Crisis written evidence for the Social Justice and Social Security Committee: Pre-Budget 2022/23 Scrutiny

24th September 2021

Crisis in Scotland

Crisis is the national charity for people facing homelessness. We know that homelessness is not inevitable, and we know that together, we can end it. Crisis is dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Every year we work directly with thousands of people experiencing homelessness in 11 areas across England, Scotland and Wales. We provide vital help so that people can rebuild their lives and are supported out of homelessness for good. We offer one to one support, advice and courses according to individual needs. We use research to find out how best to improve our services, but also to find wider solutions to end homelessness.

Introduction

Crisis welcomes the opportunity to respond to this Committee inquiry, scrutinising the upcoming Scottish budget, with a particular focus on anti-poverty, homelessness and equalities. This response begins by setting out the broad policy context in relation to homelessness, before considering the resourcing of homelessness services, and making the case for a shift towards preventative spend and better monitoring and transparency of spend.

Key points:

- 8% of the Scottish population – that's 1 in 12 – have experienced homelessness, and every year tens of thousands of people go through the homelessness system. After several years of successfully bringing down these numbers through a Housing Options approach, numbers of homelessness applications began to rise again in the three years prior to the pandemic.
- The pandemic has presented new challenges. Some local authorities now face a backlog of homeless cases, record high numbers of households in temporary accommodation, and increased use of B&B accommodation as it became more challenging to move people on to settled accommodation.
- Homelessness funding is highly complex and lacks transparency locally and nationally. It is at present very difficult to get a picture of what is happening across Scotland in relation to rapid rehousing, as reports on progress towards achieving the aims set out in local RRTPs are not in the public domain.
- Rather than basing funding allocation on an average of previous years' homelessness applications, it would be preferable to align funding with an 'Ending Homelessness Together outcomes framework' which should be developed by the Homelessness Prevention and Strategy Group. There is a role for the SJSS Committee in providing parliamentary scrutiny of progress against the actions set out in the EHTAP and RRTPs, and whether budget allocations clearly map onto outcomes.
- The recent Programme for Government committed to a further £50 million for ending homelessness. It remains unclear whether this runs concurrent with, or subsequent to, the initial £50 million, or how it will be spent.
- It is also unclear when the original RRTP funding is available until, given that the initial three years has now come to an end. A priority for the upcoming budget should be to recommit

another three- or five-year round of RRTP funding which at least matches the previous £24 million, given that several recent research reports have found RRTP funding to be inadequate.

- There is no capital funding available through RRTP funds to address the fundamental issue of lack of affordable housing. To tackle this disjoin between homelessness and housing policy and planning, RRTPs should be better aligned with Strategic Housing Investment Plans and the Affordable Housing Supply Programme.

- With such a high proportion of the population going through the homelessness system, and the numbers stuck in temporary accommodation remaining so high, there is a clear need for a stepchange in the focus on preventing homelessness. Crisis is calling for some major changes to the law that would not only change the way homelessness services are delivered, but also make supporting people to maintain tenancies and live in stable, suitable homes, a shared priority across public services.

Poverty and homelessness

The causes of homelessness are a complex mix of systemic and individual circumstances, not all of which are housing related. Poverty is a primary cause of homelessness, when low income and high living costs mean households struggle to meet housing costs. Poverty is often also the cause of severe and multiple disadvantage early in life, putting people at higher risk of homelessness in adulthood.

Measures in the budget to tackle poverty and help meet the Child Poverty Targets will help to prevent homelessness, especially when targeted at those experiencing multiple disadvantage and furthest from the labour market. However, funding aimed at ending homelessness can also contribute to a wider anti-poverty agenda.

In thinking about how homelessness sits with the Committee's wider anti-poverty remit, it is useful to think about four ways in which poverty causes homelessness and vice versa.

- **Severe and Multiple Disadvantage:** Homelessness is often one of the most extreme examples of a system that has failed to provide a route out of poverty. The *Hard Edges Scotland* research,[1] explores the experiences of adults involved in the homelessness, substance dependency and criminal justice systems. The research shows the significant overlaps between these domains of 'severe and multiple disadvantage,' and how adverse experiences in childhood, poverty and missed opportunities for preventative action, lead to this group's often enduring experience of social and economic exclusion.

