

# Housing, Homelessness & Fair Work Committee

10.00am, Thursday, 5 November 2020

## Consultation Response: Local Connection

Executive/routine  
Wards  
Council Commitments

### 1. Recommendations

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- 1.1 Committee is asked to note that officers submitted the consultation response to Scottish Government by the deadline of 23 October 2020, following consultation with members of this Committee.
- 1.2 Committee should note that the proposed implementation date for changes to Local Connection Referrals, if approved, is May 2021.
- 1.3 Officers will provide Committee with an update on the impact of these changes six months after implementation.

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## Consultation Response: Local Connection

### 2. Executive Summary

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- 2.1 This report sets out the Council's response to the Scottish Government consultation on local connection and the proposed suspension of referrals between Scottish local authorities. As the consultation closed on 23 October 2020 officers consulted with Committee members on the content of the response before submitting to Scottish Government. The response to the consultation is attached as Appendix 1.

### 3. Background

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- 3.1 At present local authorities have the power to refer a household they have assessed as homeless to another local authority if they determine that the household does not have a local connection to their local authority area. This is set out in Section 33 of The Housing (Scotland) Act 1987 (the Act). This does not apply where there is a risk of domestic abuse.
- 3.2 Having a local connection to a local authority area is set out in Section 27 of the Act, that is:
- 3.2.1 because he or she is or was in the past normally resident in it, and this residence was of his or her own choice; or
  - 3.2.2 because he or she is employed in it; or
  - 3.2.3 because of family associations; or
  - 3.2.4 because of any special circumstances.
- 3.3 The Homelessness & Rough Sleeping Action Group (HARSAG) recommended that local connection referrals be suspended between local authorities in their interim report which was accepted by Scottish Government in 2018.
- 3.4 The Homelessness etc (Scotland) Act 2003 (Commencement no.4) Order 2019 commenced on 7 November 2019 which allows Scottish Ministers to modify the operation of Section 33 of the Act, which in turn allows local connection referrals of a homeless applicant to another local authority in certain circumstances.
- 3.5 The suspension of referrals between Scottish local authorities will remove the local connection part of the homeless assessment and will mean that households can

choose where to make a homeless application. Households will be entitled to homeless assistance in the Scottish local authority area of their choice, regardless of whether they have a local connection to that area.

- 3.6 Scottish Ministers are obliged to make a statement, within 18 months of Section 8 of the 2003 Act coming into force, setting out the circumstances in which, and the general criteria by reference to which, the power to modify the local connection provisions are to be exercised. This was extended from 12 months as part of the Coronavirus (Scotland) (No2) Act, in recognition of the sectors ability to respond to the statement during the pandemic.

## 4. Main report

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- 4.1 The consultation invited comments on the suspension of local connection, the content of the proposed Ministerial Statement, the proposed factors to determine whether the capacity of a local authority to meet its homeless and housing duties are adversely impacted by the removal and comments on the proposal to use existing data returns (HL1) to the Scottish Government to monitor the change. The closing date for responses was 23 October 2020.
- 4.2 As the closing date was before Committee, officers prepared a draft response in advance of this date and circulated to Committee Members for comment, prior to submission to Scottish Government.
- 4.3 The response is attached as appendix 1 of this report. Key messages highlighted in the response were as follows:
- 4.3.1 The suspension of local connection referrals is likely to result in an increase in the number of households who present as homeless in Edinburgh, given our status as the capital city. This is likely to increase the number of households requiring temporary accommodation, further increasing the pressure on this service. In addition, it will likely result in an increase in the number of households the Council will have a duty to provide settled housing to with households waiting longer to secure settled housing.
- 4.3.2 Any increase in the number of households entitled to homelessness assistance will impact on the ability to deliver the transformation of the mix of temporary accommodation and delivery of rapid rehousing as set out in our second iteration of the Rapid Rehousing Transition Plan, especially in light of the budget pressures that we face.
- 4.3.3 Officers welcome the Scottish Governments proposal to monitor the impact of the suspension of Local Connection on local authorities. However, it would be helpful to have further details regarding what will constitute a local authority being 'adversely affected' by the modification to local connection and what actions the Scottish Government will take if this is the case.
- 4.3.4 Officers requested that given the significant pressures with regards to housing and homelessness in Edinburgh at present it would be helpful to consider the

possibility of Edinburgh having the exemption applied from commencement of the order.

