

## **CONSTANT CHANGE: HOUSING POLICY IN SCOTLAND**

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### **INTRODUCTION**

This paper outlines government housing policies and examines the changes that have taken place, particularly in relation to tenure, finance and homelessness.

It is written at a time when homelessness levels are high throughout Europe, when young people particularly face exclusion from housing and employment, and when sweeping changes have radically altered the routes into housing for those citizens who have limited incomes and therefore limited housing choice and where, despite major legislative change which attempted to revitalize the private rented sector, the main housing options remain owner-occupation or the local authority.

Government policies and new legislation brought about a relaxation of planning laws, de-regulation of the private rented sector, the 'right to buy' with discount for sitting tenants of public authorities, constraints in local authority borrowing and the requirement in the voluntary housing movement

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to seek an increasing part of their borrowing from the private financial sector to reduce public subsidy

This paper examines these changes and the policies behind them. It will look at the changing roles and expectations placed on all housing providers, and the impact of the changes made to the welfare benefit system. It will finally outline the current pressures facing local authorities and other housing agencies and examine the conflicting priorities which they must deal with in the next five years.

## **TENURE CHANGE**

### ***Owner Occupation***

At the forefront of policies through the 1980s was the government's desire to increase the role of the private sector and improve the standards within the public housing sector. With the belief that communities would benefit from residents who owned rather than rented their houses, systematic effort was exerted to develop owner occupation as the main form of tenure and significantly reduce the provider role of local authorities.

The key piece of legislation which brought about this major change in housing tenure in Scotland was the Tenants Rights Etc (Scotland) Act 1980 (now consolidated in the Housing (Scotland) Act 1987) which gave public authority tenants the right to buy their homes at a discounted rate. This legislation has produced the single greatest change in Scotland's housing, with over 293,000 properties sold from the stock of district councils, new towns and the Scottish Special Housing Association (now Scottish Homes). This is equivalent to a 28.5% reduction in Scotland's public authority housing stock since 1979 (Scottish Office 1994a).

The effect that this has had in limiting the supply of public rented accommodation has been exacerbated by a virtual halt to local authority house building programmes because of constraints on public spending and an increasing reliance on the income from sales and consent to borrow. In 1993 there were fewer than 900 new dwellings started by Scottish public authorities, compared to 7,000 in 1979. This represents a significant contraction in the public sector building as a proportion of all new starts, a fall from 30% to 4%. In the same period, the private house building sector has not only increased its proportion of all new starts, from 66% to 74%, but

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also increased in real terms from just over 15,000 to just under 17,000 (Scottish Office 1994c).

Public sector house sales, coupled with an increasing proportion of all new housing being built and provided by the private sector, has increased owner-occupation in Scotland from 35% of all tenures in 1979 to a current level of 55% which is similar to that in the Netherlands or West Germany, but still some way below the 68% of England and Wales. In the same period, the public rented sector contracted from 55% to 35%.

Council house sales in Scotland were at their peak in 1989, with the sales of just under 40,000 houses completed. In the high demand years of 1988 and 1989, 59,996 and 47,376 applications were made by sitting tenants. This demand has now substantially reduced, but in 1993 almost 30,000 applications were made, highlighting a lower, but continuing, demand to purchase.

The problems caused by interest rate increases in the mid and late 1980s highlight the difficulties faced by those at the lower end of the owner occupation level who find, unlike those in the rented sector, that there are only limited means of help through the welfare benefit system and little in the way of advisory services from their lenders. Throughout Britain, the owner-occupied market suffered with the repossession of over 250,000 homes since 1988, although the problems were mainly concentrated in England (Wilcox 1994).

### *Housing Associations and Co-operatives*

Housing associations, too, have increased their role and activity significantly. Over the last thirteen years the number of households renting from the voluntary housing movement in Scotland has grown from 36,000 to 71,000, representing an increase in the proportion of all tenures from approximately 1.8% to 3.3% (Scottish Office 1994c). While this is a low proportion compared to other forms of social renting, it is, nevertheless, a sector which has sustained growth and is continuing to build and modernize old or run-down houses. It is an important provider of housing for people who need specially built or adapted properties, for older people who require sheltered and extra-care housing and for those who need support to help them sustain their tenancy and remain in the community. It has also increasingly been encouraged to pursue more diverse forms of tenure such as low-cost home ownership and shared ownership schemes.

