

EAST RENFREWSHIRE COUNCIL11 September 2024REPORT BY THE DIRECTOR OF ENVIRONMENTOUTLINE OF PRESSURES FACING HOMELESSNESS**PURPOSE OF REPORT**

1. The purpose of the report is to advise the Council on the challenges and issues facing East Renfrewshire Council Homelessness Services and seek approval to declare a local housing emergency.

RECOMMENDATIONS

2. It is recommended that Council:
- a) Approve the declaration of a local housing emergency and note the actions being taken to mitigate the impact;
 - b) Approve the use of £1m Capital Reserve to support the costs of developing increased supply of temporary accommodation including the purchase of additional housing units and other measures as set out in the report; and
 - c) Receive a six month update report on levels of homelessness within East Renfrewshire and measures being put in place to address a local housing emergency.

BACKGROUND & REPORT

3. East Renfrewshire Council has a legal duty to provide a range of Homelessness and Housing Options services to households who seek assistance. These include:

- I. Homelessness prevention advice (Housing Options);
- II. Homelessness Assessment service;
- III. Temporary accommodation;
- IV. Housing Support; and
- V. Permanent Accommodation

4. Since 2019, East Renfrewshire Council has seen a significant increase in homeless applications. This has had an impact on both the demand for services and how services are being delivered.

5. These challenges are not unique to East Renfrewshire and are being faced by all Scottish Local Authorities. 10 Scottish Councils have declared local housing emergencies: Edinburgh, Glasgow, Fife, West Dunbartonshire, Argyll and Bute, West Lothian, Scottish Borders, South Lanarkshire, Angus and Dumfries and Galloway Councils. In addition, the Scottish Government declared a national housing emergency on 15th May 2024.

6. The Scottish Housing Regulator (SHR) have also stated that several Councils are facing “systemic failure” of their homelessness services. East Renfrewshire Council is in this group of Local Authorities.

7. The main driver of this decision by the SHR is the use of hotel accommodation which is deemed unsuitable accommodation. As a result of increased homeless applications and low levels of stock, East Renfrewshire Council has no alternative but to use hotel accommodation in order to meet our legal duty to provide temporary accommodation. However in doing so, the Council is in breach of this order.

8. As noted later in the report, the Council has endeavored to reduce the reliance on unsuitable accommodation by increasing the amount of Council stock used for temporary accommodation. However, the Council is no longer able to use more Council stock for temporary accommodation without further reducing available stock to permanently accommodate homeless persons, or indeed the reasonable needs of other categories of persons in need on our waiting list.

Local Housing Market

9. Whilst East Renfrewshire Council is not alone in this crisis, the local housing market makes it challenging to respond to this increased and sustained demand. As detailed in the table below, East Renfrewshire has very high owner occupation levels and the smallest percentage of social housing in mainland Scotland. In addition, the high costs to purchase or rent privately in East Renfrewshire means that accessing housing in the private sector is out of reach for many local residents.

Tenure	East Renfrewshire	Scotland
Owner Occupied	82.0%	59.2%
Private Rented	6.6%	14.2%
Registered Social Landlord (RSL)	3.8%	10.8%
Council	7.6%	12.1%

10. In addition, the tenancy turnover of Council housing has reduced over the past 5 years from around 260 to 190 homes per year. There has been ongoing work to increase new supply with 372 new affordable homes delivered since April 2019, with a further 105 new homes being delivered in current financial year. Despite the success in adding to available stock, we will not be able to build our way out of the challenge.

11. East Renfrewshire Council is now receiving up to 490 homeless applications each year and of those presenting we have accepted a duty to house approximately 70% of them (343 households). In 2023/24, the Council had only 116 of the available properties that could be used to meet the needs of homeless households. The remaining properties were either sheltered housing or used for temporary or supported housing. Consequently, our total available lets therefore equates to less than 50% of the households with whom we have accepted a duty to house, before even factoring in the needs of others in housing needs, for example overcrowding or health needs as just two examples.