- **Financial pressure:** Where household incomes fall short of essential expenditure, households are at risk of experiencing material deprivation and building up arrears, which can ultimately lead to eviction and sometimes homelessness. This is a particular concern as we emerge from the pandemic. An upsurge in evictions was a central concern for LA survey respondents to the Homelessness Monitor Scotland 2021 survey, all of whom expect to see an increase in homelessness demand precipitated by eviction from the PRS in the post-lockdown period, with 20 (of 29) respondents also anticipating an increase as a result of social sector evictions and 19 also expecting an increase in demand from repossessed homeowners. Current discourse around the removal of the £20 Universal Credit uplift, rising

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[1] Fitzpatrick and Bramley (2019) *Hard Edges Scotland.* Available here:
https://lankellychase.org.uk/resources/publications/hard-edges-scotland/

inflation, rising energy prices contribute to concerns about households' ability to meet their financial commitments and ultimately retain their housing.

- **Experiences of homelessness exacerbating poverty and inequality:** The trauma and indignity of homelessness disrupts people's lives and often exacerbates experiences of poverty. The fact that 15% of people who experienced homelessness have also been homeless at some point during the previous five years,[2] demonstrates that the system does not do enough to provide a route out of poverty. Living in temporary accommodation – especially unsuitable accommodation – can have a detrimental impact on people's mental health and disrupt people's ability to participate in the labour market. Crisis research found, for example, that experiences in temporary accommodation had a negative impact on ability to look for work and participate in courses of training programmes.[3] Last year, there were 11,800 children in families assessed as homeless, and people aged 16-25 continue to be disproportionately represented in the population experiencing homelessness.[4] Children and young people's experiences of homelessness can have a huge impact on their wellbeing and life chances.[5]

- **Causes of and experiences of homelessness are also driven by experiences of systemic discrimination:** In understanding the causes of homelessness, it is important to understand that poverty is experienced differently by different equalities groups, driven by sexism, racism, homophobia, transphobia and intersectional experiences of discrimination. The most common reason for women's homelessness is a violent or abusive household dispute, which is the cause of homelessness for 26% of women applicants. Men, on the other hand, are more likely to sleep rough (86% of those who slept rough in the previous 3 months were men), and to experience repeat homelessness. There is a disproportionate representation of ethnic minorities in the homeless population, as demonstrated by the fact that there are fewer white individuals experiencing homelessness (87%) than the Scottish population as a whole (95%). More research is needed to understand the causes and solutions specific to these groups.

However, housing also plays an integral role in both preventing and responding to homelessness, and the two cannot be disconnected. For these reasons, Crisis sees it as **vital that the Local Government, Housing and Planning Committee (LGHPC) works closely with the SJSSC to conduct joint inquiries into the causes of and solutions to homelessness, including playing a dual role in considering relevant legislation.** This should be seen as an opportunity for greater scrutiny of efforts to prevent and end homelessness, rather than homelessness falling through the gaps between other committee priorities.

Policy Context

Homelessness has received renewed attention over the last five years. In 2017, Crisis Chief Executive Jon Sparkes was invited by First Minister Nicola Sturgeon to chair the short-life Homelessness and Rough Sleeping Action Group (HARSAG), which published 70 recommendations to end homelessness

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[2] Scottish Government (2021) Annual Homelessness Statistics, 2020/21. Scottish Government: Edinburgh. Available here: annual homelessness statistics for 2020/2021.
[3] Sanders, B. with Reid, B. (2018) 'I won't last long in here': Experiences of unsuitable temporary accommodation in Scotland. London: Crisis. Available here: https://www.crisis.org.uk/media/239520/i_wont_last_long_in_here_2018.pdf
[4] Scottish Government (2021) Annual Homelessness Statistics, 2020/21. Scottish Government: Edinburgh. Available here: annual homelessness statistics for 2020/2021.
[5] Rock Trust (2021) Youth Homelessness Prevention Pathway. Rock Trust: Edinburgh. Available here: https://www.rocktrust.org/wp-content/uploads/2021/03/YHPP-4-All-YP-Digital-Version-FINAL.pdf

in Scotland. In response to the HARSAG recommendations, in November 2018, the Scottish Government and COSLA published the Ending Homelessness Together Action Plan (EHTAP), the first of its kind across the UK. The strategy, which received cross party support, embeds a 'rapid rehousing' approach which intends to shift planning, policy and practice towards a culture and system in which numbers of homelessness applications are reduced, movement through the homelessness system is as swift as possible, and outcomes are improved. Accompanied by £50 million over five years, it also committed to expanding Housing First, introducing prevention pathways and new prevention duties on public bodies, and changes to the legal tests involved in assessing someone's homelessness (local connection and intentionality).