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The development of housing associations and co-operatives in Scotland has differed from that in England, where organisations tend to be large (over 1000 properties). In Scotland, of the 260 registered associations and co-operatives, around 40% have between 500 and 1000 properties, and almost 50% have fewer than 100 houses. There are a few associations providing housing throughout Scotland (eg Link, Hanover, Bield) which have over 3000 units, but, in the main, the Scottish movement can be identified as one providing housing and management geared to the needs of a local community.

Recent transfers, however, such as those of Scottish Homes stock in the Borders and Glasgow, have moved large numbers of houses, between 1900 and 2500. Proposals to transfer the entire stock of Berwickshire District Council to a newly formed housing association were completed in April 1995, following a tenant ballot. If these large transfers continue, they are likely to change the profile of the Scottish movement, providing more, large players in the housing association movement.

The voluntary movement, however, remains an important part of the rented sector by accommodating households either unable or unwilling to access local authority housing, home ownership or private renting. In 1993-94 11% of new tenants of housing association and co-operatives were previously statutorily homeless, and, when those who had been in insecure tenancies or had no home of their own are included, this figure increases to just under 40% (SFHA/SCORE 1994).

#### ***The Private Rented Sector***

The white paper **Housing: the Government's proposals for Scotland** (HMSO 1987) outlined a new part for the rented sector, concocting the term 'independent rented sector' (p. 19) to incorporate housing associations and the private rented sector. The paper recognised that 'there is now very little direct private investment in providing new rented housing; and when landlords obtain vacant possession ... they often prefer to sell outright into owner occupation rather than relet' (p. 16). Considering that the private sector 'should be particularly well placed to respond flexibly and swiftly to different local needs', the Government announced the introduction of new tenancies (assured) and the opportunity to be assisted by public subsidy in an attempt to expand this sector.

The Housing (Scotland) Act 1988 sought to boost supply in the private rented sector by creating a commercially viable climate for landlords in two key

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ways. Firstly, rents in the private sector were removed from the fair rent system and the control of the Rent Officer, and are now to be set by landlords at market levels. Secondly, measures were introduced to increase the rights of repossession for landlords with a corresponding limitation in the rights of security of tenure for tenants.

The impact of this de-regulation on the actual supply has, however, been limited; there has been an intercensal proportionate drop in households renting privately, compared to other tenure types. In 1991, 4.7% of all households were renting privately compared with 6% in 1981 (Census 1981 and Census 1991).

#### ***Scottish Homes***

The Housing (Scotland) Act 1988 was also important for creating a new strategic body to help shape Scottish housing policy and provision. Scottish Homes was created in 1989 by merging two established bodies: the Housing Corporation in Scotland, which registered, monitored and funded housing association and co-operatives, and the Scottish Special Housing Association, which had been a national landlord since 1937 and had at that time 74,000 houses. Scottish Homes is distinct from its counterparts in England (the Housing Corporation) and in Wales (Tai Cymru) in having the power both to fund housing associations, private landlords and developers, and to be a major landlord responsible for 58,596 houses (as at March 1993). This large landlord function is still less than that of the Northern Ireland Housing Executive which provides around 170,000 houses across the province. Scottish Homes is, however, unique in combining landlord functions with development funding, and this gives it the potential to influence and improve housing in Scotland.

The establishment of such a powerful quango, with stated aims of increasing owner occupation as well as improving standards and helping to meet local housing needs, was not wholly welcomed when announced in the white paper in 1987. It was seen as a government vehicle for reducing the role of local authorities and, because of that, viewed as a threat. Strategic agreements have now, however, been signed with forty-five local authorities as the agency has worked to change this attitude. Scottish Homes has also continued to seek the gradual transfer of its stock to other landlords, including housing associations and co-operatives. This transfer process is likely to be stepped up with the announcement of its intention to divest itself of its entire landlord function by the end of the decade.

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### ***Stock Transfers***

Stock transfers and the creation of new associations and co-operatives have taken place, or are taking place, in the four Partnership areas (Wester Hailes, Ferguslie Park, Whitfield and Castlemilk) and in various renewal and regeneration projects throughout the country. By the summer of 1994, local authorities had transferred over 12,000 houses whilst Scottish Homes had transferred a further 10,000. At the end of 1994, tenants in Berwickshire voted for the transfer of all 2135 local authority houses to the newly formed Berwick HA. This will be the first transfer in Scotland of the total stock of a district council, but two other district councils, one of which has over 5000 houses, are currently considering the process.