Increase in homelessness

12. The table below compares homeless presentations and the number of households in temporary accommodation for East Renfrewshire Council and across Scotland between 2019 and 2023. Historically East Renfrewshire Council has received between 300-350 homeless applications each year. These levels initially increased during the COVID-19 pandemic and have not returned to normal levels. The table shows that whilst homelessness has increased across the country, it has disproportionately increased within East Renfrewshire. There remains a risk that the rates of homelessness could continue to grow.

	No. New Applications		No. in Temporary Accommodation	
	ERC	Scotland	ERC	Scotland
Sept 2018 – 2019	315	36,375	60	11,432
Sept 2022-2023	481	40,024	135	15,625
% Increase	53%	10%	125%	37%

13. The data demonstrates that the local housing market cannot respond to even small increases in homelessness as there is not a suitable supply of permanent accommodation to meet their needs across all tenures. Owner occupation and the private rented sector is out of reach of many of our residents who are in housing need, on cost grounds. Social housing is proportionately much less available in terms of total stock numbers when compared against most of the rest of Scotland, and this general lack of availability is underlined by an exceptionally low level of turnover and availability when compared to the rest of Scotland.

14. Underlining the above point, in terms of permanent rented stock, the Council has circa 3,200 housing units and the main partner Barrhead Housing Association circa 1000 units. With turnover little more than 5% per year typically, very low in comparison to most other areas, our ability to move people on from temporary to permanent housing is limited in perhaps the way that it is less so for others.

15. At the point of writing, the Council has up to 350 households accepted as homeless and awaiting an offer of accommodation, and we are approaching almost 200 households in temporary accommodation, including those in bed and breakfast. Note that these figures are for “households” and that the total number of individual persons affected will be substantially higher.

16. The practical challenge presented is clear. The Council cannot house all of those to whom we have a duty from turnover of our own or partner housing association’s stock. Current new build rates for affordable and/or social rented housing will not make a substantial difference but will help to ameliorate them to a limited degree. On current trends, new build delivery will reduce the rate at which these pressures on homelessness would otherwise increase, but it will not substantially clear the backlog of cases. To have a substantial and systemic impact and to clear the backlog of presenting cases will require a substantial investment in grant funding and associated borrowing across all tenures, particularly (but not exclusively) social rented housing.

Other demands on accommodation

17. In addition to the core homeless duties, the supply of affordable housing stock in the area also must support and meet other key duties including:

- Corporate Parenting Duties both domestic and Unaccompanied Asylum Seeking Children (UASC) via the National Transfer Scheme.
- UK & Scottish Government policy decisions in relation to the provision of support and accommodation to people displaced by conflict.

18. It is also worth noting the impact of the removal of the local connection test from November 2022 has increased pressure on services. This means that an applicant no longer requires to have links with the area that they are seeking to be housed.

Actions to address increasing levels of homelessness:

19. East Renfrewshire has put in place several actions in recent years to respond and mitigate the impact of this issue, this includes:

- Doubling the provision of temporary accommodation from re-designation of some of our own permanent general needs stock from around 60 units in 2019/20 to over 130 units currently in use.
- Increasing the percentage of lets to homeless households to 70% for existing stock and 40% for new build accommodation. However, it should be noted that whilst these targets are met for new build accommodation, the percentage of lets to homeless households for existing stock averages around 50-60% as supply does not meet demand in terms of household size and area preferences.
- Reviewed existing agreements with local Registered Social Landlords.
- Reviewing internal process to focus on a prevention approach.

20. The proposed Local Housing Strategy 2024-2029 (LHS) will be presented to Cabinet on 3rd October 2024. The proposed actions will be undertaken over the next 5 years, but it is not enough to mitigate the immediate emergency. The strategy will cover 5 key priorities:

- I. Enough of the right homes to rent or buy, in the places where we need them.*
- II. Homes that meet a lifetime of needs, supporting residents to live independently.*
- III. Working together to deliver the advice and support people need, when they need it.*
- IV. Good quality homes (and neighbourhoods); improving standards across East Renfrewshire.*
- V. East Renfrewshire's carbon footprint; making improvements to our homes and reducing energy usage.*

21. In seeking to address this emergency, the actions detailed in the LHS will:

- Work with partners to prevent homeless and overall housing need by providing effective support and information and advice
- Work with partners to deliver a minimum of 45 additional affordable homes per year on average over 5 years.

