

# **MIND THE GAP**

## **PLUGGING SCOTLAND'S SOCIAL HOUSING NEED**

**Final Report – June 2004**

### **INTRODUCTION**

SCSH is the national membership body for those tackling homelessness in Scotland. Our 200+ members include local authorities, RSL's, frontline service providers and a range of individuals including academics. SCSH has been an active member of the Homelessness Task Force (HTF) led by the Scottish Executive throughout its activities, and is now a member of the Homelessness Monitoring Group. We believe the HTF objectives are both realistic and achievable providing they are adequately resourced and provided that Housing is given a sufficiently high political priority.

In order to assess the future level of need for social rented housing required in Scotland, including new housing needed to implement the Homelessness etc. (Scotland) Act 2003, SCSH carried out a survey of local authorities during April 2004. This paper provides interim results from the survey based upon the initial 25 local authorities who have responded.

### **RESPONSES**

SCSH contacted all 32 Local Housing Strategy (LHS) Officers during April 2004.

A total of 28 local authorities have so far responded to the survey.

For 2003/4, approval was given for 5,562 new or improved homes across these 28 local authorities, out of a total of 6,000 housing approvals for new or improved homes. Therefore 93% of the total housing approvals for new or improved homes was to provide new or improved homes in the 28 local authority areas who responded<sup>1</sup>. The principal mechanism for funding new social rented housing is the Communities Scotland Development Programme (CSDP).

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<sup>1</sup> Scottish Parliament Written Answer S2W-5903.

## THE SURVEY

### **Question 1: From your LHS or other documents, how many units of new social rented housing are planned to be built within your local authority area?**

For 2004/5, 5,280<sup>2</sup> new social rented houses are planned to be built in 27 of the 28 local authority areas who responded. This is based on the expectation that the CSDP for 2004/5 is broadly similar to 2003/4.

The timeframes over which local authorities were able to provide information on planned development activity varied by local authority. For the 28 local authorities who responded to date, the timeframes were as follows:

2001 – 2010	1
2003 – 2008	5
2003 – 2013	2
2004 – 2005	2
2004 – 2006	1
2004 – 2007	2
2004 – 2008	1
2004 – 2009	13
Not Stated	1

The information supplied by local authorities is based on their LHS (19), calculations based on the CSDP (5), developments with confirmed planning approval (1) and is not stated in 3 responses.

### **Question 2: Is this level of building sufficient to meet the need for social rented housing in your local authority area?**

Twenty four local authorities responded to this question, suggesting the following situation over three-quarters of Scotland:

- Over half of local authorities (19) think that the current level of planned development is not sufficient to meet need in their area, and eight are planning or undertaking further research to specifically quantify the size and nature of the shortfall.
- As few as 2 local authorities consider that, if their future anticipated level of development activity is met, this is likely to meet housing demand in their area.
- Of the 3 local authorities who consider they have an housing surplus in their area in terms of overall numbers of houses, each commented that their housing stock is not necessarily of the right type or size, or in the right locations to meet need.

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<sup>2</sup> This figure includes 26 homes for Low Cost Home Ownership (LCHO) in one local authority. A return from another local authority also stated that the 225 homes they planned may also include some LCHO. Also, where a total figure for new housing has been given for the lifetime of the LHS, this figure has been averaged over each of the years in the strategy.

**Question 3: What is the additional number of new social rented housing required to meet need in your local authority area? (This number is additional to the planned development activity based detailed in your LHS or CSDP.)**

The responses are as follows:

- 9 local authorities are currently unable to quantify the exact number of additional new social rented homes required to meet needs in their area.
- 2 local authorities estimate they currently have unmet need equivalent to an additional 2,225 new social rented homes. Assuming that this need can be met over the next 5 years, this will require 445 new social rented homes per annum across these authorities.
- From their 1999 Housing Needs Survey, 1 local authority estimates a shortfall of as many as 8,650 social rented homes by 2011. To meet this need, this local authority would require 721 new social rented homes per annum.
- 16 local authorities require a total of 4,038 new social rented homes per annum to meet need.

This suggests an additional 5,204 new social rented homes per annum are required across the 19 local authorities who have provided SCSH with complete information up to this stage.

From their responses to question 1, these 19 local authorities are planning to build 3,474 new social rented homes in 2004/5. However, with their additional need of 5,204 new social rented homes per annum, this means that these local authorities need to build a total of 8,678 new social rented homes per annum to meet demand in their area.

However in 2003/4, approval was given for 4,305 new or improved homes in these same local authorities. Assuming that 82%<sup>3</sup> of this total would be for new social rented homes, these 19 local authorities would have had an estimated output of 3,530 new social rented homes in 2003/4<sup>4</sup>. Assuming 2004/5 levels of funding are broadly similar to 2003/4 and to meet the need for 8,678 new social rented homes per annum in these local authorities, the output of new social rented housing would have to increase by 146% when compared with the estimated output for 2003/4.

Applying this figure to all local authorities in Scotland, to address unmet need the output of new social rented homes should increase from 4,900 new social rented homes per annum (the 2003/4 level) to around 12,000 new social rented homes per annum.

<sup>3</sup> Communities Scotland and NHP combined expected output for new social rented housing in Scotland for 2003/4 is 4,900 units. This is 82% of the 6,000 planned new or improved homes as detailed in Scottish Parliament written answer S2W-5903 (the remainder relates to non-rented initiatives such as Market Rent or LCHO)

<sup>4</sup>The 2003/4 figure of 3,984 approvals for new or improved homes is used as an estimate for the number of completions in the same year.

**Question 4: Has your local authority been able to conduct research which quantifies the effect of the 2003 Act on the likely number of lets required for homeless households in your area, and is this included in the number given in your response to question 1?**

Responses from twenty four local authorities are as follows:

- At least 9 local authorities have conducted no research to quantify the effect of the 2003 Act on future housing need.
- Nearly half of local authorities (15) have conducted research to quantify the effects of the 2003 Act. However, as few as 4 of them have fed the output of this research into their development plans.

Where research has been carried out on the effects of the Homelessness etc. (Scotland) Act 2003, most authorities have not included the results in their planning process, including the LHS, to bid for future homes. In some cases this research is ongoing and therefore it is not yet possible to use any relevant findings to inform the LHS or bidding processes.

## **CONCLUSIONS BY SCSH**

- At current levels of investment, local authorities will find it increasingly difficult to fulfil their statutory duties and meet housing need in their area.
- To meet housing need, including housing homeless people covered by the new duties under the Homelessness etc. (Scotland) Act 2003, the level of overall development funding for social rented housing in Scotland should be significantly increased to achieve an output of around 12,000 new social rented homes per annum.
- If current levels of development continue, the shortfall in the supply of social rented housing will worsen.
- Inadequate investment in new social rented housing supply poses a real threat to the Scottish Executive's intention to reduce homelessness.

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