The pandemic has seen renewed attention on plans to end homelessness. Similar to the *Everyone In* policy in England, Scottish Government, Local Authorities and third sector partners took decisive action to accommodate rough sleepers in emergency accommodation (hotels) when the pandemic hit in March 2020. However, unlike the situation in England, the provision of emergency accommodation remained in place in Scotland, with the pandemic acting as a catalyst for a political commitment and cultural shift away from the use of congregate accommodation and night shelters, as recommended by HARSAG. HARSAG was reconvened over Summer 2020, and an updated Action Plan with 50 new actions was published in the Autumn. Evictions were suspended, and emergency legislation which created pre-action requirements in the private rented sector for landlords in Scotland wishing to evict on the grounds of rent arrears may be made permanent. The pandemic has also, however, led to some delays to commitments being introduced, such as the planned changes to local connection, and the extension of the Unsuitable Accommodation Order to all homeless households.

Against this backdrop, the Scottish Government, as one of the commitments in the EHTAP, asked Crisis in 2019 to convene an independent Homelessness Prevention Review Group. The Group, chaired by Professor Suzanne Fitzpatrick with secretariat from Crisis, was made up of experts from local government, the homelessness sector and academia, and produced recommendations on legal changes that would refocus the system on preventing homelessness in the first place.

The proposals, which the Government will be consulting on later this year, have received support from across the political spectrum and have now been prioritised within the recent Programme for Government, which committed to: "...strengthen existing homelessness prevention legislation and introduce new duties on public bodies to ask people about their housing situation, and take action if needed, supporting the development of a culture of early intervention"

Homelessness statistics[6]
While significant progress has been made and ambition is high, the official homelessness statistics highlight the scale of the challenge. After declining for many years following the introduction of Housing Options, numbers of applications for support with homelessness rose for three consecutive years prior to the pandemic, with tens of thousands of people needing help each year. Incredibly, 8% of the Scottish population has experienced homelessness.[7]

The pandemic has also presented considerable challenges, despite remarkable efforts by local authorities and their partners. Some local authorities now face a backlog of homeless cases, record high numbers of households in temporary accommodation, and increased use of B&B

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[6] The statistics in this section are all based on the Scottish Government's latest annual homelessness statistics for 2020/2021.
[7] Health and homelessness statistics: https://www.gov.scot/publications/health-homelessness-scotland/

accommodation as it became more challenging to move people on to permanent accommodation. As a result, numbers in temporary accommodation (TA) increased to their highest ever.

- Households in TA reached over 14,000 in September 2020, but there were still over 13,000 households in TA at the end of March 2021, up from 11,600 a year earlier. This leaves people with uncertainty and in some cases in poor accommodation, while being extremely costly to the public purse.

- It is taking on average 248 days for a homeless household to be moved into settled accommodation. This is 23 days longer than last year and 36 days longer than 5 years ago. In 5 local authorities, it takes over a year to close a case. Cases have been taking longer and longer to close over the past 20 years.
- The length of time spent in temporary accommodation has also been increasing. People who needed temporary accommodation spent an average of 199 days in temporary accommodation, 12 days longer than the previous year's average. In some areas there is also a high incidence of people moving in and out of temporary accommodation.
- The proportion of homeless households reporting a support need has increased over time – from 33% in 2007/08 to 51% of applicants in 2020/21. The biggest increases have been experienced for mental health (from 12% to 27%) and basic housing management (10% to 26%) mostly among younger applicants. Almost a quarter (24%) of people lost accommodation for reasons related to their mental health.
- The levels of repeat homelessness have been static over several years: in 2020/21 15% (4,269) of all homeless households had already been homeless within the last five years.