22. In addition to the current proposed LHS, Housing Services are also seeking to increase the supply of temporary accommodation through the following activities:

- Capital investment to increase local supply by utilising modular unit type accommodation subject to relevant consents being obtained, such as planning consent and building warrant requirements;
- Capital investment to purchase stock from the open market to increase the stock of temporary accommodation;
- Reviewing land owned by the Council with a view to consideration of its suitability for temporary accommodation use, subject to relevant consents being obtained
- Partnership approaches – regular discussions with local Housing Associations, Private Landlords and Developers; and
- Reviewing buildings owned by the Council to consider whether or not they may be suitable for conversion into temporary accommodation, again subject to relevant consents being obtained.

23. Housing Services are taking a number of actions to maximise the provision of new permanent social housing stock and ensure it is delivered to those most in need, this includes:

- Land and asset review to develop a pipeline of future development projects;
- Following a recent capital receipt, Housing Services sought permission for early purchase of 105 new homes at Maidenhill in 2024/25;
- Recruitment of an empty homes officer to target the 124 long-term empty homes in East Renfrewshire and return them to the housing market;

- Review of the local Letting Policy to ensure that it is meeting the greatest needs. This includes seeking urgent Cabinet approval to change the lettings targets. This change in approach will see approximately a further 6 homeless households permanently rehoused, and
- A review of Treasury Policy is underway to permit a new housing finance model. This includes the methodology for borrowing and extends the borrowing term for Council new build homes from 40 to 60 years.

24. Through the development of the Strategic Housing Investment Programme (SHIP), East Renfrewshire Council and our partner social landlords will continue to increase the supply of affordable housing. However, as with all areas, the 24% Scottish Government grant reduction to the Affordable Housing Supply Programme for 2024/25 and uncertainty around funding for future years will have an impact on the delivery of all new affordable housing including that of Registered Social Landlord partners. An updated SHIP will be presented to Cabinet on 24th October 2024.

25. The new East Renfrewshire Community Planning Partnership vision for 2024 “A Place to Grow” identifies more affordable homes as a priority for a future where our communities and places thrive. The Local Development Plan process that is underway and will consider all the evidence and issues related to affordable housing. This will provide an opportunity to address some of the structural issues that affect supply in East Renfrewshire. Our future SHIPs will align with the ambitions of “A Place to Grow” and support delivery of LDP3 by seeking to enhance our sustainable and affordable housing options, reflective of the needs of our residents.

Housing to 2040

26. The Scottish Government set out its vision for housing in Scotland in a publication “Housing to 2040”, and a route map to get there. It aims to deliver the ambition for “everyone to have a safe, good quality and affordable home that meets their needs in the place they want to be.”¹

27. In relation to the current crisis and ambitions in Housing to 2040, there are considerable issues to resolve and in part these will be key to addressing the housing crisis. These are set out below for information and context:

- The reduction to funding via the Affordable Housing Supply Programme will present huge challenges to all local authorities in meeting national and local supply targets and in delivering enough homes to meet the population’s needs;
- The move towards net zero whilst welcome, has significant cost implications, not only in the affordability of new supply but for existing stock. The impact on business plans may in turn prevent landlords from progressing a new supply programme. This is being seen in the approach of a number of social landlords who are reducing their new build output accordingly, a predictable “opportunity cost” response;
- Ending homelessness and eradicating rough sleeping in East Renfrewshire should not be predicated on having a suitable supply of affordable housing. Additional prevention duties must be supported with adequate funding or else this will only place additional strain on an already pressured service area. This includes funding to address a range of support needs that drive homelessness;
- The proposed Housing (Scotland) Bill has an element known as “ask and act”, this places a legal duty on all public bodies to identify and prevent homelessness. Whilst this is designed to prevent homelessness, there is a risk that it could simply directing households towards local authority housing services already in crisis;