## **5. Next Steps**

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- 5.1 Officers are proposing providing Committee with an update on the impact of any removal of local connection six months after implementation.
- 5.2 Officers will seek to work with civil servants on a monitoring tool that will quickly identify any increase in homeless presentations directly related to these changes and then subsequently state the additional cost to the Council.
- 5.3 Officers will clarify, with civil servants, the basis for these changes relating to only Scottish local authorities and seek guidance on the position for anyone presenting as homeless from another part of the United Kingdom.

## **6. Financial impact**

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- 6.1 There are no financial impacts as a direct result of this report on the consultation response, however, it is anticipated that the suspension of local connection referrals between Scottish local authorities will result in an adverse financial impact.

## **7. Stakeholder/Community Impact**

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- 7.1 N/A

## **8. Background reading/external references**

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- 8.1 [Consultation Documents](#)

## **9. Appendices**

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- 9.1 Appendix 1 – Response to consultation.

## Appendix 1 - Consultation Questions and Responses

### Question 1

**We are proposing to suspend local connection referrals between Scottish local authorities to remove barriers people face to accessing the support they need. The analysis of the 2019 consultation demonstrated that there is support for this position, although there are concerns about the potential for increases in homelessness applications and subsequent impact on statutory services. Please give us your current views about the proposed suspension of referrals.**

### Answer 1

The number of homelessness applications received in Edinburgh increased by 3% in 2019/20 to 3491 and the number of households assessed as unintentionally homeless rose by 5% to 3310 in 2019/20. Whilst it is not possible to predict the exact impact of a suspension of local connection referrals between Scottish local authorities, it is our view that it is likely that this will result in a further increase in the number of homelessness applications, given Edinburgh's status as a thriving capital city. Our second iteration of our RRTP highlighted the unique challenges faced in Edinburgh in terms of settled housing and temporary accommodation. The suspension of local connection referrals is likely to increase the number of households requiring temporary accommodation, further increasing the pressure on this service. In addition, it will likely result in an increase in the number of households the Council will have a duty to provide settled housing to with households waiting longer to secure settled housing (currently a household with homeless priority can wait between 18 and 24 months to secure settled housing) due to a shortage of affordable housing in the city. The key challenges are explained in more detail below.

**Increased pressure on temporary accommodation** - the extension of the Unsuitable Accommodation Order (UAO) requires Edinburgh to change the mix of temporary accommodation stock as approximately 1000 bed spaces will be classed as 'unsuitable'. We are currently projecting that this change in stock mix will take at least five years to achieve. Any additional demand for temporary accommodation as a result of the suspension of referrals between Scottish local authorities will likely impact on our ability to deliver this change within five years and may result in households being placed in unsuitable temporary accommodation. It will also result in a further increase to the time a household spends in temporary accommodation due to a lack of move on options.

**Shortage of affordable homes in the city** – Edinburgh faces significant challenges in terms of housing:

- The latest Housing Need and Demand Assessment (HNDA2) states that there is demand for at least 38,000 to 46,000 new homes in Edinburgh over ten years, over 60% of these need to be affordable.
- Edinburgh has one of the lowest proportions of social housing in Scotland with only 14% of homes in Edinburgh being social housing compared to a Scottish average of 23%.
- There is high demand for social housing in the city with just under 24,000 applicants registered on EdIndex (the Council's common housing register) as at the end of March 2020. There was an average of 203 bids for every property advertised for rent in 2019/20.
- Edinburgh lets more social homes than any other local authority to homelessness households with over 72% of Council homes being allocated to homeless households, whilst the national average is 41%. 51% of Registered

Social Landlords (RSLs) Choice Partner homes are allocated to homeless households, higher than the national average of 40%

- Edinburgh has a buoyant Private Rented Sector with 25% of all homes in the city being in this sector. However, affordability in this sector remains a challenge.

