SOCIAL JUSTICE COMMITTEE

AGENDA

5TH Meeting, 2002 (Session 1)

Wednesday 20 March 2002

The Committee will meet at 10.15am in the Hub, Castlehill, Edinburgh

1. **Items in private:** The Committee will consider whether to take item 5 in private.

2. **Budget 2003-04:** The Committee will take evidence from—

   **Housing Panel Session**
   Chartered Institute of Housing in Scotland:
   Alan Ferguson, Director

   Shelter Scotland:
   Liz Nicolson, Director

   Scottish Federation of Housing Associations:
   David Orr, Director
   David Alexander, Deputy Director

   **Social Inclusion Panel Session**
   Convention of Scottish Local Authorities

   Glasgow Alliance:
   Andrew Fyfe, Executive Director

   Highlands and Islands Social Inclusion Partnership:
   Councillor Margaret Davidson, Vice Chair of the Children and Young Peoples Joint Committee,
   Ann Clark, Head of Policy, Highland Council,
   Bob Mackinnon, Programme Manager, Social Inclusion Programme

   **Voluntary Sector Panel Session**
   Scottish Council for Voluntary Organisations:
   Lucy McTernan, Director of Corporate Affairs,
   Stephen Maxwell, Associate Director,
   Philippa Bonella, Policy Officer
3. **Housing (Scotland) Act 2001 – Scottish Executive consultation on the use of interim accommodation for unintentionally homeless applicants in priority need:** The Committee will consider its response to the consultation.

4. **Scottish Fuel Poverty Statement: Consultative draft:** The Committee will consider its approach to its response to the draft.

5. **Licensing of Houses in Multiple Occupation** – The Committee will consider the Minister's response to the Committee's Interim Report.

Jim Johnston  
Clerk to the Committee  
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The following papers relate to the meeting:

**Agenda Item 2**

Budget 2003/04

**Agenda Item 3**

Briefing note on the Housing (Scotland) Act 2001 – Scottish Executive consultation on the use of interim accommodation for unintentionally homeless applicants in priority need

**Agenda Item 4**

Scottish Fuel Poverty Statement: Consultative draft – Briefing note

**Agenda Item 5**

Licensing of Houses in Multiple Occupation – Briefing note
SOCIAL JUSTICE COMMITTEE

SCOTTISH EXECUTIVE BUDGET PROCESS 2003/04

1. At its meeting on 23 January 2002 the Social Justice Committee agreed to invite organisations to give oral evidence to the Committee as part of its Stage 1 consideration of the Budget Process for 2002/03.

2. The Committee will take oral evidence from the following organisations on the key issues/themes of the budget—

   **Housing Panel Session**

   Chartered Institute of Housing in Scotland, Shelter Scotland, Scottish Federation of Housing Associations

   **Social Inclusion Panel Session**

   Convention of Scottish Local Authorities, Glasgow Alliance, Highlands and Islands Social Inclusion Partnership

   **Voluntary Sector Panel Session**

   Scottish Council for Voluntary Organisations

3. A joint submission has been received from the Chartered Institute of Housing in Scotland, Shelter Scotland, Scottish Federation of Housing Associations. A submission has also been received from the Scottish Council for Voluntary Organisations. These are attached to this paper as annex A and annex B respectively.

Jim Johnston
Clerk to the Committee
How Public Investment in Housing Delivers for Scotland

Joint submission by Chartered Institute of Housing in Scotland, Scottish Federation of Housing Associations and Shelter Scotland to the Social Justice Committee of the Scottish Parliament.

Introduction

Our three organisations share a common concern that housing investment in Scotland is too low. This paper addresses current and future investment needs, and should be seen in the context of the new spending review period expected to begin in 2003/2004.

Key Points

- Housing can deliver on each of the Scottish Executive’s five priorities
- Current levels of public investment in housing are unclear
- The Executive’s welcome initiatives in homelessness and other areas need to be properly financed
- Scottish housing bodies, including COSLA, recognise the need to work together

Why Invest in Housing?