¹ <https://www.gov.scot/publications/housing-2040-2/>

- Private rented sector – the cost of the sector in East Renfrewshire is high with evidence of low-quality stock in places, and luxury market in others. Whilst actions to address these issues are welcome, a risk remains that this may shrink an already small tenure area, reducing options for those who cannot afford to purchase homes. To deliver any mid-market rent product to help address this gap, would require investment by a range of developers, and improved subsidy available; and
- As is noted elsewhere in the report, the removal of local connection for persons presenting as homeless is particularly challenging. We cannot accommodate all who are presenting to us and our ability to be able to rehouse persons from East Renfrewshire is impacted by the requirement for us to accept presentations from those not ordinarily or previously resident in our Council area.

FINANCE AND EFFICIENCY

28. The use of hotel accommodation is a particular financial challenge, in 2023/24 East Renfrewshire Council spent £1.3m on hotel accommodation for homeless households. For 2024/25, an overspend of £1.5m is forecast against an annual budget of £545k.

29. When using hotel accommodation, the Council only recovers around 12% of the cost. This is due to reduced housing benefit subsidy and high costs for those not in receipt of housing benefit. Alternatively when using Council owned accommodation, the Council can recover around 80% of the costs required to provide this accommodation through housing benefit and rental payments.

30. In closing the Council's accounts for 2023/24, £1m of the reported surplus was transferred to the Capital Reserve. It is proposed that this £1m could now be utilised to purchase additional housing units and/or modular units to help alleviate the temporary housing pressures currently being experienced. This will enable us to make a start on delivery of the activities set out in paragraph 22 above. Further discussions will take place to determine whether or not additional resource is available for further investment in this area in subsequent years, to help address the significant challenges narrated throughout this report.

CONSULTATION & PARTNERSHIP WORKING

31. Homelessness requires a multi-agency approach to prevent, manage and address. Housing Services established a multi-agency partnership to work through the actions detailed in the LHS and improve services. These partners include:

- East Renfrewshire Health & Social Care Partnership;
- ERC Money Advice & Rights Team (MART);
- East Renfrewshire Citizens Advice Bureau (ERCAB);
- Barrhead Housing Association (BHA)

32. The Council works closely with all social housing providers to ensure all social housing stock is used for those in most need. The declaration of a housing emergency will serve as a call to action by all partners on what more can be done to prevent homelessness in the first place and maximise the resources of all existing partners to do what they can to address the shortage of accommodation options. It should be noted though that many providers in the area are specialist housing providers and are often unable to assist. The Council works closely with Barrhead Housing Association who own around 60% of RSL housing in the area and have provided essential support through the provision of temporary and permanent accommodation to date.

IMPLICATIONS OF THE PROPOSALS

33. Any implications of the actions proposed in this paper will be reviewed and reported to Cabinet in due course and where appropriate the following assessments will be undertaken:

- An Equalities Impact Assessment (including socio-economic impacts)(EqIA)
- Climate Change Impact Assessment (CCIA)

CONCLUSIONS

34. East Renfrewshire Council is facing a local housing emergency. The increase in homelessness since 2019 has continued and has increased at significantly higher rates than the national average. The situation is exacerbated in East Renfrewshire by the fact that the local housing market is not equipped to deal with this increase in demand. The Council is taking measures to mitigate the pressures and will work with partners to prioritise actions and develop plans that will be the subject of future reports to Council and Cabinet that support a response to the emergency.

RECOMMENDATIONS

35. It is recommended that Council:

- a) Approve the declaration of a local housing emergency and note the actions being taken to mitigate the impact;
- b) Approve the use of £1m Capital Reserve to support the costs of developing increased supply of temporary accommodation including the purchase of additional housing units and other measures as set out in the report; and
- c) Receive a six month update report on levels of homelessness within East Renfrewshire and measures being put in place to address a local housing emergency.

Caitriona McAuley
Director of Environment

For further information contact: Caitriona McAuley, Director of Environment
Caitriona.McAuley@eastrenfrewshire.gov.uk

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