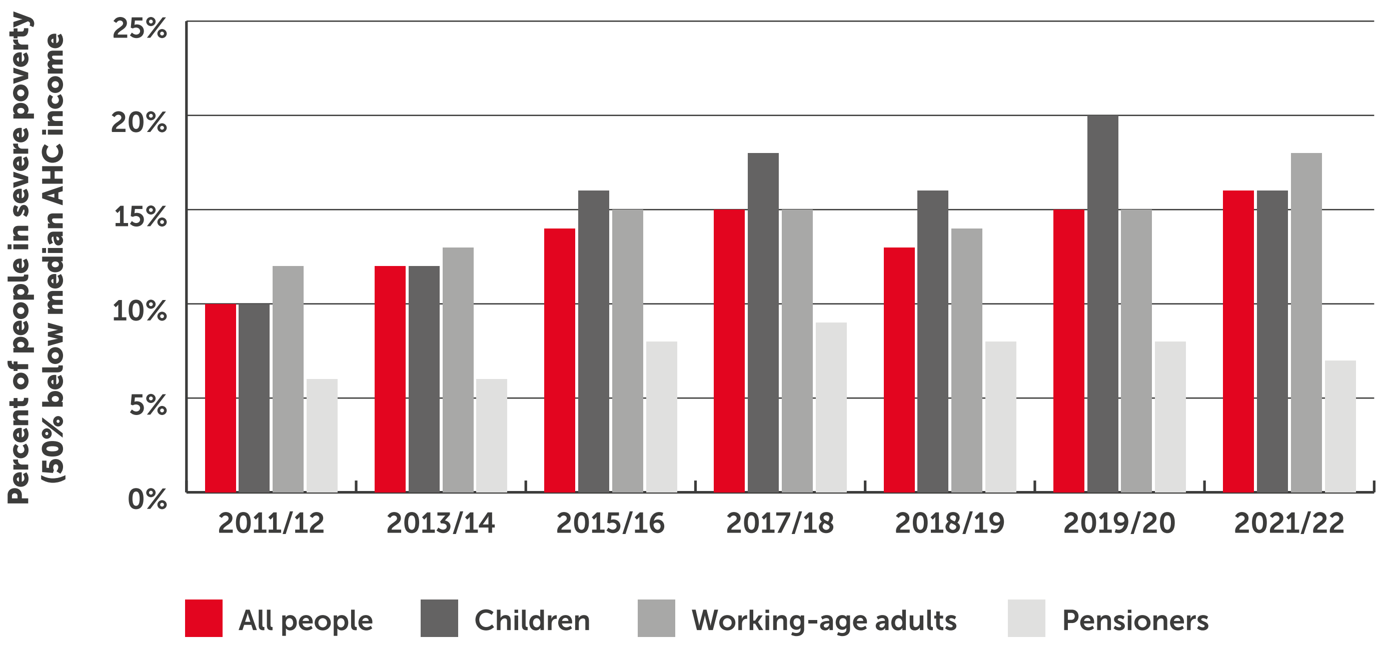
Falling living standards and deepening poverty

Acute inflationary pressures, rising interest rates and the ongoing erosion of the real value of incomes described above have contributed to a lowering of living standards for most households. The Office for National Statistics (ONS) report that in April 2023, 70% of GB adults said their cost of living had increased compared to the previous month, mainly due to rising food, energy and fuel prices. Some 63% had also cut spending on essentials.[103] The sharp rise in the price of food (19%) and housing, water, electricity, gas and other fuels (26.1%) in the year to March 2023 (see figure 2.2) has been especially hard for low-income households that spend a large share of their net income on such essentials.[104]

In 2021/22, around 21% of Scotland's population lived in households with a disposable income below 60% of median household income after housing costs (AHC).[105] This rate of AHC relative poverty has been stable since 2011/12, mainly because changes in median and low income have followed the same trajectory. This includes 2021/22, when median real household income declined at a similar rate to the income of poorer households.

and-house-prices.
103 Office for National Statistics (2023) *Public Opinions and Social Trends, Great Britain: 19 April To 1 May 2023*. Online: ONS. https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/publicopinionsandsocialtrendsgreatbritain/previousReleases
104 Brewer, M., Fry, E., & Try, L. (2023) *The Living Standards Outlook 2023*. London: Resolution Foundation. https://www.resolutionfoundation.org/app/uploads/2023/01/Living-Standards-Outlook-2023.pdf
105 Scottish Government (2023) *Poverty and Income Inequality in Scotland 2019-22*. Edinburgh: Scottish Government. https://data.gov.scot/poverty/#Income

Figure 2.3: Proportion of people in Scotland in severe poverty after housing costs by age group, 2010/11 to 2021/22



Source: Scottish Government (2023) Households Below Average Income 1994/95 – 2020/21
Notes: Figures are based on a single year but 3 year rolling average figure shows a similar trend. Some of the rise in severe poverty may be due to changes in the number of households with volatile income (FRS records income in the prior month) and under-reporting benefit income, but other evidence tells a similar story.

In contrast, the decade to 2021/22 saw the proportion of people in severe poverty and living in a household with an income below 50% of median household income increased from 10% to 16%, with the increase concentrated amongst working age adults and children (see figure 2.3). As a result, around half a million adults (18%), over half of whom were in work, were in severe poverty in 2021/22. In the case of children, the proportion in severe poverty rose from 10% to 20% between 2011/12 and 2019/20 but fell back to 16% by 2021/22.

The increase in severe poverty has been propelled by the growth of insecure work and welfare reforms such as the abolition of work allowances for non-disabled claimants without children in 2016, the removal of the 'first child premium' in 2017 and the exclusion of third and subsequent children born after April 2017 from Universal Credit (UC) and Child Tax Credit claims. The latter two measures have been especially damaging for lone parents and other families with the lowest incomes.[106] By contrast, the introduction of the Scottish Child Payment in February 2021, which is discussed in section 2.3, is perceived to have contributed to the recent fall in the share of children in severe poverty,[107] though the high levels of uncertainty around FRS estimates since 2020 mean it is too early to reach a definitive conclusion.

106 Scottish Government (2022) *Welfare reform - impact on households with children: report*. Edinburgh: Scottish Government. https://www.gov.scot/publications/welfare-reform-report-impact-welfare-reforms-households-children/pages/1/
107 Scottish Government (2022) *Scottish Child Payment: Interim Evaluation*. Edinburgh: Scottish Government. https://www.gov.scot/publications/interim-evaluation-scottish-child-payment/documents/

According to the latest Destitution in the UK survey, destitution has risen sharply in the UK over the past three years, with around 1.8 million households destitute at some point over the course of 2022. These households contained around 3.8 million people, of whom around a million were children. Taking a longer-term view, between 2017 and 2022 the overall number of households experiencing destitution more than doubled, but Scotland has experienced a far lower increase in destitution since 2019 than both England and Wales.[108]

Reflecting these trends of rising severe poverty and destitution, Scotland has seen increased reliance on food banks. After dipping in the first two years of the pandemic, the numbers of food parcels distributed by the Trussell Trust network increased by 30% from 199,676 in 2021/22 to 259,744 in 2022/23, of which 88,000 were for children. This increase was, however, lower than the UK average (37%), which the Trussell Trust attributes to the Scottish Child Payment,[109] something also cited in explanations of lower increases in destitution in Scotland.[110] Those in work now account for 16% of those using food banks.[111]

In addition to their direct impacts on wellbeing of low-income households, these trends in the cost-of-living, severe poverty, destitution and food insecurity raise acute homelessness-related concerns given that poverty is a key risk factor for homelessness.[112] Indeed, most respondents to our LA survey (22 of 30) were of the view that the cost-of-living crisis had led to an increase in homelessness in their area during 2022/23, though these impacts were only reported as significant by a third (9). Looking to the future, however, most respondents (26 of 30) were of the view that the ongoing cost-of-living and energy crisis would increase homelessness during 2023/24, with half of respondents (13) anticipating that these increases would be significant.

2.3 Financial support for low-income and vulnerable households

This section summarises the temporary measures introduced to help households cope with the energy crisis and the rising cost of living alongside recent UK and Scottish social security developments to tackle poverty and reduce the risk of homelessness.

Help with energy bills and rising cost of living

A GB-wide support package was instituted in 2022 to shield consumers from rising gas prices, which saw the annual Ofgem energy price cap rise from £1,277 in Q1 2022 to £4,279 in Q1 2023.[113] This package gave every household a £400 discount on their energy bills and established the Energy Price Guarantee, which set the annual energy bill for a 'typical household' at £2,500. More targeted support was also directed towards low-income and vulnerable households.

Those in receipt of income-related benefits received a 'cost of living payment' totalling £650 for 2022/23 and £900 for 2023/24, payable in £300 instalments. Those in receipt of disability benefits received £150 per

108 Fitzpatrick, S., Bramley, G., Treanor, M., Blenkinsopp, J., McIntyre, J. & McMordie, L. (2023). *Destitution in the UK 2020*. Online: Joseph Rowntree Foundation. https://www.jrf.org.uk/report/destitution-uk-2023
109 The Trussell Foundation (2023) *Emergency Food Parcel Distribution in Scotland: April 2022 – March 2023*. London: The Trussell Foundation. https://www.trusselltrust.org/wp-content/uploads/sites/2/2023/04/EYS-Scotland-Factsheet-2022-23.pdf
110 Fitzpatrick, S., Bramley, G., Treanor, M., Blenkinsopp, J., McIntyre, J. & McMordie, L. (2023). *Destitution in the UK 2020*. Online: Joseph Rowntree Foundation. https://www.jrf.org.uk/report/destitution-uk-2023
111 The Trussell Foundation (2023) *Hunger in Scotland*. London: The Trussell Foundation. https://www.trusselltrust.org/wp-content/uploads/sites/2/2023/06/2023-Hunger-in-Scotland-report-AW-web.pdf
112 Bramley, B. & Fitzpatrick, S. (2018) 'Homelessness in the UK: who is most at risk?', *Housing Studies*, 33(1), 96-116. https://doi.org/10.1080/02673037.2017.1344957
113 Ofgem (2023) *Retail market indicators*. Accessed June 2023. Online: Ofgem. https://www.ofgem.gov.uk/energy-data-and-research/data-portal/retail-market-indicators

annum and older households received £300 per annum. In addition, the Scottish Government used Barnett consequential funding to provide a £150 Council Tax rebate in 2022/23 for households living in a dwelling rated in council tax bands A-D or (in contrast to England) in receipt of Council Tax reduction and living in an E-H rated dwelling, of which there were 23,060 in March 2023. Provisional estimates suggest that total expenditure in Scotland for the energy bill support package over the 2 years could add up to £7 billion.[114]

Expenditure on the 'cost of living payments' has been broadly progressive,[115] but payments make no allowance for the diverse needs of households of differing size and composition.[116] Households with earnings just above the 'cliff-edge' thresholds have received nothing, leaving them worse off than similar households that have received a payment.[117] Eligibility criteria have excluded those who only claim housing benefit or contributory benefits such as Jobseekers Allowance. Those with No Recourse to Public Funds or who fail to claim UC have also been excluded. The Joseph Rowntree Foundation estimates that around 1.6 million GB households in the lowest income quartile fall into this latter group.[118] Finally, those with irregular earnings whose pay just happened to exceed the threshold in the assessment period for a £300 payment have missed out.[119]

Recent reductions in wholesale energy prices (and accompanying changes in the energy price cap and Energy Price Guarantee) mean that households on standard variable energy tariffs will see lower bills going forward. However, the scale of these changes is unlikely to have a significant impact on Scottish Government estimates that 37% of all households and 34% of those with children were fuel poor in Spring 2023.[120]

These UK Government measures were not seen to have substantially mitigated the impact of the cost-of-living crisis on homelessness, though fair proportions of LAs saw them as providing slight mitigation (see Table A2.6, in Appendix 2). Cost-of-living payments to households in receipt of means-tested benefits were most positively reviewed, with two third of LAs (19 of 30) reporting that they had slightly mitigated the impacts of the crisis for recipient households.

Asked what further measures could be taken to mitigate the impact of the crisis on homelessness, local authorities emphasised the need for continued efforts to reduce energy costs including challenging energy company charging practices:

> **"Continued engagement/dialogue with energy providers to ensure cost of energy is at an affordable level of pricing for all."**
> (LA respondent, Glasgow and rest of Clyde Valley)

> **"More needs to be done with Ofgem on tariff's, standing charges and the delays people face to resolve issues with meters… Offering energy grants is not getting to the root of the problem, this is a plaster on a bigger problem"**
> (LA respondent, rest of Scotland)

Income related social security

These ad hoc 'cost of living payments' were introduced at a time when social security payments for those of working age have been failing to keep pace with inflation over both the shorter and longer term. Since the withdrawal of the £20 per week uplift in the UC standard allowance in Autumn 2021, the real value of benefits has declined as inflation has risen sharply, such that the 10.1% annual uplift in April 2023 only partially mitigated the fall in the real value of benefit payments that has occurred since 2021.[121] This has led to calls for more frequent benefit uprating when volatile economic conditions cause financial hardship.[122] That said, the 10.1% UC uplift plus earlier revisions to UC work allowances and the earnings taper should protect low earning families from further substantial falls in real incomes in 2023/24.[123]

Over the longer term, the decade to 2023/24 saw the UC basic allowance increased by 7% whereas CPI increased by 26%, earnings by 30% and the Retail Prices Index, which was used to uprate benefits prior to 2011, by 37% (see figure 2.4). The net effect of successive benefit cuts and freezes over this period has been that the cash value of income-related benefits is now below the cash thresholds for destitution for those of working age.[124] Single adults have borne the brunt of this. Excluding support for housing costs, out-of-work support for single adults in the UK is now amongst the lowest income replacement rate of all high-income Organisation for Economic Co-operation and Development countries.[125]

There was a sharp rise in the numbers claiming UC during the pandemic, with Scottish claims peaking at 484,701 in March 2021. While numbers subsequently fell back, they have been rising again since summer 2022, partly due to the ongoing transition from legacy benefits to UC.

Of the 483,763 people in Scotland claiming UC in May 2023, 30% had a claim that was subject to work-related conditionality and potential sanction.[126] Figure 2.5 shows that 8,019 UC claimants were subject to a sanction in May 2023, with the sanction rate having stabilised at the relatively high rate of around 5.6%, up from around 3% prior to the pandemic and up from 0.1% in 2020-21 when face-to-face appointments were suspended. Sanction rates vary geographically, ranging from 3% in Aberdeen and Argyll & Bute to 8%

114 Department of Levelling Up Housing and Communities (2023) *Analysis of The Impact of UK Government Energy and Cost of Living Support Measures on Households Across the UK*. Online: DLUHC. https://www.gov.uk/government/publications/impact-of-uk-government-energy-and-cost-of-living-support-measures-on-households-across-the-uk

115 Scottish Government (2022) *The Cost of Living Crisis in Scotland: An Analytical Report*. Edinburgh: Scottish Government. https://www.gov.scot/publications/cost-living-crisis-scotland-analytical-report/documents/

116 Treasury Committee (2022) *Autumn Statement 2022 – Cost of living payments*. London: House of Commons. https://publications.parliament.uk/pa/cm5803/cmselect/cmtreasy/740/report.html#heading-1; Resolution Foundation, (2022) *Back-on-target: Analysis of The Government's Additional Cost of Living Support*. London: RF. https://www.resolutionfoundation.org/publications/back-on-target/

117 Institute for Fiscal Studies (2022) *IFS Response to Government Cost Of Living Support Package*. Online: IFS. https://ifs.org.uk/articles/ifs-response-government-cost-living-support-package

118 Joseph Rowntree Foundation (2023) *On a Low Income, But Not Claiming Means-tested Benefits*. York: JRF. https://www.jrf.org.uk/report/low-income-not-claiming-means-tested-benefits

119 Institute of Fiscal Studies (2023) *The Cost of Living Crisis: A Pre-Budget Briefing*. London: IFS. https://ifs.org.uk/publications/cost-living-crisis-pre-budget-briefing

120 Scottish Government (2023) *Tackling Child Poverty Delivery Plan: Progress Report 2022-23 - Annex A Measurement Framework*. Edinburgh: Scottish Government. https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-progress-report-2022-23-annex-measurement-framework/pages/3/

121 Institute of Fiscal Studies (2023) *The Cost of Living Crisis: A Pre-Budget Briefing*. London: IFS. https://ifs.org.uk/publications/cost-living-crisis-pre-budget-briefing

122 Work and Pensions Committee (2022) *The Cost of Living, London: House of Commons*. Online: UK Parliament. https://publications.parliament.uk/pa/cm5803/cmselect/cmworpen/129/report.html

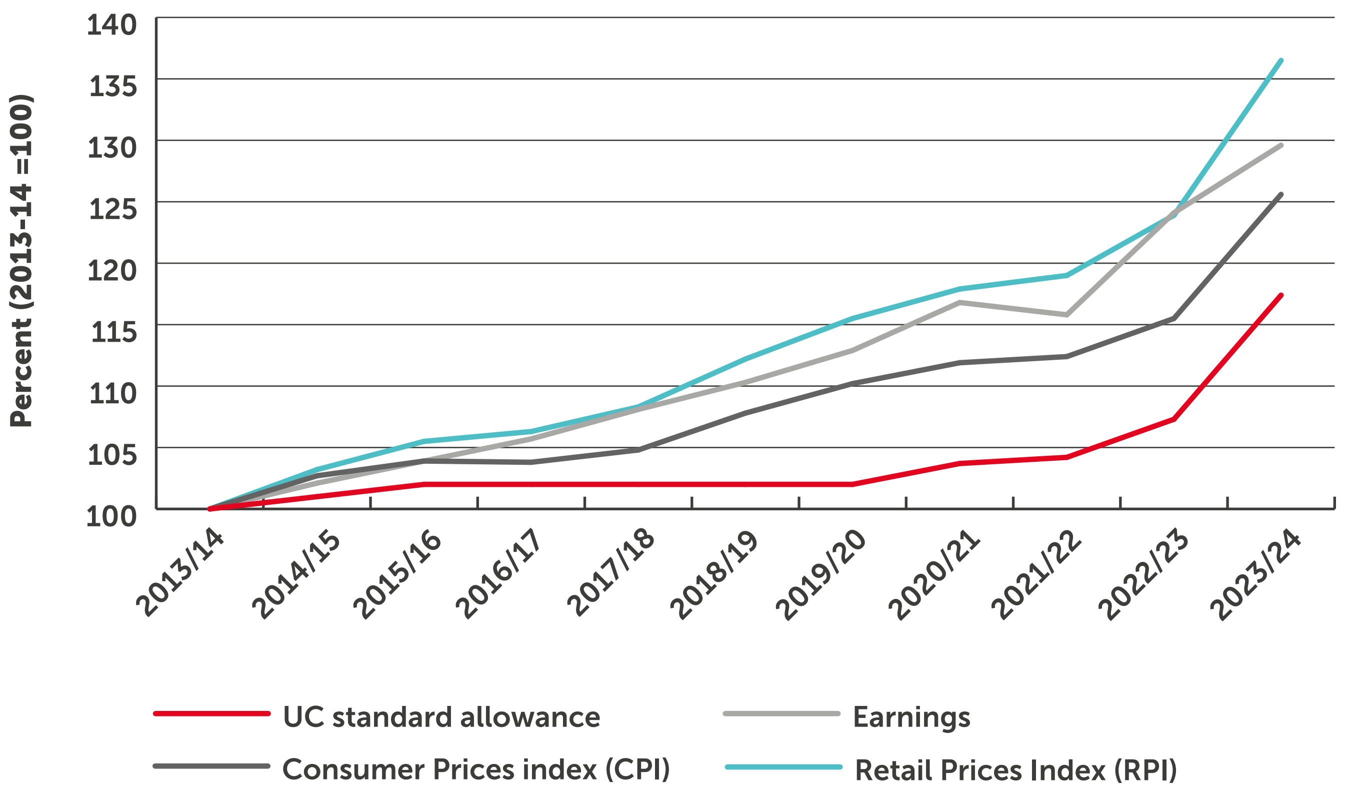
123 Institute of Fiscal Studies (2023) *The Cost of Living Crisis: A Pre-Budget Briefing*. London: IFS. https://ifs.org.uk/publications/cost-living-crisis-pre-budget-briefing

124 Bramley, G. (2023) *Destitution in the UK: income thresholds for October 2022*. York: JRF. https://www.jrf.org.uk/report/destitution-uk-income-thresholds-october-2022

125 Joseph Rowntree Foundation and the Trussell Trust (2022) *An Essential Guarantee: Reforming Universal Credit to Ensure We Can All Afford the Essentials in Hard Times*. York: JRF. https://www.jrf.org.uk/report/guarantee-our-essentials

126 Department for Work and Pensions (2023) *Stat-Xplore UC claimant (people) data accessed June 2023.*

Figure 2.4: Universal Credit standard allowance, earnings & inflation indices 2013/14 to 2023/24 (2013/14 =100)



Sources: DWP benefit and pension rates, various editions and ONS inflation and earning rates
Notes: CPI and Retail Prices Index are both based on annual inflation rate to September each year

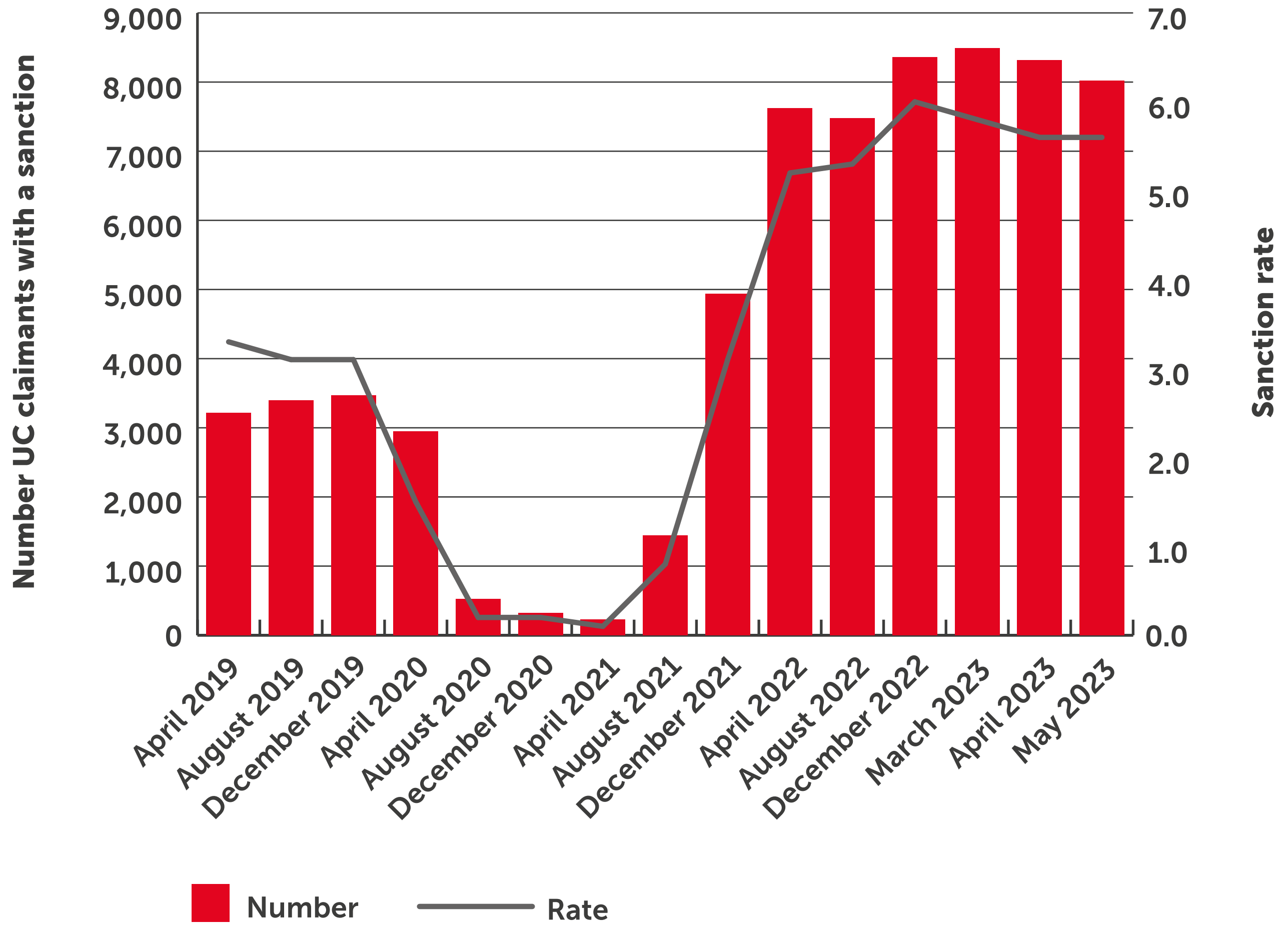
or above in East Lothian, Midlothian and West Dunbartonshire, a fact broadly consistent with evidence that sanctions are being inconsistently and inappropriately applied across the UK.[127]

The average monthly reduction of UC due to a sanction in Scotland was £255 in the summer of 2022.[128] For those for whom a sanction resulted in a zero UC award during one of the qualifying periods for a cost-of-living payment, the situation could be worse. Unless they were in receipt of a Hardship Payment during this period, they missed out on the 'cost of living' payment,[129] further heightening their risk of destitution and homelessness.

The majority of local authorities participating in this year's survey saw the reimposition of full benefit sanctions in 2022/23 as challenging in the context of their efforts to prevent/alleviate homelessness, reflecting long run concerns regarding the links between sanctions and

127 Parkes, H. (2023) *The Sanctions Survey*. London: IPPR. https://www.ippr.org/files/2023-03/the-sanctions-surge-mar23.pdf
128 Stephens, C (2022) *PQ- Social Security Benefits: Disqualification*. London: House of Commons. https://questions-statements.parliament.uk/written-questions/detail/2022-11-16/88916
129 Department of Works and Pensions (2023) *Cost of Living Payments 2023 to 2024 - Guidance*, London: DWP. https://www.gov.uk/guidance/cost-of-living-payment

Figure 2.5: Universal Credit claimants serving sanction at point in time and sanction rates for Scotland, April 2019 to May 2023



Source: DWP UC Sanction Rates accessed via Stat-Xplore, accessed July 2023.
Notes: The sanction rate refers to UC claimants serving a sanction as a percentage of UC claimants subject to conditionality. In February 2023, 81,095 UC full service claimants in Scotland were in the conditionality regimes, searching for work, planning for work, preparing for work, and unknown. The comparable figure for each time period is used as the denominator to calculate the rate for Scotland.

homelessness.[130] Evidence on the wider impact of sanctions and whether homeless households can secure an easement to suspend conditionality remains limited,[131] but the much delayed Department for Works and Pensions (DWP) funded evaluation found that sanctions saw claimants leave benefit more quickly, though not always into work.[132] Regardless, the UK Government is widening the scope of conditionality via impending

130 Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L. & Reeve, K. (2015) *Homeless people's experiences of welfare conditionality and benefit sanctions*. London: Crisis.
131 Pattaro, S., Bailey, N., Williams, E., Gibson, M., Wells, V., Tranmer, M., & Dibben, C. (2022). 'The Impacts of Benefit Sanctions: A Scoping Review of the Quantitative Research Evidence,' *Journal of Social Policy*, 51(3), 611-653. https://www.cambridge.org/core/journals/journal-of-social-policy/article/impf-benefit-sanctions-a-scoping-review-of-the-quantitative-research-evidence/9272BC857236795930DCD6AB7B8E04A1
132 Department for Works and Pensions (2023) *The Impact of Benefit Sanctions on Employment Outcomes*. London: DWP, https://www.gov.uk/government/publications/the-impact-of-benefit-sanctions-on-employment-outcomes-draft-report

changes to the earnings threshold.[133] Proposals to scrap the Work Capability Assessment could also greatly increase the numbers of disabled people vulnerable to incurring a benefit sanction.[134]

Debt-related benefit deductions also increase the risk of destitution and homelessness.[135] This includes deductions for DWP advances and overpayments and deductions for debt owed to public services, typically for rent, council tax and utility bill arrears. Data on UC deductions is not routinely reported, but a Freedom of Information request found that 55% of families in receipt of UC in Scotland had at least one deduction from benefit income, averaging £80 a month.[136]

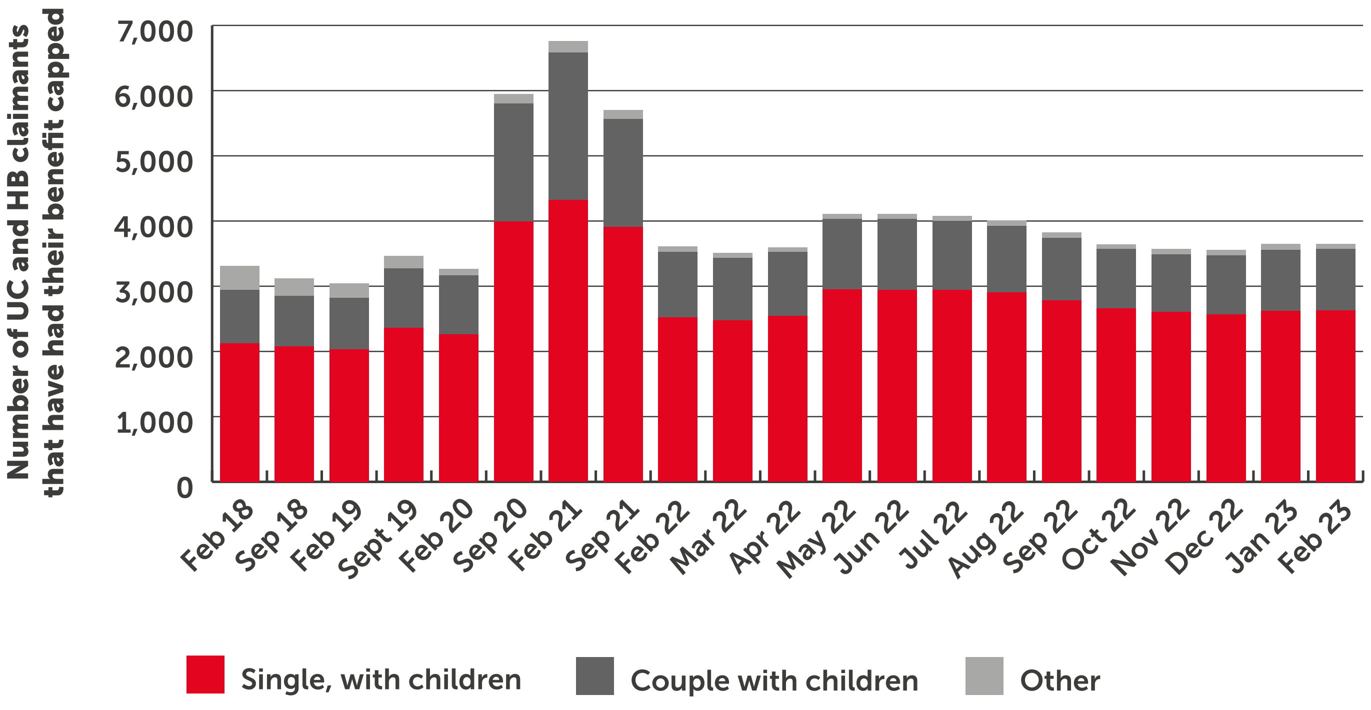
There has been some improvement in DWP debt management practice since 2019, such as the incremental reduction in the cap on 'normal' deductions from 40% to 25%. Nonetheless, there have been calls for the DWP[137] and other public bodies to adopt fairer debt management practices that are underpinned by affordability assessments and for the Scottish Government to develop a strategy to ensure public bodes adopt a proportionate approach to debt enforcement.[138]

The benefit cap applies to working-age households that earn less than 16 hours per week at the National Living Wage rate (£722) regardless of housing costs and limits the total amount of certain benefits working age adults can receive. The number of households in Scotland affected by the benefit cap peaked at 6,760 in February 2021 before falling back to 3,845 in October 2021, when the temporary £20 UC uplift ended (see figure 2.6). By February 2023, the number had dropped to 3,652, just above pre-pandemic levels. In April 2023, the benefit cap increased from £13,400 to £14,753 for single adults and from £20,000 to £22,020 for couples and households with children, the first change since 2016. This should prevent a repeat of April to August 2022, when numbers crept up, when the benefit cap remained frozen whereas UC and associated legacy benefits were uprated by 3.1%.

Working age claimant households in Scotland (0.9%) are less likely to have their benefit capped than elsewhere in GB (1.8%) but 98% of those affected are families with children, especially single parents. The Scottish Government's decision to fully mitigate the benefit cap from 1 January 2023, should help ease the severity of poverty for these families.[139]

133 HM Treasury (2023) *Spring Budget 2023 factsheet – Labour Market Measures*. London: HM Treasury. https://www.gov.uk/government/publications/spring-budget-2023-labour-market-factsheet/spring-budget-2023-factsheet-labour-market-measures
134 Pring, J (2023) 'Half A Million Set To Lose Out When DWP Scraps 'Fit For Work' Test, Figures Show.' *Disability News*. 27 July. Online: Disability News. https://www.disabilitynewsservice.com/half-a-million-set-to-lose-out-when-dwp-scraps-fit-for-work-test-figures-show/
135 Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Wood, J., Sosenko, F., Littlewood, M., Johnsen, S. Watts, B., Treanor, M., & McIntyre J. (2020) *Destitution in the UK 2020*. York: JRF. https://www.jrf.org.uk/report/destitution-uk-2020
136 Treanor, M. (2022) *Universal Credit Deductions for Households with Children by Scottish Local Authority*. Stirling: Aberdour Children's Charity. https://web-backend.aberlour.org.uk/wp-content/uploads/2022/11/v2-Aberlour-Public-Debt-FOI-Report-Briefing.pdf
137 Lloyds Bank Foundation (2022) *Deductions: The Driver of Poverty*. London: LBF. https://www.lloydsbankfoundation.org.uk/media/h1adbmzu/deductionsreport.pdf
138 Social Justice and Social Security Committee (2022) *Robbing Peter to pay Paul: Low Income and the Debt Trap*. Edinburgh: Scottish Parliament. https://digitalpublications.parliament.scot/Committees/Report/ SJSS/2022/7/2/22c9ae33-c802-4690-8d36-73d65b356069#a28aed54-ac8d-4545-acd3-03b46e43dc3b.dita
139 Scottish Government (2023) *Helping Families with their Living Costs*. Online: Scottish Government. https://www.gov.scot/news/helping-families-with-their-living-costs/

Figure 2.6: Households subject to the Benefits Cap in Scotland, February 2018 to February 2023



Source: DWP Benefit Cap Statistics Stat-Xplore UC and Housing Benefit tables accessed June 2023

Scottish Government measures to bolster incomes

While the pandemic and complexities of transferring the administration of relevant benefits from the DWP to Social Security Scotland have delayed progress, some new social security benefits have now been established in Scotland under powers devolved in 2016. These include the SCP, the Scottish Government's flagship policy to reduce relative child poverty to 10% by 2030/31.[140]

When launched in February 2021, SCP was payable to families in receipt of UC and other income-related benefits for each child under six years. In April 2022, the payment doubled to £20 pw and in November it was increased to £25 pw and extended to eligible families with children under 16. There is no limit on the number of children in a household that can receive it and payments do not affect the calculation of the benefit cap or other benefits.

Over 300,00 children were in receipt of SCP by March 2023, though some 70,000 had yet to claim.[141] Initial evidence suggests that the initial SCP of £10 pw reduced debt, material deprivation and the use of food banks,[142] and modelling presented in

140 Scottish Government (2022) *Best Start, Bright Futures: Tackling Child Poverty Delivery Plan 2022 To 2026*. Edinburgh: Scottish Government. https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-26/pages/3/
141 Scottish Fiscal Commission (2023) *Scotland's Economic and Fiscal Forecasts – May 2023*. Edinburgh: SFC. https://www.fiscalcommission.scot/publications/scotlands-economic-and-fiscal-forecasts-may-2023/
142 Scottish Government (2022) *Scottish Child Payment - Interim Evaluation*. Edinburgh: Scottish Government. https://www.gov.scot/publications/interim-evaluation-scottish-child-payment/pages/4/

this report (see chapter 5) suggests that it could reduce child poverty and core homelessness by significant margins. That being said, meeting the 2030/31 target, will require a significant ramping up of action to tackle the drivers of poverty, including employability and childcare, alongside any future increases in the SCP.[143]

Discretionary funds administered by LAs can also ease destitution and prevent homelessness. The largest of these are Discretionary Housing Payments, which can assist a household to meet shortfalls between their housing costs and the financial support received from UC or Housing Benefit (HB) to cover it, and the Scottish Welfare Fund (SWF), which can provide funds in a crisis or help with the transition to independent living. Prior to the pandemic, Scotland spent over six times as much on these two forms of discretionary support per person than in England.[144] Between 2013/14 and 2021/22, spend increased by 89% to £54 million on the SWF and by 169% to £79 million on DHP (see figure 2.7 whereas funding in England has waxed and waned).[145] Further increases in expenditure in both funds from 2020 reflect the injection of funds, supported by Barnett consequentials arising from increased funding to English LAs during the pandemic.

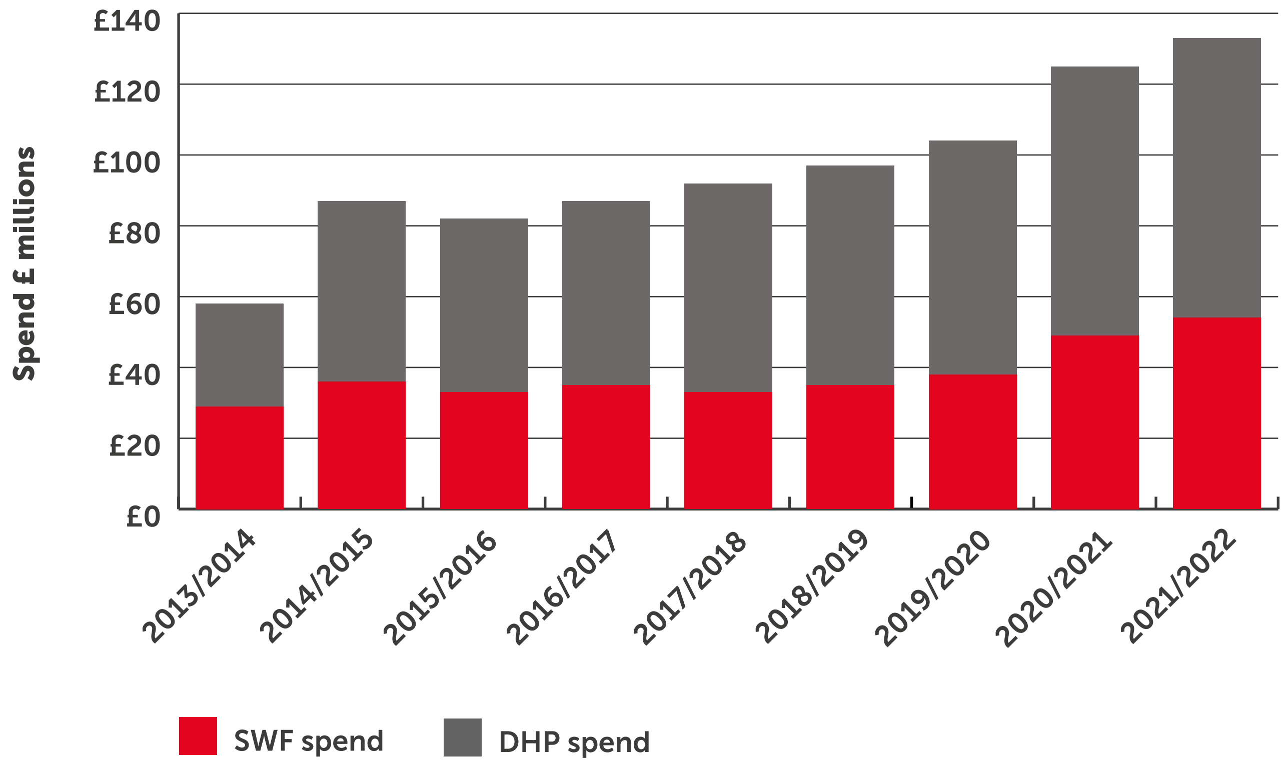
The higher level and more rapid growth in DHP spend relative to the SWF reflects Scottish Government policy to fully mitigate the bedroom tax for social tenants, which cost £66.9 million (84% of the Scottish DHP budget) in 2022/23.[146] The total DHP budget for 2023/24 has been increased by £5 million to £84 million, somewhat less than the £6 million set aside to fund full mitigation of the benefit cap in 2023/24, a policy that came into effect from 1 January 2023.[147] This is likely to further squeeze the ability for LAs to respond to households on a case by case basis, including support to those affected by the LHA freeze and those needing help with paying their energy costs, which became permissible for DHP assistance in 2022

There is little systematic or routinely reported data about DHPs, including the composition and living arrangements of applicants. This makes it very difficult to explore whether DHP expenditure is reaching households in most urgent need of extra support with their housing costs across Scotland. Nor has Scotland-specific DHP guidance been issued despite commitments to do so in 2019.[148]

Our LA survey shows, as would be expected, that virtually all LA survey respondents considered DHPs highly effective in assisting social housing tenants impacted by the Bedroom Tax. Respondents made clear that DHPs facilitate utilisation of two bedroomed properties for single person households when this would otherwise be difficult, enabling effective use of existing stock. Approaching half of LAs also see DHP as very effective

143 Audit Scotland (2022) *Tackling Child Poverty. Edinburgh: Scottish Government*. https://www.audit-scotland.gov.uk/uploads/docs/report/2022/briefing_220922_child_poverty.pdf. JRF and Save the Children (2022) *Delivering for Families? Response to Best Start, Bright Futures - the Scottish Government's Second Tackling Child Poverty Delivery Plan*. York: JRF. https://www.jrf.org.uk/report/delivering-families
144 Handscomb, K. (2022) *An Assessment of Discretionary Welfare Support*. London: Resolution Foundation. https://www.resolutionfoundation.org/publications/sticking-plasters/
145 Watts, B. Bramley, G., Fitzpatrick, S., McMordie, L, Pawson, H. & Young, G. (2022) *The Homelessness Monitor: Great Britain 2022*. London: Crisis. https://www.crisis.org.uk/media/248457/the-homelessness-monitor-great-britain-2022_full-report_final.pdf
146 At the time of writing, 2022/23 DHP (management) data was available but 2022/23 SWF data was not.
147 Scottish Government (2023) *Helping Families With Their Living Costs*. Edinburgh: Scottish Government. https://www.gov.scot/news/helping-families-with-their-living-costs/
148 Cabinet Secretary for Social Security and Older People (2019) *Letter to the Convener of the Social Security Committee Scottish Parliament*. Online: Scottish Government. https://archive2021.parliament.scot/S5_Social_Security/Inquiries/20190808_CabSecSSOP_MinisterLGPH_to_Convener_response_SSSHreport.pdf

Figure 2.7: Discretionary funding expenditure in Scotland, 2013/14 to 2021/22



Source: Scottish Government Scottish Welfare Fund statistics 2021-22 and Discretionary Housing Payments 2021/23 Statistics

in assisting other private and social tenants struggling to pay their rent or in arrears (see A2.9, appendix 2), with almost all seeing them as effective to some extent.