Investment in housing is central to delivering social justice in the First Minister’s key priority areas of health, education, crime, jobs and transport, and the Executive’s continuing commitment to social justice.

Good quality housing improves people’s health

The links between poor housing and ill health are well documented (particularly in relation to bronchial problems and mental health). Providing warm dry houses is an effective means of preventing illness and improving the quality of life. Barrier free standards in new houses, along with adaptations and remodelling of existing housing, provide homes for people to occupy throughout their lives, reducing the need for institutional care. Suitable housing, when combined with support, is essential if vulnerable households are to live full and active lives.

Housing can help the fight against crime

Houses and neighbourhoods can be designed to minimise the incidence of crime, and this has been recognised by several Secure by Design awards for new developments. Evidence recently gathered by one Drumchapel based landlord showed that, after regeneration, 95% of tenants feel safe in their home, and 89% felt safe in the area where they live. Safe, secure environments reduce people’s fear of crime, and we welcome First Minister Jack McConnell’s commitment at the Labour Party Conference to “build and renovate houses with modern crime prevention to the forefront”.

Housing conditions influence a child’s educational opportunities

A warm comfortable home with adequate space represents a secure base for a child’s experience of education, including the ability to study. Poor housing conditions, and the disruption associated with homelessness, can wreck a child’s schooling.

Housing investment provides employment and training opportunities

Being labour intensive, housing expenditure has been shown to be an exceptionally effective means of increasing employment and training opportunities, providing skills, and tackling poverty. Often the need for investment is in employment black spots, suggesting the suitability of house building for local employment initiatives.
Sustainable housing design delivers on transport and the environment

The availability of public transport and minimising car use are now important factors in the location of new social housing developments. In turn, well located developments can bring improvements in roads, bus services and rail links.

Replacing or improving cold damp house types with modern, energy efficient houses makes a major contribution to reducing the use of fossil fuels as does the use of sustainable materials and brownfield sites. Recent developments using solar or geothermal energy sources provide spectacular evidence of what can be done.

Housing is central to delivering social justice

Access to housing for all is a basic standard against which to measure the effectiveness of the pursuit of equality. Housing of an appropriate type, location and design, is essential if disadvantaged groups, such as people with disabilities and people from an ethnic minority background, are to live full and active lives. The trend by all social landlords towards greater involvement of tenants and communities in the management of their homes provides an exceptionally effective means of empowering communities and encouraging enterprise.

With the change from Scottish Homes to Communities Scotland, housing investment is now recognised by the Executive as an essential component of urban community regeneration, and the survival and development of rural communities.

We are keen to work with the Executive to improve our understanding of the links between housing and other priority areas. We agree that although joined up thinking is essential, we also need joined up doing, and we are ready to play our parts in that.

What is the current level of public investment in housing?

The simple question … “What is the current level of public investment in Scottish housing?” … has no clear answer. We share the Social Justice Committee’s concern about the lack of transparency in the budget process.

For example, the budget does not identify public investment in –

- repair and improvement grants (c £50 million a year)
- council housing through receipts from Right to Buy sales (c £65 million)
- capital investment by councils financed from current revenue (c £120 million)

There is no mention of the major impact the Treasury’s commitment to write off debts after stock transfer will have on the Social Justice budget.

The picture is further confused by delays in spending which means budgets are revised under End Year Flexibility, and by changes in the way expenditure is counted and categorised.

The debate on housing finance is characterised by claim and counter claim about the levels of public investment in housing. Greater clarity would put an end to this and allow us all to concentrate on the main issues – how much needs to be invested, and where.

What level of investment is required?

As practitioners dealing with disrepair, homelessness and the need to finance new development programmes, it is unsurprising that we agree that more investment is required.
What level of investment is required? - continued

We recognise that simple assertion is not enough, and working together with COSLA we are gathering information about what is required and what is currently invested. We will provide information to the Committee after the Annual Expenditure Report is published on 31 March.

Although spending on housing has increased since the low point in 1997-1999, it is still nowhere near the higher investment levels of the early 1990s. This means that current housing budget discussions start from a historically low base, and we need to return to early 1990s levels of investment. Only then can housing fulfil its role in helping to achieve the Executive's five priorities.