This continues the trend from the public sector, in which elected members are accountable, to the private or independent rented sector. Within housing associations, committee members are elected by the shareholders or members; however, not all tenants are members and therefore do not have the right to vote at the AGM. Whilst committee members are not paid for their work with their association, and many give up a lot of their free time in an effort to support their organization, they do not have to account for their actions to a wider electorate.

In the 1988 legislation, public sector tenants were given a new right to choose another landlord, provided that landlord was from the private or independent sector and had been approved by Scottish Homes. To date, few tenants have exercised that right, the most public of these being the transfer of Scottish Homes stock in the Borders to Waverley Trust, and in the north to seven co-operatives managed by Grampian Property Partners.

### ***House Standards***

In 1991, the first Scottish House Condition Survey was completed by Scottish Homes. It showed the poor state of many of the houses in Scotland, with 4.7% of the stock declared 'below tolerable standard' (BTS). The standards outlined in legislation provide for a house to be declared as BTS when one or more of nine circumstances have been met. These standards cover structural safety, amenities such as hot water, internal bathrooms and kitchens and conditions such as dampness.

Despite the popular views of the state of housing in the public sector, the survey found that, when examined on a tenure basis, 64% of the BTS stock is

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in the private sector and 36% in the public sector (Scottish Homes 1993). Within the private rented sector, the BTS level was found to be 16.5%.

The survey also found that 267,000 (13%) of the Scottish housing stock suffered from dampness and 392,000 (19%) from condensation. The problem of condensation was most evident in the public sector and in private rented housing and most likely to be occupied by single parents and large families. The survey identified the continuing problems in the rural areas, which hold the greatest percentage of BTS houses, and which are most likely to be lived in by elderly households.

Owner-occupied housing also requires remedial work, with repairs needed on more than three-quarters of this sector. The repairs are estimated at £1.3 billion, which is almost half of the total Scottish repair bill (Munro 1995).

### **FUNDING AND SUBSIDY CHANGES**

The government policy of reducing public expenditure has not been applied evenly across all sectors. Throughout Great Britain, housing, employment training and trade, industry and energy are the three areas of public expenditure to have experienced a reduction. Across Britain, the real reduction in expenditure for housing between 1981-82 and 1991-92 has been approximately 25%. This compares, for example, with real growth of between 30% to 55% in the respective budgets of law and order, personal social services and social security (Wilcox 1993). In Scotland, the total expenditure on public housing has increased in nominal terms from £836.4 million in 1983-84 to £1,027.5 million in 1993-94. In real terms, however, this represents a contraction (Scottish Office 1994c).

#### ***Local Authority Funding***

The major change which has taken place within local authorities has moved subsidies away from buildings to individual tenants or households. This transfer can be seen in the levels of housing support grant paid to district councils which fell from 39% of the cost of providing and maintaining a house in 1979-80 to 3% in 1993-4. Housing support grant was paid to only 32 local authorities in 1992-93; for eleven of these, it was only to subsidise the cost of providing hostels for homeless people or households.

Funding for capital works relies on capital receipts from house sales through the right to buy and from borrowing permission given annually by the

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Scottish Office. Unlike authorities in England, Scottish councils can retain all of the receipts received from sales or transfers.

Revenue funding relies predominately on rental income, which brings two key pressures to housing staff. One is in the housing management service where there are increasing requirements to collect as much rental payments as possible. The second is in the housing benefit department which now accounts for subsidy to approximately 70% of council tenants in Scotland. Housing benefit and rent allowance are an important subsidy for the rented sector and, as subsidies to landlords are reduced, rents will continue to rise. Council houses cost on average £26.56 per week, and housing associations property £28.09 per week in 1993-94 (SFHA/SCORE 1994; Scottish Office 1994d). The reliance on benefits highlights the poverty levels amongst tenants and shows how the profile of public sector tenants has changed.