DHPs were least widely seen as impactful in the case of households struggling to access private tenancies. Respondents explained that DHPs were not used for this purpose in their area, sometimes on the basis that alternative rent deposit schemes were in place. DHPs were described as 'maximising the potential of the private rented sector (PRS) as an affordable housing option in an already heated housing market' by one LA (Edinburgh and other pressured markets). Improving processing times and simplifying application processes could further enhance the role of DHPs in preventing homelessness according to LAs, who also commented that such support would be better 'embedded in the welfare system' than a discretionary add on (LA respondent, Glasgow and rest of Clyde Valley).

Since 2013, the SWF has assisted over 500,000 households,[149] but a recent review[150] found that many local SWF were overburdened, partly due to the inadequacy of basic benefit rates. It also reported that applicants faced a postcode lottery and that

149 Scottish Government (2023) *Best Start, Bright Futures -Tackling Child Poverty Delivery Plan: Progress Report 2022-2023*. Edinburgh: Scottish Government. https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-annual-progress-report-2022-2023/documents/
150 Ormston, R., Glencross, K., Millar, C., Pagani, S. & Littlewood, M. (2023) *Review of the Scottish Welfare Fund: final report*, Edinburgh: Scottish Government. Online: Scottish Government. https://www.gov.scot/publications/review-scottish-welfare-fund-final-report/

receipt of support often depended on which area an applicant lived in and the time of year they applied, with private renters, people whose benefit had been sanctioned and those in homeless settings less likely to receive a crisis grant, though the report did not say why. Additionally, the review highlighted gaps in monitoring data and was unable to definitively answer why there is so much variation between LAs in spend relative to budget allocations and applicant success rates.

Despite these limitations, our survey demonstrates that LAs see the SWF as a crucial tool to prevent and alleviate homelessness, describing it as 'vital' and a 'lifeline' for the households who access it. Respondents in Glasgow and the Clyde Valley and the Rest of Scotland were more likely to describe the fund as 'very important' in this regard than those in Edinburgh and other pressured areas who more commonly described it as 'somewhat important', perhaps reflecting the more intense barriers to rehousing faced in these areas (see table A2.8, appendix 2). Survey respondents made the point that the Fund enables quicker move on from TA, ensuring households can move into property with basic furniture and white goods in place, which is important for wellbeing and for tenancy sustainment and the prevention of abandonment and repeat homelessness.[151] Some highlighted pressures on existing budgets given the level of demand and the need for quicker processing of applications:

"Setting up as comfortable a home as possible, having essential items which is so important from an early stage facilitating early move in, the alternative has in the past been extended periods of sofa surfing because although there is a house it's not really in a state to live in resulting in abandonment down the line and a negative cycle of homelessness is encouraged"
(LA respondent, Glasgow and rest of Clyde Valley)

"without the SWF people would not be able to set up and sustain tenancies, however the level of demand on the service means that we struggle to get goods to people when they first take up their tenancies"
(LA respondent, rest of Scotland)

A limitation of both discretionary funds as homelessness prevention tools is that they cannot support people with No Recourse to Public Funds (NRPF) and, in the case of DHPs, people not in receipt of UC or HB. The Scottish Government began engaging with the Home Office in 2022/23 to explore the possibility of removing the SWF from list of funds not accessible to those subject to NRPF.[152] It has also said it will look to remove the requirement that SWF applicants must first investigate other avenues of financial support, such as applying for an overdraft, or asking family and friends for help, before applying,[153] and is funding several smaller scale crisis interventions to provide short-term support for people facing destitution.

These include the British Red Cross-administered Scottish Crisis Fund (formerly Hardship Fund), which provides cash assistance to people

151 See also Ormston, R., Glencross, K., Millar, C., Pagani, S. & Littlewood, M. (2023) *Review of the Scottish Welfare Fund: final report*. Edinburgh: Scottish Government. https://www.gov.scot/publications/review-scottish-welfare-fund-final-report/

152 Scottish Government (2022) *Ending Destitution Together Progress Report – Year One 2021-2022*. Edinburgh: Scottish Government. https://www.gov.scot/publications/ending-destitution-together-progress-report-year-one-2021-2022/

153 Scottish Government (2023) *Scottish Welfare Fund Action Plan*. Edinburgh: Scottish Government. https://www.gov.scot/publications/scottish-welfare-fund-action-plan/documents/

subject to NRPF, survivors of domestic abuse and others at high risk of destitution. With a budget of £642,500 in 2022/23, the SCF supported 1,857 people, of which 915 were subject to NRPF.[154]

Also relevant to homelessness prevention efforts is the £10 million Tenant Grant Fund (TGF), set up in 2020 to support private and social tenants at risk of eviction because of rent arrears resulting directly from the pandemic. The TGF remains in operation and its remit was widened in September 2022 to include arrears accrued due to the cost-of-living crisis.[155] By March 2023, LAs had issued a cumulative total of 6,621 payments totalling over £8.8 million.[156] Data to evaluate the TGF is lacking, but poor communication and promotion,[157] lack of guidance, and strict eligibility criteria appear to have hindered its effectiveness in reaching low-income tenants.[158] Nevertheless, more than two thirds of LAs (21 of 30) who responded to our survey were of the view that widening TGF eligibility in response to the cost-of-living crisis had or would mitigate the impact of the cost-of-living crisis on homelessness.

Most recently, the Scottish Government has set out a nine-point plan towards ending the need for food banks. This will establish a £1.6 million Cash-First Programme that will fund eight local partnerships over two years to deliver activities that improve access to cash in a crisis.[159]

2.4 Housing system trends

This final section looks at recent housing market, policy and regulatory developments relating to the delivery of affordable homes and the ability of households to access and retain housing they can afford in each of the main tenures.

House Delivery

Average house prices in Scotland increased rapidly following the early months of the pandemic – by 24% to around £192,000 in the two years to July 2022 - partly fuelled by the temporary reduction in Land Buildings Transaction Tax between July 2020 and March 2021. Since then, the average house price has more or less stalled (see figure 2.8), while the numbers of sales have fallen back.[160]

Setting aside 2020/21, when the pandemic stalled development, housing completions increased year on year from 2016/17 to 2022/23 (see figure 2.9). The proportion of completions recorded as affordable also increased, driven chiefly by an increase in social rented homes, which accounted for 29% of all completions in 2022/23 compared to 19% in 2016/17. Nonetheless, the Scottish Government target to deliver 50,000 affordable homes in the 5 years to March 2021 was not achieved until March 2023, largely due to the impact

154 Scottish Government (2023) *Ending Destitution Together: Progress Report – year two 2022-2023*. Edinburgh: Scottish Government. https://www.gov.scot/publications/ending-destitution-together-progress-report-year-two-2022-2023/pages/3/

155 Scottish Government and COSLA (2023) *Tenant Grant Fund: Guidance for Local Authorities*. Edinburgh: Scottish Government. https://www.webarchive.org.uk/wayback/archive/20230112113946/ http://www.gov.scot/ publications/tenant-grant-fund-guidance-for-local-authorities/

156 Scottish Association of Landlords (2023) *Tenant Grant Fund Update*. Online: SAL. https://scottishlandlords.com/news-and-campaigns/news/tenant-grant-fund-update-2/

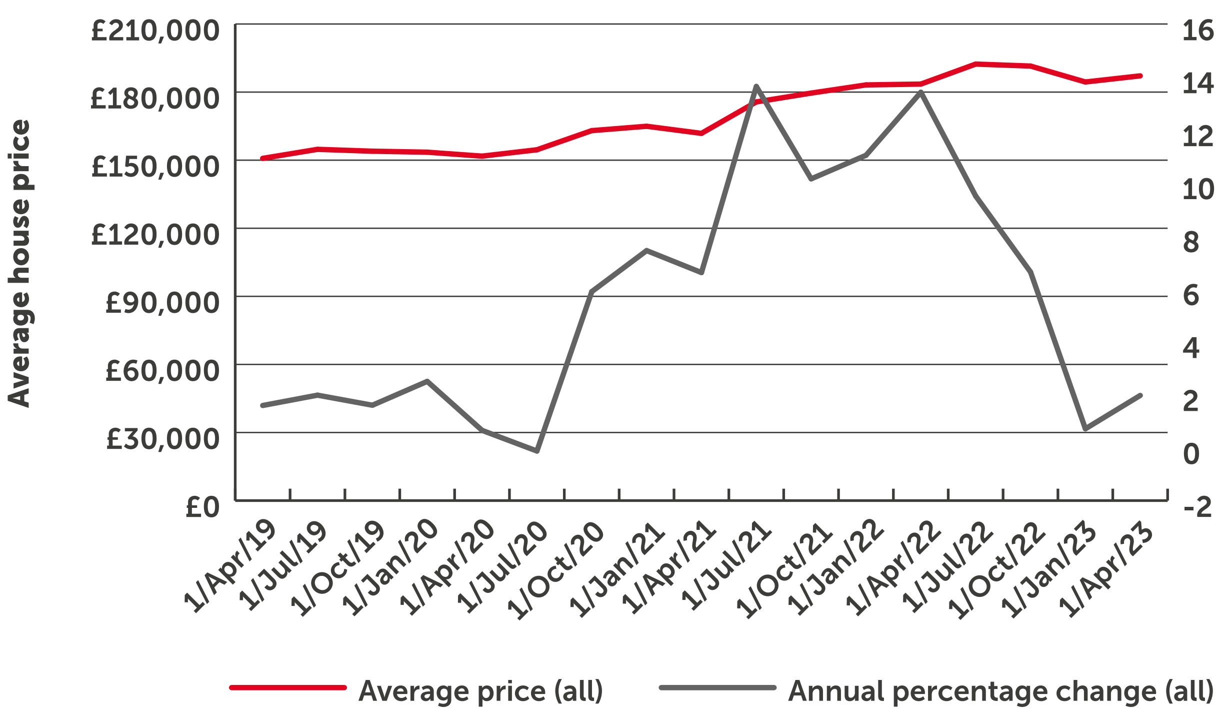
157 Shelter Scotland (2023) *Shelter Scotland: Evidence On The Impact Of The Cost Of Living (Tenant Protection) (Scotland) Act*. Online: Scottish parliament. https://www.parliament.scot/-/media/files/committees/local-gov/correspondence/2023/shelterscotlandcostoflivingact.pdf

158 Indigo House (2022) *Rent Better-Wave 2, Final Report*. Edinburgh: Nationwide Foundation. https://rentbetter.indigohousegroup.com/findings/

159 Scottish Government (2023) *Cash-First - Towards Ending the Need for Food Banks in Scotland Plan*. Edinburgh: Scottish Government. https://www.gov.scot/publications/cash-first-towards-ending-need-food-banks-scotland/pages/4/

160 Scottish Government (2023) *Scottish Housing Market Review: Q2 2023*. Edinburgh: Scottish Government. https://www.gov.scot/publications/scottish-housing-market-review-q2-2023/pages/2/

Figure 2.8: Scottish house prices and house price inflation, April 2019 to April 2023



Source: ONS (20230 House Price Index, data accessed July 2023.

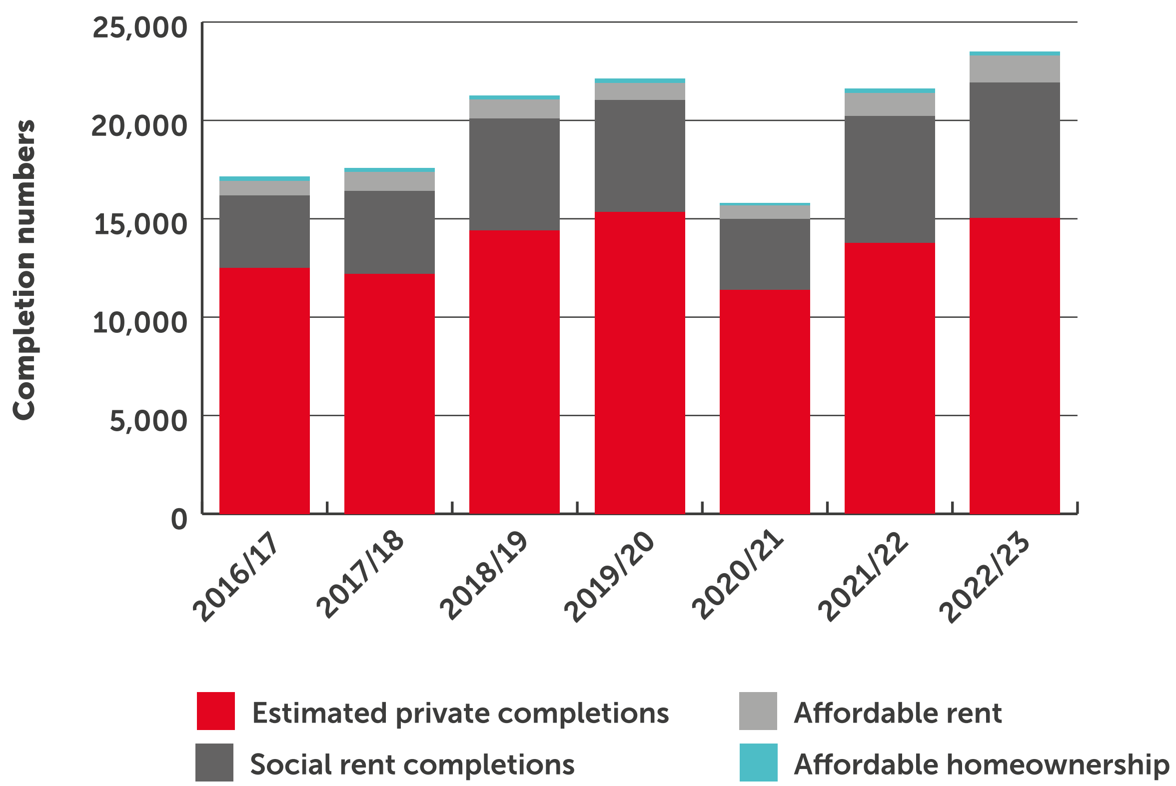
of the pandemic on the pace of development.[161]

Economic uncertainty, higher interest rates and tighter mortgage lending have contributed to a rapid slowdown in housing starts, with just 4,423 homes started in Q1 2023, 16% fewer than in Q1 2022. This downturn has been more pronounced for private-led starts (22%), but both social and private developers have had to contend with rapidly rising construction costs, constraints in the supply of utilities, revised building regulations,[162] and planning delays due to the under-resourcing of planning departments, which the new National Planning Framework (NPF4)[163] may intensify.[164]

Particularly troubling is the drop in Affordable Housing Supply Programme (AHSP) starts. In 2022/23, there were 5,302 social rented starts, down from 6,434 in 2021/22 (-18%) and 8,781 in 2019/20 (-40%). Existing and emerging challenges will make it very difficult to achieve the Scottish Government target of delivering 110,000 affordable homes by 2032, including 77,000 for social rent, without addressing the economics of development. It will therefore be vital to overcome the barriers to development resulting

161 Scottish Government (2023), *Affordable Housing Supply Programme: out-turn report 2021-2022*. Edinburgh: Scottish Government. https://www.gov.scot/policies/more-homes/affordable-housing-supply/
162 Scottish Government (2023) *Building Standards*. https://www.gov.scot/policies/building-standards/monitoring-improving-building-regulations/
163 Scottish Government (2023) *National Planning Framework 4*. Edinburgh: Scottish Government. https://www.gov.scot/publications/national-planning-framework-4/
164 Heads of Planning Scotland (2022) *Written Evidence to the Local Government, Housing and Planning Committee*. Edinburgh: Scottish Parliament. https://www.parliament.scot/-/media/files/committees/local-gov/correspondence/2022/hopsnpf4submission.pdf

Figure 2.9: Market and affordable housing completions, 2016/17 to 2022/23



Source: Scottish Government 2023 Q2: New Housebuilding & Affordable Housing Supply - authors calculations.
Notes: Published private sector led figures include private sale and some affordable homes. The private sector estimates here net off social rent and other affordable new build completions (AHSP) from total completions.

from the interaction between funding availability, subsidy grant rates, access to land, rising construction costs and the financial capacity of social landlords that are restricting the delivery of social rented homes.

Finance to deliver the AHSP is becoming much tighter, partly because the annual AHSP capital grant budget for 2023/24 is 17% lower than in 2022/23 and partly because social landlords face rising borrowing costs and reductions in projected rental income as a result of rising rent arrears and below-inflation rent increases agreed between Scottish Government, the Convention of Scottish Local Authorities (COSLA) and SFHA.[165] To compound matters, the uprating of AHSP grant rates has not adequately reflected rising construction costs,[166] which are set to accelerate still further due to a combination of market forces and policy decisions, such as plans to legislate for 'a Scottish equivalent to Passivhaus for new homes by the end of 2024.[167] Social landlords are also

165 Scottish Government (2022) *Agreement on Social Rents for 2023-24, Press Release*. Online: Scottish Government. https://www.gov.scot/ news/agreement-on-social-rents-for-2023-24/
166 Local Government, Housing and Planning Committee (2022) *Letter from the Convenor to the Cabinet Secretary for Social Justice, Housing. 2 November*. Edinburgh: Scottish Parliament. https://www.parliament.scot/-/media/files/committees/local-gov/correspondence/2022/prebudgetscrutinynov22.pdf
167 Scottish Government (2023) *Energy Standards Review – Scottish Passivhaus Equivalent: Working Group*. Edinburgh: Scottish Government. https://www.gov.scot/groups/energy-standards-review-scottish-passivhaus-equivalent-working-group/

under mounting pressures to improve the safety,[168] quality,[169] accessibility[170] and energy efficiency[171] of their existing stock, with substantial cost implications.[172]

Reflecting on these trends and pressures, key informants went so far as to describe the current new social building supply context as "fairly catastrophic" (Voluntary sector key informant) and were of the view that we are likely to see providers 'pull back' to focus on maintaining existing stock and meeting their obligations to existing tenants, as opposed to any greater focus on new build.

Reflecting the Temporary Accommodation Task and Finish Group recommendations,[173] the Scottish Government is to provide £60 million to purchase existing homes in 2023/24.[174] This should boost the opportunities to permanently re-house those in TA in the short term but as the money is to come from underspend in the AHSP 2023/24, it is likely to have a limited impact on the supply of social housing in the longer term. There are also uncertainties around grants for the purchase of existing homes, how the £60 million will be allocated and whether it will be driven by where homes of an acceptable quality can be readily purchased rather than where shortfalls in social lets are greatest. These uncertainties mirror concerns around the spatial distribution of AHSP funding across Scotland and a lack of clarity around intended outcomes. This includes its contribution to tackling housing cost-induced poverty and homelessness in areas of Scotland with the most pressing housing affordability constraints.[175]

Homeownership

Rising mortgage rates, which exceeded 7% in July 2023, will increase mortgage repayments for some 300,000 homeowners in Scotland by the end of 2023.[176] For these households, the Institute for Fiscal Studies estimates that a 3.74 percentage point rise in mortgage rates would reduce monthly disposable income by, on average, £200.[177] Even so, increasing mortgage arrears are unlikely to translate into much higher levels of repossession

168 Scottish Housing Regulator (2023) *Our Regulation of Social Housing: a discussion paper - June 2023*. Glasgow: SHR. https://www.housingregulator.gov.scot/for-landlords/our-regulation-of-social-housing-a-discussion-paper/our-regulation-of-social-housing-a-discussion-paper-june-2023#section-3
169 CIH Scotland, SFHA, ALACHO and Scottish Housing Regulator (2023) *Putting Safety First: A Briefing Note on Damp and Mould for Social Housing Practitioners*. Edinburgh: CIH Scotland. https://www.cih.org/media/aaukbpmd/putting-safety-first.pdf
170 Scottish Government (2023) *Enhancing the Accessibility, Adaptability And Usability Of Scotland's Homes: Consultation*. Edinburgh: Scottish Government. https://www.gov.scot/publications/enhancing-accessibility-adaptability-usability-scotlands-homes-consultation/pages/6/
171 Scottish Government (2022) *Energy Efficiency Standard for Social Housing post 2020 (EESSH2) review: interim guidance for social landlords*. Edinburgh: Scottish Government. https://www.gov.scot/publications/interim-guidance-social-landlords-during-review-energy-efficiency-standard-social-housing-post-2020-eessh2/documents/
172 Scottish Government (2023) *Energy Efficiency Standard for Social Housing Review Group minutes: August 2023*. Edinburgh: Scottish Government. https://www.gov.scot/publications/energy-efficiency-standard-for-social-housing-review-group-minutes-august-2023/
173 Scottish Government (2023) *Temporary Accommodation Task and Finish Group: Final Report and Recommendations*. Edinburgh: Scottish Government. https://www.gov.scot/publications/temporary-accommodation-task-finish-group-final-report-recommendations/pages/6/
174 Scottish Government (2023) *Reducing The Use Of Temporary Accommodation: Actions We Are Taking To Achieve This*. Edinburgh: Scottish Government. https://www.gov.scot/publications/temporary-accommodation-action-to-reduce-its-use/pages/stock-management/
175 Audit Scotland (2020) *Affordable Housing: The Scottish Government's Affordable Housing Supply Target*. Edinburgh: Audit Scotland. https://www.audit-scotland.gov.uk/uploads/docs/report/2020/nr_200409_ affordable_housing.pdf
176 Williams, M (2023) 'Mortgage Bombshell For 300,000 Scots Households As Interest Rates Rise.' *Glasgow Hearld*. 11 May. Online: Herald Scotland. https://www.heraldscotland.com/news/homenews/23515049.mortgage-bombshell-300-000-scots-households-interest-rates-rise/
177 Institute for Fiscal Studies (2023) *Interest Rate Hikes Could See 1.4 Million People Lose 20% Of Their Disposable Income*. London: IFS. https://ifs.org.uk/articles/interest-rate-hikes-could-see-14-million-people-lose-20-their-disposable-income

actions, of which there were 1,158 in Scotland in 2021/22.[178] Rule changes from April 2023 have made it easier for low-income owners struggling with repayments to access 'Support for Mortgage Interest Loans'.[179] Mortgage providers have also agreed to a new package of support for those in financial difficulty.[180]

Faced with high prices and fewer and more expensive mortgage products, growing numbers of adults have deferred plans to buy, with 13% fewer mortgage advances to first-time buyers in Scotland in 2022 than in 2021.[181] This is fuelling demand pressures in the private rental market, which is home to around 14%-15% of households in Scotland.[182]

Private Renting

Scotland experienced a rapid growth in private renting prior to 2015, which was most pronounced in areas with relatively high proportions of young professionals, students, families and others priced out of homeownership, and low-income households, including migrants, unable to access social renting.[183] Consistent with this, 36-40% of all householders aged 16-34 years and 11-13% of those aged 35-59 now rent privately.[184]

Data is lacking, but the stock of PRS properties seems to have stabilised and may have begun to fall back in the past five years,[185] with smaller landlords leaving the sector,[186] only partly offset by institutional investment, which remains centred on student housing rather than build-to-rent.[187] The flow of private rentals for let has certainly dropped. Private rentals advertised through Citylets, for example, fell from a peak of 38,900 in 2014 to 33,500 in 2019 and to 30,000 in 2021.[188] More recent perceived contraction in the private rented sector emerged as a key concern for LAs in this year's survey, with almost all (25 of 30) reporting that access to or availability of PRS accommodation for those experiencing homelessness had declined in the last year.

The drop in private lettings has occurred against a backdrop of a rapidly changing policy environment for private landlords. Changes to the taxation of investment, income and profits from private renting since 2015 mean that the UK now has amongst

178 Scottish Government (2023) *Civil Justice Statistics in Scotland 2021-22*. Edinburgh: Scottish Government. https://www.gov.scot/publications/civil-justice-statistics-scotland-2021-22/
179 Department for Works and Pensions (2023) *Support for Mortgage Interest Statistics: Background and Methodology*. London: DWP. https://www.gov.uk/government/publications/support-for-mortgage-interest-statistics-background-and-methodology
180 HM Treasury (2023) *Chancellor Agrees New Support Measures For Mortgage Holders _ Press Release*. Online: UK Government. https://www.gov.uk/government/news/chancellor-agrees-new-support-measures-for-mortgage-holders
181 Scottish Government (2023) *Scottish Housing Market Review Q1 2023*. Edinburgh: Scottish Government. https://www.gov.scot/publications/scottish-housing-market-review-q1-2023/pages/6/
182 Scottish Government (2023) *Scottish Household Survey 2021*. Edinburgh: Scottish Government. https://www.gov.scot/publications/scottish-household-survey-2021-telephone-survey-key-findings/
183 Farnood, F & Jones, C. (2023) 'Has the Revival In The Scottish Private Rented Sector Since The Millennium Achieved Maturity?' *Housing Studies*, 38(6), 963-984. https://doi.org/10.1080/02673037.2021.1928006
184 Indigo House (2022) *Rent Better-Wave 2, Final Report*. Edinburgh: Nationwide Foundation. https://rentbetter.indigohousegroup.com/findings/
185 Briggs. M (2022) *Scottish Parliamentary Question S6W-11061 To Ask The Scottish Government How Many Properties Have Been Registered For Rental In Each Year Since 1999, Broken Down By Local Authority Area*. Online: Scottish Government. https://www.parliament.scot/chamber-and-committees/questions-and-answers/question?ref=S6W-11061
186 Sabijak, E (2023) 'Scotland Rental Market Warning As More Landlords Look To Sell Property.' *Glasgow Hearld*. 22 April. Online: Herald Scotland. https://www.heraldscotland.com/politics/23473103.scotland-rental-market-warning-landlords-look-sell-property/
187 Rettie and Co (2023) *Assessment Of Scotland's Rent Freeze And Impacts*. London: BPF. https://bpf.org.uk/media/ 6181/assessment-of-of-scotlands-rent-freeze-and-impacts.pdf
188 Indigo House (2022) *Rent Better-Wave 2, Final Report*. Edinburgh: Nationwide Foundation. https://rentbetter.indigohousegroup.com/findings/

the least generous tax regimes for private landlords in Europe,[189] including Scotland, where the Land Buildings Transaction Tax Additional Dwelling Supplement was increased in April 2023 to 6%, double the rate in the rest of the UK. There have also been post-pandemic regulatory changes. During 2022, all grounds for evicting tenants with a private residential tenancy became discretionary, damages for unlawful eviction were revised, allowing a Tribunal to award damages of up to 36 months' rent, and landlords become responsible for completing pre-action protocols if seeking an eviction for rent arrears.[190] The revised repairing standard will also come into full force from March 2024.[191]

Two emergency 'cost of living' measures have also been introduced to stabilise rents and reduce the risk of eviction into homelessness. The six-month deferral in the enforcement of most eviction orders, including private rent arrears of less than six months, will remain in place to September 2023. So too will the 'rent cap', which froze in-tenancy private and social rents from 6 September 2022 to 31 March 2023 and thereafter limited private rent uplifts to 3%. The rent cap has proved very controversial, with some arguing it should have applied to all private tenancies and others arguing that it has damaged investment[192] and increased the sale of PRS properties once tenancies ended.[193] Nonetheless, legislation to extend both protections until 31 March 2024 was confirmed following the rejection of the legal challenge brought by private landlord representatives in November 2023.[194]

While most LAs were of the view that these measures had played some role in mitigating the impacts of the cost-of-living crisis on homelessness (see chapter 3), they were also seen as a factor contributing to the perceived disinvestment of private landlords from the sector, alongside increases in mortgage and other costs and opportunities for sale/alternative use, including short-term lets:

> **"Given the introduction of measures to make it more difficult for landlords to evict tenants and the rise in regulations they have to meet, more landlords... are choosing to sell their properties which means there is less available private sector properties within the area."**
> (LA respondent, Glasgow and rest of Clyde Valley)

> **"PRS has reduced due to landlords selling properties due to their own financial pressures caused by cost of living, increases in costs to repair properties, increases in tenant arrears and increases in interest rates."**
> (LA respondent, Edinburgh and other pressured markets)

> **"We have seen many landlords selling their property due to increased house prices and demand for housing in rural locations since the pandemic. Private landlords are also turning to the AirBnB business and leaving the private rented sector."**
> (LA respondent, rest of Scotland)

The drop in private lettings has deepened demand and supply imbalances, as evidenced by short relet times of between 12[195] and 21 days,[196] and rapidly rising rents. The ONS nominal private rental index[197] suggests that average Scottish private rent rose by 5.5% in the year to June 2023, up from an average of less than 1% in each of the 5 years to June 2021. ONS caution that the most recent figure may be inflated as it does not allow for the temporary 'rent cap'. On the other hand, the cap appears to be one of the factors accelerating rents for new tenancies, which are rising faster than CPI inflation (between 12.4% and 15.8% according to relevant sources).[198]

Prior to these increases, a large minority of private renters were already spending large proportions of their income on rent. Figure 2.10 shows that in 2017/20, private renters in the lowest income quintile spent around 47% of their net household income on housing costs. For those in the second income quintile the proportion was 36% and for those in the middle of the income distribution it was 26%. A survey of 1,012 private renters in Scotland in 2021 similarly reported that 30% said it was difficult to afford their rent, rising to 41% of low-income renters and 44% for those in receipt of UC or HB.[199]

The continued freeze on the LHA at rates that reflect the 30th percentile rent in September 2019 has reduced the support available to private tenants to help with housing costs. The latest figures show that in Spring 2023, of the 69,400 private renters in Scotland in receipt of UC housing support, over 53% paid a rent in excess of the applicable LHA.[200] The impact of this on rent arrears and evictions is not known, reflecting a continued lack of data on PRS eviction actions. However, participants in this year's LA survey identified the refreezing of LHA as a key challenge in the context of their efforts to prevent or alleviate homelessness, with half of responding authorities (14 of 30) described this move as 'very challenging' and a further 9 describing it as 'somewhat challenging'.

The 2016 package of reforms to improve security of tenure, end no-fault evictions and improve tenants' ability to challenge excessive rent rises and secure repairs have had

189 Scanlon, K., Whitehead C. & Blanc, F. (2021) *Private Landlords And Tax Changes*. London: LSE and NRLA. https://www.lse.ac.uk/geography-and-environment/research/lse-london/documents/Reports/NRLA-Landlords-and-taxation-LSE.pdf

190 Scottish Government (2022) *Private Rented Housing: Pre-Action Protocols And Seeking Repossession On Rent Arrears Grounds*. Edinburgh: Scottish Government. https://www.gov.scot/publications/private-residential-tenancy-prescribed-notices-forms/

191 Scottish Government (2023) *Repairing Standard: Statutory Guidance for Landlords*. Edinburgh: Scottish Government. https://www.gov.scot/publications/repairing-standard-statutory-guidance-landlords/pages/26/

192 Solace Scotland (2023) *Housing in Scotland: Current Context and Preparing for the Future*. South Lanarkshire: SOLACE. https://solace.org.uk/housing-in-scotland/

193 PropertyMark (2023) *Cost of Living (Tenant Protection) (Scotland): Letting Agent Insight*. Online: PropertyMark. https://www.propertymark.co.uk/static/ed740662-664d-4189-beeb77ce59a82063/Cost-of-Living-Tenant-Protection-Scotland-April-2023.pdf

194 Skilling, M. (2023) 'Competence Challenge To Rent Cap Legislation By Landlord Representatives Refused By Lord Ordinary.' *Scottish Legal News*. 6 November. Online: Scottish Legal news. https://www.scottishlegal.com/articles/competence-challenge-to-rent-cap-legislation-by-landlord-representatives-refused-by-lord-ordinary

195 Hometrack (2023) *UK Rental Market Index – March 2023*. Online: Hometrack. https://www.hometrack.com/wp-content/uploads/2023/03/UK-rental-market-report-Final-March-2023-HT.pdf

196 Citylets (2023) *Rental Reports: Q1 2023*. Edinburgh: Citylets. https://www.citylets.co.uk/research/reports/

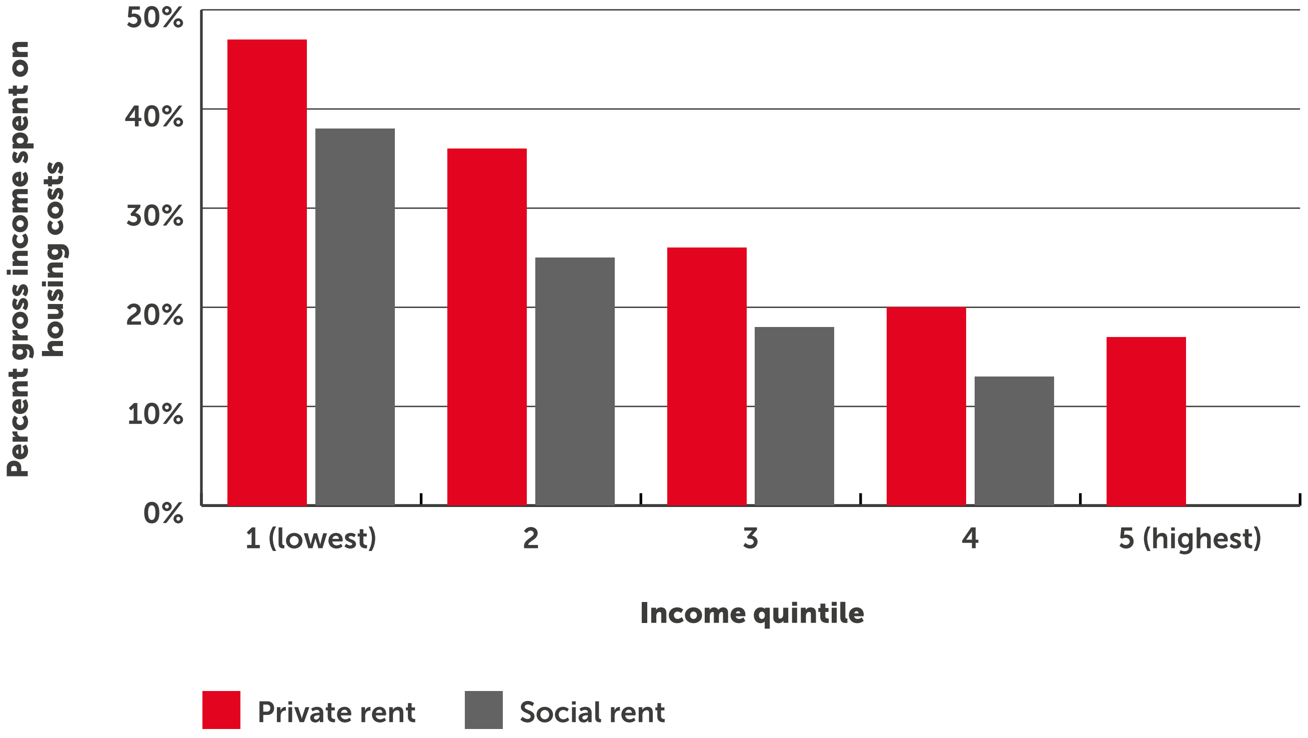
197 Office for National Statistics (2023) *Index of Private Housing Rental Prices, UK: May 2023*. London: ONS. https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/may2023

198 Hometrack (2023) *UK Rental Market Index – March 2023*. Online: Hometrack. https://www.hometrack.com/wp-content/uploads/2023/03/UK-rental-market-report-Final-March-2023-HT.pdf; *Citylets (2023) Rental Reports: Q1 2023*. Edinburgh: Citylets. https://www.citylets.co.uk/research/reports/; Homelet (2023) *HomeLet Rental Index Report*. Lincoln: DataLoft., https://homelet.co.uk/-/media/project/barbon/homelet/homelet-documents/homelet-rental-index/homelet-rental-index-pdf-current-month.pdf

199 Simcock, T. (2022) *Living in Scotland's Private Rented Sector*. Glasgow: CaCHE. https://housingevidence.ac.uk/wp-content/uploads/2022/09/Living_in_scotland_PRS_survey_report_sept_2022.pdf

200 DWP Stat-Xplore Universal Credit data in July 2023

Figure 2.10: Ratio of housing costs to net income by rental sector and income quintile, 2017 to 2020 combined



Source: Scottish Government (2021) A New Deal for Tenants - draft strategy: consultation – derived from FRS

limited time to bed-in[201] and be fully evaluated[202]. The Scottish Government is, however, pressing ahead with further major reform. "A New Deal for Tenants'[203] set out wide ranging proposals for improving the security, quality, energy standards and affordability of private rented homes. Building on this consultation, a new Housing Bill is anticipated soon, through there is uncertainty about the precise timetable (see chapter 3). The contents of the Bill have not been confirmed, but it is likely to cover measures to enhance tenant rights, such as greater protection from eviction, a new PRS regulator and the introduction of a national system of rent controls by the end of 2025. In anticipation of the Bill, consultation on proposals for a national system of rent controls for the private rental sector was issued in September 2023.[204] These proposals are essentially a modified version of the Rent Pressure Zones introduced in 2016 and suggest it would be for LAs to assess if rent controls should apply in their area, and (if so) if they should apply to the whole or part of their LA area.

201 CIH Scotland (2021) *The Whole Rented Sector*. Edinburgh: CIH Scotland. https://www.cih.org/media/cptdf120/whole-rented-sector-2.pdf

202 Indigo House (2022) *Rent Better-Wave 2, Final Report*. Edinburgh: Nationwide Foundation. https://rentbetter.indigohousegroup.com/findings/

203 Scottish Government (2021) *A New Deal for Tenants - Draft Strategy: Consultation*. Edinburgh: Scottish Government. https://www.gov.scot/publications/new-deal-tenants-draft-strategy-consultation-paper/

204 Scottish Government (2023) *New Deal For Tenants - Rented Sector Reform Proposals: Consultation*. Edinburgh: Scottish Government. https://www.gov.scot/publications/new-deal-tenants-rented-sector-reform-current-proposals/documents/

The Scottish Government has acknowledged that transition arrangements would be required to bridge the gap between the temporary rent cap and any new system of rent controls.[205] However proposals will also have to address the tension between ensuring rents are affordable for tenants and ensuring landlords have sufficient incentive to continue providing private rentals and to invest in improving the quality and energy efficiency of their properties.

Responses to this year's LA survey indicate widespread support for making more use of private tenancies in preventing and/or alleviating homelessness, with only half of LA areas (15 of 30) agreeing that private tenancies already play an important role in their response (see table A2.12, appendix 2). The context outlined in this section makes clear the manifold challenges that would need to be addressed to make further progress in this area.