Our organisations, individually, will make a number of specific proposals about how this should be done.

Meeting the Executive’s Commitments

A number of targets and task forces have been established since 1999 and these continue to have a significant impact on housing expenditure. It is imperative that future programming of the social justice budget ensures that sufficient funding is available to meet these commitments and future pressures. In summary, the major projects are …

Homelessness Task Force (HTF)

While we welcome the recommendations of the second report of the HTF and the Executive’s pledge to allocate £3 million in 2002-03 and £8 million in 2003-04, two points of concern remain. First the funds allocated will not cover the longer term need to increase the provision of decent, affordable homes which will follow from the phasing out of priority need, the suspension of local connection and the redefinition of intentionality. Secondly, the HTF report also stressed the crucial role of support services in the prevention of homelessness and this is likely to need further additional resources.

Housing (Scotland) Act 2001

As the Committee is fully aware, the Housing (Scotland) Act was the most complex piece of legislation passed by the Scottish Parliament to date. The Executive has pledged £10 million in 2002-03 to assist with the introduction of the Scottish Secure Tenancy (SST) and £27 million over three years to support the homelessness provisions contained in the Act.

We are concerned that this is not enough to ensure that the Act’s provisions are implemented. For example access to temporary accommodation for applicants not assessed as being in priority need will greatly increase the demand for such accommodation. Shelter (Scotland) estimate that the new homeless duties will require additional capital costs of around £41 million over three years alone, well above existing Executive commitments.

Housing Improvement Task Force & Housing Quality

While the Executive may achieve its target to eradicate fuel poverty, the quality of Scotland’s housing stock is still poor. Dampness or condensation affects around 25% of stock, 39% of all dwellings have at least one element in urgent repair, 1% still falls Below Tolerable Standards (a measurement itself in need of review) and only 7% have a ‘good’ energy rating. Although there may be some degree of improvement shown in the 2002 Conditions Survey, a significant proportion of Scottish stock still remains in poor condition.
Housing Improvement Task Force & Housing Quality - continued

In England a target has been set to bring all social housing up to a decent standard by 2010. We would suggest that further investment will be required if the Executive is to deal with the housing repairs backlog which still exists in Scotland.

It is expected that the Housing Improvement Task Force 'issues' report will have been published by the time the Committee meets to take evidence. While it is impossible to predict the conclusions of the HITF second report, due in early 2003, any forward planning of the social justice budget must take account of the resource implications which will follow. For example, the HITF is investigating the arrangements for the financing of improvement and repairs in the private sector.

Fuel Poverty

In the Housing (Scotland) Act 2001, the Executive pledged to eliminate fuel poverty within fifteen years. Ministers are due to publish a statement on how this will be achieved by July 2002 (12 months after the Act came into force). This is in addition to the targets set in the UK Fuel Poverty Strategy to end fuel poverty for vulnerable households by 2010 and to ensure that all pensioner households and tenants in the social rented sector will live in a centrally heated and well insulated home by 2006.

While we welcome the ambitious targets which have been set and recognise that the Executive is set to achieve its 2006 target for heating installation, a number of concerns still remain. First, while all tenants and pensioner households may have a heating system, many will still have a either a partial heating system or one which is too expensive to run.

Secondly, there is again the issue of long-term strategic financial planning from the Executive. Detailed scrutiny will be required when the fuel poverty statement is published later this year to ensure that sufficient financial resources will be allocated to this project.

Supporting People

We welcome the principles behind the Supporting People proposals. They recognise the weaknesses of the current system, and we welcome a move towards a system that puts the needs of the individuals first, meets the needs of all vulnerable groups and promotes high quality services. There is considerable concern amongst service providers about the financial implications of the new arrangements, not only in terms of the extended eligibility, but also in terms of administration and management costs. There is an unease that the Parliament has failed to adequately consider the financial implications of the new arrangements which could seriously inhibit effective implementation.