What these statistics show us is that we still have a long way to go to meet the ambition to end homelessness set out in the action plan, and with increasing lengths of time spent in temporary accommodation, we need to redouble our efforts to shift the system towards a rapid rehousing approach, with the resource allocation necessary to achieve this.

Resourcing of homelessness services and priorities for the upcoming budget

Temporary Accommodation

High rates of homelessness and a strong statutory system of support mean that Scotland has particularly high use of temporary accommodation.

Temporary accommodation funding is a highly complex mix of subsidy through the Westminster social security system, Housing Revenue from local authority rents and funding through the local authority General Fund. Figures obtained from Freedom of Information requests in 2018 put the bill for temporary accommodation in Scotland at £660m over five years.[8]

Most temporary accommodation, around two thirds, is in social housing. In 2013 Audit Scotland estimated that it cost councils 75% more to accommodate people in temporary accommodation than it would have done to house them in a permanent home,[9] while also reducing the amount of social housing available for permanent accommodation. Since then, there have been major changes to the social security system which have impacted on funding of temporary accommodation, for

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[8] Goodwin, K, Geoghegan, P (2018) Councils paid £660m for temporary homeless accommodation, The Ferret, 17 August 2018 https://theferret.scot/councils-half-billion-temporary-accommodation/

[9] Audit Scotland (2013) Housing in Scotland. Available here: https://www.audit-scotland.gov.uk/report/housing-in-scotland

example leading to a further shift away from private sector leasing towards increased use of social stock for temporary accommodation.[10]

Tackling the high use of temporary accommodation was a key task of HARSAG. Nevertheless, the number of households in such accommodation has consistently been around 11,000 at any one time for several years despite efforts to reduce this through the rapid rehousing agenda. The pandemic saw a 12% increase in the use of temporary accommodation. Unless we make further concerted and strategic efforts to make the transition towards a preventative and rapid rehousing approach, temporary accommodation will continue to be a core component of the homelessness system and drain on public finances for years to come.

Homelessness services funding allocations

The Scottish Government Green Book shows allocations to homelessness by local authority, but also funding for temporary accommodation, RRTP allocations, and other things like Discretionary Housing Payments. This is in addition to funding in the form of HB subsidy from the benefits system. This year's Green Book showed that temporary accommodation costs continue to account for a large proportion of homelessness expenditure:

£86.8 million was allocated across Scotland for homelessness related services

£8 million was allocated for RRTPs (9% of the total)

£23.5 million was allocated for temporary accommodation (27% of the total)

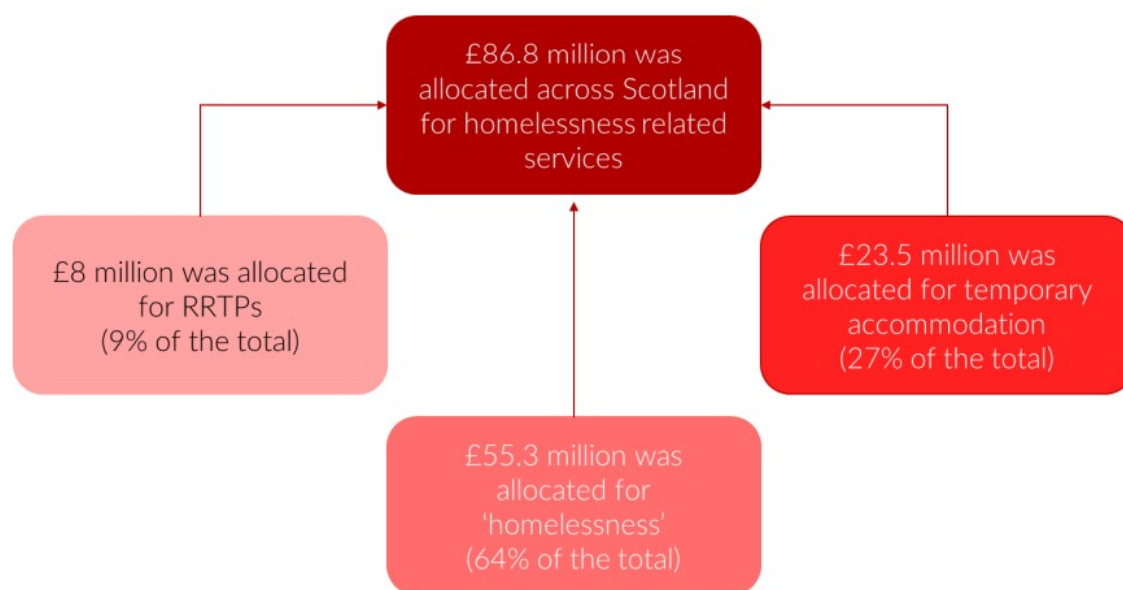£55.3 million was allocated for 'homelessness' (64% of the total)