Social renting

New supply and the abolition of Right to Buy have prevented Scotland from witnessing the steep decline in the flow of social lettings experienced in England,[206] but the annual supply of social rented lettings falls well short of the demand. In the five years to March 2020, an average of 162,000 applicants (including transfers) were logged on LA or common housing registers at the end of each financial year. In March 2021, this number had jumped to 178,260. More recent official figures are unavailable but SOLACE suggests that this number has continued to rise and warn of a "critical lack of capacity" in the social rented sector.[207]

The overall rise in numbers of housing list applicants partly reflects the pandemic induced downturn in allocations during 2020/21 (see figure 2.11) but other likely factors include shortfalls in private rentals discussed above and the increase in homeless households in TA (see chapter 4). The changing asylum and resettlement landscape, including the now suspended Ukrainian Super Sponsorship Scheme and the Home Office policy to increase the supply of dispersal accommodation for people seeking asylum across the UK, has also had an impact in parts of Scotland.[208]

Having bounced back somewhat from their pandemic year low in 2021/22, the flow of new social lettings resumed its long-term downward trajectory in 2022/23.[209] In this context, there has been an increase in the proportion of social homes allocated to homeless households, from 46% in 2018/19 to 54% in 2022/23, an explicit aim of the Ending Homelessness Together Action Plan (see chapter 3).[210] As figure 2.11 shows, there was a substantial increase in the proportion of lets to homeless households in 2020/21 during the pandemic but this was largely driven by the sharp decline in the number of new social tenancies available. Likewise, the dip in the share of lettings to homeless households in 2021/22 was mainly driven by the upturn in

205 Scottish Parliament Local Government, Housing and Planning Committee (2023) *28 February 2023 Official Report*. Online: Scottish Government. https://www.parliament.scot/api/sitecore/CustomMedia/OfficialReport?meetingId=14178

206 Stephens, M., Perry, J., Williams, P. & Young, G. (2023) *UK Housing Review. Coventry: Chartered institute of Housing*. https://www.ukhousingreview.org.uk/ukhr23/index.html

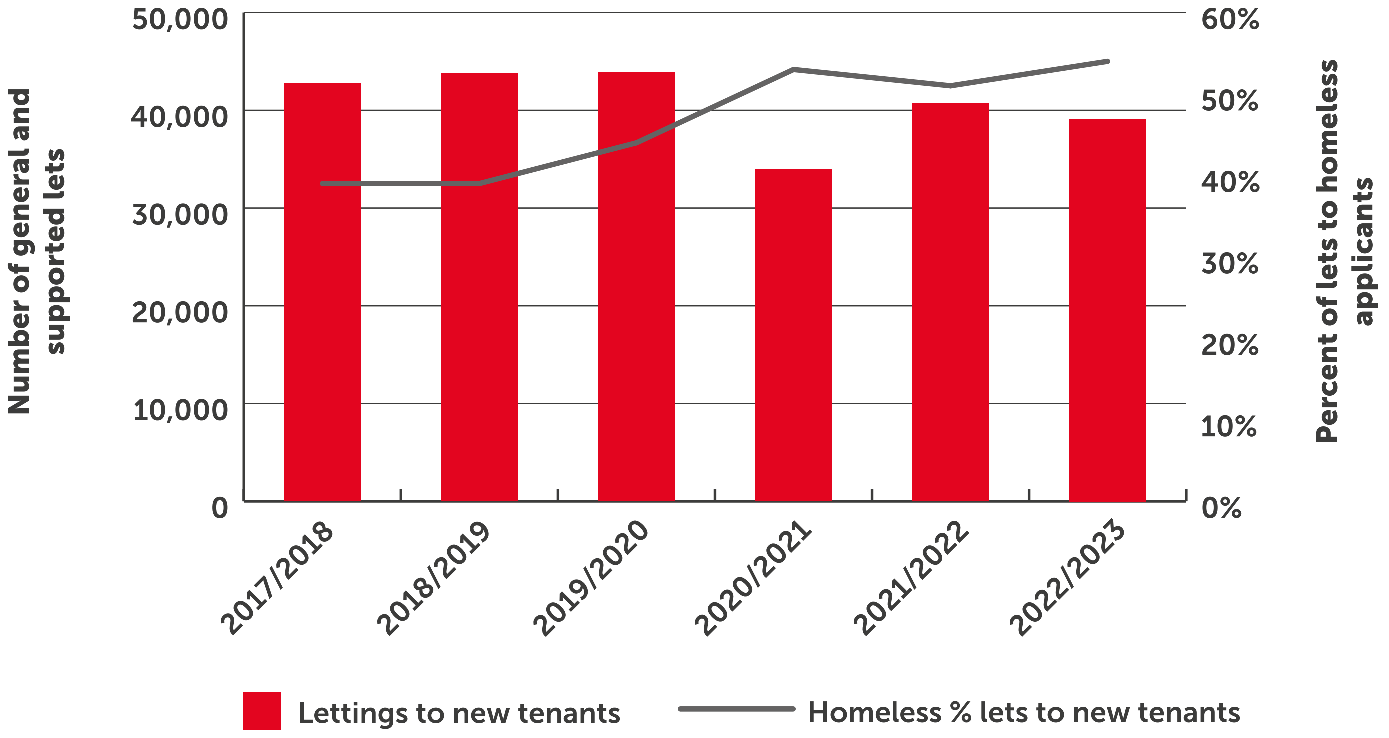
207 Solace Scotland (2023) *Housing in Scotland: Current Context and Preparing for the Future*. South Lanarkshire: SOLACE. https://solace.org.uk/housing-in-scotland/

208 Ibid

209 See UK Housing Review 2023 Compendium, table 101: https://www.ukhousingreview.org.uk/ukhr23/compendium.html#lettings

210 Scottish Government & COSLA (2022) *Ending Homelessness Together Annual report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/10/ending-homelessness-together-annual-report-2022/documents/ending-homelessness-together-annual-report-scottish-parliament-october-2022/ending-homelessness-together-annual-report-scottish-parliament-october-2022/govscot%3Adocument/ending-homelessness-together-annual-report-scottish-parliament-october-2022.pdf

Figure 2.11: Lettings to new social tenants and % made to homeless households, 2017/18 to 2021/22



Sources: Scottish Housing Regulator 2023
Notes: Letting refer to general and supported stock and exclude transfers and mutual exchanges.

the numbers of new tenancies. Over the 5-year period to March 2023, LAs continued to allocate a substantially higher proportion of new lettings to statutory homeless households (60%) than Registered Social Landlords (RSLs) (48%) but RSL lets to homeless households have increased the most rapidly, with over 3,300 more such lets in 2022/23 than in 2018/19.

At the end of 2021/22, social landlords had total rent arrears of just under £170 million, the highest level since the Scottish Social Housing Charter commenced in 2012/13.[211] This sum was equal to 6.3% of total rent due, with total arrears being most acute for LA landlords (8.7%). Rent arrears disproportionately affect social tenants in receipt of UC,[212] who are more likely to be in arrears and have higher average arrears than other social tenants. This is despite evidence that Scottish Government measures that allow twice monthly UC payments and the payment of the UC rent element to be paid direct to landlords have, to some extent, helped to reduce the risk of large rent arrears.[213]

211 Scottish Housing Regulator (2022) *Charter data – all social landlords' dataset*. Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/statistical-information
212 Scottish Government (2020) *Welfare reform - Housing and Social Security: Second Follow-up Paper*. Edinburgh: Scottish Government. https://www.gov.scot/publications/housing-social-security-second-follow-up-paper-welfare-reform/pages/7/
213 Scottish Government (2021) *Evaluation of Universal Credit Scottish Choices*. Edinburgh: Scottish Government. https://www.gov.scot/publications/evaluation-universal-credit-scottish-choices/documents/

"Arrears increase the risk of eviction, notwithstanding the fact that emergency eviction pause noted earlier extends to social tenants with less than £2,250 rent arrears. Official statistics indicate that while 1,730 evictions were initiated by social landlords in 2021/22,[214] well below pre pandemic levels (10,520), Scottish Housing Regulator figures for 2021/22 indicate there were only 262 cases where court action resulted in actual eviction for unpaid rent."[215]

The forthcoming Housing Bill mentioned earlier is likely to require social landlords to have a domestic abuse policy and to strengthen their duties in homelessness prevention. In anticipation of this, the Scottish Social Housing Charter[216] was amended towards the end of 2022 to place greater emphasis on the actions that social landlords can take to support survivors of domestic abuse and to prevent homelessness. It also incorporated a reference to 'the human right to housing', consistent with the Human Rights Bill for Scotland consultation that opened in June 2023.[217] The Scottish Housing Regulator has also launched a review of its regulatory framework. Amongst other things, this is looking at how the framework could better ensure social landlords provide good quality and safe homes, ensure rents remain affordable and strive to maximise their role in addressing and preventing homelessness.[218]

Finally, it remains to be seen if the Housing Bill, including the anticipated homelessness-related elements discussed further in chapter 3, will be as wide ranging as the consultative paper, whether it will focus on addressing the underlying causes of homelessness and other imbalances that bedevil the Scottish housing system, and whether it will be backed by sufficient investment to support its delivery.

214 Scottish Government (2023) *Civil Justice Statistics in Scotland 2021-22*. Edinburgh: Scottish Government. https://www.gov.scot/publications/civil-justice-statistics-scotland-2021-22/
215 Scottish Housing Regulator (2022) *Charter data – all social landlords' dataset*. Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/statistical-information
216 Scottish Government (2022) *Scottish Social Housing Charter November 2022*. Edinburgh: Scottish Government. https://www.gov.scot/publications/scottish-social-housing-charter-november-2022/
217 Scottish Government (2023) *A Human Rights Bill for Scotland: consultation*. Edinburgh, Scottish Government. https://www.gov.scot/publications/human-rights-bill-scotland-consultation/
218 Scottish Housing Regulator (2023) *Our Regulation of Social Housing: a discussion paper - June 2023*. Glasgow: SHR. https://www.housingregulator.gov.scot/media/1904/our-regulation-of-social-housing-a-discussion-paper-june-2023-final.pdf

Homelessness policies

3. Homelessness policies

Key points
Since 2018, Rapid Rehousing Transition Plans (RRTPs) have enhanced homelessness prevention, helped prioritise rapid responses to homelessness, supported partnership working and increased priority for homeless households in social housing allocation. However, the number of households in TA are at record levels, and LAs are struggling to implement RRTPs and meet their statutory duties. The main barriers include increasing demand, challenges moving people on from TA and insufficient funding.

The extension of the Unsuitable Accommodation Order (UAO) to all homeless households has changed the profile of TA in use in a majority of LAs and the suspension of local connection rules means households facing homelessness can now choose in which area to apply to for assistance, but LAs are facing a range of practical challenges effectively managing and implementing these legal changes.

Anticipated new homelessness prevention duties have strong support, though there are indications that not all of the Prevention Review Group's (PRF) proposals will be adopted. Stakeholders are acutely concerned that any changes are appropriately resourced given existing pressures and that wider public bodies meaningfully contribute to prevention rather than simply referring higher numbers to LAs.

The Housing First program has shown positive outcomes in terms of tenancy sustainment and overall well-being for individuals with multiple and complex needs. Most LAs have Housing First provision in place, but challenges to its scalability, sustainability and fidelity to the model's core principles persist because of limited access to appropriate accommodation and funding constraints.

Night shelters have remained closed since the COVID-19 pandemic. In their place, Welcome Centres in Glasgow and Edinburgh provide rapid access to self-contained accommodation during the winter. Despite strong commitment among relevant stakeholders, concerns remain about a potential for a return to night shelter provision in the face of anticipated increases in need, including from those with No Recourse to Public Funds.

3.1 Introduction

This chapter reviews key developments in homelessness policy in Scotland. The primary focus is on the implementation of the 2018 Ending Homelessness Together Action Plan, which took forward the recommendations of a cross-sector Action Group appointed by the then First Minister Nicola Sturgeon in 2017 to make recommendations on how to "eradicate rough sleeping and transform the use of use of TA".[219] The plan received cross party support, has been followed by four progress updates,[220] and continues to drive the focus of national and local responses to homelessness. We begin by considering progress implementing Rapid Rehousing Transition Plans (RRTPs) (section 3.2) and related policy developments concerning TA (section 3.3). In section 3.4 we review progress mainstreaming the Housing First model and then in section 3.5 consider efforts to end the use of night shelters. Section 3.6 focuses on cross-sector efforts to prevent homelessness among those with No Recourse to Public Funds. Finally, in section 3.7, we consider changes to homelessness law in Scotland, including changes to local connection rules, and ambitious plans to place new homelessness prevention duties on LAs and other public bodies.

3.2 Rapid Rehousing Transition Plans

The five-year Rapid Rehousing Transition Plans developed by all 32 Scottish LAs, are a key implementation mechanism of the Ending Homelessness Together Action Plan. These plans aim to reduce reliance on TA, improve prevention measures, and provide swift access to settled housing for homeless households. Key informants we spoke to reported that the rapid rehousing approach has brought about a paradigm shift in LA responses to homelessness and that the resolve to pursue the RRTP agenda remains strong, despite significant challenges. They stressed the importance of RRTPs in supporting new prevention activities, including increased focus on early intervention and improved interagency working:[221]

> **"there was something that has happened around about rapid rehousing that has created such a resolve… How can we move people through quicker, and… reduce the time that people spend in temporary accommodation?… It is that paradigm shift… a different understanding of the problem…To achieve that… within LAs, is significant and should not be understated at all."**
> (Voluntary sector key informant)

Our LA survey indicates that strong partnerships are enhancing their responses to homelessness (see Table 3.1). Virtually all LAs have partnerships with the social housing and criminal justice sectors that improve their ability to prevent and/or alleviate homelessness (see table 3.1). Effective partnership arrangements with health and social care partners

219 Scottish Government (2018) *A Nation with Ambition: The Government's Programme for Scotland 2017-2018*. Online: Scottish Government. https://www.gov.scot/publications/nation-ambition-governments-programme-scotland-2017-18/documents/

220 Scottish Government (2020) *Ending Homelessness Together: Annual Report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/publications/ending-homelessness-together-action-plan-annual-report-parliament/; Scottish Government (2021) *Ending Homelessness Together: Annual Report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2021/10/ending-homelessness-together-annual-report-2021/documents/ending-homelessness-together-annual-report-scottish-parliament-october-2021/ending-homelessness-together-annual-report-scottish-parliament-october-2021/govscot%3Adocument/ending-homelessness-together-annual-report-scottish-parliament-october-2021.pdf; Scottish Government (2022) *Ending Homelessness Together: Annual Report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/publications/ending-homelessness-together-annual-report-2022/; Scottish Government (2023) *Ending Homelessness Together: Annual Report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/publications/ending-homelessness-together-annual-report-2023/.

221 Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: Making the case for the next five years*. Online: CIH. https://www.cih.org/media/j3idttra/0362-rapid-rehousing-transition-plans-report-2-v3.pdf p.20.

are also widespread: four fifths of LA survey respondents now say these partnerships help prevent and alleviate homelessness, marking a dramatic improvement since 2018.[222] That being said, a handful of authorities (n=4) report that these partnerships make little difference, and a couple (n=2) consider them weak or absent. Partnerships with community planning appear more mixed in their effectiveness, though over half of LAs still see them as somewhat supportive of their homelessness responses.

Two thirds of LAs report that social housing allocations policy and practice have changed as a result of their RRTP, up from half of LAs (15 of 29) in 2021,[223] with the most reported change being increased allocations to homeless households. Increased allocations to prevent homelessness and restricting applicant choice were also mentioned by some areas.

Key informants and LA survey respondents reported that in some areas recent progress on RRTPs has been slow, and in some has stalled completely. This is in line with the findings of a 2022 Chartered Institute of Housing (CIH) survey that found that, while LAs had made substantial progress in adopting rapid rehousing approaches, most (73%) had scaled back or delayed planned RRTP activity.[224] Those we heard from highlighted three primary barriers to implementation. First, an increase in homeless applications has compounded already high demand for TA due of the pandemic:[225]

> **"Because of the impact that the pandemic... [had in] having to accommodate people... in hotels... we know...our aspirations have been shunted... We're now just trying to at least get our... figures down to pre-COVID..."**
> (Statutory sector key informant)

> **"Having the COVID 19 pandemic during the RRTP period has significantly hindered our ability to progress with planned actions... [and] our ability to work on reducing the number of households in temporary accommodation."**
> (LA respondent, rest of Scotland)

> **"We have made huge improvements in relation to rapid rehousing since 2019 using the RRTP funding that we had available... The challenge for us is to continue to maintain good performance in light of the... increased demand and external pressures."**
> (LA respondent, Edinburgh and other pressured markets)

Second, limited availability of affordable housing has hindered timely move on from TA.[226]

> **"supply is the big problem... we enlarged housing rights; we didn't enlarge the supply of social housing, which was required to make those rights consistently delivered... what would make the difference to LAs'... is buying and building social housing."**
> (Voluntary sector key informant)

> **"the lack of social housing is the main issue... and whilst RRTP has many added benefits the shortage of housing is so severe RRTP cannot be achieved without building more affordable social homes"**
> (LA respondent, Edinburgh and other pressured markets)

> **"Key barriers [are] high housing costs and a lack of affordable housing"**
> (LA respondent, rest of Scotland)

The housing pressures associated with the high numbers displaced by the war in Ukraine have further exacerbated these challenges (see below). Other relevant factors included rising cost of living, delays in processing voids, and refreezing of LHA rates.

Third, RRTP funding to date has not been sufficient to deliver on core ambitions, especially given the significant impacts of the pandemic on progressing RRTPs.[227] Funding from other sources such as health and criminal justice has been inconsistent and uncertain.[228]

Looking ahead, particular concerns were raised about the ending of current RRTP funding allocations at the end of 2024 and a lack of clarity about whether similar funding will continue. Survey respondents and key informants warned that an end to specific RRTP funding would severely hinder efforts to reduce TA use, and that services currently funded via this route, like Housing First and prevention-oriented initiatives, may be cut back or closed in the context of wider financial pressures LAs face:

> **"The RRTP funding enabled the delivery of several ambitious initiatives that would have otherwise been unachievable. These include ending the use of B&B type accommodation, establishing Housing First... [However], the ability to continue to deliver some RRTP activities without the additional funding remains very uncertain."**
> (LA respondent, Edinburgh and other pressured markets)

> **"For all their challenges... they are an effective vehicle to knit things together to deliver on homelessness. We'd like to see the government commit again to the funding... We've only got less than a year now... so there needs to be clarity... [to] create confidence around... what LAs and partners can do."**
> (Voluntary sector key informant)

CIH have proposed that the Scottish Government should extend RRTP funding until 2029 and work with LAs to develop a fair funding distribution model.[229] Survey respondents echoed these proposals, suggesting that the Scottish Government should revise RRTP funding *"in light of the COVID pandemic, Ukrainian War and cost of living crisis"* (LA respondent, rest of Scotland) and *"provide quick clarity on*

222 In 2021, 17 of 29 LA survey respondents reported Health and Social Care Partnerships making a positive contribution to the prevention and/or alleviation of homelessness, almost double the number in our 2018 survey (8 of 28).

223 Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H. & Young, G. (2021) *The homelessness monitor: Scotland 2021*. Online: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2021/

224 Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: Making the case for the next five years*. Online: CIH. https://www.cih.org/media/j3idttra/0362-rapid-rehousing-transition-plans-report-2-v3.pdf

225 Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H. & Young, G. (2021) *The homelessness monitor: Scotland 2021*. Online: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2021/

226 Scottish Government (2022) *Rapid Rehousing Transition Plans 2020-21: Annual Report*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/05/rapid-rehousing-transition-plans-annual-report-2020-21/documents/rapid-rehousing-transition-plans-annual-report-2020-21/rapid-rehousing-transition-plans-annual-report-2020-21/govscot%3Adocument/Rapid%2BRehousing%2BTransition%2BPlans%2BAnnual%2BReport-%2B2020-21.pdf

227 Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H. & Young, G. (2021) *The homelessness monitor: Scotland 2021*. Online: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2021/

228 Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: Making the case for the next five years*. Online: CIH. https://www.cih.org/media/j3idttra/0362-rapid-rehousing-transition-plans-report-2-v3.pdf p. 27

229 Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: Making the case for the next five years*. Online: CIH. https://www.cih.org/media/j3idttra/0362-rapid-rehousing-transition-plans-report-2-v3.pdf p.32

what happens after the RRTP 5-year cycle ends" (LA respondent, Edinburgh and other pressured markets). Some statutory sector informants were hopeful that funding to support RRTPs would continue, given that such investment aligns with the eight-year Ending Homelessness Together budget[230] and the objectives of the Action Plan.

> **"the transition to rapid rehousing… remains a cornerstone of [the] homelessness strategy…. So, it would be strange… to still have Ending Homelessness Together fund and not give most of it… to LAs to implement [that] strategy. So, we are confident that there won't be a cliff edge in funding"**
> (Statutory sector key informant)

In addition to these funding challenges, key informants were of the view that progress pursuing rapid rehousing has not been consistently monitored, and emphasised the need for improved data gathering and evaluation:

> **"there… were never metrics agreed for understanding what success would look like; and, also, how we would understand barriers and enables. The annual reports on rapid rehousing were… very far away from a thorough evaluation, that had any degree of robustness around the findings."**
> (Voluntary sector key informant)

Recent progress has been made in this regard through the development of Activity and Spend templates to track key RRTP outcomes.[231] In addition CIH and Fife Council have led the development of an RRTP monitoring framework, which is currently being piloted.[232]

3.3 Temporary accommodation

In line with the overall aims of the Ending Homelessness Together Action Plan and RRTPs, efforts to reduce reliance on TA are underway across Scotland,[233] and received renewed emphasis in the First Minister's September 2023 Programme for Government.[234] Yet, TA use nationally has surged to record levels (see chapter 4). The Scottish Housing Regulator has recently highlighted the deep challenges faced by some LAs in meeting their statutory duties, especially concerning the provision of TA,[235] and has warned of "an emerging risk of systemic failure in the provision of homelessness services, particularly in securing temporary and permanent accommodation".[236] In August 2022, the then Housing Secretary expressed alarm about the increasing number of children in TA,[237] and the TA Task and Finish Group has more recently voiced concern about the *"increasing social and economic pressure"* on Scotland's housing and homelessness system, cautioning that it is now reaching *"breaking point."*[238]

Key informants echoed this acute level of concern and pointed to a substantial rise in using hotel spaces as TA to meet statutory duties, breaching the UAO as a result (discussed below):[239]

> **"there just isn't enough TA and… [so] people are being accommodating illegally in hotels and B&Bs."**
> (Voluntary sector key informant)

> **"the hotel population has absolutely ballooned to astronomical proportions"**
> (Voluntary sector key informant)

In some areas, hotels are reported to have reached full capacity, and there was an added sense of urgency in some areas that hotel rooms will cease to be available to LAs as tourism continues to ramp up post-pandemic. Key informants found these trends deeply troubling, although not unexpected, as efforts to reduce the reliance on TA have encountered significant challenges over recent years. Reduced access to private rentals, slower social housing turnover, and a shortage of new builds, along with inflationary pressures (see chapter 2), have stymied move on from TA during a prolonged period of heightened demand due to the pandemic and current cost of living pressures:

> **"the pandemic… [led to a] slowing of housing systems… [including how] quickly houses were turned over… right through to house building… It has meant that the system… swelled in terms of… people in temporary places…"**
> (Voluntary sector key informant)

> **"LAs… [are] struggling… [to] deal with the backlog of TA… Even those LAs… which are making good progress with rapid rehousing, are beginning to see: That's me hit my limits. It's the supply side that's causing the problem."**
> (Voluntary sector key informant)

230 Scottish Government (2023) *Rapid Rehousing Transition Plans Subgroup minutes: February 2023*. Online: Scottish Government. https://www.gov.scot/publications/rapid-rehousing-transition-plans-sub-group-minutes-february-2023/

231 Scottish Government (2022) *Rapid Rehousing Transition Plans 2020-21: Annual Report*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/05/rapid-rehousing-transition-plans-annual-report-2020-21/documents/rapid-rehousing-transition-plans-annual-report-2020-21/rapid-rehousing-transition-plans-annual-report-2020-21/govscot%3Adocument/Rapid%2BRehousing%2BTransition%2BPlans%2BAnnual%2BReport-%2B2020-21.pdf

232 Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: developing a monitoring framework for LAs*. Online: CIH. https://www.cih.org/media/1xokabno/0362-rapid-rehousing-transition-plans-report-1-v3.pdf

233 Scottish Government & COSLA (2022) *Ending Homelessness Together Annual report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/10/ending-homelessness-together-annual-report-2022/documents/ending-homelessness-together-annual-report-scottish-parliament-october-2022/ending-homelessness-together-annual-report-scottish-parliament-october-2022/govscot%3Adocument/ending-homelessness-together-annual-report-scottish-parliament-october-2022.pdf p. 22; Homeless Network Scotland (2023) *Homelessness Task Force for Edinburgh*. Online: HNS. https://homelessnetwork.scot/2023/03/03/homelessness-task-force-for-edinburgh/

234 Scottish Government (2023) *Programme for Government 2023 to 2024: First Minister's speech*. Online: Scottish Government. https://www.gov.scot/publications/programme-government-2023-2024-first-ministers-speech/#:~:text=We%20will%20continue%20to%20work,110%2C000%20affordable%20homes%20by%202032.

235 Scottish Housing Regulator (2023) *Homelessness services in Scotland A thematic review*. Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/national-reports/thematic-work/homelessness-services-in-scotland-a-thematic-review-february-2023 p. 2-3

236 Scottish Housing Regulator (2023) *Homelessness services in Scotland A thematic review*. Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/national-reports/thematic-work/homelessness-services-in-scotland-a-thematic-review-february-2023

237 Scottish Housing News (2022) 'Housing secretary 'deeply concerned' as number of children in TA rises by 17%'. *Scottish Housing News*. 18 August. Online: SHN. https://www.scottishhousingnews.com/articles/housing-secretary-deeply-concerned-as-number-of-children-in-temporary-accommodation-rises-by-17

238 Scottish Government (2023) *TA Task and Finish Group: Final Report and Recommendations*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2023/03/temporary-accommodation-task-finish-group-final-report-recommendations/documents/temporary-accommodation-task-finish-group-final-report-recommendations/temporary-accommodation-task-finish-group-final-report-recommendations/govscot%3Adocument/temporary-accommodation-task-finish-group-final-report-recommendations.pdf p. 8

239 Scottish Housing Regulator (2023) *Homelessness services in Scotland A thematic review*. Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/national-reports/thematic-work/homelessness-services-in-scotland-a-thematic-review-february-2023

Scotland's "super sponsor" Ukrainian resettlement scheme offered refugees accommodation without requiring private sponsors.[240] As a result, Scotland has seen the highest rates of applications, visas issued, and arrivals per head of population among the UK nations (at 448 per 100,000 compared to 217 in Wales, 160 in England, and 54 in Northern Ireland).[241] Key informants supported the scheme on humanitarian grounds but expressed frustration over the lack of preparation for the unprecedented housing demand it has created and the strain it has placed on already burdened homelessness services:

> **"The starting point of... we will try and create somewhere safe for as many people as we can in Scotland, is absolutely the right one... but the sheer numbers of people that came from Ukraine... [are] similar to the number of people that become homeless in Scotland every year. In effect, we have a second demand on housing to the same extent as the first, and the first wasn't being met."**
> (Voluntary sector key informant)

To address accommodation pressures, the Scottish Government chartered two passenger liners in Edinburgh and Glasgow to house several thousand refugees. The Red Cross deemed the conditions on board to be "inappropriate".[242] Although both liners have been fully disembarked, many Ukrainians still reside in hotel "welcome accommodation"[243] awaiting move on. Local government has been allocated £11.2 million for Ukrainian refugee resettlement,[244] along with a £50 million Ukrainian Longer Term Resettlement Fund[245] to help social landlords repurpose existing accommodations or turn around voids for long-term housing.[246]

240 Department for Levelling Up, Housing and Communities and The Rt Hon Michael Gove MP (2022) *'Homes for Ukraine' scheme launches 14th March*. Online: https://www.gov.uk/government/news/homes-for-ukraine-scheme-launches; Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: Making the case for the next five years*. Online: CIH. https://www.cih.org/media/j3idttra/0362-rapid-rehousing-transition-plans-report-2-v3.pdf

241 Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: Making the case for the next five years*. Online: CIH. https://www.cih.org/media/j3idttra/0362-rapid-rehousing-transition-plans-report-2-v3.pdf; Scottish Government & COSLA (2022) *Ending Homelessness Together Annual report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/10/ending-homelessness-together-annual-report-2022/documents/ending-homelessness-together-annual-report-scottish-parliament-october-2022/ending-homelessness-together-annual-report-scottish-parliament-october-; Scottish Government (2023) *Ukraine Sponsorship Scheme in Scotland: statistics – May 2023*. Online: Scottish Government. https://www.gov.scot/publications/ukraine-sponsorship-scheme-in-scotland-statistics-may-2023/pages/total-numbers-of-visa-applications-issued-visas-and-arrivals/

242 British Red Cross (2023) 'Thousands of Ukrainians in Scotland living in inappropriate housing'. *British Red Cross Press Release*. 13 March. Online: British Red Cross. https://www.redcross.org.uk/about-us/news-and-media/media-centre/press-releases/thousands-of-ukrainians-in-scotland-living-in-inappropriate-housing

243 Scottish Government (2023) *Ukraine Sponsorship Scheme in Scotland: statistics – May 2023*. Online: Scottish Government. https://www.gov.scot/publications/ukraine-sponsorship-scheme-in-scotland-statistics-may-2023/pages/total-numbers-of-visa-applications-issued-visas-and-arrivals/

244 Scottish Government (2022) *Scotland's Support for Displaced People from Ukraine – Review of the Super Sponsor Scheme*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2022/11/scotlands-support-displaced-people-ukraine-review-super-sponsor-review/documents/scotlands-support-displaced-people-ukraine-review-super-sponsor-scheme/scotlands-support-displaced-people-ukraine-review-super-sponsor-scheme/govscot%3Adocument/scotlands-support-displaced-people-ukraine-review-super-sponsor-scheme.pdf

245 Scottish Government (2022) *Homes for displaced people from Ukraine*. Online: Scottish Government. https://www.gov.scot/news/homes-for-displaced-people-from-ukraine/

246 Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: Making the case for the next five years*. Online: CIH. https://www.cih.org/media/j3idttra/0362-rapid-rehousing-transition-plans-report-2-v3.pdf

In 2022 the Homelessness Prevention and Strategy Group formed a TA Task and Finish Group to address growing levels of TA usage. The Group's final report recommended funding the delivery of 38,500 social homes by 2026 through the AHSP, large-scale acquisition of PRS properties, and maximising the use of existing stock, including implementing a single common housing register and allocation policy in each LA.[247] Key informants were especially supportive of recommendations to build and buy social homes:

> **"what would make the difference... to clear that backlog in TA, is buying and building social housing"**
> (Voluntary sector key informant)

> **"build more houses, buy more houses at some scale,... we really need to ramp that up."**
> (Statutory sector key informant)

As discussed in chapter 2, in July 2023, the Scottish Government announced a National Acquisition Plan supported by £60 million of AHSP funding to assist LAs and RSLs in acquiring private properties and converting them into social homes. Additional commitments include collaborating with social landlords to increase allocations to homeless households, introducing national guidelines for converting TA into permanent homes, and developing tailored solutions for LAs facing the most significant accommodation challenges.[248]

Alongside the strategic aim to reduce levels of TA, there have been efforts to improve quality through the extension of the Unsuitable Accommodation Order and the development of advisory standards. Since September 2021, the UAO, which restricts stays in unsuitable accommodation (like B&B hotels and hostels) to seven days, has been applied to all homeless households, having previously applied only to households with children. Accommodation is deemed unsuitable for reasons including that it lacks adequate bedrooms, toilet and washing facilities for the exclusive use of the household; that it lacks cooking facilities and the use of a living room and that is not usable by the household for 24 hours a day. Key informants viewed the extension as a positive and necessary step in promoting *"progressive change"* (Voluntary sector key informant) and addressing the ongoing issue of poor-quality accommodation.

> **"[it has] shone a light on how awful a lot of this accommodation was... some of the hostels have en suite facilities and things... but other ones are absolute shitholes... that you would never, ever want to be in."**
> (Voluntary sector key informant)

A third of LA survey respondents (10 of 30) reported that this legal shift has significantly impacted on the kinds of TA they use, with a further 8 reporting some impacts, presumably towards greater use of suitable TA where possible. However,

247 Scottish Government (2023) *TA Task and Finish Group: Final Report and Recommendations*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2023/03/temporary-accommodation-task-finish-group-final-report-recommendations/documents/temporary-accommodation-task-finish-group-final-report-recommendations/temporary-accommodation-task-finish-group-final-report-recommendations/govscot%3Adocument/temporary-accommodation-task-finish-group-final-report-recommendations.pdf

248 Scottish Government (2023) *Reducing the use of TA: actions we are taking to achieve this*. Online: Scottish Government. https://www.gov.scot/publications/temporary-accommodation-action-to-reduce-its-use/pages/conclusion/

high breach numbers[249] have been recorded since the extension was brought into force, especially in the City of Edinburgh (see chapter 4). Key informants were concerned about LAs' ability to address this in the context of severe supply pressures and a lack of financial resources to upgrade existing provision. Most LA survey respondents (22 out of 30) reported difficulty in ending the use of unsuitable accommodation, including some who had previously been compliant:

> **"We have never had an issue with compliance, rarely used hotel accommodation and [only] for very short periods... however increase in demand has led to... breaches... We are [now] working to increase temp stock... [which] has a negative consequence in terms of taking properties away from settled lets to homeless households."**
> (LA respondent, Glasgow and rest of Clyde Valley)

> **"[We] were progressing well with RRTP aims initially... reducing TA stock... use of unsuitable accommodation and... length of stay... However the SG [Scottish Government] implemented the extension to the UAO... The result was the Council taking on additional TA in an attempt to prevent breaches and a refocus on UAO at the expense of RRTP..."**
> (LA respondent, Edinburgh and other pressured markets).

In 2021, the Scottish Government established the TA Standards Group to consider advisory standards for TA and their potential to become mandatory. Draft advisory standards have been developed[250] and await approval, while work on their potential enforceability is ongoing. Key informants had varied opinions: some supported enforcement to improve TA standards, while others saw it as unhelpful in the current challenging context:

> **"I think there is an argument for making those standards mandatory. I think it's, what that needs to be accompanied by is the Scottish Government accepting that there's a housing emergency because we understand that the Scottish Government has limitations in terms of what money it [has]."**
> (Voluntary sector key informant)

3.4 Housing First

The scaling up of Housing First for people with "multiple and complex needs" is a priority in the Ending Homelessness Together Action Plan. The £5.8 million[251] Pathfinder programme, which ended in March 2022, accommodated 579 people, and achieved high tenancy sustainment rates (88% at 12 months, 80% at 24 months) with no recorded evictions. The target of achieving 800 tenancies over 3 years was not met, partly due to pandemic-related impacts on *"start-up and scale up"*, especially factors affecting housing supply.[252] Key informants to this study reported significant and sometimes *"transformative"* impacts for people housed under the programme (Statutory sector key informant), and its final evaluation found positive effects on housing satisfaction, health, substance use, and criminal activity, and a wider *"ripple effect"* of increased consensus on Housing First's effectiveness and an overall shift toward less conditional, trauma-informed homelessness service provision.[253]

The mainstreaming and scaling-up of Housing First is supported by a ten-year national plan developed by Homeless Network Scotland and updated in 2023.[254] The linked monitoring framework tracking progress on scale-up, shows that around 1,333 Housing First tenancies were started across 25 Scottish LAs between April 2021 to June 2022, with eight LAs targeting specific groups like people leaving prison, young people, and women escaping domestic violence.[255]

According to our survey, 26 LAs now have Housing First provision of some kind, and 12 of these report having provision at a scale that meets demand. Around half of all LAs, however, report levels of provision insufficient to meet demand. Housing supply was widely identified as the main barrier to scale-up. This has led to long waiting times and exposure to *"all the problems associated with living in TA"* (Voluntary sector key informant).

> **"We do have Housing First provision [...but] we have very lengthy wait times for housing across the county. The housing situation in [our LA] does not lend itself well to the core principles of HF [Housing First]"**
> (LA respondent, Edinburgh and other pressured markets)

Key informants emphasised the importance Housing First being recognised as a broader social care intervention, rather than a response to homelessness alone:

> **"Housing First isn't a homelessness response. It's a LA response, a social care partnership response, in the same way as other people who have those complexity of needs but have accessed that route through the mental health system, the learning disability system, the older people's system... would not be considered to be [receiving] a homelessness response.... [the] budget pressure comes because... [of Housing First being] in the silo of the homelessness budget"**
> (Voluntary sector key informant)

However, despite notable progress, developing partnerships and securing support from housing providers, especially RSLs, and the health and criminal justice sectors, remains challenging.[256] The Housing First evaluation suggests that involving health and justice sectors in funding Housing First could promote a fairer

249 The Scottish Government has sounded a note of caution around these figures, noting inconsistencies in reporting and recording of breaches, with written clarification and guidance issued to LAs in January 2022.

250 See here: https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fhomelessnetwork.scot%2Fwp-content%2Fuploads%2F2022%2F06%2FTemporary-Accommodation-Standards-Framework-DRAFT-standards-Wider-stakeholders.docx&wdOrigin=BROWSELINK

251 Additional funding was provided by Social Bite, Merchants Housing of Glasgow and administrative support by Corra Foundation and Homelessness Network Scotland

252 Scottish Government (2022) *Rapid Rehousing Transition Plans 2020-21: Annual Report*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/05/rapid-rehousing-transition-plans-annual-report-2020-21/documents/rapid-rehousing-transition-plans-annual-report-2020-21/rapid-rehousing-transition-plans-annual-report-2020-21/govscot%3Adocument/Rapid%2BRehousing%2BTransition%2BPlans%2BAnnual%2BReport-%2B2020-21.pdf p. 42

253 Johnsen, S., Blenkinsopp, J. & Rayment, M. (2022) *Scotland's Housing First Pathfinder Evaluation: Final Report - Executive Summary*. Online: Heriot-Watt University. https://doi.org/10.17861/jg8s-2v04 p.7

254 Homeless Network Scotland (2023) *A National Framework to start-up and scale-up Housing First in Scotland: 2021-2031*. Online: HNS. https://homelessnetwork.scot/wp-content/uploads/2020/11/National-Framework-For-Housing-First-CONSULTATION-NOV-DEC-2020.pdf;

255 Homeless Network Scotland (2023) *Housing First Scotland: Annual Check Up 2022*. Online: HNS https://homelessnetwork.scot/wp-content/uploads/2022/12/Housing-First-Scotland-2022_web1-2.pdf; See also https://www.gov.scot/publications/housing-first-monitoring-report-year-two-quarter-one/; Scottish Government & COSLA (2022) *Ending Homelessness Together Annual report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/10/ending-homelessness-together-annual-report-2022/documents/ending-homelessness-together-annual-report-scottish-parliament-october-2022/ending-homelessness-together-annual-report-scottish-parliament-october-2022/govscot%3Adocument/ending-homelessness-together-annual-report-scottish-parliament-october-2022.pdf

256 Johnsen, S., Blenkinsopp, J. & Rayment, M. (2022) *Scotland's Housing First Pathfinder Evaluation: Final Report - Executive Summary*. Online: Heriot-Watt University. https://doi.org/10.17861/jg8s-2v04

distribution of responsibility for its continued delivery.[257]

Key informants reported that maintaining fidelity to the principles of Housing First has been challenging, particularly in relation to recruiting and retaining sufficient staff to maintain small caseloads. There were also concerns about the ability to meet clients' needs given difficulties obtaining support from other sectors, such as health:

> **"They… [have] workers with a caseload of 40, and they call that Housing First… [W]e've tried to explore really what is going on with that service and how many people are actually receiving what we would call high-fidelity Housing First, and the proportion is really small."**
> (Voluntary sector key informant)

> **"They can't get the NHS to provide what's required under Housing First so most Housing First is just not working the way that it was intended to do. It's kind of jumped up housing support."**
> (Voluntary sector key informant)

Key informants highlighted funding challenges as a major threat to programme fidelity, with one explaining that with each reduction in funding *"you're diluting the effectiveness of it"* (Voluntary sector key informant). Local authorities and key informants expressed serious concerns about the sustainability of existing Housing First services post-Pathfinder, never mind ability to scale-up to meet demand.

> **"It will be extremely difficult to scale up provision without dedicated, long-term funding through RRTPs or another route."**
> (LA respondent, Glasgow and rest of Clyde Valley)

> **"The future of Housing First is crucial as this is a much-needed support for those with complex needs. Reduced budgets mean we have reduced funding to mainstream this service."**
> (LA respondent, rest of Scotland)

> **"Currently [Housing First is] only available in part of [our LA]. Funding projections have been affected by the increased demand for temporary accommodation and any projected savings in the RRTP have not been realised and we are therefore not in a position to expand Housing First."**
> (LA respondent, rest of Scotland)

The Housing First evaluation concluded that the approach may not be suitable for a small minority of people. This view was echoed by survey respondents who reported *"evidence of individuals with high support needs… not receiving the support required to enable them to sustain a tenancy."* (LA respondent, Glasgow and rest of Clyde Valley), and strongly supported by key informants who emphasised the importance of developing alternative responses for this group and frustration that progress in this regard has taken a back seat to pursuing Housing First. A 2021 study commissioned by Homeless Network Scotland's stressed the need for appropriate supported accommodation options for the small group for whom mainstream accommodation, including Housing First, is not appropriate. The preferred model involves a small number of self-contained homes integrated within the community and organised in a core and cluster layout, with access to skilled and flexible support.[258]

257 Ibid
258 Homeless Network Scotland (2021) *Shared spaces*. Online: HNS https://homelessnetwork.scot/wp-content/uploads/2021/10/Shared-Spaces-FINAL-Research-Report-AE290921-2.pdf

3.5 Night shelters

Inspired by the public health motivated closure of night shelter provision during the pandemic, the Scottish Government reaffirmed its commitment to permanently end the use of night shelters. The Everyone Home Collective developed a plan to support this ambition by creating Welcome Centres in Edinburgh and Glasgow, focused on enabling rapid access to self-contained accommodation.[259] There was unanimous agreement among key informants that night shelters are not an effective solution to homelessness, with all strongly opposed to the idea of any reopening:

> **"I don't think… LAs want to see a return to night shelters. Even the third sector organisations that provided them [in the past are] completely on side with [closure]… They can see the benefits now."**
> (Statutory sector key informant)

In the 2022/23 winter season, Edinburgh's Rapid Re-accommodation Welcome Centre accommodated 1,167 individuals over thirty weeks,[260] while the Overnight Welcome Centre in Glasgow accommodated 534 individuals over seventeen weeks.[261] The Welcome Centres' 24-hour access and emphasis on rapid access to TA was praised by key informants for enabling more meaningful case-working, improved partnership working with LAs, and securing *"huge gains"* (Voluntary sector key informant) in improved emergency accommodation offers (albeit many options are still considered less than ideal).

> **"People who were using the overnight shelter, we wouldn't phone the council… we would just bring them in and look after them. Whereas everyone presents to the Welcome Centre, we would phone the council for them so that straightaway… we're linking that individual in… to try and move that process on… That's rapid re-accommodation, isn't it? That's the huge benefits of it."**
> (Voluntary sector key informant)

Those able to comment on the capacity of Welcome Centres during winter 2022/23 believed that *"on the whole"* (Voluntary sector key informant) they secured sufficient accommodation to meet demand but were less confident about their ability to sustain this position going forward. A particular worry of some stakeholders is reported interest from the public in opening shelters, both in Glasgow and Edinburgh.

> **"There's somebody talking about opening a shelter… It's a worry that we do make a return to that because people think that's… part of the solution."**
> (Voluntary sector key informant)

Key informants stressed the need to reduce demand for emergency accommodation over time to sustain progress. *"We can't leave a gap"*, one statutory key informant noted, *"that*

259 Everyone Home Collective (2020) *Route-Map 1: Ending the need for night shelter & hotel room provision*. Online: HNS. https://homelessnetwork.scot/wp-content/uploads/2020/10/4.-Everyone-Home-Collective-Route-Map-1-Night-Shelters.pdf; Scottish Government & COSLA (2022) *Ending Homelessness Together Annual report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/10/ending-homelessness-together-annual-report-2022/documents/ending-homelessness-together-annual-report-scottish-parliament-october-2022/ending-homelessness-together-annual-report-scottish-parliament-october-2022/govscot%3Adocument/ending-homelessness-together-annual-report-scottish-parliament-october-2022.pdf
260 Bethany Christian Trust (2023) *Rapid Re-accommodation Welcome Centre Report 2022-2023*. Online: BCT. https://bethanychristiantrust.com/wp-content/uploads/2023/07/Rapid-Re-accommodation-Welcome-Centre-Report-2022-2023.pdf
261 Glasgow City Mission (2023) *Overnight Welcome Centre 2022/23*. Online: GCM. https://www.glasgowcitymission.com/wp-content/uploads/2023/05/OWC-Report-2022-23.pdf

people then feel they need to fill [with night shelters]." While the use of hotels has helped to meet growing TA demand, key informants were clear that this approach is not a sustainable long-term solution, and expressed concern that as demand continues to increase, including from those with No Recourse to Public Funds (see below), the likelihood of reverting to night shelter use grows.