Conclusion

We need to

- ensure the recognition of public investment in housing as key way to deliver the Scottish Executive's five priorities
- gather all strands of housing expenditure together
- take account of all the new initiatives and existing commitments which impact on housing expenditure
- make a credible and comparable assessment of past and current levels of public investment in housing
- determine the levels of investment required in the future, and how that investment will be delivered.

Friday, 08 March 2002
Scottish Parliament
Social Justice Committee consideration of the Budget Process for 2003/04

Committee meeting 20th March 2002

SCVO is pleased to have the opportunity to comment on the development of the Scottish Budget on behalf of Scotland’s voluntary organisations.

SCVO would like to use the opportunity to raise particular issues of practice, planning and policy around public expenditure and highlight the potential for better value for money offered by the voluntary sector.

Contrary to many perceptions the voluntary sector is not simply or necessarily asking for more handouts and subsidy from Scottish public expenditure. We would like to work with Parliament and Executive to identify ways that voluntary sector activities can add value to public spending, and that the contribution of the voluntary sector to policy priorities can be better understood and developed.

Best value

SCVO acknowledges recent increases in Scottish Executive direct funding of the voluntary sector. Its targeted support for the infrastructure of the sector – now worth £9 million a year - builds capacity of the sector to do more with and for Scotland’s communities. However the Scottish public will not enjoy the maximum return on the investment of public money to build the sector’s capacity unless continuing obstacles in the way of the sector’s development are removed.

SCVO believes that in many circumstances voluntary sector/social economy delivery of public services can be more effective, and offers better value for money than other alternatives. ‘Best Value’ should explicitly recognise non-financial aspects of value such as social capital, volunteer input, user-‘ownership’ and responsiveness.
The voluntary sector is active across the policy spectrum, but its true potential is not currently being exploited. Therefore consideration of public spending in relation to the sector should not be restricted to the social justice budget heading, but feature across the spread of spending priorities.

The Scottish Executive is undertaking a review of the social economy to examine these issues. Its findings will be relevant to the budget process.

Policy and planning

SCVO welcomes the relatively open approach of the Scottish Executive to the development of its budget, however the AER as currently set out does not allow the sector to engage constructively with the process. As voluntary organisations are the recipients of public funding across policy areas, the levels of spending within each heading that are likely to reach voluntary organisations should be identified, not just the circa £10m support offered by the social justice group to ‘voluntary sector and equalities’ work.

This will give greater clarity to discussions around the contribution of the sector to policy priorities and lead to a more meaningful engagement of the sector to planning in each of these areas.

It will also lead to a better overall understanding of the sector’s contribution to Scotland’s economy, and the impact of different initiatives on the sector’s total funding.

The Scottish Executive is planning a strategic review of funding, which, it is hoped, will be carried out jointly with the voluntary sector and examine the ‘big picture’ of the sources and types of Scottish voluntary sector funding, including that contributed in various forms by the public sector. This will of course be relevant to the budget process.

SCVO estimates that the public sector in Scotland contributed £771million, (via Scottish Executive direct grants, NDPBs, and local government) to the sector’s total estimated income of £2.01billion in 2000/01 (37%). This equates to 4.3% of the £18 billion Scottish budget of that year and, by leveraging in a further £1 billion-plus towards public benefit activities demonstrates excellent value for public money.
Practice – current challenges

There is a range of current practice issues relating to public funding of the voluntary sector, some of which have been considered in the Executive’s recent review of direct funding.

The following are of significant importance, relevant to the budget process and should also be addressed by the strategic funding review:

- Clear information on the level of expenditure available – including year-end spend
- Transparency of application and allocation processes
- Barriers to effective delivery of public services – ensuring that independent service providers have equal access to public service markets through proper use of the Best Value regime
- Joint planning – ensuring that Community Planning and other joint planning and purchasing processes (for example the Joint Futures Group or the Changing Children’s Services Fund) involve the voluntary sector as an equal stakeholder
- Moving towards outcome-related funding
- Moving towards the proofing of policy and legislation to assess the implications for voluntary sector finance and avoid unnecessary compliance costs.