Figure 1: Green Book allocations for homelessness in Scotland 2020/21 cited in The Salvation Army (2021) *Homelessness in Scotland: Research for The Salvation Army.* Salvation Army: Online. Available here: https://www.salvationarmy.org.uk/scottish-homelessness-report

However, because local authority expenditure on homelessness is not ring-fenced, expenditure may not reflect the allocated budget. Through their research, Salvation Army found significant variation in whether actual spend matched or was over or under the allocated budget, ranging from an overspend of £1.5 million in one area, to an underspend of £800,000 in another. In some cases, the lack of ring-fencing may mean the £23.5 million is spent on other services outside of homelessness

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[10] Evans, A. (2016) *Funding Homelessness Services in Scotland.* Shelter: Online. Available here: https://scotland.shelter.org.uk/professional_resources/policy_library/funding_homelessness_services_in_scotland

specifically. There may be justification for this if it contributes to homelessness prevention, but the danger is that it is spent on meeting other unrelated objectives.

Resourcing rapid rehousing and an end to homelessness

In 2017 the First Minister announced £50 million additional expenditure on homelessness over the next five years until 2023, called the 'Ending Homelessness Together Fund.' This funding commitment underpins the five-year Ending Homelessness Together Action Plan, which is currently in year four of its five year delivery. The recent Programme for Government committed to a further £50 million for ending homelessness. It remains unclear whether this runs concurrent with, or subsequent to, the initial £50 million, and how it will be spent. The Homelessness Monitor Scotland survey recently found that some stakeholders voiced a concern about the resourcing required to realise the Plan in practice, with several highlighting its dependence on sufficient housing supply.[11]

As has already been discussed, local Rapid Rehousing Transition Plans (RRTPs) are a cornerstone of the EHTAP plan's delivery, for which local authorities receive specific funding from the EHT fund: originally £15 million over three years, but increased to £24 million in November 2019.[12] The pandemic also prompted a £5 million uplift in the 2021/22 RRTP funding allocation. However, it is unclear when the original RRTP funding is available until, given that the initial three years has now come to an end. **A priority for the upcoming budget should be to recommit another three- or five-year round of RRTP funding which at least matches the previous £24 million.**

Adequacy of RRTP funding

The initial funding requests (subsequently scaled back) made by local authorities in the first wave of RRTPs was reported to be £130 million, far outstripping the total EHT fund of £50 million,[13] which perhaps speaks to the **scale of resource LAs believe is required to deliver these transformative changes.** Respondents to a recent survey by CIH also reported having had to scale back RRTP ambitions in line with available funding, with one respondent reporting having to scale back their planned Housing First project by 50% due to funding restrictions.[14] The largest share of the original RRTP funding requests were made for Housing First provision (38% of total funding requested), followed by housing support (18%), prevention (18%) and TA conversion (18%).[15] Research by Rocket Science, commissioned by Salvation Army found that all local authorities received less than they requested within their RRTP: "at the most extreme end, one local authority was granted 2.5% of what they asked for... another local authority asked in their initial RRTP for £1.3 million, with £700,000 requested in 2021, but only received 15% (£105,000) for that year."[16]

[11] Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H., Young, G. (2021) *The Homelessness Monitor: Scotland 2021*, London: Crisis. Available here: https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor

[12] Scottish Government (2019) *Rapid Rehousing Transition Plan minutes: August 2019.* Online: Scottish Government. https://www.gov.scot/publications/rapid-rehousing-transition-plan-minutes-august-2019/

[13] Barratt, L. (2019) Cost of new Scottish homelessness plan assessed as eight times above budget. 19 June. Online: Inside Housing. https://www.insidehousing.co.uk/news/news/cost-of-new-scottish-homelessness-plan-assessed-as-eight-times-above-budget-61943.