> **"We're just in an absolute crisis, and there's this massive bottleneck around hotels. If we don't solve that, everything could start to unravel, and we could go back to where we were in 2019. We've got to solve that hotel problem"**
> (Voluntary sector key informant)

3.6 No Recourse to Public Funds

Launched in March 2021, the Ending Destitution Together strategy, jointly developed by the Scottish Government and COSLA, aims to improve outcomes and broaden support options for individuals with No Recourse to Public Funds, with the aim of alleviating and preventing destitution, with two update reports now published.[262] Integral to the delivery of Ending Destitution Together is the Fair Way Scotland programme. At the request of the Scottish Government, the Everyone Home Collective's 2020 route map to prevent destitution and homelessness among people with NRPF/other restricted eligibility for benefits and homelessness assistance,[263] was developed into the five-year Fair Way Scotland delivery plan.[264] This plan, involving a partnership of organisations from the asylum, migration and homelessness sectors, focuses on improving responses for this group via direct provision of case work, practical support, accommodation and cash payments alongside policy and systems change.

The Fair Way Scotland programme has been operational in three Scottish cities for over a year.[265] In its first year, the programme supported over 1000 people, with around two thirds of this group receiving more than one-off helpline support. The International Organisation for Migration, working with COSLA, has also supported LAs, assisting 128 individuals, primarily focusing on the European Union Settlement Scheme, addressing late applications, homelessness, and other barriers to support.[266] The Fair Way Scotland partnership has faced significant challenges scaling the accommodation offer as intended, primarily due to difficulties accessing self-contained housing and securing independent funding for rent.

> **"[Fair Way has] made a huge difference in terms of the national conversation, the ability to engage strategically with funders, to really understand where the level of need might be and identify what the solutions might be... The challenge is... nobody actually wants to step into the space to actually provide the resources that are required"**
> (Voluntary sector key informant)

262 Scottish Government (2022) *Ending Destitution Together: progress report – year one 2021 to 2022*. Online: Scottish Government. https://www.gov.scot/publications/ending-destitution-together-progress-report-year-one-2021-2022/; Scottish Government (2023) *Ending Destitution Together: progress report – year one 2022 to 2023*. Online: Scottish Government. https://www.gov.scot/publications/ending-destitution-together-progress-report-year-two-2022-2023/

263 Everyone Home Collective (2020) *Route-Map 2 Scotland's Ambition to End Destitution and Protect Human Rights*. Online: EHC. https://everyonehome.scot/pdf/route-map-2.pdf

264 Homeless Network Scotland (2021) *Fair Way Scotland: Gateway to a safe destination, support and advice for people with no recourse to public funds*. Online: HNS. https://homelessnetwork.scot/wp-content/uploads/2021/10/Fair-Way-Scotland-Delivery-Plan-FINAL-051021.pdf

265 Watts-Cobbe, B. & Hay, D. (2023) *Fair Way Scotland evaluation: year one*. Online: JRF. https://www.jrf.org.uk/report/fair-way-scotland-evaluation-year-one; Watts-Cobbe, B., McMordie, L., Bramley, G., Young, G., & Rayment, M. (2023) *Fair Way Scotland Evaluation Progress Report (Year 1)*. Online: Heriot-Watt. https://researchportal.hw.ac.uk/en/publications/fair-way-scotland-evaluation-progress-report-year-1

266 Scottish Government (2023) *Ending Homelessness Together: Annual Report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/publications/ending-homelessness-together-annual-report-2023/.

Key informants reported that rough sleeping for this group has not significantly increased post-pandemic, in part due to the gradual stepping down of accommodation provided by LAs and the Home Office on public health grounds. Some such accommodation is still in use in eleven of the thirty LAs who responded to this year's survey, but some authorities have begun to evict those for whom other options have been exhausted:[267]

> **"we issued... notice to quits [but before that] we would have exhausted all options for people... I expected that there'd be a massive increase in people rough sleeping in the city because where were they going to go? It's not materialised... there's not been an explosion in people..."**
> (Statutory sector key informant)

> **"it has generally been good... in that they've not booted out people too quickly or too callously in our opinion, they have tried to get people to move on to other things, and they've taken their time over that."**
> (Voluntary sector key informant)

LAs have duties to accommodate some individuals in this group on safeguarding grounds, and COSLA guidance on LA powers and duties, issued in 2019, has recently been updated.[268] A 2022 COSLA survey found that referrals for support under such legal duties increased by 48% in 2021/22 compared to the previous year, with referrals leading to support increasing by 40% in the same period.[269] Interim findings from an independent evaluation of Fair Way Scotland found varying practice among LAs in interpreting these duties, and emphasised the need for councils to maximise the use of relevant powers to assist this group.[270] The evaluation also emphasised the need for all relevant actors to maximise their contribution to the aims of preventing homelessness and destitution for this group, including LAs, Scottish Government, independent funders and housing providers.

Key informants in the study expressed ongoing frustration with the legal limitations on addressing homelessness for this group imposed at the UK level. Some felt that the Scottish Government could do more to challenging these constraints, while others emphasised that LAs are working at the absolute limit of what is permissible under existing legislation:

> **"They're [LAs] doing what they think is right, but... they are not confident they are on the right side of legal."**
> (Voluntary sector key informant)

> **"we're still hamstrung by the legal constraints that are wrapped around that and the unwillingness of the Scottish government to push up against those legal constraints in any meaningful way."**
> (Voluntary sector key informant)

More than half of LAs (16 of 30) expect an increase in demand for homelessness assistance amongst people with NRPF/other restricted eligibility over the coming year, and

267 Watts-Cobbe, B., McMordie, L., Bramley, G., Young, G., & Rayment, M. (2023) *Fair Way Scotland Evaluation Progress Report (Year 1)*. Online: Heriot-Watt. https://researchportal.hw.ac.uk/en/publications/fair-way-scotland-evaluation-progress-report-year-1

268 See: https://migrationscotland.org.uk/migrants-rights-and-entitlements/

269 COSLA (2022) *COSLA Survey of LA NRPF Support*. Online: Migration Scotland. https://migrationscotland.org.uk/policyarea/cosla-survey-of-local-authority-nrpf-support/#

270 Watts-Cobbe, B. & Hay, D. (2023) *Fair Way Scotland evaluation: year one*. Online: JRF. https://www.jrf.org.uk/report/fair-way-scotland-evaluation-year-one

providing adequate and sustainable support for this group is a significant concern for key informants. Relevant factors include the expansion of asylum dispersal from Glasgow to all of Scotland, and the ongoing impacts of Brexit. Moreover, Home Office efforts to clear the backlog of asylum decisions are expected to lead to a surge in demand for statutory homelessness support, as well as to risk rough sleeping among those receiving 'negative cessations' and not entitled to statutory support, with particular concerns about the scale and budgetary impacts in Glasgow.[271] This challenging context is anticipated to deteriorate further as the impacts of the Illegal Migration Act 2023 begin to be felt. According to Government Ministers, this legislation aims to deter illegal entry to the UK *"so that the only humanitarian route into the UK is through a safe and legal one"*,[272] but critics counter that it will not deter entry, fails to establish alternative sanctioned routes for those seeking asylum, will exclude tens of thousands of people from accessing the asylum system, and will lead to a surge in homelessness and destitution.[273]

3.7 Legislative changes

The Ending Homelessness Together Action Plan proposed significant legislative reforms to address statutory homelessness in Scotland. These reforms included the expansion of the UAO to cover all households discussed above, changes to local connection rules, and the introduction of robust new homelessness prevention duties on LAs and other public bodies.[274]

Local connection

In November 2022, LAs' power to transfer homeless households to another Scottish area on the grounds that they do not have a 'local connection' was suspended,[275] with the Scottish Government committing to take prompt action if the changes lead to adverse effects.[276] Key informants were generally of the view that this was a positive step, describing it as "brilliant" and "really positive" (key informants, voluntary sector) that people can now seek assistance in an area of their choice. However, opinions were divided on the likely impact on LAs, with some of the view that changes have and are likely to remain manageable and others worried that already pressured areas will become 'magnets' for additional presentations.

271 Williams, M. (2023) 'Glasgow faces refugee homes crisis with £70.1m budget black hole'. *The Herald*. 12 October. https://www.heraldscotland.com/news/23850992.glasgow-faces-refugee-homes-crisis-70-1m-budget-black-hole/; O'Donnell, A. & Millar, S. (2023) *Impact of Home Office Decisions via the Streamlined Asylum Process*. Online: Glasgow City Council. https://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDNZ3UT81DNDN

272 Jenrick, R . (2023) *Statement of Changes in Immigration Rules*. Statement UIN HCWS954. Online: UK Parliament. https://questions-statements.parliament.uk/written-statements/detail/2023-07-17/hcws954

273 NACCOM (2023) *Joint briefing: Risks of homelessness and destitution posed by the Illegal Migration Bill*. Online: NACCOM. https://naccom.org.uk/joint-briefing-risks-of-homelessness-and-destitution-posed-by-the-illegal-migration-bill/; Refugee Council (2023) *Illegal Migration Bill - Assessment of impact of inadmissibility, removals, detention, accommodation and safe routes*. Online: Refugee Council. https://www.refugeecouncil.org.uk/wp-content/uploads/2023/03/Refugee-Council-Asylum-Bill-impact-assessement.pdf

274 The Scottish government has more recently committed to introduce a Human Rights Bill, which will include a right to an adequate standard of living, including adequate housing, with consultation on proposal for the bill expected to take place in 2023. If passed, an audit of existing housing and homelessness legislation considering the proposed "right to adequate housing" will be undertaken.

275 The power to refer an applicant to an authority in England and Wales remains. It is unclear whether referrals to Northern Ireland remain possible. HL1 Data Specification and Guidance: https://www.gov.scot/publications/hl1-user-information/documents/

276 Scottish Government (2021) *Modifying local connection referrals: ministerial statement*. Online: Scottish Government. https://www.gov.scot/publications/ministerial-statement-modifying-local-connection-referrals-scotland/pages/3/

> **"[there was] this absolute fear that it was going to be this deluge of people... and that it would become overwhelming. To my knowledge, it's not been like that."**
> (Voluntary sector key informant)

> **"[It] means that the presentations for homelessness do start to clump together in the main centres... Glasgow has already seen an increase... and none of the funding has followed..."**
> (Voluntary sector key informant)

Most LA survey respondents (24 of 30) reported an increase in applications from households without a local connection following the changes, and almost a quarter of them (predominantly in the Glasgow and Clyde Valley region) considered these increases to be significant.[277]

> **"Given the pressure already faced in the city this increased demand adds to the challenge. We expect the number of presentations from out with [name of authority] to continue to rise as people become aware of their new right."**
> (LA respondent, Edinburgh and other pressured markets)

This result should be interpreted in the context of LAs only being aware of additional 'inflow' into their area, and not any corresponding 'outflow' of applicants from their area to others, and therefore cannot be sure of the net impact of applications in their area due to these rule changes.

According to official administrative data, only 705 (2%) of the 32,240 households assessed as homeless in 2022/23 had no local connection to the LA to which the application was made, but were connected to another council. Since this proportion was the same across all quarters of the year, the Scottish Government reasons that the change in local connection legislation in November 2022 had no measurable impact – at least at the national scale.[278] Moreover, across the year, the incidence of such applications was in fact slightly lower than in 2021/22.[279]

Notwithstanding the impacts of the local connection rule change on demand for assistance in particular LAs, practical issues dealing with the change loomed large among LA survey respondents, and were also identified in a recent SOLACE report.[280] These include the potential for households to make multiple applications, demand from those who have exhausted accommodation options in their current LA, and poor information sharing regarding community risk and safeguarding:

> **"There ha[ve] been more operational issues as opposed to rising demand pressures. Multiple homeless applications are being made by applicants... [and some] are not disclosing risk information they pose to other households... [including] occasions where applicants have not disclosed they are subject to MAPPA [Multi-agency public protection arrangements]."**
> (LA respondent, Edinburgh, and other pressured markets).

277 See also SOLACE (2023) *Housing in Scotland: Current Context and Preparing for the Future*. Online: Solace Scotland and ALACHO. https://solace.org.uk/housing-in-scotland/

278 Scottish Government (2023) *Homelessness in Scotland* 2022/23. https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2023/08/homelessness-in-scotland-2022-23/documents/homelessness-in-scotland-2022-23/homelessness-in-scotland-2022-23/govscot%3Adocument/Homelessness%2Bin%2BScotland%2B2022-23.pdf

279 Although such applications would be unaffected by the new legislation, 2022/23 did see a small increase in the number of those involving persons lacking a local connection to any LA. These increased from 720 (2.5% of all applications) in 2021/22 to 935 (2.9%) in 2022/23.

280 SOLACE (2023) *Housing in Scotland: Current Context and Preparing for the Future*. Online: Solace Scotland and ALACHO. https://solace.org.uk/housing-in-scotland/

In response to these issues, SOLACE have called for mechanisms to be put in place to enable the coordinated transfer of duties between LAs.

New prevention duties

In 2021 Scottish Government announced plans for a new Housing Bill to make a wide range of provisions, including new protections for tenants and regulation of rents, and improved regulation of the housing workforce (see chapter 2). A key component of the Bill (which remains forthcoming at the time of writing,[281] though received renewed commitment in the September 2023 Programme for Government)[282] is the introduction of new legal homelessness prevention duties on LAs and other public bodies. At the request of Scottish Government, the Prevention Review Group (PRG) convened by Crisis developed specific legal recommendations building upon and going beyond preventative approaches in England and Wales. Proposals include the introduction of new duties on public bodies to "ask and act" on homelessness risk, new duties on landlords (including specific duties around domestic abuse), an extension of LAs' duty to take reasonable steps to prevent homelessness from two to six months before it occurs, and specific proposals for people with more complex needs.[283] The chair of the PRG has emphasised the importance of viewing the group's recommendations as an *"integrated set of proposals"* that were purposefully designed to ensure a *"holistic and coherent system of support for people facing housing crisis."*[284]

A public consultation held between December 2021 and April 2022, found significant support for the full package of recommendations, with 84% of respondents agreeing that they align with the *"principles of early intervention and prevention."*[285] Respondents praised them as *"comprehensive, transformational and welcome,"*[286] enhancing of prevention practice and partnership working, and enabling of better outcomes for households at greatest risk, with potential to support savings to the public purse. The proposals also have cross-party support.[287]

This report offers an opportunity to take the temperature on these proposals in 2023, and in a different and challenging wider context. Key informants strongly endorsed the proposed changes, and most expressed confidence that these new duties would have a positive impact on reducing homelessness in the longer term. The "ask and act" duty requiring public bodies to ask about people's housing situation and take immediate action on homelessness risk, received high praise. Health and criminal justice sectors were seen as especially well-placed to identify and address homelessness risk early, potentially easing pressure on homelessness services and the wider sector.

The results of our survey also suggest strong support for the proposals among councils (see table 3.1), with particularly strong support for the introduction of new referral provisions for private landlords,[288] new duties on social landlords to prevent homelessness and extending LAs' duty to prevent homelessness to six months before it occurs. More than half of LA survey respondents (17 of 30) believed that the ability to discharge the main rehousing duty into a wider range of accommodation would be helpful, and in a separate question (see Table A2.12, Appendix 2) three-quarters of LAs agreed that greater use of private tenancies should be made to prevent and alleviate homelessness. Positive endorsement for this particular 'maximal housing options' aspect of the proposals is also provided by Crisis research on prevention that sought to better understand the perspective of people with experience of homelessness, which found that most want *"flexible housing options so they can live in circumstances that are right for them."*[289] These findings are particularly noteworthy given key informant testimony suggesting that existing plans for the Housing Bill do not take forward the "maximal housing options" proposals to increase choice and flexibility and enable LAs to discharge their homelessness duties into a broader range of "suitable and stable" housing options. This likely reflects concerns raised by a minority of respondents to the Scottish Government consultation that doing so risks weakening people's rights.[290]

Key informants and Local Authorities responding to this year's survey voiced concern about the implementation of the proposed changes, and emphasised that effective implementation will depend upon public bodies and landlords actively contributing to, and meaningfully engaging in, homelessness prevention efforts wherever it is feasible for them to do so. In the absence of such buy-in, there is a risk that LAs may face increased referrals without meaningful cooperation and practical assistance from relevant public services and landlords, placing further strain on homelessness services:

281 The Bill has been delayed several times. Until recently it was expected to come before MSPs in Autumn 2023, but there has been some suggestion it may be delayed further. See: https://www.holyrood.com/comment/view,we-know-how-to-prevent-homelessness-in-scotland-but-we-need-politicians-to-act

282 Scottish Government (2023) Programme for Government 2023 to 2024: First Minister's speech. Online: Scottish Government. https://www.gov.scot/publications/programme-government-2023-2024-first-ministers-speech/#:~:text=We%20will%20continue%20to%20work,110%2C000%20affordable%20homes%20by%202032

283 Crisis (2021) *Preventing Homelessness in Scotland: Recommendations for legal duties to prevent homelessness: A report from the Prevention Review Group*. Online: Crisis. https://www.crisis.org.uk/media/244558/preventing-homelessness-in-scotland.pdf

284 Fitzpatrick, S. (2023) 'We know how to prevent homelessness in Scotland, be we need politicians to act.' Holyrood. 4 July. Online: Holyrood. https://www.holyrood.com/comment/view,we-know-how-to-prevent-homelessness-in-scotland-but-we-need-politicians-to-act. Note that Fitzpatrick is an author on this report.

285 Scottish Government & COSLA (2022) *Ending Homelessness Together Annual report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/progress-report/2022/10/ending-homelessness-together-annual-report-2022/documents/ending-homelessness-together-annual-report-scottish-parliament-october-2022/ending-homelessness-together-annual-report-scottish-parliament-october-2022/govscot%3Adocument/ending-homelessness-together-annual-report-scottish-parliament-october-2022.pdf

286 Scottish Government & COSLA (2022) *Prevention of Homelessness Duties: A Joint Scottish Government and COSLA Consultation: Analysis of Consultation Responses: Final Report*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-analysis/2022/09/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/documents/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/govscot%3Adocument/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report.pdf p. 7

287 See: https://www.scottishparliament.tv/meeting/scottish-government-debate-prevention-of-homelessness-duties-february-2-2022

288 While for most purposes PRG recommended the introduction of a legal 'duty' to refer, as private landlords are not public bodies this is instead a power to refer.

289 Sims, R., Reid, B., Cowan, N. and Allard, M. (2023) *Home is the Foundation: Perspectives on prevention from people with experience of homelessness*. London: Crisis. https://www.crisis.org.uk/media/249096/crisis_home-is-the-foundation-report.pdf p.4

290 Scottish Government & COSLA (2022) *Prevention of Homelessness Duties: A Joint Scottish Government and COSLA Consultation: Analysis of Consultation Responses: Final Report*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-analysis/2022/09/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/documents/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/govscot%3Adocument/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report.pdf p. 44

Table 3.1: Local authority views on Prevention Review Group proposals (no. of local authorities)

	Very helpful	Somewhat helpful	Will make little or no difference	Would be unhelpful	Don't know	Total
Extending duty to take reasonable steps to prevent homelessness up to six months before it occurs	10	11	2	6	1	30
Introduction of Personal Housing Plans for all eligible homelessness applicants	8	7	13	0	2	30
Ability to discharge main rehousing duty into wider range of accom. suitable and available for >12 months	9	8	10	0	3	30
Introduction of new duties to prevent homelessness on social landlords	11	12	4	1	2	30
Introduction of new referral provisions on private landlords	9	15	1	2	3	30

"I have concerns that the new Prevention Duty will not be a shared duty, rather the ask and act element will likely see a wider range of organisations making referrals to the Housing Options…"
(LA respondent, Edinburgh and other pressured markets)

"So what we are looking for is active participation and an acceptance that there is a corporate public body responsibility, not only to refer but to actually act and put resources on the table to help with that case management approach."
(Statutory sector key informant)

A related concern was that any changes are accompanied by the investment and resources required, a factor that loomed especially large in the current challenging fiscal environment (see chapter 2), and in light of the acute homelessness and housing-related challenges facing LAs and discussed throughout this report:

"The challenge for the government, where they've not got any money or any spare money, and they're obviously trying to look at a budget deficit position, is how are they going to resource this?"
(Statutory sector key informant)

"Very supportive of the recommendations of the Prevention Review Group but grave concerns over the resources which will be available"
(LA respondent, rest of Scotland)

The importance of addressing systemic drivers of homelessness, providing sufficient resources, and staffing for increased referrals to homelessness services, was also echoed in the consultation and CIH survey findings.[291]

It is interesting to note that many LAs (17 of 30) report having already made changes in anticipation of new prevention duties, such as staff training, prevention team recruitment, and engaging partners to raise awareness of the upcoming duties:

"We have invested in expanding our homelessness prevention services… to work with partners and deliver training and support on how to recognise a risk of homelessness in preparation for the duty to 'ask and act'."
(LA respondent, Edinburgh and other pressured markets)

"Dedicated prevention officer [is] in place with a focus on engaging with other agencies and building capacity within communities."
(LA respondent, rest of Scotland)

While this work was described as positive and productive, most stressed the need for clear statutory guidance with defined expectations and responsibilities on public bodies.[292]

"The new prevention duties are welcomed but there has to be clear guidance for who the duties lie with and their roles and responsibilities"
(LA respondent, Glasgow and rest of Clyde Valley)

291 Chartered Institute of Housing & Fife Council (2023) *Rapid Rehousing Transition Plans: Making the case for the next five years*. Online: CIH. https://www.cih.org/media/j3idttra/0362-rapid-rehousing-transition-plans-report-2-v3.pdf; Scottish Government & COSLA (2022) *Prevention of Homelessness Duties: A Joint Scottish Government and COSLA Consultation: Analysis of Consultation Responses: Final Report*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-analysis/2022/09/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/documents/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report/govscot%3Adocument/prevention-homelessness-duties-joint-scottish-government-cosla-consultation-analysis-consultation-responses-final-report.pdf

292 Recent research on prevention from the perspective of people experiencing homelessness, has underscored the differing circumstances and triggers for homelessness across different groups. The report concludes that policy and practice developed in response to the new homelessness prevention duties must be *"designed to respond to these very specific and often intersectional routes into housing crisis."* Sims, R., Reid, B., Cowan, N., & Allard, M. (2023) *Home is the Foundation: Perspectives on prevention from people with experience of homelessness*. Online: Crisis. https://www.crisis.org.uk/media/249096/crisis_home-is-the-foundation-report.pdf

Homelessness trends

4. Homelessness trends in Scotland

Key findings
Rough sleeping as measured by administrative data slightly increased in Scotland in 2022/23. Applications from persons who had slept rough immediately prior to presentation grew to 1,500 during the year, 15% up on 2021/22 but remained 10% lower than prior to the pandemic. Key informants attributed this to a mix of improved multi-agency working and greater use of emergency accommodation for this group, but going into winter 2023/24 there are increasingly acute concerns about rising rough sleeping amid a mounting crisis in TA.

The last two years have seen the post-pandemic reassertion of a nationally rising trend of homelessness applications to LAs and acceptances ('assessed as homeless' cases). Consequently, the annual number of acceptances in 2022/23 was 13% higher than at the low point of 2015/16, and 2% higher than pre-pandemic (2019/20). Over the last three years, the number of 'open applications' where LA duties are yet to be discharged has increased by 30%.

At 9% and 10% in the latest 12-month period, respectively, the latest annual increases in total homelessness applications and acceptances are the highest recorded in any single year since at least 2003/04. Without the restrictions on the enforcement of evictions imposed from November 2022, the latest annual increases would almost certainly have been even higher. LAs attribute this increased demand to the ending of COVID-19 eviction restrictions, the impacts of the cost-of-living crisis; and the sale of formerly private rented properties, precipitating evictions and shrinking the sector.

After more than a decade when TA placement numbers remained fairly stable, the past three years saw a rapid escalation – from 11,665 to an historic high of 15,060 in the three years to 31 March 2023 – a 29% increase. While much of this growth occurred during the pandemic years 2020/21 and 2021/22, the past year has seen total numbers grow by 8%, with much of this attributable to a 39% increase in B&B hotel placements. These trends are attributed in large part to the building up of a 'backlog' of households in TA during the pandemic, and acute challenges increasing the 'flow' of households out of TA given existing pressures on social housing, perceived contraction in the PRS and slowing housing development.

Since 2018/19 there has been a decline (from an already low base) in statutory homelessness cases closed into PRS accommodation at a time when the vast majority of LAs wish to see greater use made of the sector. Cases closed into social housing have increased slightly, but two thirds of LA survey respondents think that social housing allocations to homeless households in their area are not yet high enough.

4.1 Introduction
The chapter analyses recent trends in the incidence of homelessness as these can be interpreted from the Scottish Government's published statutory homelessness statistics.[293] The analysis focuses in particular on developments revealed by statistics for the year 2022/23. In interpreting the official figures detailed above, the chapter also draws on key informant interviews and our LA survey carried out in 2023.

The chapter is structured as follows. In Section 4.2 we analyse the statutory homelessness statistics that shed light on the incidence of rough sleeping. Next, in Section 4.3, we analyse trends in the overall incidence of statutory homelessness, as indicated via logged applications for assistance, and via the numbers of applicants assessed as homeless. This leads on to analysis of recent trends on immediate causes and wider drivers of homelessness in section 4.4, as well as on the demographic profile of the applicant cohort in section 4.5. Section 4.6 charts recent and longer-term change in the scale of TA placements and finally, section 4.7 focuses on rehousing outcomes for statutory homeless households.

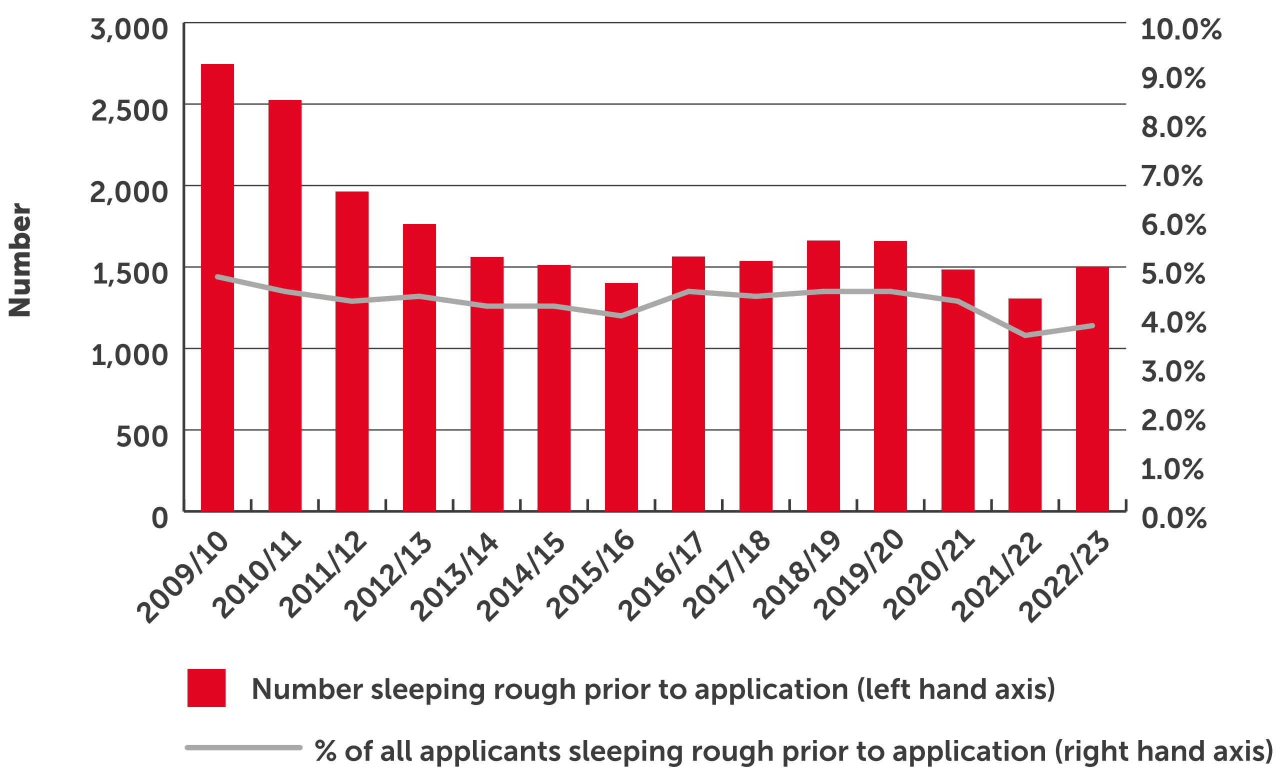
4.2 Rough sleeping
In contrast with official practice in England, the Scottish Government maintains no regular rough sleeping point in time 'headcount'. The scale of rough sleeping can, however, be gauged from the LA homelessness recording system (HL1), as analysed below. Various survey sources also offer insight into the incidence of rough sleeping and these are further discussed in Chapter 5 which estimates the scale of 'core homelessness' in Scotland.

According to official statistical returns, some 1,500 people presenting as homeless to LAs during 2022/23 reported having slept rough the night preceding their application. As shown in Figure 4.1, rough sleeping immediately prior to presentation fell in both absolute and proportionate terms during the pandemic years of 2020/21 and 2021/22. While the national total rose somewhat (by 15%) in 2022/23, this remained 10% lower than prior to the pandemic. A very similar pattern is evident from data on the number and proportion of applicants reporting having slept rough in the three months prior to their presentation, with the figure for the latest year 14% up on 2021/22, but 16% down on pre-pandemic levels – see Figure 4.2.

Measured according to the number of persons sleeping rough immediately prior to presentation, more than a fifth of rough sleeping in Scotland in 2022/23 (22%) was recorded in Glasgow. Notably, however, the city has seen a fairly steady reduction in annual numbers over the past four years – from 420 in 2018/19 to 330 in 2022/23. Beyond this, most individual councils recorded 2022/23 numbers for 'rough sleeping immediately prior to presentation' within (or only marginally outside)

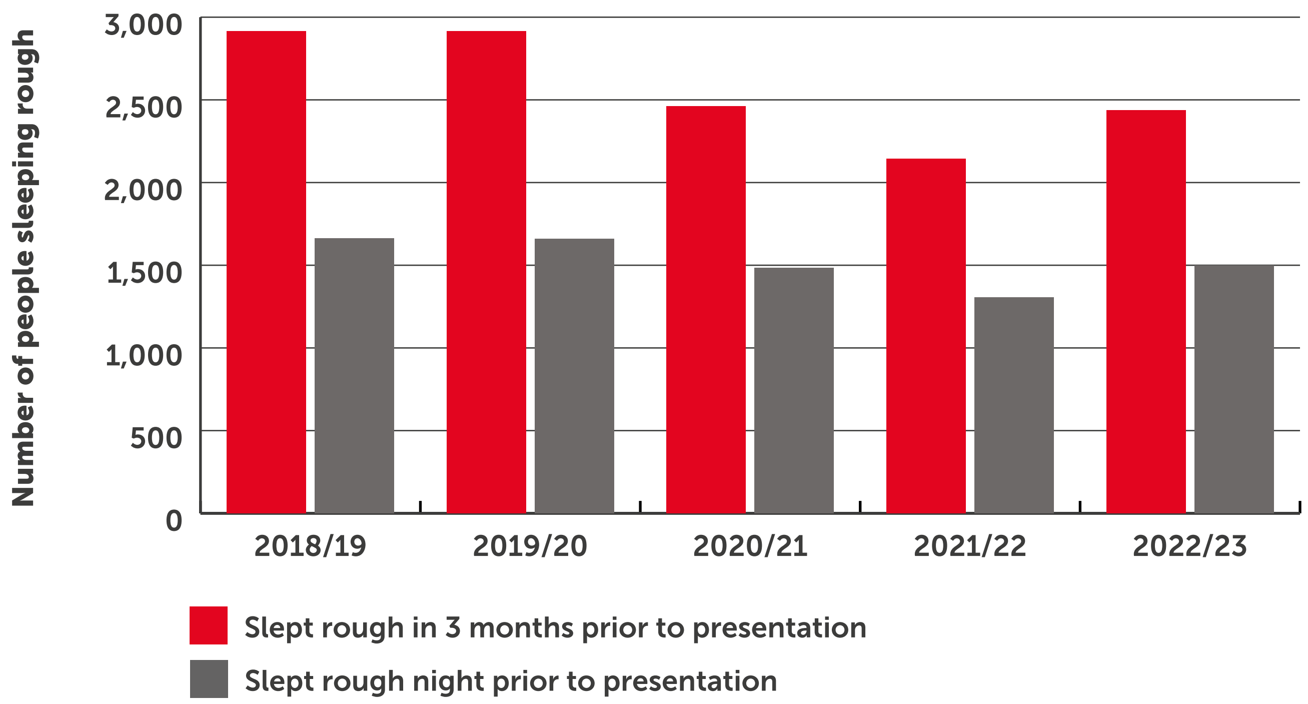
293 See https://www.gov.scot/collections/homelessness-statistics/. Another official data source with some utility in gauging the scale and nature of homelessness demand is the PREVENT1 series which records LA Housing Options (or homelessness prevention) activity. However, partly because PREVENT1 statistics for 2020/21 remain unpublished at the time of writing, reference to these is not included in this edition of Homelessness Monitor Scotland.

Figure 4.1: Incidence of rough sleeping immediately prior to homelessness presentation



Source: Scottish Government

Figure 4.2: Incidence of rough sleeping prior to homelessness presentation



Source: Scottish Government

the range of equivalent figures for the previous four years (2018/19-2021/22). Notable exceptions were Fife and Highland which recorded notably larger numbers in the latest year than previous norms, while South Lanarkshire reported markedly fewer. The Scottish Government believes this latter instance reflects the beneficial impact of a Rough Sleeping Action Plan recently implemented by the Council.[294]

The above observations seem reasonably consistent with findings from our own LA survey in which ten councils perceived that 2022/23 homelessness presentations included a larger number of people who had formerly slept rough than in 2021/22, as against 14 who reported a stable or falling number of such applicants.

At the time of interview (Summer 2023), key informants by and large interpreted post-pandemic trends in rough sleeping as a good news story, in that they remained below the levels seen prior to the public health emergency. This was attributed to two main factors precipitated by the work of the Homelessness and Rough Sleeping Action Group but radically accelerated by the COVID-19 public health emergency, these being first, the establishment of an effective multi-agency frontline response and second, greater use of emergency accommodation, including hotel and B&B rooms:

> **"[it's] a combination of... pre-pandemic work that fell out of HARSAG [Homelessness and Rough Sleeping Action Group] in terms of the frontline build-up. Then... the way that people responded from a multi-agency viewpoint during the pandemic gave us the leverage at the front line to work more effectively... that's allowed us to... keep, the numbers of chronic rough sleepers down... nobody wanted to see that return. So having achieved that, that's where that multi-agency investment and that expansion of temporary accommodation has come... it's driven by... trying to maintain those low numbers..."**
> (Voluntary sector key informant)

The impact of these changes are evident in the testimony of key informants involved in managing the frontline delivery of rough sleeping services in Scotland's two biggest cities. In Glasgow, there was a consensus that the numbers consistently sleeping rough in the city centre[295] were in the single digits during the Summer of 2023, known to services and have been offered accommodation:

> **"we continue to have a hardcore of three individuals in the city that continue to rough sleep... who we engage with every day... the last head count certainly still gave us a level of assurance that we know who's there"**
> (Statutory sector key informant)

294 Scottish Government (2023) *Homelessness in Scotland 2022/23*. Online: Scottish Government. https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2023/08/homelessness-in-scotland-2022-23/documents/homelessness-in-scotland-2022-23/homelessness-in-scotland-2022-23/govscot%3Adocument/Homelessness%2Bin%2BScotland%2B2022-23.pdf

295 Numbers sleeping rough across the whole LA area are likely to be higher, as suggested by annual figure of people presenting as homeless to Glasgow City Council and reporting having slept rough the night prior quoted earlier in this section.

> **"through the winter we have had seven people rough sleeping... all of whom were known to us, all of whom had really been offered something"**
> (Voluntary sector key informant)

Similar improvements in the service response were described in Edinburgh at the same point in time:

> **"our greatest success in the city is the reduction in numbers [sleeping rough] but [also] actually the improvement in way we deliver services for rough sleepers...every week we've got a list of the names of people and the street-based outreach teams know exactly who they are, all the medical treatments they need. We've got street-based psychologists, we've got street-based pharmacists, we've got all of that"**
> (Statutory sector key informant)

Despite these developments, levels of rough sleeping in Edinburgh appeared to be on a clear upward trajectory when we spoke to key informants, driven in part by acute pressures on TA:

> **"in terms of emergency-type accommodation - that's just not coping with what's coming through the system... Edinburgh is really seeing a steady increase in terms of its rough sleeping problem. I don't think we're seeing that in other parts of Scotland"**
> (Voluntary sector key informant)

Media reports indicate rapidly escalating levels of rough sleeping in Edinburgh going into Winter 2023/24,[296] despite the recent opening of the Rapid Re-accommodation Welcome Centre, and in November 2023 City of Edinburgh Councillors declared a 'housing emergency'.[297]

Relevant to these rising pressures is the winding down of accommodation provided on public health grounds for those with No Recourse to Public Funds. In 2022, City of Edinburgh council began issuing Notices to Quit to those with NRPF and still in such accommodation where all other avenues have been exhausted. While the impacts of this change on levels of rough sleeping have been smaller than some anticipated, this key informant suggested that is likely to have contributed to increases seen in 2023:

> **"... pre-pandemic, we had between 80 and 120 people rough sleeping in the city every night... [during the pandemic] when we were accommodating people with no recourse, it was probably roundabout the 12 to 15 mark... [now] what you'll find is that the numbers of people [sleeping rough] who have got eligibility for services will be somewhere between 10 and 20 tops. Then you might find that it's maybe ten people who are not eligible."**
> (Statutory sector key informant)

Glasgow has maximised their use of social work powers to accommodate those with NRPF, seeking to be "as flexible as we possibly can" (Statutory sector key informant) in assisting this group. Glasgow stakeholders are, however, very alert to the possibility of increased rough sleeping among this group linked to 'negative cessations' of Home Office accommodation provided to those seeking asylum in the city,[298] especially in the light of recent moves by the Home Office to radically accelerate evictions processes.[299]

The results of our LA survey indicate concern that homelessness among those with NRPF will increase in the coming year in over half (16 of 30) areas, likely reflecting the expansion of asylum dispersal from Glasgow only to all areas of Scotland, the ramping up of the 'hostile environment' for migrants under UK immigration law via the Nationality and Borders Act 2022 and Illegal Migration Act 2023, and the policy emphasis on speeding up decisions on asylum applications by the Home Office.

In sum, while overall trends in rough sleeping over the previous few years are generally seen as a good news story, with improved responses introduced prior to and especially during the pandemic continuing to pay dividends, there are increasingly acute concerns about increases in particular areas (especially Edinburgh) and for particular groups, and clear challenges in relation to the forms of TA used to accommodate those at risk. Looking ahead, LA perspectives indicate that post-pandemic reductions in rough sleeping continue to be fragile,[300] with LA survey respondents evenly split on whether they anticipate levels remaining steady or increasing during 2023/24 (see table A2.4, Appendix 2).

4.3 Statutory homelessness – overall trends

As used in this report, the term statutory homelessness refers to LA assessments of applicants seeking help with housing on the grounds of being currently or imminently without accommodation. While the section's main focus is the recent past, it is useful to set this in context by first reviewing the longer-term trend of statutory homelessness demand during the 2010s.

Figure 4.3 indicates that a trend of declining homelessness presentations and acceptances in the early 2010s was replaced by a generally rising trajectory from 2017/18. This was subject to an interruption in 2019/20 and, especially, 2020/21 – the latter resulting from the COVID-19 pandemic and in particular the dramatic reduction in the ending of rental tenancies as a driver of homelessness during the public health emergency.[301] Over the last two years, however, homelessness presentations and acceptances have again increased, with the annual number of 'assessed as homeless' cases in 2022/23 standing 13% higher than at the low point of 2015/16 and 2% higher than pre pandemic (2019/20).