#### ***Owner Occupation***

As has already been discussed, owner occupation throughout the UK has increased, and the number of mortgages has risen from 6.2 million in 1980 to over 10 million in 1993. The right to buy legislation increased the ownership level, with the sale of 1.5 million council homes throughout the UK. These house sales brought £28 billion to the treasury, more than the privatization of gas, electricity and British Telecom combined (Wilcox 1993).

This increase in owner occupation increased the level of mortgage interest tax relief, which in Scotland reached £571 million in 1990. In 1992-93, mortgage subsidy cost Great Britain £6.3 billion (Wilcox 1993). This bill will fall with the reduction in interest rates and with the changes made to MIRAS which have reduced the rate at which it is paid to 15% and removed relief at the higher tax band of 40%. Most recently, changes to assistance in income support reduce the subsidy available to owners who become unemployed. Instead, new owners are expected to take out insurance policies to cover such risks, thus increasing the monthly cost for often very financially-insecure purchasers.

#### ***Housing Associations and Co-operatives***

Housing associations and co-operatives are now governed by the same laws as any other private landlord which require them to take responsibility for setting rents on new tenancies rather than, as previously, having the rent set by the government-appointed Rent Officers. Association committee members are therefore responsible for setting rents, and, with the additional

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responsibilities of securing private finance and preparing business plans, members are now required to be more business oriented and aware.

Before 1988, housing association grant (HAG) was paid by the Housing Corporation in Scotland for new and re-build developments. The grant covered the building costs which could not be paid for by the mortgage that could be raised from the expected rental income. In general, HAG covered approximately 95% of development costs. Changes in the funding of housing associations brought about in 1988 required them to seek private sector finance to support new projects, with average housing association grants providing 80-85% of development costs. Since 1988, associations and co-operatives have increasingly carried more of the financial risk by having HAG agreed and paid 'up front'. Unexpected building contract costs, or increases in interest rates, are now met by the association, by reducing standards, or by using their own resources or by increasing subsequent rent levels. Allowances must also now be made for future renewal and maintenance costs, all of which have an impact on rent levels.

In England, funding to housing associations has been subject to even more radical change, with HAG in 1994-95 provided at average levels of 55-57%. The debate on housing costs is heightened by the fact that English housing association rents have reached average levels of between £57 and £67 per week, depending on locality (**Inside Housing** Feb 1995).

These financial changes have caused increasing concern throughout the housing association movement about the affordability of rents to current and potential tenants. There is particular concern that housing association rents increasingly will be affordable only by households on full housing benefit or with an above average income. This will marginalise many households on low incomes, who are just above the income support threshold and who are then caught in the poverty trap where wage levels are insufficient to meet both living and housing costs but high enough to exclude them from full benefit entitlement.

In 1993-1994 the average rents in associations or co-operatives were £28 per week. There are however wide regional and local variations, which affect the range and scope of housing that will be provided. Details of new tenants showed that the average income, excluding housing benefit, was £86.65 (Score 1994). As only 31% of new lets were to working households, the benefit system plays an important part in helping tenants meet rental changes. In Scotland, 63.5% of association and co-operative tenants are eligible for Housing Benefit (Score 93).

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### ***Poverty and the Benefit System***

The ability of tenants to meet housing costs has been severely affected by the double burden of unemployment or low-paid work and the changes to the welfare benefit systems. In 1985, the review of social security carried out by Norman Fowler (and later implemented in 1988 by John Major in his short term as Minister of Social Security) introduced a banded level of payments based on age, which set differing 'needs levels' for those aged 16-17, 18-24 and over 25. The change to these tiered levels was based on the belief that young people were encouraged to leave home by the availability of benefit. They ignored all advice that, for many young people, leaving home was the only option as they sought to escape violence or abuse.

For 16-17 year olds, the new system meant that qualifying for income was dependent on being placed on a Youth Training course, or being in employment (unless severe hardship could be proven). This has had a particularly hard impact on Scottish young people who have, since 1986, been entitled to place their names on public sector waiting lists when aged 16 years. Scottish housing legislation and practice has offered housing opportunities to young people, which have then been negated by the lack of income support (if not on YT) and by the withdrawal of single payments for furniture. The alarming rise in homelessness and rooflessness amongst teenagers, now a common feature in Scottish towns and cities, owes much to these benefit changes.