[14] Chartered Institute for Housing (2021) *Rapid Rehousing Transition Plans, temporary accommodation and housing options: a survey of Scotland's local authorities.* Available here: https://www.cih.org/media/yvjeyzuu/rapid-rehousing-transition-plans-research-2021.pdf

[15] Dunn, L. (2019) *Rapid Rehousing Transition Plans: A Scottish Overview*. Crisis Scotland: Edinburgh. https://www.crisis.org.uk/media/241640/crisis_rapid-rehousing-report_web_spreads_v2.pdf

[16] The Salvation Army (2021) *Homelessness in Scotland: Research for The Salvation Army.* Salvation Army: Online. Available here: https://www.salvationarmy.org.uk/scottish-homelessness-report

There was a common view emerging from the Homelessness Monitor research[17] that **RRTP funding is under-resourced**, with informants quoted as saying:

> *"The SG RRTP funding has been critical to supporting the service redesign and additional capacity levered into the service that has allowed progress with core RRTP objectives. It is important that this funding is sustained beyond the initial five year period of the RRTPs to allow the authority to complete the RRTP and redirect savings in the use of TA to community based services."* (LA, Glasgow and rest of the Clyde Valley)

> *"[there is a] vast gap in what it would take compared to what was on the table… We've gone for big bang rhetoric and only a small amount of money to get there."* (Key informant, voluntary sector)

This is reflected in the local authority survey carried out earlier this year by CIH which found that the majority of respondents (67 percent of the 30 LAs who responded) reported significant shortfalls in funding allocated for RRTPs to date and pointed out that more funding will be needed to recover from the pandemic.[18]

One area where there is concern around resourcing is **Housing First**, which **requires sufficient resource in order to deliver it in line with its core principles.** Housing First is a highly successful and evidence-based intervention which provides mainstream housing to people with highly complex needs along with tailored support. The Homelessness Monitor found that some key informants were concerned that the fidelity of Housing First provision in Scotland was under strain in part because of the financial challenges described above. According to one voluntary sector key informant, some areas are *"doing it on the cheap"* with the resulting model and support-offer to tenants in their view akin to *"beefed up visiting housing support"* rather than high fidelity Housing First. If the support provided is not adequate, people may be more likely to fail in their tenancies and return to homelessness or other vulnerable situations.

Allocation of funding

One recurring theme emerging from various surveys and analyses of RRTP plans, is that there is no capital funding available through RRTPs to address the **fundamental issue of lack of affordable housing.** The research by Salvation Army found that local authorities faced major barriers related to the housing system in delivering RRTPs, in particular around an inadequate supply of accommodation for single people and families, a shortfall between LHA rates and PRS rents reducing the number of properties available to move into, and housing market pressures leading to longer times spent in high-cost temporary accommodation.[19] Respondents to the Homelessness Monitor survey also raised this issue of the availability, accessibility and affordability of settled housing acting as a barrier to the delivery of RRTPs:

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[17] Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H., Young, G. (2021) *The Homelessness Monitor: Scotland 2021*, London: Crisis. Available here: https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor

[18] Chartered Institute for Housing (2021) *Rapid Rehousing Transition Plans, temporary accommodation and housing options: a survey of Scotland's local authorities.* Available here: https://www.cih.org/media/yvjeyzuu/rapid-rehousing-transition-plans-research-2021.pdf

[19] The Salvation Army (2021) *Homelessness in Scotland: Research for The Salvation Army.* Salvation Army: Online. Available here: https://www.salvationarmy.org.uk/scottish-homelessness-report

> *"The obvious barrier to delivery of our RRTP is the availability of housing stock. Transformation of our… allocations policy will be a key enabler as will developing closer working relationships with the PRS"* (LA, Edinburgh and other pressured markets)
>
> *"You do require additional houses [to implement RRTPs]… We're still so far away from providing sufficient volume and quality of homes where they're needed, that there's still an element of managing the problem, rather than solving the problem"* (Key informant, voluntary sector)

To tackle this issue, CIH recommends that RRTPs are better aligned with Strategic Housing Investment Plans (SHIPs) and the Affordable Housing Supply Programme (AHSP), highlighting a potential disjoin between homelessness and housing policy and planning. These budgets are receiving pre-budget scrutiny by the LGHP Committee, reminding us of the importance of the two committees working together when it comes to actions to tackle homelessness.