Indeed, at 9% and 10% in the latest 12-month period, respectively, the latest annual increases in total applications and 'assessed as homeless' cases are the highest recorded in any single year since before 2003/04. These trends appear consistent with the perception reported by more than half of

296 McGivern, M. (2023) 'Daily Record spends harrowing night with homelessness workers fighting rough-sleeping crisis.' *Daily Record.* 1 November. https://www.dailyrecord.co.uk/news/scottish-news/scots-streets-saviours-difference-between-31329873?utm_source=twitter.com&utm_medium=social&utm_campaign=sharebar

297 Edinburgh City Council (2023) *Edinburgh declares a housing emergency.* Online: Edinburgh City Council. https://www.edinburgh.gov.uk/news/article/13844/edinburgh-declares-a-housing-emergency

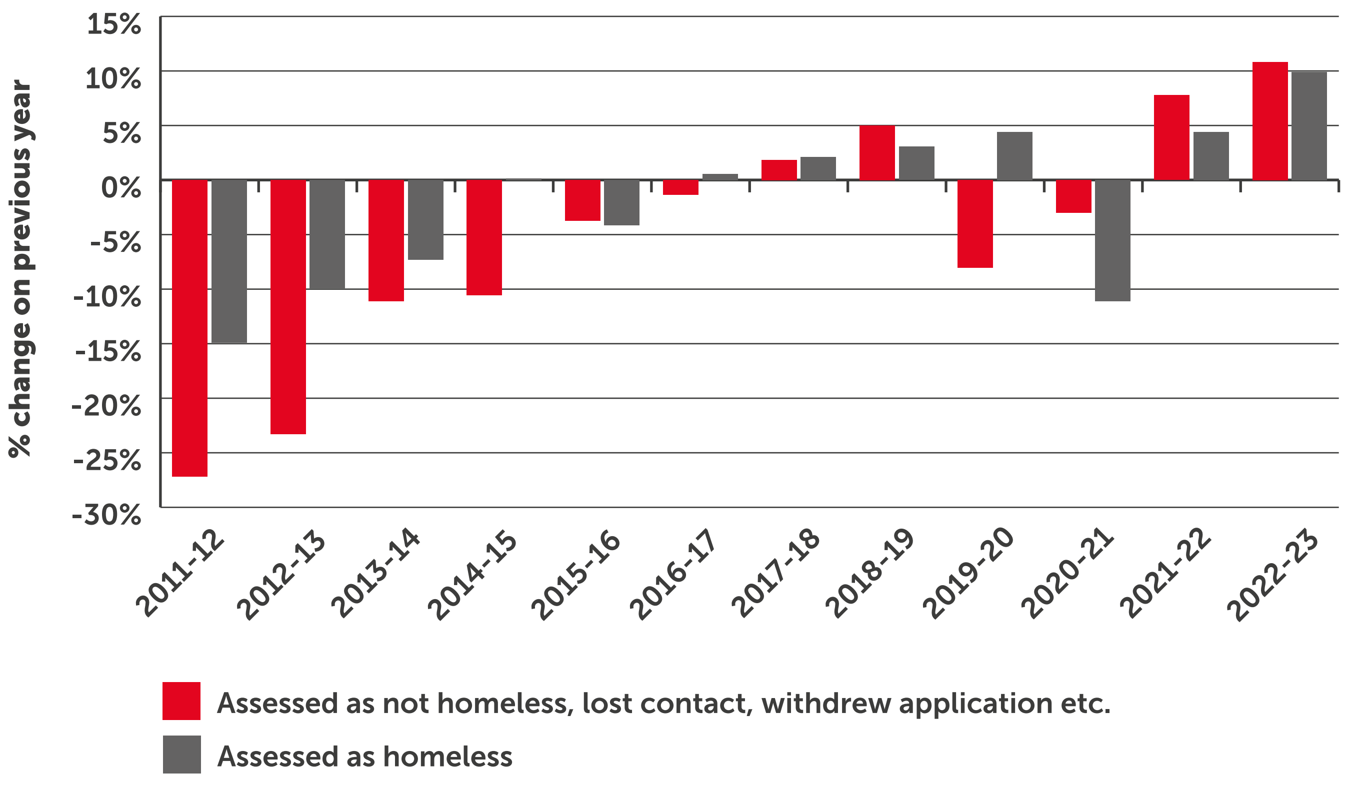
298 Watts-Cobbe, B., McMordie, L., Bramley, G., Young, G., & Rayment, M. (2023) *Fair Way Scotland Evaluation Progress Report (Year 1).* Online: Heriot-Watt. https://researchportal.hw.ac.uk/en/publications/fair-way-scotland-evaluation-progress-report-year-1

299 Williams, M. (2023) 'Glasgow faces refugee homes crisis with £70.1m budget black hole.' *The Herald.* 12 October. Online: The Herald. https://www.heraldscotland.com/news/23850992.glasgow-faces-refugee-homes-crisis-70-1m-budget-black-hole/; O'Donnell, A. & Millar, S. (2023) *Impact of Home Office Decisions via the Streamlined Asylum Process.* Online: Glasgow City Council.

300 Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H. & Young, G. (2021) *The Homelessness Monitor: Scotland 2021.* London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2021/

301 Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H. & Young, G. (2021) *The Homelessness Monitor: Scotland 2021.* London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2021/

Figure 4.3: Local authority statutory homelessness applications and assessment outcomes, 2011/12 to 2020/21



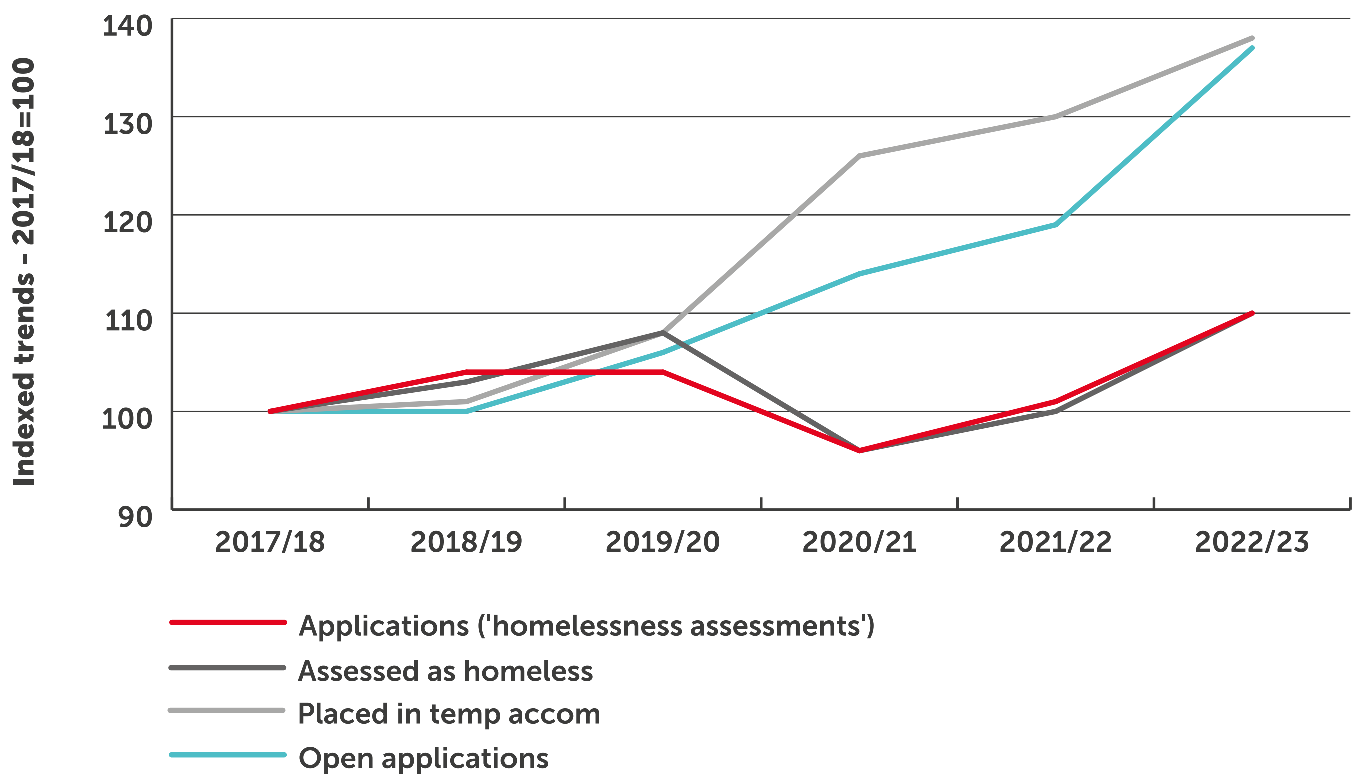
Source: Scottish Government

respondents (16 of 30) in our LA survey that service user footfall had 'significantly increased' in 2022/23 compared with the previous year (a further 8 reported that it had increased slightly). To some extent, this pattern probably reflects the resumption of 'normal activity' in the housing market in the first full financial year after the expiry of most COVID-19 restrictions.

While the pandemic led to a (now reversed) downward trend in homeless applications and assessments, the number of 'open applications and TA placements saw no such drop, and indeed rose dramatically both during the initial pandemic year (2020/21) and subsequently (see Figure 4.4). By 2022/23, the number of open applications at financial year end had increased to its highest figure on record – a 30% rise compared to 2019/20, with TA placements up by 27% over the same period.[302] These latter trends indicate the greatly increased stress now being experienced by LAs in managing homelessness, a development which will be impacting both staff workloads and budgets.

302 And, with the pandemic having in fact begun to impact housing and homelessness just before the end of FY 2019/20, the use of 31 March 2020 as the baseline for this comparison probably understates the scale of 'COVID-19-triggered change'.

Figure 4.4: Key statutory homelessness trends, 2017/18 to 2022/23 – indexed (2017/18=100)



Source: Scottish Government

4.4 Drivers of statutory homelessness

Official statistics show 2022/23 increases across most of the specified 'reasons for application' listed in Figure 4.5. This sense of an overall rising tide of homelessness demand during 2022/23 was reflected in LA survey respondent comments:

> **"There has been a general increase in homeless applications spread across many reasons and household types."**
> (LA respondent, rest of Scotland)

> **"During 2022/23 we have seen a moderate increase in the number of people requesting homeless assistance across all age bands, household types."**
> (LA respondent, Edinburgh and other pressured markets)

Against this backdrop of generally rising demand, there is stability in the 'top three' factors precipitating homelessness applications (excluding the 'other' category), that is, being asked to leave (26% of 2022/23 'presenting as homeless' cases), non-violent disputes within the household (21%) and domestic violence/abuse (12%) (see figure 4.5a). Looking ahead, over half of LAs (16 of 30) anticipate seeing further increases in demand from those asked to leave the family home. Views on anticipated demand from survivors of domestic abuse and those experiencing non-violent relationship breakdown are more mixed, but almost all LAs anticipate numbers remaining steady or increasing (see table A2.4, Appendix 2).

There has been considerable volatility over the last few years in trends in reasons for application related to households leaving the social and private rental sectors (see Figure 4.5b). Most notable is the increase in applications during 2022/23 that were the result of 'rental tenancy termination' (other than rent arrears), up by 34% compared to the previous year. The most recent year also saw an increase in arrears-related evictions, in the private and social housing sector after sharp declines in the pandemic period. The partial resumption of evictions activity after the pandemic did, of course, feature in LA survey respondents' explanations of these changes in the ending of rental tenancies as a driver of homelessness applications:

> **"Entering post covid period has seen the restrictions on action being taken in PRS and Social Rented Sectors and recovery action resuming."**
> (LA respondent, Edinburgh and other pressured markets)

But the impacts of landlords selling up and leaving the sector, precipitating household homelessness applications in the context of often high rents and limited availability of alternative viable housing options, was also emphasised:

> **"Changes to private sector legislation... [have] resulted in a noticeable increase in the number of private landlords selling their properties and this has had an effect on the number of private tenants seeking advice and assistance."**
> (LA respondent, Glasgow and rest of Clyde Valley)

> **"there has been an increasing presentation rate from landlords leaving the sector"**
> (LA respondent, rest of Scotland)

Explanations of the causes of private landlord disinvestment focused on changes to the regulatory environment (including the pandemic-related evictions ban and cost-of-living crisis restrictions) but also on the wider financial context reviewed in chapter 2, and in particular multiple mortgage interest rate rises:

> **"private landlords are leaving the market... this is about the rises in mortgage rates. Bluntly, it's become less profitable, to be a private landlord... I don't think it's going to be a flood of landlords leaving the market, but I think there's a steady flow, now... We're starting to see local authorities report rising homelessness in terms of private landlords."**
> (Voluntary sector key informant)

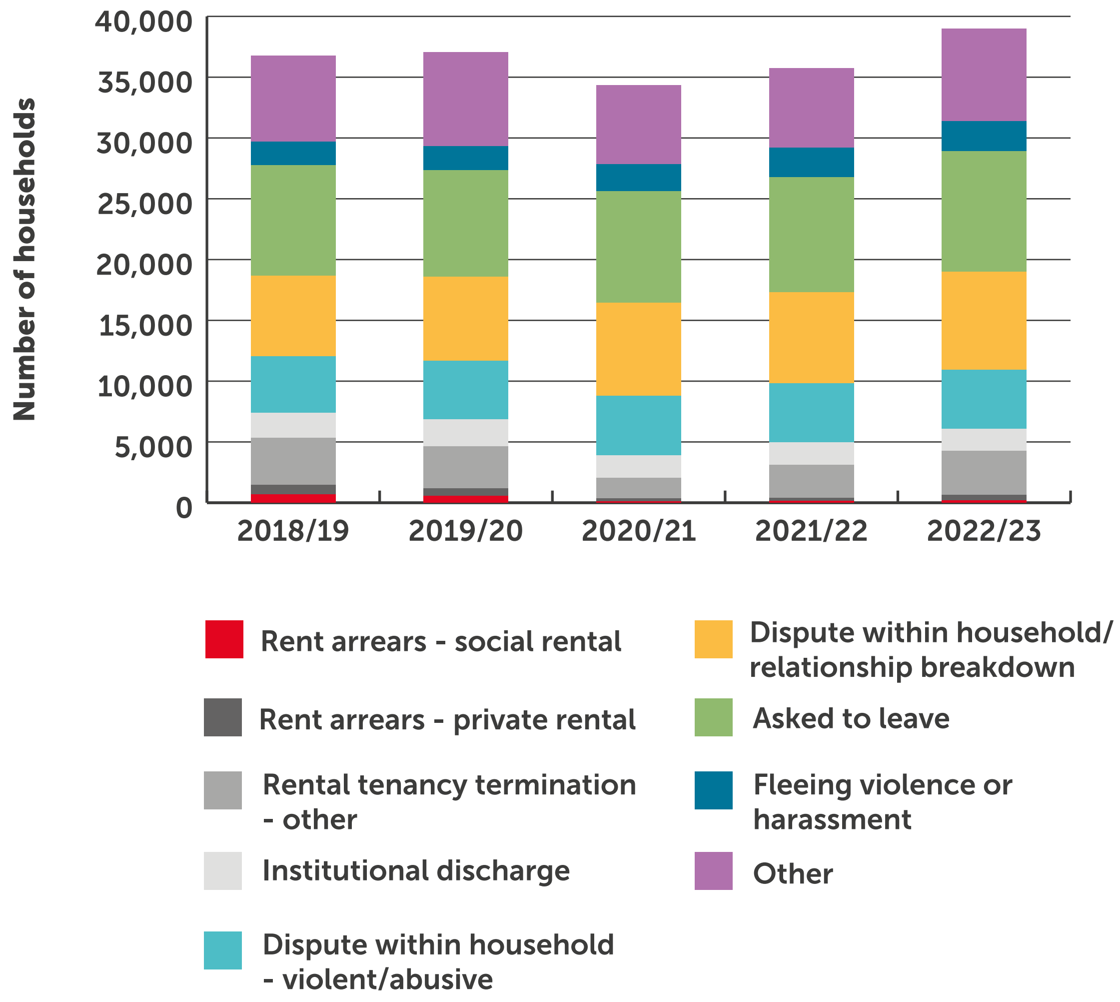
> **"more and more landlords are either saying, 'We need the property back for our family.' 'I'm going to occupy it myself.' or 'I'm going to sell.' The moratorium on evictions doesn't cover those situations, so that's where the tick-up in homelessness is coming"**
> (Statutory sector key informant)

Masked by the annual figures reported in figure 4.5, and as noted by the Scottish Government, homelessness due to tenancy terminations fell back significantly in the second half of the year, reflecting the impact of the October 2022 Cost-of-Living legislation that prohibited the enforcement of evictions (see chapter 2).[303] In the absence of this restriction, the annual increase in homelessness applications and assessments would almost certainly have been even higher than the record level in fact observed.

These dynamics are a concern for LAs looking ahead. With evictions protections expected to end in

303 Households becoming homeless from the private rented sector fell by 26% in the second half of the year (down from 2,990 to 2,200), following the introduction of the Cost-of-Living legislation (figures from official Scottish Government report).

Figure 4.5: Households presenting as homeless 2018 to 2023:
a. Breakdown according to main reason for application - nominal



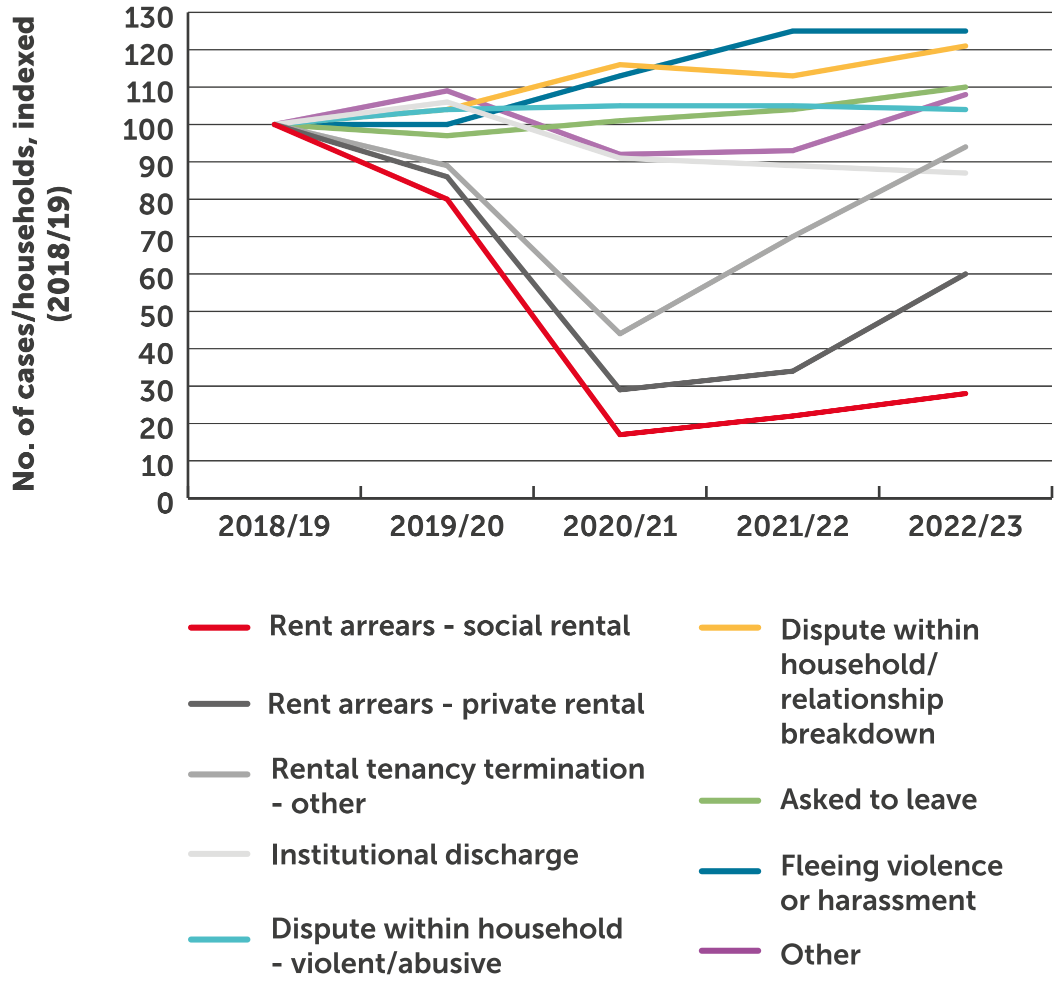
Source: Scottish Government

March 2024, almost all (25 of 30) LA survey respondents anticipate seeing increased demand from those evicted from the PRS during 2023/24 and over half (17) anticipate increased demand from those evicted from the social rented sector. A greater number still (27 of 30) anticipate increased demand from repossessed homeowners, but this should be interpreted in light of the tiny proportion of statutory homelessness generated in this way in recent years (e.g. 0.5% of 2022/23 applications) and evidence that increased levels of mortgage default do not necessarily drive increases in homelessness.[304]

Key informants and LAs highlighted the cost-of-living crisis as an important background explanatory factor in understanding the picture of rising homelessness demand shown in figure 4.5. The crisis was seen to precipitate homelessness for households via a wide range of mechanisms; most straightforwardly via financial pressure leading to rent arrears (alongside other

304 Fitzpatrick, S., Pawson, H., Bramely, G. & Wilcox, S. (2012) *The Homelessness Monitor: Scotland 2012.* London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2012/

b. Breakdown according to main reason



Source: Scottish Government

debt) which put people's housing at risk directly. But the cost-of-living crisis was also seen to have a wide range of less direct homelessness-related impacts, fuelling relationship breakdown, family conflict and the breakdown of informal living situations, and exacerbating people's mental health issues:

> **"the cost of living is… intensifying all of that. When people are squeezed, the impact that has on relationships, on mental health… it just magnifies all of that… increased debt, including housing debt, just puts people more at risk of eviction or abandonment… the cost of living crisis… the conditions that it creates are the same conditions that create homelessness."**
> (Voluntary sector key informant)

> **"it's absolutely, without a shadow of a doubt, now clear that the fallout of Brexit, the cost of living crisis, the fuel crisis has certainly had a detrimental impact… we're seeing an increase in advice and obviously interventions with regards to homelessness, simply because people's circumstances have been severely affected by the… economic impact [of] the last 12 months."**
> (Statutory sector key informant)

These dynamics may help explain why relationship breakdown and fleeing violence/harassment as immediate reasons for homelessness stood at levels substantially higher than both before and during the pandemic in 2022/23 (see figure 4.5b).

The only categories of 'main reason' for application that remained static in 2022/23 were 'dispute within household – violent/abusive' and 'fleeing violence or harassment'. Institutional discharge is the only category of reason for application that has continued to drift lower in 2022/23 after an initial decline during the pandemic. One LA commented that homelessness precipitated by prison discharge specifically had declined in their area "due to positive effects of better working relationships forged during covid and maturing of SHORE activity" (LA respondent, Edinburgh and other pressured markets), referring to the impacts of the Safe Housing on Release for Everyone standards introduced in 2017. On the other hand, another reported an increase in homelessness relating to institutional discharge as the justice and health systems' 'return to normal operating post pandemic' (LA respondent, rest of Scotland). The overall national downward trend seen in Figure 4.5(b) will reflect the working out of these geographically varying forces. Half of LAs (15 of 30) anticipate that levels of demand from prison leavers will remain steady during 2023/24, with a third (9 of 30) anticipating further downwards trends and only 6 of 30 expecting to see an increase.

While it might be imagined that Scotland's high intake of Ukrainian refugees during 2022/23 could have significantly contributed to rising homelessness numbers, this has not been the case. During 2022/23 there were only 275 applications from Ukrainian displaced households, 0.7% of all applications. This reflects that Ukrainian arrivals have to date largely been accommodated outwith the statutory homelessness system. A strong majority of LAs (22 of 30), however, anticipate increases in demand for this group during 2023/24, as hosting and other accommodation arrangements break down. This seemed to be a particular concern in Edinburgh and other pressured areas:

> **"Private hosting arrangements for Ukrainian households will likely continue to break down as the time extends and relationships between hosts and guest become strained."**
> (LA respondent, Edinburgh and other pressured markets)

> **"There may be an increase in Ukrainian refugees seeking homeless assistance as other schemes which provide accommodation in neighbouring areas come to an end."**
> (LA respondent, Edinburgh and other pressured markets)

A number of areas also noted that they expect to see increased demand from other non-UK nationals during 2023/24, including refugees from Afghanistan (in light of the closure of 'bridging accommodation' for this group),[305] those fleeing conflict in Sudan, as well as asylum seekers more generally given the expansion of dispersal from Glasgow to all of Scotland:

> **"We anticipate an increase in the number of refugees from other countries seeking homelessness assistance, given the closure of bridging hotels for Afghan refugees and the recent conflict in Sudan."**
> (LA respondent, Edinburgh and other pressured markets)

> **"The use of [our area] as a dispersal zone for the UK Home Office will likely cause some migrants to present as homeless to remain in the city following getting their status."**
> (LA respondent, Edinburgh and other pressured markets)

4.5 Statutory homelessness profiles

The past few years have seen some changes in applicant profiles in terms of age and household type. On age groups, the bulk of applications have continued to involve households with main applicants aged between 25 and 49, who made up 63% of applications in 2022/23 – see Figure 4.6(a). At the same time, while representing relatively small proportions of the total, the 50-64 and – especially – the 65+ age groups have seen the most marked increases over the last five years (see Figure 4.6(b)). Combined, these groups now represent 16% of applications up from 13% in 2018/19.

Meanwhile, although young adults (persons aged 18-24) have fluctuated between 19% and 22% of all applicants in recent years, the much smaller cohort of applicants aged 16-17 has seen a continued decline both numerically and proportionately. While statutory homelessness among young people has remained stable or declined in recent years, this group (especially 18–24-year-olds) remain over-represented among those experiencing statutory homelessness compared to other age groups, reflecting higher rates of poverty among young people as well as their greater concentration in informal living arrangements (i.e. staying with family or friends).[306]

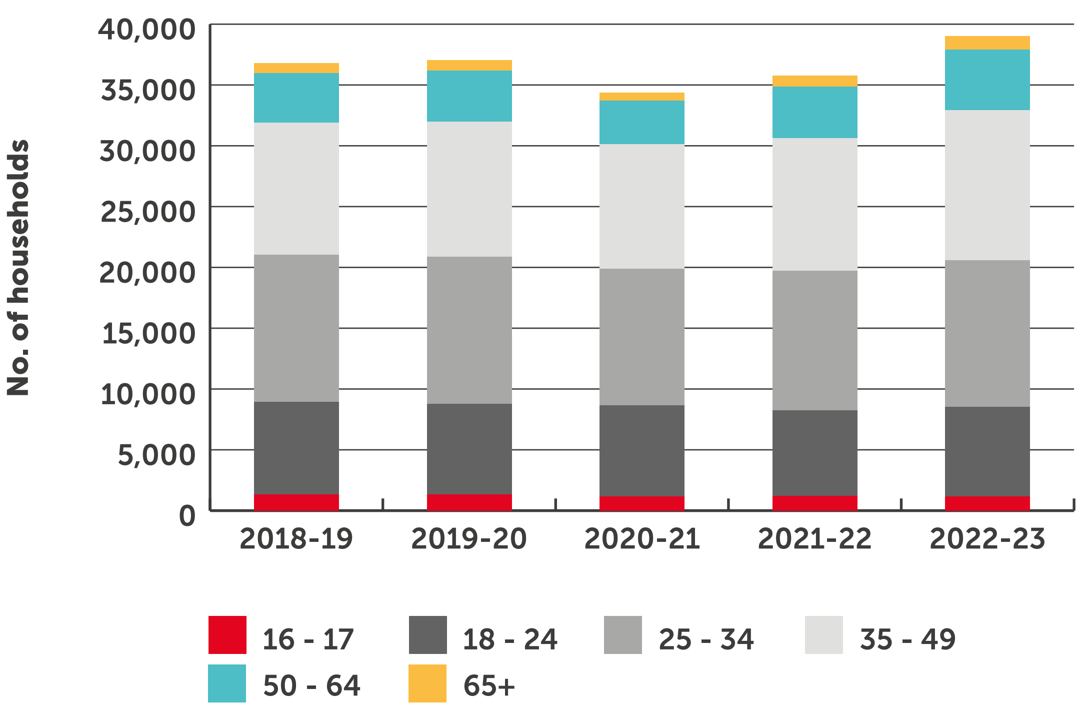
In relation to household type, single males have continued to account for almost half of all applicants (46% in 2022/23), with the next biggest groups being single females (21%) and female single parents (15%) (see Figure 4.7). While these groups remain quite small relative to the applicant population overall, applications from male single parent headed households grew by 24% in the period 2018-23, while the 'Other with children' group increased by 29%.

The period also saw a slightly disproportionate increase in presenting households where the main applicant was male (10%) rather than female (6%).

305 Home Office (2023) *Bridging accommodation exit and interim accommodation provision for the ACRS and ARAP: policy guidance.* Online: UK Government. https://www.gov.uk/government/publications/bridging-accommodation-exit-plans-for-resettled-afghans/bridging-accommodation-exit-for-the-afghan-citizens-resettlement-scheme-and-afghan-relocations-and-assistance-policy-policy-guidance

306 Bramley, G. & Fitzpatrick, S. (2018) 'Homelessness in the UK: who is most at risk?', *Housing Studies,* 33(1), 96-116, DOI: 10.1080/02673037.2017.1344957

Figure 4.6: Households presenting as homeless, 2018 to 2023:
a. Breakdown by age group of main applicant – nominal



Source: Scottish Government

b. Breakdown by age group of main applicant – indexed to 2018/19

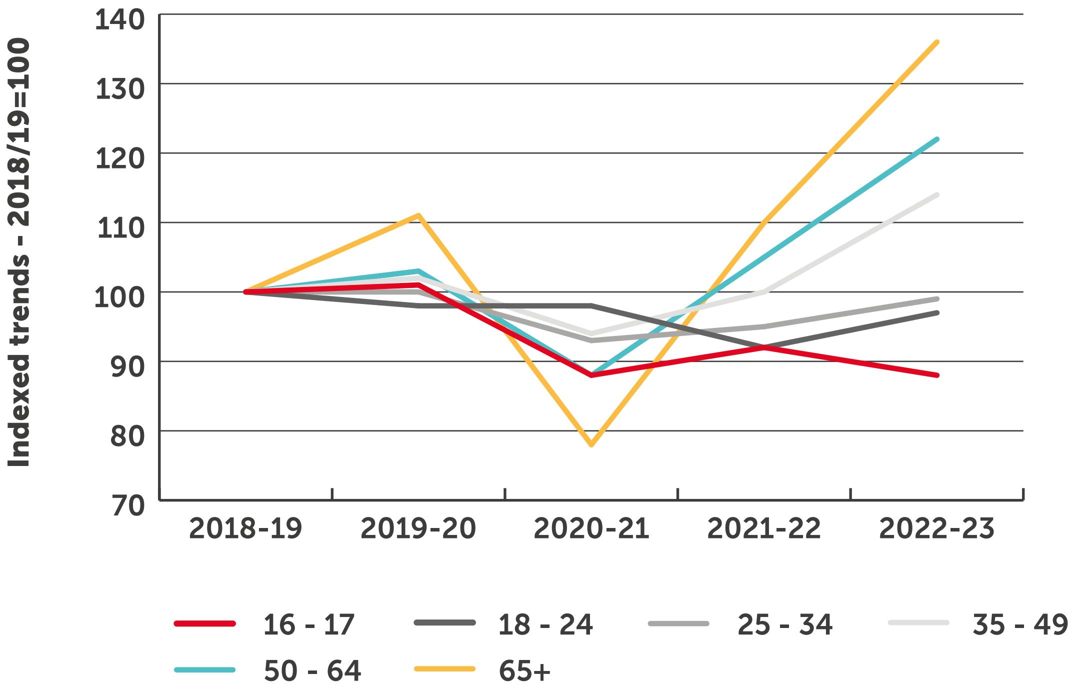
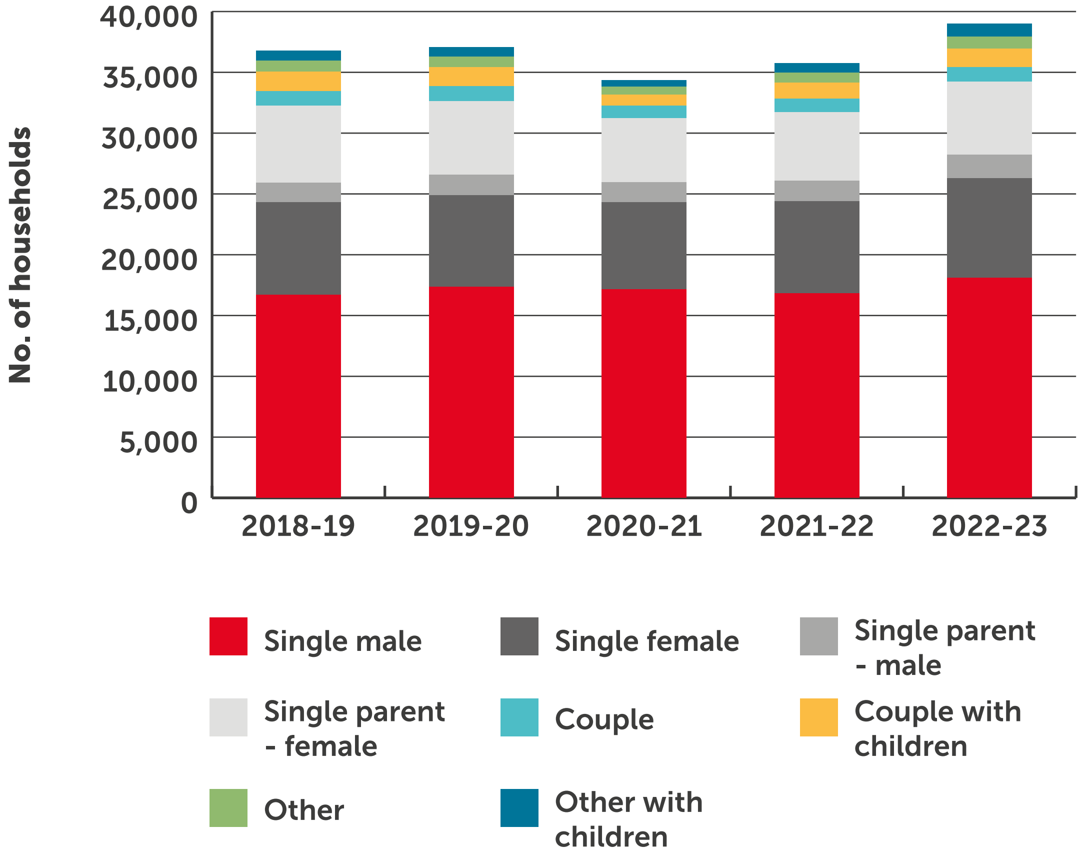


Figure 4.7: Households presenting as homeless, 2018 to 2023: breakdown by household type – nominal



Source: Scottish Government

Our LA survey gives a complimentary insight into changing demand for assistance from different groups. Asked about their perceptions of changes in demand during 2022/23, a majority of LA areas reported increases in approaches for help from families with children (21 of 30), single people aged 25 and over (17 of 30) and young single people aged 16-24 (15 of 30). Increased demand from families was linked to the cumulative strain placed on household finances and relationships by the COVID-19 pandemic and cost-of-living crisis, whereas for single and young people, Local Housing Allowance caps and the Shared Accommodation Rate in particular were identified as restricting people's ability to access and sustain accommodation in the PRS. In the case of young people specifically, LAs also highlighted the immense challenges associated with lower rates of UC for this group and the impact of benefit sanctions. Looking ahead, three quarters of LAs (22 of 30) anticipate increased demand from families with children during 2023/24.

4.6 Temporary accommodation placements

Prior to COVID-19, total TA placements had been running at largely stable levels of 10-11,000 for the decade to 2019 (see Figure 4.8(a)). These levels of TA use reflected sizeable historic increases, up from around 4,000 households in 2002. This followed the expansion of temporary and settled rehousing entitlements initiated in the early 2000s and fully implemented in 2012 on completion of the phasing out of the 'priority need' criterion.[307]

During the height of the pandemic and subsequently, however, TA placements have escalated sharply. As shown in Figure 8.3(a), these grew from 11,665 to 15,060 between 31 March 2020 and 31 March 2023 – a 29% increase. Moreover, the number of children in TA rose 10% in the year to 31 March 2023 to stand at its highest level on record (9,595). As shown in Figure 4.8(b), certain forms of placement expanded in number especially rapidly. More than a third of the increase during the period was accounted for by the 'Other' category – a form of accommodation which more than doubled from 2018 to 2023 from 1,502 to 3,545 placements. This may reflect improved recording of privately leased properties and/or the upgrading and recategorisation of B&B accommodation into the 'other' category in Edinburgh in particular.[308] It is notable that Edinburgh's 'other TA' placements increased by 395 (20%) in the year to 31 March 2023.

B&B hotel placements grew by 45% between 2018 and 2023 (from 1,215 to 1,765 households), with a 39% increase in 2022/23 alone (see Figure 8.3(b)). For this form of accommodation, the increase in placements since the start of the pandemic is even more dramatic, with placements up from 789 on 31 March 2020 to 1,765 on 31 March 2023 – an increase of 124%. LAs generally seek to restrict the use of B&B hotels to placements of relatively short duration, and to minimise its use for family households. Thus, of the 1,765 placements on 31 March 2023, 85 (5%) involved families including a pregnant woman and/or children. On 31 March 2020 the equivalent figures were just five such B&B placements equating to under 1% of the national total at that time.

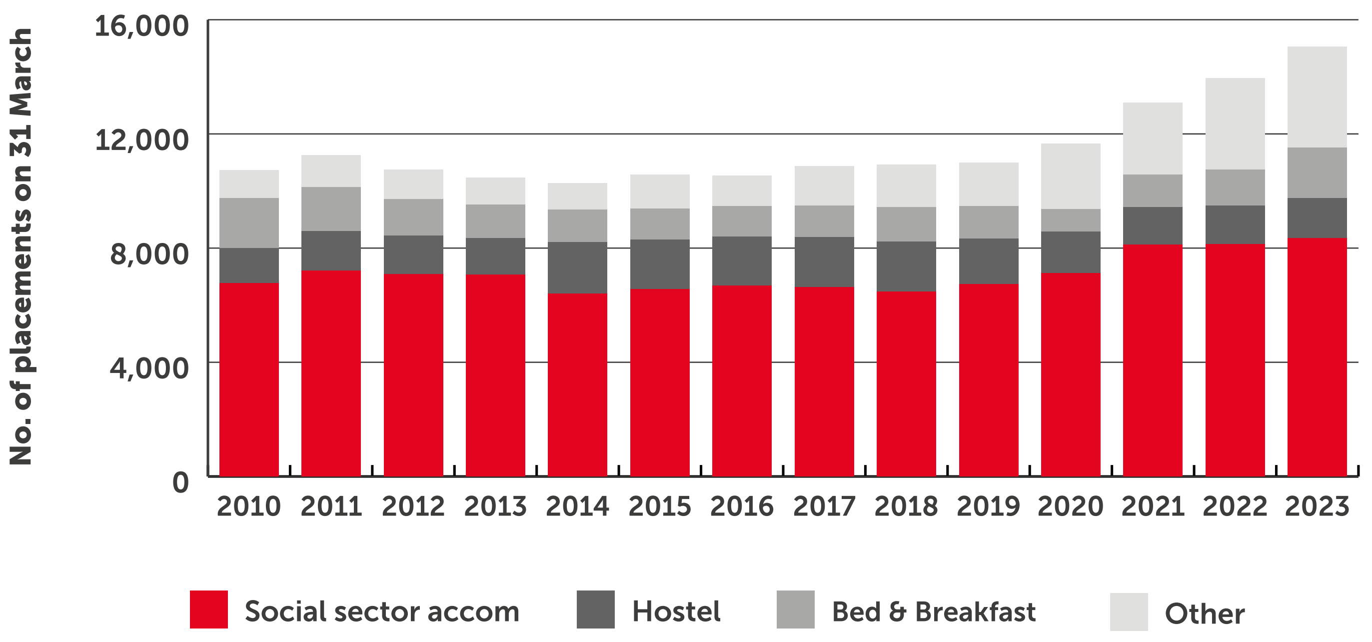
TA placements have also been growing in duration. The average length of stay for cases closed in 2022/23 was 223 days, up from 183 days in 2019/20 – an increase of 40 days, or 22%. Equally, lengths of stay vary greatly by type of TA and by LA. Among households whose cases were closed in 2022/23, average national duration in B&B hotels was 43 days while the equivalent figures for housing association stock used as such on a short-term basis, and for private leased dwellings were 223 days and 248 days, respectively. At the same time, among those whose cases were closed in 2022/23 by Highland Council, the average duration of B&B placements was 427 days, while East Lothian's equivalent figure was 97 days.

Reflecting these pressures combined with legal changes detailed in chapter 3, there has been a dramatic increase in the numbers of TA placements in breach of the UAO (see Figure 4.9). Quarterly breaches escalated sharply in late 2021, when legal changes expending the scope of the Order from families with children to all household types came into force. It is less clear what has driven the further and large increase in breaches recorded in quarter 4 of 2022/23. The breaches shown in Figure 4.9 are highly concentrated in a small number of authorities. For example, among the 3,525 breaches in 2022/23, more than half involved City of Edinburgh Council (42% of national total) and West Lothian Council (14%).