As a consequence of rent policies, the housing benefit bill in Great Britain rose sharply in the 1980s and cost £4.16 billion in 1992, a figure which is expected to rise to £5.5 billion in 1995-96 (Wilcox 1994). Proposals to 'cap' the levels of housing benefit in order to reduce public expenditure fail to acknowledge the impact of earlier policies of subsidising individuals rather than 'bricks and mortar'.

## **HOMELESSNESS AND ACCESS TO HOUSING**

### ***Levels of Homelessness***

Between 1980-81 and 1992-93, there was a threefold increase in the number of household applying to Scottish local authorities as homeless or potentially homeless: an increase of 14,800 to 42,800 (Scottish Office 1994).

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Scotland is not unique. Throughout Europe, the problems of limited access to housing, lack of employment opportunities and thus lack of economic power have combined to create a growth in extreme housing need. The Federation of European Organizations Working with the Homeless has estimated that, within the European Union in 1992, at least two and a half million people are homeless, and 45 million have incomes which are less than half their national average income (Daly 1993).

The growing number of low-income or benefit-dependent households who are unable, or unwilling, to access private forms of accommodation is increasingly dependent on their local authorities for housing. As single people have formed an increasing part of this demand the mismatch in the supply of, and demand for, particular types of housing has become apparent, with 80% of local authority and new town properties consisting of four or more rooms, whilst waiting lists contain, on average, 40% single people (Pedreschi 1992).

At the same time as the demand has increased, the right to buy has removed the larger or most popular houses from the public sector thus limiting the scope for current tenants to seek transfers or exchanges. Those houses which remain tend to be the poorer quality stock, or in less desirable areas, and as the more affluent tenants have become owner occupiers, the houses which remain for those people who cannot afford to buy or to rent at market rent levels are increasingly those properties in peripheral areas or the system-built houses and high rise flats of the 1960s and 1970s. While council houses were once the homes of the working classes, the last fourteen years have brought about an increasing residualisation of public housing. A lower standard and choice of accommodation is being used to house those people who are most often the least economically active and in greatest need.

The growth in demand for council housing, but lack of access opportunity, is compounded by demographic movements, most significantly the intercensal decrease in population but increase in household units. Whilst in the past council housing numbers and turnover gave people less waiting time and greater opportunity for transfer or exchange to a better house or area, a housing allocation now is most usually to a less popular house from which there will be little or no chance of 'escape'.

For many others, extreme and urgent housing need, coupled with the lack of cheaper private rented housing and the inability to purchase, forces them to seek assistance as homeless people.

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### ***Legislative Requirements***

For a local authority to be charged with the obligation to find permanent accommodation for a homeless person, the applicant has to be accepted as being homeless or potentially homeless, in one of the priority need categories identified in the legislation, and must be unintentionally homeless and have some local connection to the area in which she/he has applied.

The district council has a legal duty only to rehouse homeless applicants who fall into one of the priority need categories identified in the legislation, such as households containing a pregnant woman, or with dependent children, people who are vulnerable due to old age, mental illness or handicap, physical handicap or some other special reason, or those who are homeless as a result of fire or flood. Many authorities go beyond the legal requirement: for example Edinburgh and Glasgow (and 21 others) accept that any applicant aged 16 or 17 is vulnerable and therefore has a priority need.

Young people face severe housing problems, with the reduction in the private rented sector (traditionally, the easiest sector to access), the reduction in employment opportunities and the restrictions of the benefit system. For many young people, leaving home to marry, go to college or university, or with the support of their families, ensures a successful move. For others, being forced to leave home because of problems at home adds to their housing difficulties. Amongst young people who have left home in this way, 23% are likely to become homeless, compared to only 2% who have left for traditional or positive reasons (Jones 1994).

The duty on local authorities to rehouse homeless households is clearly limited, and excludes most single people despite the problems they face in being unable to afford most housing on a single (or if young, no) income.

### ***Variations in Housing Practice***

Despite the legislation and the Code of Guidance, there are wide variations in the practices of all authorities. The different structures of the organizations provide homeless-person services from area offices or from a centralized head office, and from specialist staff fully trained in homeless legislation to generic housing management staff. Homeless households are placed in a range of accommodation, from furnished flats to family hostels, bed and breakfast lodgings, and hotels.