We will be happy to expand on these points or any others at the committee evidence session on 20th March. For further information please contact:

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11th March 2002
Housing (Scotland) Act 2001 – Homelessness
Consultation on the use of interim accommodation for unintentionally homeless applicants in priority need

1. At its meeting on 23 January, the Committee agreed that it would consider its response to the Scottish Executive consultation on the use of interim accommodation for unintentionally homeless applicants in priority need at its meeting on 20 March.

2. Part I of the Housing (Scotland) Act 2001 covers the subject of homelessness and makes provision for a range of new and amended duties and rights. The Scottish Executive has advised that much of the detail will be set out in guidance and subordinate legislation.

3. Section 3(5) of the Housing (Scotland) Act 2001 amends the Housing (Scotland) Act 1987 to allow Ministers to prescribe in regulations the circumstances in which permanent accommodation need not be provided for priority need unintentionally homeless applicants. The first of the consultations sets out the Executive’s proposals for what the regulations should cover.

4. In its Stage 1 Report on the Housing (Scotland) Bill, the Committee made the following comments in relation to homeless persons and persons threatened with homelessness and the duty to provide temporary and permanent accommodation:

The Committee recognised that additional resources would be required for local authorities to implement the provisions.

On the evidence provided by women’s organisations, the Committee paid particular attention to views that access to temporary and permanent accommodation was a crucial factor in a woman’s decision to leave home or not.

The Committee welcomed the proposal to extend the definition of a person threatened with homelessness to include people who are likely to be homeless within two months, rather than 28 days, and other provisions which required local authorities to intervene earlier in cases of potential homelessness, to confirm that unintentionally homeless people in priority need are entitled to permanent accommodation.

The Committee recognised the legitimate concerns of witnesses who wished to see the removal of the right of landlords to suspend homeless applications on the grounds the applicants have “intentionally” made themselves homeless. Some consideration needed to be given to the reasons for homelessness in assessing priorities. The Committee noted that the issue of intentionality is a complex and difficult issue and further notes that the Homelessness Task Force is addressing it.

However, members endorsed the Local Government Committee’s view that the Scottish Executive should be urged to bring forward amendments at Stage 2 to improve this section, particularly to clarify the situation in legislation in relation to homelessness brought about through evictions as a result of rent arrears: “We do not think there is any good reason to further extend the grounds for eviction…. The addition of persistent delay in paying rent is unnecessary and could mean that for instance, tenants who have ongoing problems with the payment of housing benefit…may be subject to court action.”
Scottish Women’s Aid believed that there should be an independent right of appeal against decisions made by homelessness officers.

The Committee accepted that the objective was to provide an effective and independent appeal mechanism whilst not swamping the system with bureaucracy and delaying appeals with little merit.

Members were encouraged by: “the commitment to do away with intentionality and to address the issue of priority need but, because change is unlikely to be immediate, we think that certain groups should be added to the priority need category.” These categories should include single young women who have been abused, people with an institutionalised or care background, and all 16/17 year olds. The Committee was also supportive of the suggestion that it be made clear that women fleeing domestic and sexual abuse do not require a local connection.

The Committee recommended that the Bill should provide for Scottish Ministers to issue statutory guidance specifying standards for temporary accommodation.

5. At Stage 2 the issue of the linkage between the support, the tenancy and the ability to sustain the tenancy was raised.

6. A response deadline of 5 April has been set and the Committee’s views on the draft guidance are sought. The Committee is also invited to remit to the Convener to finalise the Committee’s response.

Jim Johnston
Clerk to the Committee
1. The Scottish Executive has published its consultative draft of its Fuel Poverty Statement and responses are invited by 31 May 2002.

Background

2. The Committee has demonstrated a keen interest in the desire to tackle fuel poverty in Scotland. Following a meeting with Communities Against Poverty in September 2000, the Committee published a response to their requests for various measures to be undertaken to ensure warm, dry and comfortable conditions for the people of Scotland.

3. The Committee also considered a petition (PE123) from the Scottish Warm Homes Campaign at its meeting on 26 April 2000 calling for the Scottish Parliament to identify, discuss and seek to implement measures which would eradicate fuel poverty as a matter of urgency. The Committee agreed to note the petition, to seek the views of the Health and Community Care Committee and to take the issue of fuel poverty into account when considering the Housing (Scotland) Bill.