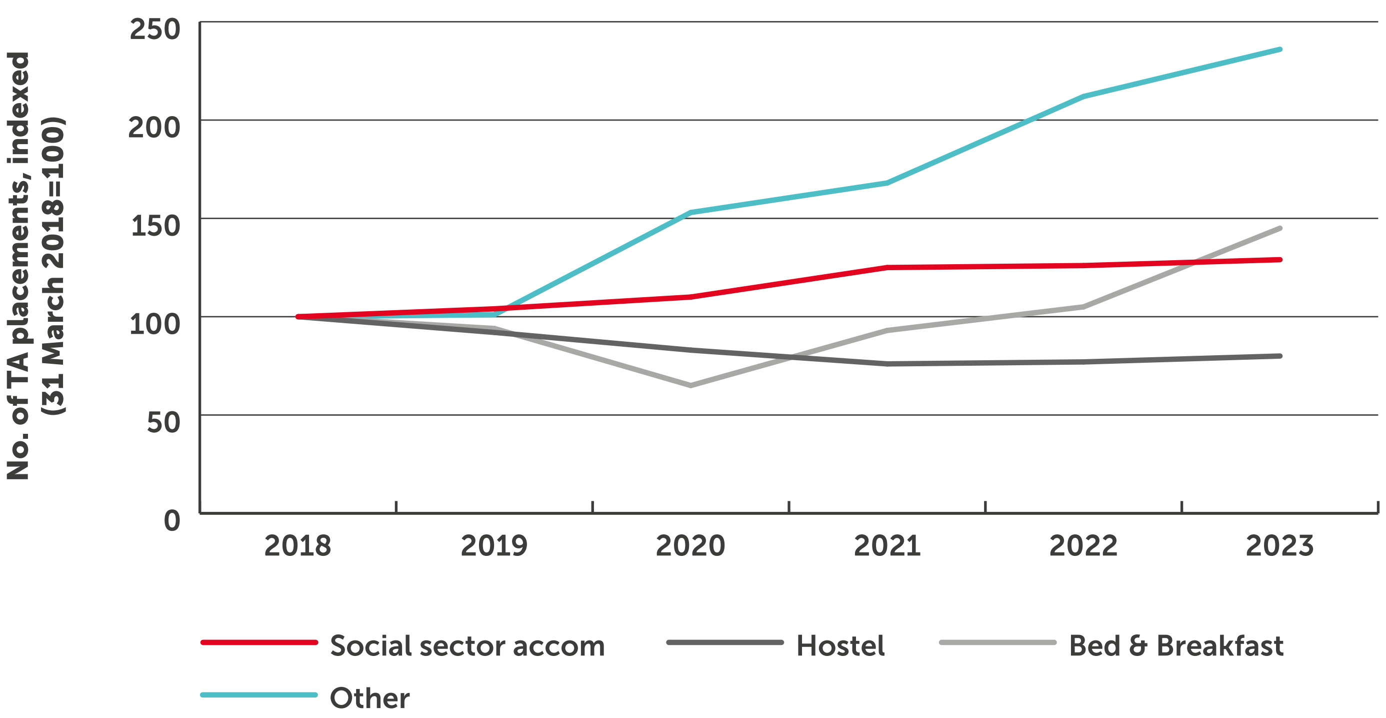
307 Fitzpatrick, S., Pawson, H., Bramley, G., Watts, B., Wood, J., Stephens, M. & Blenkinsopp, J. (2019) *The Homelessness Monitor: Scotland 2019*. London: Crisis. https://www.crisis.org.uk/media/240002/the_homelessness_monitor_scotland_2019.pdf

308 Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H. & Young, G. (2021) *The Homelessness Monitor: Scotland 2021*. London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2021/

Figure 4.8: Homeless households in temporary accommodation:
a. Snapshot total at financial year end – nominal

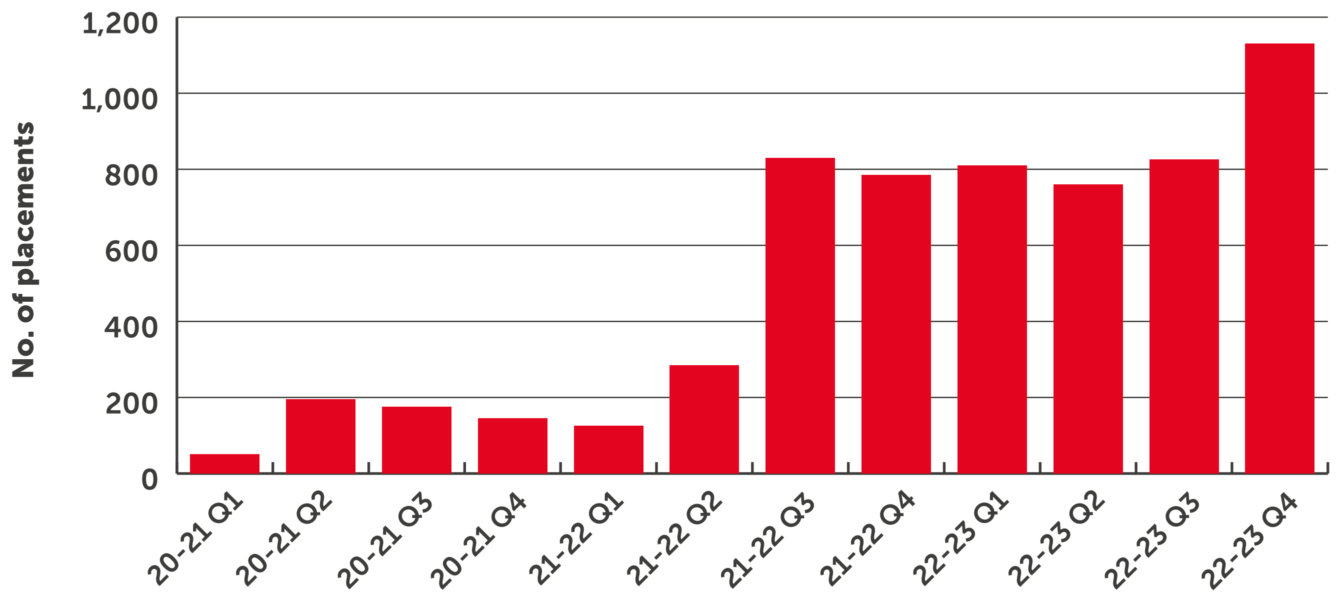


b. Snapshot total at financial year end – indexed to 31 March 2018



Source: Scottish Government

Figure 4.9: Breaches of Unsuitable Accommodation Order – number of non-compliant placements



Source: Scottish Government

These increases in the number and duration of TA placements, including in forms of accommodation deemed unsuitable, have occurred during a period when reducing reliance on TA and improving standards within it has been a central focus of homelessness policy (see chapter 3), and it is worth noting that without this rapid rehousing policy focus (and associated financial support) in place, the scale of these upward trends in TA use may have been even greater. In this context, it is especially important to understand the drivers of the trends 'in the wrong direction'. Moreover, it is clear from key stakeholder interviews, that the current levels of TA usage and reliance on unsuitable forms of TA are acutely challenging for the sector, with indications that this is damaging morale:

"part of the worry and anxiety that I think all of us share is this is out of control. It's not something we are controlling or being proactive about. It's fighting fires. That's quite a demoralising position to be in where you really want to help as many people as you can, but you can't"
(Statutory sector key informant)

"The use of bed and breakfast and hotels is just horrific. It really is. Having got down to much lower levels, to be back up and climbing at the rate that we are, in the main cities in particular... that's a massive concern."
(Voluntary sector key informant)

"It's gutting to have a number that's the biggest ever... even if rationally we can understand what it is it's telling us."
(Voluntary sector key informant)

Endorsing the Scottish Housing Regulator's identification of a risk of 'systemic failure' in homelessness services,[309] one urban authority commented:

> **"if we define systemic failure as failures to accommodate, yes, we're at risk of that. We're doing that. If we define it as having significant numbers of people in unsuitable accommodation, absolutely. If we define it as people staying in temporary accommodation for a period of time that is longer than temporary, yes… for all those reasons… we're absolutely at risk of systemic failure."**
> (Statutory sector key informant)

Those we spoke to were clear that the main driver of these historically high levels of TA use was reduced 'flow' through the system during the COVID-19 pandemic as the housing system slowed 'to a standstill' and the build-up of a large 'backlog' of open cases and households residing in TA as a result. A number of additional and inter-related factors have compounded the impact of this, including Brexit, the cost-of-living crisis, the war in Ukraine and increasing challenges accessing private rented sector accommodation (see below). While key stakeholders were clear that the primary challenge was not the increasing levels of applications and 'assessed as homeless' cases seen over the last two years (see section 4.3), but rather the flow through the system, this increased demand will not have helped matters. Combined, these factors have driven up demand for housing at the same time as increasing the cost of construction, radically constraining LAs ability to effectively bring down the backlog of households stuck in TA:

> **"during the pandemic, the market came to a standstill almost, so people weren't moving on and it led to a huge backlog. Then we've had other things that have compounded the situation - Brexit, a cost of living crisis, a war in Ukraine - all of these have added to the pressures, increased costs of labour, of construction materials… So, that's made it harder for councils to deal with the backlog of people waiting for settled accommodation that built up during the pandemic period. So, what we're hearing from councils now is it's a really, really tough environment for them."**
> (Statutory sector key informant)

> **"[the high number of households in TA] isn't [primarily] to do with overall presentations. It's to do with open applications, and that is significantly important because it speaks to the period… that has followed the pandemic… [of] a kind of slowing of housing systems … [and how] quickly houses were turned over during the pandemic. That, right through to house building and everything in between. It has meant that system as we understand it, of people becoming homeless and then being settled, that bit in the middle swelled in terms of the number of people in temporary places."**
> (Voluntary sector key informant)

Stakeholders in Scotland's main cities added that the numbers in TA, and in particular reliance on unsuitable B&B hotel accommodation, has also been influenced by the post-pandemic focus on maintaining gains on levels of rough sleeping:

> **"the number of chronic rough sleepers [is] down significantly. It has meant that the numbers of people in temp and particularly unsuitable temp have climbed exponentially… that expansion of temporary accommodation has come because it's driven by that, trying to maintain those low numbers."**
> (Voluntary sector key informant)

Addressing these drivers of unprecedented TA use will therefore require focused efforts to increase the flow of homeless households into settled accommodation (see section 4.7 below), but may also be assisted by proposed legal changes that seek to enhance the ability of LAs and other public bodies to prevent homelessness occurring in the first place (see chapter 3). Focusing on the specific issue of the number of individuals in unsuitable B&B hotel accommodation, including those with complex needs, this key informant identified the need not just for enhanced access to settled housing, but also for assertive action to close specific hotels altogether, alongside the provision of permanent supported accommodation (including Housing First) suitable for households with multiple and complex support needs:

> **"unless we… have some transitional support to get from where we're at just now to where we want to be… That's both capital and revenue, with some clear targets attached to that in terms of reductions, active reduction, and closure of hotels… rather than this fluctuating up and down, and only supported environments remain after that… – [because] it's the lack of 24-hour support in a lot of these environments … that's causing quite a lot of challenge and risk – [I] can't see us getting anywhere."**
> (Voluntary sector key informant)

4.7 Rehousing outcomes

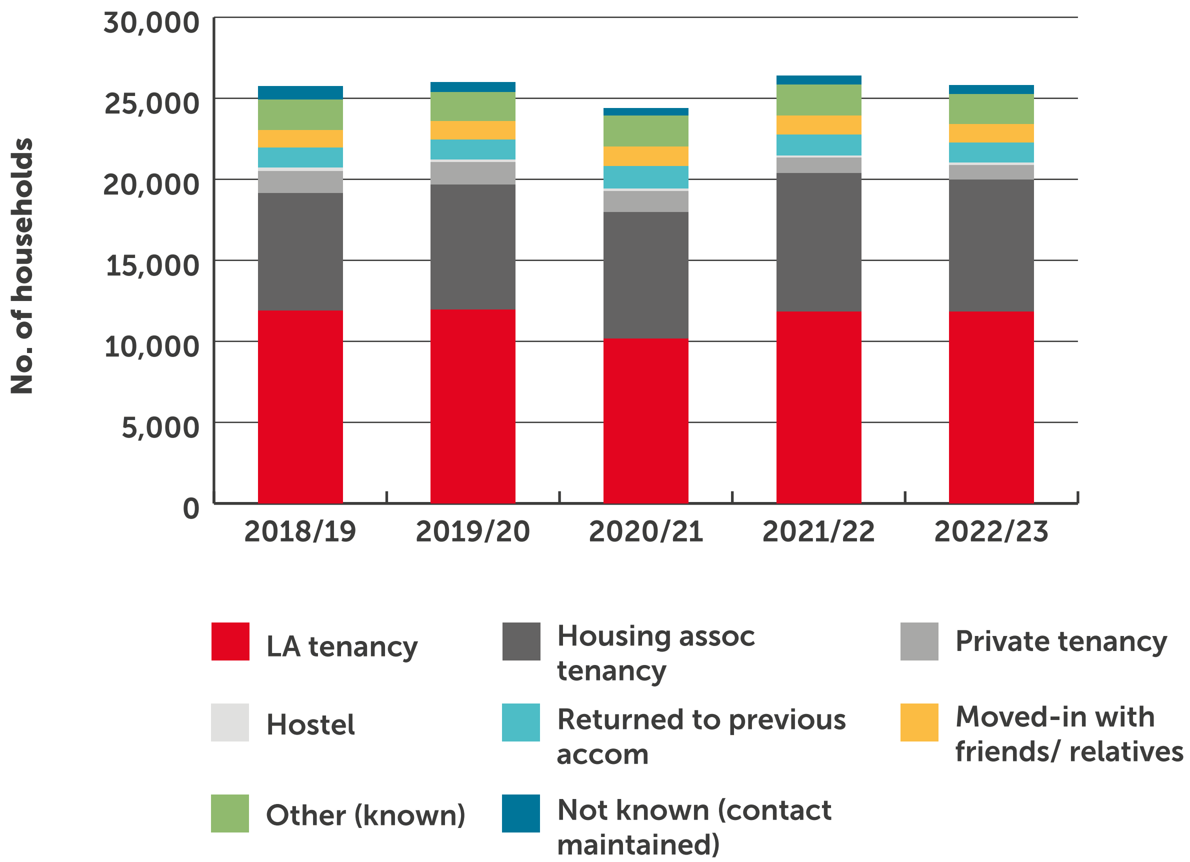
Historically and in the most recent period, the vast majority of those accepted as homeless in Scotland are ultimately rehoused in a social tenancy. Within the cohort of applications closed in 2022/23, this was true for 78% of cases (20,018 of 27,914). As shown in Figure 4.10(a), a small number of case closures involve private tenancies. Leaving aside those for whom outcomes remain unknown, relatively small numbers of cases being closed each year also relate to housing outcomes that do not constitute new 'settled accommodation' – i.e. hostel placements, and cases where the applicant returns to their previous accommodation or moves in with relatives.

Analysed in terms of change over time (see Figure 4.10(b)), perhaps the most significant trend is the notable reduction in private tenancy case closures – already only 5% of the total in 2018/19, but substantially reduced to just 3% by 2022/23. Indeed, the vast majority of LA survey respondents reported a contraction in the availability of or access to private rented accommodation for homeless households (see Figure 4.11).

Based on analysis elsewhere in this report, the likely drivers of reduced rehousing of homeless households into the PRS are disinvestment of private landlords from the market (meaning that fewer properties are available) and issues intensifying the challenge of households being able to access the PRS, including the impact of the cost-of-living crisis on people's capacity to afford private rents, in the long-term context of inadequate LHA rates. The trend is especially concerning at a time when the vast majority of LA survey respondents (25 of 30) agree or strongly agree with the statement 'More use should be made of private tenancies in preventing/alleviating homelessness in my area', and when the imperative to increase the flow of households out of TA has arguably never been higher.

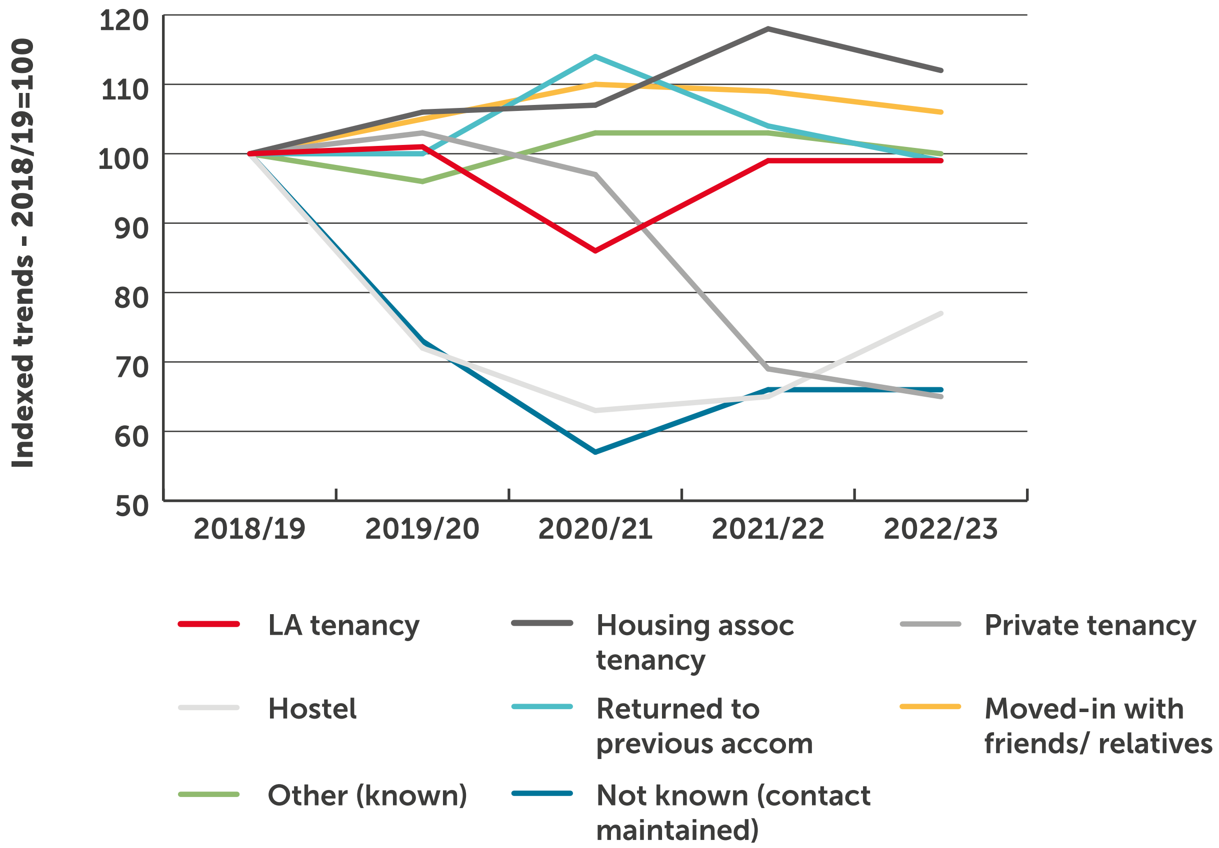
309 See chapter 3 and Scottish Housing Regulator (2023) *Homelessness services in Scotland A thematic review.* Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/national-reports/thematic-work/homelessness-services-in-scotland-a-thematic-review-february-2023

Figure 4.10: Households assessed as unintentionally homeless or threatened with homelessness where cases closed in year (where contact maintained)
a. Rehousing outcomes – nominal



Source: Scottish Government. Note: Lost contacts for unintentionally homeless households with cases closed equated to 8% of outcomes in 2022/23.

b. Rehousing outcomes – indexed to 2018/19



Source: Scottish Government. Note: Lost contacts for unintentionally homeless households with cases closed equated to 8% of outcomes in 2022/23.

In contrast to these PRS related trends, there has been a slight increase in case closures into social housing since 2018/19 (from 74% in this base year to 77% in 2022/3), largely accounted for by a steady increase in the proportion of cases closed into housing association tenancies in the four years to 2021/2. By comparison, the proportion of cases closed into LA tenancies was around the same at the beginning and end of this 5-year period, with the dip in 2020/21 (see Figure 4.10(b)) reflecting the impact of the pandemic on void turnarounds and allocations.[310]

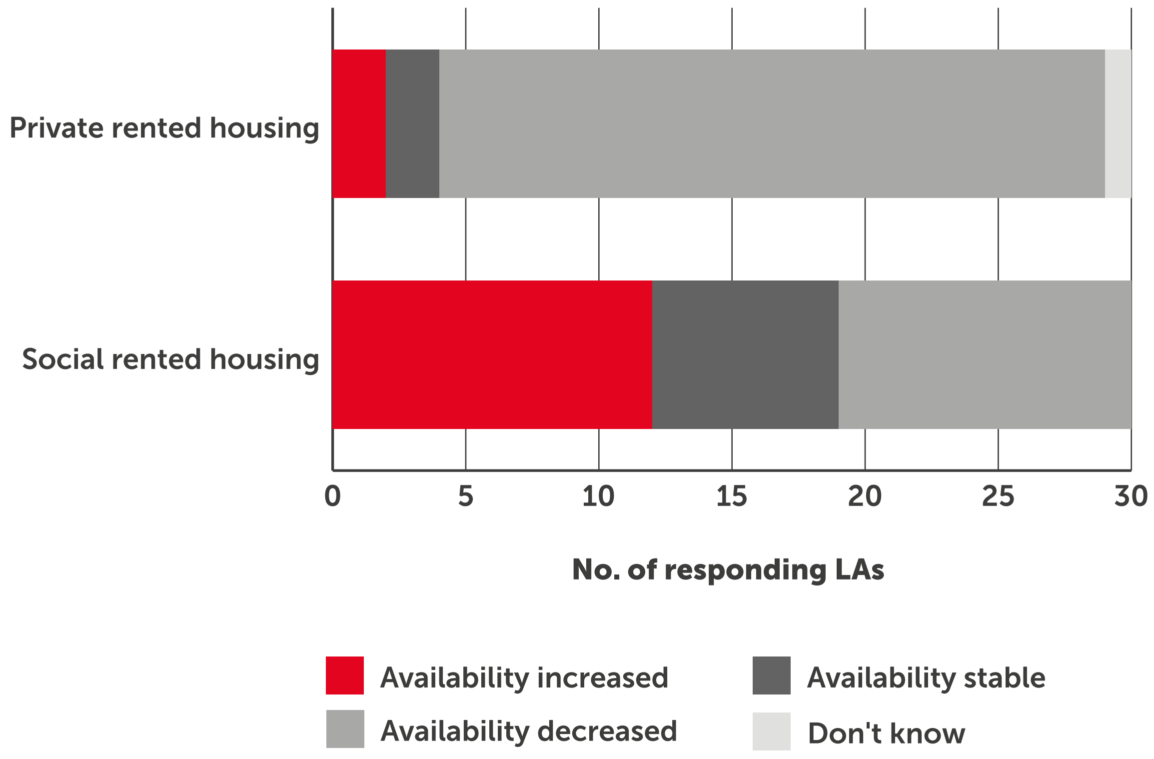
Figures reported in chapter 2 show an increase in the proportion of social lets allocated to homeless households between 2017/18 and 2020/21 - an explicit aim of the Ending Homelessness Together Action Plan. Commenting on the most recent year (2022/23), LA survey responses indicated a mixed picture in terms of changes in the availability of and access to social rented homes for homeless households, with similar numbers reporting an increase (12) and decrease (11) in such availability (see Figure 4.11).

310 As reported in chapter 2, the proportion of lets to homeless households remains far higher among LAs than housing associations.

The scale of increases in the proportion of lets to homeless households to date has been far from sufficient to curtail ongoing rises in the number of households in TA and, indeed, two thirds of LA survey respondents were of the view that social housing allocations to homeless households in their area are not high enough. At the same time, half of LA respondents agreed with the statement that 'the level of social housing allocations to homeless households is making it difficult to house others in housing need in my area' (see table A2.12, appendix 2). A number also voiced concerns that applying as homeless was increasingly being seen as the only route to social housing in their area. Similarly, while some key informants saw increasing allocations to homeless households as 'extremely positive' (Voluntary sector key informant), even 'a no brainer' (Voluntary sector key informant) in the current context, it was also clear that pursuing this approach over the long term is unlikely to be politically sustainable or fair to others in housing need:

> **"in an ideal world, absolutely, you want allocations policies which are set to deliver mixed communities… but if you're sitting in a housing emergency, I think there's an argument which says for the next couple of years, we're going to have to change that."**
> (Voluntary sector key informant)

Figure 4.11: Perceived change in the availability of, or access to, rented housing for those experiencing homelessness in 2022/23



Source: Authors' survey

"If there's a sense that the only way to get a home is to be homeless then the system breaks down… we need to ensure that allocation is done in that fair and a pragmatic and a thoughtful way that those who are homeless are able to absolutely access homes but those who have a home but their home was inappropriate for them for a multitude of reasons are also able to do it and in a reasonable timeframe. If we want to meet both those targets then that just means more homes"
(Housing sector key informant)

Core homelessness

5. Core homelessness numbers and projections

Key points

In 2022, overall core homelessness in Scotland stood at 18,400 households, with the overall scale of core homelessness having risen by 11% (1,800) from 2020, after a period of relative stability before that.

Rates of core homelessness in Scotland are lower than rates in England, by around 28%. Within Scotland rates are generally higher and have tended to increase in the main city regions of the central belt, while rates are lower and tend to have fallen in other sub-regions including the more rural and north-easterly parts of the country.

It is predicted that core homelessness will rise by 24% (4,300 extra households) by 2024 and by 33% (6,100) by 2026 with the continuance of expected economic conditions and current policies. Factors driving this increase include housing market pressures, a cost-of-living crisis, fixed LHA rates, high levels of migration, low levels of social rented lettings and weak economic performance.

Ten different policy mechanisms or changes were tested for their impacts on core homelessness, individually and in combination, using the projection model, looking at short, medium and longer time horizons. In the shorter term, the most effective policies for reducing core homelessness would be increased prevention, raising the LHA, rapid rehousing with increased allocations for core homeless, and large increases in welfare benefit levels and associated measures to reduce destitution.

In the longer term, the largest projected impacts on reducing core homelessness, in addition to the above prevention, LHA and welfare measures, would include a targeted increase in social housing supply. In the medium term, successfully eliminating most unsuitable TA and ramping up of Housing First provision over the coming 8 years would make further significant contributions.

A comprehensive programme of the recommended measures is shown to be capable of reducing core homelessness by up to 56% by 2026, compared with what it would have been without any change in policies. Such a scenario may be unlikely to be fully realisable on this timescale given

Table 5.1: Core homelessness categories and definitions

Category	Description
Rough Sleeping	Sleeping in the open e.g. in streets, parks, carparks, doorways
Unconventional Accommodation	Sleeping in places/spaces not intended as normal residential accommodation, e.g. cars, vans, lorries, caravans/motor home, tents, boats, sheds, garages, industrial/commercial premises
Hostels etc.	Communal emergency and TA primarily targeted at people who are homeless including hostels, refuges, shelters and some special COVID-19 provision
Unsuitable Temporary Accommodation	Homeless households placed in TA of certain types, viz Bed and Breakfast (including hotels with shared facilities), Private Non-self-contained Licensed/Nightly Let, and Out of Area Placements[311]
Sofa Surfing	Individuals or family groups staying temporarily (expecting or wanting to move) with another household, excluding nondependent children of host household and students, who are also overcrowded on the bedroom standard; from 2023 this also includes cases where individuals or groups stay temporarily with another household when they would otherwise have been homeless.

fiscal constraints and other challenges identified in earlier chapters of this report. Nevertheless, this scenario could see core homelessness 57% below the level of 2020. Furthermore, unsuitable TA would be down by 96%, rough sleeping would be reduced by 51%, hostels by 59%, and sofa surfing down by 39%.

5.1 Introduction

Having analysed statutory homelessness trends in Chapter 4, we now move on to examine homelessness from a different angle. This chapter presents updated[312] estimates of the level and composition of 'core homelessness' in Scotland in 2022 (section 5.2). It then presents updated forward projections[313] of core homelessness over the next two decades (section 5.3). Finally, this forecasting model is used to examine the impacts of a range of potential policy and practice changes on the likely level of core homelessness numbers, as well as key numbers in the wider statutory homelessness system (section 5.4).

311 This definition used for Core Homelessness since 2017 is broadly the same as the definition used in the Scottish Unsuitable Temporary Accommodation Order, but data limitations in Scottish statistical returns mean we can only make an approximate estimate of numbers. For details of the UTAO see https://homelessnetwork.scot/2021/05/28/5-minute-briefing-the-unsuitable-accommodation-order/#:~:text=It%20means%20that%20no%20household,occupation%20by%20a%20homeless%2-0household

312 Bramley, G. (2017) *Homelessness Projections: Core homelessness in Great Britain. Summary Report.* London: Crisis. https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf; Bramley, G. (2021) *Research on Core Homelessness and Homeless Projections: Technical Report on New Baseline Estimates and Scenario Projections for Scotland and Wales.* Edinburgh. Heriot-Watt University. https://researchportal.hw.ac.uk/en/publications/research-on-core-homelessness-and-homeless-projections-technical-

313 This model projects forward over 20 years numbers of households experiencing different forms of core homelessness, and related numbers within the statutory homeless system, based on an integrated set of conditional forecasts of key economic, demographic and housing market factors for sub-regions across Scotland and Great Britain.

The concept of core homelessness
The core homelessness concept was first introduced in research undertaken with Crisis in 2017.[314] Its components and their definitions as applied in this study are shown in Table 5.1 above.

The development of the core homelessness concept seeks to enable a robust measurement framework that overcomes limitations in traditional approaches to homelessness calibration used in the UK, and in particular on statutory homelessness statistics (which track only those people seeking LA homelessness assistance and who are eligible for it), and counts or estimates of rough sleeping. While both of these approaches are informative and important, they are also subject to shortcomings that limit their value for analytical purposes – including cross-country comparison (even within UK),[315] trend over time analysis and serving as a basis for projections on the possible future scale of homelessness. A full account of the background to and development of the core homelessness concept is provided in the 2021 Homelessness Monitor for England.[316]

There is substantial but far from complete overlap between core homelessness and statutory homelessness. We estimate that in round terms in Scotland, 35% of statutory homeless households are also core homeless, while around 50% of core homeless (including for example people staying in hostels) are also statutory homeless. Those accepted as statutory homeless and also core homeless include some people staying in hostels and most or all of those in unsuitable TA. Examples of statutory homeless households who are not counted as core homeless are those in self-contained TA and some cases treated as 'homeless at home' but not meeting our definition of sofa surfing. Examples of core homeless households who are not in the statutory numbers would include people sleeping rough or in unconventional accommodation and hostel residents who have not applied to the LA, as well as many/most sofa surfers.

314 Bramley, G. (2017) *Homelessness Projections: Core homelessness in Great Britain. Summary Report.* London: Crisis. https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf; and, Bramley, G. (2019) *Housing Supply Requirements across Great Britain for low-income households and homeless people. Main Technical Report of Research for Crisis and the National Housing Federation.* Refer to Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H. & Young, G. (2021) *The Homelessness Monitor: Scotland 2021.* London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2021/, and Bramley, G. (2021) *Research on Core Homelessness and Homeless Projections: Technical Report on New Baseline Estimates and Scenario Projections for Scotland and Wales.* Edinburgh. Heriot-Watt University. https://researchportal.hw.ac.uk/en/publications/research-on-core-homelessness-and-homeless-projections-technical-

315 Office for National Statistics (2019) *UK Homelessness: 2005 to 2018. Assessment of the comparability and coherence of existing UK government data sources on homelessness.* 17 September 2019. Online: ONS. https://www.ons.gov.uk/peoplepopulationandcommunity/housing/articles/ukhomelessness/2005to2018. Also, Watts, B., Bramley, G., Fitzpatrick, S., McMordie, L., Pawson, H. & Young, G. (2022) *The Homelessness Monitor: Great Britian 2022.* https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/about/the-homelessness-monitor-great-britain-2022/

316 Fitzpatrick, S., Watts, B., Pawson, H., Bramley, G. Wood, J., Stephens, M. & Blenkinsopp, J. (2021) *The Homelessness Monitor: England 2021.* London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2021/ See also, Bramley, G. (2021) *Research on Core Homelessness and Homeless Projections: Technical Report on New Baseline Estimates and Scenario Projections for Scotland and Wales.* Edinburgh. Heriot-Watt University. https://researchportal.hw.ac.uk/en/publications/research-on-core-homelessness-and-homeless-projections-technical-

Table 5.2: Summary of sources and assumptions for baseline snapshot estimates: Scotland 2022

Category of Core Homelessness	Central Estimate
Rough Sleeping	HL1 applicants slept rough in last 3-months, assuming 85% apply to LA & annual=1.8x 3 month; at local level averaged with Destitution survey/UKHLS composite model prediction of rough sleeping.
Unconventional Accommodation	Public Voice Survey predictive formula.*
Hostels etc. (incl shelters, refuges)	Average of: LA HL1 TA returns, adjusted for Destitution survey estimate of proportion applied to LA as homeless; and DWP Freedom of Information data on 76.3%[317] of 'short term emergency and transitional accom' cases claiming HB.
Unsuitable Temporary Accommodation	Average of LA HL1 return (counting half of 'other' category) and DWP Freedom of Information request on Housing Benefit claimants in relevant categories of TA.
Sofa Surfing	Average of SHS, Labour Force Survey (LFS) & 55% of composite model prediction of core homeless, where SHS and LFS estimates are adjusted for temporary residents based on English Housing Survey evidence.

Notes
* This formula for unconventional accommodation is mainly driven by other elements of core homelessness.
+ The adjustment for 'temporary residents' is based on analysis of Survey of English Housing 2017-19 data where a new question is asked about people having stayed temporarily with main households who would otherwise have been homeless (there is no equivalent data in Scotland); this group are not covered in conventional household surveys which omit temporary residents.

5.2 Core Homelessness estimates and trends

In this section we present evidence on the level of core homelessness in Scotland, on a typical day in 2022.[318] The estimates of core homelessness in the base period (2022) draw on nine data sources overall. Most components triangulate two or more data sources, helping to address variations in statistical robustness in terms of coverage, definitions used and sample sizes applying to any single measure. The methods, sources and assumptions used to estimate numbers in each category of core homelessness are summarised in Table 5.2. More details on the datasets and weightings given to each component are provided in Appendix 3 with further background in the 2021 Technical Report.[319]

In updating the estimates for 2022 we have taken account of:

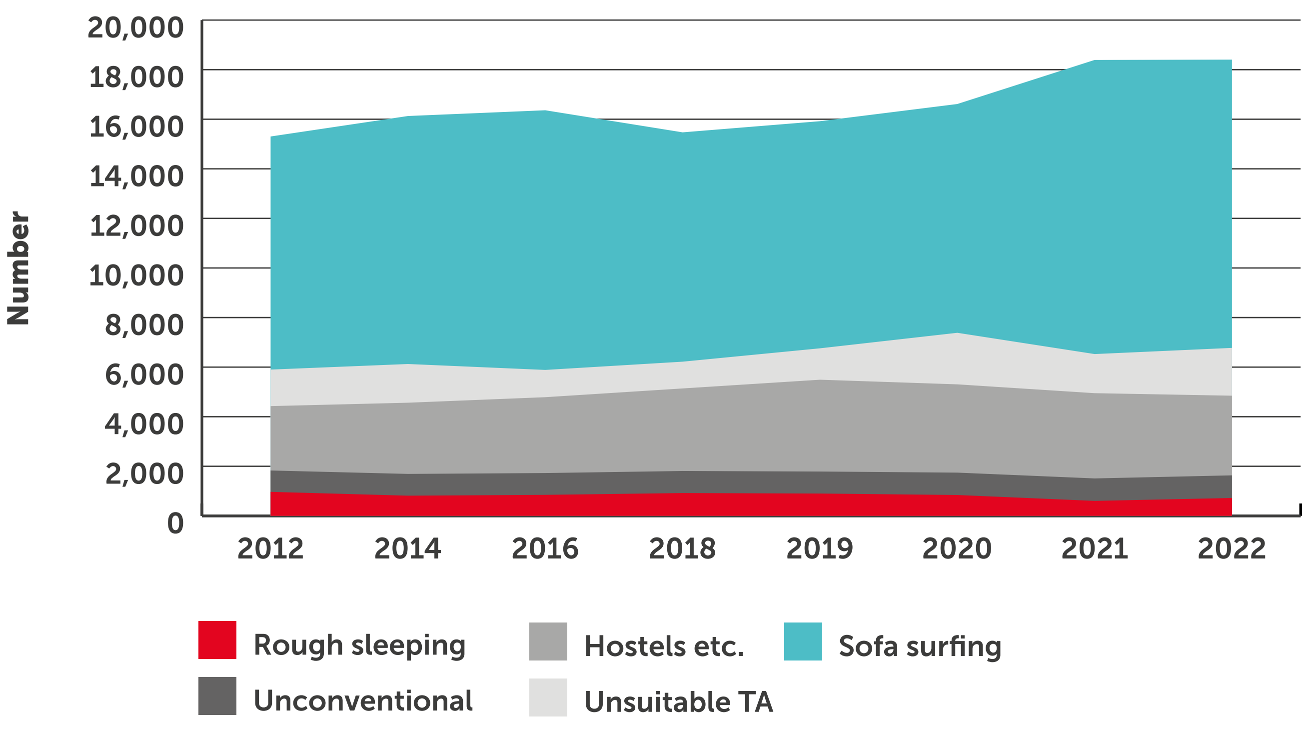
- Local authority statistical returns (HL1) counting and profiling households engaging with the statutory homeless system, including flows of applicants and stocks of households in TA, as well as prevention activity;
- Destitution in the UK 2019 and 2022 surveys of users of crisis services;
- Additional data on the incidence and duration of different kinds of homelessness experience in last two years or ever, based on Kantar Public Voice survey of a representative sample of UK adults in 2020, including a new approach to estimating the scale of unconventional accommodation asking detailed questions about specific forms of this experienced in last 2 years and ever;
- DWP Freedom of Information dataset on HB cases in short-term, emergency or transitional[320] accommodation, including a new estimate of the scale of hostels etc. use, 2016-2022;
- An analysis of Scottish Household Survey (SHS) data to estimate sofa surfing (and also demographic drivers at local level) over the period 2010-18;
- A composite model-based prediction approach to rough sleeping and overall core homelessness, based on joining Destitution in UK and UK Household Longitudinal Study (UKHLS) datasets for a common set of variables and developing logistic regression models which can predict down to LA level;[321]
- Use of Labour Force Survey (LFS) data on concealed households to help make for more robust estimates of sofa surfing over time; this is also linked to estimates for the additional numbers of sofa surfers who are not usually resident household members, derived from English Housing Survey, but mapped to other UK countries using LFS.

Unfortunately, owing to the 1-year postponement of the census in Scotland we were unable to comprehensively update of a range of local level variables, unlike in England.

Figure 5.1 shows our central estimates of core homelessness in Scotland and its composition in terms of the five main categories. In 2022, the number of core homelessness households in Scotland was about 18,400, up from the relatively stable levels of around 16,000 seen until 2020. This recent upward trend mostly reflects increases in sofa surfing that are likely to reflect adverse economic and market conditions in terms of real incomes, rents and so forth associated with the cost-of-living crisis. The number of households in unsuitable TA also accounts for some of the recent rise, in part hotel accommodation provided during COVID-19 and more recently is likely to reflect the exceptional pressures facing LAs and discussed in earlier chapters. Use of hostel, refuge and shelter accommodation appeared to be on a downward trajectory (after increasing in the period to 2019), probably reflecting the unwinding of some special COVID-19 provision and then the initial impact of Housing First and other rapid rehousing initiatives.

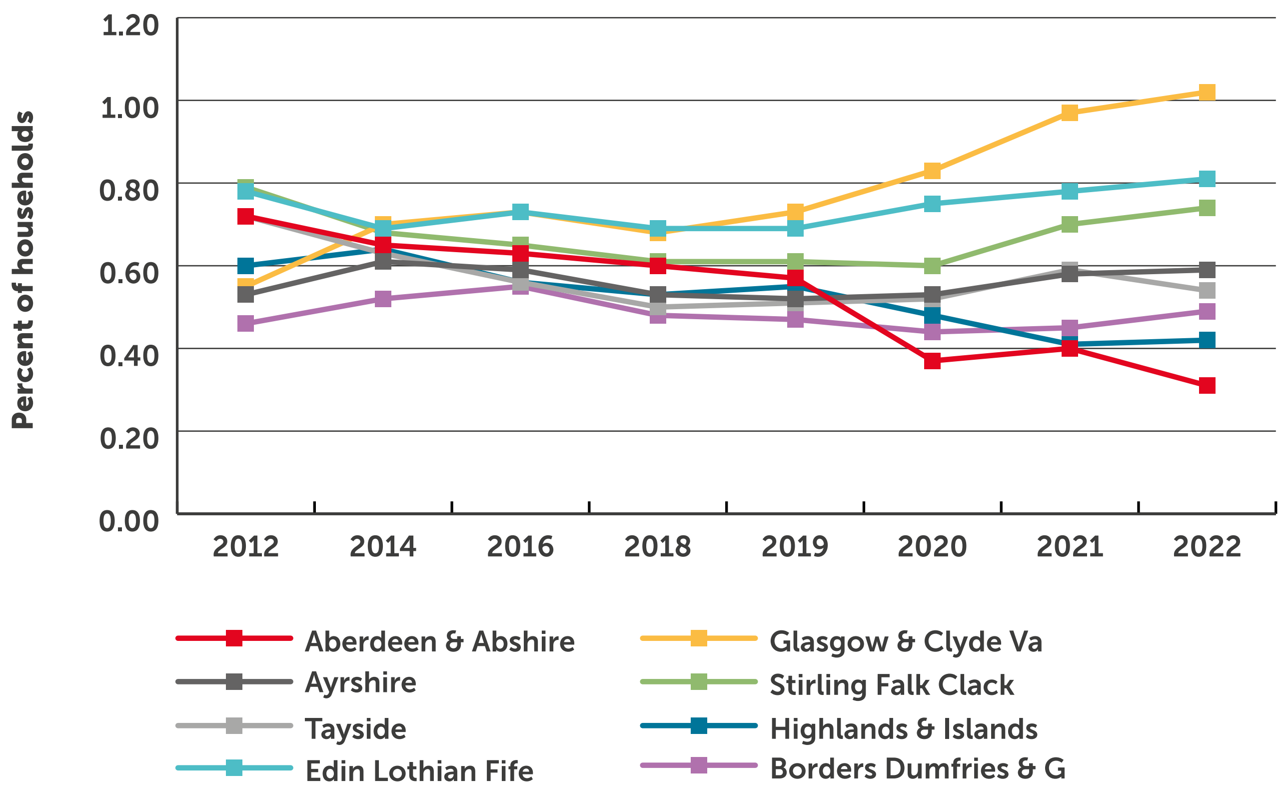
317 See Blood, I., Copeman, I. & Finlay, S. (2016) *Supported Accommodation Review: The Scale, Scope and Cost of the Supported Housing Sector. DWP Research Report No. 927.* Online: Department for Work and Pensions. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf, Footnote 11.
318 In general, all references to years should be taken to refer to Financial Years, April-March.
319 Bramley, G. (2021) *Research on Core Homelessness and Homeless Projections: Technical Report on New Baseline Estimates and Scenario Projections for Scotland and Wales*. Edinburgh. Heriot-Watt University. https://researchportal.hw.ac.uk/en/publications/research-on-core-homelessness-and-homeless-projections-technical-
320 Adjusted to exclude estimated numbers in certain transitional rehab-type facilities, based on Blood, I., Copeman, I. & Finlay, S. (2016) *Supported Accommodation Review: The Scale, Scope and Cost of the Supported Housing Sector. DWP Research Report No. 927.* Online: Department for Work and Pensions. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/572454/rr927-supported-accommodation-review.pdf
321 These particular models have been re-estimated using improved linked LA level data, following the general approach exemplified in Bramley & Fitzpatrick (2023) 'Capturing the neglected extremes of UK poverty: a composite modelling approach to destitution and food bank useage,' *Journal of Poverty and Social Justice*, 31(1), 5-26, 10.1332/175982721x16649700901023

Figure 5.1: Core Homeless household numbers by component, Scotland 2012 to 2022 (snapshot estimate at point in time)



Source: authors' estimates based on sources described in text above

Figure 5.2: Core homelessness rates per 100 households by sub-regions of Scotland, 2012 to 2019



Source: authors' estimates based on sources described in text above.