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Only 67% of councils always, or usually, accepted that women who are staying in a refuge are homeless (Duguid 1990). In the same study, one third of authorities required formal evidence of domestic violence before acceptance under the homeless legislation, which is not in accordance with the code of guidance.

Throughout Scotland, 7% of households presenting as homeless are regarded as 'intentionally homeless'. In 1992-93, the rate in Edinburgh was 1%. In the rest of Lothian, however, the rates were 6% in West Lothian, 19% in Mid Lothian, and 21% in East Lothian. There are clearly great differences in the approaches to homeless people within local authorities.

#### ***Characteristics of Homeless People***

In 1992-93, 51% of all homeless applicants in Scotland were single (Scottish Office 1994a). Most of these people were not housed and were forced to find their own solutions, resorting to living in 'care of' situations, or in bed & breakfasts or hotels, or even, in some cases, to sleeping rough. Women, however, are less likely to sleep rough or seek hostel accommodation, instead living an often nomadic lifestyle staying a few nights here and there at different 'care of' addresses, or remaining in a violent or unsafe situation until a solution can be found (Webb 1994).

The 1991 census found that 145 slept rough in Scotland on the night of the census; however, it is commonly accepted that this is an under-estimation of the problem. Research undertaken amongst young people in Kirkcaldy who were in housing need found that 34% of the sample had slept rough at least once (Yanetta et al 1995), whilst in Tayside the figure was 43% (Yanetta et al 1994).

The difficulty authorities face in estimating the numbers of people sleeping rough, and from that providing the correct level of services such as emergency hostels, stems from the fact that most rough sleepers do so only when no other housing option is available. They are on a 'homeless circuit', moving from hostels to bed and breakfasts to care-of to sleeping rough and back to hostels. Research can only identify where people are staying on that particular night, and services must be flexible and numerous enough to meet this changing circumstance.

Consistently, the most common reason for being homeless is that family or friends are no longer willing or able to provide accommodation. Throughout Scotland, approximately two fifths of applicants gave this reason in 1992-93,

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although district variations can be observed. For example, Caithness, Perth & Kinross and Sutherland district councils had fewer than 20% of applicants giving this reason compared with over 50% of applicants to Falkirk, Lochaber, Dumbarton, Hamilton, Renfrew and Dundee. More alarmingly, while 40% of all applicants in Scotland gave this reason, it was the cause of homelessness for 80% of those applicants aged under 18 years (Scottish Office 1994b).

In Kirkcaldy, the most recent housing move of 23% of the young people interviewed was from one care-of situation to another (Yanetta et al 95). In Tayside, 50% had moved at least twice in the previous six months. No waiting-list administrator can retain contact with such a mobile group, and, whilst applicants can re-activate their application if they contact staff, the lack of contact can mean lost offers or lost points in the list.

Research has recently been carried out into the characteristics of homelessness in Edinburgh (Yanetta and Edwards 1994). While no authority falls exactly in line with the Scottish averages, one of the main findings from the research was that Edinburgh displayed significantly different patterns and characteristics of homelessness compared to the national picture. It has experienced a fourfold increase in presentations compared to a threefold increase nationally. In terms of households applying, Edinburgh deviates from the national averages with a greater percentage of single people aged under 18 (14% in Edinburgh, 7% in Scotland) and lone parents (46% in Edinburgh, 32% in Scotland). Such figures highlight both the pull of the city for housing and employment opportunities and the progressive policies towards both groups practised by Edinburgh District Council.

#### ***Waiting Lists***

For many homeless people the type of approach made to the local authority can often have a major impact on what happens. Research in both Edinburgh and Tayside Regions has shown that the words used by applicants and the office approached influences the response. Many homeless people have contacted the allocation section of their local authority and ended up on the waiting list, often listed as 'care of', when they have no home of their own. In Edinburgh 37% of its waiting list is made up of this category of applicant, in Dundee in 1992-3 it was 44%, and in Angus it was 62%. Whilst not everyone living care of can be classed as homeless, waiting lists do mask housing need.

Managing those waiting lists is a heavy administrative task, with Local Authority waiting and transfer lists reaching 315,000 in 1992 (Pedreschi

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1992). In the same year, 51,000 names were held by housing associations and co-operatives (SCSH 1992).