Another issue is that RRTP funding is **calculated based on a three-year average of homelessness assessments**[20] When need is determined by past homelessness applications, this is likely to inhibit local authorities' ability to shift towards a rapid rehousing and preventative approach. The Salvation Army research found that: "local authorities reported that they received funding based on their average number of homeless applications over the past five years rather than the Plan they submitted to Scottish Government."[21] This is unhelpful for a shift towards a preventative approach because, put simply, an LA may have low numbers of homelessness applications because it has invested in more preventative work upstream, but as a result it gets much less funding.

There are also very significant variations in rates of homelessness applications between LAs, sometimes with very similar demographics. Similarly, basing funding on number of presentations does not account for the varying levels of individuals with high support needs across different local authorities. The number of applicants with multiple and complex needs has increased over the years, from 34% in 2012 to 51% in 2019,[22] requiring a more intensive approach to housing support and specialist support services. The expansion of Housing First will help to meet these challenges, but funding allocation for RRTPs should move beyond being allocated based on previous applications to a more nuanced approach.

Ring fencing, transparency and scrutiny

It is at present very difficult to get a picture of what is happening across Scotland in relation to rapid rehousing, as reports on progress towards achieving the aims set out in local RRTPs are not in the public domain. There is no outcomes framework for the EHT Action Plan, and progress is measured by whether an action has been completed, so it is hard to identify whether and how the actions in the high-level action plan, or in local RRTPs, contribute to preventing and alleviating homelessness, and what might improve efficiency and effectiveness. Rather than basing funding allocation on an average of previous years' homelessness applications, it would be preferable to align funding with an EHT outcomes framework. The Homelessness Prevention and Strategy Group, co-chaired by the Cabinet Secretary for Social Justice and Councillor Parry of COSLA, could play a much greater role in developing and monitoring such an outcomes framework. Furthermore, there is a role for the SJSS

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[20] Scottish Federation of Housing Associations (2019) *Rapid Rehousing Funding Distribution*. SFHA Policy Update. 19 August. Online: SFHA. https://www.sfha.co.uk/news/news-category/policy-update/news-article/rapid-rehousing-funding-distribution

[21] The Salvation Army (2021) *Homelessness in Scotland: Research for The Salvation Army.* Salvation Army: Online. Available here: https://www.salvationarmy.org.uk/scottish-homelessness-report

[22] Ibid.

Committee in providing parliamentary scrutiny of progress against the actions set out in the EHTAP and RRTPs, and whether budget allocations clearly map onto outcomes.

Homelessness expenditure at a local authority level is not ring-fenced, allowing LAs to transfer funds between General Services Account (or General Fund) and the Housing Revenue Account. In terms of which account is predominantly used, there is a mixed approach across different local authorities, making expenditure on homelessness services difficult to keep track of. This is further complicated by income from Council Tax, rents and service charges, non-domestic rates, and Housing Benefit from DWP, flowing into these accounts, making the monitoring and transparency of expenditure quite opaque. This was a finding of both the recent Salvation Army research[23] and research commissioned by Shelter in 2016.[24] This lack of transparency undermines budget scrutiny, and the ability to assess whether funding of homelessness and housing support services are adequate to meet the outcomes set out in EHTAP and RRTPs.

There are different views around whether funding should be ring-fenced. The Salvation Army report made a strong case for ring-fencing of homelessness budgets. On the other hand, the CIH survey found that the majority of local authorities had not experienced issues around ringfencing, yet seven councils called for funding to be ringfenced, with some making the case that negotiating budgets takes time, and that the ringfencing of funds would remove the risk of funds being diverted to meet other priorities. Whilst it is important to ensure funding intended to be spent on homelessness services are protected, it is also important to recognise that as we transition towards a preventative model with more work carried out upstream, there may be a need for more **joint planning of budgets across services.** Homelessness services already receive funding from a range of other sources, for example Alcohol and Drugs Partnerships, Integration Joint Boards, Community Justice Partnerships or other council funds; an approach which could be built on.