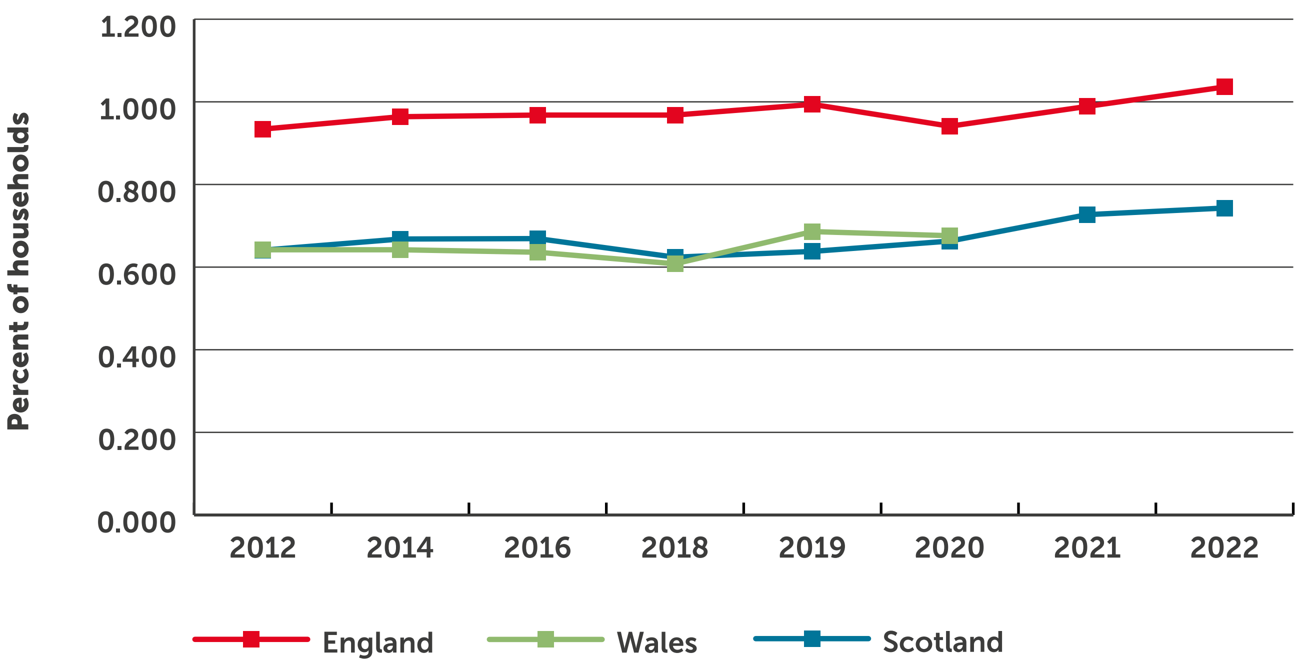
These estimates do not include households displaced from Ukraine since early 2022, some of whom have been accommodated temporarily in forms of accommodation that would count as unsuitable. According to the recent SOLACE report, 4,000 Ukrainians were in hotel or cruise ship accommodation during summer 2023,[322] and while the two cruise ships chartered have subsequently been disembarked (see chapter 3), large numbers of Ukrainian households, including children, remain in hotel accommodation. Including these numbers in our core homelessness estimates would radically increase our estimates of core homelessness during 2022 and going forward. It seems likely that a significant proportion of Ukrainian households will come to feature in the statutory homeless numbers in the immediate future, whether or not they have done to date,[323] as hosting arrangements or other rehousing offers to those in hotel accommodation break down or are not accepted. In the medium term, financial support to hosting households is scheduled to end in March 2024, while the standard visas issued to those feeling the conflict have only been for three years, so if the emergency continues for longer than that, major issues will arise in the coming period.[324] The overall population 'at risk' is approximately 25,000 persons or 15,000 households.[325]

An analysis of core homelessness rates by sub-region is shown in Figure 5.2.[326] Homelessness numbers in Scotland are dominated by the two city regions of the central belt, Glasgow and Clyde Valley and Edinburgh-Lothian-Fife region, with more rural and remote areas seeing lower rates. Up to 2019, these two regions had similar overall rates. Since then, both have seen rises in rates of core homelessness, although these have been steeper in Glasgow and the Clyde Valley. Forth Valley comes nearest to these levels of core homelessness and has also seen recent increases. Three regions have seen an overall drop in core homelessness rates, these being Aberdeen City & Shire, Tayside, and Highlands and Islands. Explanatory factors may include that the Aberdeen/shire economy experienced an

322 SOLACE (2023) *Housing in Scotland: Current Context and Preparing for the Future.* Online: Solace Scotland and ALACHO. https://solace.org.uk/housing-in-scotland/
323 Provisional data from LA returns suggested 275 Ukrainian households applied to Scottish local authorities as homeless in the year to March 2023.

324 See National Audit Office report, October 2023 *Investigation into the Homes for Ukraine scheme*, Department for Levelling Up, Housing and Communities and the Home Office, Session 2022-23, 17 October 2023, HC1863. Online: NAO. https://www.nao.org.uk/reports/investigation-into-the-homes-for-ukraine-scheme/
325 Scottish Government (2023) *Ukraine – A Warm Scots Future: policy position*. Online: Scottish Government. https://www.gov.scot/publications/warm-scots-future-policy-position-paper/
326 For the background to the regions used see Leishman, C., Gibb, K., Meen, G., O'Sullivan, T., Young, G., Chen, Y., Orr, A. and Wright, R. (2008) *Scottish model of housing supply and affordability: final report*, Edinburgh: Scottish Government. While it is possible to break the analysis down to LA level, margins of error given small sample sizes for some of the components mean we have more confidence reporting findings at the regional level.

Figure 5.3: Core Homelessness overall rates per 100 households in the three countries of Great Britain 2012 to 2022



Source: as for Figure 5.2 plus Watts et al (2022) *Homelessness Monitor GB* plus Fitzpatrick et al (2023) *Homelessness Monitor England*.
Note: rates for Wales are based on previous *Homelessness Monitor Wales 2021*, which have not been updated at time of writing.

economic downturn in much of this period relating to the oil price/industry, which reduced pressure on the housing market. The Highlands and Islands saw a sharp rise in rates of core homelessness to 2014-15, but these have since fallen back to the lower level.

We are also able to compare the relative intensity of core homelessness, and trends over time, in Scotland to elsewhere in GB, as shown in Figure 5.3. This shows clearly that England has markedly higher core homelessness (1.04%) than both Scotland (0.74%) and Wales (0.68% in the latest available estimate, for 2020). This reflects the different housing market situation across the GB nations, but also to some extent the implementation of different policy approaches over time. England has had consistently higher rates than both Scotland and Wales, with more of a consistent upward trend in the period, apart from 2020 when the 'Everyone In' initiative, responding to COVID-19, appeared to have a bigger impact. It should be noted that this analysis paints a markedly different picture of relative homelessness problems between Scotland and England than would be obtained from the statutory homelessness statistics, which show much higher homeless acceptances in Scotland. This illustrates the influence of the very different and more inclusive policy framework in Scotland, as well as the more favourable supply-demand situation in relation to social housing.

5.3 Introduction to projections of core homelessness

The purpose of the projections reported below is to examine future scenarios for the evolution of core homelessness and the potential impact of different policy options. This research builds on an existing modelling framework which has been used in a number of other research studies.[327] The model predicts levels of housing need and key homelessness numbers for subregional areas in England, Scotland and Wales with a major focus on time horizons of 2026, 2031 and 2041. In this round, improvements have been made to most parts of the forecasting model to take account of new data and to improve model properties. The impacts of the COVID-19 emergency and responses to it are baked into the base year (2022), as is the emerging cost-of-living crisis associated with the Ukraine war and its impact on energy and other prices. This has been a period of exceptional economic turbulence as a result of these and preceding events (including Brexit), which poses a challenge for forecasting. We reflect this challenge both by taking careful account of recent and short-medium term forecasts of economic variables at national level (drawing on a range of respected sources), but also by testing different economic scenarios.

Looking forward, ten variant policy packages have been tested by running the projection model forward over 19 years with each policy in place. These are all described in Table 5.3, discussed further below, but first we present a baseline scenario assuming continuance of existing policies and economic/demographic trends.

5.4 The baseline projections

Figure 5.4 shows our resulting new baseline estimates and projections by category for key years. We focus on 2022 as our new base year, on 2024 and 2026 to examine short-term trends and five yearly intervals thereafter, with 2041 representing the long run.

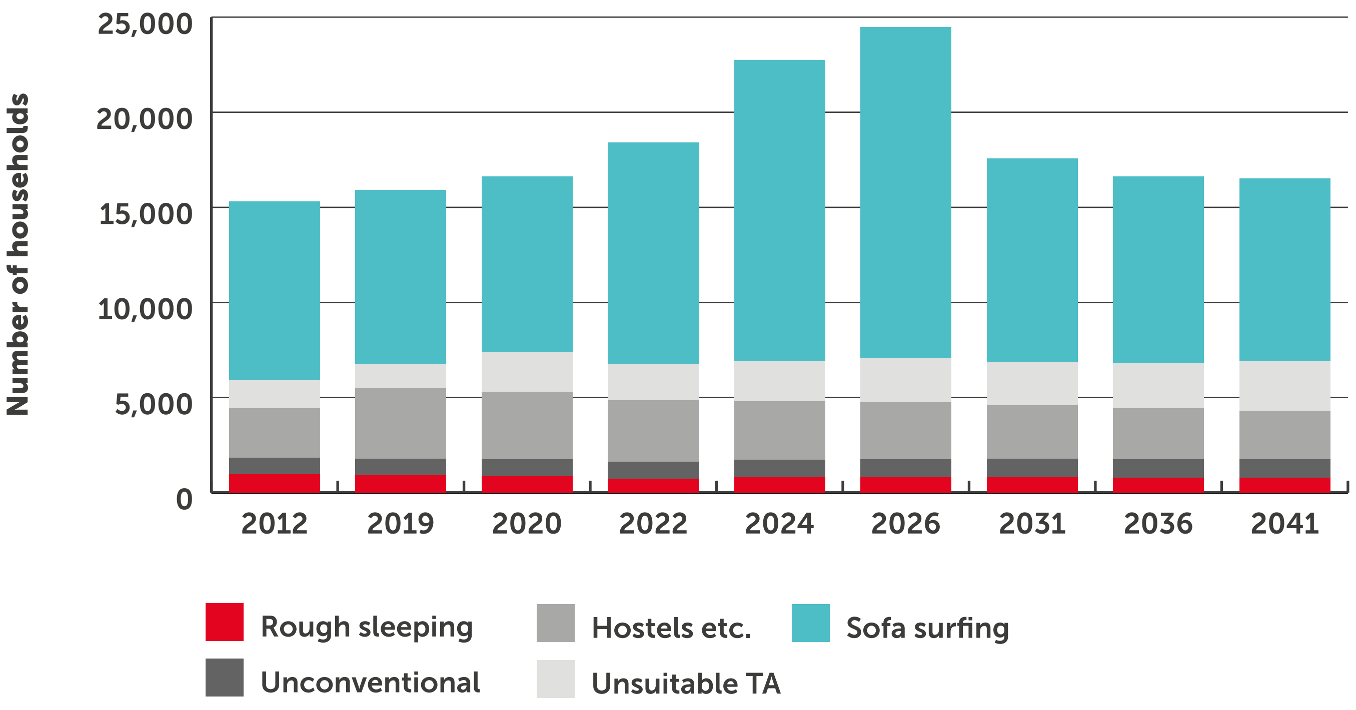
The model projects sharp increases in the relative short term (2024-2026), but then anticipates that overall numbers will fall back to a relatively stable level. This medium-run drop and subsequent stability contrast significantly with projections for England.[328] The shorter-run increases forecast nevertheless pose a pressing and immediate challenge to LAs. That being said, most of the increase in numbers is in the sofa surfing category, a problem that does not necessarily present as immediate demands on the LAs or some parts of the homelessness sector. Nevertheless, the rise in unsuitable TA is a real problem for LAs, when they are being asked to eliminate this form of accommodation completely, at a time when the supply of social lettings is at a low level.

A range of factors are driving these sharp projected rises in core homelessness, key among them a cost-of-living crisis affecting lower-income households particularly badly, reflected in record levels of foodbank demand and destitution, partly because the main working age benefits have only reflected inflation in arrears while wages lag behind prices. Pressures in the housing market are an

327 See in particular Bramley, G. & Watkins, D. (2016) 'Housebuilding, demographic change and affordability as outcomes of local planning decisions: exploring interactions using a sub-regional model of housing markets in England', *Progress in Planning*, 104, pp.1-35; Bramley, G. with Leishman, C., Cosgrove, P. and Watkins, D. (2016) *What Would Make a Difference? Modelling policy scenarios for tackling poverty in the UK*. https://pureapps2.hw.ac.uk/portal/files/10844984/Bramley_WhatWouldMakeaDifference_Report.pdf ; and Bramley, G. (2018) *Housing Supply Requirements across Great Britain for low income households and homeless people. Research Report for Crisis and the National Housing Federation. Main Technical Report*. Edinburgh. Heriot-Watt University. https://researchportal.hw.ac.uk/en/publications/housing-supply-requirements-across-great-britain-for-low-income-h .

328 Fitzpatrick, S., Bramley, G., McMordie, L., Pawson, H., Watts-Cobbe, B., Young, G. (2023) *The Homelessness Monitor: England 2023*. London: Crisis. https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2023/

Figure 5.4: Core homeless numbers by category under baseline scenario, Scotland 2012-2041.



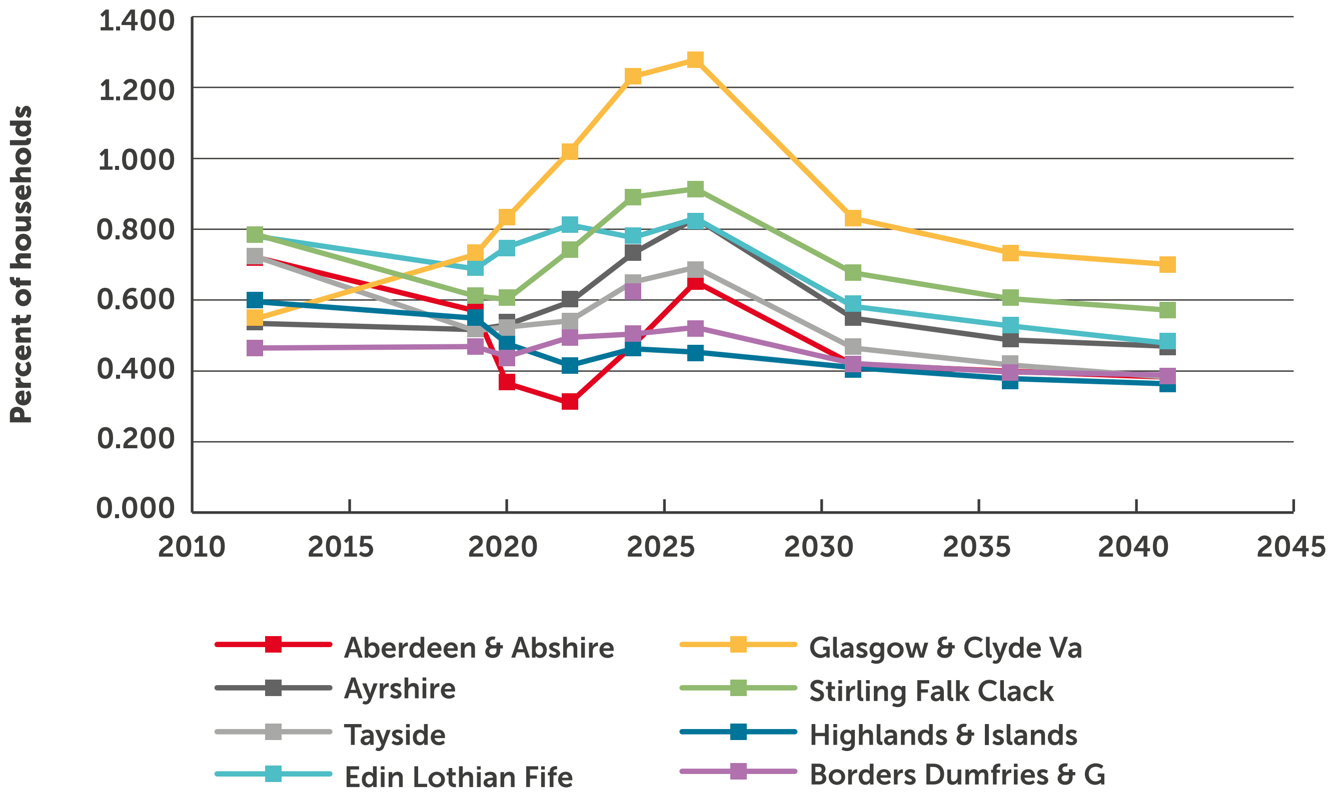
Source: Author's projection model based on data source as for Figure 5.2

important driver, including sharp rises in prices (until recently), interest rates and private rents (ongoing), running up against LHA rates fixed at 2019 levels in money terms. As discussed in chapter 2, levels of social rented sector lettings have dropped to a relatively low level and are predicted to remain low for a number of years. Additional pressures on housing are being brought to bear by unprecedented levels of in-migration, including special factors relating to Ukraine and Hong Kong and post-Covid catchup in student numbers, as well as ongoing labour migration and asylum issues. Finally, a relatively poorly performing Scottish economy is also resumed.

There remain considerable uncertainties in relation to some factors that may not be fully reflected in the modelling reported here. Those fleeing the war in Ukraine, for example, have been accommodated in a variety of ways and are understood to have largely not entered into the formal homelessness system yet, but this could change in the future as rehousing placements or hosting arrangements are not sustained. This is a key concern for LAs, as discussed in chapter 4. Additional uncertainty surrounds LA and housing associations' ability to deliver planned new-build social housing, with increasing difficulties reported (see chapter 2) which together with fiscal stringency may make ambitions for current or higher levels of social supply difficult to realise, although 'off-the-shelf' and private rented purchases might provide a partial substitute.

More positively, recent and substantial increases to the Scottish Child Payment are making a significant difference to child and family poverty. Our model suggests that this measure (if fully taken up and appropriately uprated) could reduce poverty (after housing costs), by 24% and bring

Figure 5.5: Sub-regional projected rates of core homelessness under baseline assumptions, Scotland 2012 to 2041



Source: As for Figure 5.4

the Scottish rate well below the English rate, while reducing core homelessness by around 15% over the medium to longer term. This is already baked into our baseline projection, which assumes that the Scottish Government maintains the real value of this payment over time. Housing First is now functioning at a respectable level and reducing the backlog of long-term people who have complex need and are homeless steadily, with a 21% reduction in hostel numbers shown in the baseline projection by 2041 as a result.[329] Scottish LAs already devote 50% of overall social lettings to homeless households and our baseline projection factors in a rise to 64% by 2041. However, the flip side of this is that social housing providers may become more wary about making greater allocations to core or statutory homeless households if that means neglecting other need groups such as older people, overcrowded households, or people with disabilities or health problems (see chapter 4).

Figure 5.5 shows the projected trajectories of core homelessness forward to 2041 by subregion. The most striking feature is the large increase to a uniquely high level by 2026 for Glasgow and Clyde Valley, followed by an almost equally large fall by the early 2030s. Most areas show a similar rise and fall, except

329 This baseline assumes a continuance of recent Housing First levels of provision of around 1000 units per year.

the most rural subregions (Highlands and Islands, Dumfries and Galloway), while it is noteworthy that Edinburgh-Lothian-Fife shows a much more modest rise from its already rather high level, while still falling in parallel with other areas. It seems on the face of it that poorer urban areas will see a big increase in the short run, probably driven by the cost-of-living crisis, while more affluent areas will be less affected.

5.5 Impacts of policy changes

This section considers the impacts of the policy scenarios described in table 5.3 below.

Some of these scenarios reflect current policy agendas in Scotland and/or across the UK, including proposals being actively implemented (e.g. rapid rehousing) or worked up (e.g. ending use of Unsuitable TA, enhanced prevention). Others are more hypothetical, in particular those increases in UC payment personal allowances and other welfare changes. There are some constraints on the ability of the model to provide forecasts of the impacts of some policies – for example we do not model the possible outcomes of anticipated introduction of new duties on a wide range of public sector bodies to prevent homelessness, though we are able to model enhanced homelessness prevention practice on the part of LAs.

Summary impacts are shown in Figure 5.6 below, which presents the percentage reductions in core homelessness, relative to the baseline projection, at key points in time for each policy considered in isolation. Most policies have an impact which builds up somewhat over time.

The policy with the biggest impact in the medium to long term and the second biggest in the short term would be raising Local Housing Allowance (LHA) to the median level and properly indexing it to rents.

The policy with the biggest short-term impact and second biggest in the medium and longer term is increased prevention – and note that for methodological reasons our modelling does not even include some of the ambitious wider measures to strengthen homelessness prevention proposed by the recent PRG and to be taken forward in some form in the forthcoming Housing Bill (see chapter 3). Introducing and effectively implementing these proposals could therefore lead to even greater gains. The next largest impact, similar in scale in the longer term, would be the effective elimination of most unsuitable TA, but this would take several years to be realistically implemented. A large increase in working age welfare benefit levels allied to more specific measures to reduce destitution would have a sizeable impact in both the short and long term.

Increased social housing allocation to core homeless households stands out as having a large impact in the shorter term but fading to a lower impact later, as more areas hit the suggested ceiling of 65% of social lettings (excluding transfers) going to homeless households of all kinds (core and other statutory). Housing First – targeting severe and multiple disadvantage homelessness and associated hostel use - is already having an impact but scaling it up significantly over the rest of this decade would bring further reductions in core homelessness within this time frame, while having a somewhat lesser impact thereafter. A policy which would have a relatively smaller early impact but which would build up to a substantial impact later in the period is increasing new social housing supply by 50%, but this assumes a clear geographical targeting on need and additionally a specific link to hostel reduction, discussed further below.

Of those tested in this round, the policies which show relatively smaller

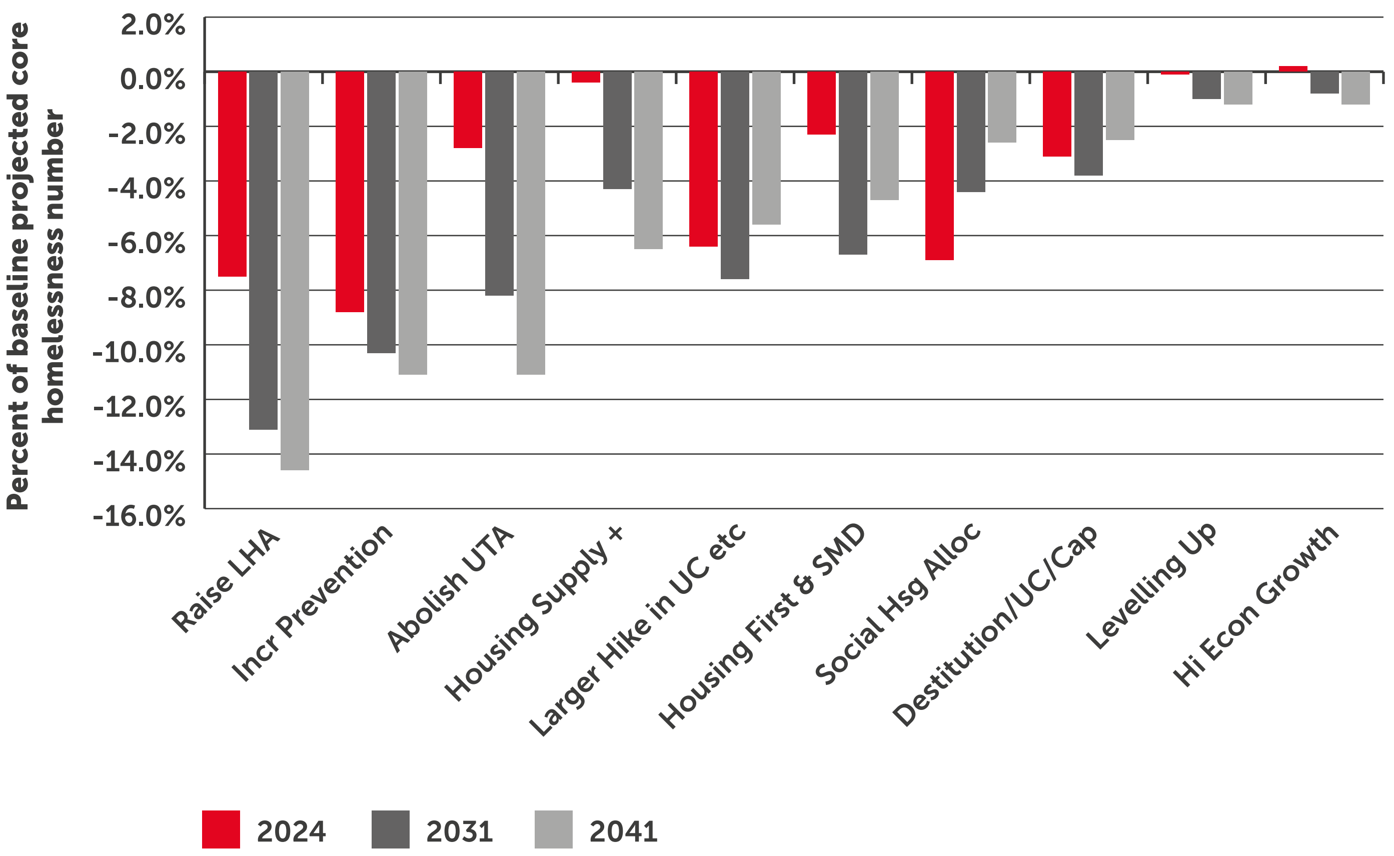
Table 5.3: Policy scenarios tested through projections model over period 2021 to 2041

Shorthand Name	Description
Baseline Scenario	This scenario assumes essentially a continuation of current policy settings and economic and demographic conditions reflecting the consensus of current reputable economic and demographic projections (which are relatively pessimistic). It embeds the after effects of Brexit, COVID-19 and associated measures, the Ukraine war and current/ongoing cost-of-living crisis.
Raise LHA	Raise Local Housing Allowance to median level in all LA areas and maintain relative level in real terms through indexing (contrast with alternative of fixing rates at autumn 2019 levels in cash terms until 2026, then indexing to CPI).
Increased Prevention	More extensive and effective prevention: raising proportion of applicants engaged with prevention to maximum; and using PRS options and financial advice/assistance to same level as better performing English LAs.
End use of Unsuitable TA	Progressively between 2024 and 2026, eliminate 90% of UTA (as defined and measured in this study), with consequential negative impact on net available social lettings which will be needed for direct rehousing or 'suitable' self-contained TA (this reflects UAO amendments, but recognises that effective implementation will take time)
Increased social housing allocations	Allocating up to 40% of available net social lettings[330] to core homeless from 2023, additional to existing numbers, subject to (a) sufficient numbers of core homeless to justify, and (b) total allocations of social lets to homeless (core and/or statutory) do not exceed 65% of net lettings to new tenants.
UC & destitution measures	Restore £20 per week enhancement to UC personal allowance, end 5-week wait for first UC payment, curb debt deductions from benefits, improve support to cases moved onto UC under managed migration, reduce Personal Independence Payment failed applications/reviews, improve Local Welfare Support, remove benefit cap.
Housing First & Severe and Multiple Disadvantage (SMD) reduction	Achieve a high level of Housing First provision, with associated increase in rehabilitation services for addictions & offending, leading to progressive reduction in hostel etc. accommodation and crime rates. Two levels of annual programme are modelled, including the number of units achieved by LAs in the first full year of operation (c.1000), now treated as baseline, or a level recommended based on analysis of HES and 'Destitution in the UK' survey (3,000 up to 2031, reverting to baseline thereafter).
Housing Supply	Increase in total and social rented housing supply by approx. 50% (to 7,500 social completions per annum in Scotland), strongly concentrated in localities with a clear shortfall of supply relative to need in the period 2023-2030, plus an element to facilitate hostel place reduction across all areas.
Levelling Up	Raising economic growth rates in GB sub-regions beyond London & South East to reduce growth gap by a significant margin[331]
Large hike in UC rates	This is similar to the 'UC & destitution' scenario but with 3 times larger increase in UC personal allowances
Higher economic growth	A step-change increase in economic growth across UK including in Scotland, raising GDP growth from 1.9% to 2.9%

330 'Available' lettings potentially usable in this way are defined as the difference between the recent share of net lettings going to homeless households and the maximum share set at 65%

331 This scenario would see Scotland's real GDP grow by 2.6%, compared with 1.9% in the baseline, with increases also in productivity (1.4% vs. 1.2%), and real households disposably income (2% vs 1% pa). Increases would be proportionately greater in poorer sub-regions such as Forth Valley (e.g. household disposable income growth up by 1.58% points) compared with for Glasgow & Clyde Valley (1.14% points).

Figure 5.6: Scale of impacts of selected policy scenarios on core homelessness at three time points (percentage difference from with-Covid baseline in snapshot number of core homeless households)



Source: Author's projection model run for different policy scenarios contrasted with baseline projection in Figure 5.4.

impacts on core homelessness overall include 'levelling up' and higher economic growth. These results contrast with the parallel simulations recently reported for England. This may be because of an interaction with housing market effects (i.e. raising demand, prices and rents in Scotland), or because of differences in the spatial effects.

In some contrast with findings reported in 2021, the impact of increased social housing supply on core homelessness is now shown to be more substantial. The reflects a decision to model a boost to social housing supply targeted on areas where the pressure of need relative to supply of lettings is greatest,[332] primarily Edinburgh-Lothians-Fife and to a smaller degree Highlands and Islands, *plus in addition* linking some additional provision at subregional level to a further programme of hostel places reduction. This parallels the way that Housing First is modelled, but also reflects a view that, as the share of lettings going to homeless households increases, some of the additional new supply should be geared (in terms of size, type and location) to the programme of reducing core homelessness (specifically hostels) in the longer term. The medium to longer term beneficial effects of increased

332 See 2022 Technical Report for details on the needs indicator used.

Table 5.4: Impact of ten policy scenarios individually on the five elements of core homelessness at 2041 time horizon (percentage change)

Scenario	Rough Sleeping	Unconventional	Hostels etc	Unsuitable Temp Acc	Sofa Surfing
Raise LHA	-9.7%	-1.2%	0.0%	-47.9%	-11.1%
Incr Prevention	-13.2%	-12.3%	0.0%	-9.0%	-14.3%
Abolish UTA	1.8%	0.3%	0.0%	-89.4%	5.1%
Social Hsg Alloc	-7.4%	-0.4%	0.0%	-3.9%	-2.8%
Destitution/UC/Cap	-6.0%	-0.2%	0.0%	4.3%	-4.9%
Housing First & SMD	-3.6%	-0.5%	-13.1%	1.4%	-4.6%
Housing Supply +	-1.4%	-0.7%	-45.6%	-3.9%	2.0%
Levelling Up	-8.5%	-0.5%	0.0%	8.3%	-3.6%
Larger Hike in UC etc	-10.7%	-0.5%	0.0%	2.9%	-9.6%
Hi Econ Growth	-6.3%	1.1%	-0.3%	4.0%	-2.6%

supply are mainly attributable to this link to hostel reduction. As argued in previous editions of this Monitor, the weak effects of general social supply on core homelessness in Scotland reflect a number of factors, including the less pressured and more affordable housing market across most of Scotland, the generally higher level of social housing lettings supply, and possible tendencies for new household formation to respond to supply and affordability in a way which may cancel out some of the beneficial effects on homelessness.

Impacts of different policies on each component of core homelessness in the long run

Table 5.4 looks at policy effects on the five different components of core homelessness on the longer-term time horizon of 2041.

The analysis shows that rough sleeping is more sensitive to many of the policy scenarios, in proportional terms, than several other elements of core homelessness. The largest reductions in the longer term are associated with increased prevention, a larger increase in benefit rates accompanied by specific changes in the benefits system to reduce destitution, raising the LHA, levelling up, and increased social housing allocation to core homeless households within the context of enhanced rapid rehousing plans. More targeted benefit increases are also shown to have significant positive impacts. The impact of expanded Housing First programmes to the upper end of need estimates is shown to have only modest impacts in 2041, because the baseline assumptions already include a reasonable scale of programme.

The category of unconventional accommodation is, by contrast, quite difficult to shift very much. This is the sector about which we have least information and the model used to predict it is accordingly not very informative, although it does suggest an association with other forms of core homelessness, which is probably why it shows a significant reduction from increased prevention.

The hostels, etc. category is, in our modelling system, supply/policy determined. Therefore, only certain policies directly impact it, these being the Housing First related package, which would progressively reduce numbers, and the housing supply package. However, part of the former effect is already baked into the baseline, so the additional benefit in 2041 from a higher level of Housing First programme is more modest, at 13.1%. In this round we have explicitly linked an additional programme of hostel replacement to additional social housing supply, and this shows a bigger impact, reducing hostel numbers by almost half in 2041. We would argue that part of the case for increasing social housing supply is to diversify the profile of that supply (in terms of size, type, location, management arrangements) such that a significant proportion of it was relevant to the permanent rehousing of core homeless households, including some longer term or recurrent hostel residents.

Unsuitable TA (UTA) is influenced by the existing level of and changes in homelessness applications to the LA, total TA, and UTA use in the preceding period. The main policy impact on reducing UTA would come from largely abolishing it, by ensuring full compliance with the UAO (of which at present there are a high number of breaches) and via wider efforts to improve TA standards (see chapter 3).[333] For modelling purposes, we assume that achieving this will take until 2026. Our modelling assumes that this will carry a penalty in terms of diverted lettings, reflected in the increases in sofa surfing and total TA from this policy. Absent ending the use of UTA by these means, the next most effective policy would be raising and properly indexing the LHA to eliminate the gaps between market rents and the allowance received, which could reduce UTA by 48% by 2041 – unaffordable market rents confronting inadequate LHA is a key barrier to moving people on from TA of all kinds.

Additional allocation of lettings for core homeless households would also help to reduce these UTA numbers, but the scope for this would be limited by 2041. Greater prevention would contribute another 9%. The model also suggests some policy scenarios leading to modest *increases* in UTA numbers, namely addressing parts of the welfare package associated with destitution, higher economic growth and/or 'levelling up'. The latter can have the effect of pushing up prices and rents in previously lagging regions, which may outweigh the beneficial effects via employment in such areas.

Finally, we consider impacts on sofa surfing, numerically the largest category of core homelessness. The model indicates that most of the policies would help to reduce sofa surfing, with the biggest impact associated with increased prevention and then by two UK reserved policy options, raising the LHA level and maintaining it through appropriate indexation, and by the large upward hike in UC benefit rates. More moderate reductions could stem from social housing allocation, Housing First, higher economic growth, and/or levelling up, and alleviating the specific destitution-inducing features of the benefit system.

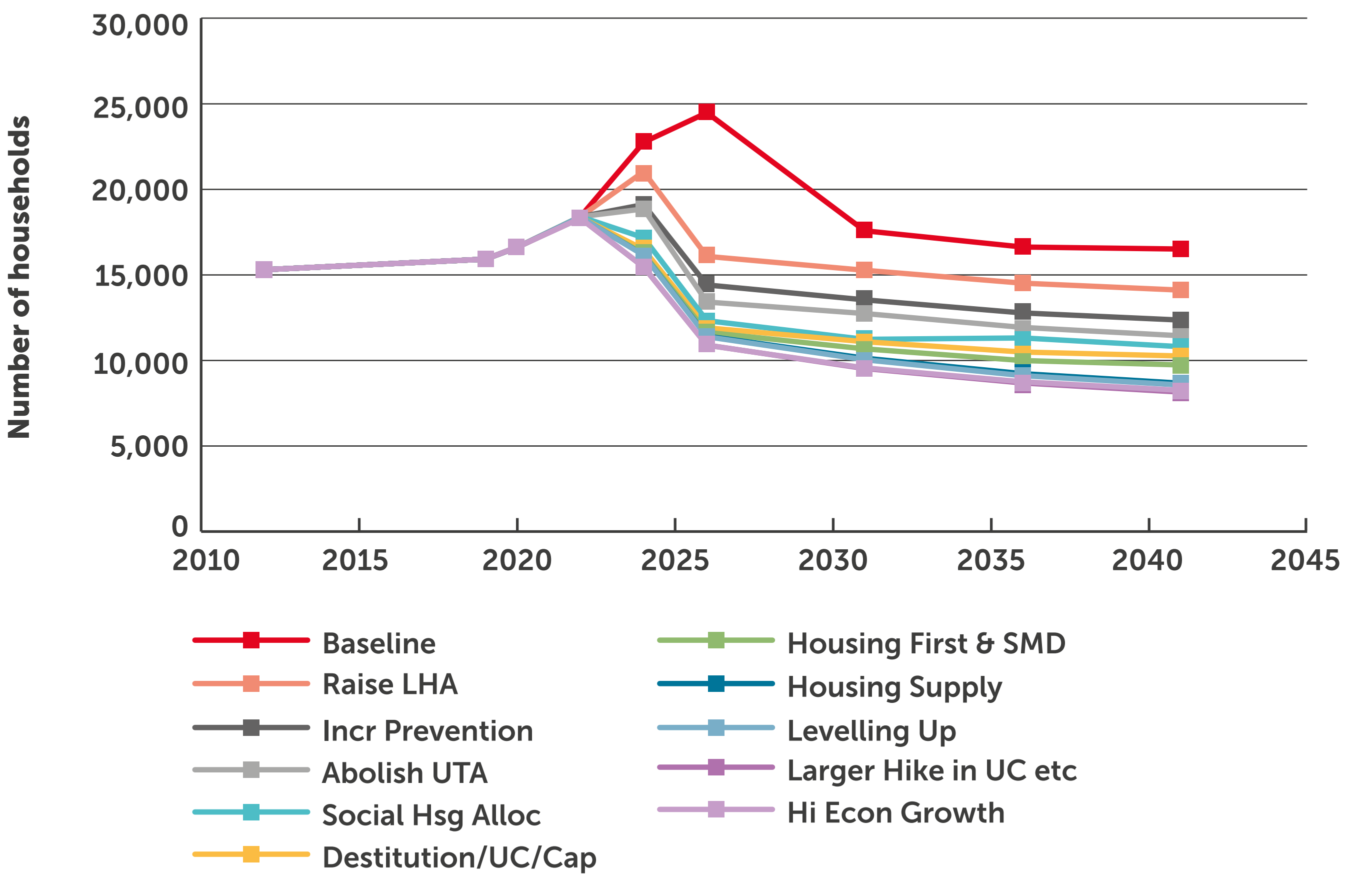
5.6 Stacking up the impacts

So far we have looked at policy options individually, enabling us to compare their individual effectiveness, short or longer term. While that gives some initial guide to 'what works', it is not necessarily the same as what the effect would be of adding that one to others already in place. Sometimes, adding a fresh policy approach may work in a synergistic way to increase the impact so that it is greater than the sum of its parts. However, more commonly, the more policies you add, the less they may appear to add, relative to what might have been expected from looking at them in isolation. That may be because the different policies are to varying degrees helping the same people, and the pool of those remaining 'at risk' may get smaller the more policies are in place.

It follows that, in this 'stacking up' approach, it does matter in which order policies are added to the package. Our proposed approach would involve prioritising measures that can be implemented immediately and have swift impacts, followed by more directly housing-related policies, prioritising the simpler or more easily implemented before the more complex. Policies further back in the hierarchy would then be ones which would take longer to impact, be more complex to implement, involve a wider range of sectors, and cost most. Following those principles, we have created a sequence of ten scenarios building on our baseline scenario, and run the model with each element added in turn. The results are shown in Figure 5.7, where numbers represent the numerical difference in core homeless households at each point in time compared with the baseline.

333 This assumes we are only counting UTA in the form of TA placements of homeless applicants by Local Authorities. Insofar as there is a parallel sector of 'unsupported TA' which is similarly unsuitable, including self-referred cases in board and lodging accommodation or licensed non-self contained accommodation, including some suspect 'exempt' accommodation, this is presumed to be not covered by such an order, but is not currently included in our model either.

Figure 5.7: Levels of total core homelessness for Scotland with the sequential addition of ten policy scenarios to the baseline projection in the period to 2041 (number)



Source: Author's projection model run for different policy scenarios with each policy added sequentially in the order shown in the legend

This analysis makes clear that it is possible to reduce core homelessness in Scotland by very substantial margins. Implementing all the policies tested here would see a c.56% reduction in four years' time (2026), 46% in the medium term (2031) and 50% in the long term (2041). There are potentially even larger impacts on some aspects of core homelessness on the 2041 time horizon: unsuitable TA would be down by 96%, rough sleeping would be reduced by 51%, hostels etc. down by 59% and sofa surfing down by 39%. There would also be quite large reductions in wider measures of statutory homelessness, of the order of 26% in homeless applications and 36% in overall TA. Despite the sizeable potential gains, there is no doubt that this comprehensive package of measures may be challenging to implement in the short-term given fiscal constraints and other challenges identified in earlier chapters of this report.

The analysis further confirms that some policies have a bigger impact than others. The bigger wins in the long run would come from: (a) raising the LHA and indexing it effectively; (b) increasing prevention; (c) increasing social housing supply by 50% with needs-based targeting and specific targeting of hostel reduction; (d) abolishing UTA and (e) allocating additional social lettings to core homeless households. Maximising Housing First and associated measures would make a substantial contribution in the medium term, but our baseline already includes the significant level of provision already happening. It is worth emphasising that five of these six measures are essentially devolved policy matters.

Policies which would have some beneficial effects, but which are more marginal in scale for overall core homelessness, include welfare changes to tackle destitution-inducing features, raising allowance rates substantially and ending benefit caps, which would only make small incremental improvements beyond the above measures, given where we have placed them in the sequence. Levelling Up and higher overall economic growth also have limited impacts, unlike in parallel projections analysis for England. It may be that the tendency of this scenario to raise market prices and rents outweighs other benefits in terms of unemployment and poverty in Scotland, while an effect which is particularly strong in England, of diverting population pressure away from London, is less of a factor in Scotland.

Conclusion

6. Conclusion

The story of this edition of the Homelessness Monitor Scotland centres on the intensifying tension between the pursuit of an ambitious policy agenda to strengthen responses to homelessness and the management of severe, multiple and mounting pressures on Local Authorities.

Homelessness remains a key policy priority in Scotland, as evident in the continued evolution of the wide-ranging Ending Homelessness Together Action Plan. Scotland has long distinguished itself internationally and within the UK by offering virtually all homeless households a legal entitlement to settled rehousing, and the implementation of the Action Plan has seen further moves to reinforce and widen this statutory safety net. The Unsuitable Accommodation Order has been extended to limit stays in unsuitable temporary accommodated and the suspension of local connection rules now means households can choose where they apply for assistance.