Most organisations review their lists annually, with failure to respond to a review letter resulting in an application being placed in a deferred list. Waiting lists management provides a bureaucratic system which can prevent access for many people who are in extreme housing need, and who cannot 'afford to wait'. With an average waiting time of four years (Spicker 1991), applicants need to be extremely patient.

Not everyone can gain access to these waiting lists. Councils and associations will exclude those applicants who have a record of anti-social behaviour or have rent arrears. Amongst those young people interviewed in Kirkcaldy, 23% had previously had a tenancy, whilst Farvis (1993) found that one third of residents in the new hostel in Edinburgh had abandoned or been evicted from previous tenancies. Young people are more likely to abandon a tenancy. In Edinburgh, tenants under 25 years of age made up 55% of abandonments during the first six months of the let (Yanetta and Edwards 1994). This highlights the need for housing management practices to be changed to provide a more supportive service.

#### *Changes to the Homeless Legislation*

Two consultation papers were published in 1994 reviewing the homeless legislative framework and guidance for its implementation. The proposed changes in the Department of the Environment consultation paper for England and Wales, entitled **Access to local authority and housing association tenancies**, seek to reduce local authority duty to rehouse applicants applying as homeless. The Government has voiced growing concern over the proportion of public sector lets going to homeless applicants, recently quoted as being 45% in England and Wales. It is proposed that by narrowing further the definition of homeless, the number of lets that can be made to people on the general waiting list can be increased. The proposals also seek to make better use of the private rented sector in rehousing homeless applicants. It proposes that only those applicants who have 'no accommodation of any sort' should be housed, and, for them, the duty will only be to provide temporary accommodation to give 'a reasonable opportunity to find alternative accommodation' after which the local authority will be able to discharge its duty.

Changing the definition of homelessness to equate with that of 'rooflessness' will be particularly detrimental for women trying to find solutions to their

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housing problems, because of the hidden nature of women's homelessness and the fact that women find different ways from men to deal with their homelessness. Consequently, if homelessness is redefined to mean only rooflessness, women will be further marginalised in the provision of services.

The comparable document for Scotland, **Tackling homelessness**, was produced by the Scottish Office in May 1994. While the English proposals seek to undertake far-reaching legislative changes, the Scottish proposals examine both legislative changes and the possibility of merely amending the current Code of Guidance. Scotland has a lower proportion of public sector lets being made to applicants who have come through the homeless route: 24% compared to 45% in England and Wales. The Scottish document acknowledges that there does not appear to be an unfair advantage given to homeless applicants in accessing housing, while the opposite approach is adopted throughout the English document.

The current narrow legislative definition of homelessness - which will, for example, exclude a young single person sleeping rough from being assessed as 'in need' - fails to acknowledge that the lack of permanent, secure and appropriate housing is a vulnerability in itself. While the proposed changes for Scotland are not so far-reaching as the English ones, any changes which seek to narrow further the definition of homelessness will fuel the growth in numbers of people being left without adequate solutions to their housing problems. It remains to be seen if continuing pressure for change in England will cause corresponding changes in Scottish law or practices.

### **NEW PRESSURES FACING HOUSING AGENCIES**

The changes in the past ten years have radically altered public sector housing, but the changes ahead have the ability to cause even greater impact on the housing service, tenure and opportunities for those people outside the ownership market.

#### ***Care in the Community***

District councils and housing associations are already coping with the demands made by the changes in care for the elderly and those with mental health problems. The emphasis on care in the community, the closures of long-stay wards and the move to increase the role of the private sector in health care have increased the pressure on all housing agencies to provide housing, and also often support, to tenants who have a history of institutional

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care. The white paper, **Caring for people** (1989), emphasized the role for housing, stating that 'it is often the key to independent living' (para 3.5). Whilst many benefit from the move to ordinary housing, cared for by staff in a domestic setting, the demand from hospitals and voluntary organizations for properties that are suitable for adapting for care in the community projects simply adds to the increasing demands already expressed for rented housing.

### ***Local Government Re-organization***

District councils face structural change with re-organization to single tier authorities in 1996, although the shadow authorities have been in place since April 1995. This will reduce the number of councils in Scotland from 9 regional, 53 district and 3 (already single tier) islands councils to 29 district and 3 islands. These 32 authorities will be responsible for both housing and social work. Whilst the four cities will face minimal change to their boundaries, areas such as Fife, where Kirkcaldy, Dunfermline and North East Fife councils will be merged to form one single council, face radical upheaval. All councils face the problems of unravelling large departments such as education, roads and social work, with the task of water services being run by three water authorities, the boards of which will be appointed by the Secretary of State for Scotland.