Finally, funding being announced and needing to be spent during short funding cycles can undermine delivery of Rapid Rehousing Transition Plans and the transformative changes services are trying to make, towards prevention. Multi-year funding, in a minimum of three to five-year cycles is important to ensure the ambition set out in the Ending Homelessness Together Action Plan, and local RRTPs can be planned and delivered effectively.

The principles of prevention

With such a high proportion of the population going through the homelessness system, and the numbers stuck in temporary accommodation remaining so high, there is a clear need for a stepchange in the focus on preventing homelessness. Technicalities with the current homelessness framework often disincentives homelessness prevention, yet every single local authority RRTP that Crisis analysed identified homelessness prevention as a core component of the rapid rehousing agenda.[25]

The CIH research found that: "only a quarter of respondents think that local authorities already have the tools and resources needed to prevent homelessness. Resources within housing and homelessness teams are stretched and more focus needs to be given to homelessness prevention as

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[23] Ibid.

[24] Evans, A. (2016) *Funding Homelessness Services in Scotland.* Shelter: Online. Available here: https://scotland.shelter.org.uk/professional_resources/policy_library/funding_homelessness_services_in_scotland

[25] Dunn, L. (2019) *Rapid Rehousing Transition Plans: A Scottish Overview*. Crisis Scotland: Edinburgh. https://www.crisis.org.uk/media/241640/crisis_rapid-rehousing-report_web_spreads_v2.pdf

a long term strategy shared with partners across different departments and organisations, not just a housing issue."[26]

Crisis is calling for some major changes to the law, in line with the broad recommendation of the Homelessness and Rough Sleeping Action Group, and the detailed proposals of the Homelessness Prevention Review Group. These would not only change the way homelessness services are delivered, but also make supporting people to maintain tenancies and live in stable, suitable homes, a shared priority across public services. The purpose behind these changes is to carry out action further upstream that will prevent people from experiencing the trauma and indignity of homelessness, and will have the potential to contribute to wider anti-poverty aims by supporting people to access the help they need before they reach crisis point, which we know can be hugely costly both in terms of people's experiences and in terms of public expenditure.

The Scottish Government has committed to consulting on the proposals later this year. Implementation of these wide ranging recommendations would mean:

- Clarifying the current law and requiring local authorities to take specific steps to prevent homelessness, building on recent developments in Wales and England. This would mean that once again Scotland has the strongest protections in Great Britain for people facing the prospect of homelessness.
- Action to prevent homelessness would start up to six months before someone faces losing their home.
- Public bodies, such as health services and prisons work together with housing professionals to ensure that people get help early and do not lose their home unnecessarily. The proposals, if implemented, would ensure that no one leaves an institution, such as prison or hospital, without somewhere to sleep that night.
- Public bodies ask about people's housing situation to identify any issues at an early stage and act where a problem exists.
- Strategic planning of services such as health and social care and housing so that resources are focused on prevention, gradually moving away from crisis mitigation.

These changes are likely to require a major rethink of how homelessness prevention and housing assistance is planned, delivered and funded. For example, it may be that in the future, it would be better to provide funding jointly with housing, health and social care, criminal justice and social work and others, earmarked for work aimed at preventing homelessness, in recognition that it is funding of non-homelessness related services that in some cases would have the most benefit in preventing homelessness.

As part of Crisis' 50th anniversary *Plan to End Homelessness*,[27] we commissioned a cost benefit analysis from PwC, which showed that implementing measures in Scotland to prevent homelessness as set out in that plan would cost £76 million over a 25 year period, but generate savings of £207 million.[28] The proposals of the PRG are more far reaching than in the Plan, but this demonstrates

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[26] Chartered Institute for Housing (2021) *Rapid Rehousing Transition Plans, temporary accommodation and housing options: a survey of Scotland's local authorities.* Available here: https://www.cih.org/media/yvjeyzuu/rapid-rehousing-transition-plans-research-2021.pdf

[27] Everyone In How to end homelessness in GB, Crisis (2018)

[28] Much of the *overall* cost savings of implementing a comprehensive plan to end homelessness relate to local authority savings (49%), and improved wellbeing as a result of people having secure housing contributes just over a quarter (27%). Additional benefits accrue to wider public services (NHS and criminal justice) and increased economic output.

the scale of benefit that may be accrued from effective implementation of homelessness prevention activities.