The COVID-19 public health emergency further catalysed this policy agenda. During the pandemic, night shelters closed on public health grounds and have not reopened. Instead, single-room accommodation was provided in Glasgow and Edinburgh during the winter of 2022/23 via new Welcome Centres. Partnership working between the homelessness and health and social care sectors has improved greatly, with four fifths of local authority survey respondents now saying these partnerships help prevent and alleviate homelessness, a significant increase from less than a third in 2018. Reflecting some of these developments, rough sleeping in 2023 was around 20% lower than before the pandemic, but is now on an upward trajectory and a focus of acute concern, especially in Edinburgh.

The pandemic also catalysed ambitious efforts to prevent homelessness and destitution among people with no or limited access to statutory support due to their immigration status. The Fair Way Scotland partnership is now operational in three Scottish cities and provided ongoing case work support to over 700 people in its first year of operation. But the so called 'hostile environment' that Fair Way Scotland was established to mitigate continues to intensify. There are serious concerns about the future implications of the Illegal Migration Act, which critics warn - if implemented - will lead to a rapid increase in the needs of new arrivals and make effective provision of support even harder. In the more immediate term, moves to clear the backlog of asylum claims mean that thousands of people are expected to leave Home Office accommodation in Glasgow. A high proportion will need statutory homelessness assistance, while others unable to avail of such support will be at risk of destitution and rough sleeping. Providing effective support to European Economic Area nationals without settled status remains an ongoing challenge, and there are also concerns that Ukrainian arrivals in Scotland may increasingly require homelessness assistance as hosting and other rehousing options break down.

The Prevention Review Group has proposed radical measures to further strengthen the legal safety net, protecting households facing homelessness. Their proposals are expected to be part of the forthcoming Housing Bill and, if fully implemented, would surpass the progress made in the Housing (Wales) Act 2014 and Homelessness Reduction Act (2017) in England. They would introduce new duties on public bodies to "ask and act" on homelessness risk, and extend they duty on local authorities to prevent homelessness from two to six months before it occurs. The proposals also strengthen the legal duties owed to homeless households with more complex needs, a group underserved by Scotland's legal rights-based approach to homelessness. But there is uncertainty about whether key elements of the proposals enhancing local authorities' capacity to discharge their rehousing duties into a wider range of suitable and stable housing options - and intended to help manage these additional duties and give households greater choice - may not be taken forward.

Beyond these legal reforms, Rapid Rehousing Transition Plans have fostered a shift towards more preventative approaches, emphasising swift access to mainstream housing as the default response, including for those with complex needs. Over 1,300 Housing First tenancies have been initiated across 25 local authorities, and the Pathfinder evaluation (in line with international evidence) indicates positive outcomes on a range of measures, including tenancy sustainment. The Ending Homelessness Together Action Plan also set a clear objective of increasing the proportion of social lets to homeless households. Our survey reveals that two thirds of local authorities have now changed their allocations policy, primarily by increasing allocations to homeless households.

These legal and policy reforms are now being taken forward in a very challenging fiscal and socio-economic context. The economy is still struggling to return to pre-pandemic growth rates, with high inflation outpacing household income growth resulting in a cost-of-living crisis. While successive interest rate rises have helped stem inflation rises, they have increased mortgage costs with knock-on impacts in the private rented sector of increasing rental costs and landlord disinvestment. The Scottish Government also faces a significant budget shortfall unless there are changes in funding or spending priorities or both. It is in this highly challenging context, that Scottish Government now aims to boost economic growth, combat poverty and advance its ambitious homelessness policies.

Additional challenges arise from the failure of social security payments for those of working age to keep pace with inflation, over both the short and long term. Benefit cuts and freezes since 2010 have pushed the cash value of basic income-related benefits below destitution thresholds for those of working age.[334] Single adults, in particular, face significant challenges, as the out-of-work support for single adults in the UK has one of the lowest income replacement rates among high-income Organisation for Economic Co-operation and Development countries.[335] The current freeze on Local Housing Allowance is especially problematic form a homelessness perspective, with more than half of private renters in Scotland in receipt of Universal Credit housing support now paying rent exceeding the applicable rate.[336] Three quarters of local authorities consider the ongoing freeze a challenge in effectively preventing and alleviating homelessness.

This weakening of the UK social security safety net has contributed to rising levels of severe poverty, problem debt, and destitution across the UK, thereby intensifying the fundamental drivers of homelessness.[337] The Scottish Government has taken steps to counteract this, including by fully mitigating the Bedroom Tax and Benefit Cap via Discretionary Housing Payments, investing in the Scottish Welfare Fund and other forms of discretionary support, and introducing the Scottish Child Payment. It has been suggested that the latter measure and other aspects of Scottish Government mitigation of social security cuts have contributed to reductions in child poverty and slower increases in destitution and food bank use in Scotland compared to the rest of the UK. However, severe poverty and destitution continue to grow, especially among single person households of working age.

The housing context in which advances in homelessness policy are being pursued is also deeply challenging. The national target to deliver 50,000 affordable homes in the 5 years to March 2021 was not achieved until March 2022. In 2022/23, the number of homes funded through the Affordable Housing Supply Programme in 2022/23 was almost 18% lower than the previous year.[338] Key stakeholders described the environment for new social house building as profoundly difficult, characterised by funding and subsidy challenges, rising construction costs, limited land access, and wider financial constraints on social landlords. The flow of new social lettings continues to fall but there has been an increase in the proportion of allocations to homeless households, in line with policy ambitions, from 46% in 2018/19 to 54% in 2022/23.[339] Despite this increase, two thirds of local authority survey respondents think that allocations to homeless households in their area are insufficient. At the same time, half are concerned that the level of allocations to homeless households is hindering efforts to house others in housing need.[340] There are also concerns that private rented sector accommodation is becoming even less affordable for lower income groups, and harder to access for homeless households.

The narrowing of housing options for low-income households is reflected in growing homelessness pressures. In 2022/23, statutory homelessness acceptances rose by 10% compared to the previous year, erasing the reductions seen during COVID-19 and re-establishing the pre-pandemic rising trend. Four fifths

334 Bramley, G. (2023) *Destitution in the UK: income thresholds for October 2022*. York: JRF. https://www.jrf.org.uk/report/destitution-uk-income-thresholds-october-2022

335 Joseph Rowntree Foundation and the Trussell Trust (2022) *An Essential Guarantee: Reforming Universal Credit to Ensure We Can All Afford the Essentials in Hard Times*. York: JRF. https://www.jrf.org.uk/report/guarantee-our-essentials

336 DWP Stat-Xplore Universal Credit data in July 2023

337 Bramley, G. & Fitzpatrick, S. (2018) 'Homelessness in the UK: who is most at risk?', *Housing Studies*, 33(1), 96-116, DOI: 10.1080/02673037.2017.1344957

338 Scottish Government (2023) *Affordable Housing Supply Programme: out-turn report 2021-2022*. Edinburgh: Scottish Government. https://www.gov.scot/policies/more-homes/affordable-housing-supply/

339 Scottish Government (2023) *Ending Homelessness Together: Annual Report to the Scottish Parliament*. Online: Scottish Government. https://www.gov.scot/publications/ending-homelessness-together-annual-report-2023/.

340 Solace Scotland (2023) *Housing in Scotland: Current Context and Preparing for the Future*. South Lanarkshire: SOLACE, https://solace.org.uk/housing-in-scotland/

of local authority survey respondents reported an increase in service user footfall compared with the previous year, with half noting a significant rise. Rough sleeping also increased during 2022/23, although it remains below pre-pandemic levels. Our wider measure of core homelessness, which captures the most acute forms of housing need, confirms a rising tide of need, with core homelessness levels estimated to have increased by 11% since 2020.

Trends in temporary accommodation use emerge as the area of greatest concern. After a decade of stability prior to the pandemic, temporary accommodation placements surged to 15,060 on 31 March 2023, marking a 29% increase since March 2020. The number of children in temporary accommodation rose 10% in the past year alone, to 9,595, the highest level on record. While most placements still involve self-contained accommodation, the use of B&B hotels has grown by 124% over the three years to March 2023 (from 789 to 1,765) and lengths of stay in temporary accommodation are rising.

These increases have occurred despite clear policy intention and efforts to reduce reliance on temporary accommodation and improve its quality. Without these efforts in place, rises may have been even greater. Local authorities have faced challenges in achieving these policy objectives due to the backlog of cases that accumulated during the pandemic and difficulties accessing settled housing and suitable temporary accommodation at the necessary scale. This is exemplified by the high breach rates of the Unsuitable Accommodation Order since its extension to all household types. The severity of this challenges is starkly captured in the Scottish Housing Regulator's warning of a risk of 'systemic failure' in homelessness services,[341] SOLACE's verdict that Scotland faces a 'housing crisis',[342] and the City of Edinburgh Council's declaration of a housing emergency.[343]

Our analysis of core homelessness indicates that the upward trend is set to continue in the short term, with increases of a third (more than 6.000 additional core homeless households) anticipated by 2026. Thereafter, our projection model suggests that levels will fall back and stabilise at 2020-22 levels. However, these short-term increases are not inevitable, and substantial reductions in core homeless are possible on short-, medium-, and long-term horizons with concerted policy action.

A comprehensive programme of measures, including raising Local Housing Allowance to median rent levels and properly indexing it, increasing prevention efforts, raising working-age welfare benefit levels, along with specific measures to reduce destitution, could reduce core homelessness by 56% in four years (by 2026) and 50% against projected levels in the long term (by 2041). Increasing social housing allocation to core homeless households and further scaling up Housing First would have substantial impacts in the short to medium term, but with diminishing effects over time. Effective elimination of most unsuitable temporary accommodation and increasing new housing (including social housing) supply, targeting specific geographical areas, coupled with hostel reductions, are projected to have significant impacts over the medium to longer term.

341 Scottish Housing Regulator (2023) Homelessness services in Scotland A thematic review. Online: SHR. https://www.housingregulator.gov.scot/landlord-performance/national-reports/thematic-work/homelessness-services-in-scotland-a-thematic-review-february-2023

342 Solace Scotland (2023) Housing in Scotland: Current Context and Preparing for the Future. South Lanarkshire: SOLACE, https://solace.org.uk/housing-in-scotland/

343 Edinburgh City Council (2023) *Endinburgh declares a housing emergency. 2nd November.* Online: Edinburgh City Counci. https://www.edinburgh.gov.uk/news/article/13844/edinburgh-declares-a-housing-emergency

Reform of the working age benefits, including the Local Housing Allowances, could only be instigated by the UK Government, but other policy measures to both prevent and reduce core homelessness and the use of temporary accommodation command widespread support in Scotland and are within the devolved competence of the Scottish Parliament. The dilemma and challenge, however, is that there is little agreement about how to secure the capacity and resources vital to ensure these measures are effectively designed and implemented, including capital investment in new homes. Local authorities are under unprecedented strains with little clarity on how these pressures are to be eased. While planned reforms to homelessness legislation hold the promise of preventing homelessness further upstream, thereby easing this pressure, there is a risk that without taking forward proposals as a whole, including maximising local authorities' ability to discharge into a wide range of suitable and stable housing options, the reforms may increase the burden on councils without enhancing their ability to move people on from expensive and often unsuitable temporary accommodation.

Looking ahead, the Homelessness Monitor series will continue to interrogate homelessness policies, trends and outcomes in Scotland, England and Wales until at least 2026. The next Scotland Monitor will provide an opportunity to assess how these tensions between Scotland's ambition on homelessness and a highly challenging context for implementation play out.

Appendix 1: Key informant topic guide

About the research

- Explain nature and purpose of research: longitudinal study exploring the impact of economic and policy developments on homelessness across Scotland; mixed methods including administrative and survey data analysis, LA survey and key informant interviews.

- This is an independent study conducted by I-SPHERE, Heriot-Watt University and funded by the charity Crisis. Participation is anonymous – you will not be identifiable from any research outputs.

- Any questions before we proceed?

- Switch on recording and confirm consent on the record

Introduction (IF NECESSARY)

- Their job title/role; how long they have been in that position/organisation, and specific involvement in homelessness

Trends in homelessness

- What have been the key trends in **levels** of homelessness in past year and why? Probes: trends in subgroups: single versus families; statutory homelessness vs. rough sleeping; non-UK nationals (Ukrainian/Afghan refugees, those with NRPF/other RE etc.)

- Have there been any significant changes in the **profile** of those facing homelessness in the last year? Probes: nature/complexity of need; age; household type etc; country of origin, migration status etc.

- What changes, if any, have we seen in the **triggers** for/**drivers** of homelessness? Probe: PRS vs. relationship breakdown, Afghan/Ukrainian refugee crisis, ongoing/legacy impact of COVID-19 etc.

- Have LA **responses to homelessness** improved or weakened over the last year? If so, in what ways/why? Probe in relation to:
  - Ability to **prevent and relieve** homelessness – why?
  - Ability to provide appropriate **temporary accommodation**?
  - Ability to access **settled rehousing** for those owed the full rehousing duty. Probe re PRS, social housing, etc.
  - What, if any, is the ongoing impact of COVID-19 on responses to homelessness?
  - [For Edinburgh stakeholders] Impact of **Edinburgh Homelessness Task Force**.
  - [For Glasgow stakeholders] Impact of **Glasgow Alliance**.

Ending Homelessness Together Action Plan

- Overall, how effectively do you think the Ending Homelessness Together Action Plan has been implemented to date?

- What have been the key enablers/barriers to its implementation? Probes: **funding and expertise/wider support from Scottish Government**; cost of living crisis; Ukraine war, Afghan migration; housing market context, partnership working (with housing providers, criminal justice, health and social care, etc.)

- Probe specific progress, barriers/enablers to change in the following areas as appropriate/if not already covered:
  - Moving to a **'rapid rehousing by default'** approach? Prompts:
    - impact on **social housing allocations** – proportion of lets to homeless households sustainable; wider impacts; political support/opposition;
    - Impact on use of broader range of housing options to prevent and address homelessness (e.g. PRS)
  - National scale up of **Housing First**. Probe: impact of ending of pathfinder programme; capacity/demand; supply for specific subgroups e.g. women, young people.
  - **Reducing overall use of TA and improving standards within it?** Prompts:
    - Views on the **advisory TA standards**; views on making them mandatory
    - Impact of changes to **Unsuitable Accommodation Order**
    - Views on Regulators report? How can 'risk of system in homelessness services' be reduced/mitigated?
    - [For Edinburgh stakeholders] Probe challenges around 'failure to accommodate' numbers highlighted by Regulator.
    - [For Glasgow stakeholders] How have reductions in 'failure to accommodate' numbers been achieved?
    - Are we seeing any moves to new forms of TA in context of Ukraine war/ Cost of Living Crisis pressures e.g. modular homes, cruise ships? If yes, positive or negative development?
    - [For Fife stakeholders] Impact of Sherriff court judgement on TA
    - [For Glasgow stakeholders] Impact of Court ruling re absolute duty to provide appropriate TA (overturned)
  - Planned implementation of **Prevention Review Group proposals**. Probes:
    - To what extent do you expect recommendations to be taken forward?
    - How well are local authorities equipped to implement such changes?
    - Which of the proposed changes are likely to most enhance responses to homelessness? Do any of the proposals carry risks of negative consequences?
    - Are you aware of local authorities making any changes in anticipation of these legislative changes?

- Do you have any other/wider hopes/expectations of the **Housing Bill** anticipated this autumn [i.e. beyond taking forward PRG recommendations]?

- What has been the impact of changes to **local connection** rules in 2022?

- How effective was **cold weather provision for people sleeping rough** over winter 2022/23?
  - [For Edinburgh/Glasgow stakeholders] Was there any interest in/ pressure to re-open dormitory style **night shelters** during winter 2022/23? How effective have the **Rapid Rehousing Welcome Centres** been in responding to street homelessness over the winter?

Other areas of Scottish housing/welfare policy

- To what extent have responses to homelessness among those with NRPF/other RE improved in Scotland in recent years? Probe impacts of Ending Destitution Together strategy and Fair Way Scotland partnership.

- What are the homelessness implications of the **Ukrainian/Afghan refugee crises** – both for those fleeing war/Taliban and other groups in housing need/at risk of homelessness?

- What progress has been made in implementing the **"Housing to 2040"** strategy? What implications for homelessness? What are the key barriers/enablers to its effective implementation?

Cost of living crisis/welfare benefits

- What impact, if any, has **the cost of living crisis** had on homelessness thus far? What impact do you see it having over the next year or so? What specific elements of the crisis are impacting people's risk of becoming homelessness most strongly? Probe: rent, energy bills, food prices, etc. To what extent, if at all, do these factors make responding to homelessness/rehousing households harder?

- How effective have the **mitigation measures put in place by Scottish Government** been in reducing the homelessness implications of the crisis? To what extent is Scotland using its welfare powers effectively to mitigate the risk of homelessness/respond effectively to it? Probe most/least important/effective and combined impact:
    - Increase in Scottish Child Payment to £25
    - Extension of Scottish Child Payment to all eligible under 16 year olds
    - Temporary cap on in-tenancy rent increases in the private rented sector
    - Temporary moratorium on evictions
    - £150 council tax rebate for homes in council tax band A-D
    - Widened eligibility for the Tenant Grant Fund
    - Mitigation of the Benefit Cap via DHP

- How effective (singly/in combination) have the **mitigation measures put in place by UK Government** been in reducing the homelessness implications of the crisis? Probe most/least important/effective:
    - Energy price guarantee/bill discount
    - Cost of living payment for those in receipt of benefits
    - UC changes (reduction in taper rates/increase in work allowances)

- What else, if anything, would most help mitigate homelessness impacts of cost of living crisis at UK/Scottish Government level?

- On **welfare benefits more generally**, what, if any, have the homelessness impacts been of:
    - the refreezing of LHA 30th percentile;
    - temporary uplift in UC standard allowance and its removal in October 2021;
    - reimposition of full benefit sanctions in 2022/23
    - continued benefit cap freeze until March 2023

- How important are **Discretionary Housing Payments** in preventing/alleviating homelessness? Probe: adequacy of funding, Bedroom Tax mitigation importance to homelessness.

- How important is the **Scottish Welfare Fund** in preventing/alleviating homelessness? Probe: adequacy of funding.

Anything I've missed/should have asked you about/final comments/ you'd like to add?

Thanks and close.

Appendix 2: Local authority survey 2023

Emulating similar surveys implemented as an integral component of Homelessness Monitor England fieldwork since 2014, and for the first time in Scotland in 2018, an online survey of Scotland's 32 LAs was undertaken in May-June 2023. This is the third such survey to have been undertaken in Scotland. It bore some similarity with the first Scottish survey in 2018, in seeking to collect data to complement homelessness statistics routinely published by the Scottish Government and understand LA's ability to prevent and resolve homelessness. However, it also included questions regarding the homelessness impacts of the cost-of-living crisis, as well as others configured to pick up on recent policy and practice developments.

Invitations to participate in the survey were sent to the LA Housing Options/homelessness manager in each of Scotland's 32 local authorities in May 2023. Responses were received from 30 LAs, and all of Scotland's larger and more urban councils were represented. Only Clackmannanshire and Orkney were non-participants.

This appendix summarises in tabular form the key quantitative survey results. Key survey findings, including the qualitative data generated by the extensive use of open text responses within the survey, are contained in the main body of the report.

Some tables show the breakdown of responses by councils classified within a typology differentiating Edinburgh and other pressured markets, Glasgow and rest of Clyde Valley and the Rest of Scotland, with the classification of areas detailed below:

Edinburgh and other pressured markets	Aberdeen City, Aberdeenshire, East Lothian, Edinburgh, Highland, Midlothian, Moray, Orkney Islands, Perth & Kinross, Shetland, Stirling, West Lothian
Glasgow and rest of Clyde Valley	East Dunbartonshire, East Renfrewshire, Glasgow, Inverclyde, North Lanarkshire, Renfrewshire, South Lanarkshire, West Dunbartonshire
Rest of Scotland	Angus, Argyll & Bute, Clackmannanshire, Dumfries and Galloway, Dundee, East Ayrshire, Eilean Siar, Falkirk, Fife, North Ayrshire, Scottish Borders, South Ayrshire

It should be acknowledged that this typology is a compromise between geography (relevant partly in relation to inter-authority and Health and Social Care Partnership collaboration) and housing market conditions (relevant to the incidence of homelessness and the feasibility of homelessness solutions).

Table A2.1: Perceived change in overall number of households seeking Housing Options/homelessness assistance in year to 31 March 2023 (number of local authorities)

	Significantly increased	Slightly increased	Remained steady	Slightly reduced	Significantly reduced	Total
Edinburgh + other pressured	4	4	1	1	0	10
Glasgow + Clyde Valley	5	1	1	1	0	8
Rest of Scotland	7	3		2	0	12
Scotland	16	8	2	4	0	30

Table A2.2: Perceived change in particular groups seeking Housing Options/homelessness assistance in year to 31 March 2023 (number of local authorities)

	Increase	Fairly steady	Decrease	DK/Not relevant in my area	Total
Families with children	21	8	1	0	30
Single people (aged 25 and over)	17	7	5	1	30
Young single people (aged 16-24)	15	10	5	0	30
People with complex support needs	11	13	0	6	30
People sleeping rough	10	9	5	6	30
Sofa surfers	10	15	2	3	30
People with disabilities	8	13	2	7	30
Households in work	6	6	0	18	30

Table A2.3: Perceived change in homelessness arising from different causes among those seeking Housing Options/homelessness assistance in year to 31 March 2023 (number of local authorities)

	Increase	Fairly steady	Decrease	DK/Not relevant in my area	Total
Private rented sector evictions	21	7	1	1	30
People asked to leave family home	19	7	4	0	30
People experiencing non-violent relationship breakdown	18	9	3	0	30
Social rented sector evictions	15	13	2	0	30
Ukrainian refugees	13	9	0	8	30
Repossessed homeowners	12	13	4	1	30
Survivors of domestic abuse	12	10	7	1	30
Other migrants with NRPF or restricted eligibility for statutory support	9	15	2	4	30
Afghan refugees	7	11	0	12	30
Prison leavers	6	15	9	0	30

Table A2.4: Anticipated change in numbers of people in specified groups seeking Housing Options/ homelessness assistance over the next year, as compared with the last 12 months (number of local authorities)

	Will Increase	Will remain fairly steady	Will Decrease	DK/not relevant in my area	Total
Repossessed home owners	27	1	0	2	30
People evicted from private rented sector	25	2	1	2	30
Families with children	22	6	0	2	30
Ukrainian refugees	22	4	0	4	30
People evicted from social rented sector	17	6	4	3	30
Other migrants with NRPF or other restricted eligibility for statutory support	16	8	0	6	30
People being asked to leave the family home	16	9	1	4	30
Afghan refugees	14	7	0	9	30
People experiencing non-violent relationship breakdown	13	14	0	3	30
Sofa surfers	13	13	0	4	30
Survivors of domestic abuse	12	13	2	3	30
People sleeping rough	10	12	0	8	30
Prison leavers	7	17	3	3	30

Table A2.5: Perceived impacts of the cost of living and energy crisis on homelessness levels
a. Experienced during 2022/23 as compared with 2021/22 (number of local authorities)

	The cost of living crisis has...			Total
	Increased homelessness significantly	Increased homelessness slightly	Had little impact on homelessness	
Edinburgh + other pressured	0	7	3	10
Glasgow + Clyde Valley	4	1	3	8
Rest of Scotland	5	5	2	12
Total	9	13	8	30

(b) Anticipated during 2023/24

	The cost of living crisis is expected to...			Don't know	Total
	Increase homelessness significantly	Increase homelessness slightly	Have little impact on homelessness		
Edinburgh + other pressured	3	6	1		10
Glasgow + Clyde Valley	5	1	2		8
Rest of Scotland	6	5		1	12
Total	14	12	3	1	30

Table A2.6: Expected/perceived impact of official measures in mitigating the impact of the cost-of-living crisis on homelessness (number of local authorities)

	Substantially mitigate	Slightly mitigate	Little impact	Negative impact	DK	Total
UK Govt measures:						
Energy Price Guarantee, limiting average household energy bills to £2,500	0	13	15	0	2	30
£400+ energy bill discount for all households	0	16	12	0	2	30
Cost of living payments for households in receipt of means-tested benefits (£650 - £800)	1	18	8	0	3	30
Reduction of UC taper rate and increase in UC work allowances	2	15	7	0	6	30
Scottish Govt measures:						
£150 council tax rebate for homes in council tax band A-D	0	13	14	0	3	30
Temporary cap on in-tenancy rent increases in the private rented sector	1	20	6	2	1	30
Temporary moratorium on evictions	6	18	1	4	1	30
Increase in Scottish Child Payment to £25	0	16	11	0	3	30
Extension of Scottish Child Payment to all eligible under 16s	0	17	10	0	3	30
Widened eligibility for the Tenant Grant Fund	7	14	6	0	3	30

Table A2.7: How challenging have the following developments been in the context of your authority's efforts to prevent or alleviate homelessness in your local area in 2022/23? (number of local authorities)

	Very challenging	Somewhat challenging	Slightly challenging	Not at all challenging	Don't know	Total
Refreezing of Local Housing Allowance at 30th percentile	14	9	3	0	4	30
Removal of temporary uplift in UC standard allowance in Oct 2021	8	13	1	0	8	30
Continued benefit cap freeze until March 2023	10	11	1	1	7	30
Reimposition of full benefit sanctions in 2022/23	10	11	1	0	8	30

Table A2.8: Perceived importance of Scottish Welfare Fund in preventing and alleviating homelessness (number of local authorities)

	Very important	Somewhat important	Not important	Don't know	Total
Edinburgh + other pressured	4	6	0	0	10
Glasgow + Clyde Valley	7	1	0	0	8
Rest of Scotland	8	3	0	1	12
Total	19	10	0	1	30

Table A2.9: Perceived effectiveness of Discretionary Housing Payments in preventing homelessness for specific groups claiming Housing Benefit (including Universal Credit housing payments)? (number of local authorities)

	Very effective	Somewhat effective	A little effective	Not effective at all	DK	Total
Private tenants struggling to pay their rent or clear rent arrears caused by a benefit shortfall	14	12	2	0	2	30
Social tenants affected by the bedroom tax	22	4	1	1	2	30
Social tenants struggling to pay their rent or clear their rent arrears caused by benefit shortfalls	13	11	3	1	2	30
Households struggling to secure a private tenancy (e.g. help with deposits)	9	7	3	6	5	30

Table A2.10: Are effective partnerships in place with relevant actors in the following fields that enhance your ability to effectively prevent and/or alleviate homelessness in your area? (number of local authorities)

Policy area	Partnerships in place which …			Partnerships weak/absent	Total
	Significantly enhance ability in this area	Somewhat enhance ability in this area	Make little or no difference in this area		
Health and Social Care	10	14	4	2	30
Criminal Justice	15	13	2	0	30
Social housing	15	14	1	0	30
Community planning	8	11	8	3	30

Table A2.11: To what extent, if any, will the ending of Rapid Rehousing Transition Plan implementation funding impact the ability to reduce the number of households in temporary accommodation in your area? (number of local authorities)

	It will significantly limit our ability	It will somewhat limit our ability	It will make little difference	Total
Edinburgh + other pressured	5	4	1	10
Glasgow + Clyde Valley	4	3	1	8
Rest of Scotland	11	1	0	12
Total	20	8	2	30

Table A2.12: To what extent do you agree or disagree with the following statements? (number of local authorities)

	Strongly agree	Agree	Neither agree not disagree	Disagree	Strongly disagree	Don't know	Total
Social allocations policy and practice have changed as a result of RRTP	4	15	7	4	0	0	30
The level of social housing allocations to homeless households is making it difficult to house others in housing need in my area	4	11	6	7	2	0	30
The level of social housing allocations to homeless households in my area is not high enough	8	11	2	9	0	0	30
Private tenancies play an important role in preventing/alleviating homelessness in my area	9	6	5	4	6	0	30
More use should be made of private tenancies in preventing/alleviating homelessness in my area	8	15	6	0	1	0	30
There is an appropriate mix of housing options to meet the needs of different households in my area	1	4	1	14	10	0	30

Table A2.13: Have there been changes in the availability of, or access to, the following kinds of accommodation for those experiencing homelessness over the past year (April 2022 to March 2023)? (number of local authorities)

	Increased	Stable	Decreased	Don't know	Total
Social rented housing	12	7	11	0	30
Private rented housing	2	2	25	1	30

Table A2.14: Is there sufficient Housing First provision in your local authority area to meet demand? (number of local authorities)

	Yes – we have Housing First provision at a scale that meets demand	Yes – we do not have Housing First provision, but nor is there demand for this kind of service	No – we have Housing First provision, but at an insufficient scale to meet demand	No – we do not have Housing First provision, but there is demand for this kind of service	Don't know	Total
Edinburgh + other pressured	3		6	1		10
Glasgow + Clyde Valley	3	1	3	1		8
Rest of Scotland	6		5		1	12
Total	12	1	14	2	1	30

Table A2.15: Impacts of changes to the Unsuitable Accommodation Order on the kinds of temporary accommodation used since COVID-19 related exceptions were removed in 2021 (number of local authorities)

	Significant impact	Some impact	Very little impact	No impact	Total
Edinburgh + other pressured	5	3	1	1	10
Glasgow + Clyde Valley	2	3	1	2	8
Rest of Scotland	3	2	5	2	12
Total	10	8	7	5	30

Table A2.16: How difficult/easy has it been to ensure an end to the use of unsuitable accommodation, as defined by the new Unsuitable Accommodation Order? (number of local authorities)

	Very difficult	Somewhat difficult	Neither difficult nor easy	Fairly easy	Very easy	Total
Edinburgh + other pressured	4	3	2		1	10
Glasgow + Clyde Valley	2	5	1			8
Rest of Scotland	5	3	1	1	2	12
Total	11	11	4	1	3	30

Table A2.17: What, if any, impact have changes to local connection rules that came into force in November 2022 had in your local authority area? (number of local authorities)

	Applications from households without a local connection significantly increased	Applications from households without a local connection slightly increased	None	Total
Edinburgh + other pressured	1	9	0	10
Glasgow + Clyde Valley	4	2	2	8
Rest of Scotland	2	6	4	12
Total	7	17	6	30

Table A2.18: Views on possible changes as recommended by the Prevention Review Group (number of local authorities)

	Very helpful	Some-what helpful	Will make little or no difference	Would be unhelpful	Don't know	Total
Extending duty to take reasonable steps to prevent homelessness up to six months before it occurs	10	11	2	6	1	30
Introduction of Personal Housing Plans for all eligible homelessness applicants	8	7	13	0	2	30
Ability to discharge main rehousing duty into wider range of accom. suitable and available for >12 months	9	8	10	0	3	30
Introduction of new duties to prevent homelessness on social landlords	11	12	4	1	2	30
Introduction of new 'duty to refer' on private landlords	9	15	1	2	3	30

Appendix 3: Updating core homeless estimates and projections

Overview

The previous edition of the Homelessness Monitor Scotland was published in 2021. It was accompanied by a full Technical Report on the Core Homeless Estimates and Projections for both Scotland and Wales. That reflected a comprehensive update and upgrade of both the base period estimates and the projections, and a very full account of both was provided in the Technical Report. By contrast, the 2023 version of these estimates and projections has involved relatively little change in the data sources used and the approach to making the base period estimates. In addition, for various reasons it was decided not to change most of the predictive models used to drive the forward projections, with a small number of exceptions described below. Although data sources at national and LA level have been updated wherever possible (to 2021 or 2022), one major gap, in stark contrast to the situation in England, is that no new Census data were available for Scotland at the time these estimates and models were updated. The Scottish Government took the decision to postpone the census from 2021 to 2022 and results are still awaited.

Therefore, this appendix confines itself to identifying and commenting on changes in the sources of particular numbers, and changes in the small number of statistical predictive functions which were re-estimated in this round. The 'base period' for the estimates covers financial years between 2012 and 2022 inclusive, while the projections cover shorter term prospects for 2024 and 2026, and medium-longer term predictions for 2031, 2036 and 2041.

Updating core homeless estimates

We comment briefly on how each element of core homelessness has been estimated for the base year (FY 2022).

Rough sleeping. The main estimate at national level is derived using exactly the same formula as used in 2021, based on the latest available HL1 data on homeless applicants who said they had slept rough in the preceding 3 months. We make the same assumptions as before, namely that 85% of this group apply to the Local Authority and that the number sleeping rough over the whole preceding year would be 1.8 times the number over the preceding 3 months. The national number so derived for a point in time in autumn 2022 is 746, compared with 900 estimated previously for 2019, 841 for 2020 and 604 for 2021 (post-COVID-19). The 2022 estimate is quite close to the figure for the same point in time derived from the 2022 Destitution in the UK Survey (867). The figure derived from HL1 is available at LA level, but at this level we average it with the predicted value from a synthetic model based on LA level predictor variables as calibrated on the composite dataset of common variables from the 2019 Destitution in the UK Survey and the 2019 UK Household Longitudinal Survey. This model is described further below when discussing Sofa Surfing and is somewhat updated and improved relative to the similar model previously used. When averaging the two estimates we scale the synthetic predicted number to total the same for Scotland as the HL1-based approach.

Unconventional accommodation. This category covers sleeping in places/spaces not intended as normal residential accommodation, e.g. cars, vans, lorries, caravans/motor home, tents, boats, sheds, garages, industrial/commercial premises. We have one main source which specifically covers this, namely the 2020 Public Voice Survey, and this has not been updated, except through the operation of a predictive function.

Hostels, shelters, refuges (i.e. congregate emergency accommodation for people who are homeless). As in 2021, this also includes some special accommodation in hotels, used as a safer alternative during COVID-19, and subsequently for some migrant groups. The basis for estimating numbers in 2022 is the same as that used previously, involving taking an average of two estimates, one derived from the HL1 returns on temporary accommodation and the other derived from the DWP Freedom of Information on people claiming HB recorded in the SHBE system by local authorities, primarily in respect of the category 'emergency, temporary and transitional accommodation'. A specific proportion (76.3%) of the latter number is used, to approximately exclude those in rehab type accommodation, based on the Blood et al 2015 study.

Unsuitable temporary accommodation. In principle this is supposed to cover Bed and Breakfast, other nightly-let non-self-contained accommodation and out of area (OOA) placements. In Scotland, we estimate this again from the same two sources: HL1 taking all of B&B and half of the 'other' category; and DWP Freedom of Information taking B&B and non-self-contained licensed (a small category). OOA placements do not seem to feature significantly in Scotland. Again, the two sources are averaged.

Sofa surfing. The base levels of sofa surfing are derived from two household surveys, Scottish Household Survey (SHS) and LFS and a synthetic model based on LA level predictor variables as calibrated on the composite dataset of common variables from the 2019 Destitution in the UK Survey and the 2019 UK Household Longitudinal Survey. The SHS analysis replicates the standard definition of sofa surfing, applying a general 'preference or expectation to move' factor based on the English Housing Survey, to a survey which has a large sample well representative of Scotland down to sub-regional level and not subject to attrition. Data covers the period 2012-19. The LFS has a relatively large sample and is relatively up to date, but we apply standard factors based on the English Housing Survey to get from concealed households to sofa surfing. The UK Household Longitudinal Study (UKHLS) does identify sofa surfing although it suffers from sample attrition. The composite dataset also uses the 2019 Destitution in the UK combined with 2019 UKHLS following a methodology exemplified in a recent journal paper;[344] at the time this work was done neither the 2022 Destitution survey nor the 2022 UKHLS were available. The synthetic model can predict numbers of core homelessness as a whole to LA level. In this application we take two distinct estimates from this model, one based on the average value of sofa surfing constituting 53% of core homelessness, and the other based on total predicted core homelessness minus the other components, as estimated above. Thus, the final estimates and predictions of sofa surfing are based on the average of the four elements described above.

344 See Bramley, G., & Fitzpatrick, S. (2023) 'Capturing the neglected extremes of UK poverty: a composite modelling approach to destitution and food bank usage', *Journal of Poverty and Social Justice*, February, DOI:10.1332/175982721x16649700901023

Revised predictive functions

All of the statistical predictive functions used in the 2021 Homeless Projections for Scotland were fully described in the Technical Report for Scotland and Wales published then. Most of these have not been changed in this round, for several reasons. Firstly, the COVID-19 pandemic had a serious impact on data collection in 2020-21, with many surveys having to rely on telephone or online modes and achieving poor response rates and a high degree of bias. These problems persisted to some degree into 2021-22. Data from surveys from 2022-23 are likely to be more robust but these were not available when preparing these projections. Secondly, Scotland opted to postpone its 2021 Census, unlike England, so we do not have the benefit of a lot of new and more accurate estimates of key numbers for Scottish local authorities to enable us to correct the preceding time series. Thirdly, if there is some doubt about the basis for re-estimating some regression models it may be unhelpful to change them, because this may induce changes in predicted values which reflect changes in the model rather than changes in the data on driving variables.

The main example where we have changed the model is the composite model based on joining together data from UKHLS and the Destitution in the UK Survey, for the same set of variables in 2019. We believe this model gives good insight into a wide range of drivers of core homelessness as a whole and also of rough sleeping, but we have been able to improve the version used for prediction here based on further work done since 2021. This includes making use of more key variables within the micro data and also introducing more LA level variables representing local housing and labour market conditions and demographics more fully.

The models fitted are logistic regressions with the dependent variables being experiencing core homelessness or experiencing rough sleeping. To facilitate comparison between the two models and having regard to the non-linear character of the logit function, we include exactly the same predictor variable set in each model. This means that in some cases a variable may not be 'significant' in one of the models, but all variables are significant in one or other. The two models are set out in summary form in Table A3.1 below. (This effectively replaces Tables D.10 and D.18 in the 2021 Technical Report for Scotland and Wales). The last five variables in the model, from 'lhagap18' onwards, are LA area-level variables. The variables above this are all individual household level factors, including attributes of the household head in some cases. Standard summary statistics are shown below the main table.

Table A3.1: Logistic regression models to predict core homelessness and rough sleeping in composite dataset from UKHLS and Destitution in the UK 2019

		Core homeless			Rough sleeping		
Variable Description	Varname	Coeffic-ient	Signif p	Odds Ratio	Coeffic-ient	Signif p	Odds Ratio
Female gender	female	-0.199	0.014	0.819	-1.025	0.000	0.359
Aged 60 & over	age60ov	-1.385	0.000	0.250	-1.224	0.000	0.294
Born overseas	bornos	0.241	0.046	1.273	0.741	0.000	2.098
Black ethnicity	black	0.295	0.073	1.343	-0.276	0.204	0.759
English language	englishlangd	-1.172	0.000	0.310	0.510	0.004	1.665
Couple household	cpl	-2.395	0.000	0.091	-1.984	0.000	0.138
Lone parent family	lpf	-2.207	0.000	0.110	-2.459	0.000	0.086
Couple family	cpfam	-1.264	0.000	0.282	-1.440	0.000	0.237
Number of children	nkids	-0.142	0.005	0.868	-0.299	0.004	0.741
Multi-adult hshld	mult	-0.154	0.114	0.857	-0.664	0.000	0.515
Mental health prob	mhprob	0.121	0.202	1.128	0.218	0.071	1.243
Poor health	poorhlth	0.226	0.059	1.254	0.674	0.000	1.963
Universal credit*	ucd	1.057	0.000	2.878	0.667	0.000	1.948
Home owner	own	-1.149	0.000	0.317	-1.598	0.000	0.202
Social rent tenure	socr	-0.796	0.000	0.451	-1.212	0.000	0.298
Evicted from PRS	evictpr	1.014	0.000	2.757	1.143	0.000	3.137
Relationship b'down	relbd	0.339	0.010	1.403	-0.080	0.656	0.923
Log equiv hh income AHC (£pw)	leqincahc18	-0.200	0.000	0.819	-0.340	0.000	0.712
Log est savings (£)	lestsavgb2	-0.274	0.000	0.760	-0.358	0.000	0.699
Other relatives living	othrelalive	-0.366	0.000	0.693	-0.837	0.000	0.433
Rent-LHA gap (propn)	lhagap18	1.140	0.000	3.126	0.107	0.811	1.113
Social rent lets % hhd	pslets18gb	-0.324	0.000	0.723	-0.230	0.041	0.795
Ave dwg size rooms	avrooms	-0.357	0.000	0.700	-0.152	0.223	0.859
Complex need band	psmdband	0.157	0.001	1.170	0.069	0.296	1.071
Rural area	rural	-0.276	0.032	0.759	-0.444	0.048	0.641
Constant		3.791	0.000	44.295	2.291	0.006	9.882
		Chi-sq	deg frdm	Signif	Chi-sq	deg frdm	Signif
		4085.6	25	0.000	2632.3	25	0.000
		-2 Log-Likeli-hood	Cox & Snell R-sq	Nagelk-erke R-sq	-2 Log-Likeli-hood	Cox & Snell R-sq	Nagelk-erke R-sq
		4921.7	0.176	0.506	2676.4	0.117	0.527
		Predicted	corehless	% Correct	Predicted	roughsleep	% Correct
	Observed	0	1		0	1	
	0	19755	239	98.8	20472	106	99.5
	1	742	420	36.2	426	153	26.5
				95.4			97.5

The strongest positive factors affecting core homelessness appear to be the rent-LHA gap, being on or applying for Universal Credit (UC), eviction from private rental, relationship breakdown, Black ethnicity and being a migrant (born overseas). Positive influences also included poor physical and mental health and living in an area with a high level of complex support needs. Stronger factors with a negative impact, suggestive of possible protective factors, include demographics (couple and family households, including lone parents), older age (over 60), home ownership or social renting, and having other living relatives. Other factors working the same way included living in a rural area or an area with larger dwellings or more social lettings, and having a higher income.

These factors are broadly as expected from previous literature and from knowledge of the UK homelessness context, including particularly the role of welfare benefits issues (UC and LHA), ethnicity and migration, health and life events. Core homelessness is more associated with single adult households of working age, which accounts for the finding on lone parent families, while both the household demographics and the 'other relatives' factor underline the importance of social support networks.

While there are considerable parallels in the model for rough sleeping, which of course nests within core homelessness, there are some differences. Factors which remain significantly positive for rough sleeping included the welfare benefits factors and the health factors (which appeared even stronger), migrancy, eviction and complex need. However, the Black ethnicity factor has become non-significant negative, while the English language factor switched from being negative (protective) to positive. Relationship breakdown also ceased to be a significant positive factor. Most of the negative protective factors still performed that role for rough sleeping, with female gender putting in a stronger appearance in the model as a negative factor.

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