### ***Compulsory Competitive Tendering***

Since 1980, councils have been required to put out to tender services such as garden maintenance, refuse collection and catering. The Leasehold Reform, Housing & Urban Development Act (1993) now extends compulsory competitive tendering (CCT) to 'white collar' services within local authorities, including legal services, information technology and housing management.

The timetable for housing management in Scotland was delayed by two years, to allow re-organization to take place. In order to introduce CCT, councils must split their organization into client and contractor functions, and, since contracts will normally be let in tranches of 5000 houses, some organizations must also consider restructuring the size of their area offices. CCT applies to 'defined activities' which, in the main, are the normal housing management practices which include lettings, rent collection, tenant advice and support and estate management. Policy functions, such as allocation rules and rent setting, remain with the council as a client function. Councils must put 95% of their defined activities out to tender, and comply with European Union regulations for advertising such large contracts.

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By 1998, district councils must have operational contracts for 30% of the defined housing management activities, with the remainder in place by 1999. The only exemptions will be those authorities whose housing management business is below the 'de minimis' level of £500,000. At present, only the three islands councils are likely to fall into this category, leaving the 29 new councils to begin now to introduce the required client/contractor split, start to consult their tenants on the housing management standards for these contracts, and draw up the specifications which will form the basis of the competitive tendering process.

#### ***New Towns***

The new towns do not escape change, and will be wound up by the end of the decade. Many new towns, such as Livingston and Glenrothes, are in the process of balloting their tenants now for transfer of properties in 1996. Unlike other stock transfers, district councils are being allowed to participate in the bidding. For some councils it is a way of consolidating stock or making up for business that may be lost through CCT. The wind-up of the new towns transfers the ownership and management of over 30,000 houses, and will again impact on the tenure of Scottish housing.

#### ***Access***

For those on the waiting lists for re-housing, or in temporary housing following homelessness, these moves will seem a million miles away from a solution to their problems. Whilst tenants will have the opportunity to influence standards in the CCT plans, or can decide to become their own landlord by forming a new housing association or co-operative, for those trying to solve their housing problems, or who are still waiting to become tenants, the increasing range of landlords will add to the confusion.

Applicants currently have a very low knowledge of associations (the Tayside study (Webb et al 1994) found that only 9% of homeless people interviewed had heard of them). Without some form of centralized and networked information service for those looking to rent, this likely increase in the number of landlords in the public sector will lead to those who are houseless and homeless continuing to remain unsure of the options available to them.

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### **CONCLUSION**

Systematic effort over the last decade has been exerted to privatise housing in Scotland and Great Britain as a whole. Promoting owner occupation, reducing public subsidy to local authorities and housing associations and deregulating the private rented sector have been heralded as the way forward in providing increase choice and improved efficiency. However, economic disadvantage has excluded many households from having any real choice in housing. Effectively, those who were marginalised in the first place from having owner occupation as an option are doubly disadvantaged in that what remains for them is an increasingly residualised public rented sector in poorer quality accommodation and in less desirable areas.

At the extreme end of the housing need spectrum, only a proportion of the homeless population is able to secure accommodation from the district council because of the limited rehousing obligations on local authorities. The current review of this does not in any way seek to address the growing trend in homelessness but instead aims to redefine the legislative definition of homelessness in order to further exclude the official recorded 'count' of homeless people. This is in a similar vein to the government's numerous changes to the definition and recording of 'the unemployed' over the last fourteen years.

Tenure and ownership change will demand the concentration and effort of housing staff and providers. Long-lasting solutions to the problems of access to affordable housing require the same multi-agency approach which has been adopted in the partnership areas. They demand that strategists stop talking about the crude housing surplus and acknowledge that the key underlying reason for the increase in homelessness has been the absence of housing that is quickly and easily accessed, and which allows people to find their own affordable solutions to their housing problems. The bias towards ownership and purchase has pushed rented housing away from being a desirable and widely acceptable form of housing to one which is seen as second best and used by those who have no other option.

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