Furthermore, recent studies carried out by the Council and independent studies have all identified significant need for more social homes in Edinburgh. There is also a shortage of grant funding. This is likely to be exacerbated by any increase in demand for social rented homes with the removal of local connection, without additional grant funding. These are summarised below:

- As part of the RRTP officers developed a series of illustrative rehousing models to demonstrate the impact of new supply of social rented, mid-market rent homes and the private rented sector and projected homeless demand scenarios on rapid rehousing. This included modelling a 5%, 10% and 15% increase in homelessness demand. This modelling concluded that any increase in homelessness demand would mean that rapid rehousing in Edinburgh will not be achieved within 20 years, even with a significant increase in grant funding. The funding gap varied from £291 million up to approximately £791 million.
- The last SHIP, submitted in November 2019, set out a programme to deliver 9,500 affordable homes over five years. A total of £298 million in grant funding would be required or approximately £60 million per annum. However, based on the current level of grant funding provided for Edinburgh, a shortfall of approximately £72 million in grant funding was identified over the five years.
- An independent research paper commissioned by Shelter Scotland estimates that almost 60% of Scotland's affordable housing need is in Edinburgh and South East Scotland.
- The Edinburgh Poverty Commission paper "A Just Capital; Actions to End Poverty in Edinburgh" called on the Scottish Government to work with city partners to ensure that 2,000 social rented homes per annum could be built in the city over the next decade.
- The research paper "Affordable Housing Need in Scotland Post-2021" was commissioned by Scottish Federation of Housing Associations, The Chartered Institute of Housing and Shelter Scotland to look at Scotland's affordable housing need over the next five years. It concludes that Scotland's affordable housing need is 10,600 new affordable homes per annum, of which 6,215 new affordable homes per year are needed within the Capital region (Edinburgh, Lothians, Fife and Scottish Borders). That equates to 59% of Scotland's affordable housing need.

The suspension of local connection referrals could also impact on the ability to deliver other support to homeless households such as visiting housing support, health and addictions services for an increased number of households. There is also a concern regarding prisoner's who are homeless on release from prison who may decide to move to a different local authority area on release – HMP Edinburgh, for example, has prisoners from all over Scotland and some from beyond. As well as increasing the level of demand for housing in Edinburgh, the impact would also be felt by partner agencies

such as Police and Social Work, particularly when considering clients who are managed under MAPPA or those who are prolific offenders.

### **Question 2**

**Considering the core content proposed for the Ministerial Statement (see section 2 – paras 31 - 33), please give us any suggested amendments with regard to the:**

- i. circumstances for modifying local connection referrals (see para 31)**
- ii. general criteria, by reference to which, the power to modify local connection is to be exercised (see para 32)**

### **Answer 2i**

No suggested amendments.

### **Answer 2ii**

It would be helpful to be more explicit with regards to the definition of 'significant' undue pressures. Given the significant pressures with regards to housing and homelessness in Edinburgh at present it would be helpful to consider the possibility of Edinburgh having the exemption applied from commencement of the order.

### **Question 3**

**Please let us know about any suggested amendments you have to the factors proposed in para 33 for assessing whether the capacity of a local authority to meet its homelessness and housing duties is being adversely affected by any modification to local connection.**

### **Answer 3**

Officers welcome the Scottish Governments proposal to monitor the impact of the modification of Local Connection. However, it would be helpful to take into consideration any impact on the average case length from assessment to accessing settled housing and also breaches of the UAO as a result of any increased demand on temporary accommodation.

It would also be helpful to clarify if the factor relating to the ability to meet support needs includes health and addictions support.

It would also be helpful to have further details regarding what will constitute a local authority being 'adversely affected' by the modification to local connection and what actions the Scottish Government will take if this is the case. For example, will a specific percentage rise in the number of homeless applications have to be demonstrated to determine that a local authority is being adversely affected by the modification?

### **Question 4**

**As set out in the 2019 consultation, we propose using HL1 data to monitor the impact of this change. Please let us know of any comments you have on this proposal.**

### **Answer 4**

We agree with the proposal to use HL1 data and welcome the fact that Scottish Government are proposing monitoring the impact of change. We would like to see

quarterly meetings put in place with Scottish Government officials to monitor the impact. We would welcome further detail regarding how the impact on associated health, support and addiction services will be monitored and what additional finances to support delivery of these services will be provided.