4. In evidence to the Committee in relation to Stage 1 of the Housing (Scotland) Bill, Scottish Warm Homes Campaign stated:

   "We believe that it is essential that the Housing (Scotland) Bill explicitly commits itself to tackle fuel poverty. We cannot believe that this flagship legislation will allow that opportunity to pass." [OR, 10 January 2001, col 1672]

5. In its Stage 1 Report, the Committee indicated that many other organisations had also raised their concerns about the lack of fuel poverty measures in the Bill. Following an indication by Scottish Executive officials on 17 January 2001 that the Executive was planning to introduce fuel poverty amendments at Stage 2, the Committee raised the issue with the Minister for Social Justice on 14 February 2001. The Minister made the following commitment:

   "Our approach is likely to mirror that in the Warm Homes and Energy Conservation Act 2000, which was passed for England and Wales. We will provide the precise details of the amendment when it is drafted, but it is likely to place a duty on ministers in respect of targets and time scales." [OR, 14 February 2001, col 1867]

6. The Committee welcomed the Executive’s response to this point and urged that the opportunity to address one of Scotland’s most difficult social problems was not wasted.
Fuel Poverty and the Housing (Scotland) Act 2001

7. The fuel poverty provisions in the Act are:

Part 5 – Section 88

8. The Scottish Ministers must, within 12 months of coming into force of this section, prepare and publish a statement setting out the measures which they and local authorities have taken, are taking, and intend to take for the purposes of ensuring, so far as reasonably practicable, that persons do not live in fuel poverty.

9. The measures to be set out in the statement must include measures for ensuring the efficient use of energy (for example, by installation of appropriate equipment or insulation).

10. The statement must specify:
   • A target date (which must be within 15 years of the date of publication of the statement) for achieving the purpose mentioned in section 1;
   • Interim objectives towards achievement of the purpose.

11. The Scottish Ministers:
   • Must keep the statement under review;
   • May from time to time modify the statement;
   • Must publish any modified statement.

12. Before preparing or modifying the statement the Scottish Ministers must consult:
   • Such persons as appear to them to represent the interests of those living in fuel poverty; and
   • Such other persons as they see fit.

13. The Scottish Ministers must, within 4 years of the date of the publication of the statement and at least once every 4 years thereafter, prepare and publish a report on the measures referred to in the statement which have been taken since the date of its publication, as the case may be, the date of the last such report.

Milestones and target dates

14. The Scottish Executive’s milestones and target dates are as follows:

Overall objective:
• To ensure, so far as reasonably practicable, that people are not living in fuel poverty in Scotland by November 2016.

Outcome milestones:
(Both milestones to be reviewed in 2003 on the basis of data from the 2002 Scottish House Condition Survey, and years to be reviewed if the SHCS cycle changes):
• By 2007 – to have achieved a reduction (amount to be quantified) in the total numbers of people in fuel poverty in Scotland as shown in the 2002 Scottish House Condition Survey.

• By 2012 – to have achieved a further reduction in the total numbers of people in fuel poverty in Scotland between 2007 and 2012 – target to be quantified once 2002 SHCS data becomes available.

Process milestones:
• By April 2004 – through the Scottish Executive’s Central Heating Programme, all council houses in Scotland to have central heating;

• During 2004 – through the Scottish Executive’s Central Heating Programme, all current Housing Association tenants to have central heating;

• By March 2006 – through the Scottish Executive’s Central Heating Programme, all private sector elderly households to have central heating.

The Committee’s approach to the draft consultation
15. The Committee is invited to consider the following approach to developing its response to the draft consultation:

(a) an evidence session at its meeting on 1 May with interested organisations;

(b) that the draft consultation paper be referred to the Health and Community Care Committee for their input into the Committee’s response;

(c) that a draft response is considered by the Committee at its meeting on 15 May.

16. The Committee is invited to agree this approach.

Jim Johnston
Clerk to the Committee